

THE EXECUTIVE

Minutes of the meeting held on 23 July 2024 in the Committee Room and on Zoom

- PRESENT:** Councillor Robin Williams (Deputy Leader) (Chair)
- Councillors Gary Pritchard (Deputy Leader), Neville Evans, Alun Roberts, Dafydd Roberts, Nicola Roberts, Dafydd Rhys Thomas.
- 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 Democracy
Corporate Planning, Performance and Programme Manager (GP)
Chief Economic Development Officer (THJ)
Energy Island Delivery Programme Manager (AC)
Committee Officer (ATH)
Webcasting Officer (FT)
- APOLOGIES:** Councillor Carwyn Jones, Mrs Carys Edwards (Head of Profession (HR) and Transformation)
- ALSO PRESENT:** Councillors Douglas Fowlie (Chair of the Corporate Scrutiny Committee), Glyn Haynes, Trefor Lloyd Hughes, MBE, R. Llewelyn Jones, Scrutiny Manager (AGD), Scrutiny Officer (EA) (for item 5).

1 DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

3 MINUTES

The minutes of the previous meeting of the Executive held on 23 May 2024 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 23 May 2024 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 September 2024 to March 2025 was presented for confirmation.

The Head of Democracy updated the Executive on items new to the Forward Work Programme along with items that had been rescheduled for the reporting period.

It was resolved to confirm the Executive's updated Forward Work Programme for the period September 2024 to March 2025 with the changes outlined at the meeting.

5 CORPORATE SELF-ASSESSMENT 2023/24

The report of the Head of Profession (HR) and Transformation incorporating the Council's annual corporate self-assessment report for 2023/24 was presented for the Executive's consideration.

The report was presented by the Councillor Gary Pritchard, Deputy Leader, and Portfolio Member for Children, Youth and Housing Services as the third self-assessment report produced by the Council under the Local Government and Elections Act 2021. The report provides an evidential basis of how the Council has performed over the year using its available resources whilst managing and mitigating associated risks. Of the seven key areas which are the focus of the self-assessment, four areas (service planning, financial planning, workforce planning and performance management) are assessed as exceeding expectations while three areas (asset management, procurement and contract management, and risk and audit management) are assessed as meeting expectations. The report also identifies several areas as presenting opportunities for improvement and monitoring throughout 2024/25 and has been scrutinised by the Corporate Scrutiny Committee and reviewed by the Governance and Audit Committee.

Councillor Douglas Fowlie, Chair of the Corporate Scrutiny Committee provided Scrutiny's feedback on the Corporate Self-Assessment report from its 13 June 2024 meeting confirming that the Committee in endorsing the report had requested that it be updated in six months on the progress made on the actions in relation to the three key areas assessed as meeting expectations (as opposed to exceeding expectations), and that the self-assessment report for 2024/25 show how those actions have improved the performance for those three key areas.

The Chief Executive referred to the areas where opportunities for improvement and monitoring had been identified and he provided assurance that they are all being addressed and are progressing well.

The Executive's members welcomed the report as testament to the ongoing commitment and hard work of staff and their willingness to go the extra mile as reflected by the areas assessed as exceeding expectations. Members thanked all those who has been involved in compiling the self-assessment and in the robust process of challenging performance throughout the year. The outcome is a credit to the Authority in what are testing times financially and shows that it is making a difference. The Authority will continue to strive to maintain performance and to do better where it can. In this context Councillor Alun Roberts, Portfolio Member for Adults' Services and Community Safety highlighted the Council's financial resilience as one of the areas to be monitored in the current financial year due to cost-of-living pressures and a decrease in funding. He emphasised the importance of the public's being made aware of the potential for services to be put at risk if this and other councils do not receive a just financial settlement for 2025/26.

Councillor Dafydd Roberts sought assurance that the RAAC issue in council assets had been definitively addressed.

The Chief Executive confirmed that the reference to RAAC in the report is in relation to the completion of the renovation work in the two secondary schools where RAAC had been identified. The Director of Education, Skills, and Young People confirmed that a great deal of work had been carried out in the year since RAAC was found in the two schools and both schools had fully reopened in January 2024. The major works have been completed with a few minor tasks to be finished over the summer before the beginning of the new term in September.

It was resolved to adopt the Corporate Self-Assessment 2023/24 document as a final version following its consideration and comments on its contents by the Governance and Audit Committee at its meeting on 18 July 2024.

6 REVENUE BUDGET MONITORING, OUT-TURN 2023/24

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Council's services at the end of Quarter 4 2023/24 was presented for the Executive's consideration. The report set out the revenue budget outturn position for the 2023/24 financial year and included an analysis of budget variances.

The report was presented by Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance as showing an overall projected financial position for 2023/24 including Corporate Finance and the Council Tax Fund of an underspend of £1.732m. This is 0.99% of the Council's net budget for 2023/24. Whilst this is a positive outcome it must be borne in mind that £3.78m from the General Reserve was used as a contribution towards balancing the 2023/24 budget so the result in effect reduces the level of the contribution from the General Reserve.

The Director of Function (Resources)/Section 151 Officer referred to rateable value refunds in relation to Oriel Ynys Môn and other property as having contributed an additional £1.6m towards the Council's income which is to be transferred to the General Reserve. Most services excepting Children and Families Services are underspent with the latter reporting a projected overspend of £1.715m at year end as a result of increased demand for placements and placement costs. The financial performance of Adults' Services has improved due to additional grant income. Children's Services represent the greatest financial risk to the Council going forward as a small change in the number of cases can have a significant impact on the cost of the service overall and it is an area which Welsh Government is reviewing. Services were also asked to reduce costs in the year by not filling vacant posts for as long as possible as a short-term strategy.

Councillor Gary Pritchard, Deputy Leader and Portfolio Member for Children, Youth and Housing Services said that pressures on children's social care demand and budgets are being felt nationally with the cost-of-living crisis being a factor. While the Council has invested significantly in inhouse foster care provision and small group homes as well as in preventative services, the challenges in terms of demand cannot be predicted but are ones which the Council must respond to as a statutory duty.

The Director of Social Services advised that specialist provision comes with the highest costs for those individuals who have experienced high level trauma whose needs the Council is not able to meet because of the specialism required and the associated cost. While the overspend in Children's Services would have been significantly higher had the Council not made the investment in developing its foster care and small homes provision,

more complex cases including children with disabilities often require out of area provision which is costly.

The Chief Executive also referred to changing demographics and to Anglesey's ageing population which has implications as regards the demand for care services. The current funding system is unsustainable and needs to be reformed in light of the growing challenges in social care and pressures on budgets otherwise more councils will find themselves in financial difficulties because they are unable to manage demand within a funding system that is not fit for purpose.

It was resolved –

- **To note the position set out in Appendices A and B of the report in respect of the Authority's financial outturn for 2023/24.**
- **To note the summary of Contingency budgets for 2023/24 detailed in Appendix C.**
- **To note the monitoring of agency and consultancy costs for 2023/24 in Appendices CH, D and DD.**
- **To note the estimated balance of the Council's general balances as at 31 March 2024 stands at £15.694m.**

7 CAPITAL OUT-TURN 2023/24

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the capital budget for the 2023/24 financial year that is subject to audit was presented for the Executive's consideration.

The report was presented by Councillor Robin Williams, Deputy Leader, and Portfolio Member for Finance who provided a summary of the capital budget for 2023/24 as per paragraph 1.2 of the report. The total capital budget for 2023/24 was £67.788m of which £50.574m or 75% was spent to 31 March 2024 giving an underspend of £17.214m.

The Director of Function (Resources)/Section 151 Officer highlighted the importance that grant funding plays in the Council's capital programme with 63% of the budget and 59% of the actual expenditure being funded from capital grants some of which are awarded competitively. The level of underspending on the programme is not unexpected given the number of large, complex projects involved and the majority of the underspend relates to large projects where unexpected issues or delays have occurred leading to projects slipping; an overview of these projects is provided in paragraph 2.2 of the report. The funding for these projects has been secured and will be carried forward to 2024/25 with no loss of resources for the Council. However an underspend on the Additional Learning Needs Grant is expected to be repaid back to Welsh Government. Councillor Gary Pritchard, Deputy Leader and Portfolio Member for Children, Youth and Housing Services clarified that it had not been possible to comply with the terms and conditions of the grant due to circumstances beyond the Council's control involving RAAC associated work in Holyhead High school. A request was made to Welsh Government to be allowed to carry forward the underspend but was not approved.

The Executive's members acknowledged the Council's dependency on grant funding for a high proportion of its capital schemes and thanked Officers for their time and application in competing for many of the grants that are key to sustaining the Council's capital programme. Although Members emphasised the importance of maximising grant opportunities, they also noted that a number of grants awarded can be for a specific purpose and their usage tied to projects which may not be a priority for the Council.

The Chief Executive advised that where grants are awarded through a competitive process, they require Officer time, expertise, and initiative to identify opportunities and secure the funding as well as to manage the expenditure thereafter. However as the Council curtails capacity there is a risk that the capacity and expertise to apply for grants in future may be reduced meaning that expectations need to be managed and the grants which the Council competes for may have to be prioritised.

It was resolved –

- **To note the draft outturn position of the Capital Programme 2023/24 that is subject to audit.**
- **To approve the carry-forward of £15.499m to 2024/25 for the underspend on the programme due to slippage. The funding for this will also carry-forward to 2024/25 as per paragraph 4.3 of Appendix A. The revised capital budget for 2024/25 is £59.337m.**

8 HOUSING REVENUE ACCOUNT BUDGET MONITORING, OUT-TURN 2023/24

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the HRA for the period April 2023 to March 2024 was presented for the Executive.

The report was presented by Councillor Robin Williams, Deputy Leader, and Portfolio Member for Finance who reported that the revenue budget had a budgeted surplus of £8.044k. The gross capital budget for 2023/24 was £19,988k with grant and other funding of £6,898k reducing the budget by £13,090k. The combination of both the revenue budget and adjusted capital budget gave a planned budget deficit of £5,046k which would be funded from the HRA reserve.

The actual HA revenue surplus of £8,727 exceeds the budgeted level of surplus by £683k as detailed in Appendix A to the report. Capital expenditure was underspent by £182k at out-turn as detailed in Appendix B. Grant income was £801k above the budget with other contributions £538k below the budget. At out-turn the net capital expenditure was underspent by £44k. An additional £509k was received from the joint equity sale of 4 dwellings which has been transferred to an earmarked reserve. The deficit combining both revenue and capital at out-turn was £3,918k, £1,127k less than the budget which leaves £8,189k as the closing HRA Reserve balance. The balance is ringfenced and only available to fund future HRA expenditure.

The Director of Function (Resources)/Section 151 Officer referred to the HRA strategy as set out in the HRA 30-year Business Plan as being to utilise HRA revenue surplus as a contribution towards capital expenditure to maintain the current stock to WHQS standards with the HRA reserve being used to fund the development of new homes. As the HRA reserve reduces to the level agreed in the Business Plan which is approximately £1m to £1.5m, borrowing will be undertaken to continue the building process and the costs funded from the income from the new homes already developed.

It was resolved to note the position set out in respect of the financial performance of the Housing Revenue Account (HRA) for 2023/24.

9 DRAFT FINAL ACCOUNTS 2023/24 AND USE OF RESERVES AND BALANCES

The report of the Director of Function (Resources)/Section 151 Officer incorporating the draft Comprehensive Income and Expenditure Statement (CIES) for 2023/24 and the draft Balance Sheet as at 31 March 2024 was presented for the Executive's consideration. The report provided a summary of the Council's general balances, earmarked reserves, school balances and HRA reserve.

The report was introduced by Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance who reported that the Council's draft accounts had been forwarded to Audit Wales for audit within the prescribed deadline and had been reviewed by the Governance and Audit Committee on 18 July 2024.

The Director of Function (Resources)/Section 151 Officer referred to the CIES which shows the Council's income and expenditure position for 2023/24 including the cost of services based on accounting practices rather than the amount to be funded from taxation. He reported on the movements in the Council's reserves and balances at 31 March 2024 as summarised in paragraph 3.4 of the report and advised that the figures presented are subject to audit and may change. The balance on the General Fund as at 31 March 2024 is £15.604m (including the underspend from 2023/24) or 8.95% of the 2023/24 net expenditure budget. The Council utilised £4.425m of this reserve as funding for the 2024/25 budget which reduces the net available balance to £11.179m or 6.08% of the 2024/25 net expenditure budget. The Section 151 Officer's recommendation approved by the Council is that 5% of the net revenue expenditure budget should be maintained as a minimum balance of the reserve for the forthcoming financial year. Based on this recommendation the minimum balance should be £9.2m which gives the Council £2m of balances above this minimum figure. Based on the available information, the funding position for 2025/26 appears challenging. The surplus in general balances strengthens the Council's position and provides it with the opportunity to use its general balances in 2025/26 to supplement its Welsh Government settlement and Council Tax funding. Staying on budget in 2024/25 will also help the Council's position as any overspend will have to be met from the general balances. Planning for the 2025/26 budget has already commenced.

The Section 151 Officer also referred to school balances which although they have reduced remain in a comparatively healthy state overall, and to earmarked reserves which are held for specific purposes. Table 4 of the report sets out the new reserves created in 2023/24 and the reasons for their creation for which the Executive's approval is sought.

The Executive thanked the Finance Service's staff for their work in completing the draft accounts on time and their subsequent submission for audit.

It was resolved –

- **To note the draft unaudited financial statements for the financial year 2023/24. (The full Draft Statement of Accounts 2023/24 is published on [IOACC-Draft-SOA-Redacted.pdf \(gov.wales\)](#)).**
- **To note the position of the Council's general balances of £15.604m.**
- **To note the balance of Earmarked Reserves of £16.778m and approve the creation of £1.553m of new earmarked reserves.**
- **To formally approve the transfer of £2.002m of earmarked reserves back to the Council's General Balances.**
- **To note the balance of the school reserves of £5.577m.**
- **To note the balance of the HRA reserve of £8.189m.**

10 CHANGES TO THE CONSTITUTION: SCHEME OF DELEGATION TO OFFICERS

The report of the Head of Regulation and Economic Development and the Director of Function (Council Business)/Monitoring Officer which sought the Executive's endorsement for a scheme of delegation with regard to the Council carrying out its statutory function in relation to any development which is a National Significance Infrastructure Project (NSIP) was presented for consideration.

The report was introduced by Councillor Nicola Roberts, Portfolio Member for Planning, Public Protection and Climate Change.

The Energy Island Programme Manager provided an overview of the NSIP examination process and the Council's statutory role in relation to an NSIP and advised that it is considered necessary to have in place a scheme of delegation to ensure that the Council can effectively fulfil its statutory duties in terms of engaging with a project of scale that is a National Significance Infrastructure Project in order to be able to provide its submissions within the deadlines prescribed by the Planning Inspectorate and participate in the examination process either through hearings or inquiries. Due to the examination timetable being set by the Planning Inspectorate it is not possible to align the deadlines for the Council to submit representations and evidence with the Council's committee cycle. For this reason, it is requested that the Executive supports a scheme of delegation that allows the Head of Regulation and Economic Development to carry out all statutory functions of the Council in relation to NSIP. The Energy Island Programme Manager gave assurance that every effort will be made at all stages to enable as much political input as possible via existing governance arrangements.

Similarly, the examination timetable confirmed by the Planning Inspectorate does not allow sufficient time for the translation of the Council's submission by the submission date hence the request to depart from the requirements of the Council's Welsh Language policy to allow for the Welsh translation of the Council's submissions to the examination process to follow after the submission date. This will not affect the Council's compliance with the statutory service delivery of Welsh Language standards which provide for the Welsh/bilingual communication with the public and other persons in Wales. A Welsh version of the Council's submissions will be provided at all times and no documentation will be published or made available publicly until a Welsh translation is available.

Councillor Nicola Roberts added that the feasibility of writing to the Planning Inspectorate to highlight that the examination timetable as prescribed does not allow the submission of bilingual documentation with a view to the timetable being reviewed for the future to enable that to happen had been raised in informal discussions.

The Chief Executive advised that a letter to that effect would be sent to the Planning Inspectorate.

It was resolved to recommend to the Full Council that it support the following –

- **To delegate to the Head of Regulation and Economic Development in consultation with the Leader (or such delegated to a Portfolio Holder as may be nominated by the Leader), to carry out all the Council's statutory functions in relation to any development which is a National Significant Infrastructure Project (NSIP) and requires a Development Consent Order (DCO) as defined under the Planning Act 2008 as amended by the Secretary of State.**
- **The Director of Function (Council Business)/Monitoring Officer in consultation with the Head of Regulation and Economic Development to**

update section 3.5.3.10 of the Constitution to reflect the delegation given by the decision.

- **Permission to deviate from the requirements of the Council's Welsh Language Policy to allow the Welsh translation of the Council's comments to be sent to the Planning Inspectorate after their submission in English. (This exception is required because the NSIP examination timetable does not include sufficient time for the Council's comments to be translated by the submission date).**

11 SOCIO-ECONOMIC CONDITION OF NORTH ANGLESEY AND THE CASE FOR INVESTMENT AND SUPPORT

The report of the Head of Regulation and Economic Development incorporating the North Anglesey Socio-economic Impact Report was presented for the Executive's consideration.

The report was presented by Councillor Gary Pritchard, Deputy Leader and Portfolio Member for Children, Youth and Housing Services as providing an evidence base to set out the current position and challenges facing North Anglesey as well as the Council's ambitions for investment to address the distinctive socio-economic challenges in the area. The North of the Island has been in decline for many years with the closure of major employers, the loss of good quality jobs and the exodus of Welsh speaking, work age people leaving an ageing population and a struggling economy. Although North Anglesey covers a third of the Island, the area has less than 10% of all jobs in Anglesey and its largest town, Amlwch is within the top 30% of the most deprived areas in Wales. The report provides robust evidence and justification for writing to Welsh Government to highlight the issues, challenges, and opportunities with regard to North Anglesey and to make the case for investment and support to address the economic decline of the area.

The Chief Economic Development Officer said that although the report has been produced from an economic development perspective, it has relevance for all the Council's services making it important therefore that any interventions/solutions are made on a whole Council basis and that the Council also continues to engage closely with the Welsh and Westminster Governments and with other strategic partners to take this matter forward.

The Chief Executive advised that the Council has taken the bold step of bringing the challenges that face North Anglesey to public attention in a report that makes difficult reading. While the Council is making every effort with the resources available to address the situation in North Anglesey, there are policy considerations at Welsh and UK government levels and through the NDA that extend beyond the Council's reach. The proposed letter to Welsh Government is important and needs to be circulated more extensively as are urgent discussions about the situation to avert further decline. The situation in North Anglesey is also linked to changing demographics and the loss of residents aged between 25 and 50 over the past decade which if the trend continues will have implications for service provision. It requires a strategic plan to set out a long-term vision for the area taking into account the needs of the next generation. The Council through the publication of the report and assessment of the issues is taking that strategic approach with the aim of bringing the relevant organisations together to set objectives and to ensure that the decisions made will create a better future for the next generation in North Anglesey

The Executive agreed that North Anglesey is an area in need of attention and reflects the decline that can happen when businesses close and job opportunities reduce and people move out of the area as a result. The evidence and data collected provide a basis for taking

collaborative action to address the issues in North Anglesey and to promote the area's regeneration.

It was resolved –

- **To note the North Anglesey Socio-economic Impact Report and its contents in order to be fully informed as to the current situation, trends, opportunities, and challenges.**
- **To support the Leader writing to the new Cabinet Secretary for the Economy, Energy and Welsh Language to raise awareness of the issues, challenges, and opportunities.**
- **To support the Council's ongoing activities to identify and secure external funding to facilitate future regeneration.**
- **To ensure Officers and Elected Members utilise the data provided in the Impact Report to make informed whole Council decisions to deliver the Council Plan 2023-28.**

**Councillor Robin Williams
Chair**