

THE EXECUTIVE

Minutes of the hybrid meeting held on 18 July 2023

- PRESENT:** Councillor Llinos Medi (Leader) (Chair) (for items 1- 4, 14 and 15)
Councillor Robin Williams (Deputy Leader and Chair for items 5-13, 16 and 17)
- Councillors Neville Evans, Carwyn Jones, Gary Pritchard, Dafydd Roberts, Alun Roberts, Nicola Roberts, Dafydd Rhys Thomas.
- IN ATTENDANCE:** Chief Executive (present for items 1-4, 14 and 15)
Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Social Services
Director of Education, Skills, and Young People
Head of Regulation and Economic Development (for items 1-4, & 12- 15)
Head of Highways, Waste and Property
Head of Democracy
Economic Development Manager (THJ)
Scrutiny Manager (AGD)
Committee Officer (ATH)
Webcasting Officer (FT)
- APOLOGIES:** Mr Arwel Owen (Head of Adults' Services)
- ALSO PRESENT:** Councillors Douglas Fowlie, Glyn Haynes, Trefor Ll. Hughes, MBE, R. Llewelyn Jones, Derek Owen, Dylan Rees, Ken Taylor

Prior to commencing the business of the meeting the Chair said that with the Executive's agreement she would be varying the order of business to bring forward for consideration items 12, 13, 14 and 15 on the agenda this being due to herself, the Chief Executive and the Head of Regulation and Economic Development needing to attend a mid-morning meeting with a Welsh Government Minister which had been called after the publication of the agenda.

1 DECLARATION OF INTEREST

Councillor Carwyn Jones declared a personal interest only regarding item 9 on the agenda as an employee of Grwp Llandrillo Menai (the latter being one of the consultees on the Modernising Learning Communities and Developing the Welsh Language Strategy).

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

None to report.

3 MINUTES

The minutes of the previous meeting of the Executive held on 27 June, 2023 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 27 June 2023 be confirmed as correct.

4 THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democracy incorporating the Executive's Forward Work Programme for the period from July, 2023 to February 2024 was presented for confirmation.

The Head of Democracy updated the Executive regarding changes to the Forward Work Programme and the following were noted –

- Item 31 (Corporate Scorecard Quarter 3 2023/24) as a new item for the Executive's 19 March 2024 meeting.
- Establishing a new Port Heath Authority as an additional item for the Executive's 26 September 2023 meeting following on from the report presented to the Executive in December 2021.

It was resolved to confirm the Executive's updated Forward Work Programme for the period September 2023 to April 2024 with the changes outlined at the meeting.

5 DRAFT FINAL ACCOUNTS 2022/23 AND USE OF BALANCES AND RESERVES

The report of the Director of Function (Resources)/Section 151 Officer incorporating the draft Comprehensive Income and Expenditure Statement for 2022/23 and the draft Balance Sheet as at 31 March 2023 was presented for the Executive's consideration. The report also provided more detailed information on the Council's general balances and earmarked reserves including the proposed use of reserves and balances in 2023/24 and subsequent years.

The report was presented by Councillor Robin Williams, Portfolio Member for Finance. It set out the level of general balances and earmarked reserves which in the professional opinion of the Council's Section 151 Officer, is the level required to cover any financial risks faced by the Council, to meet existing funding commitments made taking into account any specific restrictions on the use of funding. The level of risk faced by the Council can change and the level of general balances and earmarked reserves will be kept under review over the coming months.

Councillor Robin Williams referred to the financial difficulties which some councils in Wales are now experiencing and he highlighted that because it has been provident in the way it has managed its finances, the Council is in a better position financially. Although the Council like many others is still facing significant challenges in the next few years with the uncertainty around the 2024/25 financial settlement being one such challenge, the reserves it has built will provide security against the challenges and risks that are likely to come its way.

The Director of Function (Resources)/Section 151 Officer confirmed that the draft financial statements for 2022/23 were signed by the Council's Responsible Financial Officer on 30 June 2023, and the audit of accounts will commence in August 2023 the intention being

that it be completed over the summer and the final audited accounts approved by 30 November 2023. The statements are technical and complicated documents and they include the draft Comprehensive Income and Expenditure Statement (CIES at Appendix 2 to the report) which shows the cost of providing services in 2022/23 in accordance with statutory accounting requirements and covers both the Council Fund and the Housing Revenue Account. The CIES includes statutory accounting costs such as depreciation and pension adjustments which are not charged against Council Tax and are therefore reversed out before determining the final position in respect of general balances, earmarked reserves, the HRA account balance and school balances. The CIES shows that the net cost of services was £179.599m with a deficit £16.237m on the provision of services. When adjustments are made for the revaluation of assets and for the remeasurement of the pension liability the final net surplus for the year is £132.79m. Adjustments are then made as shown in Table 1 of the report to determine the movement of reserves and balances with it being noted that the figure of £3.258m in the table should not appear in brackets as it represents a contribution from rather than to useable reserves and balances. Table 2 of the report provides a summary of the movements in Council reserves and balances as at 31 March, 2023 including the HRA and school reserves and shows that the Council's General Reserves stood at £13.967m on that date but with £3.78m of that total having been committed to balance the 2023/24 budget. The Council had total useable reserves of £54.742m as at 31 March, 2023.

The draft Balance sheet at Appendix 3 shows that the value of the Council's net assets increased by £132.769m from £272.233m in 2021/22 to £405.002m at 31 March, 2023. The significant change is due in large part to the accounting valuation of the Pension Fund. The Pension Fund was valued as a liability of £121.199m as at March, 2022. This has changed to an asset of £19.815m which is the first time in many years that the Fund has been valued as an asset rather than a liability. This has no impact on Council Fund balances as it is a statutory accounting adjustment. In the Council balance sheet this is not reported as an asset in accordance with accounting practices which does not allow reporting of the net pension assets on the balance sheet for most pension funds. This is a prudent approach and reflects the fact that the Council cannot close the fund and crystallise the notional value of the pension asset. The pension liability on the balance sheet is nil due to the net asset position. The balance sheet also shows that the Council's borrowings have reduced from £127m to £125m.

The Section 151 Officer thanked the Finance Service's staff for their work on the draft accounts and the sentiment was echoed by the Portfolio Member for Finance.

In response to a question about earmarked reserves specifically whether they are reviewed to ensure that the purpose for which they were set aside remains valid, the Section 151 Officer referred to Appendix 5 of the report which shows the transfers in and out of the various reserves held by the Council which demonstrate that those reserves have been reviewed and updated and he confirmed that this is an annual process. Where reserves are found to be no longer required for the purpose for which they were created then they are transferred back into the Council's General Reserves Fund. For 2022/23, £4.13m of earmarked reserves was transferred back into the Council Fund.

Councillor Robin Williams said that it is important to note that the Council has earmarked reserves to meet known or planned requirements as well as for unused grants allocated late in the financial year that will be carried forward and used the following year, and he emphasised that these are funds for which the Council has a clear purpose and use.

Councillor Alun Roberts, Portfolio Member for Adults' Services and Community Safety said that Council reserves and how they are used are often misunderstood. He referred to the

significant pressures on expenditure in Adults' Services which are only going to intensify with the increase in the over 60s population and the challenge this creates in terms of providing services. Maintaining a sufficient level of reserves is therefore a matter of sensible financial planning ensuring that the Council remains financially resilient and is able to continue to deliver those services in future.

It was resolved –

- **To note the draft unaudited main financial statements for 2022/23. The full Draft Statement of Accounts 2022/23 is published at <https://www.anglesey.gov.wales/en/Council/Council-finances/Statement-of-Accounts.aspx>**
- **To note the position of general balances of £13.967m and to approve the creation of the new earmarked reserves set out in Table 3 of the report which amount to £4.320m.**
- **To approve the balance of £19.638m of total earmarked reserves for 2022/23 (£23.181m in 2021/22). This is £3.544m lower than 2021/22 and is made up of £4.320m of new reserves as recommended above and a £7.471m overall reduction to existing reserves though this is made up of increases and decreases to existing reserves.**
- **To note the school balances position of £6.716m.**
- **To note the HRA balance of £12.107m.**
- **To approve the new Capital Grants Unapplied Reserve with a balance of £0.407m as shown in the Movement in Reserve Statement in Appendix 4.**
- **To approve the transfer of £1.365m of service reserves back to the general reserve to increase flexibility and financial resilience of the Council.**

6 RISK MANAGEMENT POLICY AND STRATEGY

The report of the Director of Function (Resources)/Section 151 Officer incorporating the Risk Management Policy and Strategy was presented for the Executive's consideration.

The report was presented by Councillor Robin Williams, Portfolio Member for Finance. The risk management policy, strategy and accompanying guidance set out the principles and approach of the Isle of Anglesey County Council to managing risk with the aim being to provide a consistent process that underpins the management of risk throughout the Council which reflects the size and nature of its various operations and uses skills and capabilities to the full. The policy and strategy apply to all Council employees and Members. Any partner organisations should be encouraged to embrace the principles contained in the documents. The risk management policy and strategy were reviewed by the Governance and Audit Committee at its meeting in April, 2023.

The Director of Function (Resources)/Section 151 Officer advised that the report updates the Council's risk management policy and strategy and he confirmed that the Governance and Audit Committee had not recommended any changes to the policy or strategy following its review of the documents. Risk management is an integral part of the Council's operations and applies to all part of the Council's business. The Strategic Risk Register is regularly reviewed by the Leadership Team.

It was resolved to accept and approve the Risk Management Policy and Strategy.

7 EXTENDING THE TERMS OF REFERENCE OF THE DEMOCRATIC SERVICES COMMITTEE

The report of the Director of Function (Council Business)/Monitoring Officer which sought the Executive's views on a proposal to extend the terms of reference of the Democratic Services was presented for consideration.

The report was presented by Councillor Carwyn Jones, Portfolio Member for Corporate Business and Customer Experience. Some matters which may lead to constitutional changes being approved by the full Council require a detailed discussion of the options, benefits and disadvantages before a decision is made. The current arrangement does not offer an opportunity for such changes to be explored in detail and this level of granularity is not possible at full Council. It is proposed that in these circumstances the Democratic Services Committee undertakes the work on behalf of the Council and that it also formulates responses to consultations involving constitutional matters. Other options include setting up a separate task and finish group for each piece of work or establishing a standing sub-committee of the Council. However, given that the Democratic Services Committee is a statutory requirement and is already established, is a politically balanced committee and the proposal would sit well with its statutory role, it is considered that amending its terms of reference to incorporate the proposal is the most pragmatic and effective solution. Not all constitutional changes will require consideration or debate by the Democratic Services Committee; it will be limited to instances where a discussion or a local choice decision is needed or to agree a response to any consultation on matters affecting the Council's Constitution. The decision on whether the Committee will review a particular matter will be made by the Monitoring Officer in agreement with the Committee's Chair. The Democratic Services Committee will only have power to make recommendations to Council on these matters having no legal power itself to make such changes.

Councillor Carwyn Jones confirmed that the Democratic Services Committee had considered the report and had supported the proposed changes as had the Political Group Leaders and relevant officers who were also consulted.

It was resolved to recommend to Full Council that the terms of reference of the Democratic Services Committee be extended to include the proposal as set out in the report, and that subsequent amendments be made to the Council's Constitution as a result of the change.

8 ADOPTION OF DRAFT PETITIONS SCHEME

The report of the Director of Function (Council Business)/Monitoring Officer which sought the Executives views on a draft Petitions Scheme was presented for consideration.

The report was presented by Councillor Carwyn Jones, Portfolio Member for Corporate Business and Customer Experience. Section 42 of the Local Government and Elections (Wales) Act 2021 places a duty on principal councils to make and publish a Petitions Scheme. This scheme is in addition to, rather than a replacement for, the current arrangements in the Council Procedure Rules which enable elected members to submit petitions at Council meetings. The Scheme as set out in Enclosure 1 to the report meets the new statutory requirements but also includes elements which are a matter of local choice. Those were discussed with the Leadership Team, Heads of Services, and other relevant officers and with the Political Group Leaders. Valid petitions will be published on the Council's website but electronic petitions will also be populated on the Council's website using the Modern.Gov software which supports the committee system. The

Scheme will not apply where a statutory consultation process is already being pursued e.g. planning, licensing, school modernisation. The scheme sets out the process for submitting petitions to the Council and how they will be dealt with and notes the circumstances in which petitions will not be accepted. The scheme will be operated and managed by Democratic Services and with the agreement of the Council, will be reviewed by the Democratic Services Committee after it has been operational for 12 months.

It was resolved to recommend to the Full Council that the draft Petitions Scheme at Enclosure 1 to the report be adopted.

At this point (11.45 a.m.) the meeting adjourned for a short break, items 12, 13, 14 and 15 having been brought forward for consideration in the order of business.

9 MODERNISING LEARNING COMMUNITIES AND DEVELOPING THE WELSH LANGUAGE STRATEGY

The report of the Director of Education, Skills and Young People incorporating the Modernising Learning Communities and Developing the Welsh Language Strategy was presented for the Executive's consideration. The report also set out the outcome of the consultation on the strategy undertaken between 31 March and 18 May 2023.

The report was introduced by Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language who highlighted ensuring an effective education provision for today and future generations as one of the strategic objectives of the Corporate Plan. A key workstream related to achieving this objective is the adoption and delivery of a new strategy for modernising learning communities and developing the Welsh Language.

The Director of Education, Skills and Young People presented the report and provided a summary of the responses to the consultation which totalled approximately 300 in number. The issues raised by stakeholders and interested parties and other respondents are outlined in the Consultation Report. Over 150 children and young people from 28 schools were consulted and a number of briefing sessions were held for Headteachers, school governors and elected members. In response to feedback received during the consultation process, Officers have considered the points raised and have made the changes noted in the report to the draft strategy. These relate to amending the implementation timetable with regard to Post 16 provision, the addition of a new section at the end of the strategy to recognise the sources of information used to populate the data within the strategy and updating the governance model and section to reflect governance changes. The data used in the strategy has also been updated to reflect the more current data which emerged during the consultation process.

The Director of Education, Skills and Young People thanked all those who had taken part in the consultation and responded to it.

Councillor Douglas Fowlie, Chair of the Corporate Scrutiny Committee provided an overview of the issues discussed by the Committee when it was presented with the Modernising Learning Communities and Developing the Welsh Language Strategy at its meeting on 20 June, 2023. Those in summary included the robustness of the consultation process and comparison with previous consultations in terms of stakeholder engagement, how the output of the consultation has influenced the strategy, how the strategy helps the Council realise the strategic objectives of the Council Plan, the way in which the strategy seeks to address the aim of providing education and educational buildings of the highest standards for Anglesey learners, the challenges and risks in trying to realise the strategy and the means by which the implementation of the strategy would be monitored. A point

was also raised about the extent to which the sufficiency of play areas across the Island was a factor. Having considered all the information presented the Corporate Scrutiny Committee had resolved to recommend the Strategy and the amendments proposed as a result of the feedback from the consultation to the Executive.

In considering the report, members of the Executive welcomed the feedback from children and young people and noted the maturity of those responses. The importance of obtaining the views of the Island's schoolchildren on the draft strategy could not be overstated as the strategy is all about their future in terms of delivering an education provision that will enable the Island's children and young people achieve their full potential whatever their background and circumstances. The strategy's significance in relation to developing the Welsh language was also noted particularly in light of the target set by Welsh Government of achieving a million Welsh speakers by 2050 and the importance of practising Welsh conversationally and on a day-to-day basis was emphasised as one of the best ways of developing Welsh skills and confidence in the language. The reference in the strategy to post-16 provision was acknowledged and the recognition that the learner entitlement and experience for post 16 learners needs to be strengthened was also welcomed.

In response to a question about the next steps, the Director of Education, Skills, and Young People advised that a steering and implementation group will be established; the strategy will provide the strategic direction and will form the basis for discussions on the ongoing modernisation of the school stock and educational provision.

It was resolved to approve and adopt the Modernising Learning Communities and Developing the Welsh Language Strategy.

10 MODERNISING SCHOOLS ON ANGLESEY – REVIEWING THE CATCHMENT AREAS OF YSGOL Y GRAIG AND YSGOL TALWRN

The report of the Director of Education, Skills and Young People incorporating a review of the catchment areas of Ysgol Talwrn and Ysgol y Graig was presented for the Executive's consideration.

The report was introduced by Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language. The review of the catchment areas of Ysgol Talwrn and Ysgol y Graig formed part of the proposal agreed by the Executive in December, 2020 to increase the capacity of Ysgol Y Graig to take pupils from Ysgol Talwrn and to close Ysgol Talwrn.

The Director of Education, Skills and Young People outlined the two possible options the one involving the transfer of a northern and southern stretch of Ysgol Talwrn's existing catchment area to Ysgol Llanbedrgoch and Ysgol Pentraeth catchments respectively and combining the remainder with the Ysgol y Graig catchment (option 1), with the other option being to combine the whole of the existing Ysgol Talwrn catchment with the Ysgol y Graig catchment (option 2). Based on an analysis of the benefits and drawbacks of each option as detailed in the report, the preferred option is option 2 on the reasoning that Ysgol y Graig is in the same secondary catchment area as Ysgol Talwrn, pupils will transfer to the same secondary school as their friends and possibly older siblings. Option 2 is also more cost efficient for the Council and will reduce carbon emissions.

It was resolved to approve Option 2 namely to merge the existing Ysgol Talwrn catchment area with the Ysgol y Graig catchment area.

11 PROVISION OF FREE SCHOOL MEALS – YSGOL BODFFORDD

The report of the Director of Education, Skills and Young People seeking the Executive's approval for a plan to relocate a portacabin on the old Ysgol Corn Hir site to Ysgol Bodffordd was presented for consideration.

The report was introduced by Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language. The plan for which the Executive's approval was sought would enable Ysgol Bodffordd to provide free school meals in line with Welsh Government's scheme to provide universal free school meals to primary school children.

The Director of Education, Skills and Young People advised that since the introduction of universal primary free school meals for Reception and Years 1 and 2 children, the uptake has increased as evidenced in the report and a similar increase in demand is anticipated as the scheme is extended to include provision for Years 3, 4, 5 and 6. The Authority is now planning to ensure that schools are ready to provide free school meals for all primary school children in Anglesey by 2024. Where necessary, more staff are being recruited and building adaptation work is being undertaken. The challenges in relation to facilitating viable provision in Ysgol Bodffordd are more substantial and are a risk to the Council's ability to fulfil the scheme. The current arrangements at the school as described in the report are not suitable for providing school meals in current demand and extending the arrangements to accommodate more children is not practical in the long-term especially as it is anticipated that by September 2023, 74 children will be attending the school and all will be offered free school meals thereby creating a potential increase of between 15 and 30 additional meals per day.

Joint visits to the school have been made by the Learning and Property Services and Chartwell Officers and discussions have been held with kitchen staff and the Head Teacher and it has been decided that due to the layout of the building the only viable option to overcome the food serving challenges is to convert one of the classrooms adjoining the kitchen into a canteen and to relocate the classroom. As there is no suitable space within the current building a new space will need to be created, and as the school's layout and ground levels mean that developing an extension would be challenging it is proposed that installing a portacabin on the school site which is separate to the main building for use as a classroom is the most appropriate solution. The availability of a portacabin in good condition on the site of the old Ysgol Corn Hir means that it can be repurposed thereby maximising value for money. The cabin placement works including securing planning consent as well as undertaking alterations to the kitchen on operational premises will be programmed over a period of a year as to manage risks and minimise disruption as per the outline plan and timetable set out in the report. Costs of up to £250,000 are foreseen which will be funded through the free school meals grant.

The Executive acknowledged the universal primary free school meals policy as a product of the Co-operation agreement between Welsh Government and Plaid Cymru which ensures that all primary school children in Wales will be provided with free school meals by 2024 without exception and notwithstanding the implementation challenges to be overcome in some instances, would bring benefit to all those children.

It was resolved that subject to securing planning consent, to approve the plan to relocate a portacabin on the old Ysgol Corn Hir site to Ysgol Bodffordd to ensure that Ysgol Bodffordd can provide free school meals in line with Welsh Government's scheme to provide universal free school meals to primary school children.

12 AREA OF OUTSTANDING NATURAL BEAUTY MANAGEMENT PLAN (AONB) – FINAL DRAFT

The report of the Head of Regulation and Economic Development incorporating the final draft of the Area of Outstanding Beauty Management Plan was presented for the Executive's consideration.

The report was presented by Councillor Neville Evans, Portfolio Member for Leisure, Tourism and Maritime who outlined the background and statutory requirements on local authorities which administer AONBs including the preparation, publication and review every five years of management plans for their areas. The draft AONB Management Plan has been subject to a six-week consultation process and a summary of the responses received and the subsequent changes to the final plan are outlined in the Consultation Report at Annexe B. The AONB Management Plan is a cross cutting document and aligns fully with the new Council Plan and its six strategic objectives which it will help deliver. It is also integral to the people, communities and businesses within the AONB which as well as being an area of outstanding natural beauty and special qualities is also a dynamic and working landscape.

The Head of Regulation and Economic Development advised that the final draft AONB Management Plan if endorsed by the Executive will be submitted to the Full Council for approval and will also be presented to the AONB Joint Advisory Committee as the forum which oversees the AONB and delivery of the plan whose membership reflects the broad spectrum of interests involved with the AONB and its management. He thanked all those who had taken the time to respond to the public consultation confirming that all responses had received careful consideration.

Councillor Douglas Fowlie, Chair of the Corporate Scrutiny Committee summarised the Committee's discussions with regard to the draft AONB Management Plan from its meeting held on 20 June, 2023. Points raised by the Committee included the robustness of the consultation process and the extent to which the responses had influenced the final plan. Questions were asked about the purpose of the AONB Management Plan and how it aligns with the new Council Plan. The risks and challenges to realising of the Plan's priorities were discussed as were the mechanisms for monitoring its delivery. Assurances were sought about the role of the Plan in the planning consent process and consideration was given to the partnership working necessary to the delivery of the plan. Communication was seen as essential in this regard. Having scrutinised the draft Plan and the further information provided at the meeting the Corporate Scrutiny Committee had resolved to recommend the draft AONB Management Plan to the Executive.

The Executive's members noted the response to the consultation and considered that although the volume of responses could have been greater those submitted were informative and constructive and had recognised the comprehensiveness of the plan. Members looked forward to the resulting action plan and its implementation.

It was resolved to recommend the new Area of Outstanding Natural Beauty Management Plan (2023-2028) for the Full Council's approval.

13 DESTINATION MANAGEMENT PLAN 2023-2028

The report of the Head of Regulation and Economic Development incorporating the Destination Management Plan 2023-28 was presented for the Executive's consideration.

The report was presented by Councillor Neville Evans, Portfolio Member for Leisure, Tourism and Maritime. The Plan sets out the Council's ambitions for destination management over the next five years and takes account of both local and national strategies. It provides a strategy for managing all aspects of Anglesey as a destination which contribute to and influence the visitor experience and will ensure that the special qualities of the Island are at the heart of the tourism offer but will not be adversely impacted as a result. While Tourism is among the most important of Anglesey's industries and a significant contributor to the local economy its effects need to be managed. It is considered that the Plan achieves this balance in welcoming the fact that Anglesey is a popular tourist destination whilst also seeking to address the potentially negative effects that can result from high numbers of visitors to the Island. Delivery of the Plan will be supported by an action plan and delivery group (the Destination Management Organisation) and the inclusion of local community stakeholders as well as the tourism industry and businesses in the delivery process is to be welcomed.

The Head of Regulation and Economic Development advised that although the Destination Management Plan is not a statutory document given the value of the tourism industry to the Island, it is a significant document for the Council. The pandemic brought additional pressures on the Island as a resource and sharpened the realisation that it must be managed more sustainably going forward which means maximising the benefits which tourism brings to the Island as a destination and place while minimising the impacts. Equally important is securing the buy-in of communities on the Island ensuring that they understand the value of the tourism sector locally and as the largest economic sector on Anglesey.

Councillor Dylan Rees, Chair of the Partnerships and Regeneration Scrutiny Committee provided a report back from the Committee's 21 June, 2023 meeting which considered the Destination Management Plan. Questions and been asked about the robustness of the consultation process and how its output had influenced the revised plan. The Committee had asked why a Destination Management Plan is prepared and the way in which it aligns with the Council Plan and other strategic documents such as the Anglesey Town Centres Improvement Strategy. Members considered the risks and challenges in fully realising the plan and how its implementation would be monitored via the proposed Destination Management Organisation. Members also asked how the Council proposes to work effectively across services to manage the impacts and opportunities of visitors to the Island with Newborough and Llanddwyn Beach being cited as a case in point. Having considered these matters and the responses to them the Committee had resolved to recommend the Destination Management Plan for the Executive's approval and had requested the Scrutiny Chairs and Vice-Chairs forum to consider the propriety of programming an item on the impact of tourism on local communities for a future meeting of the Committee.

The Executive thanked Scrutiny for its feedback and highlighted the guiding principles and priorities set out in the report as the basis and reasons for the Destination Management Plan. Executive Members whilst acknowledging the importance of tourism to Anglesey recognised that such a plan is essential in maintaining a balance between encouraging visitors to appreciate and enjoy the Island's special qualities and ensuring that those are not harmed as a result.

It was resolved to approve the new Destination Management Plan (2023-2028).

14 IMPROVING THE RELIABILITY AND RESILIENCE ACROSS THE MENAI STRAITS

The report of the Head of Regulation and Economic Development incorporating the detailed evidence base and key findings of a report commissioned by the Council in relation to improving the reliability and resilience across the Menai Strait was presented for the Executive's consideration. The detailed evidence base and key findings have been produced by Quod a specialist economics and planning consultancy on behalf of the Isle of Anglesey County Council to support the Council's submission to the North Wales Transport Commission on the need for an improved multi-modal crossing of the Menai Strait.

The report was presented by Councillor Dafydd Rhys Thomas, Portfolio Member for Highways, Waste and Property. The North Wales Transport Commission (NWTC) established by Welsh Government acknowledges in a Progress Statement in January 2023 that North Wales is reliant on private vehicles and that a lack of attractive or realistic transport alternatives is contributing towards the dependency on private vehicles and limiting social, economic, and cultural connections. For Anglesey the position is worse with congestion and lack of resilience for the Menai crossings severely limiting and negatively impacting on social, economic, educational, health and cultural connections to and from the rest of the country. Further, it is hampering the Island's ability to attract the business and economic activity it needs to reduce a cycle of job losses, lower on-Island employment and increasing reliance on off-Island jobs. Repair works to the Menai Bridge coupled with the occurrence of accidents on the Britannia Bridge have in recent months caused severe disruption. An unreliable road network could also affect Anglesey's positioning as the optimal location for nuclear industry investment as well as the competitiveness of the Port of Holyhead recently designated a Freeport. There is a real risk that the Freeport cannot maximise its effectiveness because of the uncertainty and the lack of resilience of the transport network to and from the Island. The Welsh Government's decision as recommended by the Roads Review Panel to cancel the proposed Third Menai crossing will exacerbate the challenges faced by the Island's economy and hinder the successful implementation of key policies that seek to rebuild its employment base and reduce the need of its residents to leave the Island to work.

The NWTC released an interim report in June 2023 but is welcoming further evidence until 28 July 2023 before issuing its final recommendations. It is imperative that the Council inputs into and influences the outcome of the report. To that end the Council commissioned Quod to prepare a detailed evidence base to support its submission to the NWTC on the need for an improved multi-modal crossing of the Menai Strait. The evidence base and key findings arising from it are included as Annexes A and B to the report respectively and they confirm the concerns around the lack of reliability of the road network and bridges and its wider impact and that it extends beyond simple efficiency savings on journey times. The outcome of the NWTC's interim June report highlights several possible options for improving the situation as listed in the report. The Council has considered these options previously and is of the view that they will not sufficiently address the lack of resilience that exists. It is hoped that the submission of the evidence base will enable the NWTC to better understand the continuing issues of how a lack of a resilient transport network and sustainable transport options is affecting Anglesey and its residents across economic, health, education, social leisure, and investment legacy impacts.

The Head of Regulation and Economic Development referred to concerns about the reliability of the Menai crossings in relation to a wide range of activities and interests. The Regulation and Economic Development Service is now engaged in extensive work in connection with developing the Anglesey Freeport Programme and the risk to the success of the Freeport posed by the lack of resilience of the two crossings and the related issues

of congestion, delays and disruption needs to be noted. The Head of Highways, Waste and Property confirmed that a lack of resilience rather than increasing capacity is the primary concern with accidents and bad weather leading at times to severe congestion. Additionally the existing provision does not offer any suitable opportunities for cycling or walking.

Members of the Executive acknowledged the seriousness and urgency of the situation and the resulting impacts if the issues of reliability and resilience are not addressed. They recognised the frequent challenges faced by Anglesey residents and visitors in trying to go about their day-to-day business when accidents, maintenance or bad weather cause disruption and delays on the Menai crossings and recounted examples of the same from their own experiences. They expressed particular concern about the impact the unreliability of the road connections across the Menai is having on emergency service vehicles and on care and health workers who need to attend to vulnerable clients, and they recognised also that it is problematic for trade and businesses on the Island, for schools and for potential investors as well as for tourism as a significant contributor to the Anglesey economy. Although the Executive did not disagree with Welsh Government's drive to reduce carbon emissions in response to climate change and environmental concerns and understood the consequent review of road building projects, Executive Members emphasised that the situation on Anglesey is exceptional in that the connection problems with the two ageing bridges have far reaching impacts and are affecting lives and livelihoods as well as presenting a risk to the future economic prosperity of the Island and as such they require a more radical remedy than those proposed. In any case the traffic gridlock that incidents on the bridges cause is likely contributing to environmental damage and worsening carbon emissions.

The Chief Executive said that the current situation is unsatisfactory and that the Council is asking Welsh Government to reconsider its policy position and to not view the Menai connection as the same as any other road in the country. The Council has been engaging with other public bodies and organisations across the region on this matter and it is important to note that the evidence collected is a reflection of Anglesey's needs as an island and not the Council. If the Executive is minded to endorse the evidence, then it will be shared with those organisations for them to lend their support to the effort to persuade the Welsh Government to change its stance.

The Executive was supportive of the report and its findings and the recommendations were accepted with the addition of the Deputy Chief Executive to the second recommendation.

It was resolved –

- **To endorse the report and its conclusion that Welsh Government should not view the Menai Crossing as a simple road project and adopt a positive policy position which recognises the critical need to improve the reliability and resilience of the Menai Straits.**
- **To delegate authority to the Chief Executive or in his absence the Deputy Chief Executive to submit the Council's evidence base to the North Wales Transport Commission ahead of the July 28th 2023 deadline.**

15 ANGLESEY FREEPORT - UPDATE

The report of the Head of Regulation and Economic Development which provided a summary on progress and decision-making in relation to the Anglesey Freeport Programme was presented for the Executive's consideration.

The report was presented by Councillor Llinos Medi, Chair and Portfolio Member for Economic Development and the Economic Development Manager highlighted the main points for consideration. The report summarises the developments to date and outlines the process to be followed to submit an Outline Business Case in the next phase in the Anglesey Freeport Programme including the delegated authority sought by officers to contribute to this work.

Freeports are a partnership between active ports and their host local authorities. They include the designation of specific sites where businesses get these benefits within an outer boundary set at a maximum 45km from the port. The report identifies at the bid stage the sites that could benefit from different customs, tax and regulatory rules. The Anglesey Freeport is a public/private partnership between IoACC as the host authority and accountable body and Stena Line, the Holyhead Port operator. It is supported by a range of other stakeholders including landowners, Bangor University, M-Sparc, Grwp Llandrillo Menai, Ambition North Wales and other private sector business and potential investors. The Freeport presents an opportunity to attract significant new private sector investment in Anglesey after the recent loss of major employers.

The Anglesey Freeport Programme now moves on to the business case stage including the development and submission of an Outline Business Case (OBC) in the next six to nine months followed by the production of a Full Business Case (FBC) which is likely to take up to twelve months. The UK and Welsh Governments have not yet published the specific guidance for the Welsh Freeport Programme but have indicated that the Anglesey Freeport should continue to progress using what has been published. When the Welsh guidance is published the Council will review whether any changes in approach are required. The immediate requirements of the process are outlined within the report. To support its input into the process of developing the OBC, the Council has appointed an interim Freeport Bid Director through the Regulation and Economic Development Service's Framework Agreement for economic issues. Funding for this role is being made available by the UK Government.

As the host authority IoACC is deemed to be the Accountable Body for the Anglesey Freeport and in that role, it will have responsibility for a range of governance and financial matters including the management of up to £26m of Government funding if the OBC and FBC are approved, as well as other duties as listed in the report. Additional capacity will be needed to support this role mainly in the Economic Development and in the financial and legal functions. There will also be a time commitment for senior officers required to participate in the governance structures. The report seeks authority to participate in the governance arrangements for the next phase of the project. To progress the proposals to the Outline Business Case stage, revised governance arrangements need to be established. These arrangements are set out in the Initial Collaboration Agreement (ICA) that will be signed by the two partners – IoACC and Stena Line. For Anglesey Freeport, IoACC and Stena Line are the only local authority and port operator which simplifies its governance structure compared with most other UK Freeports. Authorisation for the Chief Executive to sign the Memorandum of Understanding (MOU) is a key decision required under item 17 on the agenda.

The Executive's members acknowledged the significant work that had gone into the preparation and submission of the successful Anglesey Freeport bid and the Economic Development team responsible for that work was congratulated on the achievement. A number of points were raised in the ensuing discussion to which the Head of Regulation and Economic Development and the Economic Development Manager responded as follows –

- By confirming that the protection of worker's rights and environmental standards, the contribution to achieving Net Zero and the aims of the Wellbeing of Future Generations Act are core matters which will be addressed by the OBC but to what level of detail is dependent on the Welsh guidance when issued especially as a detailed Full Business Case will have to be prepared subsequently.
- By clarifying that the Council's responsibilities as the statutory body for planning is not affected by the Freeport designation and discussions with Stena Line to ensure that the use of sites is compliant are ongoing. The Freeport status also provides an opportunity for the local planning authority to create Local Development Orders which will give investors assurance regarding the expectations.
- By explaining that the Regulation and Economic Development Service is in the process of briefing other council services on what the Freeport designation means in practice and the possible implications for them and that this process of sharing information will continue.
- By confirming that discussion with the Learning Service and other partners with an interest in education and skills has begun and that this information and expertise will feed into the OBC to ensure that the OBC documentation is robust and achievable.
- By advising that with regard to managing expectations in relation to what the Freeport may generate in terms of employment, that Anglesey is starting from a low base having recently lost 750 jobs with the closure of the 2 Sisters plant and in the region of 3,000 jobs over the past 10 years. If the Freeport does lead to job creation on a projected scale of between 3,000 and 13,000 then many of these will be replacing those that have been lost to the Island. Additionally, it is hoped that the Freeport may contribute towards enabling some of the 8,000 to 10,000 Anglesey residents who currently work off the Island to find employment locally on the Island.
- By confirming that the resources to carry out the next phase of preparing and completing the OBC are sufficient. The UK Government is providing up to £300,000 for the development of the OBC and Stena Line is covering the costs of some elements and has commissioned its own consultants to provide it with support in this regard.

The Chief Executive advised that although revenue funding is being provided initially by the Welsh and UK Governments the Anglesey Freeport has to be self-sustaining in the long term meaning that the business interests and partners that derive benefits from the Freeport in terms of tax breaks and investment will be expected to contribute in return to ensure the ongoing viability of the Freeport so that the cost burden does not fall entirely on the local authority and Stena Line. These are matters that will be discussed in the coming months as the governance arrangements evolve and expand ensuring that those who contribute to the Freeport have an input along with those who will benefit from it.

Councillor Llinos Medi, Chair and Portfolio Member for Economic Development referred to the importance of appreciating how complex and time consuming the work on the Freeport Programme is and of understanding that the benefits and returns will take time to be felt. There are also risks and challenges for the Council as the Accountable Body responsible for overseeing the Freeport's administrative and financial affairs. However, conferment of the Freeport status on Anglesey provides opportunities for economic growth and activity locally and within the region and is an exciting development for the Island. The Freeport can be developed in a way that is unique to the Island and in a way that also ensures the social benefits that can follow from economic prosperity. She proposed the recommendations of the report and these were agreed subject to removing recommendation (b) as this was relevant to item 17 on the agenda and including the Deputy Chief Executive in recommendation (c).

It was resolved –

- To note the success of the Anglesey Freeport bid in achieving Freeport status.
- That delegated authority be granted to the Chief Executive or in his absence the Deputy Chief Executive (in consultation with the Leader and relevant Portfolio Member) to agree any necessary variations to the proposed Initial Collaboration Agreement that may be necessary.
- That the Chief Executive of Anglesey County Council be identified as a representative to the Freeport Governing Body and be granted delegated authority to make any decisions necessary to the objectives of the Anglesey Freeport as well as delegated authority to nominate an alternative to attend in his place who shall be entitled similarly to make any decisions necessary.
- To approve the entering into of any grant agreement between the Council and the UK/Welsh Government to receive public funds from the Government (up to £300,000 for the Outline Business for the OBC).

16 EXCLUSION OF THE PRESS AND PUBLIC

It was resolved under Section 100 (A) (4) of the Local Government Act 1972 to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 12 and 13 of Schedule 12A to the said Act and in the Public Interest Test presented.

17 ANGLESEY FREEPORT – GOVERNANCE AND SET UP

The report of the Head of Regulation and Economic Development which provided an update on the Anglesey Freeport Programme in relation to the legal and commercial arrangements with Stena Line was presented for the Executive's consideration. The report at Appendix 1 included an Initial Collaboration Agreement (ICA) between the Isle of Anglesey County Council (IoACC) and Stena Line.

The Economic Development Manager advised that the ICA is an interim agreement to establish the formal relationship between IoACC and Stena Line to allow them to oversee the work required to develop the Outline Business Case and the Full Business Case for the Anglesey Freeport. Under the ICA, the Council and Stena Line will develop their approach to the form and structure of the relationship for the operational phase of the Freeport. This will involve consideration by the Council of its role as local authority and governance arrangements. These will help determine the nature and content of the longer-term arrangements between the Council and Stena Line for the setting up and delivery of the Anglesey Freeport. Authority is sought to enter into the Initial Collaboration Agreement between IoACC and Stena Line.

The Economic Development Manager highlighted that some aspects of the arrangements are subject to the publication of the Welsh guidance and will be reviewed when that is issued.

In considering the report the Executive discussed the governance arrangements and how representation on the Freeport Governing Body would be determined, the sites that could benefit from the Freeport as designated tax and/or custom sites and the factors involved, and the limitations placed on current decision-making by the lack of guidance. The Executive was advised that the agreement for which authority is being sought is an initial agreement to enable matters to be progressed to the OBC and FBC stages and that the Executive would be provided with updates as other matters emerge and develop.

It was resolved to approve entering into the Initial Collaboration Agreement between IACC and Stena Line included at Appendix 1 to the report.

**Councillor Llinos Medi
(Chair for items 1-4, 14 and 15)
Councillor Robin Williams
(Chair for items 5-13, 16 and 17)**