

THE EXECUTIVE

Minutes of the hybrid meeting held on 23 January 2024

- PRESENT:** Councillor Llinos Medi (Leader) (Chair)
- Councillors Neville Evans, Carwyn Jones, Gary Pritchard, Alun Roberts, Dafydd Roberts, Nicola Roberts, Dafydd Rhys Thomas, Robin Williams.
- IN ATTENDANCE:** Chief Executive
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 Adults' Services
Head of Democracy
Committee Officer (ATH)
Webcasting (CH)
- APOLOGIES:** Councillor Douglas Fowlie (Chair of the Corporate Scrutiny Committee)
- ALSO PRESENT:** Councillors Glyn Haynes, Aled M. Jones (for part of the meeting), Derek Owen, Dylan Rees (Chair of the Partnership and Regeneration Scrutiny Committee), Scrutiny Manager (AGD), Scrutiny Officer (EA).

1 DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

3 MINUTES

The minutes of the previous meetings of the Executive held on the following dates were presented for confirmation –

- 28 November 2023
- 12 December 2023

It was resolved that the minutes of the previous meetings of the Executive held on the following dates be confirmed as correct –

- **28 November, 2023**
- **12 December, 2023**

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 February to September 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 3 (Treasury Management 2023/24 – 6-month review), item 4 (Capital Strategy) and item 5 (Fees and Charges 2024/25) as new items for the 20 February 2024 meeting of the Executive.
- Item 10 (Strategic Equality Plan 2024-25) as a new item for the Executive's 20 February 2024 meeting with associated item 17 (Annual Equality Report 203/24) becoming a delegated decision by the Portfolio Member to be published in March 2024.
- Item 21 (Corporate Asset Management Plan 2024-2029) as a new item for the 19 March 2024 meeting of the Executive.
- Items 32-36 (Performance and Budget Monitoring) as new items for the September 2024 meeting of the Executive.
- An additional meeting of the Executive arranged for 29 February, 2024 to consider the final draft Budget proposals for 2024/25.

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

5 DRAFT REVENUE BUDGET 2024/25

The report of the Director of Function (Resources)/Section 151 Officer incorporating the initial draft Revenue Budget proposals for 2024/25 was presented for the Executive's consideration.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance presented the report saying that Welsh Government's provisional settlement showed an increase of £169.8m in the overall level of funding for Wales equivalent to a 3.1% increase in cash terms. The draft settlement has resulted in a 2.5% increase for Anglesey (0.6% below the Welsh average and the 17th highest increase from the 22 authorities) which after the main budget changes have been taken into account leaves a funding deficit of £14.391m before any change in Council Tax. Bridging this gap through Council Tax alone would mean raising Council Tax by 30% which the Executive believes is unacceptable and unrealistic. The Executive is therefore proposing that the shortfall be made up by a combination of budget savings of £4.773m (funding of schools at 2.5% below inflation, workforce reductions, other budget savings as per Table 4 and Appendix 3 of the report and use of Council Tax Premium to support service costs), the use of £4.425m of reserves (£1.6m from General Balances and £2.825m from Earmarked Reserves) and a Council Tax increase of 9.78% plus an additional 1.12% to fund the increase in the Fire Service Levy (noting that based on the latest information, this could change) making a total rise of 10.9%. This would take the Band D charge (excluding Police and Town/Community Council precepts) to £1,592.37, an increase of £156.51 or £3.01 per week.

Councillor Robin Williams whilst emphasising that the level of increase in the Council Tax is not something the Executive is comfortable with referred to the difficult financial context and uncertain financial climate which has made preparing the provisional revenue budget for 2024/25 a challenging task. The Council is legally required to deliver a balanced budget

and despite the proposed Council Tax increase which is at a similar level to indicative increases by other authorities, Anglesey remains one of the lowest Council tax charging authorities in Wales having exercised prudent financial management in previous years which has strengthened its financial position and is helping it deal in the short-term with the challenges it is facing. The draft Budget proposals if approved, will subsequently go out to public consultation for a two-week period.

The Director of Function (Resources)/Section 151 Officer took the opportunity to explain the budget setting process and the options available to the Council in setting a balanced budget which is a legal requirement and he highlighted the limits and constraints on the sources of funding open to the Council. The majority of the Council's funding comes from Welsh Government in the form of the Revenue Support Grant which the Council can spend as it wishes to meet local needs and priorities. The grant is distributed according to a funding formula based on various datasets including population, number of people in receipt of benefit and school pupils etc which determines how much funding a council receives. Anglesey's share of the funding for 2024/25 has increased by 2.5% which is significantly below the rate of inflation and does not meet the increased costs of providing the Council's services in the forthcoming year having regard also to the increased demand for services such as children and adults' social care and homelessness as more people access those services. Many of the costs facing the Council including teachers' pay, non-teaching staff pay, pensions, energy, National Living Wage, Fire Service Levy etc. are beyond its control and whilst the budget does include fees and charges there are limits on how much these can be increased with there being a cap on some fee increases. The only other avenues of funding available to the Council are the funds it holds in reserve and Council Tax. The Council cannot begin to calculate the amount it needs to generate from Council Tax until it knows how much funding it will receive from Welsh Government which was not announced until 20 December, 2023. As in 2023/24, the budget proposals for 2024/25 include the use of Council reserves to help meet the funding shortfall and together with budget savings, limit the increase in Council Tax as far as reasonably possible, and whilst this approach will help the Council in setting a balanced budget for 2024/25 it is not sustainable in the long-term and does not address the underlying issue as regards the sufficiency of funding to be able to deliver services in line with costs and demand. Using money the Council has in reserve to make up the budget shortfall also weakens the Council's financial resilience and its ability to deal with future financial challenges especially as the 2025/26 financial year is likely be as, if not more challenging in terms of the amount of funding expected from Welsh Government, and the choices and decisions that will consequently have to be made to enable the Council to balance its budget and avoid becoming insolvent.

The Head of Democracy provided a summary of Scrutiny's response to the provisional 2024/25 Budget proposals and issues discussed at the meeting of the Corporate Scrutiny Committee on 16 January 2024 and he confirmed that following debate, the Committee had endorsed the budget proposals comprising of an initial draft budget of £184.219m, budget reductions of £4.773m, use of £4.425m of reserves, an increase in the second homes premium from 75% to 100% and a 10.9% increase in Council Tax to include a 1.12% increase to cover the Fire Service Levy.

The Executive acknowledged the drafting of the 2024/25 Budget as having been an extremely challenging task with the scale of the funding deficit facing the Council being far greater than that experienced during the initial period of austerity with difficult decisions having to be made around service reductions and Council Tax. Executive Members described the challenges faced by their individual portfolio areas and while pressures in adults' and children's social care as a result of an ageing population, rising demand and more complex needs are well documented, the effect of reduced funding including uncertainty around grant funding on non-statutory services such as Leisure which is valued

by Anglesey residents not only for sports but for health and well-being benefits, was also emphasised. Executive Members referred to the proposals as the product of long discussion over many months and emphasised that they were not being put forward lightly. The combination of budget reductions, use of reserves and Council Tax increase is deemed to be the most reasonable solution in terms of minimising the impact and protecting services for the most vulnerable. Executive Members accepted that the current situation is not sustainable and questioned the Officers on the risks to the Council being able to continue to maintain performance and to deliver services to the same level and quality if budgets are not increased accordingly.

The Chief Executive referred to councils if not the wider public sector as facing a funding crisis and emphasised the impact which the Council's budget decisions have on other public sector bodies such as the Health Board and the Police. Whilst many of the statutory services which the Council is required to provide in relation to children and adults' social care and homelessness are driven by demand to which the Council must respond regardless of budget others are preventative in nature and help reduce pressures on health and policing. These are the services that are at risk because of budget cuts or reductions in grant funding meaning that the pressures will be displaced to other areas in the public sector with more people reaching crisis point sooner. There are a range of non-statutory services which the Council provides from leisure centres to public conveniences and economic development which affect quality of life and which those people who do not have requirements on education or social care have expectations of as Council Taxpayers and contributors. Whilst the risk to these services must be managed in 2024/25 the issue in 2025/26 is the extent to which the Council can comply with statutory requirements in the delivery of its services. If the funding gap continues or increases then Welsh Government and regulators will need to rethink the statutory thresholds or those will be missed by councils thereby creating risk for the older population and those dependent on the Council's services. Budget reductions also have implications for staff morale and well-being as well as the standard of delivery if the workforce reduces. Decisions to increase pay and pensions without providing councils with additional funding to finance those increases mean fewer staff on better pay and pensions and smaller teams to deliver services.

It was resolved –

- **To approve the initial proposed budget for 2024/25 of £184.219m.**
- **To approve a proposed increase in Council Tax of 9.78%, plus 1.12% to cover the Fire Levy making a total of 10.9% and taking the Band D charge to £1,592.37.**
- **To formally propose an increase in the premium on second homes from 75% to 100%.**
- **That £4.425m be released from the Council's general balances and earmarked reserves in order to balance the 2024/25 revenue budget.**

6 COMMUNITY BASED NON-RESIDENTIAL SOCIAL CARE SERVICES - 2024/25 FEES AND CHARGES

The report of the Head of Adults' Services seeking the Executive's approval to set the rate of community based non-residential social care services fees and charges for 2024/25 was presented for consideration.

Councillor Alun Roberts, Portfolio Member for Adults' Services presented the report which set out the proposed fees and charges for community based non-residential social care services for the 2024/25 financial year in accordance with the Social Services and Well-Being (Wales) Act 2014. It is usual practice to review the charges in respect of domiciliary

services annually to coincide with Central Government's revision of pension and benefit levels.

The Head of Adults' Services provided the context for each category of fees and charges and explained the rationale for the fee level proposed in each case.

It was resolved to approve the following –

- **That the maximum threshold for home care services endorsed by Welsh Government be applied.**
- **Charges for Telecare services as outlined in Table A of the report:**
 - Tier 1 – everyone will be paying £75.14 per quarter**
 - Tier 2 – everyone will be paying £149.63 per quarter**
- **Telecare annual charges as outlined in Table B:**
 - Services and Maintenance £140.00**
 - Services Only £90.00**
 - One-Off Installation £56.00**
- **A rate for Direct Payments of £15.95 per hour**
- **That a charge of £17.00 per hour be implemented for Micro Carers**
- **That a charge of £10.00 be maintained for the administration of Blue Badge requests and replacements as outlined.**
- **That the fee for purchasing day care services in independent residential homes be increased by 6.7% to £44.33 per day.**
- **That Domiciliary Care fees be increased by £1.72 per hour to comply with new legislation.**
- **Charges for Meals in Day Services as outlined in Table C:**
 - Meals in Day Services for adults (excluding people with learning disabilities) - £7.65**
 - Mid-day snack in Day Services for people with learning disabilities - £3.25**
 - Other refreshments (tea/coffee/cake) in Day Services - £1.80**

7 INDEPENDENT SECTOR CARE HOME FEES FOR 2024/25

The report of the Head of Adults' Services seeking the Executive's approval to set the rate for independent sector care home fees for 2024/25 was presented in accordance with the requirements of the Social Services and Well-Being (Wales) Act 2014.

Councillor Alun Roberts, Portfolio Member for Adults' Services presented the report which set out the proposed fee levels for Residential, Residential EMI, Nursing, and Nursing EMI care for the 2024/25 financial year. The Local Authority is required to review independent sector care home fees annually to coincide with Central Government's changes to benefits and pensions levels.

The Head of Adults' Services reported that in setting fee levels for independent sector care homes, the Council needs to show that it has fully considered the cost of the provision in determining its standards care fees. This is done in collaboration with the other North Wales local authorities and the Health Board by utilising a Regional Fee Methodology as a benchmark. This model has been used as a benchmark for 2024/25 and the regional methodology toolkit has been adapted to include a market supplement for EMI provision again this year. Currently there has been no confirmation that all authorities in North Wales will use the regional methodology as a basis to set their fees for 2024/25. Work is ongoing with the Council's counterparts in the region to ensure that Anglesey's fees are comparable. Having regard to local circumstances, the availability of provision, demand pressures as well as the regional formula, Anglesey proposes to increase its fees by 8.8% for 2024/25 in recognition of the financial pressures faced by providers. This exceeds the inflationary uplifts calculated using the regional methodology and is well above the 2.5% increase in the Council's settlement from Welsh Government. Anglesey's proposed fees for 2024/25 are set out in Table 2 of the report. The 8.8% increase if approved will apply to homes which accept the Council's standard rates. Anyone currently in receipt of fees above the indicative rate will be asked to share financial information with consideration of a monetary uplift. The Authority will consider individual submissions from providers regarding fees and if it can be shown that the fee set is not sufficient in any individual case, the Authority will consider exceptions to the fee rates in accordance with the process outlined in the report.

It was resolved –

- **To approve the recommendation to increase the fee levels as follows –**

Residential Care (Adults) - £774.47 per week

Residential (EMI) - £865.46 per week

Nursing Care (Social Care Element) - £851.81 per week

Nursing Care (EMI) (Social Care Element) - £1,005.03 per week

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

8 MODERNISING AND TRANSFORMING DAY SERVICES IN THE HOLYHEAD AREA

The report of the Head of Adults' Services seeking the Executive's approval for proposals to modernise and transform day services for adults with learning disabilities in the Holyhead area was presented for consideration.

The reason for the report was to respond to the aspirations of service users and offer a better and more varied experience, and to realise the Adults' services vision that as many day activities as possible are provided from community settings, encouraging opportunities for people with learning disabilities to attend mainstream activities and integrate into the everyday life and activity of their communities. Engagement with day activity users to ascertain their opinions about activities provided from community settings took place in August and September 2023 with a cross section of responses from the exercise provided at Appendix 1 to the report. A formal consultation on the future of the day activities at the

Morswyn Centre in Holyhead was held from 23 October to 1 December 2023 and a summary of the responses was provided at Appendix 2 to the report.

Councillor Alun Roberts, Portfolio Member for Adults' Services presented the report saying that realising this vision would allow people with learning disabilities to choose where and when they wish to attend activities. He described his own engagement with people with learning disabilities which together with the responses to the consultation have shown that they are clear about what they like and enjoy and what they want in terms of experiences, a fuller life, and more control over what they do and it is they who are driving the changes. It is recognised that individuals have different needs and that some individuals will need more support than others; the Service will look at supports that respond to the needs of individuals.

The Head of Adults' Services reported that traditionally, day activities for people with learning disabilities have been provided from a designated building. The Council has four specific sites which provide activities for approximately 110 people including the Morswyn Day Centre in Holyhead. Although attending the centres responds to a number of people's needs and keeps people safe, the model focuses on attending a setting and undertaking formal activities which can limit the choices available to individuals and restrict their personal control over their own lives. As the centres only provide for people with learning disabilities, they do not always promote the aim of improving the confidence and independence of people with learning disabilities nor provide people with learning disabilities with opportunities for integrating into the everyday life of their communities. In the Holyhead area the Department has looked at an alternative approach to meeting users' needs where day activities are provided from community buildings/settings and the reaction had been positive as attested to by the responses from the engagement and formal consultation. Where concern has been expressed about supporting people with complex needs in the community the Service will work with these individuals to identify how best to meet their needs.

The proposals involve terminating the use of the Morswyn Day Centre in Holyhead. Before the pandemic the centre provided activities for approximately 20 individuals daily. In response to the challenges of Covid-19 related restrictions, Adults' Service began using community buildings in the town of Holyhead to hold day activities and this approach has proved popular and has resulted in fewer people attending the Morswyn Day Centre. The report outlines the financial savings from discontinuing the use of the Morswyn centre which include £11,500 of revenue savings and £103,000 of essential maintenance costs over the next few years. There is no expectation of realising savings in the staffing budget as staff will transfer to work in the community or in other centres.

Councillor Dylan Rees, Chair of the Partnership and Regeneration Scrutiny Committee provided Scrutiny's response to the proposals and referred to the issues discussed by the Committee at its meeting on 18 January 2024 when considering the matter. He confirmed the Committee's support for the proposals with the Committee also requesting Adults' Services to arrange for elected members to visit local authority services supporting adults with learning disabilities.

The Executive welcomed the proposals as enabling adults with learning disabilities to lead a more independent and ordinary life with greater opportunities for involvement and inclusion within their communities. Councillor Dafydd Rhys Thomas said that although he had initial reservations about the closure of the Morswyn Day Centre in his ward, having read the report and heard the Portfolio Member for Adults' Service account of his conversations with people with learning disabilities about their aspirations and wishes, he was fully supportive of the development as one that will open doors to new experiences and opportunities for people with learning disabilities and the staff that support them. Recognising that implementing the proposals is a process over time the Executive's members were keen to ensure that transitional measures and support for the service's users are put in place and also that assurance is provided about the adequacy of

community facilities to meet individual needs and it was proposed and accepted that this be reflected in the wording of the decision.

It was resolved to approve the recommendation of the report as follows –

To integrate service users within the community and respond to the aspirations of people who attend activities to provide better outcomes. Continue to transform and modernise the way Day Services are provided with an emphasis on utilising community buildings. As the use of Morswyn has reduced, to bring the existing service to an end. Declare the property surplus to requirements and invite expressions of interest from other departments. If no use is identified, dispose of the property, and transfer the receipts to the Adults' Services Department. Ensure that there are transitional measures for users and ensure transitional adaptation of the service for users. Ensure also that resources/facilities within the community are appropriate and meet the needs of individuals.

**Councillor Llinos Medi
Chair**