

Public Document Pack



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Mr Dylan Williams
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN
ISLE OF ANGLESEY COUNTY COUNCIL
Swyddfeydd y Cyngor - Council Offices
LLANGFNI
Ynys Môn - Anglesey
LL77 7TW

Ffôn / tel (01248) 752500
Ffacs / fax (01248) 750839

RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH	THE EXECUTIVE
DYDD MAWRTH 23 GORFFENAF 2024 10.00 o'r gloch	TUESDAY 23 JULY 2024 10.00 am
YSTAFELL BWYLLGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL DRWY ZOOM	COMMITTEE ROOM, COUNCIL OFFICES AND VIRTUALLY VIA ZOOM
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

AELODAU/MEMBERS

Plaid Cymru/The Party of Wales

Neville Evans, Carwyn E Jones, Gary Pritchard, Alun Roberts, Nicola Roberts, Robin Wyn Williams

Y Grŵp Annibynnol/The Independent Group

Dafydd Roberts, Dafydd Rhys Thomas

COPI ER GWYBODAETH / COPY FOR INFORMATION

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

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

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

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

A G E N D A

1 DECLARATION OF INTEREST

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

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

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

3 MINUTES (Pages 1 - 4)

To submit for confirmation, the draft minutes of the meeting of the Executive held on 23 May 2024.

4 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 5 - 12)

To submit a report by the Head of Democracy.

5 CORPORATE SELF-ASSESSMENT 2023/24 (Pages 13 - 40)

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

6 REVENUE BUDGET MONITORING, OUT-TURN 2023/24 (Pages 41 - 60)

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

7 CAPITAL OUT-TURN 2023/24 (Pages 61 - 76)

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

8 HOUSING REVENUE ACCOUNT BUDGET MONITORING, OUT-TURN 2023/24 (Pages 77 - 88)

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

9 DRAFT FINAL ACCOUNTS 2023/24 AND USE OF RESERVES AND BALANCES (Pages 89 - 108)

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

10 CHANGES TO THE CONSTITUTION: SCHEME OF DELEGATION TO OFFICERS (Pages 109 - 118)

To submit a report by the Head of Regulation and Economic Development and the Director of Function (Council Business)/Monitoring Officer.

11 **SOCIO-ECONOMIC CONDITION OF NORTH ANGLESEY AND THE CASE FOR INVESTMENT AND SUPPORT** (Pages 119 - 162)

To submit a report by the Head of Regulation and Economic Development.

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THE EXECUTIVE

Minutes of the meeting held in the Committee Room and through Zoom on 23 May, 2024

- PRESENT:** Councillor Llinos Medi (Leader) (Chair)
- Councillors Neville Evans, Carwyn Jones, Gary Pritchard, 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 Social Services
Head of Regulation and Economic Development
Head of Democracy
Legal Services Manager (RJ)
Senior Manager (Secondary Education Sector) (AE)
Chief Economic Development Officer (THJ)
Committee Officer (ATH)
Webcasting Officer (FT)
- APOLOGIES:** Councillor Robin Williams, Marc Berw Hughes (Director of Education, Skills, and Young People), Lynn Ball (Director of Function (Council Business)/Monitoring Officer)
- ALSO PRESENT:** Councillors Aled Morris Jones, Derek Owen, Communications Officer (GJ).
-

1. DECLARATION OF INTEREST

Councillor Llinos Medi declared a personal interest only when item 5 was discussed as a representative of the Local Authority on the governing body of Ysgol Llanfechell.

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 19 March 2024 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 19 March 2024 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 June 2024 to January 2025 was presented for confirmation.

The Head of Democracy updated the Executive on the contents of the Forward Work Programme highlighting where new items had been introduced and items rescheduled.

It was resolved to confirm the Executive's updated Work Programme for the period June 2024 to January 2025 as presented.

5. SCHOOL ORGANISATION – OBJECTION REPORT AND FINAL DECISION RE: YSGOL CARREGLEFN

The report of the Director of Education, Skills and Young People incorporating the Objection Report on the proposal to transfer pupils from Ysgol Carreglefn to Ysgol Llanfechell and close Ysgol Carreglefn was presented for the Executive's consideration.

The report was introduced by Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language who reported that following approval by the Executive at its meeting on 20 February 2024 a Statutory Notice of the Council's intention to transfer pupils from Ysgol Carreglefn to Ysgol Llanfechell and close Ysgol Carreglefn was published on 1 March 2024 after which stakeholders had 28 days in which to make a statutory objection to the proposal. The report sets out the objections received along with the proposer's [i.e. the Council's] response to them which the Executive must now consider before coming to a final decision regarding the proposal. The Portfolio Member highlighted that as Ysgol Carreglefn had fewer than 10 registered pupils at the 2024 January Census Point, the School Organisation Code allows a streamlined procedure to bring about official closure with the requirement for a general consultation being waived.

The Senior Education Manager for the Secondary Sector reported that the Council received 8 responses objecting to the proposal 7 of which were from pupils of Ysgol Carreglefn and the other from the Governing Body of the Ysgol Carreglefn. The pupils' responses were sent in an email by a member of staff of Ysgol Carreglefn containing 7 individual objection letters each signed by the pupils. The issues raised in the objections and the Council's response to them are summarised in Table 1 of the Objection Report. As well as those responses, comments were received from Mechell Community Council after the closure of the objection period on 2 April 2024. These are summarised at section 4 of the Objection report and as they convey views rather than objections and were received outside of the statutory objection period, they have not been dealt with and responded to as statutory objections and are included in the report in the interest of transparency. Should the Executive affirm the proposal to transfer pupils from Ysgol Carreglefn to Ysgol Llanfechell and close Ysgol Carreglefn, a decision letter to that effect would be issued and arrangements put in place to implement the decision and transfer the pupils to Ysgol Llanfechell, and to provide support for them, their parents, and the school's staff with the process.

Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language in saying that the objections to the proposal had been considered and responses provided as per the Objection Report, proposed the recommendations of the report which were to approve the closure proposal and the transfer of Ysgol Carreglefn pupils to Ysgol Llanfechell. In doing so he thanked the Officers and contributors to the process and paid tribute to the staff, governors, pupils, and parents of Ysgol Carreglefn as well as the wider community for all their hard work in supporting and sustaining Ysgol Carreglefn in recent years.

Those thanks were reiterated by Members of the Executive who also acknowledged the respectful way in which Ysgol Carreglefn and the community of Carreglefn had dealt with the process which is never pleasant and they reiterated their commitment to working with the community to secure the school building as a community resource. Councillor Carwyn Jones spoke of his own experience in Llanddona when the community came together after the closure of the local school to secure a new community centre which has since flourished. Councillor Llinos Medi speaking as a Local Member said that the school and community

understand the rationale for the proposal with the number of pupils at the school expected to reduce to 5 in September 2024 making it unfeasible to sustain the school in the long-term. She referred to the Community Council's comments which although not part of the statutory objections reinforce the importance of continuing to support community activities in the school building which the Executive has also previously acknowledged.

It was resolved –

- **To transfer pupils from Ysgol Carreglefn to Ysgol Llanfechell and close Ysgol Carreglefn from 31 August 2024.**
- **To authorise Officers to issue notice of the final decision in the form of a decision letter in accordance with the School Organisation Code 011/2018.**
- **To extend the catchment area of Ysgol Llanfechell to incorporate the current catchment area of Ysgol Carreglefn.**

6. EXCLUSION OF PRESS AND PUBLIC

It was considered and 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 Schedule 12A of the said Act and in the Public Interest Test presented.

7. AGREE ON THE ARRANGEMENTS FOR THE ESTABLISHMENT OF THE PORTHLADD RHYDD YNYS MÔN

The report of the Head of Regulation and Economic Development setting out the arrangements for the establishment of the Porthladd Rhydd Ynys Môn including governance and budget considerations was presented for the Executive's consideration.

The Chief Executive summarised the work to date to bring matters to this point which had involved extensive discussions with stakeholders and input from the Council's advisors as well as from Officers of the Council's Economic Development, Resources, Legal and Risk Management services which was in addition to their day-to-day responsibilities. He brought the Executive up to date on the progress of the draft Outline Business Case (OBC) for the Anglesey Freeport submitted to Government and the timeline for its approval and the subsequent delivery of the Full Business Case (FBC) and completion of a Memorandum of Understanding.

The Head of Regulation and Economic Development reported on the proposed approach to governance of the Freeport entity and the draft Freeport budget as set out in the report. The March meeting of the Executive delegated authority to Officers in consultation with the Leader and Portfolio Holder for Economic Development to agree the Articles of Association for the proposed Freeport Company and its Members Agreement and to continue negotiations with key stakeholders and invite them to be members of the company. Heads of Terms for the proposed company to be named Porthladd Rhydd Ynys Môn Cyf. have now been drafted and are attached as Appendix 1 to the report. The timetable for the conclusion of the OBC process implies the Freeport becoming operational in July 2024 which has implications as regards the establishment of the Freeport legal entity, the putting in place of landowners agreements and ensuring some operational and delivery capacity for the Freeport. The report addresses these matters, refers to the activities the Freeport is expected to undertake to deliver the Freeport programme and expands on the Freeport's proposed draft budget.

The considerable work put in by Council Officers in progressing the establishment of the Freeport was acknowledged by the Chair and the Executive's Members. The timescales with regard to the Outline and Full Business Cases were discussed and questions asked regarding factors and/or developments that could impact on those timescales as well as any associated risks to the Council. Officers provided further clarifications and assurances in relation to the matters raised.

It was resolved –

- **To delegate authority to the Chief Executive in consultation with the Leader and Portfolio Holder for Economic Development, the Director of Function (Council Business)/Monitoring Officer and the Director of Function (Resources)/Section 151 Officer to make the Council a Founding Member of the Porthladd Rhydd Ynys Môn Cyf. (the Freeport Company) alongside key local stakeholders.**
- **To delegate authority to the Chief Executive in consultation with the Leader and Portfolio Holder for Economic Development, the Director of Function (Council Business)/Monitoring Officer and the Director of Function (Resources)/Section 151 Officer to finalise and sign the Articles of Porthladd Rhydd Ynys Môn Cyf. (the Freeport Company) and its Members Agreement.**
- **To delegate authority to the Chief Executive in consultation with the Leader and Portfolio Holder for Economic Development, the Director of Function (Council Business)/Monitoring Officer and the Director of Function (Resources)/Section 151 Officer to finalise and sign the Landowner Agreements between IACC, Porthladd Rhydd Ynys Môn Cyf. (the Freeport Company) and each relevant landowner and/or occupier as required.**
- **To approve the proposed draft budget for the Porthladd Rhydd Ynys Môn and the role of IACC as Accountable Body.**
- **To delegate authority to the Director of Function (Resources)/Section 151 Officer in consultation with the Portfolio Holder for Finance to review and approve the final budget when submitted by Porthladd Rhydd Ynys Môn. The 2024/25 budget expenditure (including contingency) is expected to be as per the table at page 7 of the report.**
- **To note that any implications for the Council's budget will be set out for approval within the Full Council Budget for 2025/26.**

**Councillor Llinos Medi
Chair**

Isle of Anglesey County Council	
Report to:	The Executive
Date:	23 July 2024
Subject:	The Executive's Forward Work Programme
Portfolio Holder(s):	Cllr Gary Pritchard Cllr Robin Williams
Head of Service / Director:	Lynn Ball, Director of Function – Council Business / Monitoring Officer
Report Author:	Dyfan Sion, Head of Democratic Services
Local Members:	Not applicable

A – Recommendation/s and reason/s
<p>In accordance with its Constitution, the Council is required to publish a forward work programme and to update it regularly. The Executive's Forward Work Programme is published each month to enable both members of the Council and the public to see what key decisions are likely to be taken over the coming months.</p> <p>The Executive is requested to:</p> <p>confirm the attached updated work programme which covers September 2024 – March 2025;</p> <p>identify any matters for specific input and consultation with the Council's Scrutiny Committees;</p> <p>note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive.</p>

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

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

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

Yes.

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

Not applicable.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	Not relevant.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	

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

F - Appendices:

The Executive's Forward Work Programme: September 2024 – March 2025.

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

The Executive's Forward Work Programme

Isle of Anglesey County Council

Period: September 2024 – March 2025

This forward work programme lists all the decisions that the Executive intends to take and what business the scrutiny committees will be considering as well as when those matters will be discussed. It also lists any recommendations the Executive intends to make regarding decisions which must be made by the full Council.

Executive decisions may be taken by the Executive as a collective body or by individual members of the Executive acting under delegated powers.

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The forward work programme is reviewed on a regular basis and monthly updates are published. The fact that a decision has not been included in the forward work programme does not prevent urgent or unforeseen matters being considered.

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

Last updated on 10 July 2024

September 2024

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
24 September 2024 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	
	Corporate Scorecard – Quarter 1, 2024/25	Cllr Carwyn Jones	Corporate Scrutiny Committee 12 September 2024
	Revenue Budget Monitoring – Quarter 1, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel 11 September 2024
	Capital Budget Monitoring – Quarter 1, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel 11 September 2024
	Housing Revenue Account Budget Monitoring – Quarter 1, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel 11 September 2024
	Medium Term Financial Plan 2025/26 – 2026/27	Cllr Robin Williams	
	Local Housing Market Assessment	Cllr Gary Pritchard	Corporate Scrutiny Committee 12 September 2024
	Procurement Strategic Plan	Cllr Robin Williams	Corporate Scrutiny Committee 12 September 2024
	Transfer of powers to the regional Corporate Joint Committee	Cllr Carwyn Jones	Partnership and Regeneration Scrutiny Committee

October 2024

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
22 October 2024 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	
	Treasury Management Annual Report 2023/24	Cllr Robin Williams	

November 2024

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
26 November 2024 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	
	Corporate Scorecard – Quarter 2, 2024/25	Cllr Carwyn Jones	Corporate Scrutiny Committee 14 November 2024
	Revenue Budget Monitoring – Quarter 2, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel 5 November 2024
	Capital Budget Monitoring – Quarter 2, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel 5 November 2024
	Housing Revenue Account Budget Monitoring – Quarter 2, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel 5 November 2024
	Council Tax Base 2025/26	Cllr Robin Williams	

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
	Modernising Adults Services Strategic Plan	Cllr Alun Roberts	Partnership and Regeneration Scrutiny Committee 20 November 2024
	Môn Actif Strategic Plan	Cllr Neville Evans	Corporate Scrutiny Committee 14 November 2024

December 2024

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
10 December 2024 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	
	Annual Governance Statement	Cllr Carwyn Jones	

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January 2025

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
21 January 2025 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	

February 2025

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
18 February 2025 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	
	Revenue Budget Monitoring – Quarter 3, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel
	Capital Budget Monitoring – Quarter 3, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel
	Housing Revenue Account Budget Monitoring – Quarter 3, 2024/25	Cllr Robin Williams	Finance Scrutiny Panel

March 2025

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
25 March 2025 meeting	The Executive's forward work programme	Cllr Gary Pritchard Cllr Robin Williams	
	Corporate Scorecard – Quarter 3, 2024/25	Cllr Carwyn Jones	Corporate Scrutiny Committee

Isle of Anglesey County Council	
Report to:	Executive Committee
Date:	23 July 2024
Subject:	Corporate Self-Assessment 2023/24
Portfolio Holder(s):	Councillor Carwyn E. Jones
Head of Service / Director:	Carys Edwards, Head of Profession HR & Transformation
Report Author:	Gwyndaf Parry
Tel:	01248 752111
E-mail:	Gwyndafparry@ynysmon.llyw.cymru
Local Members:	n/a

A –Recommendation/s and reason/s

- 1. It is recommended that the Executive adopts the attached document as a final version following consideration and comments on its content by the Audit and Governance Committee in its meeting of July 18th, 2024.**

As part of the Local Government and Elections (Wales) Act 2021 the following duty is recognised on Anglesey County Council:

... to keep its performance under review

- 1) must keep under review the extent to which -
 - (a) it is exercising its functions effectively,
 - (b) it is using its resources economically, efficiently and effectively, and
 - (c) its governance is effective for securing the matters set out in paragraphs (a) and (b)

and, in connection with all financial years,
make a report setting out its conclusions as to the extent to which it met the performance requirements (a, b and c above) during that financial year.

To meet the expectation above, the County Council’s draft Self-Assessment (SA) for 2023/24 was prepared. The report evidences the output of the Councils corporate planning and performance management framework and is the end of a process that merges several different aspects together.

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

Other options were not considered as this expectation is one of the core changes of the new legislation - the Local Government and Elections (Wales) Act 2021

C – Why is this a decision for the Executive?

This process is to elicit the attention and comments of the Executive and Governance & Audit Committee before the final Self-Assessment is considered by the Executive in July this year.

It is a process which is in accordance with the Local Government and Elections (Wales) Act 2021

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

It is a process which is in accordance with the Local Government and Elections (Wales) Act 2021

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

It is anticipated that the associated work program (depicted at tail-end of the SA and inclusive of those areas rolled over into 2024/25) and its realisation is placed under the leadership and ownership of the Leadership Team (LT) within time in accordance with the County Council's financial year 2024/25.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	Affects our long-term needs by recognising related areas that require further attention as a council.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	In part - yes, regarding the expected improvements that are needed in the performance of some areas etc.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	A specific part of the self-assessment recognises all the collaborative work that takes place across the range of the Services
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The citizens of Anglesey through the corporate scrutiny committees have a quarterly opportunity to express their opinion and challenge the corporation on its performance. The content also states how the different services involve citizens in its decisions.

Dd – Assessing the potential impact (if relevant):		
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	It is not anticipated that the work program will have an impact on the groups protected under the equality act 2010.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	N/A
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	N/A

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	This was considered by the Chief Executive / Leadership Team (LT) and their comments are reflected in the report
2	Finance / Section 151 (mandatory)	The comments of the Section 151 Officer as a member of the LT have also been included
3	Legal / Monitoring Officer (mandatory)	Monitoring Officer's comments as a member of the LT have been included
4	Human Resources (HR)	Comments are reflected in the report
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	This matter was considered by the Corporate Scrutiny Committee at its meeting on 13/06/2024. Having scrutinised the documentation, the Corporate Scrutiny Committee resolved to endorse the Annual Corporate Self-Assessment 2024 for further consideration by the Executive.

E – Who did you consult?		What did they say?
		<p>Additional actions –</p> <ul style="list-style-type: none"> • The Committee to have assurance on the progress made on actions in relation to the three key areas assessed as meeting expectations (as opposed to exceeding expectations) • The Corporate Self-Assessment report for 2024/25 to show how the actions taken have improved performance for those three key areas
9	Local Members	Not applicable

F - Appendices:

Anglesey County Council Self-Assessment – 2023/2024

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

- Local Government and Elections (Wales) Act 2021
- [Self-Assessment Improvement Actions 2022](#)
- [Record of an Executive Decision taken by the Leader, 12 May 2023](#)



CYNGOR SIR
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ISLE OF ANGLESEY
COUNTY COUNCIL

Self Assessment – 2023/24

The County Council's annual self-assessment as expected under Local Government and Elections Act (Wales) 2021

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Prepared by – Transformation Service

Publication date: July 2024

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

Introduction

This report reflects the Isle of Anglesey County Council's third self-assessment as expected under the Local Government and Elections (Wales) Act 2021.

It reflects the output of the corporate planning and performance management framework and provides an evidential basis of:

- how the Council has performed
- using its available resources whilst
- managing and mitigating associated risks

during a challenging and changing time for local government.

The new national performance and governance framework aims to support a cultural and organisational change within local government. The aim is to build on existing strengths and create a more innovative, open, honest, transparent and ambitious sector, which challenges and assesses itself and collectively drives up service delivery outcomes and standards across Wales. The Isle of Anglesey County Council recognises and adheres to such expectations and the following report is drafted as such.

The Local Government and Elections Act requires each council to keep under review the extent to which it is fulfilling the 'performance requirements', that is the extent to which it is:

- exercising its functions effectively;
- using its resources economically, efficiently and effectively;
- has effective governance in place for securing the above.

Council Plan 2023-2028 – Strategic Objectives

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

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

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

The Council Plan's vision is to:

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



The Welsh Language

Increase the opportunities to learn and use the language.



Social Care and Wellbeing

Providing the right support at the right time.



Education

Ensuring an effective provision for today and for future generations.



Housing

Ensuring that everyone has the right to call somewhere home.



Economy

Promoting opportunities to develop the Island's economy.



Climate Change

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

Council Plan 2023–2028 – Values

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



Respect

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



Collaborate

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



Honesty

We are committed to high standards of conduct and integrity.



Champion the Council and the island

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

Strategic Circle

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

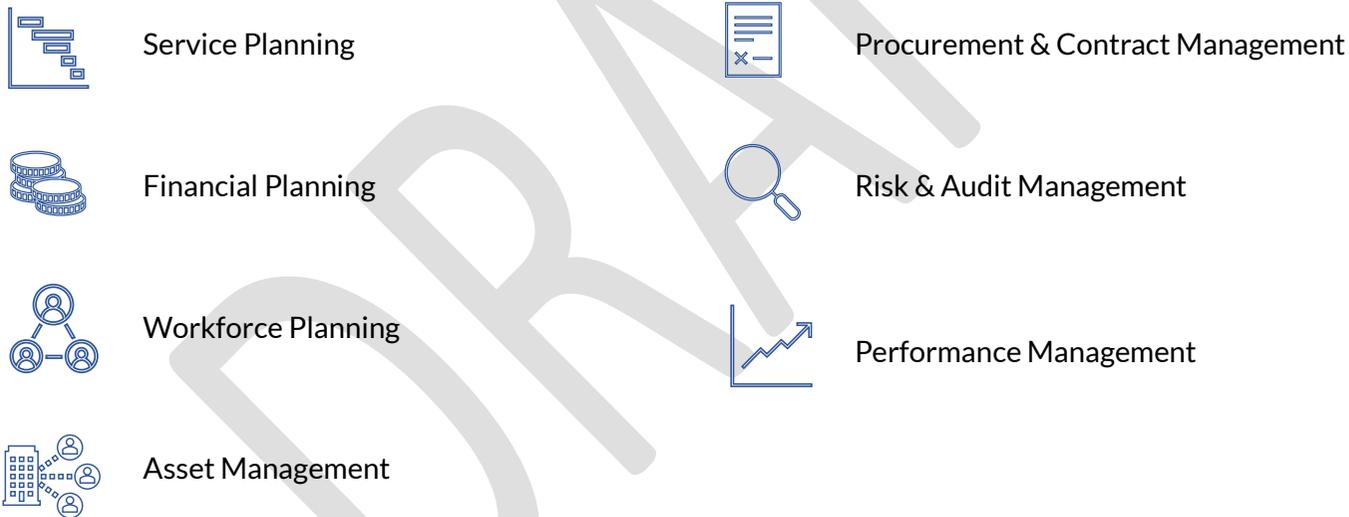


Our method of Self-Assessment

As part of the Local Government and Election (Wales) Act 2021 monitoring the performance of all local authorities based on a self-assessment was set out.

The council undertake a comprehensive review of the self-assessment process on an annual basis including identifying lessons learnt during the previous year as well as utilising feedback from the Corporate Scrutiny Committee, lead officers and elected members.

During 2023 we reviewed our approach to self-assessment and made a number of adjustments to further strengthen the process. We worked collaboratively with Services across the council to adjust the template to focus on seven key areas, in line with applying the Wellbeing of Future Generations Act. These seven areas are:



We also allowed more time for Services to start the evidence gathering stage. We hope this strengthened the process based on our experiences from previous years. We will continue to review our self-assessment processes every year and implement changes that we're not implemented during 2023/24 such as seeking an independent opinion to ensure that the process and scoring provides a fair reflection.

Self-evaluation is an integral part of any organisation's improvement process, and its primary purpose is for self-assurance; however, it is recognised within the Isle of Anglesey County Council that if self-evaluation is done well, it can also provide assurances to external audiences, including partners, regulators and indeed residents.

Each Service (of which Anglesey County Council has 9) was asked to complete a self-evaluation - scoring their performance on identified areas deemed important as to measure the general performance of services. They were asked to evaluate their performance against one of the 5 criteria listed below and were thereafter challenged as to their findings by a group of officers and elected members known as the Service Review process:

Performance Rating	Description
Outstanding	Performance that consistently surpasses expectations and demonstrates exceptional achievement.
Exceeds Expectations	Performance that delivers superior results beyond what was expected.
Meets Expectations	Performance that meets established standards and fulfils obligations.
Needs Minor Improvement	Performance that falls below expected standards and requires corrective action by the Service.
Needs Major Improvement	Performance that consistently falls short of expected standards, necessitating the need for immediate corrective measures by the Service and Leadership Team.

Individual Services who have scored themselves as 'Adequate' or 'Unsatisfactory' have identified areas for improvement to help improve performance into the future. These areas for improvement have been included in this self-assessment, however some have been included in a wider area for improvement for the Council and will be managed by a lead service which are identified in the 'Identified Areas for Improvement' section of this report.

Individual Service areas for improvement are monitored as part of the Service Review process.

This self-assessment summarises the conclusion of the work for 2023/24 and evaluates the overall performance of the Council, answering at the simplest level, the following questions –

- How well are we doing?
- How do we know?
- What and how can we do better?

Service Planning

Exceeds Expectations



How well are we doing?

Service planning is an essential tool for performance management. It helps people understand our services, it provides a road map for where the Council needs to be and is an essential part of the accountability framework for service provision in realising the objectives of the Council Plan.

The evidence supports an overall conclusion that the council have a strong grasp on Service Planning and have a clear vision for the future and how to achieve that vision.

How do we know?

Identified Strengths	Examples of Supporting Evidence
<p>Clear Objectives – The council has a clear vision in place with measurable objectives for service delivery which is aligned to the community needs and legislative requirements</p>	<ul style="list-style-type: none"> • Council Plan • Council Values • Supporting strategies and plans • Modernising Learning Communities and Developing the Welsh Language Strategy • Local Code of Governance – pages 12-16
<p>Stakeholder Engagement – The council is in continuous engagement with Anglesey residents, businesses and partners</p>	<ul style="list-style-type: none"> • Public Consultations • Survey of tenants and residents (STAR) survey results • Local Code of Governance - page 9
<p>Evidence based decisions – The council makes informed decisions based on evidenced data analysis, research and the short and long term needs of the community</p>	<ul style="list-style-type: none"> • Council Committee Decisions • Council Committee Minutes
<p>Innovation and Adaptability – The council has a good track record of innovation and adapts well to changing circumstances</p>	<ul style="list-style-type: none"> • Response to RAAC • Trauma Informed Island • Cartrefi Clyd - Small Group Homes • Home dialysis scheme • Business Units in Llangefni and Holyhead • Ynys Môn Community Programme National Award • Fostering Excellence Award

Identified Strengths	Examples of Supporting Evidence
	<ul style="list-style-type: none"> • Dwyran natural flood management national award • Anglesey Freeport • Holyhead Levelling Up Fund
<p>Resource Allocation – The council has a strong history with managing its resources, both human and financial, to undertake its objectives</p>	<ul style="list-style-type: none"> • Medium Term Financial Strategy and Budget
<p>Compliance with Legal and Regulatory Standards – The council complies with relevant legislation, regulations and statutory duties and ensures accountability and transparency in its decision-making processes</p>	<ul style="list-style-type: none"> • External Audit: Annual Audit Summary • Isle of Anglesey County Council Constitution • Local Code of Governance - page 7

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Financial Planning

Exceeds Expectations



How well are we doing?

Financial planning involves the strategic management of finances. It encompasses assessing the current financial situation, delivering objectives, and creating comprehensive plans to allocate resources whilst maintaining fiscal stability. This process includes short (up to 1 year), medium (1-3 years) and long term (3+ years) financial forecasting to ensure the council can meet its obligations and deliver services to the community.

The council have a strong grasp on Financial Planning and have a clear financial plan in place to achieve the council’s vision in the short, medium and long term.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Budget Management – The council has a strong budget management process in place that aligns with the strategic objectives and service priorities, whilst minimising the risk of overspending or underfunding.	<ul style="list-style-type: none"> • Medium Term Financial Strategy and Budget • Local Code of Governance – pages 20-22
Financial Stability – The council has healthy reserves and low debt levels relative to its income and demonstrates prudent financial management practices that ensure long-term sustainability	<ul style="list-style-type: none"> • Medium Term Financial Strategy and Budget • Statement of Accounts • Local Code of Governance – pages 20-22
Effective Resource Allocation – The council has an effective allocation of its financial resources to meet service demand and delivery requirements, whilst maximising its value for money	<ul style="list-style-type: none"> • Budget Book • Local Code of Governance – pages 14-16
Transparency and Accountability – The council has strong publicly available financial management reporting, including quarterly budget monitoring reports and annual statement of accounts.	<ul style="list-style-type: none"> • Statement of Accounts • Local Code of Governance – pages 23-24 • Budget Setting Process
Compliance with Financial Regulations – The council fully complies with relevant financial regulations, accounting standards and legal requirements including core funding and grant funding	<ul style="list-style-type: none"> • Annual Governance Statement • Local Code of Governance - page 7
Monitoring – The council has regular monitoring and oversight of financial performance, including quarterly budget reporting of the revenue, capital and HRA accounts, whilst ensuring that the risks are managed appropriately	<ul style="list-style-type: none"> • Quarterly Financial Monitoring Reports to the Executive

Identified Strengths

Audit Assessments – The council have positive inspection reports from its auditors including Audit Wales and Internal Audit which provide independent validation of the financial management practices

Examples of Supporting Evidence

- [Annual Report of the Governance and Audit Committee](#)
- Internal Audit Annual Report
- [External Audit: Annual Audit Summary](#)

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Workforce Planning

Exceeds Expectations



How well are we doing?

Workforce planning is a process where the council can analyse its current and future workforce needs against its commitments, plans and objectives. It enables the council to plan how it will recruit, support, develop and retain the employees it needs for the future, reflecting the long-term planning principle of the Wellbeing of Future Generations Act.

The council has a strong understanding of workforce planning and have the requirements in place for achieving its commitments, plans and objectives from a human resource perspective.

How do we know?

Identified Strengths	Examples of Supporting Evidence
<p>Training and Development – The council provides many opportunities to undertake training, professional development and skill enhancement which enables employees to continually grow and adapt to changing job requirements and technological advancements</p>	<ul style="list-style-type: none"> • Welsh language annual report • Local Code of Governance – pages 17-19 • Member Development and Training Programme
<p>Workforce Planning – The council is committed to getting the right people, with the right skills, in the right place, at the right time whilst ensuring alignment with the councils’ strategic objectives and service priorities. The council continuously develops and implements succession plans to identify and develop future leaders and key personnel ensuring continuity and sustainability</p>	<ul style="list-style-type: none"> • Workforce Planning Strategy • People risk management strategy • Local Code of Governance – pages 17-19
<p>Work Benefits – The council offers many benefits to staff including flexible working, hybrid working, wellbeing support and occupational health, work pension as well as many other policies designed to improve the work-life balance of its staff</p>	<ul style="list-style-type: none"> • Flexible working • Cycle to work scheme • Manteision Mon
<p>Performance Review – The council have a clear system for measuring employee performance, alignment with council strategies and strategic objectives, and career development through its annual development conversations with staff, annual workforce review and effective talent management</p>	<ul style="list-style-type: none"> • Appraisal system • Corporate Safeguarding Annual Report • Local Code of Governance – pages 17-19

Identified Strengths

Employee Engagement and Satisfaction – The council have many forms for employee engagement including staff surveys and other feedback mechanisms which ensures an effective communication and positive work environment for staff to thrive and high morale

Examples of Supporting Evidence

- Staff Attendance
- Staff Retention
- Staff Survey
- Members Briefing Sessions
- Fforwm Môn
- Y Ddolen
- Chief Executive Update
- [Local Code of Governance – pages 17-19](#)

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Meets Expectations

Asset Management

How well are we doing?

Asset management is the systematic process of planning, acquiring, tracking, maintaining, upgrading, and disposing of assets in an efficient and cost-effective manner. The primary goal of asset management is to optimize the use and performance of assets while minimizing risks and costs throughout their lifecycle. Their use should also align with the council's objectives.

The council are doing well regarding Asset Management and have many plans in place to successfully deliver the councils objectives, however work is required on many assets that are in need of modernisation or disposal.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Asset Inventory and Condition Assessment – The council has an accurate inventory of its assets, including infrastructure, facilities and equipment and regularly assess the condition to inform maintenance and renewal strategies	<ul style="list-style-type: none"> • Asset Management System in place • ICT Asset Management in place
Lifecycle Planning – The council ensures the proactive maintenance, renewal and replacement of assets which optimises performance and minimises lifecycle costs	<ul style="list-style-type: none"> • Asset Management Strategic Plan • Housing Services Asset Management Strategic Plan • Capital Strategy • Modernising Learning Communities and Developing the Welsh Language Strategy
Risk Management – The council conduct risk assessments for assets to identify and mitigate potential risks, such as health and safety, regulatory compliance and service disruptions	<ul style="list-style-type: none"> • Asset condition survey • Cyber Security / ICT Security
Asset Performance Monitoring – The council monitors asset performance, particularly energy usage and efforts to achieve net zero, and uses the data to assess the asset effectiveness, reliability and service delivery and make data driven decisions	<ul style="list-style-type: none"> • Asset Management System • Digital Strategic Plan • PowerBI Dashboard for Climate Change with indicators related to energy usage
Compliance with Standards and Regulation – The council ensures compliance with relevant asset management standards, regulations and best practices and demonstrates a commitment to quality, consistency and continuous improvement	<ul style="list-style-type: none"> • RAAC identification and response • Asset condition surveys • Local Code of Governance - page 7 • Health and Safety Policies



Meets Expectations

Procurement & Contract Management

How well are we doing?

Procurement management focuses on the initial acquisition of goods or services, while contract management concentrates on the ongoing management and compliance of those agreements once they are in place. Both processes are critical to acquire and manage the resources that the council needs to operate and achieve key objectives efficiently and effectively.

Overall, the council have a good understanding of procurement rules and procedures, and contract management arrangements are working well. There are however processes that are to be reviewed to align and meet the expectations within the new Procurement Act 2023 which comes into force in October 2024.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Compliance with Regulations – The council have systems and processes in place to ensure compliance with all procurement standards and regulations, and all contracts are managed as such when due for renewal or when new	<ul style="list-style-type: none"> • Procurement Handbook • IT Procurement Policy • Data processing policy and agreement • Annual Governance Statement • STAR Procurement Review and Action Plan • Local Code of Governance - page 7
Transparency and Accountability – The council is transparent and accountable in its procurement and contract management, such as disclosing procurement decisions, contract terms, and performance outcomes to stakeholders, which promotes public trust and confidence in the council's procurement practices	<ul style="list-style-type: none"> • Contracts Management Strategy • Procurement training • Annual Governance Statement
Ethical Procurement – The council ensures that procurement decisions are made impartially and in the best interests of the council and the community by upholding ethical standards in procurement processes, including fairness, integrity, and avoidance of conflicts of interest	<ul style="list-style-type: none"> • Sustainable Procurement Policy • IT Procurement Policy • Safeguarding in procurement and contracting • Local Code of Governance - page 7
Performance Management – The council ensures that suppliers deliver goods and services in accordance with agreed-upon terms and standards by monitoring the performance of its suppliers and contractors based on agreed KPIs, Service Level Agreements and contract requirements	<ul style="list-style-type: none"> • Annual Report of the Governance and Audit Committee

Identified Strengths

Risk Management – The council conducts risk assessments and implements risk mitigation strategies in procurement and contract management processes which helps identify and address potential risks, such as supply chain disruptions, contract disputes, or non-compliance issues

Examples of Supporting Evidence

- [Annual Report of the Governance and Audit Committee](#)

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Risk & Audit Management

Meets Expectations



How well are we doing?

Risk Management deals with identifying and managing uncertainties that could impact on the councils' objectives in a positive or negative way. Internal Audit involves providing independent, objective assurance and consulting activities to add value and improve the council's operations. It helps the council to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. External audit and regulators scrutinise management and governance processes, ensure service quality and compliance with legal and regulatory standards. Together, they maintain council accountability and service effectiveness, and provide assurance that public funds are used responsibly.

The council regularly monitor and review the strategic risks and mitigating actions put in place to monitor them and it has an excellent relationship with regulators and auditors. Overall processes and procedures are strong and the culture of the organisation ensures that they are essential practices in day to day activities.

How do we know?

Identified Strengths	Examples of Supporting Evidence
<p>Risk Identification – The council have robust processes in place to identify and assess risks across all areas of operations, including financial, operational, strategic, and compliance risks</p>	<ul style="list-style-type: none"> • Risk Management Policy and Strategy • Risk management framework • Strategic Risk Register • Service Risk Register • Project Risk Register • Local Code of Governance - pages 12-24
<p>Risk Mitigation – The council demonstrates proactive risk management practices aimed at minimizing the likelihood and impact of adverse events by developing and implementing effective risk mitigation strategies and controls to address them</p>	<ul style="list-style-type: none"> • Risk Management Policy and Strategy • Risk management framework • Strategic Risk Register • Service Risk Register • Project Risk Register • Local Code of Governance - pages 12-24
<p>Internal Audit Function – The Council has an independent and objective internal team that provides assurance and advice to all levels of management and elected and lay members on the quality of operations within the Council and is one of the key elements of the Council's governance framework. Its mission is to enhance and protect</p>	<ul style="list-style-type: none"> • Internal Audit Strategy • Internal Audit Charter • Internal Audit Updates

Identified Strengths	Examples of Supporting Evidence
organisational value by providing risk-based and objective assurance, advice and insight.	<ul style="list-style-type: none"> • Annual Report of the Governance and Audit Committee • Local Code of Governance - pages 20-24
Training and Awareness – The council provides training and awareness sessions on risk management and internal controls to relevant staff and stakeholders which ensures a shared understanding of risk management principles and promotes a culture of risk awareness and accountability across the organization	<ul style="list-style-type: none"> • Annual Governance Statement • Local Code of Governance – pages 17-19
External Audit and Regulators – The council fully supports and is transparent with its external auditors and regulators on all aspects of council business including finance, education, social services, and other corporate activities which in turn provides independent validation of its internal controls and practices	<ul style="list-style-type: none"> • National Reviews and their related recommendations • Audit Wales Annual Audit Summary • Estyn Reports • Care Inspectorate Wales Reports

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Performance Management

Exceeds Expectations



How well are we doing?

Performance Management is a process in which the council and its staff work together to plan, monitor and review our corporate priorities through strategic objectives, service objectives and individual objectives, within allocated resources in order to ensure continuous improvement.

The council has a strong appetite for continuous improvement and is transparent when reviewing its key performance indicators, annual activities and monitoring arrangements.

How do we know?

Identified Strengths	Examples of Supporting Evidence
<p>Clear Objectives and Key Performance Indicators – The council has clearly defined objectives and measurable KPIs that align with its strategic priorities and service delivery goals</p>	<ul style="list-style-type: none"> • Council Plan • Annual Delivery Document • Corporate Scorecard • Local Code of Governance - pages 14-16, 20-22
<p>Data Collection and Analysis – The council is committed to evidence-based decision making by the regular monitoring of data, analysing data and identifying trends from the data to make informed decisions</p>	<ul style="list-style-type: none"> • Quarterly Scorecard Monitoring • Service Performance Indicators • PowerBI Dashboards • Local Code of Governance - page 9
<p>Regular Monitoring and Reporting – The council ensures accountability and transparency in performance management by regular monitoring of performance against established KPIs and the quarterly reporting of performance to elected members and senior leadership, officers, and the public</p>	<ul style="list-style-type: none"> • Annual Performance Report • Annual Governance Statement • Annual Directors Report on the effectiveness of Social Services • Anglesey and Gwynedd Public Services Board Annual Report • Quarterly Scorecard Monitoring • Survey of tenants and residents (STAR) survey results
<p>Continuous Improvement Culture – The council has a culture of continuous improvement in performance management practices, through regular reviews and evaluations which enables the council to adapt to changing circumstances, identify emerging trends and drive ongoing improvement in service delivery</p>	<ul style="list-style-type: none"> • Quarterly Scorecard Monitoring • Local Code of Governance - pages 14-16, 20-22

Identified Strengths

Benchmarking and Comparison – The council compares performance with other councils whenever possible to ensure that the performance is in line with expectations and identify areas for improvement

Examples of Supporting Evidence

- [Stats Wales](#)
- [Data Cymru](#)
- Benchmarking Clubs (data not published)

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What and how can we do better?

Below are all of the areas identified as opportunities for improvement and monitoring throughout 2024/25.

Improvement matters identified	Actions identified to address weaknesses	Lead Officer / Service / Board	By When
1. The Council needs to review and revise the Corporate Scorecard provision following the adoption of the new Council Plan 2023-2028	<ul style="list-style-type: none"> Review and revise the corporate scorecard provision to identify relevant and prioritised indicators to be tracked and managed through the life-course of the current administration 	Transformation	September 2024
2. The council need to continue modernising its digital and data infrastructure	<ul style="list-style-type: none"> Digital strategic plan Complete a data maturity assessment to review of our data infrastructure, skills and capacity Implement a new telephony system 	Transformation	March 2025
3. The council must ensure that it meets the requirements of the new Procurement Act 2023	<ul style="list-style-type: none"> Implement agreed actions from the Procurement Improvement Plan Publish a Procurement Strategic Plan 	Resources	April 2026
4. The financial resilience of the council is under pressure due to the cost of living crisis and a decrease in funding	<ul style="list-style-type: none"> Maximise the grants available to the council Monitor and review the Medium Term Financial Plan (MTFP) Identify savings for 2025/26 onwards Review and streamline processes to improve efficiency and effectiveness of services and reduce the impact of reduced funding 	Resources	March 2025

Improvement matters identified	Actions identified to address weaknesses	Lead Officer / Service / Board	By When
<p>5. The council needs to manage and rationalise assets to ensure that they are needed, are fit for purpose and if not identify the work required to bring them up to standards.</p>	<ul style="list-style-type: none"> • Publish and implement a new Asset Management Strategic Plan 2024-2029 • Review and publish a new small holding asset management strategy • Undertake rationalisation of council assets • Responding to and managing RAAC within council assets 	Highways, Waste & Property	March 2025
<p>6. The council need to respond to identified workforce planning challenges including its age profile in some services and recruitment and retention problems in others</p>	<ul style="list-style-type: none"> • Review, revise and implement a recruitment drive for the Provider Unit • Implement the people risk management strategy • Modernise the recruitment website and • Increase the retention of staff in areas that see higher turnover and specifically in roles that are specialists and can't easily be recruited 	Transformation	March 2025

The Council's Service Position Statement – 2024

Please note below the response of each service against the categories of evidence for 2024

Evidence Categories	Adults	Children	Council Business	Regulation & Econ Dev	Highways, Waste & Property	Housing	Learning	Resources	Transformation	Overall Council (Average)
Service Planning	Exceeds	Exceeds	Exceeds	Outstanding	Meets	Exceeds	Outstanding	Meets	Meets	Exceeds
Financial Planning	Meets	Meets	Meets	Outstanding	Exceeds	Meets	Exceeds	Exceeds	Exceeds	Exceeds
Workforce Planning	Meets	Exceeds	Meets	Exceeds	Exceeds	Exceeds	Exceeds	Meets	Outstanding	Exceeds
Asset Management	Meets	Meets	Meets	Meets	Meets	Exceeds	Meets	Meets	Meets	Meets
Procurement and Contract Management	Meets	Meets	Meets	Exceeds	Meets	Meets	Exceeds	Meets	Meets	Meets
Risk and Audit Management	Exceeds	Meets	Meets	Meets	Exceeds	Meets	Meets	Meets	Exceeds	Meets
Performance Management	Exceeds	Meets	Exceeds	Exceeds	Exceeds	Meets	Exceeds	Meets	Exceeds	Exceeds

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Isle of Anglesey County Council	
Report to:	EXECUTIVE
Date:	23 JULY 2024
Subject:	REVENUE BUDGET MONITORING, OUTTURN 2023/24
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS – DEPUTY LEADER & FINANCE PORTFOLIO HOLDER
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author:	BETHAN HUGHES-OWEN – ACCOUNTANCY SERVICES MANAGER
Tel:	01248 752663
E-mail:	BETHANOWEN2@YNYSMON.LLYW.CYMRU
Local Members:	N/A
A –Recommendation/s and reason/s	
<ol style="list-style-type: none"> 1. On 9 March 2023, the Council set a net budget for 2023/24 with net service expenditure of £174.569m, to be funded from Council Tax income, NDR and general grants, as well as £3.780m from general reserves. This includes a total for general and other contingencies amounting to £3.109m. The budget for the Council Tax Premium was increased by £0.943m, to £2.893m. A balanced budget was set with the agreed Council Tax rise of 5.00%. 2. As for the previous year, the budget for 2023/24 does not include any requirements on the services to make savings. 3. This report sets out the financial performance of the Council’s services at the end of quarter 4, 31 March 2024. A further report will be presented to the Executive upon completion of the draft Statement of Accounts. 4. The overall projected financial position for 2023/24, including Corporate Finance and the Council Tax fund, is a projected underspend of £1.732m. This is 0.99% of the Council’s net budget for 2023/24. The reasons for the reported financial position are set out in the attached report. 5. It is recommended that:- <ol style="list-style-type: none"> (i) To note the position set out in Appendices A and B in respect of the Authority’s financial outturn for 2023/24. (ii) To note the summary of Contingency budgets for 2023/24, detailed in Appendix C. (iii) To note the monitoring of agency and consultancy costs for 2023/24 in Appendices CH, D and DD. (iv) To note that the estimated balance of the Council’s general balances as at 31 March 2024 stands at £15.694m. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
Not applicable – Monitoring report with no options which require consideration.	
C – Why is this a decision for the Executive?	
This matter is delegated to the Executive.	
Ch – Is this decision consistent with policy approved by the full Council?	
Yes	

D – Is this decision within the budget approved by the Council?		
Yes		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The report is for monitoring purposes only and is used along with other reports to set the medium term financial strategy and annual budget. In setting the annual budget, the impact on the long term needs of the Island will be assessed.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The citizens of Anglesey were consulted as part of the 2023/24 budget setting process and will be consulted on future budgets.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Not applicable
E – Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The report has been considered by the Leadership Team at its meeting on 4 June 2024, and the comments made incorporated into the report.
2	Finance / Section 151 (mandatory)	N/A – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the Leadership Team and comments made have been considered.
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The financial position at the end of the financial year was reviewed by the Finance Scrutiny Panel at its meeting on 6 June 2024.
9	Local Members	N/A
F - Appendices:		
<ul style="list-style-type: none"> • Appendix A – Provisional Revenue Outturn Report for 2023/24 • Appendix B - Table of Provisional Outturn 2023/24 • Appendix C - Summary of Contingency Budgets position for 2023/24 • Appendix CH - Information regarding monitoring of Agency Staff 2023/24 • Appendix D - Information regarding monitoring of Consultants 2023/24 		
Ff - Background papers (please contact the author of the Report for any further information):		
2023/24 Revenue Budget (as recommended by this Committee on 2 March 2023 and adopted by the County Council on 9 March 2023).		

REVENUE BUDGET MONITORING – OUTTURN

1. GENERAL BALANCES

The Council Fund held £19.637m of earmarked reserves and school reserves amounting to £6.716m at the start of the financial year. The audited outturn for 2022/23 resulted in a general balance at the start of the current financial year of £14.039m.

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

Executive Meeting / Movement	Amount	Comments
	£	
Opening Balance 1 April 2023	(14.039)	As per audited financial statements.
2023/24 Revenue Budget Funding	3.780	As per Council decision 9 March 2023.
Oriel Ynys Môn Business Rate Refund	(1.220)	The Council has successfully appealed the Rateable Value in respect of Oriel Ynys Môn dating back to 2010. This has resulted in the majority of the business rates paid over this period being refunded to the Council.
Business Rate Refunds – Other Council Buildings	(0.428)	The Council has successfully appealed the Rateable Value in respect of a number of Council buildings, including closed schools, libraries and leisure centres, dating back to 2017.
Canolfan Addysg y Bont – Roof Repairs	0.034	A final retention payment was made in 2023/24 in respect of the remedial works undertaken in 2022/23.
Transfer from Earmarked Reserves	(2.001)	A review of earmarked reserves has identified a number of earmarked reserves which are no longer needed, or where the risk covered by the reserve has changed, which has allowed earmarked funding to be reduced.
Unaudited Closing Balance as at 31 March 2024	(13.874)	
Revenue Surplus 2023/24	(1.732)	See remainder of report and Appendix B.
Revised Unaudited Closing Balance as at 31 March 2024	(15.606)	
2024/25 Revenue Budget Funding	4.425	As per Council's decision 7 March 2024.
General Balances Available	(11.181)	Equates to 6.1% of the Council's 2024/25 net revenue expenditure budget.

At its meeting on 7 March 2024, the Council accepted the recommendation that the Council should hold a minimum of 5% of the 2024/25 net revenue budget as general balances. This equates to a figure of £9.2m and, as a result, the forecast level of general balances available is £2m above this minimum figure.

2. FINANCIAL PERFORMANCE BY SERVICE

2.1 The details of the financial performance by service is set out in Appendix B. An underspend of £1.676m on services is the unaudited position as at 31 March 2024. An underspend of £401k is estimated on Corporate Finance. In addition, an underachievement on income of £0.337m is predicted on the collection of the standard Council Tax and Council Tax Premium. The current total revenue forecast for 2023/24 is an underspend of £1.732m.

2.2 Table 1 below summarises the significant variances (circa £100k or higher):-

Table 1
Summary of 2023/24 Revenue Budget Variances by Service

	(Under) / Overspend £'000	%
Central Education	(512)	(9.88)
Culture	(112)	(7.75)
Adults	(585)	(1.64)
Children's Service	1,403	10.68
Waste	(513)	(5.06)
Property	106	(4.91)
Economic Development	(500)	(14.65)
ICT	(546)	(12.48)
Planning and Public Protection	(182)	(5.65)
Unbudgeted uncontrollable costs - insurance, capital pension costs and bad debt	595	
Capital Financing Costs	(181)	(4.17)
Council Tax Reduction Scheme & Other Benefits	(574)	(8.36)
Use of General & Other Contingencies	(307)	
Council Tax – Debit Raised	337	0.71
Other (total of variances less than £100k)	(161)	(0.62)
Total Variance over / (under)spend (excluding funding)	(1,732)	(1.02)

3. EXPLANATION OF SIGNIFICANT VARIANCES

3.1 Lifelong Learning

3.1.1 Delegated Schools Budget

Once the Council sets the budget for schools, responsibility for the budget is delegated to the schools and annual under or overspends are held in individual school reserves. The balances of the schools reserves now stands at £5.577m, compared to £6.716m at 31 March 2023. Currently, there are 5 schools in deficit within the primary sector.

Central Education

3.1.2 This service was underspent by £512k (9.88%) at outturn This is an increase on the estimated underspend of £326k reported at quarter 3. Many of these budgets are demand led, which makes forecasting year end positions difficult.

3.1.3 There are a number of over and underspends across the Service. The most significant changes from those reported in quarter 3 are listed below:-

- Primary Exceptions – Outturn was an overspend of £85k, this is a £158k swing from the underspend of £73k reported at in quarter 3. This is the result of the Repairs and Maintenance budgets overspending by £90k and costs associated with a primary school closure of £40k being more than originally anticipated.
- School Transport (Taxis and Buses) – Outturn was an underspend of £156k, where it was forecasted as an underspend of £121k at quarter 3. Due to changes in pupil requirements, 2 contracts were terminated during the final quarter, which reduced the final overall costs.
- Central Education – The budget heading was forecast to underspend by £109k at quarter 3, however, at outturn the underspend had risen to £161k. This was the result of costs being less than anticipated for Criminal Records checks £10k and staff costs were allocated against an additional revenue grant.
- Môn a Gwynedd ALN Strategy was forecasted to breakeven, however at outturn there was an underspend of £86k. This is a substantial change, however, with the agreement between Anglesey and Gwynedd Councils now being in place, going forward it is possible to more accurately forecast the spend against our budget. During the final quarter of the financial year, the financial position improved due to staff vacancies and the receipt of additional income which had not previously been anticipated.
- Additional Learning Needs (new legislation) - underspend of £119k at outturn, compared to an underspend of £30k in quarter 3. This increase in underspend is due to being able to apply staffing costs against the ALN Provision grant. There were also less up take in the “Cynllun Cyfeirio” than previously anticipated.
- The Early Years provision - An underspend of £150k at outturn from a forecast of a £112k underspend in quarter 3. An element of the budget was held back in case of the need to undertake emergency works, however, no additional works were required during the year leaving the budget unspent.

3.1.4 Culture

- 3.1.4.1** This service was £112k (7.75%) underspent at outturn. The forecasted outturn at quarter 3 was an underspend of £17k. This is a substantial change from one reporting period to the next. The main area of change has occurred within the Libraries service, where the service has been able to offset staff time to grants received, an NDR refund which was not expected was received and unexpected savings emerged from the Talnet service. Income levels also increased greater than expected within the Archives service during the final quarter.

3.2 Adults Social Care

- 3.2.1** The service was £585k (1.64%) underspent at outturn, this is a substantial change from the forecast of £188k overspend in quarter 3. This is a demand led service which makes forecasting difficult.
- 3.2.2** The elements within the outturn variance are shown in Table 2 below, and explanations for the variances noted below:-

Table 2
Analysis of Adult Services Outturn Position 2023/24

Service	Expenditure / Income Analysis								Total
	Residential	Nursing	Home Care	Day Care	Supp. Accom	Staffing	Other	Grants and Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management and Support	0	0	0	0	0	(67)	(171)	(81)	(319)
Services for the Elderly	(74)	193	202	0	0	164	(130)	(118)	237
Physical Disabilities	635	(21)	279	0	0	31	(16)	(407)	501
Learning Disabilities	258	0	(157)	116	402	14	(105)	(424)	104
Mental Health	328	0	34	0	145	(86)	(25)	(332)	64
Provider Unit	352	0	(686)	(158)	(46)	(367)	(51)	(11)	(967)
Provider Unit Income	(287)	0	0	82	0	0	0	0	(205)
Total Older People & Adults Directorate	1,212	172	(328)	40	501	(311)	(498)	(1,373)	(585)

3.2.3 Management and support: The underspend here has increased from £202k at quarter 3 to £319k at outturn. This is the result of receiving additional grant income from WCCIS (Welsh Community Care Information System) and vacancies arising in respect of two posts during the final quarter.

3.2.4 Services for the Elderly: The overspend has reduced by £247k from £484k forecasted in quarter 3 to £237k at outturn. We have received an additional £104k income from deferred charges, and DOLS (Deprivation of Liberty Safeguards) has underspent by £85k, as costs were lower than initially anticipated.

3.2.5 Physical Disabilities: The overspend forecasted here has increased by £81k, from an overspend of £420k at quarter 3 to an overspend of £501k at outturn. This is a demand led budget and the section react to cases that arise. Within residential care, there has been an increase in costs due to an increase in new placements and changes to current placement rates, however, some of this increase is compensated with a decrease in staffing costs £35k. A review of invoices raised has occurred, which has resulted in £107k of refunds needed to be allocated to individual accounts. New clients, rate changes and joint funding not materialising has added to this overspend.

3.2.6 Learning Disabilities: The overspend here has reduced from £306k overspend in quarter 3, to an overspend of £104k at outturn. Again, this is a demand led service, and costs of independent placements are reduced, along with homecare and a slight reduction in direct payments, contribute to the reduction forecasted in the previous quarter. A full review has also taken place for the accounting adjustments, where £187k accruals are no longer required.

3.2.7 Mental Health: The projected overspend of £240k forecast at the end of quarter 3, reduced to £64k at the end of the financial year. This figure was reduced by the application of £332k in additional grant funding. The service is demand led, with placements higher than budgeted for at the beginning of the financial year, but numbers fell during the final quarter, which accounts for the movement from the forecasted figure at the end of the previous quarter.

3.2.8 Provider Unit: The increase in underspend within this section has risen from £1,060k underspend at quarter 3 to an underspend of £1,172k at outturn. Gofal M6n received grant income which has reduced the net costs, salary and agency costs rose substantially due to demand, however, there was an underspend on utilities due to the fall in energy prices which came into effect during the third and final quarter of 2023/24. Client contributions also rose during the final quarter, with an improvement of £81k over the quarter.

3.3 Children's Services

3.3.1 The service is overspent by £1,403k (10.68%) at outturn, the forecast at quarter 3 was an overspend of £1,000k. Whilst this may seem to be a large difference from the figure reported upon previously, there are four key areas of change from one reporting period to the next, as shown below:-

3.3.2 Looked After Children: The forecasted overspend has increased from £1,214k reported at quarter 3, to £1,715 at year end. This budget is very much demand led, and the change in overspend forecast is following changes with placements and corresponding changes to the costs associated with placements £358k. Small group homes costs also increased within the final quarter, which resulted in an increase of £89k on already pressured budgets.

3.3.3 Reviewing and Complaints: The overspend forecasted at quarter 3 was £25k, at outturn the overspend was £60k, and increase of £35k. This relates to staffing costs.

3.3.4 The Children with Disabilities: The budget was forecasted to overspend by £12k in quarter 3, however at outturn the budget was £78k underspent. The section were unsuccessful in their recruitment exercise, therefore, there is an increase in the staffing underspend training costs for the team were much lower than anticipated, £25k relates to a reduction in Bryn Hwfa running costs and income of £24k was received by BCUHB in the final quarter that was not previously forecasted.

3.3.5 Other Children and Family: Service was forecasted to overspend by £64k at quarter 3, however, was only overspent by £9k at outturn. This was the result of Legal costs being less than anticipated and therapy costs being less than forecasted.

3.3.6 The other budgets within the Service resulted in a net underspend of £305k. The reported variances were in line with those reported at the end of quarter 3, with the majority of the underspend related to an underspend of £232k on social worker costs.

3.4 Housing (Council Fund)

3.4.1 This service was underspent by £63k (2.22%) at outturn, the forecast at quarter 3 was an underspend of £85k, this is a difference of £23k. The variation in forecast to outturn can be identified within the following:-

3.4.2 Housing Administration, there is a change of £62k in this section, this is in relation to the percentage of staff time and resources allocated to the Housing Revenue Account Service, a change in the percentage occurred during an year-end review during the final quarter. The Housing Strategy section forecast changed by (£22k), this was the result of being able to allocate staff time against grants. The forecast at quarter 3 within Homelessness Corporate Risk was breakeven, however, the outturn was an underspend of (£89k), this was the result of overachieved income within the private sector leasing scheme.

3.5 Regulation and Economic Development

3.5.1 Economic and Community (includes Destination and Leisure)

3.5.1.1 The service, overall, was underspent by £500k (14.65%) at outturn.

- 3.5.1.2** The Economic Development element of the service was underspent by £157k at year end, compared with £63k forecasted at quarter 3. In the final quarter of the year, it was possible to apply staff time to various grants, and funding was received for consultancy work undertaken where it was originally funded by the Service.
- 3.5.1.3** The Destination section was forecasted to be underspent by £35k by year-end in quarter 3, however, the actual outturn was an underspend of £135k. The underspend on staffing was larger than anticipated due to unexpected delays in recruiting, elements of staff time was able to be put against externally received grants and some expenditure budgets that were expected to be overspent actually underspent, and improvements were funded by grant income. Income within Maritime was expected to breakeven, however, in the final quarter, income headings overachieved their income targets.
- 3.5.1.4** The Leisure service outturn result is an underspend of £208k, this is an increase from the forecast underspend of £56k from quarter 3. While the service was expecting a decline in the income levels and people using the leisure facilities due to the cost of living crisis, the opposite has occurred, income in the final quarter of the year exceeded previous forecasts. Gas and Electricity expenses have had a lesser impact than forecasted, and their budgets are underspent at outturn.

3.5.2 Planning and Public Protection

- 3.5.2.1** This service was £182k (5.65%) underspent at outturn, the forecast at quarter 3 was an underspend of £111k (3.95%).
- 3.5.2.2** The Planning section was underspent by £16k, compared to the forecasted overspend of £1k at quarter 3. During the quarter, there was an increase in the income performance within planning control which led to the income targets being achieved.
- 3.5.2.3** The Public Protection section was underspent by £166k, compared to the forecasted underspend of £112k at quarter 3. The main variances from quarter 3 to outturn are: dog and pest control seeing an increase in income, and lower dog kennelling costs. Environmental services saw an increase in staffing vacancies, income within Registrars and Markets improving and being ahead of their targets. However, there was a slight increase in the running costs within Trading Standards.

3.6 Highways, Waste and Property

3.6.1 Highways

- 3.6.1.1** This service at outturn was £79k (0.99%) overspent, the forecasted amount at quarter 3 was an underspend of £196k, this is a difference of £265k. While there are some minor variations throughout the service from those figures previously reported, the main explanation for the difference is that, despite numerous attempts to obtain the electricity bills for EV charging points, these were not received until March and they were higher than anticipated and only covered part of the period in which the charging points have been operational. An accrual of £98k has been included to cover the potential final electricity costs when the outstanding amount is agreed with the supplier.
- 3.6.1.2** The Works budget, including Street Works, overspent by £304k at the end of the financial year, where underspends in Administration and Car park costs offset the majority of this overspend.

3.6.2 Waste

- 3.6.2.1** The Waste service was £513k (5.06%) underspent at outturn, the service was predicted to have an outturn position of £301k underspend by year-end at quarter 3. The main contributory factor in the increase in underspend is additional income on the sale of electricity and recycling materials in the final quarter.

3.6.2.2 An underspend on the Waste Collection contract in the region of £500k had been anticipated due to an overprovision when the initial budget was drawn up.

3.6.3 Property

3.6.3.1 The service's position at outturn is a £106k (4.91%) overspend, compared to a forecasted underspend of £67k at the end of quarter 3. The variances are explained below.

3.6.3.2 Rental income did not achieve their budget targets. This was in the main part, due to the reviewing of invoices raised, subsequently a number of invoices were removed from the system. This exercise resulted in the sundry properties being £100k behind its budget target, however, the Market Hall, Smallholdings and Industrial units budgets exceeded their income targets.

3.6.3.3 Repairs and maintenance budgets were significantly overspent by £244k, compared to £119k forecast at the end of the 3rd quarter. The most significant overspending budgets are within smallholdings £140k and Administration Buildings £70k. The overspend is the result of unavoidable works and works required following adverse weather conditions.

3.6.3.4 Due to a reduced capital programme, the ability to re-charge salaries of the Design Team to capital projects was reduced. This resulted in the net position of the Team being £154k over budget compared to the forecasted overspend of £88k at the end of the third quarter.

3.6.3.5 The cleaning service underspend was £65k due to delaying advertising for a vacant post, the post has now been recruited to. The Cleaning team restructure took much longer than anticipated. This, alongside staff vacancies, have resulted in the service being £122k underspent on staffing. Contract prices were lower than expected on utilities, therefore, this has resulted in an underspend of £60k. Public conveniences cleaning budget was also underspent to the sum of £78k, and this was not anticipated at the end of quarter 3.

3.7 Transformation

3.7.1 The Transformation Service underspent its budget by £639k (-8.76%) at outturn.

3.7.2 The HR function was underspent by £3k (0.20%) at outturn. The forecast at quarter 3 was an overspend of £12k. There have been no significant changes from quarter 3 to outturn that has not previously been reported.

3.7.3 The ICT section was underspent by £546k (12.46%) at outturn, however, the forecast for outturn at quarter 3 was an underspend of £393k. This is a significant difference of £154k. There was still a significant underspend on staffing, which was underspent by £510k at year-end due to restructure and ability to recruit to vacant posts. The telephone system budgets were underspent to the sum of £47k and the ICT hardware budget was underspent by £187k. However, these were netted off against an overspend of £110k on the software budgets. The main difference from quarter 3 forecast figure and outturn is the result of internal charging of goods to other departments.

3.7.4 The Corporate Transformation Section was underspent by £89k (7.22%) at outturn, but was expected to be underspent at year-end by £77k at quarter 3. All budgets remained as forecasted, apart from a post becoming vacant within the final quarter within Cyswllt Môn.

3.8 Resources (excluding Benefits Granted)

3.8.1 The Resources function was underspent by £26k (0.67%) at outturn. The forecast outturn at quarter 3 was an underspend of £90k. The main changes that have occurred between quarter 3 and outturn can be seen, in larger part, within the Revenues and Benefits section, where at quarter 3 it was anticipated that the section would underspend by £40k, however the outturn was a breakeven position. In the final quarter of the year, there was less use of agency staff than expected, grant income received was less than projected and postage costs were far greater than anticipated.

3.8.2 The Accountancy Section was overspent, as expected, due to a £50k overspend on bank charges, Centralised Procurement was underspent by £21k and Internal Audit continued having recruitment difficulties and, therefore, their outturn was a £62k underspend. £45k of the underspend on Procurement budgets has been transferred to an earmarked reserve in order to contribute to funding the Procurement Review which is currently being undertaken.

3.9 Council Business

3.9.1 The function was £46k (2.29%) underspent at outturn. It was reported in quarter 3 that the forecast outturn was expected to be £54k (3.14%) underspent, which is slightly different to the outturn, there are slight variations to budgeted spend, however, the main variance is the result of a vacant post being recruited to.

3.10 Corporate and Democratic Costs

3.10.1 The function was £76k (2.98%) underspent at outturn. Corporate and Democratic budgets are not only used for civic expenditure but also for accounting adjustments.

3.10.2 Members Support & Expenses were overspent by £7k, this was related to Members opting in to becoming pension members during the financial year.

3.10.4 Staff Counselling overspent by £38k, as forecasted. This is a demand led budget. Audit Fees and Grant Audit fees overspent by £38k and £40k respectively, as forecasted. The Coroners Service was overspent by £19k, however, this was much better than what had been expected due to a fall in work undertaken by the Coroner during the final quarter. The Apprenticeship Levy outturn was £44k overspent due to higher than budgeted pay awards and is a cost the Authority is unable to control. There were other small mitigating underspends across various small budgets.

3.11 Corporate Management

3.11.1 The function was £3k (0.34%) underspent at outturn. It was forecasted at quarter 3 to overspend by £5k at outturn. This is due to the fact that the staff costs are not budgeted for 100% and that there has been a small underspend on general supplies and services £5k.

4. Corporate Finance (including Benefits Granted)

4.1 Corporate Finance, including Benefits Granted, underspent by £401k (-3.48%) at year end.

4.2 The budget for 2023/24 included some items retained centrally as contingency budgets, these amounted to £4,479k. The majority of these budgets were transferred into Service budgets during the year £3,872k. £300k was transferred to the Help to Buy Scheme, leaving an outturn of £307k. Appendix C provides a summary of the contingency budgets. Included within the contingency budgets is the rateable value refunds the Authority has been successful in reclaiming during the financial year. These are to be transferred to the General Balances.

- 4.3** The capital financing budget is made up of 3 elements: the sum set aside to meet future repayments (Minimum Revenue Provision - MRP), interest payable on outstanding loans and interest received on cash balances held in the Council's bank accounts and other investments.. The Council has benefitted from the rise in interest rates, with investments generating significant amounts of interest income and the total interest received has exceeded the £1m budget by £355k. However, MRP and interest payable exceeded the budget by £174k. As a result, the Capital Financing budget underspent to the sum of £181k.
- 4.4** The Council Tax Reduction Scheme budget allowed for an increase in the number of cases and for the increase in Council Tax. Generally, the number of applications increases at the end of the summer as seasonal work ends but, in Autumn / Winter 2023, there was no significant increased in the caseload. Based on the current level of awards granted, there is the potential for an underspend on this budget, but the position changes as the cost of living crisis continues, and the forecasted rise in unemployment over the coming months may also increase the number of people receiving help through this scheme. The outturn is an underspend of £574k.
- 4.5** The Council is also required to provide for the potential loss of income as a result of bad and doubtful debts. The calculation of the provision is based on the size, age and type of debt and, given that it is very difficult to calculate this figure until the year end, no budget provision is made for this sum. For 2023/24, an increase of £595k has been made to the Bad and Doubtful Debt Provision and this sum has been charged to the Revenue Account.

5. Collection of Council Tax

- 5.1** The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2022. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts, transfers to business rates etc.), changes to the current year's tax-base or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. The current core Council Tax outturn is £513k below the budget.
- 5.2** The Council Tax premium is designed to encourage owners of empty properties and second homes to return the property to general use and, as such, there is a risk that the number of properties paying the premium can reduce significantly during the year. In order to mitigate this risk, the tax base for premium properties is set at 80% and, if the numbers of properties paying the premium does not fall significantly, then the budget will generate a surplus. Again, the transfer of properties from the domestic to the Business Rates register has reduced the premium payable on second homes but, despite the transfer of properties, overall the numbers of second home properties remained fairly constant and, as a result, the Council Tax premium budget outturn is surplus of £176k at the end of the financial year.

6. Budget Savings 2023/24

- 6.1** No Budget Savings were required by the services for the financial year 2023/24.

7. Agency and Consultancy Costs

- 7.1** During the year, £1.584m was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff vacancies, while £1.015m related to staff cover for vacant posts. The Waste Service spent £299k for site agents at the recycling centres. The full details can be seen at Appendix CH.
- 7.2** A total of £799k was spent on Consultancy during the period January to March 2024, with £502k funded through grant or external sources. Total spend for the year April 2023 to March 2024 was £1.804m. A full summary of expenditure per service, and additional details of the expenditure, can be seen at Appendix D.

8. Conclusion

- 8.1** During the 2023/24 financial year, the Council has faced a number of issues, which have impacted significantly on the Council's financial position and its ability to accurately forecast the financial position. These include:-
- i.** Continued difficulties in respect of staff recruitment, this has left a number of posts vacant for a period of time, although it should be noted that, during the second part of the year, Services were requested to try and keep the vacancy period as long as possible, in order to reduce costs and improve the Council's financial position.
 - ii.** The demand for services continues to be volatile, particularly in Adult and Children's social care, homelessness prevention and non school education services. In some services, the cost of each case can be significant and a small change in the number of cases can have a significant impact on the overall cost of the service.
 - iii.** The lateness of additional grant funding again has an impact on the financial forecast, although it should be noted that the level of additional grant funding fell significantly in 2023/24.
 - iv.** The condition of the Council's assets (buildings, vehicles, infrastructure and IT equipment) has seen an increase in emergency expenditure required to maintain assets to an acceptable operational condition. This expenditure can be unplanned and impacts on financial forecasts.
- 8.2** The overall financial outturn, along with one off windfall income and reducing risks that has allowed earmarked reserves to be released back into the Council's general balances, leaves the Council in a strong financial position with a healthy level of general balances.
- 8.3** As has been seen in 2024/25, the Council is currently reliant on using its general balances to set a balanced budget and this allows the Council the time required to change its service delivery. The results of the 2023/24 financial year allows the Council to consider, once again, the use of reserves as a short term source of funding when setting the 2025/26 budget. Although it is unlikely that the Council can allocate the level of reserves as in previous years, it is still a significant help to meeting the challenge of setting a balanced budget in 2025/26 and 2026/27.

Revenue Outturn for the Financial Year ending 31 March 2024

Gwasanaeth/Swyddogaeth Service/Function	2023/24 Cyllideb Blynyddol Annual Budget	Alldro Dros Dro / Provisional Outturn	Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance	Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget	Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets
	£'000	£'000	£'000	£'000	%
<u>Addysg, Sqiliau a Phobl Ifanc</u> <u>Education, Skills and Young People</u>					
Cyllideb Datganoledig Ysgolion <i>Delegated Schools Budget</i>	57,423	57,423	0	0.00%	0
Addysg Canolog <i>Central Education</i>	5,183	4,671	(512)	(9.88%)	(326)
Diwylliant <i>Culture</i>	1,441	1,329	(112)	(7.75%)	(17)
<u>Gwasanaethau Oedolion</u> <u>Adult Services</u>	35,780	35,195	(585)	(1.64%)	188
<u>Gwasanaethau Plant</u> <u>Children's Services</u>	13,133	14,536	1,403	10.68%	1,000
<u>Tai</u> <u>Housing</u>	2,833	2,770	(63)	(2.22%)	(85)
<u>Priffyrdd, Gwastraff ac Eiddo</u> <u>Highways, Waste & Property</u>					
Priffyrdd <i>Highways</i>	7,928	8,007	79	0.99%	(196)
Eiddo <i>Property</i>	2,153	2,259	106	4.91%	(67)
Gwastraff <i>Waste</i>	10,138	9,625	(513)	(5.06%)	(301)

Gwasanaeth/Swyddogaeth Service/Function	2023/24 Cyllideb Blynyddol Annual Budget	Alldro Dros Dro / Provisional Outturn	Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance	Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget	Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets
<u>Rheoleiddio a Datblygu Economaidd</u> <u>Regulation & Economic Development</u>					
Datblygu Economaidd <i>Economic Development</i>	3,414	2,914	(500)	(14.65%)	(154)
Cynllunio a Gwarchod y Cyhoedd <i>Planning and Public Protection</i>	3,221	3,039	(182)	(5.65%)	(111)
<u>Trawsnewid</u> <u>Transformation</u>					
Adnoddau Dynol <i>Human Resources</i>	1,670	1,667	(3)	(0.20%)	12
TGCh <i>ICT</i>	4,381	3,835	(546)	(12.46%)	(393)
Trawsnewid Corfforaethol <i>Corporate Transformation</i>	1,229	1,140	(89)	(7.22%)	(77)
<u>Adnoddau</u> <u>Resources</u>	3,962	3,936	(26)	(0.67%)	(90)
<u>Busnes y Cyngor</u> <u>Council Business</u>	2,018	1,972	(46)	(2.29%)	(65)
<u>Costau Corfforaethol a Democraidd</u> <u>Corporate & Democratic costs</u>	2,548	2,472	(76)	(2.98%)	(59)
<u>Rheolaeth Corfforaethol</u> <u>Corporate Management</u>	817	814	(3)	(0.34%)	5
-					
Costau heb gyllideb, ac na ellir eu rheoli: yswiriant, costau pensiwn a dileu drwg ddyledion / lwfansau amhariad ar incwm gwasanaethau <i>Unbudgeted, uncontrollable costs: insurances, pension costs and bad debt write offs / impairment allowances on services income</i>					
Cyfanswm Cyllideb Gwasanaethau Total Service Budgets	159,272	157,603	(1,669)	(1.05%)	(736)

Gwasanaeth/Swyddogaeth Service/Function	2023/24 Cyllideb Blynyddol Annual Budget	Alldro Dros Dro / Provisional Outturn	Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance	Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget	Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets
Ardollau <i>Levies</i>	4,495	4,495	0	(0.01%)	0
Rhyddhad Trethi Dewisol <i>Discretionary Rate Relief</i>	105	140	35	32.86%	0
Cyllido Cyfalaf <i>Capital Financing</i>	4,329	4,148	(181)	(4.17%)	(382)
Cronfeydd wrth Gefn Cyffredinol ac Eraill <i>General & Other Contingencies</i>	307	(1,728)	(2,035)	(662.61%)	(1,231)
Cronfeydd wrth Gefn Cyffredinol y Cyngor <i>Council's General Reserves</i>	(3,780)	(2,052)	1,728	(0.00%)	1,201
Cyfraniad CRT y Gwasanaethau Cefnogol <i>Support Services contribution HRA</i>	(800)	(769)	31	(3.86%)	0
Budd-daliadau a Roddwyd <i>Benefits Granted</i>	6,861	6,287	(574)	(8.36%)	(200)
Na ellir ei reoli <i>Uncontrollable</i>	0	595	595	0.00%	400
Cyfanswm Cyllid Corfforaethol Total Corporate Finance	11,517	11,116	(401)	(3.48%)	(212)
Cyfanswm 2023/24 Total 2023/24	170,789	168,720	(2,070)	(1.21%)	(948)
Cyllido Funding					
Trethi Annomestig <i>NDR</i>	(22,823)	(22,823)	0	0.00%	0
Y Dreth Gyngor <i>Council Tax</i>	(44,231)	(43,718)	513	(1.16%)	106
Premiwm y Dreth Gyngor <i>Council Tax Premium</i>	(2,893)	(3,069)	(176)	(6.09%)	106
Grant Cynnal Refeniw <i>Revenue Support Grant</i>	(100,842)	(100,842)	0	0.00%	0
Cyfanswm Cyllid 2023/24 Total Funding 2023/24	(170,789)	(170,452)	337	(0.20%)	212

Gwasanaeth/Swyddogaeth <i>Service/Function</i>	2023/24 Cyllideb Blynyddol Annual Budget	Alldro Dros Dro / Provisional Outturn	Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance	Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget	Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets
Cyfanswm yr alldro yn cynnwys effaith y cyllido <i>Total outturn including impact of funding</i>	0	(1,732)	(1,732)	1.02%	(736)

APPENDIX C

Outturn Contingency Budgets 2023/24

	Budget	Virements to Service Lines	Actuals	Transferd to Earmarked Reserves	Outturn Position
	£	£	£	£	£
General Contingency	400,737	- 261,001	-	-	-139,736
Salary and Grading	100,000	-300,200	-	-	200,200
Pay Inflation	2,000,000	-1,686,646	-	-	-313,354
Housing Help to Buy Scheme	1,501,907	-1,201,907	-	300,000	-
Regional Growth – Economic Ambition Board	86,250	-74,070	-	-	-12,180
Trainee Scheme	340,000	-340,000	-	-	-
Climate Change	50,000	-7,950	-	-	-42,050
Rateable Value Oriel Ynys Môn	-	-	-1,727,879	-	-1,727,879
Total General and other Contingencies	4,478,894	-3,871,774	-1,727,879	300,000	-2,034,999

Agency costs April 2023 to March 2024

Service	Amount £	Source of Funding (Specific Core Budget / Un-utilised staffing budget / Grant / External Contribution)	Permanent / Temporary	Reason for Cover
Economic & Regeneration	5,257	Unutilised Staff Budget	Temporary	Maternity Leave of postholder. Agency finished 12 May, 2023
	-630	Core Budget	Temporary	Housing Enforcement
	4,627			
Schools	55,715	Core Budget	Temporary	Supply teachers in specialist field
	55,715			
Waste	298,692	Specific Core Budget	Temporary	Additional tasks required short team
	60,563	Specific Core Budget / External Contribution		Specific Tasks on Site
	359,255			
Children's Services	289,744	Core Budget	Temporary	To cover vacant posts
	289,744			
Adult Services	708,206	Core Budget	Temporary	To cover vacant posts
	17,032	Grant Funded	Temporary	To cover vacant post
	725,238			
Resources	42,394	Un-utilised staffing budget	Temporary	Subsidy work
	49,328	Un-utilised staffing budget	Temporary	Volume of work
	57,980	Earmarked Reserve	Temporary	Volume of work
	149,701			
Total	1,584,280			

Summary Consultancy April 2023 to March 2024

Summary Consultancy Expenditure per Service					
Service	Qtr1 £	Qtr2 £	Qtr3 £	Qtr 4 £	Total 2023/24 £
Central Education	4,525	8,714	9,025	16,530	38,794
Culture	0	0	17,500	24,711	42,211
Economic & Regeneration	101,463	176,417	482,417	460,151	1,220,448
Property	0	0	7,537	0	7,537
Highways	4,727	22,227	42,402	226,952	296,308
Schools	0	0	0	0	0
Waste	6,236	8,885	6,279	34,720	56,120
HRA	0	0	0	15,630	15,630
Housing	0	0	2,900	0	2,900
Corporate & Democratic	0	0	0	2,400	2,400
Adult Services	0	0	0	0	0
Children Services	0	0	0	2,250	2,250
Corporate	0	0	0	0	0
Transformation	5,365	2,466	6,973	10,675	25,479
Council Business	14,995	18,696	6,620	0	40,310
Resources	9,970	0	38,426	4,900	53,296
Total	147,280	237,405	620,079	798,919	1,803,684
Funded by:					
Core Budget	44,046	103,980	181,943	276,300	606,269
Grant	5,227	73,435	376,828	328,394	783,885
External Contribution	82,524	55,473	57,218	173,928	369,142
Reserves / Provisions	15,484	4,517	4,090	20,298	44,388
Total	147,280	237,405	620,079	798,919	1,803,684

6	Information Communication Technology (ICT)	Not applicable
7	Procurement	Not applicable
8	Scrutiny	Not applicable
9	Local Members	Not applicable
E – Impact on our Future Generations (if relevant)		
1	How does this decision impact on our long term needs as an Island	The capital budget funds investments in assets and infrastructure which are required to allow the Council to meet the long term objectives which are set out in its Corporate Plan and Capital Strategy.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority. If so, how:-	Some of the individual investments, e.g. flood prevention work, will prevent future costs, whilst others, e.g. Integrated Care Fund (ICF) projects, will reduce the dependency on the Council to provide more expensive services.
3	Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:	Funding of the projects has been agreed and planned with other organisations, notably Welsh Government (WG).
4	Have Anglesey citizens played a part in drafting this way forward? Please explain how:-	The Council's Corporate Plan and Capital Programme 2023/24 have been subject to a consultation process with Anglesey citizens.
5	Outline what impact does this decision have on the Equalities agenda and the Welsh language	Some of the projects funded by the Capital Programme do impact on the equalities agenda, e.g. disabled access in schools, disabled facilities grants. No impact on the Welsh language agenda.
F - Appendices:		
<p>Appendix A - Capital Outturn Report – 2023/24</p> <p>Appendix B - Summary of the Capital Expenditure against the Capital Budget and the slippage into 2024/25</p> <p>Appendix C - Changes to budgets / additional schemes added since budget setting</p>		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2023/24 Capital Budget, as approved by the full Council on 9 March 2023. • 2023/24 Treasury Management Strategy Statement, approved by the full Council on 9 March 2023. • 2023/24 Capital Budget Monitoring Quarter 1, presented to this Committee on 26 September 2023. • 2023/24 Capital Budget Monitoring Quarter 2, presented to this Committee on 28 November 2023. • 2023/24 Capital Budget Monitoring Quarter 3, presented to this Committee on 29 February 2024. 		

1. INTRODUCTION

- 1.1 This is the capital outturn report for the financial year 2023/24, which allows Members to note the progress of capital expenditure and capital receipts against the capital budget. The figures in this report are subject to audit.
- 1.2 In March 2023, the Council approved a capital programme for non-housing services of £24.405m for 2023/24, and a capital programme of £13.557m for the Housing Revenue Account (HRA). In addition, in June 2023, the Executive approved capital slippage of £13.477m to be brought forward from 2022/23, bringing the capital programme for non-housing services to £33.532m, and £17.907m for the HRA. Since the budget setting process, there have been additional schemes added to the programme, most of which are grant funded, which amounted to £15.089m, along with the HRA budget being increased by £1.26m. This brings the total capital budget for 2023/24 to £67.788m. This is illustrated in the table below:-

	Original 2023/24 budget as approved by full Council	Slippage as approved in Q4 2022/23 outturn	HRA increase as approved by Executive, June 2023	Additional schemes / amendments since budget setting	TOTAL
Funded By:	£'000	£'000	£'000	£'000	£'000
Grant	22,367	2,909		17,151	42,427
Supported Borrowing	3,077	3,294		2,129	8,500
Unsupported Borrowing	2,797	38		(2,797)	38
Revenue Contribution	9,221	3,936	1,260	(2,782)	11,635
Capital Receipts	500	443		(500)	443
Reserves		2,780		1,815	4,595
Loan		77		73	150
TOTAL	37,962	13,477	1,260	15,089	67,788

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

2. CAPITAL EXPENDITURE 2023/24

- 2.1 Summary Table of the spending to 31 March 2024:-

Service	Annual Budget £'000	Total Expenditure £'000	(Under) / Over Expenditure £'000	Annual Budget Spent %
Housing General Fund	2,100	1,450	(650)	69
Housing HRA	19,988	19,806	(182)	99
Lifelong Learning	13,942	13,160	(782)	94
Economic and Regeneration	14,706	7,168	(7,538)	49
Highways	8,578	5,573	(3,005)	65
Waste Management	362	99	(263)	27
Property	7,163	2,536	(4,627)	35
Transformation	687	486	(201)	71
Adult Services	262	296	34	113
Total	67,788	50,574	(17,214)	75
Funded By:				
Capital Grant	42,427	29,936	(12,491)	71
Capital Receipts	443	98	(345)	22
Supported Borrowing	8,500	3,991	(4,509)	47
Unsupported Borrowing	38	38	0	100
Revenue Contribution	11,635	12,645	1,010	109
Loan	150	135	(15)	90
Capital Reserve	4,595	3,731	(864)	81
Total Funding	67,788	50,574	(17,214)	75

2.2 The budget for the General Fund was £47.8m, with expenditure of £30.768m incurred as at 31 March 2024. This equates to 64% of the budget. Reasons for the underspend include:-

Scheme	Underspend £'m	Comment
Capital works due to Reinforced Autoclaved Aerated Concrete (RAAC)	1.014	The RAAC issues required the Council to commit to expenditure, without any certainty on additional funding, in order to ensure the safety of everybody at the schools affected. Discussions then took place with the WG in respect of additional funding and, in the latter part of 2023/24, the Authority was awarded £1.695m of additional grant funding for capital works relating to RAAC. The grant funding was used to fund capital expenditure on RAAC works to date, and the remaining on education buildings in 2023/24, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund remaining RAAC works in 2024/25.
Additional Learning Needs (ALN) Grant	0.372	In 2022/23, the Authority was awarded £0.476m of grant funding to support learners with ALN. There was minimal expenditure in 2022/23, and expenditure incurred in 2023/24 resulted in an £0.111m underspend. Similarly, the allocation for 2023/24 resulted in a £0.261m underspend, with WG allowing a carry forward of £0.108m to complete committed works.
Disabled Access Education Building	0.134	This is due to disabled adaptations being completed in all secondary schools except one. The remaining secondary school is on hold pending the outcome of feasibility studies. Works to primary schools are completed as and when required. Though substantial investment has been undertaken, further work may be required in the future to address the needs of individuals not yet known to us and, therefore, the underspend is required to be slipped to 2024/25.
Various Flood schemes	1.009	Some schemes are ongoing and span across different financial years. Others have seen delays and time extensions for completion agreed by WG to carry forward the funding, and other schemes have completed.
Levelling Up Fund	6.151	The tendering process resulted in bids received being much higher than budget, which then resulted in having to retender the works with reduced scope to a manageable level. Ultimately, this resulted in delays to the schemes and, out of the underspend, £4.905m is requested to carry forward to complete the committed schemes.
Holyhead Regeneration Phase II THI	0.625	There has been a general slowdown this financial year and an underspend was predicted, as per previous monitoring reports. As a result, the majority of the spend will be in 2024/25.
Waste Management Recycling Equipment	0.256	The service has reviewed and prioritised their capital spend in line with their strategy and 5-year financial plan and are now procuring four items of plant and machinery. However, the potential lead time after successful tenders mean that the plant and machinery are unlikely to be delivered this financial year, however, the funding is fully committed.

Scheme	Underspend £'m	Comment
Maritime Infrastructure	0.178	The scheme is currently in the re-design stage and, due to timing, the budget is requested to roll forward into 2024/25 in order to complete the scheme. This is in line with previous monitoring reports.
Visitor Infrastructure	0.194	Underspend was expected, as per prior monitoring reports, due to match funding being required for Shared Prosperity Fund grant and it being beneficial to the region to maximise grant expenditure this year and provide our match funding next financial year. It is, therefore, requested to carry this over to financial year 2024/25.
Low Carbon Heat Grants (LCHG)	3.805	Due to the late award of the LCHG and, as discussed in paragraph 3.1, £5.744m was secured in 2023/24, with £1.939m expenditure incurred.
Capital works to existing assets	0.503	The remaining budget has been committed to works that span 2023/24 and 2024/25.
Upgrade Public Conveniences	0.280	The service is in the process of developing a public conveniences improvement plan, which will give a better idea of the capital requirements in the next financial year. It is also envisaged that further grant funding for capital works to public conveniences may be forthcoming, and part of this budget could again be used as match funding if the opportunity arises.
Vehicles & Gritters	0.771	The budget for gritters was not spent due to the availability to procure suitable vehicles. Other vehicles were ordered before year end, however, due to the lead time in delivery, they will be received post year end and, so, the budget will be required to slip to financial year 2024/25.

A full list of the capital schemes' expenditure against the budget can be seen in Appendix B of this report.

- 2.3** The Levelling Up fund budget is not all directly expenditure incurred by the Council. In respect of this fund, the Council accepts the grant funding from the UK Government and then passes the funding on to other bodies who are responsible for delivering individual projects. If the Levelling Up fund is disregarded, the level of underspending amounts to 18.9%.
- 2.4** The Housing Revenue Account (HRA) has spent 99% of its total budget. For further information on the HRA capital expenditure for 2023/24, please refer to the HRA quarter 4 budget monitoring report, presented to this Committee on 23 July 2024.

3. FUNDING

3.1 Capital Grants

There are a number of capital grant schemes in the capital programme for 2023/24. There are some annual schemes that were completed during the year, such as the Small Scale Flooding Grant, Active Travel and Enable Grant. Some schemes are ongoing and will carry on into 2023/24, such as the Sustainable Communities for Learning Band B, various Flood Alleviation schemes, Childcare Capital Grant, Holyhead Townscape Transformation and Vehicle Transformation Fund. There were also new capital grants schemes awarded during the year, including Community Focused Schools, Additional Learning Needs, Valley Childcare Unit, Môn Coastal Gateway grant, Leisure grants and various low carbon heat grants.

- **Sustainable Communities for Learning** - The new Ysgol Corn Hir building is complete. New Foundation Phase Unit at Ysgol y Graig – significant progress was made in the year despite earlier delays on site, with the building services first fix now complete.

- **Valley Childcare Unit** - £0.850m of grant funding has been secured. Works have commenced on site to prepare the substructure. The new childcare unit arrived on site before year end, with further works to completion carrying over in financial year 2024/25.
- **The Holy Island Landscape Partnership** – The Landscape Partnership has secured funding from the National Lottery Heritage Fund (NLHF) to deliver a range of projects which focus on the natural environment of Holy Island. Progress on projects which are jointly funded through the European Regional Development Fund (ERDF) include:-
 - Conserving our Heritage – All capital works associated with the project have now been completed. Restoration works have been undertaken at Ffynnon y Wrach, Tŵr Ellin, the Lookout above South Stack, Ynys Peibio, the Pillbox in Trearddur, the Battery at Penrhos and the Skinners Monument Pillbox.
- **Tourism Gateway** – The Breakwater Country Park visitor centre: works are now complete, and the Visitor Centre was opened in June 2023. Final claims have been submitted and paid, but could be subject to further European Audits in the future.
- **Levelling Up (including Townscape Heritage Initiative THI Phase II)** – In quarter 4, the majority of the repairs and renewals works to the Ucheldre have been completed and the footings for the new extension have been done, as well as the drainage works. The tenders for the HSBC and Central Buildings have been received by Môn CF and are considerably higher than the agreed budget, which has forced a project review to try and reduce the costs to a manageable level. Works on the refurbishment of 9 Stanley Street are ongoing. The works on the Newry Beach Shelters are ongoing. The tender prices for the Empire are still over budget following a second tendering exercise, and Holyhead Town Council are exploring additional funding options. Planning permission and Scheduled Monument Consent has now been confirmed for St Cybi's and Eglwys y Bedd, with very minor conditions, such as an Archaeological watching brief. The tenders have been posted on Sell2Wales and two responses have been received, with evaluation in April. Structural issues have been identified in 3 properties, which will delay the completion of 14 Stanley Street. Planning and design works have been undertaken on the Townscape Heritage Initiative (THI) Shop Frontages. A six month extension to the Levelling Up Fund (LUF) Programme has been approved by UK Government, taking the completion date to 30 September 2025. A quarter claim for £886,832 was submitted.
- **Safer Streets** – Funding, provided through the Home Office via the North Wales Police and Crime Commissioner, is aimed at reducing neighbourhood crime and anti-social behaviour in Holyhead. It has provided funding for Highways to improve street lighting, provide additional CCTV for Holyhead Town Council and undertake improvement works on the Celtic Bridge. All works were completed, and the funding came to an end in September 2023, although there is an ongoing commitment to provide match funding until March 2024.
- **Penrhos Phase 2 project** - The aim of this scheme is to construct seven new business units on the Penrhos Industrial Estate. Works on the units have now been completed. Project has been formally closed with funders.
- **Penrhos Phase 3 project** – £3.1m funding initially secured from ERDF, with a further £0.399m awarded. The aim of this scheme was to construct an additional six new business units on the Penrhos Industrial Estate. Works on-site has now been completed. Project has been formally closed with funders.
- **Llangefni Gateway Project** - The Llangefni Gateway Site (Tregarnedd Industrial Park) is an area in Llangefni which will eventually have 7 plots developed.
 - **Gateway Units (ERDF)** – All units have now been let out.
 - **Gateway Joint Venture** – The aim of the Gateway Joint Venture is to undertake enabling works on the remaining plots of the Tregarnedd Industrial Park (Gateway Site). Marketing for sale of available plots to commence in liaison with Property services.

- **Small Scale Grants Work** - 7 construction schemes were approved for 2023/24. Subsequently, one scheme has been withdrawn (Capel Moriah, Gwalchmai) due to complexity and excessive cost. 2 schemes were completed (Y Garth and Maes Cytir) and the remaining 4 (Carneddi, Kings Roads, Maes Hafoty and Trearddur Road) were downgraded to design only for this year, again due to complexity. Applications will be made for construction of these 4 in subsequent years.
- **Llanfair PG, Menai Bridge Full Business Case (FBC)** – Menai Bridge FBC is progressing well. However, work on Llanfair PG business case is delayed due to resourcing issues.
- **Mill Lane Structure** – The revised sensor system has now been implemented and the scheme is now complete.
- **Active Travel (AT)** - £2.253m of WG grant was secured to increase levels of active travel, improve health & well-being, improve air quality, reduce carbon emissions, connect communities and improve active travel access to employment, education and key services, destinations and public transport. A re-profile exercise was undertaken on the AT Programme, and £1.739m was drawn down in 2023/24 between the capital and revenue associated activities.
- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2022/23)** – All activities associated with the funding from 2022/23 has been completed. The Council secured grant funding from the WG ULEV fund for 2023/24 to continue for completion (as per below).
- **Ultra Low Emission Vehicle (ULEV) Transformation Fund (2023/24)** - Approval granted from WG for a time-extension on the construction of the EV Hub at Plas Arthur until end of August 2024, and the entire budget is committed.
- **Local Transport Fund – infrastructure enhancements** - The project is now complete.
- **Low Carbon Heat Grant (Council Offices)** – Planning permission granted in November 2023, ground surveys have subsequently taken place and work is expected to complete by quarter 1 2024/25.
- **Low Carbon Heat Grant (4 grants)** – £5.744m has been secured, with Welsh Government Energy Service providing grant funding that covers 90% of the costs, and the Council providing match funding for the remaining 10% from existing capital budgets. £1.939m expenditure was incurred in 2023/24.
- **Plas Arthur Floodlights** - The project was completed during the first week of November 2023.
- **Ysgol Uwchradd Bodedern – 3G pitch** – The project was completed mid-November 2023.
- **Ysgol Uwchradd Bodedern – Floodlights** - £0.100m of grant funding has been secured via Sport Wales to erect floodlights to the new 2G and 3G sports pitches. The total cost of the project was to be £0.121m, with the Council providing match funding for the remainder.
- **Holyhead Leisure Centre Flooring** - £0.100m of grant funding has been secured from Sport Wales to install a new floor in the main hall at Holyhead Leisure Centre. The total project cost is estimated at £0.149m, with the Council providing £0.049m match funding. The project started in March 2024 and was completed within a three week period, as agreed with Sport Wales.
- **Môn Coastal Gateway** – Work at all 4 sites is complete.
- **Community Focused Schools (CFS) grant (2022/23)** - Full expenditure of the funding was achieved.

- **Community Focused Schools (CFS) grant (2023/24)** - £0.200m was awarded in 2023/24 to support small and medium scale practical projects to open schools outside the traditional hours, specifically to safely adapt and effectively open schools outside traditional hours, to enable community use of the existing facilities. A small amount of the grant was spent within quarter 4, with full expenditure of the budget expected in 2024/25. This was communicated to WG, and a reprofile of spend submitted and approved, with the revised allocation for 2023/24 being £0.030m.
- **Additional Learning Needs (ALN) grant (2022/23)** – An underspend was expected, as per previous monitoring reports, and a sum of £0.111m is expected to be repaid back to WG.
- **Additional Learning Needs (ALN) grant (2023/24)** - Works were identified by the ALN team and, due to work not being able to be carried out as per the terms and conditions of the grant, there was an underspend of £0.152m.
- Social care funding has been awarded from the Regional Partnership Board from a number of different funding streams, as follows:-
 - **Integrated Care Fund (ICF)** - £0.694m was claimed through the ICF in prior years and through displaced funding, for the projects to slip into 2023/24 to be completed. There are 4 projects included in the programme managed monies, which are:-
 - Specialist small group homes;
 - Extra Care south of the Island;
 - Disabled Friendly Investment;
 - Learning Disability Enabling Accessibility.

£0.532m was incurred in 2023/24 and was used as a contribution to the above expenditure schemes that sit within the HRA budget. The remaining £0.162m will slip into 2024/25.

- **Integration and rebalancing capital fund (IRCF)** – £0.244m of capital funding has been granted through IRCF to fund:-
 - Amlwch Wellbeing HUB (£0.128m) – The funding will be utilised to support accessibility for individuals accessing activities. Some of the funding will also invest in a well-being space and touch down base for local authority and third sector staff to hold meetings or events with individuals, families, and carers. £104k was used in 2022/23, and the remainder (£25k) utilised in 2023/24 to complete the project. The project was complete by the end of June 2023.
 - Dementia Friendly Care Homes (£0.115m) – The funding will be used to create a 3rd secure unit at Garreglwyd Care Home to support an increased specialised local dementia support. The project commenced in June 2023 and has now been completed.
- **Housing with Care Fund (HCF)** – £1.1m of capital funding has been granted through HCF for 2022/23 and 2023/24 to support the Small Group Homes project and fund the renovations of two homes and, potentially, invest in a night respite unit on one site. £0.445m was drawn down in 2022/23, with the remaining £0.655m available in 2023/24. One of the properties has been fully renovated and the second property is still in progress, with an aim to complete by the end of the financial year. The third property will be a purpose-built unit and the pre planning process is currently being undertaken. £0.296m was drawn down in 2023/24, with the remaining requested to be carried forward for completion of the above activities in financial year 2024/25.
- **Enable** – The grant was drawn down in full by the end of the year.
- **Additional School Maintenance Grant & RAAC Grant** – In 2023/24, the Authority was awarded £0.191m & £1.695m, respectively, of additional grant funding for school capital maintenance works and capital works resulting due to RAAC Ysgol Uwchradd Caergybi and Ysgol David Hughes. The grant funding was used to fund locally determined capital schemes in 2022/23, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund the remaining RAAC works in 2024/25.

3.2 Capital Receipts

3.2.1 The capital receipts for the 2023/24 financial year was:-

	Budget 2023/24 £'000	Received to 31-Mar-2024 £'000	Variance (Under) / Over budget £'000
Council Fund:			
Smallholdings	0	0	0
General	584	574	(10)
Industrial	0	0	0
Schools	480	6	(474)
Total	1,064	580	(484)

3.2.2 The Useable Capital Receipts for 2023/24 was £0.580m, against the budget of £1.064m, which is under budget. The main reason for the variance is that assets that were included in the budgeted figure were not sold in the year, amounting to £0.474m. This is in relation to two schools, one of which went to auction in March 2024 and the subsequent sale completed in April 2024. The other school will be sold in financial year 2024/25. This is countered with capital receipts being received in the year which were not included in the budgeted figure (£0.187m) and receiving less for assets sold than anticipated in the budget (£0.197m).

As can be seen in Appendix B, some capital schemes will be completed in the next financial year, with the funding for these schemes also being forwarded to 2024/25, and these capital receipts slippage will part fund the capital programme slippage. Any surplus capital receipts, after funding any overspend and the further works, will be transferred to the General Fund capital receipts. However, not all this figure will be available to fund the general fund capital programme, as there will be funding earmarked to fund the Sustainable Communities for Learning programme as part of the Isle of Anglesey County Council's match funding, as well as Leisure earmarked reserve to fund leisure improvements.

4. FUTURE YEARS

4.1 The Capital Budget Report for 2024/25 was considered and approved by the full Council on 7 March 2024. With the approval of the slippage requested, the revised capital programme for 2024/25 is shown in the table below:-

	Capital Budget Approved 7 March 2024 £'m	Slippage Requested for Approval £'m	Revised Capital Budget 2024/25 £'m
General Fund			
2023/24 Committed Schemes B/F	6.102	11.058	17.160
Refurbishment / Replacement of Existing Assets	4.856	3.525	8.381
Sustainable Communities for Learning	2.878	0.000	2.878
Total General Fund	13.836	14.583	28.419
HRA 2024/25 Schemes	30.002	0.916	30.918
Total Capital Programme	43.838	15.499	59.337
Funded By:			
2023/24 Funding B/F	6.102	0.000	6.102
Capital Grants	13.973	10.039	24.012
External Borrowing	5.800	3.249	9.049
Capital Receipts	0.178	0.345	0.523
Council Reserves & Revenue Contributions	17.785	1.866	19.651
Total Funding	43.838	15.499	59.337

5. IMPACT ON THE TREASURY MANAGEMENT STRATEGY

5.1 The Capital Finance Requirement (CFR) at 31 March 2024 is £146.696m, which is the underlying need for the Authority to borrow to be able to fund its Capital Programme. The external borrowing currently stands at £122.410m.

The Authority is within its authorised borrowing limits, as per the 2023/24 Treasury Management Strategy Statement (Appendix 11 of that statement). A full review of Treasury Management will be presented to the Governance and Audit Committee and the Executive in due course.

6. CONCLUSION

6.1 The position in respect of the capital budget is increasingly difficult, with rising costs, limited funding and a deterioration in the condition of the Council's assets. These issues have been reflected in the Council's Capital Strategy, which was adopted by the Council in March 2024. The strategy will influence the capital budget in future years.

6.2 The level of underspending is not unexpected when dealing with a number of large, complex projects which need to receive political approval, follow procurement regulations, require approval from Welsh Government or other funding bodies, and are subject to unexpected issues once the work commences on site. The majority of the underspending relates to large projects, where the timing of the work has not followed the planned timetable. With large capital projects, unexpected delays do normally occur, and it is not unusual to see expenditure on these types of projects slipping. In all cases, the funding for the projects have been secured and will be carried forward to 2024/25, with no loss of resources for the Council.

6.3 The report highlights 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. Although some grants the Council will receive as part of an all-Wales allocation, several grants are only awarded following a competitive process, where Council staff have to bid for the grants. Without success in the bidding processes, the Council capital programme would be significantly smaller.

APPENDIX B

Summary of the capital expenditure against the capital budget and the slippage into 2024/25

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
Housing General Fund							
Disabled Facilities Grants	1,215,948	1,085,038	(130,910)	89	11	128,910	Slippage required to ensure adequate funds to finance substantial Disabled Facilities Grant (DFG) schemes.
Enable Grant	139,786	141,786	2,000	101	(1)	0	Slippage funded by General Capital Grant (GCG) slippage.
Residential Site for Gypsies and Travellers	490,841	0	(490,841)	0	100	0	Grant award for 2023/24 only - no slippage.
Home Buyer Scheme	223,200	223,200	0	100	0	0	No slippage required.
Affordable Housing	30,650	0	(30,650)	0	100	30,650	No slippage required.
TOTAL	2,100,425	1,450,024	(650,401)	69	31	159,560	Slippage funded by capital receipts .
Housing HRA							
Central Heating Contract	1,250,000	1,232,870	(17,130)	99	1	17,130	
Planned Maintenance Contract	4,450,000	4,138,401	(311,599)	93	7	311,599	
Energy Performance Improvement	600,000	0	(600,000)	0	100	600,000	
Environmental Works	700,000	376,930	(323,070)	54	46	323,070	
Acquisition of Existing Properties and Development of new properties	10,288,000	11,022,219	734,219	107	(7)		
Public Sector Adaptations	400,000	422,246	22,246	106	(6)	(22,246)	
Fire Risk	400,000	309,538	(90,462)	77	23	90,462	
WHQS	1,900,000	2,304,009	404,009	121	(21)	(404,009)	
TOTAL	19,988,000	19,806,212	(181,788)	99	1	916,006	
Lifelong Learning							
Disabled Access in Education Buildings	144,512	9,749	(134,763)	7	93	134,763	Further work may be required in the future to address the needs of individuals not yet known to us and, therefore, the underspend is required to be slipped to 2024/25 - Slippage funded by supported borrowing .
Refurbish Education Buildings	1,905,284	1,860,785	(44,499)	98	2	44,499	Slippage funded by supported borrowing .
School Safety	107,648	38,747	(68,901)	36	64	68,901	Fund to undertake a review of schools' site risk assessments - anticipated to complete in 2024/25 - to be funded by supported borrowing .
Free School Meals Grant	358,296	358,329	33	100	(0)	0	Full expenditure of grant achieved.
External Canopies	22,420	19,343	(3,077)	86	14	3,077	Slippage funded by capital reserves .
Additional Learning Needs	381,372	270,105	(111,267)	71	29	0	No slippage required.
Additional Learning Needs 2023/24	426,766	165,718	(261,048)	39	61	108,385	Approved carry over funded by grant .
Community Focused Schools	450,993	452,575	1,582	100	(0)	0	Full expenditure of grant achieved.
Community Focused Schools 2023/24	30,000	19,611	(10,389)	65	35	0	New allocation for 2024/25.
Ysgol Uwchradd Bodedern - pitches	300,000	301,372	1,372	100	(0)	0	Scheme complete.
Ysgol Uwchradd Bodedern - floodlights	123,000	120,791	(2,209)	98	2	0	Scheme complete.
Increasing Capacity for Childcare Grant (PM costs and grant scheme)	380,000	319,901	(60,099)	84	16	0	New allocation for 2024/25.
Increasing Capacity for Childcare Grant (Childcare provisions)	49,481	54,535	5,054	110	(10)	0	New allocation for 2024/25.
Canolfan Addysg y Bont	22,253	22,253	0	100	0	0	Scheme complete.

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
RAAC	1,695,000	681,479	(1,013,521)	40	60	1,013,521	In the latter part of 2023/24, the Authority was awarded £1.695m of additional grant funding for capital works relating to RAAC. The grant funding was used to fund capital expenditure on RAAC works to date and the remaining on education buildings in 2023/24, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund remaining RAAC works in 2024/25 - Slippage funded by supported borrowing .
Valley Childcare Unit	850,000	568,834	(281,166)	67	33	281,166	Slippage funded by grant .
Uned Ysgol Llangoed	7,457	7,457	0	100	0	0	New allocation for 2024/25.
Uned Ysgol Llanfachraeth	10,080	10,080	0	100	0	0	New allocation for 2024/25.
Uned Ysgol Llanfechell	22,691	22,691	0	100	0	0	New allocation for 2024/25.
Uned Ysgol Llanfawr	14,395	14,395	0	100	0	0	New allocation for 2024/25.
Completion of Band A Programme	370,000	373,338	3,338	101	(1)	0	Scheme complete.
Commencement of Band B Programme	6,269,995	7,467,358	1,197,363	119	(19)	0	New allocation for 2024/25.
TOTAL	13,941,643	13,159,445	(782,198)	94	6	1,654,313	
Economic and Regeneration							
Amlwch Fitness Suite	1,468	0	(1,468)	0	100	0	Scheme complete.
Amlwch Lesiure Centre - Flooring	75,635	75,635	(0)	100	0	0	Scheme complete.
Plas Arthur Leisure Centre - 3G Floodlights	74,514	74,514	(0)	100	0	0	Scheme complete
Holyhead Leisure Centre - Flooring	149,000	98,473	(50,527)	66	34	50,527	Continuing scheme - funded by grant and reserves . Match funding to be slipped and not yet utilised - funded by supported borrowing .
Tourism Gateway	50,000	0	(50,000)	0	100	50,000	Due to reprofile of scheme and new allocation, no slippage is required.
Holyhead Landscape Partnership	106,000	110,861	4,861	105	(5)	0	Council match required to slip - capital receipts and capital reserve
Holyhead Regeneration (THI Phase II)	762,000	136,698	(625,302)	18	82	75,000	Scheme complete.
Breakwater Park	110,000	55,923	(54,077)	51	49	0	Scheme complete.
Penrhos Phase 2	23,345	23,345	0	100	(0)	0	Scheme complete.
Penrhos Phase 3	2,820,804	2,811,972	(8,832)	100	0	0	Scheme complete.
Economic Development & Environmental Wellbeing	122,543	0	(122,543)	0	100	122,543	Requested slippage for funds to be utilised in the future - funded by general capital grant slippage and supported borrowing .
Porth Wrach Slipway – Enforcement Cameras	30,000	0	(30,000)	0	100	30,000	Requested slippage for funds to be utilised in the future - funded by supported borrowing .
Newry Community Centre	57,289	6,002	(51,287)	10	90	51,287	Requested slippage for funds to be utilised in the future - funded by capital reserves .
Gateway Site JV	21,514	0	(21,514)	0	100	0	Scheme complete.
Maritime Infrastructure	177,514	0	(177,514)	0	100	177,514	Requested slippage for funds to be utilised in the future - funded by reserves .
Visitor Infrastructure	490,129	296,176	(193,953)	60	40	193,953	Requested slippage for funds to be utilised in the future - funded by reserves .
Melin Llynon	70,397	75,142	4,745	107	(7)	0	Scheme complete.
Transforming Towns Covid Grant	10,064	0	(10,064)	0	100	0	Scheme complete.
Môn Coastal Gateway	318,117	318,117	0	100	0	0	Scheme complete.
Levelling Up Fund	9,236,000	3,085,179	(6,150,821)	33	67	4,905,000	Due to reprofile of scheme and new allocation, no slippage is required.
TOTAL	14,706,333	7,168,038	(7,538,295)	49	51	5,655,823	

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
Highways							
Upgrade Pay and Display Machines in Car Parks	4,533	5,585	1,052	123	(23)	0	Scheme complete
Vehicles	941,592	420,803	(520,789)	45	55	520,789	Committed expenditure - funded by general capital grant slippage , supported borrowing and reserves and receipts .
Gritters	250,000	0	(250,000)	0	100	250,000	Committed expenditure - funded by supported borrowing .
Highways Resurfacing	2,500,000	2,383,025	(116,975)	95	5	116,975	Committed expenditure - funded by supported borrowing .
Llanfair Flood Scheme	391,646	42,312	(349,334)	11	89	349,334	Continuing works - funded by grant .
FBC Menai Flood Scheme	150,771	81,253	(69,518)	54	46	69,518	Continuing works - funded by grant .
Valley Construction	13,248	14,898	1,650	112	(12)	0	Scheme complete.
Flood Relief Schemes (Match Funding)	346,800	0	(346,800)	0	100	346,800	Requested slippage for funds to be utilised in the future - funded by general capital grant slippage and supported borrowing .
Mill Lane - Structure	30,888	62,182	31,294	201	(101)	0	Scheme complete.
Invest to Save - Vehicles	5,068	0	(5,068)	0	100	5,068	Continuing works - funded by supported borrowing .
Small scale grants work	601,024	356,061	(244,963)	59	41	0	Grant award for 2023/24 only - no slippage.
Dwyran	0	10,680	10,680	100	0	0	Scheme complete.
Active Travel	2,253,103	1,458,707	(794,396)	65	35	0	Due to reprofile of scheme and new allocation, no slippage is required.
Local Transport Fund (LTF) - Bus Infrastructure 2021/22	28,014	28,014	0	100	0	0	Scheme complete.
LTF - Bus Infrastructure 2022/23	326,263	326,263	0	100	(0)	0	Scheme complete.
ULEV Transformation Fund (ULEVTF) - Electric Vehicle Charge Points	57,334	56,805	(529)	99	1	0	Scheme complete.
Safer Streets	18,000	17,100	(900)	95	5	0	Scheme complete.
ULEVTF - Electric Vehicle Charge Points 2023/24	392,176	220,632	(171,544)	56	44	171,544	Time extension - slippage funded by grant .
Electric Vehicle Charging Infrastructure	267,492	88,787	(178,705)	33	67	178,705	Time extension - slippage funded by grant .
Total	8,577,952	5,573,106	(3,004,846)	65	35	2,008,732	

Service	Annual Budget (£)	Actual Expenditure (£)	Total (Under) / Overspend (£)	Annual Budget Spent %	Variance %	Underspend to be carried forward to 2024/25 (£)	Comments
Waste Management							
IVC Works	13,595	5,804	(7,791)	43	57	7,791	Ongoing scheme - funded by capital receipts
Recycling Equipment	289,315	33,458	(255,857)	12	88	255,857	Ongoing scheme - funded by grant and capital reserves
Gwalchmai Roofing	59,402	59,402	0	100	0	0	Scheme complete
TOTAL	362,312	98,664	(263,648)	27	73	263,648	
Property							
Refurbish Existing Assets	941,127	437,833	(503,295)	47	53	503,295	The remaining budget has been committed to works that continue into 2024/25. Slippage funded by supported borrowing .
Invest To Save Property	77,068	61,472	(15,596)	80	20	15,596	Remaining works to be completed - funded by loan .
Salix Phase 2	73,408	73,408	0	100	0	0	
Low Carbon Heat Grant - Council Offices	23,900	0	(23,900)	0	100	23,900	Continuing works - funded by grant .
Low Carbon Heat Grant - 231	2,305,107	1,362,064	(943,043)	59	41	943,043	Continuing works - funded by grant and supported borrowing .
Low Carbon Heat Grant - 249	597,674	0	(597,674)	0	100	597,674	Continuing works - funded by grant and supported borrowing .
Low Carbon Heat Grant - 250	2,029,500	415,555	(1,613,945)	20	80	1,613,945	Continuing works - funded by grant and supported borrowing .
Low Carbon Heat Grant - 251	811,800	161,753	(650,047)	20	80	650,047	Continuing works - funded by grant and supported borrowing .
Upgrade Public Conveniences	303,722	24,147	(279,574)	8	92	279,574	Continuing progress and potential to use again as further match funding - slippage funded by capital receipts and reserves .
Total	7,163,306	2,536,233	(4,627,074)	35	65	4,627,074	
Transformation							
ICT- Core Infrastructure	135,467	40,086	(95,381)	30	70	95,381	Continuing works - funded by general capital grant slippage .
ICT - Desktop Refresh	99,456	99,430	(26)	100	0	26	Continuing works - funded by general capital grant slippage .
ICT - Anglesey Connected to PSBA transition	43,088	26,982	(16,106)	63	37	16,106	Continuing works - funded by general capital grant slippage .
Telephony	88,500	0	(88,500)	0	100	88,500	Continuing works - funded by capital reserve .
Hwb additions - equipment	206,645	206,645	0	100	0	0	
Hwb IT	113,282	113,281	(1)	100	0	0	
Total	686,438	486,424	(200,013)	71	29	200,013	
Adult Services							
Discretionary Capital Programme (DCP)	47,665	78,303	30,638	164	(64)	0	Scheme complete.
IRCF - Amlwch Wellbeing Hwb	24,566	24,566	(0)	100	0	0	Scheme complete.
IRCF - Dementia Friendly Care Home	165,115	165,115	0	100	0	0	Scheme complete.
ICF Cae Gwyn	0	17,084	17,084	100	0	0	
Plas Mona Refurbishment	24,104	10,584	(13,520)	44	56	13,520	Requested slippage to reallocate funds to other property priority works - slippage funded by supported borrowing and capital receipts .
Total	261,450	295,652	34,202	113	(13)	13,520	
TOTAL	67,787,859	50,573,798	(17,214,061)	75	25	15,498,689	

Changes to budgets / additional schemes added since budget setting

Scheme	Budget £	FUNDING						
		Grant £	Revenue Contribution £	Capital Receipts Reserve £	Capital Reserve £	Supported Borrowing £	Unsupported Borrowing £	Other Reserve £
Highways Resurfacing*	0	(1,701,000)				591,000		1,110,000
Community Focused Schools	30,000	30,000						
Enable	139,786	139,786						
Active Travel	2,253,103	2,253,103						
Mill Lane Natural Flood Management (NFM)	(241,640)	(241,640)						
ULEV	376,550	376,550						
Brilliant Basics	250,400	250,400						
Small Grants Childcare	380,000	380,000						
Plas Arthur Floodlights	51,305	51,305						
Bodedern Pitches	300,000	300,000						
Bodedern Floodlights	123,000	100,000						23,000
Breakwater Park	110,000	110,000						
Safer Streets	18,000	18,000						
Phase 3	22,187	22,187						
Phase 3	398,617	398,617						
Llangefni JV	21,514	21,514						
Small Scale Grants	478,636	478,636						
Small Scale Grants	47,388							47,388
HRA***	821,000	1,229,000	(875,945)			467,945		
ICF	(693,966)		(226,021)			(467,945)		
Corn Hir	370,000	107,328				262,672		
Vehicles**	0	58,000		(58,000)				
Gritters**	0	150,000		(150,000)				
IT budget**	0	292,000		(292,000)				
Mill Lane Structure	30,888	26,255			4,633			
Waste Recycling	70,634	70,634						
Additional Learning Needs 2023/24	478,225	478,225						
Valley Childcare Unit	850,000	850,000						
Gwalchmai Roof	63,000							63,000
Holyhead Leisure Centre	149,000	100,000			36,949			12,051
Leisure Capital pot	(36,949)				(36,949)			
IT Hwb	(39,221)	(39,221)						
Band B	305,995	1,827,497				1,275,498	(2,797,000)	
Bus Infrastructure 2022/23	(587)	(61,589)			61,002			
Discretionary Capital Programme	47,353	47,353						
Low Carbon Heat Grant	2,178,671	2,178,671						
Landscape Partnership	56,000	56,000						
Bryn Hwfa Community Hub	(13,155)	(13,155)						
HRA	0	1,680,000	(1,680,000)					
TOTAL	9,395,734	12,024,456	(2,781,966)	(500,000)	65,635	2,129,170	(2,797,000)	1,255,439

*Included in the 2023/24 budget was £1.701m of funding from extra general capital grant. Upon reviewing the restrictions of the grant conditions, it had to be utilised in 2022/23 and, therefore, the grant was used to fund capital expenditure in 2022/23, replacing funding from the Authority's own resources. The funding saved by the Authority from this grant will now be used to fund capital expenditure in 2023/24.

** Reallocation of funding from what was originally funded by capital receipts in the 2023/24 programme, to now be funded by general capital grant.

***Included in the 2023/24 budget for HRA, there was an underestimation of grant funding and, along with the required increase in budget, the funding has now been amended.

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Isle of Anglesey County Council	
Report to:	EXECUTIVE COMMITTEE
Date:	23 JULY 2024
Subject:	HOUSING REVENUE ACCOUNT BUDGET MONITORING, OUT-TURN 2023/24
Portfolio Holder(s):	COUNCILLOR R WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER FINANCE
Head of Service / Director:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) & SECTION 151 OFFICER (EXT. 2601)
Report Author:	CARWYN EDWARDS
Tel:	01248 752699
E-mail:	CarwynEdwards@ynysmon.llyw.cymru
Local Members:	N/A

A –Recommendation/s and reason/s

1. The Executive is requested to note the following:-
 - (i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for 2023/24.

2. **Background**
 - (i) The report here shows the revenue budget with a budgeted surplus of £8,044k.
 - (ii) The gross capital budget for 2023/24 is £19,988k. Grant and other funding budget of £6,898k reduces the net budget to £13.090k.
 - (iii) 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.
 - (iv) The HRA is ‘ringfenced’, and its reserves cannot be transferred to the General Fund, nor can General Fund reserves be used to fund the HRA.

3. This report sets out the financial performance of the HRA for the period from 1st April 2023 to 31st March 2024.

4. **Overview**
 - 4.1 The HRA revenue surplus of £8,727k exceeds the budgeted level of surplus of £683k. More detail is shown in Appendix A.

 - 4.2 Capital expenditure has underspent by £182k at out-turn, as detailed in Appendix B below. Grant Income was £801k above the budget, and other contributions was £538k below the budget. Therefore, at out-turn the net capital expenditure was underspent by £444k. An additional £509k was received from the joint equity sale of 4 dwellings, this has been transferred to an earmarked reserve.

4.3 The deficit (combining both revenue and capital) at out-turn was £3,918k, £1,127k less than the budget. This leaves the Closing HRA Reserve balance as £8,189k.

5. Income

5.1 At out-turn, the level of income received was £198k above the budget, as noted below.

5.2 Rental income was £9k above the budget at out-turn.

5.3 The overall level of bad debt provision was budgeted at 1.5% of rental income. However, rent recovery has been better than budgeted, therefore, at out-turn, the increase in the provision required to cover bad and doubtful debts was £169k below the budget.

5.4 Service Charges have underachieved by £38k. Service charges cover costs incurred during the year on areas of expenditure where leaseholders are required to contribute and the income from service charges reflect the actual costs incurred i.e. the underachieved income is offset by lower expenditure.

5.5 Other income has overachieved by £59k at out-turn, £70k of which relates to income received in relation to the profit-sharing arrangement in place with the Council's Stores supplier. Feed in tariff and insurance premium has underachieved by a combined amount of £9k. Other minor variances occurred amounting to £2k.

6. Non-Repairs and Maintenance Expenditure

6.1 At out-turn, non-repairs and maintenance expenditure was £60k above budget.

6.2 Other revenue expenditure shows an overspend of £199k compared to the budget. This was mainly due to expenditure of £185k on Telecare switch from analogue to digital services provision, and on associated hardware.

6.3 The Tenant Participation heading shows an underspend of £44k at out-turn. £20k of the underspend was due to vacant posts during the year, £13k related to environmental projects budget being overly ambitious, £7k relates to underspend on post and stationery. Other minor variances amount to a net underspend of £4k.

6.4 The rent administration heading shows an underspend of £5k at out-turn.

6.5 The Estate Management heading shows an underspend of £89k at out-turn, predominantly due to vacant posts.

7. Repairs and Maintenance

7.1 The Housing Maintenance Unit (HMU) shows an overspend of £73k at out-turn. New legislation has come into force, which expects Social Housing Landlords to provide suitable floor coverings at change of tenancy, this explains the majority of the overspend.

7.2 Expenditure on non HMU building maintenance staff was £41k below the budget at out-turn, due to posts being vacant during the year.

7.3 Other repairs and maintenance were £4k below budget at out-turn.

8. Year End Adjustments

8.1 This heading covers items of expenditure (capital financing costs and recharges from the General Fund) that form part of the year end accounting process. Capital Finance charges have underspent by £167k, interest receivable income has overachieved by £287k. Overall, the Council's surplus cash balances and the level of the interest rate received have been higher than anticipated and the HRA account has benefitted as a result. Recharges from central services has underspent by £16k and recharges from Housing to HRA has underspent by £103k. This is broken down between an underspend of £49k on non-staffing costs and a further £54k recharged from HRA to housing general following the year-end review of the HRA / General Fund split. At out-turn, year-end adjustments were £573k below budget.

9. Capital Expenditure

9.1 The gross capital budget for 2023/24 is £19,988k, the grant funding budget for 2023/24 was £6,205k, and other contributions budget is £693k. The overall position at the end of the financial year was an underspend of £182k on capital expenditure. (see Appendix B for a detailed breakdown). Grant income exceeded the budget by £801k. An additional £509k was received from the joint equity sale of 4 dwellings at Cilfach Clai, these capital receipts were transferred to an earmarked reserve. Other contributions were £538k lower than the budget. The net effect of the final position was that the capital budget was underspent by £444k. This balance is held in the HRA Reserve and is available for funding projects that have been deferred into the next financial year.

The Grant funding received during 2023/24 amounting to £7,006k, is summarised below: -

Source	Out-turn £
HCF	296,377
CADW	57,571
ICF Slippage	50,000
ICF DFG	73,676
General Capital Grant	274,948
WHQS	82,698
Place Making	250,000
Transitional Accommodation Capital Programme	458,847
Social Housing Grant (SHG)	901,578
Plas Alltran Homelessness Funding	267,651
Major Repairs Allowance (MRA)	2,690,000
Optimised Retrofit Programme 2023/24	872,899
Optimised Retrofit Programme 2022/23 – carried forward	370,584
Optimised Retrofit Programme Additional funding	89,848
Fire Safety Grant	269,494
Total Grant Funding	7,006,171

- 9.2** WHQS expenditure – The £1,900k budget is split between planned kitchen replacements involving approximately 80 properties and demand led capital works undertaken on the change of tenancy. A contract was awarded for the planned works during quarter 4 of 2022/23, to the value of £484k. A sum of £1,400k was initially earmarked for capital works undertaken by the Housing Maintenance Unit, predominantly at change of tenancy. However, WHQS works have progressed better than initially expected. As a result, the final expenditure amounted to £2,304k, resulting in an overspend of £404k in 2023/24. This was partly offset by the receipt of an additional £83k in capital grants. The kitchen replacement contract awarded during quarter 4 of 2022/23 has a final account that is yet to be agreed.
- 9.3** Fire Risk expenditure – The £400k budget was planned to be spent on completing retrospective installations of fire suppression systems at Maes y Coed, Menai Bridge and Glan Cefni, Llangefni, as well as fire compartmentation improvements at all four medium rise blocks of flats which form part of the housing stock. In addition, capital works involved upgrades to fire alarm systems and replacement of fire doors. Fire compartmentation works were completed during quarter 3, and the installation of both fire suppression systems were completed during quarter 4. Due to the lack of availability of contractors, this project has underspent by £90k during 2023/24.
- 9.4** Public Sector Adaptations expenditure – During quarter 4, demand for medium or large-scale adaptations remained high. The expenditure on this project during 2023/24 was £422k, resulting in an overspend of £22k compared to the budget. Expenditure on Adaptations is demand led and, typically, involves the installation of stairlifts, level access showers and alterations to existing access arrangements. During quarter 4, a total of 8 Care Plans were cancelled following works surveys, which equates to a total underspend of circa £78k.
- 9.5** Energy Performance expenditure – We are currently in consultation with the District Network Operator (DNO) prior to installing Solar PV panels to generate renewable electricity. The Energy Performance budget was reduced from £1,000k to £600k due to the delays. Unfortunately, gaining DNO approval to undertake large scale Solar PV work has, and continues to be, difficult due to a requirement to reinforce the network prior to installing Solar PV. The DNO has commenced the process of arranging network upgrades at certain locations but, unfortunately, timescales for completion of the upgrades are currently unknown. No expenditure was incurred on this project during 2023/24, therefore, this project has underspent by £600k at out-turn, which has been factored into our recent forecasts. The consultation process with the DNO progressed well during quarter 4 and a 5-year Solar PV contract is due to be released for tender during quarter 1 of 2024/25.
- 9.6** Planned Maintenance expenditure – Following the award of a contract for Phase 2 of works at Cemaes Bay during quarter 1, the planned maintenance budget was fully committed, and work commenced on site at the end of June. This contract, together with committed expenditure carried forward from 2022/23, was initially expected to utilise the £4,450k budget in full, however, at out-turn, the actual spend was £4,138k, resulting in an underspend of £312k during the year. There have been procurement issues during this contract in obtaining the specified Welsh slates for re-roofing, which has resulted in a major delay to the contract. The extension of time to the contract is yet to be agreed between the appointed project consultants and the contractor.

9.7 Environmental Works Expenditure – The £700k budget is split into two projects. The continued demolition of 30 garages at Bro Tudur, Llangefni reached practical completion during quarter 3. The second project, involving improvements to sewage disposal at Carreglefn to comply with Natural Resources Wales directions, did not progress as well as we had first anticipated. The Highway Services term contractor has prepared detailed designs for alternative sewage arrangements. Housing Services confirmed that proposed costs received during Q4 were far higher than expected, which prompted on-going discussions with Natural Resource Wales officers around alternative solutions. The delay in this project has led to an underspend of £323k in 2023/24.

9.8 Central Heating Contract Expenditure - During 2023/24, Housing Services aimed to replace approximately 500 boilers with a budget of £1,250k allocated for the project. A contract was awarded for this year’s boiler replacement programme during quarter 1. Despite forecasting an underspend of £150k in quarter 3, works progressed much better than expected during quarter 4. The expenditure on this scheme during 2023/24 amounted to £1,232k, which is an underspend of £17k.

9.9 Acquisition of Existing Properties and Development of new properties – Details of significant variances between quarter 3 forecasts and out-turn figures are listed below, more detail can be found in Appendix C.

Due to unforeseen delays with the Plas Alltran site, not all works paid for by the CADW grant had been fully completed by the 31/03/2024, therefore, CADW have reduced the grant accordingly. Likewise, with the TACP grant, less work was completed on these properties than envisaged, therefore, the grant allocation has reduced accordingly. The remainder of the TACP grant will be paid in 2024/25 upon completion of the works. With the Social Housing Grant, a figure of £1,500k was included towards the acquisition of 10 properties in Pentraeth. The Council will not acquire these until Quarter 1 of 2024-25 and the grant will be claimed during this financial year. For the remainder of the Social Housing Grant, Welsh Government has advised that, unless schemes have received SAB approval, they will not pay for any construction work until approval is given. This explains the shortfall in SHG grant amount for three schemes. The grants will, however, be claimed during the 2024/25 financial year. We overachieved on our buy back and renovation projects during the year, works progressed better than initially anticipated on the renovations and we purchased an additional 3 properties during quarter 4.

10. HRA Balance

10.1 The opening balance of the HRA reserve stood at £12,107k. The revised budget allowed for the use of £5,046k of this balance. However, based on the above, we will only use £3,918k in 2023/24. This will give a reserve balance of £8,189k by the end of the financial year. This balance is ringfenced and is, therefore, only available to fund future HRA expenditure.

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

Not applicable

C – Why is this a decision for the Executive?

This matter is delegated to the Executive.

Ch – Is this decision consistent with policy approved by the full Council?		
Yes		
D – Is this decision within the budget approved by the Council?		
Yes		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long-term needs as an Island?	The report is for monitoring purposes only and is used, along with other reports, to set the HRA business plan and annual budget. In setting the annual budget, the impact on the long-term needs of the Island will be assessed.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The Housing Services regularly consult with their tenants and the results of those consultations are fed into the business planning process and then on to the annual budget process.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Not applicable
E – Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The report was considered by the Leadership Team at its meeting on 4 June 2024. Any comments will have been incorporated into the report.
2	Finance / Section 151 (mandatory)	N/A – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the Leadership Team and comments will have been considered at the meeting on 4 June 2024.
4	Human Resources (HR)	N/A
5	Property	N/A

6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The results of the HRA quarterly monitoring reports are reported to the Finance Scrutiny Panel.
9	Local Members	N/A
F - Appendices:		
<ul style="list-style-type: none"> • Appendix A – Revenue expenditure out-turn 2023/24 • Appendix B – Capital expenditure out-turn 2023/24 • Appendix C – New Build capital schemes out-turn 2023/24 		
Ff - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • HRA 30 Year Business Plan 2023/53 (as approved by this Committee in May 2023). 		

APPENDIX A

HOUSING REVENUE ACCOUNT 2023/24					
	Annual Budget 2023/24	Outturn	Outturn Variance	Forecast at Q3	Change from Q3 Forecast
REVENUE ACCOUNT	£	£	£	£	£
Income					
Dwellings	(20,693,000)	(20,702,436)	(9,436)	(20,642,747)	(59,689)
Garages	(247,000)	(245,727)	1,273	(246,723)	996
Service Charges	(213,070)	(175,272)	37,798	(198,379)	23,107
Other	(262,100)	(320,695)	(58,595)	(245,341)	(75,354)
Bad Debt Provision	316,000	147,210	(168,790)	100,000	47,210
TOTAL INCOME	(21,099,170)	(21,296,920)	(197,750)	(21,233,190)	(63,730)
Non Repairs & Maintenance Expenditure					
Tenant Participation	241,070	196,759	(44,311)	213,006	(16,247)
Rent Administration	543,340	538,071	(5,269)	537,534	537
Estate Management	644,500	555,765	(88,735)	568,343	(12,578)
Other Revenue Expenditure	1,763,630	1,962,399	198,769	1,928,630	33,769
Total Non Repairs & Maintenance Expenditure	3,192,540	3,252,994	60,454	3,247,513	5,481
Repairs and Maintenance					
Housing Maintenance Unit (HMU)	5,470,600	5,543,116	72,516	5,397,293	145,823
Building Maintenance Staff (non HMU)	1,211,860	1,171,071	(40,789)	1,156,556	14,515
Other Repairs & Maintenance	752,320	748,308	(4,012)	720,032	28,276
Total Repairs & Maintenance	7,434,780	7,462,495	27,715	7,273,881	188,614
Year End Adjustments					
Capital Financing Charges	1,742,430	1,575,603	(166,827)	1,604,600	(28,997)
Interest Receivable	(200,000)	(486,538)	(286,538)	(529,956)	43,418
Recharge from Housing Services	100,090	(3,310)	(103,400)	100,090	(103,400)
Recharge from Central Services	785,550	769,133	(16,417)	785,550	(16,417)
Total Year End Adjustments	2,428,070	1,854,889	(573,181)	1,960,284	(105,395)
TOTAL REVENUE EXPENDITURE	13,055,390	12,570,378	(485,012)	12,481,678	88,700
TOTAL REVENUE (SURPLUS) / DEFICIT	(8,043,780)	(8,726,542)	(682,762)	(8,751,512)	24,970

	Annual Budget 2023/24	Outturn	Outturn Variance	Forecast at Q3	Change from Q3 Forecast
CAPITAL EXPENDITURE ACCOUNT					
2023/24 Expenditure	19,988,000	19,806,212	(181,788)	20,529,424	(723,212)
Grant Funding	(6,205,000)	(7,006,171)	(801,171)	(8,396,000)	1,389,829
Other Contributions	(693,460)	(155,000)	538,460	(580,381)	425,381
TOTAL CAPITAL (SURPLUS) / DEFICIT	13,089,540	12,645,041	(444,499)	11,553,043	1,091,998
NET (INCREASE) / DECREASE IN HRA RESERVE	5,045,760	3,918,499	(1,127,261)	2,801,531	1,116,968
Opening HRA Balance	(12,107,000)	(12,107,000)		(12,107,000)	0
Net (Increase) / Decrease in HRA Reserve	5,045,760	3,918,499		2,801,531	
Closing HRA Balance	(7,061,240)	(8,188,501)	0	(9,305,469)	0

CAPITAL BUDGET 2023/24

APPENDIX B

	Annual Budget 2023/24	Annual Expenditure	Year End Variance	Forecast at Q3	Change between Q3 forecast and out-turn
	£	£	£	£	£
Central Heating Contract	1,250,000	1,232,870	(17,130)	1,100,000	132,870
Planned Maintenance Contract	4,450,000	4,138,401	(311,599)	4,450,000	(311,599)
Energy Performance Improvement	600,000	0	(600,000)	0	0
Environmental Works	700,000	376,930	(323,070)	400,000	(23,070)
Acquisition of Existing Properties and Development of New Properties	10,288,000	11,022,219	734,219	11,879,424	(857,205)
Public Sector Adaptations	400,000	422,246	22,246	500,000	(77,754)
Fire Risk	400,000	309,538	(90,462)	300,000	9,538
WHQS	1,900,000	2,304,009	404,009	1,900,000	404,009
Total	19,988,000	19,806,212	(181,788)	20,529,424	(723,211)

NEW DEVELOPMENT BUDGET 2023/24

APPENDIX C

Scheme	Number of Additional Units	2023/24 Budget £	Annual Expenditure £	Year End Variance £	Q3 Forecast £	Variance between Q3 forecast and out-turn £
Lôn Lwyd, Pentraeth	10	2,250,000	0	(2,250,000)	2,250,000	(2,250,000)
Extra Care Menai Bridge	55	250,000	140,952	(109,049)	108,517	32,435
Plas Alltran, Caergybi	4	1,200,000	1,082,827	(117,173)	844,367	238,460
Ysgol Llaingoch, Caergybi	26	4,000	0	(4,000)	0	0
Cae Braenar, Caergybi	23	500,000	978,642	478,642	918,460	60,182
Parc y Coed, Llangefni Phase 1	12	990,000	1,071,130	81,130	961,583	109,547
Clwb Cymdeithasol Biwmares	6	408,000	379,387	(28,613)	408,000	(28,613)
Renovation 16 Units	0	750,000	1,667,085	917,085	1,482,315	184,770
Buyback 16 Units	20	1,100,000	2,462,735	1,362,735	2,116,413	346,323
Niwbwrch Old School Site	14	500,000	244,308	(255,692)	111,961	132,348
Ysgol Thomas Ellis Old School Site	43	50,000	32,315	(17,685)	23,405	8,910
Parc y Coed, Llangefni Phase 2	10	1,400,000	1,032,217	(367,783)	868,057	164,161
Haulfryn Renovation and Phase 2	1	365,000	309,756	(55,244)	251,323	58,432
Pen y Coed, Rhostrehwfa	1	482,000	511,538	29,538	511,538	0
Stad y Bryn, Llanfaethlu	9	0	4,100	4,100	200,000	(195,900)
Garreg Lwyd Road, Caergybi	8	0	1,035,557	1,035,557	651,469	384,088
Schemes in pre planning stage		39,000	69,670	30,670	172,017	(102,347)
Total	242	10,288,000	11,022,219	734,219	11,879,424	(857,205)

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE COMMITTEE
Date:	23 JULY 2024
Subject:	DRAFT FINAL ACCOUNTS 2023/24 AND USE OF RESERVES AND BALANCES
Portfolio Holder(s):	ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Tel:	01248 762601
E-mail:	rmjfi@ynysmon.gov.wales
Local Members:	n/a
A –Recommendation/s and reason/s	
<p>The report presents the draft Comprehensive Income and Expenditure Statement for 2023/24 and the draft Balance Sheet as at 31 March 2024.</p> <p>More detailed information is provided on the Council’s general balances and earmarked reserves and the report details the proposed use of the reserves and balances in 2024/25 and subsequent years. The report sets 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 any existing funding commitments made and takes into account any specific restrictions on the use of the funding, e.g. restrictions imposed by grant conditions. 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.</p> <p>It is important to note that the figures are unaudited and may change as a result of the audit process. Once the audit is completed, a report of the final Statement of Accounts will be presented to the Governance and Audit Committee and the full Council.</p> <p>Recommendations:-</p> <ol style="list-style-type: none"> 1. That the Executive notes the draft unaudited financial statements for the financial year 2023/24. The full Draft Statement of Accounts 2023/24 is published on the following link:- IOACC-Draft-SOA-Redacted.pdf (gov.wales) 2. That the Executive notes the position of the Council’s general balances of £15.604m. 3. That the Executive notes the balance of Earmarked Reserves of £16.778m and approve the creation of £1.553m of new earmarked reserves. 4. That the Executive formally approve the transfer of £2.002m of earmarked reserves back to the Council’s General Balances. 5. That the Executive notes the balance of school reserves of £5.577m. 6. That the Executive notes the balance of the HRA reserve of £8.189m. 	
B – What other options did you consider and why did you reject them and/or opt for this option?	
<p>No other options are available to the Executive.</p>	

C – Why is this a decision for the Executive?		
The use of reserves and balances is delegated to the Executive in accordance with the Council's resolution on the Council's revenue and capital budget 9 March 2023.		
CH – Is this decision consistent with policy approved by the full Council?		
Yes		
D – Is this decision within the budget approved by the Council?		
Yes		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long-term needs as an Island?	The proposed use of reserves and balances is designed to address certain risks and issues which the Council is currently facing. This will allow the Council to undertake projects which will help in meeting the long-term needs of the Island and its residents.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Yes – identifying funding to mitigate future risks will ensure that risks will be better controlled and may reduce costs in the future.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Not applicable
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The decision requested in this report does not have a direct impact on those groups protected under the Equality Act 2010. Any plans for the use of funding would consider the impact on those groups prior to making the final decision to proceed with any project.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The decision requested in this report does not have a direct impact on those experiencing socio-economic disadvantage. Any plans for the use of funding would consider the impact on the socio-economic disadvantaged prior to making the final decision to proceed with any project.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact on the Welsh language.

E - Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The report has been considered by the Chief Executive and LT prior to it being presented to the Committee. The comments of LT members have been incorporated into the report.
2	Finance / Section 151 (mandatory)	The Section 151 Officer and staff of the Finance Team were responsible for drafting the accounts and this report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT and any comments made have been considered along with all comments made by LT members.
4	Human Resources (HR)	The issues covered in the report do not impact on any Human Resource matters.
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	The draft financial outturn and reserve balances were discussed at the meeting of the Finance Scrutiny Panel on 6 June 2024. The draft statement of accounts was considered by the Governance and Audit Committee on 18 July 2024.
8	Local Members	Not applicable
9	Any external bodies / other/s	Not applicable
F - Appendices:		
<p>Appendix 1– Report on the main financial statements, general balances and earmarked reserves</p> <p>Appendix 2 – Draft Comprehensive Income and Expenditure Statement 2023/24</p> <p>Appendix 3 – Draft Balance Sheet as at 31 March 2024</p> <p>Appendix 4 – Movement in Reserves Statement 2023/24</p> <p>Appendix 5 – Earmarked Reserves as at 31 March 2024</p>		
FF - Background papers (please contact the author of the Report for any further information):		
None		

1. PURPOSE OF THE REPORT

- 1.1. The report sets out the draft main financial statements for the financial year 2023/24 and presents a summary of the Council's general balances, earmarked reserves, school balances and HRA reserve.
- 1.2. The report also sets out the Council's Section 151 Officer's opinion on the adequacy of the reserves and do they provide sufficient financial resilience for the Council and do they provide sufficient financial cover to address any future financial risks faced by the Council.

2. BACKGROUND INFORMATION

- 2.1. Regulation 10 of the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018, requires that the responsible financial officer must, by no later than 31 May immediately following the end of the financial year, sign and date the draft statement of accounts and certify that it presents a true and fair view of the Council's financial position. The Council must then approve and publish its audited financial statements by 31 July immediately following the end of the financial year.
- 2.2. Due to a number of reasons, which include delays in completing audits across Wales in the years following the pandemic and due to technical accounting issues which required additional guidance and audit input, Welsh Government (WG) and Audit Wales have recognised that the statutory timetable is unachievable for the 2023/24 financial year. The suggested timetable is for the draft statement of accounts to be prepared by 30 June 2024 and the final audited accounts to be published by 30 November 2024. Consideration is also being given to amending the statutory deadlines for future years. The Council has published the statutory notice informing all interested parties that the Council will not be complying with the statutory deadlines noted in paragraph 2.1 above.

3. DRAFT COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2023/24

- 3.1. The draft Comprehensive Income and Expenditure Statement (CIES) is presented in Appendix 2.
- 3.2. The statement summarises the cost of providing services in 2023/24, in accordance with the statutory accounting requirements and covers both the Council Fund and the Housing Revenue Account (HRA) in one financial statement. 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. As a result, the CIES is not directly comparable to the outturn reports that are presented to the Executive as part of the agenda for this meeting.
- 3.3. The CIES shows that the net cost of services was £168.498m, with a surplus of £14.057m on the provision of services. Adjustments are then made for the revaluation of assets and for the re-measurement of the pension liability, to give the final net surplus for the year of £37.683m. Adjustments are then made, as shown in Table 1 below, to determine the movement to reserves and balances. The adjustments are detailed in note 6 of the draft Statement of Accounts.

Table 1

Reconciliation of CIES to the Contribution (to) or from Reserves and Balances for 2023/24

	£'m	£'m
Total Cost (Surplus) as per the CIES		(37.683)
Reverse out the accounting entries in respect of the Revaluation of Assets and the Re-measurement of the Pensions Fund	23.626	
Adjustment between Accounting Basis and Funding Basis under Regulations	18.772	
		42.398
Contribution (to) / from Useable Reserves and Balances		4.715

3.4. The movements in the Council's reserves and balances are shown in Table 2, below:-

Table 2

Summary of the Movements in the Council's Reserves and Balances as at 31 March 2024

	Council Fund General Reserve	Council Fund Earmarked Reserves	Housing Revenue Account (HRA) Reserve	School Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Useable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance as at 1 April 2023	(14,039)	(19,637)	(12,107)	(6,716)	(1,908)	(407)	(54,814)
Net Over / (Under) spend 2023/24	(1,733)	0	4,073	0	0	0	2,340
Balance after Over / (Under) spend	(15,772)	(19,637)	(8,034)	(6,716)	(1,908)	(407)	(52,474)
Net Transfers from / (to) Reserves for Approved Funding	168	2,858	(155)	1,139	(991)	(57)	2,962
Closing Balance as at 31 March 2024	(15,604)	(16,779)	(8,189)	(5,577)	(2,899)	(464)	(49,512)

The Council's accounts also include £587k in respect of the North Wales Economic Ambition Board. This figure is the Council's share of the useable reserves, which are held by Gwynedd Council as the lead authority for the Board Members.

4. DRAFT BALANCE SHEET AS AT 31 MARCH 2024

4.1. The draft balance sheet as at 31 March 2024 is shown in Appendix 3.

4.2. The value of the Council's net assets increased by £37.682m, from £404.650m last year, to £442.332m at 31 March 2024. The value of the Council's long-term assets increased by £55.688m, due to capital expenditure on the Council's property, plant and equipment and the revaluation of existing assets. Current assets increased by £1.777m as a result of an increase in short-term debtors of £12.346m. This was mainly offset by a reduction of £10.133m in cash and short-term investments.

4.3. Current liabilities increased by £11.498m, to £55.615m, which is as a result of short term creditors £7.896m and short term grants received in advance £4.618m. Long term liabilities have also increased, from £131.450m to £139.735m, this is mainly as a result of the carrying value of the Pension Reserve moving from £0 to a net liability of £10.522m.

- 4.4. Although the actuarial valuation assesses the value of the Pension Fund as being a surplus of £71.145m, accounting rules (IFRIC14) requires the Council to reduce the value of the pension asset due to the fact that the Council cannot access the value of the asset.

5. GENERAL FUND BALANCE

- 5.1. The balance of the General Fund (subject to audit) as at 31 March 2024 is £15.604m, which is equivalent to 8.94% of the 2023/24 net expenditure budget, but it should be noted that this figure may change following the audit. The Council utilised £4.425m of this reserve as funding for the 2024/25 budget, which reduces the net available balance to £11.179m, which equates to 6.08% of the 2024/25 net expenditure budget. The movement is shown in Table 3, below:-

Table 3
Movement in General Balances during 2023/24

	£'m	£'m
Opening Balance as at 1 April 2023		14.039
Funding for 2023/24 Revenue Budget		(3.780)
Balance Available as at 1 April 2023		10.259
Transfers from Earmarked Reserves	2.002	
Other Transfers In / (Out)	1.645	
Expenditure Funded from General Balances	(0.035)	
Net Transfers In / (Out) in Year		3.612
2023/24 Revenue Budget Surplus		1.733
Balance as at 31 March 2024		15.604
Funding for 2024/25 Revenue Budget		(4.425)
Balance Available as at 1 April 2024		11.179

- 5.2. The Council approved the recommendation provided by the Section 151 Officer that the Council should maintain a minimum balance of this reserve of 5% of the net revenue expenditure budget 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.
- 5.3. Based on the current information, the funding position for 2025/26 appears to be very precarious, with costs, due to inflation and demand pressures, exceeding the increase in funding. This surplus in general balances, above the minimum recommended level, does provide the Council to use its general balances in 2025/26 to supplement the funding available from Welsh Government grants and Council Tax.

6. EARMARKED RESERVES

6.1. Earmarked Reserves are held by the Council to mitigate potential future risks, to meet increases in the demand for certain services, to fund future capital projects, to fund improvements in business processes and service delivery, which are not funded in the annual revenue budget, and to hold unused grants and other contributions. The holding of earmarked reserves is an essential element of the Council's financial strategy to ensure that the Council has an adequate level of financial resilience to meet future risks, financial challenges and allows for additional investment in assets and services. The new reserves created during 2023/24 are shown in Table 4, and the Executive is requested to formally approve the creation of these new reserves, totalling £1.553m.

Table 4
New Earmarked Reserves Requested

Service	Reserve Name	Reserve Total £	Reason for Creating the Reserve	Purpose of the Reserve
Childrens	Maethu Cymru	35,111	Unused grant carried forward from 2023/24	To contribute to the cost of advertising for and recruiting foster carers.
Corporate	Grant Reduction Support	250,000	To provide financial support to services who may experience a reduction in revenue grant funding	As grant funding is frozen or reduced, it can take time for a service to adapt the provision of service to reflect the reduced grant funding. The reserve can provide one off funding to cover costs during this transitional period.
Planning	Judicial Review Costs	35,000	To meet potential future costs	Planning decisions can be subject to appeal and the Council can face costs in preparing for appeals and to refund the applicants costs should the appeal be successful. The reserve provides financial resources to cover that risk.
Adults	Telecare Equipment	60,000	To fund roll out costs of new digital equipment	The transfer from analogue systems to digital systems is currently taking place. The reserve provides funding to meet these one off costs.
Regulation & Economic Development	3G Pitch Replacement Sinking Fund	200,000	To fund the future costs of replacing 3G pitches	The Council has been successful in obtaining grant funding to develop 3G pitches. The pitch surfaces have a finite life and will require replacement in the future. Surplus income generated from the rental of the pitches is placed in the reserve to provide funds to meet future costs.
Transformation - IT	Anglesey Mast	40,450	To fund the cost of repairing the mast	Due to changing technology, the mast at Penmynydd is no longer required by the Council, but the mast is in need of repair before it can be disposed of. The reserve provides the necessary funding to undertake those repairs.
Regulation & Economic Development	Gym Equipment at Holyhead	80,000	To contribute to the cost of replacing the gym equipment at Holyhead Leisure Centre	The Council successfully appealed the rateable value of the Centre dating back to 2017 and, as a result, received a refund of £80,000. This sum has been placed in a reserve to contribute to the cost of replacing the equipment. The Service is seeking additional grant funding to fund the remainder of the cost.

Service	Reserve Name	Reserve Total £	Reason for Creating the Reserve	Purpose of the Reserve
Education	Period Poverty Grant	6,300	Unused grant carried forward from 2023/24	Will be used to provide grants in 2024/25, in accordance with the grant conditions.
Housing	ECO4 Grant	61,071	Unused grant carried forward from 2023/24	Will be used to provide grants in 2024/25, in accordance with the grant conditions.
Housing	Afghan Resettlement	114,951	Unused grant carried forward from 2023/24	To meet the costs of accommodating refugees settling in Anglesey under the Afghan resettlement scheme.
Public Protection	Child Burial and Cremation Fees	6,389	To fund the costs incurred by Town & Community Councils	The grant is paid out bi-annually, the reserve will fund payments to Town & Community Councils in 2024/25.
Corporate	Eisteddfod yr Urdd	50,000	To meet the cost of the Council's presence at the Eisteddfod in 2026	The budget includes a sum of £50,000 per annum for 2023/24, 2024/25 and 2025/26.
Corporate	Scrutiny Review	8,000	To meet the cost of the review	The Council is undertaking a review of the Scrutiny function and this reserve has been created from underspent budgets in 2023/24.
Planning	Houses into Homes	300,000	To meet the cost of implementing Article 4, should the Council decide to move ahead	£300,000 has been allocated from the Council Tax premium income to meet the cost of implementing Article 4, should the Council wish to do so.
Resources	Procurement	45,000	To part fund the cost of implementing the Procurement Service action plan	An initial review of the Council's procurement function and its readiness for the new legislation resulted in an action plan. External support is required to implement the action plan for 2024/25 and 2025/26.
Learning	WG ALN Grants	261,048	Unused grant carried forward from 2023/24	The grant was allocated for ALN Capital projects. Due to time constraints, the funding was not fully utilised within 23/24 and 24/25. The £261k will allow completion of the project, with any remaining funding re-paid to Welsh Government as per the terms and conditions of the grant.
TOTAL NEW EARMARKED RESERVES		1,553,320		

6.2. The total recommended earmarked reserves as at 31 March 2024 are detailed in full in Appendix 4, but are summarised by purpose below, in Table 5:-

Table 5
Summary of Earmarked Reserves as at 31 March 2024

	Opening Balance as at 1 April 2023 £	Contributions To / (From) During 2023/24 £	Closing Balance as at 31 March 2024 £
Ongoing Corporate and Service Risks	6,140,669	(1,484,387)	4,656,282
Specific Corporate and Service Risks	226,172	627,770	853,942
Funding of Future Capital Expenditure	7,070,721	(2,372,570)	4,698,151
Business Process Improvements	0	250,000	250,000
Unused Contingency Budgets required for Future Years	1,014,172	298,200	1,312,372
Restricted Grant Holding Reserves	1,840,594	188,215	2,028,809
Other Restricted Reserves	304,197	88,413	392,609
Other Earmarked Reserves for Specific Projects	2,675,940	(89,776)	2,586,164
Unrestricted Grant Holding Reserves	365,104	(365,104)	0
TOTAL EARMARKED RESERVES	19,637,569	(2,859,239)	16,778,330

7. CAPITAL GRANT UNAPPLIED RESERVE

7.1. The capital grant unapplied reserve holds any unspent balance of the general capital grant. This is not an earmarked reserve as it is a specific reserve to hold capital funding, although it should be noted that the grant is provided with no conditions, and it is for the Council to determine which capital projects are funded from the grant. It is unapplied as it was not fully utilised by the end of the financial year, but it will be used to fund capital expenditure in 2024/25.

8. SCHOOL BALANCES

8.1. The level of School balances has decreased from £6.716m at the beginning of the financial year, to £5.577m at the end of the financial year. 5 primary schools have deficit balances, compared to none last year. All of the schools that have a deficit balance have agreed an expenditure plan which will bring the school out of deficit over a period of time. The balances per sector are summarised in Table 6, below:-

Table 6
School Balances as at 31 March 2024

	Balances at 31/03/2023 £	Balances at 31/03/2024 £	Increase / (Decrease) during 2023/24 £	Amount allocated to balance 2024/25 budgets £	Balance Available £
Primary	3,693,588	2,766,771	(926,816)	872,750	1,894,021
Secondary	2,761,638	2,630,684	(130,954)	1,293,980	1,336,704
Special	260,757	179,098	(81,659)	0	179,098
Total	6,715,983	5,576,553	(1,139,430)	2,166,730	3,409,823

9. HOUSING REVENUE ACCOUNT

9.1. The balance of the Housing Revenue Account reserve fell from £12.107m at the beginning of the financial year, to £8.956m at the end of the financial year. The details are shown in Table 7, below:-

Table 7

Housing Revenue Account Balance as at 31 March 2024

	£'m	£'m
Opening Balance as at 1 April 2023		12.107
Revenue Account Surplus 2023/24	8.727	
Capital Expenditure Funded from Reserves	(12.645)	
Net Movement in 2023/24		(3.918)
Closing Balance as at 31 March 2024		8.189

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2024

2023/24			Services	Note	2022/23		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
86,765	(16,691)	70,074	Education, Young People and Skills		84,301	(16,540)	67,761
50,733	(14,649)	36,084	Adult Services		48,246	(13,242)	35,004
22,064	(7,095)	14,969	Children's Services		22,207	(7,088)	15,119
9,756	(7,810)	1,946	Housing		8,168	(7,187)	981
35,261	(9,553)	25,708	Highways, Property and Waste		33,479	(9,921)	23,558
17,380	(11,019)	6,361	Regulation and Economic		16,910	(9,691)	7,219
7,157	(303)	6,854	Transformation		7,509	(340)	7,169
26,525	(16,244)	10,281	Resources		27,838	(16,803)	11,035
2,144	(181)	1,963	Council Business		2,347	(217)	2,130
1,145	(1,034)	111	Corporate and Democratic Costs		3,384	(723)	2,661
742	-	742	Corporate Management		673	-	673
27	-	27	Non-distributed costs		93	-	93
14,857	(21,479)	(6,622)	Housing Revenue Account (HRA)		14,982	(19,942)	(4,960)
274,556	(106,058)	168,498	Deficit on Continuing Operations		270,137	(101,694)	168,443
		17,244	Other operating expenditure	10			15,570
		8,574	Financing and investment income and expenditure	11			10,990
		(208,373)	Taxation and non-specific grant Income	12			(189,647)
		(14,057)	(Surplus)/Deficit on Provision of Services				5,356
		14,102	Impairment losses on non-current assets charged to the Revaluation Reserve				10,822
		(49,420)	Surplus on revaluation of non-current assets				(12,139)
		(71,145)	Write-off Net Pension Asset	9c & 34			(19,814)
		82,837	Re-measurement of net Pension liability	9c & 34			(116,642)
		(23,626)	Other Comprehensive Income and Expenditure				(137,773)
		(37,683)	Total Comprehensive Income and Expenditure				(132,417)

BALANCE SHEET AS AT 31 MARCH 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Property, plant and equipment	13	541,471	487,064
Heritage assets	15	2,413	2,431
Investment property	16	8,175	6,579
Intangible assets		262	357
Long-term debtors	18	1,032	1,234
Long-term Assets		553,353	497,665
Assets held for sale		620	1,065
Inventories		401	392
Short-term debtors	18	51,201	38,855
Short-term Investments	35a	-	22,500
Cash and cash equivalents	19	32,107	19,740
Current Assets		84,329	82,552
Short-term borrowing	35b	(3,341)	(4,111)
Short-term creditors	20	(42,465)	(34,569)
Short-term provisions	21	(456)	(702)
Short-term grants receipts in advance	30	(9,353)	(4,735)
Current Liabilities		(55,615)	(44,117)
Long-term creditors	20	(166)	(158)
Long-term provisions	21	(4,247)	(4,335)
Long-term borrowing	35b	(121,175)	(121,557)
Long-term grants receipts in advance	30	(3,625)	(5,400)
Other long-term liabilities	34	(10,522)	-
Long-term Liabilities		(139,735)	(131,450)
Net Assets		442,332	404,650
Usable reserves	MIRS	50,099	54,814
Unusable reserves	9	392,233	349,836
Total Reserves		442,332	404,650

MOVEMENT IN RESERVES STATEMENT 2023/24

	Council Fund Balance	Earmarked Council Fund Reserves (Note 7)	Capital Receipts Reserve (Note 8)	Capital Grants Unapplied (note 7)	Schools Balances (Note 7)	NWEAB Reserves	Total Council Fund Usable Reserves	HRA Balance (Supplementary Financial Statements)	HRA Capital Receipts Reserve	Total HRA Usable Reserves	Total Usable Reserves	Total Unusable reserves (Note 9)	Total Reserves (of the Council)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 April 2022	12,278	23,181	2,381	-	7,827	-	45,667	12,333	-	12,333	58,000	214,233	272,233
Movement in reserves during the year													
Adjustment to opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) on provision of services	(12,468)	-	-	-	-	-	(12,468)	7,112	-	7,112	(5,356)	-	(5,356)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	137,773	137,773
Total Comprehensive Income and Expenditure	(12,468)	-	-	-	-	-	(12,468)	7,112	-	7,112	(5,356)	137,773	132,417
Adjustments between accounting basis and funding basis under regulations (Note 6)	9,956	-	(448)	-	-	-	9,508	(7,338)	-	(7,338)	2,170	(2,170)	-
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	(2,512)	-	(448)	-	-	-	(2,960)	(226)	-	(226)	(3,186)	135,603	132,417
Transfers to/(from) Earmarked Reserves (Note 7)	4,273	(3,544)	(25)	407	(1,111)	-	-	-	-	-	-	-	-
(Decrease) / Increase In Year	1,761	(3,544)	(473)	407	(1,111)	-	(2,960)	(226)	-	(226)	(3,186)	135,603	132,417
Balance 31 March 2023	14,039	19,637	1,908	407	6,716	-	42,707	12,107	-	12,107	54,814	349,836	404,650
Movement in reserves during the year													
Adjustment to opening balance													
Surplus/(Deficit) on provision of services	1,016	-	-	-	-	-	1,016	13,041	-	13,041	14,057	-	14,057
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	23,625	23,625
Total Comprehensive Income and Expenditure	1,016	-	-	-	-	-	1,016	13,041	-	13,041	14,057	23,625	37,682
Adjustments between accounting basis and funding basis under regulations (Note 6)	(2,242)	-	482	(407)	-	-	(2,167)	(17,114)	509	(16,605)	(18,772)	18,772	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(1,226)	-	482	(407)	-	-	(1,151)	(4,073)	509	(3,564)	(4,715)	42,397	37,682
Net transfer from													
Transfers to/(from) Reserves	2,791	(2,858)	-	464	(1,139)	587	(155)	155	-	155	-	-	-
(Decrease) / Increase In Year	1,565	(2,858)	482	57	(1,139)	587	(1,306)	(3,918)	509	(3,409)	(4,715)	42,397	37,682
Balance 31 March 2024	15,604	16,779	2,390	464	5,577	587	41,401	8,189	509	8,698	50,099	392,233	442,332

EARMARKED RESERVES AS AT 31 MARCH 2024

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Corporate	Insurance Reserve	To fund uninsured losses and policy excesses.	1,250,000	97,745	(97,745)	1,250,000
Learning	Sickness Scheme - Primary	To cover the cost of staff sickness cover in primary schools. Each school pays an annual premium and is recompensed from this reserve to meet the additional costs incurred due to staff sickness.	307,532	0	(109,005)	198,527
Housing	Homelessness	To fund any additional demand above the sum allowed for in the annual budget.	325,171	129,198	0	454,369
Highways	Winter Maintenance	To meet any additional costs above the sum allowed for in the budget arising from additional gritting or dealing with floods and storm damage.	94,480	0	0	94,480
Social Services	Social Care Staffing Contracts	To fund additional staffing / agency costs if additional demand for services results in an increased staffing level requirement.	249,132	0	(149,132)	100,000
Social Services	Social Care Pressures	To fund additional costs above the sum allowed for in the annual budget as a result of increased demand or inflationary pressures.	143,690	0	(143,690)	0
Learning	School Closure Reserve	To fund the cost of maintaining closed schools or to contribute to the set-up costs of new schools.	93,149	0	0	93,149
Corporate	Inflation Reserve	To fund additional inflationary pressures which were not allowed for in the revenue budget – most notably pay awards.	3,177,515	0	(1,461,758)	1,715,757
Learning	Out of County Placements Demand	To fund additional costs above the sum allowed for in the annual budget as a result of increased demand or inflationary pressures.	500,000	0	0	500,000
Corporate	Grant Reduction	To provide funding in the short term for services experiencing reductions in grant funding. The funding allows the Service to make the necessary long term changes in service provision.	0	250,000	0	250,000
TOTAL ONGOING CORPORATE AND SERVICE RISKS			6,140,669	476,943	(1,961,330)	4,656,282

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Learning	School Rationalisation	To meet additional costs arising from the school modernisation programme, including redundancy costs.	83,356	452,296	(133,861)	401,791
Planning	Local Development Plan	Fund the additional costs above the sum allowed for in the annual revenue budget in producing the next Development Plan.	142,816	274,935	(600)	417,151
Planning	Planning Appeals	To fund any costs incurred in dealing with planning appeals and any other form of legal challenges to planning decisions.	0	35,000	0	35,000
TOTAL SPECIFIC SERVICE AND CORPORATE RISKS			226,172	762,231	(134,461)	853,942
Corporate	Revenue Contributions Unapplied to Capital	Funding that has been allocated from revenue funds as a contribution towards specific future capital projects. Funding is released from the reserve as and when required as projects move forward.	2,973,623	528,597	(2,163,955)	1,338,265
Corporate	General Reserve Contributions Unapplied to Capital	Funding that has been allocated from general reserves as a contribution towards specific future capital projects. Funding is released from the reserve as and when required as projects move forward.	1,428,541	0	(1,174,747)	253,794
Learning	Education – Commuted Sums	Contributions from Developers, as part of the planning process, that contribute towards additional education costs that the Council faces as a result of the development.	346,593	164,655	(181,022)	330,226
Housing	Housing Developer Commuted Sums	Funding transferred to the Council by Developers in lieu of affordable houses in developments.	807,807	186,830	(155,000)	839,637
Highways	Open Spaces S106 agreements	Contributions from developers as part of planning agreements.	24,872	29,208	0	54,080
Public Protection	Calibration Lab	Contributions from partner authorities towards the capital cost of developing a calibration lab.	9,400	12,414	0	21,814
Learning	School IT Sinking Fund	To meet future IT equipment replacement costs in schools	461,000	0	0	461,000
Property	Secondary Schools R & M	Underspend from previous year's revenue budget which is earmarked to fund future repair and maintenance costs in secondary schools.	94,308	0	0	94,308

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Highways	Developer Contribution - Highways	Contributions from Developers, as part of the planning process, that contribute towards highway improvement costs that the Council faces as a result of the development.	162,422	0	0	162,422
Leisure	Leisure VAT Claim	Refund of VAT due to change in VAT status of leisure centre admission fees. To be used to improve leisure centres.	762,155	0	0	762,155
Social Services	Telecare Equipment	To fund roll out costs of new digital equipment.	0	60,000	0	60,000
Leisure	3G Pitch Replacement Sinking Fund	To fund the future costs of replacing 3G pitches.	0	200,000	0	200,000
Transformation - IT	Anglesey Mast	To fund the cost of repairing the mast.	0	40,450	0	40,450
Leisure	Gym Equipment at Holyhead	To contribute to the cost of replacing the gym equipment at Holyhead Leisure Centre.	0	80,000	0	80,000
TOTAL FUTURE CAPITAL EXPENDITURE RESERVES			7,070,721	1,302,154	(3,674,724)	4,698,151
Corporate	Transformation Fund	To meet the cost of developing and implementing plans to modernise and transform service delivery.	0	250,000	0	250,000
TOTAL BUSINESS PROCESS IMPROVEMENT RESERVES			0	250,000	0	250,000
Housing	Affordable Housing	Balance of unused Council Tax premiums allocated to fund grants and loans to assist first time buyers.	617,115	651,727	0	1,268,842
Corporate	Restricted Contingency Funded Projects	Unused allocation of revenue budget for translation of school modernisation documents.	121,940	0	(78,410)	43,530
Corporate	STEM Project	To fund the Council's contribution to the STEM project.	25,000	0	(25,000)	0
Corporate	North Wales Economic Ambition Board (NWEAB) reserve	To fund the Council's contribution to the NWEAB above the sum allowed for in the annual revenue budget.	250,117	0	(250,117)	0
TOTAL UNUSED CONTINGENCY BUDGETS REQUIRED FOR FUTURE YEARS			1,014,172	651,727	(353,527)	1,312,372

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Waste	Waste Reserve	Unallocated grant funding.	100,000	0	(100,000)	0
Highways	Flood Grant	Unused grant funding.	36,473	0	(36,473)	0
Housing	Supporting People Administration	Unused grant funding to be used to fund staffing costs not covered by the annual Housing Support grant.	411,377	115,717	(88,420)	438,674
Education	Small and Rural Schools	Unused grant funding.	9,023	0	(9,023)	0
Education	Covid Security in Schools	Unused grant funding.	9,056	0	0	9,056
Education	Adult Community Learning (ACL) Maintenance & Digital	Unused grant funding.	13,523	0	(895)	12,628
Education	Additional Learning Needs (ALN) Strategy	Unused grant funding.	15,363	0	0	15,363
Education	Music Grant	Unused grant funding.	31,280	0	(9,174)	22,106
Highways	Passenger Bus Network	Unused grant funding.	220,976	0	(23,739)	197,237
Culture	Talnet	Unused grant funding.	14,040	0	(13,837)	203
Learning	Post 16 ACL	Unused grant funding.	82,185	10,972	0	93,157
Planning	Countryside Sustainable Landscapes and Places	Unused grant funding.	37,574	29,422	(32,600)	34,396
Planning	Sustainable Landscapes, Sustainable Places (SLSP) Countryside	Unused grant funding.	46,425	0	0	46,425
Learning	Period Poverty	Unused grant funding.	0	6,300	0	6,300
Learning	Virtual Schools Wales	Unused grant funding.	60,000	0	(35,907)	24,093
Resources	Free School Meals Administration	Unused grant funding.	85,557	0	(85,557)	0
Housing	Homes for Ukraine	Unused grant funding.	467,047	74,861	(23,150)	518,758

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Council Business	Electoral Reform	Unused grant funding.	11,230	0	(11,230)	0
Learning	TRAC	Unused grant funding.	139,465	0	(1,233)	138,232
Social Services	Purchase of Electric Vehicles	Unused grant funding.	50,000	0	(50,000)	0
Housing	ECO4	Unused grant funding.	0	61,071	0	61,071
Social Services	Maethu Cymru	Unused grant funding.	0	35,111	0	35,111
Housing	Afghan Resettlement	Unused grant funding.	0	114,951	0	114,951
Learning	ALN Grant	Unused grant funding.	0	261,048	0	261,048
TOTAL RESTRICTED GRANT FUNDED RESERVES			1,840,594	709,453	(521,238)	2,028,809
Waste	Recycling Process Income	Condition of the Sustainable Waste Management Grant (SWMG) that surplus income generated from recycling activities are re-invested into waste management.	255,130	100,000	0	355,130
Culture	Museum Purchase Fund	Donations to be used to add to the collection at Oriel Ynys Môn.	13,251	4,474	0	17,725
Housing	Christmas Hampers	Used to purchase Christmas hampers for residents experiencing financial hardship.	3,411	0	(3,411)	0
Highways	Sustainable Approval Body Fees	Fees paid by developers to obtain SAB approval. Funds staffing costs of dealing with applications.	32,405	0	(19,040)	13,365
Public Protection	Child Burial & Cremation Fees	To fund the costs incurred by Town & Community Councils.	0	6,389	0	6,389
TOTAL OTHER RESTRICTED RESERVES			304,197	110,863	(22,451)	392,609
Planning	Planning Major Developments	To fund the cost of dealing with major development planning applications and associated work.	841,576	20,269	(382,057)	479,788
Economic Development	Archaeological works at Wylfa	Funding provided by Horizon to complete archaeological works at Wylfa.	522,420	0	(86,843)	435,577
Property	Feasibility study Ysgol Uwchradd Caergybi	To fund assessment of the cost of roof replacement at Ysgol Uwchradd Caergybi.	15,000	0	(15,000)	0

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Public Protection	Bathing Water Prediction Model	To pay for the cost of maintaining monitoring equipment.	5,354	0	(200)	5,154
Planning	Planning Capability and Capacity	A percentage of planning fees generated from increases has to be re-invested in the Planning service.	191,723	2,415	0	194,138
Human Resources	Trainee Scheme	Balance of unspent budget from previous years to fund future commitments in excess of the annual budget.	285,743	0	(26,830)	258,913
Social Services	Pooled Budget Admin Fee	Potential to have to pay an administration fee to the lead authority to operate the Social Care Pooled budget.	10,000	0	0	10,000
Social Services	Children's Service Teaching Assistant Scheme	To fund teaching assistants specialising in supporting children with social care needs.	154,076	0	(45,011)	109,065
Economic Development	Penrhos Industrial Estate JV repayment	Additional rental income retained to fund the payment due to WG when the JV agreement ends.	20,597	11,882	0	32,479
Public Protection	Port Health Authority	To fund the set-up costs of the Port Health Authority.	189,978	0	0	189,978
Learning	Office Adaptations	To fund the cost of adaptations to the Education office space.	35,000	0	(35,000)	0
Information Technology	ICT Schools Public Sector Broadband Aggregation (PSBA)	To implement improvements to the ICT broadband in schools.	108,283	93,599	0	201,882
Social Services	Open University Trainee Social Workers	Fund the cost of training programme for social workers.	80,000	0	(30,000)	50,000
Corporate	Eisteddfod yr Urdd	Fund the cost of the Council's presence at the Urdd Eisteddfod in 2026. A sum of £50k per annum has been allocated in the financial years 2023/24, 2024/25 and 2025/26.	0	50,000	0	50,000
Council Business	Scrutiny Review	To fund the cost of a review of the Council's Scrutiny function and processes.	0	8,000	0	8,000

Service	Reserve Name	Description	Balance as at 1 April 2023 £	Transfers In £	Transfers Out £	Balance as at 31 March 2024 £
Corporate	Salix Loan Repayment	To fund unbudgeted final MRP payments on delayed Salix loans.	216,190	0	0	216,190
Planning	Article 4 Implementation	To fund the cost of implementing Article 4, should the Council decide to go ahead with Article 4.	0	300,000	0	300,000
Resources	Procurement	To fund the cost of continuing external support to implement the action plan arising from the review of the Council's procurement arrangements.	0	45,000	0	45,000
TOTAL OTHER EARMARKED RESERVES FOR SPECIFIC PROJECTS			2,675,940	531,165	(620,941)	2,586,164
Corporate	Covid Hardship Funding – Council Tax Collection	Unhypothecated grant funding from Welsh Government, to help with the loss of Council Tax as a result of Covid.	365,104	0	(365,104)	0
TOTAL UNRESTRICTED GRANT FUNDING RESERVES			365,104	0	(365,104)	0
TOTAL EARMARKED RESERVES			19,637,569	4,794,536	(7,653,776)	16,778,329

Isle of Anglesey County Council	
Report to:	Executive
Date:	23 rd July 2024
Subject:	Request for a Scheme of Delegation in relation to the Council carrying out its statutory functions in relation to any development which is a National Significance Infrastructure Project (NSIP)
Portfolio Holder(s):	Cllr Robin Williams - Deputy Leader Cllr Gary Pritchard - Deputy Leader Cllr Nicola Roberts – Planning, Public Protection and Climate Change
Head of Service / Director:	Lynn Ball - Director of Function (Council Business)/Monitoring Officer Christian Branch - Head of Service Regulation and Economic Development
Report Author:	Angharad Crump - Energy Island Programme Delivery Manager
Local Members:	Relevant to all Elected Members

A –Recommendation/s and reason/s
<p>The Executive Committee agrees to recommend to the Full Council to support the following;</p> <ol style="list-style-type: none"> 1. 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 Act Planning 2008 as amended by the Secretary of State. 2. The Function Director (Council Business)/Monitoring Officer, in consultation with the Head of Service (Regulation and Economic Development), to update section 3.5.3.10 of the Constitution to reflect the delegation given by the decision. 3. 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

**A –Recommendation/s and reason/s
the submission date).**

Reasons:

Overview of the NSIP examination process

The Planning Act 2008 (and the subsequent Acts of Parliament that have amended its content, such as The Localism Act 2011) provides the consenting regime for granting planning and other consents for NSIPs. NSIP projects are large scale developments which include energy generating stations, electric lines, harbour facilities which are considered by the UK Government to be of such importance that permission to build and operate them needs to be confirmed at national level by the relevant Secretary of State.

The NSIP process was introduced to streamline the decision-making process for major infrastructure projects, making it fairer and faster for communities and applicants alike. The timetable effectively prescribes that a decision is to be confirmed by the Secretary of State approximately 12 – 15 months after application submission.

The NSIP process is a front-loaded process where there is a requirement for the developer to consult on a proposed project prior to submitting an application to the Planning Inspectorate.

The application following acceptance will be examined by an inspector/a panel of inspectors, known as the Examining Authority.

On completion of the examination, the Examining Authority will provide a recommendation report to the Secretary of State who will decide whether development consent should be granted.

Where the Secretary of State decides to grant consent for a project, this will be through a DCO. A single duly authorised DCO will confer all the necessary consents/powers to enable the scheme to proceed, including planning permission, compulsory purchase powers, authority for highway and street works, listed building consents etc.

The Council's Energy Island Programme

The Council through its Energy Island Programme (EIP) is engaging with a range of developers that are interested in constructing and operating low carbon developments on the Island.

The proposed developments' range in generating output and permission would therefore be applied for under different planning regimes.

A –Recommendation/s and reason/s

In terms of the proposed development's that the EIP is currently engaging with the following due to their generating output would constitute a NSIP and require a DCO from the Secretary of State;

- Mona Wind Farm (1,500MW) (EnbW) – submitted for examination
- Maen Hir Solar Farm (over 350MW) (Lightsource BP) – in the pre-application stage – submission Q1 2025
- A new nuclear development at Wylfa would also constitute an NSIP and require a DCO.

All of the Council's statutory functions in relation to any NSIP project will be led by the EIP which sits within the Regulation and Economic Development Service. This approach is utilised to ensure that the Council can provide the specialist resources and capacity required to respond to the demands and requirements of the process in an effective and timely manner both in terms of its statutory and non-statutory functions. This approach also ensures that the Councils engagement with an NSIP does not interfere with the Councils' Planning function.

The Councils' resource and capacity to deal with an NSIP projects is secured through the provision of a Planning Performance Agreement (PPA) that is agreed between the Council and the developer. The PPA is usually agreed in a phased PPA which allows for the Councils' engagement with a particular NSIP for its pre-application, examination and post-consent stage. This allows the Council to engage, influence and carry out its statutory and non-statutory duties at all project phases. The PPA allows for us to use our framework contractors for support, which includes multi-disciplinary and legal support.

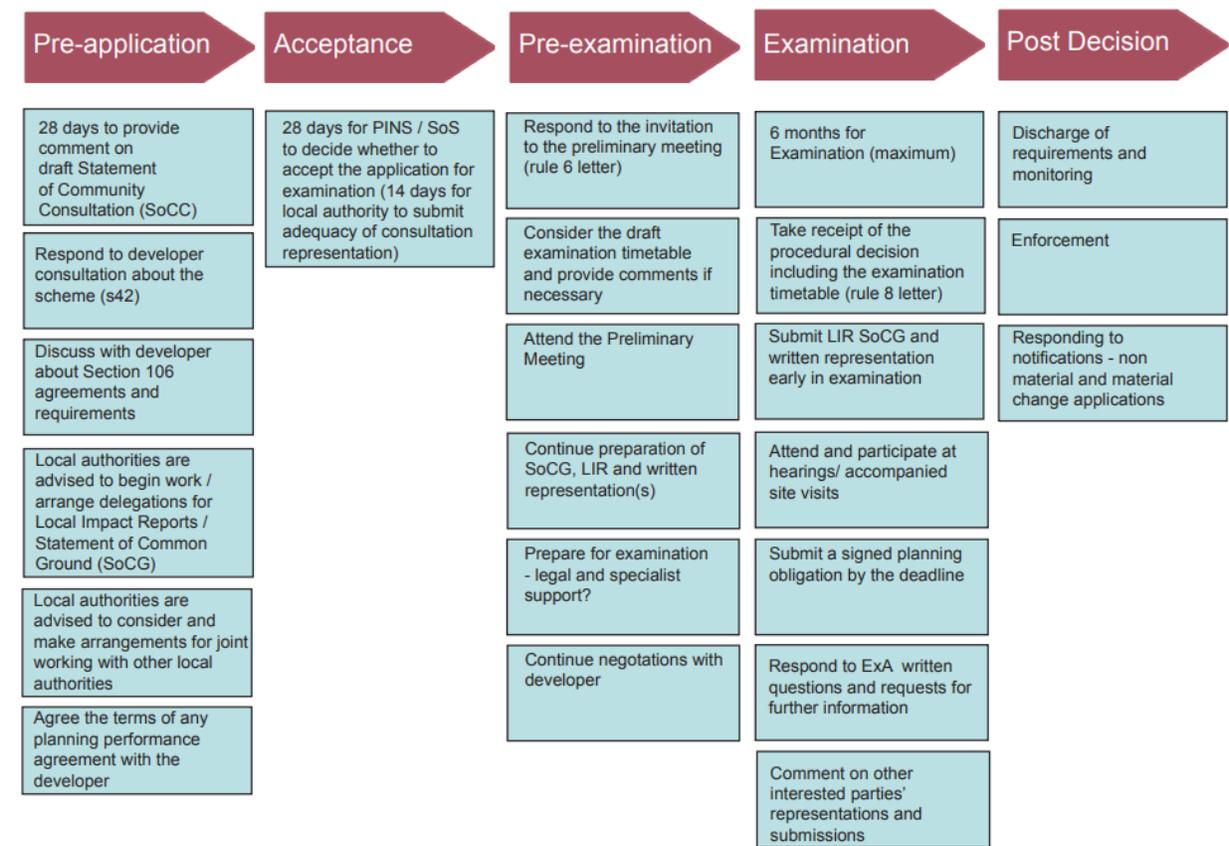
The EIP led on the Council's responses to the Wylfa Newydd New Nuclear project which was a NSIP project and has led on a number of other schemes which are identified as Development of National Significance (DNS) and are examined by Welsh Government. The EIP is therefore experienced and familiar with the NSIP consenting process.

The Council's statutory role in relation to an NSIP project

PINS encourage local authorities to ensure it has adequate delegations in place as the examination phase of a NSIP process is time and resource intensive and due to the examination timetable being set by PINS it is not possible to align the deadlines for the Council to submit representations and evidence with the Councils' committee cycle.

The Council has a key and statutory role as the local host authority, local planning authority and local highway authority throughout the process as identified below;

A –Recommendation/s and reason/s



During the examination phase there will be numerous deadlines for the Council as the Local Host Authority to present submissions and evidence. These include the following;

- a Local Impact Report (LIR)
- Written Representation
- Planning Obligation (S106)
- Statement of Common Ground
- Respond to the ExA written questions
- Respond to the ExA request for information
- The Council will also be asked to participate in the hearings and inquiry sessions.

The deadline for the submission of these documentation is set by PINS and therefore it is not possible to align with the Councils' committee cycle for these to be approved.

A –Recommendation/s and reason/s

Whilst the Delegation Scheme is required to ensure that the Council fulfils its statutory duties, it is confirmed that every effort will be made at all stages, to enable as much political input as possible via the following governance arrangements that are already in place.

Level 1	Leader Chief Executive (Energy Island Programme Senior Responsible Owner)
Level 2	Leader Deputy Leaders Portfolio Holder Planning, Public Protection and Climate Change, Chief Executive Deputy Chief Executive Head of Service Regulation and Economic Development
Level 3	Directors and Heads of Service – ‘Corner-stone Leads’ Energy Island Programme Delivery Manager
Level 4	Topic Leads Specialists (Both internal and external (external is provided on Framework Agreement and is funded under the provision of a Planning Performance Agreement))

L1 are regularly briefed in terms of the EIPs engagement with a particular project and also engage directly with the equivalent counterpart for the project to engage in strategic discussions.

The regular Level 2 meetings are utilised to;

- share information in relation to the proposal;
- consider and discuss the Councils position in relation to the proposal;
- discuss the potential impacts and how these are removed or mitigated for;
- discuss how local benefits can be maximised and secured appropriately;
- discussion around compensation proposals including those secured by means of a S106.

Regular meetings are also held at Level 3 and Level 4 to ensure that strategic issues and directions are cascaded down as well as providing a forum for the escalation of problems and difficulties encountered in relation to engaging with a project of this scale.

L3 and L4 are officers who are involved in the technical detail of a particular project.

Specific Member Briefing Sessions are also arranged by the EIP which allows for direct engagement between the elected members of those ward areas affected by a particular NSIP and the developers. This includes opportunity to for members to

A –Recommendation/s and reason/s

be fully informed in relation to the project and allowing for opportunity to ask questions.

Copies of all formal submissions into the examination will also be shared with L2 and the relevant elected members of the wards impacted by the projects.

For any NSIP project, a Whole Council Position Statement will be prepared. This Statement is a key strategic document that serves the following purpose;

- confirm the whole Council's position with regards to a particular NSIP project
- influence and inform what is and not deemed acceptable to the Council in the DCO submission;
- shape all of the Council's subsequent written representations and submissions to the DCO Examination;
- frame what is sought by the Council in terms of mitigation and benefits, in order to achieve its overall policy objectives and requirements; as well as
- established the parameters for the decision-making, in accordance with County Council's scheme of Delegation

It is confirmed that a scheme of delegation was put in place for the Council to deal with both the Wylfa Newydd Project which constituted an NSIP and that a Scheme of Delegation has already been agreed by the Executive in relation to the Council undertaking its statutory function for all projects that constitute a Development of National Significance (DNS) which includes the recently examined Traffwll Solar Farm Project.

The Councils involvement in the examination of both these projects confirmed the need to have in place a scheme of delegation to ensure that the Council could effectively fulfil its statutory duties in terms of engaging with a project of this scale, to provide its submissions within the deadlines prescribed by PINS and to participate in the examination process either through hearings or inquires.

Our involvement in both these examinations also confirmed that our approach in terms of having a Corporate Position Statement in place to inform our position with regards to a project ensured that the Councils' position as set out within our submissions and evidence into the examination was aligned and consistent with the corporate and agreed position.

For this reason it is requested that the Executive puts in place a scheme of delegation that allows the Head of Regulation and Economic Development to carry out of all statutory functions of the Council.

A –Recommendation/s and reason/s

It is also recommended that the Executive agrees that in terms of the delegations proposed, that any action taken under them may be further delegated to any officer of the Council by the appointed officer. The ability to further delegate is required to allow officers to effectively represent the Council at hearings and inquiry and agree matters during the course of such the examination.

- **Submission of translated versions of the Council's submissions**

With respect to submitting bilingual versions of the Councils representations and evidence into the examination, the examination timetable confirmed by PINS does not allow sufficient time for the translation of the Council's submissions to take place by the submission date. It is therefore requested that permission is given to depart from the requirements of the Councils Welsh Language policy to allow for the Welsh translation of the Councils submission into the examination process to follow following the submission deadline. It is confirmed that this is requested as an exemption due to the requirements of the NSIP process and that a Welsh version of the Council's submission will be provided on all occasions.

This measure will not affect the Council's compliance with statutory service delivery of Welsh language standards which provide for Welsh/bilingual communication with the public and other persons in Wales. These standards do not prescribe that communication with bodies outside Wales, such as the UK Government, must be in Welsh/bilingual Relevant communications/documents will be made available in Welsh as soon as practically possible. No documents will be published or made available publicly until a Welsh translation is available.

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

The other option considered was not to seek the delegations requested which would mean that all the Councils representations and evidence into the examination of an NSIP examination would need to be approved by the Executive and / or the Full Council.

This option was rejected as it would not be possible to align the examination timetable prescribed by PINS with the Councils' committee cycle. This option would result in the Council not being able to submit its representations and evidence to the examination in a timely manner and therefore not fully participate in the examination and fulfilling its statutory obligations.

As the local host authority, local planning authority and local highway authority the Council has an important role in the examination of an NSIP application.

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

Due to the prescribed manner of the NSIP examination timetable there are no opportunities to request to extend deadlines.

The delegations sought are considered to represent an appropriate balance between seeking Member engagement in NSIP applications and allowing Officers to prepare and submit representations to the examination that allows the Council to fully undertake its statutory duties and within the examination timescales as prescribed by PINS.

With respect to being able to submit bilingual versions of the Councils submission and evidence at the point of submission, again the timetable as confirmed by PINS does not allow adequate time for drafting and ensuring that translation takes place before the date set for submission.

C – Why is this a decision for the Executive?

Changes are proposed to the Councils constitution.

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

The Full Council has previously approved a similar form of delegation with respect to the statutory functions of the Council in connection to the examination of the Wylfa Newydd Project which was an NSIP project as well as in relation to the statutory functions of the Council for all projects that constitute a Development of National Significance (DNS) which includes the recently examined Traffwll Solar Farm Project.

The Council's involvement in the examination of both the projects referred to in C above confirmed the need to have in place a scheme of delegation to ensure that the Council could effectively fulfil its statutory duties in terms of engaging with a project of this scale, to provide its submissions within the deadlines prescribed by PINS and to participate in the examination process either through hearings or inquires.

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

No budget required.

Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	This decision will allow the Council to fully contribute to the examination of any development that constitutes a Nationally Significant Infrastructure Project in a timely manner.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	N/A
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	N/A
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	No
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	N/A
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	N/A.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	This decision would ensure that the representations of the Council into the examination of any NSIP application is submitted bilingually.

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive of recommendations
2	Finance / Section 151 (mandatory)	-
3	Legal / Monitoring Officer (mandatory)	Supportive of recommendations
4	Human Resources (HR)	-
5	Property	-
6	Information Communication Technology (ICT)	-
7	Procurement	-
8	Scrutiny	-
9	Local Members	

F - Appendices:
N/A

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

Isle of Anglesey County Council	
Report to:	The Executive
Date:	23rd July 2024
Subject:	Socio-economic condition of North Anglesey and the case for investment and support
Portfolio Holder(s):	Councillors Gary Pritchard and Robin Williams, Deputy Leaders
Head of Service / Director:	Christian Branch, Head of Service – Regulation & Economic Development Service
Report Author: Tel: E-mail:	Tudur H. Jones 2146 tudurjones@ynysmon.llyw.cymru
Local Members:	Cllr Aled Morris Jones Cllr Liz Wood Cllr Derek Owen Cllr Jackie Lewis Cllr Llio Angharad Owen Cllr Euryrn Morris Cllr Margaret Roberts Cllr Ieuan Williams But also relevant to all Elected Members

A –Recommendation/s and reason/s

It is recommended that the Executive:

- 1. Notes 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.**
- 2. Supports the Leader writing to the new Cabinet Secretary for the Economy, Energy, and Welsh Language to raise awareness of the issues, challenges and opportunities.**
- 3. Supports the Council’s ongoing activities to identify and secure external funding to facilitate future regeneration.**
- 4. Ensures Officers and Elected Members utilise the data provided in the Impact Report to make informed whole Council decisions to deliver the Council Plan (2023-2028).**

Reasons:

The Economic Development function has produced this evidence base report to set out the current position and challenges facing North Anglesey, and the Council’s ambitions for investment to address the distinctive socio-economic challenges in the

A –Recommendation/s and reason/s

area.

Since the last North Anglesey report was produced in 2019, the closure of major employment sites such as Rehau, and the ongoing decommissioning of the former Wylfa Magnox nuclear power station, along with the Covid-19 pandemic have exacerbated the pre-existing job losses from the original closure of Octel and associated socio-economic challenges for the community and the workforce.

The North of the Island has been in protracted decline for at least two decades. The lack of jobs has resulted in Welsh speaking work age people moving out with their families – leaving an ageing population and a struggling economy.

Despite accounting for a third of the Island's total area, and a fifth of the population, North Anglesey has less than a tenth of the Island's jobs. North Anglesey accounts for just 13% of the Island's Gross Value Added (GVA), and the rate at which GVA has grown since 1998 is half that of the rest of the Island.

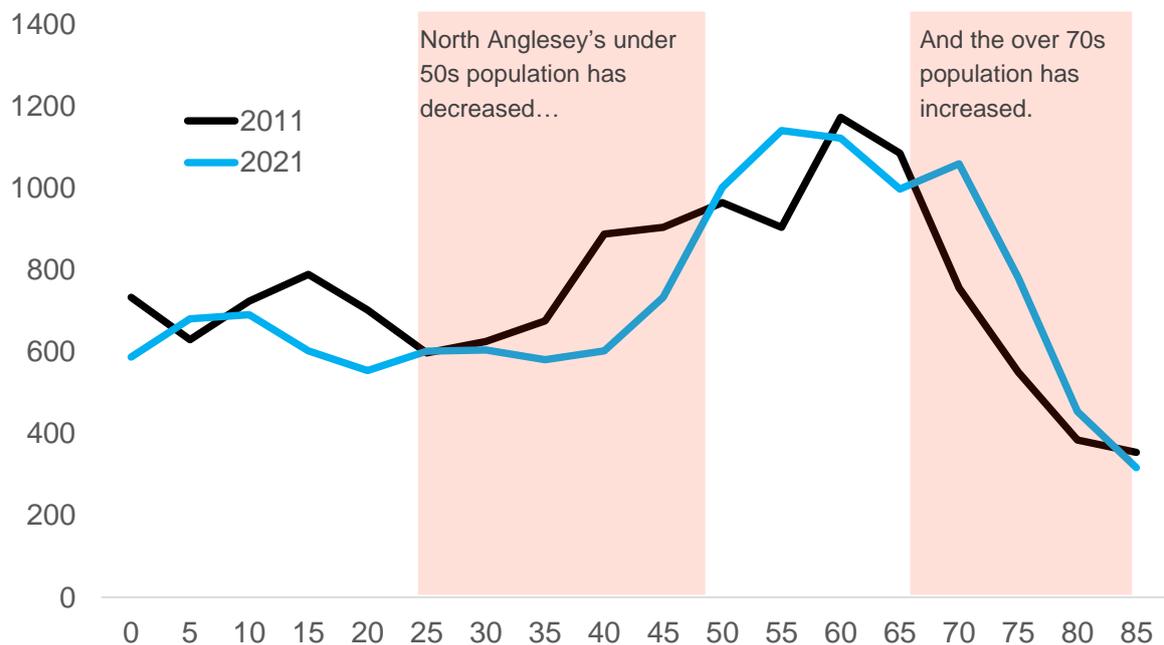
Between 2015 and 2021 the area lost 485 jobs, over a fifth of all employment. Only 35% of residents now work within the area which they live, and Amlwch, the largest town in the locality, is within the top 30% of most deprived areas in Wales.

As of the most recent census (2021) North Anglesey has 13,200 residents. Between the 2011 and 2021 census the North Anglesey population aged 65+ increased by nearly 30%, well above the Welsh average of 18%. Economic inactivity has subsequently increased in the area as it is a popular retirement destination.

Concerningly, there has been a significant loss over the past decade of residents aged between 25 and 50, when people are typically at the formative points in their careers and putting down roots with their families. In North Anglesey, residents aged 50 and over now outnumber those aged 25-49 by 2 to 1. Outward migration also results in the loss of Welsh culture and speakers of the Welsh language – the number of residents in Amlwch & Llannerch-y-medd who can speak Welsh (who are over three years old) has reduced by four percentage points since the 2011 Census.

A –Recommendation/s and reason/s

Change in the population profile of North Anglesey between 2011 and 2021:



There are, however, several opportunities for the North of the Island, as identified in the *North Anglesey Socio-economic Impact Report* and the Council, along with strategic partners (including the Nuclear Decommissioning Agency (NDA)) and Welsh Government are committed to its regeneration.

The Council and the public sector cannot regenerate North Anglesey on their own. Attracting new investment from the private sector will be critical. Despite numerous challenges, there are also many opportunities:

- a. Redevelopment of the former Rehau site into high-quality office and industrial spaces.
- b. Inclusion of the Rhosgoch and Octel sites in the proposed Anglesey Freeport.
- c. The proposed development of a new nuclear build at Wylfa.
- d. Potential socio-economic benefits arising from various low carbon energy developments.

The importance of existing employers in sectors such as agriculture and the visitor economy should also not be underestimated.

Council project development work, facilitated and part-funded through our strategic partnership and long-term collaboration with the NDA and Welsh Government includes design, consenting and the development of formal Business Cases to underpin future capital funding bids (whatever the source), is also well advanced in relation to:

- i. New Amlwch Business Units, with planning permission now granted for 10 new business units (which would provide space for 33 jobs), targeted at SMEs and aiming to address the shortage of high-quality business floorspace in the area and across Anglesey as a whole.

A –Recommendation/s and reason/s

- ii. The refurbishment of the Marine Terminal Building (former Shell Building) Porth Amlwch, which will address the shortage of high-quality office and business floorspace in the area by refurbishing a prominent, currently unlettable Council owned building overlooking the listed harbour in Porth Amlwch.
- iii. A new 15-acre Porth Amlwch Community Park, working in partnership with Y Cymdeithas. Concept designs for the site form the basis of a planning application currently being considered by the local planning authority This sees the currently overgrown and underutilised piece of former industrial land redeveloped to promote local heritage & culture, nature conservation, a sustainable and accessible public space beneficial to all (aligned with the Wellbeing of Future Generations Act), as well as increase the attractiveness of Amlwch Port as a visitor destination.

Securing necessary external funding to deliver and implement these projects is now required.

Further project development work in relation to building on the heritage, culture, history and destination appeal of the area is underway, again, to be in a position to bid for and secure external capital funds for delivery.

It should be noted that without additional project development works the area risks further suffering as a result of not having a suite of suitably “shovel ready” projects to bid for funding. These proposals seek to ensure that the area can capitalise on future funding and act as a catalyst for wider investment in the area.

The Council has delivered a number of interventions to benefit the North of the Island, including targeted business and community organisation grants totalling in excess of £160,000, which helped 33 organisations, and a raft of measures to improve areas including new signage and local information boards for Amlwch, improvements to the Coastal Path and a new footbridge in Cemaes Bay across the river Wygir.

Whilst the total value of these projects represents a significant investment in a challenging period it should be noted/ recognised that the Council has a proven track record of delivering major projects of a similar scale across the Island.

Whilst much of the work being undertaken by the Council has, and will continue to yield positive results, this will not be at the required scope or scale on a strategic level to bring about sustained transformational change for the area. A collaborative approach with UK Government, Welsh Government, the NDA and other partners is required to bring about the change which the area deserves.

There are wider, strategic opportunities that could result in the transformational change for North Anglesey. In its Spring 2024 budget, the UK Government confirmed that it is the process of purchasing the Wylfa site from Hitachi. The Council considers that the Wylfa site being in control of UK Government is a significant step forward and provides a clear confirmation to local communities that a new nuclear

A –Recommendation/s and reason/s

development at Wylfa, either at gigawatt and/ or Small Modular Reactor scale is a strong possibility, with the site frequently identified as one of the best sites in the UK for new nuclear. The Council has been a strong positive advocate on the need for new nuclear and has been heavily involved over the last 10 years, influencing Governments and developers, ensuring the needs of the North are recognised. This will continue with the new Government now in place. Despite this positive development, it is important to acknowledge that even if a development is confirmed the benefits associated with a project of such scale will not be felt locally for a number of years.

The Council through the Energy Island Programme will continue to collaborate with UK Government, Great British Nuclear, Welsh Government and other key stakeholders in relation to a new nuclear development at Wylfa and to ensure that any development is developed in a manner that fully acknowledges and appreciates the local sense of place.

The Council has also been resolute and has placed significant emphasis on ensuring that North Anglesey plays a key role in the Council's Freeport bid which could result in positive economic growth on the Island. The Freeport is anticipated to create between 3,500 and 13,000 jobs across North Wales, with a large proportion being in Anglesey. Two sites have from North Anglesey been included in the Outline Business Case submitted to both Government and the area is likely to experience job growth, with major brownfield locations within the area earmarked for redevelopment as high value Freeport sites, offering significant benefits to encourage private sector investment.

Continuing the close and valued collaboration with, and financial and strategic support from, UK Government, Welsh Government, the NDA (and others) is critical to enable and bring about the transformational, step-change in the local economy for the benefit of our residents and communities.

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

Do nothing: no new interventions in North Anglesey; does not align with the Council's policies and ambitions and reduces the likelihood of the situation improving for North Anglesey.

C – Why is this a decision for the Executive?

Because achieving the ambitions of the North Anglesey Economic Regeneration Plan is a recognised corporate priority in the *Council Plan (2023-2028)* and critical to achieving a number of the Council's objectives.

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

Yes as it aligns to the objectives within the adopted *Council Plan (2023-2028)*, in particular “*Collaborate to deliver the 'North Anglesey Economic Regeneration Action Plan'*” by:

- creating an Anglesey that is healthy and prosperous where people can thrive
- promoting opportunities to develop the island’s economy
- stimulating economic and community regeneration
- continue to capitalise on external funding opportunities to ensure that the island’s economic needs are addressed.

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

Yes, no additional funding is immediately sought from core Council Funding. All project development works to date have been supported by the NDA funding previously secured by Economic Development.

However, the report identifies a number of strategic issues, which link to the Council's Plan and its strategic objectives. Clearly these objectives may require an element of funding to enable them to be delivered, whether it is revenue or capital funding, at a time when the Council’s funding is under severe pressure. The financial implications of the plans for North Anglesey will be considered in the Council’s Medium Term Financial Plan and when future revenue and capital budgets are set, with priority given to funding the Council’s statutory duties and the workstreams that deliver the greatest benefit for the residents of Anglesey.

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	This decision is an opportunity to progress project development towards funding application to address the market failure in bringing projects forwards for North Anglesey and delivering the objectives of the NEARP.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Yes - as if the situation continues to deteriorate the council will face increased costs as a direct result of this including increased housing, social care and education costs.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	IACC officers have previously secured significant sums from the NDA and Welsh Government to develop projects for the North of the Island. We continue to work closely with external funders and delivery partners including the NDA, Welsh Government and Y Cymdeithas to

Dd – Assessing the potential impact (if relevant):		
		develop projects to improve the situation.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Extensive consultation was undertaken as a part of the NEARP in order to identify local communities' priorities. Recent public consultation for the parkland concept highlighted a strong desire for investment in the area and support for the Council's proposal.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The objectives of the report to reverse economic decline would benefit those who have protected characteristics under the Equalities Act 2010 as these groups are statistically most likely to be socioeconomically disadvantaged
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Committing to progressing projects to improve the economic situation for North Anglesey will directly benefit those experiencing socio-economic disadvantage.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Increasing job opportunities locally in a Welsh Language speaking stronghold will reduce outwards migration and increase the use of Welsh Language and strengthen communities.

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Support – but to include more detail on wider strategic interventions such as Wylfa Newydd, Freeports and collaboration with key partners.
2	Finance / Section 151 (mandatory)	Support – but make specific reference to the challenging financial outlook facing the Council.
3	Legal / Monitoring Officer (mandatory)	Supportive
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Procurement	
8	Scrutiny	
9	Local Members	

F - Appendices:

North Anglesey Socio-economic Impact Report (May 2025)

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

North Anglesey Economic Regeneration Plan

<https://www.anglesey.gov.wales/documents/Docs-en/Business/Regeneration/North-Anglesey-Economic-Regeneration-Plan.pdf>

Ynys Môn

THE ISLE OF Anglesey

North Anglesey Socio-economic Impact Report

May 2024



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

www.ynysmon.llyw.cymru

www.anglesey.gov.wales

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1 Executive Summary

- 1.1 The Isle of Anglesey County Council (IACC) has produced this evidence base report to set out the current position and challenges facing North Anglesey, and the Council's **ambitions for investment to address the socio-economic challenges in the area.**
- 1.2 Since the last North Anglesey report was produced in 2019, the closure of major employment sites such as Rehau and the ongoing decommissioning of the former Wylfa Magnox nuclear power station, along with the Covid-19 pandemic have **exacerbated the pre-existing job losses from the closure of Octel and associated socio-economic challenges for the community and the workforce.**
- 1.3 The **North of the Island has been in protracted decline for at least two decades.** The lack of jobs has resulted in Welsh speaking work age people moving out with their families – leaving an ageing population and a struggling economy.
- 1.4 There are **significant opportunities for the North of the Island** – the IACC, along with strategic partners (including the Nuclear Decommissioning Agency (NDA)) are focused on its regeneration.
- 1.5 There are also strategic decisions and investment that are needed to create the structural change that the area badly needs – **the future use of the Wylfa site** (which could be for either Small Modular Reactors (SMR's) or giga nuclear) and **Freeport status** are crucial to this. The UK Government's recent £160m purchase of the Wylfa site is a step in the right direction.
- 1.6 **The Freeport will also be a catalyst for the economy.** It is designed to both turbo-charge the Energy Island Programme, making Anglesey a world leader in low carbon energy, and boost trade through Holyhead Port. The North Anglesey Tax site will help to drive regeneration in the north of the Island.

The closure of historically important employment sites offering stable, well paid jobs means the local economy is suffering

- 1.7 The decline of historically important industries and closure of employment sites has started well before the closure of Wylfa Magnox. In 2004, the Great Lakes Chemical Corporation closed the Octel plant which operated in Amlwch for more than 50 years – a major loss of **over 100 well paid, skilled local jobs.**
- 1.8 The decommissioning of Wylfa Magnox and closure of Rehau meant **485 jobs were lost between 2015 and 2021, equivalent to 21% of total jobs in the area in 2021.** These were dominant, high-value and well-paid employers.
- 1.9 In 2021 there were only 2,285 jobs in North Anglesey – **less than 10% of all jobs in Anglesey** even though North Anglesey covers a third of Anglesey. The area is now dominated by the foundational economy – specifically **accommodation and food services sectors**, which typically have the lowest wages but now support tourism and hospitality.

1.10 Table 1 below sets out the stark difference between pay levels and dominance of sectors in North Anglesey – the most prevalent jobs also have the lowest pay.

Table 1: Dominance of the sector in Anglesey versus pay¹

Industry	North Anglesey employment	Wales annual median pay (£)
Mining and quarrying	0%	42,206
Electricity, gas, steam and air conditioning supply	0%	30,732
Financial and insurance activities	0%	26,820
Real estate activities	0%	20,349
Information and communication	1%	29,803
Agriculture, forestry and fishing	2%	22,969
Public administration and defence; compulsory social security	2%	30,550
Other service activities	2%	20,308
Transportation and storage	4%	24,654
Manufacturing	4%	30,926
Professional, scientific and technical activities	4%	24,560
Administrative and support service activities	5%	19,986
Water supply; sewerage, waste management and remediation activities	8%	27,887
Human health and social work activities	11%	22,327
Education	11%	25,459
Construction	13%	28,098
Wholesale and retail trade; repair of motor vehicles and motorcycles	13%	17,907
Accommodation and food service activities	18%	10,267
	Employment sectors where North Anglesey is dominant...	...are typically lower paid

1.11 The loss of jobs in these historically dominant industries also means North Anglesey only contributed **13% of the total Gross Value Added (GVA) of Anglesey** in 2020. The growth in North Anglesey's GVA was half the rate of the rest of the Island in this period.

1.12 Despite tourism in Anglesey generally seeing significant growth, the North of the Island struggles to capture its 'share' – with the majority of tourists staying in the South of the Island.

A lack of good quality jobs leads to high out commuting, economic inactivity and deprivation ...

1.13 There are high levels of out-commuting from North Anglesey (only 35% of commuting residents also work in North Anglesey) but its peripherality means that in total 71% remained on the Island.

1.14 Amlwch, the largest settlement in North Anglesey is in the top 30% of the most deprived areas in Wales for both Income and Employment and in the top 20% most deprived for Access to

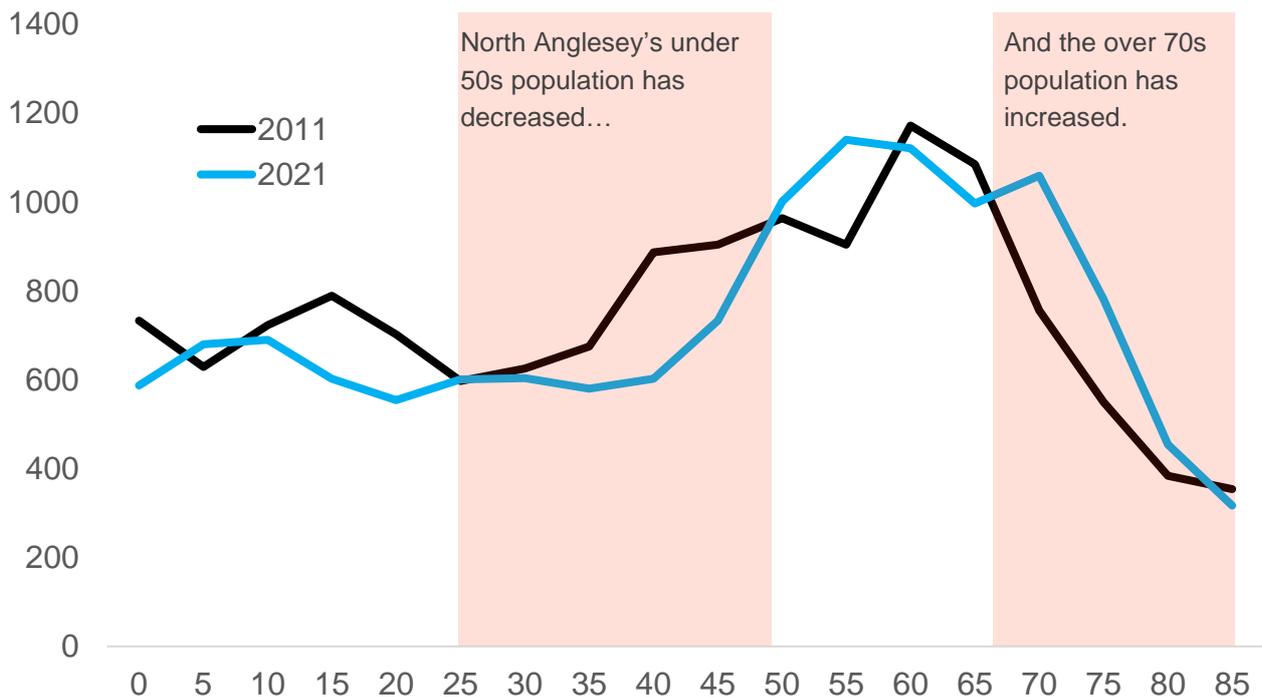
¹ Annual Survey Hours and Earnings (2021 and 2022). Business Register and Employment Survey (BRES 2021), ONS. Note that the BRES 2022 has been released but this is not expected to substantially change the findings of the report.

Services. Residents are increasingly reliant on food banks: between November 2022 and March 2023, consumption at Amlwch food banks increased by nearly 155%.

... and now even working aged residents moving away from the area

1.15 This results in an ageing population, exacerbated by the popularity of the area for retirees. This puts further pressure on already struggling services and economy.

Figure 1-1: Change in the population profile of North Anglesey between 2011 and 2021



...causing further issues for the local economy and further weakening the Welsh language, culture and community cohesion.

1.16 The number of residents in Amlwch & Llannerch-y-medd who can speak Welsh has reduced by four percentage points since the 2011 Census (from 62% of residents over three years old to 58%).

Investing in the area’s already outstanding natural environment and heritage, and clean energy projects, will generate employment, improve well-being and provisions for local residents and attract more visitors

1.17 **Regeneration** work is already underway, including successful local interventions and the designation of major projects expected to support employment and investment in North Anglesey. However, structural change requires a collaborative approach between local, regional and national partners. The future use of the Wylfa site and opportunities stemming from Freeport status are crucial to the regeneration of the North.

- 1.18 The **ongoing decommissioning of the Wylfa Magnox site supports quality jobs** and will continue to do so over the medium term. IACC is committed to working with the NDA to ensure that the benefits of the decommissioning process are maximised for local people.
- 1.19 The **Town Centre Investment Plan for Amlwch** includes plans for an extensive area formally used by the copper industry and for municipal waste tipping into a landscaped parkland with a new scenic stretch of the Wales Coast Path and physical improvements to public realm. Modern new signage has been recently implemented in and around the town and the port highlighting Amlwch's rich industrial heritage. Such improvements will help attract tourists to the local area and enhance community wellbeing.
- 1.20 The **Anglesey Energy Island Programme and other clean energy projects** are expected to generate significant employment opportunities for a diverse range of skills and professions during the construction and operational phases.
- 1.21 The recent **Anglesey Freeport** designation is expected to generate between 3,500 and 13,000 high-skilled and well-paid jobs in north Wales. This in turn can **benefit the supply chain and create employment opportunities in North Anglesey** associated with the development of the Freeport sites (particularly the North Anglesey Tax Site).

Future funding will help realise the benefits from these proposals

- 1.22 Further investment is needed to build on successful plans – and strategic intervention is needed in the North of the Island. This is in line with the Council Plan (2023-2028) and delivering the objectives of the North Anglesey Economic Regeneration Plan (NAERP).
- 1.23 **Clean energy projects and investment in Wylfa are the future of North Anglesey** – both through **the NDA decommissioning programme and new nuclear projects**.
- 1.24 The recent (March 2024) Budget announced the purchase by the UK Government of the Wylfa Newydd site. The IACC very much welcomes this announcement and the element of commitment that this provides both to the local community and potential investors in nuclear power. We acknowledge that uncertainty remains and do not underestimate the planning, infrastructure and funding that will be required to deliver a new nuclear power station. Nonetheless, the purchase is an important step to bring the transformational benefits of nuclear to Anglesey and in particular, the North of the Island.
- 1.25 In the shorter term – there are projects that will support the economy and improve the wellbeing of residents in North Anglesey but they will not lead to the systemic, transformational change required for the area. The bulk of any jobs associated with Wylfa are likely to be a significant number of years off (if it is delivered) and investment in North Anglesey is required in the meantime to create an environment that would enable the delivery of and maximise any benefits from Wylfa:
- **Marine Terminal Refurbishment** – funding will be targeted to address the shortage of high-quality office and business floorspace by refurbishing a prominent, currently unlettable Council owned building overlooking the listed harbour in Amlwch Port. This will meet existing demand as well as increased demand as a result of the Freeport, new nuclear and ambitions to capitalise upon the commercial operations at the Port.

- **Implementation cost for Amlwch Community Park** – this project has been brought forward by the IACC and consulted with Amlwch Town Council. The park will serve local residents and visitors by providing them with outdoor activity opportunities, improving links to the Coastal Path and the overall perception of place. The park has been designed to allow delivery of benefits through a phased development approach. A planning application has been submitted.
- **Amlwch Business Units** - funding will be targeted to address the shortage of high-quality business floorspace for SMEs to grow and support the clean energy projects. The project was granted planning permission in April 2024 with unanimous approval. Again, this will help meet existing and future demand.
- **Small Town and Village Initiative** – funding will be for small-scale economic development projects or community infrastructure funding. This will give local communities a sense of agency over their own area, and align with existing Place Shaping works being undertaken.
- **Visitor Economy Infrastructure Fund** – capital funding to bring forward projects across the North of the Island to improve basic infrastructure and improve the visitor offering.
- **Three-Year Capacity Revenue funding** – the IACC does not have the capacity and funding to plan and prepare bids and proposals for priority projects like those mentioned above. This funding will help develop a pipeline of projects to be ready for inclusion in bid applications (e.g. to the Welsh or UK governments) when funding becomes available and bidding rounds open.

2 Introduction

- 2.1 Quod has been commissioned by the Isle of Anglesey County Council (IACC) to provide a thorough evidence-based overview of the socio-economic context of North Anglesey.

Context for the report

- 2.2 The report and its findings set out the current challenges of North Anglesey and the opportunities which will help to guide the themes and priorities of interventions and investment in the area.
- 2.3 The report reflects the updated statistics (including data that has been released from the 2021 Census) and the impact of significant changes and events affecting the local economy and communities that have occurred since 2019, when the last study of a similar nature was undertaken. As well as addressing the challenges, the report also focuses on the opportunities that North Anglesey can capitalise on and improve the social and economic conditions on the area. This report is also aligned with and contributes to the objectives of the new Council Plan (2023 to 2028).
- 2.4 The Nuclear Decommissioning Authority (NDA) invited stakeholders to help to develop a refreshed Local Social and Economic Impact Strategy. The feedback from stakeholders will inform the priority focus areas of the Strategy and help the NDA to make best use of the available funding for maximum community benefit. This report is intended to support the NDA in refreshing the Strategy.
- 2.5 Realising the potential of North Anglesey requires support from the NDA and other strategic partners – this includes the NDA’s critical and strategic role as a landowner, its decommissioning activities and funding local interventions. The findings of this report will feed into the NDA’s refreshed Local Social and Economic Impact Strategy and help to identify strategic investment and funding priorities for North Anglesey for the future.

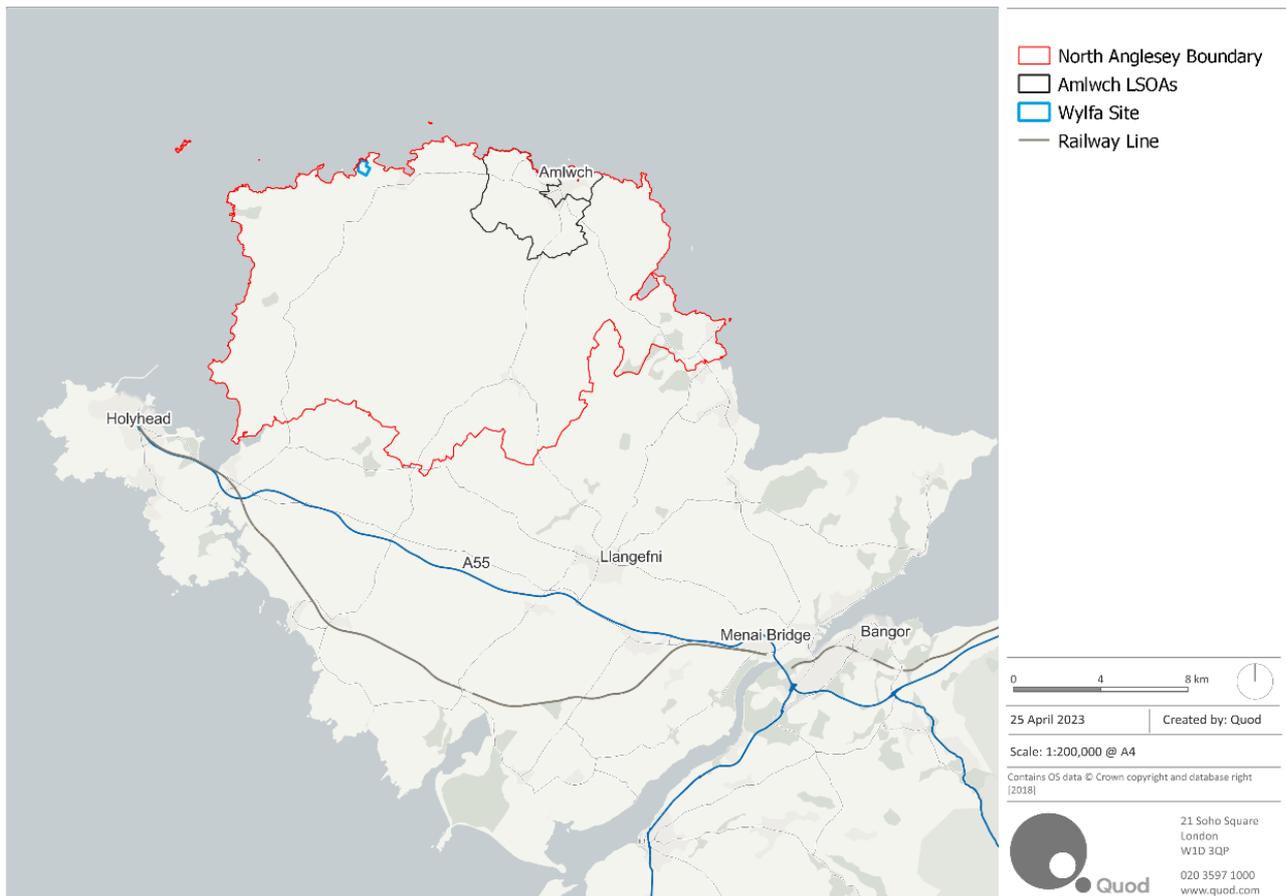
Structure of the report

- 2.6 The report is structured as follows:
- **Section 3: North Anglesey in context** – an overview of the geography and economy of North Anglesey, and potential opportunities to address its socio-economic issues.
 - **Section 4:** Challenges for the North Anglesey economy – an overview of the current and historic challenges regarding employment and productivity.
 - **Section 5:** Challenges for the North Anglesey community – an overview of the current and historic challenges for residents.
 - **Section 6:** Opportunities – sets out the opportunities that North Anglesey can capitalise on and outlines the need for intervention.
 - **Section 7:** Future Projects – lists the priority Future Projects of the IACC for North Anglesey.

3 North Anglesey in context

- 3.1 North Anglesey covers over 23,000 ha of land. This is 33% of the total land area of Anglesey. The largest town is Amlwch (2021 Census population: 2,450) – with a series of smaller villages, of which Cemaes is the largest (2021 Census population: 800). It is the home of the former Wylfa Magnox nuclear power station (now in a process of decommissioning)² as well as several large brownfield sites, including Rhosgoch and the old Octel site.
- 3.2 There are 13,200 residents and around 2,300 jobs. Both population and employment density are very low – and the majority of jobs are in the Foundational Economy.³
- 3.3 The peripheral location of North Anglesey, away from the major roads and rail with poor public transport provision means it is less densely populated than Anglesey and Wales both in terms of residential and working population. These are shown in Figure 3-1 and Table 2 below.

Figure 3-1: Peripheral location of North Anglesey



² <https://www.dailypost.co.uk/business/business-news/last-spent-fuel-flask-departs-16944436>

³ The services and products in the foundational economy provide those basic goods and services on which every citizen relies to remain safe, sound and civilised. Care and health services, food, housing, energy, construction, tourism and retailers on the high street are all examples of the foundational economy. <https://businesswales.gov.wales/foundational-economy>

Table 2: North Anglesey population and working population compared to Anglesey and Wales⁴

	Number of residents	Residents per square kilometre	Employment	Employment per square kilometre
North Anglesey	13,200	57	2,275	10
Anglesey	68,900	97	23,000	32
Wales	3,107,500	150	1,335,500	64

3.4 Since the previous iteration of this report in 2019, the Rehau factory has closed and North Anglesey like the rest of the world experienced the COVID-19 pandemic. This was not the beginning of the struggles of the North Anglesey economy – it has been in protracted decline and is in need of structural and strategic investment. The issues and opportunities are discussed in detail in throughout this report.

Policy and strategy context

3.5 The regeneration of North Anglesey is aligned with the national, regional and local policy.

The Well-being of Future Generations Act

3.6 The Policy in North Anglesey, like the rest of Wales, is subject to the seven well-being goals outlined in the Well-being of Future Generations (Wales) Act 2015 (WFGA). Those that are most relevant here include:

- **A prosperous Wales:** an innovative, productive society developing a skilled and well-educated economy which generates wealth and provides employment opportunities.
- **A healthier Wales:** a society in which people’s physical and mental well-being is maximised.
- **A more equal Wales:** a society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic background and circumstances).
- **A Wales of cohesive communities:** attractive, viable, safe and well-connected communities.
- **A Wales of vibrant culture and thriving Welsh language:** a society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

The Joint Local Development Plan

3.7 The Joint Local Development Plan was adopted on 31 July 2017. It is a land use development strategy for a period of 15 years, which concentrates on sustainable development.

⁴ NOMIS 2023, Business Register and Employment Survey (BRES) 2021. Note that the BRES 2022 has been released but this is not expected to substantially change the findings of the report.

3.8 The Council has begun the process of updating the JLDP – this includes consideration of sites in North Anglesey.

The Council Plan 2023-2028

3.9 Regeneration and economic growth in North Anglesey is in line with the Council’s vision of ‘Creating an Anglesey that is healthy and prosperous where people can thrive’.

3.10 The Council Plan 2023-2028 identifies priorities for modernising the Council’s services and ways of working. The Plan includes six strategic objectives – of most relevance to the regeneration of North Anglesey are:

- The Welsh Language – increasing opportunities to learn and use the language;
- Education – ensuring an effective provision for today and for future generations;
- Economy – promoting opportunities to develop the Island’s economy; and
- Climate Change – responding to the crisis, tackling change and working towards becoming a net zero organisation by 2030

North Anglesey Economic Regeneration Plan

3.11 The adopted North Anglesey Economic Regeneration Plan (NAERP) sets out a Vision for the North Anglesey area. Its aim is to bring economic benefits to North Anglesey and help meet the challenges posed by decommissioning of Wylfa A, the closure of Rehau, and maximise the potential of the Wylfa Site, with renewed focus following UK Government’s site purchase.

3.12 The Regeneration Plan provides a framework to help guide investment decisions and direct partners to the priorities for the area. The Regeneration Plan is supported by an Implementation Plan which sets out the specific projects to be delivered and will be regularly updated to ensure that the progress of projects, and any new projects that deliver against the Priority Themes, can be reported. This plan is aligned with and will contribute to the economic development of Anglesey and the North Wales Growth Vision.

The NDA

3.13 The NDA Social Impact and Communities Strategy (2024)⁵ recognises the following socio-economic circumstances of the local area:

- The high dependency on the Wylfa Magnox Nuclear Restoration Services Site, exacerbated by the closure of several major employers on the Island in recent years;
- The low-economic strength of the area;

⁵ <https://www.gov.uk/government/publications/nda-social-impact-and-communities-strategy-april-2024/nda-social-impact-and-communities-strategy-april-2024>

- The other strengths of the area, including a “vibrant and attractive tourism offer” and a “strategic focus on green energy”;

3.14 It reiterates the NDA’s ongoing commitment to support Morlais, the ‘Vibrant Communities’ Programme and North Anglesey Economic Regeneration Plan.

The strategic role of key partners including the NDA

3.15 The NDA has a key role to play in North Anglesey – its role as major landowner, in decommissioning of the Wylfa Magnox sites, and as funder means that it is a key strategic partner in Anglesey.

3.16 After considering the particular socio-economic challenges of North Anglesey (set out above) and recognising the uncertainty around the status of the Wylfa Newydd project, in 2019, the NDA has stated commitment to various projects as part of the North Anglesey Economic Regeneration Plan (NAERP)⁶⁷:

- New Business Units – Amlwch and in other suitable locations as opportunities arise.
- Promoting Private Investment – promote and support new investments in the area.
- Business Support – ensure to publicise support and advice for business starts and expansion.
- Education, Skills and Employability – develop skills and work experience for local people and continue to invest in the engineering campus at Grŵp Llandrillo-Menai and broader opportunities for innovation and R&D through M-Sparc Cymru.
- Mynydd Parys – further development of the site as a tourist attraction and provision of linkages to and from it.
- Cemaes Harbour Area – pursue opportunities to improve the attractiveness and economic value of the area.
- Anglesey Energy Island developments.
- Financial support for Mon CF, and in particular the provision of training aimed at equipping people on Anglesey with the necessary skills to enable them to secure jobs.
- The preparation of the North Wales Growth Deal – which includes the Holyhead Gateway project, Nuclear Centre of Excellence.

3.17 The NAERP also notes that *“Opportunities exist to revitalise key sites in the area and bring forward new land for investment. Bringing forward additional land and premises for incubator and ‘grow on’ spaces would enable small to medium enterprises and businesses to develop.”* This is exactly what the Marine Terminal Refurbishment Project is seeking to achieve.

⁶ NDA Local Social and Economic Impact Strategy 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/897130/NDA_local_social_and_economic_impact_strategy_2020_update.pdf

⁷ NAERP 2019: <https://www.anglesey.gov.wales/documents/Docs-en/Business/Regeneration/North-Anglesey-Economic-Regeneration-Plan.pdf>

3.18 This report assesses which of the above projects should be the focus for the IACC and the level of funding required to progress these.

4 Challenges for the North Anglesey economy

4.1 North Anglesey’s economic challenges stem from the loss of jobs driven by the closure of major employment sites such as Wylfa Magnox, Rehau and Octel. Between 500 to 570 jobs directly were lost with many more indirectly and throughout the local supply chain. These have not been replaced with equally well-paid positions, which has left North Anglesey with low job density and lagging productivity growth.

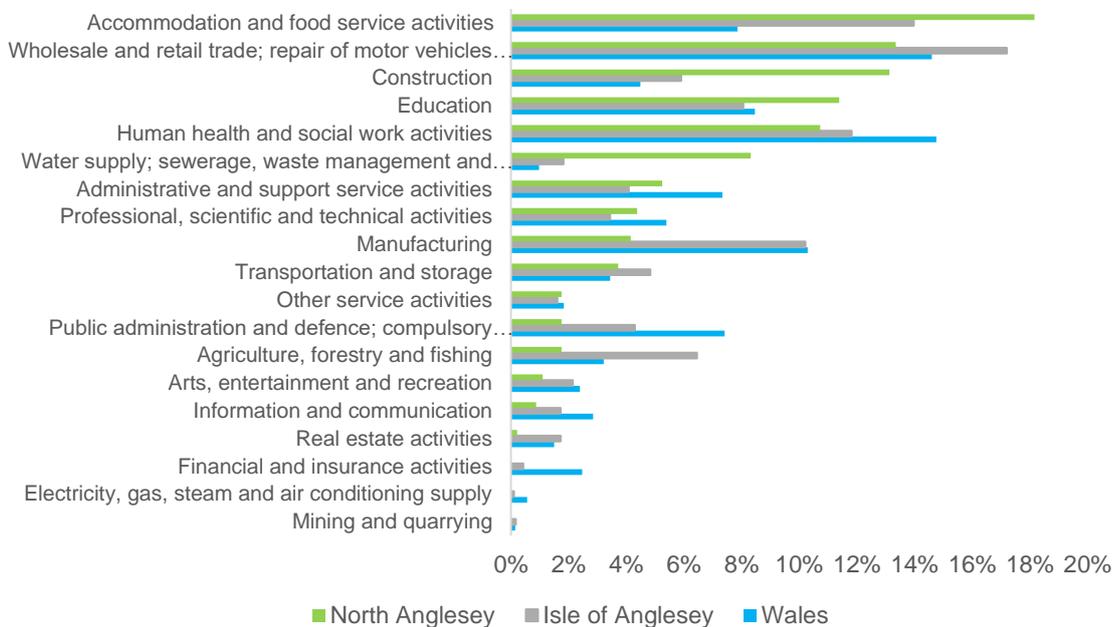
There is very low employment and it’s mostly in the foundational economy

4.2 In North Anglesey, the 2,285 jobs recorded in 2021 were less than 10% of Anglesey’s total employment numbers.⁸

4.3 The local employment is mostly serving the foundational economy, which represents a marked shift from the historically high-paid and high-skilled jobs such as in the manufacturing and transportation and storage sectors.⁹ The largest sector is accommodation and food, accounting for 18% of North Anglesey’s employment as shown in Figure 4-1 below. This is higher than the Anglesey and Welsh averages, which are 14% and 8%, respectively.

4.4 The second largest sectors are retail and construction (13% each).

Figure 4-1: Sectoral share of employment¹⁰



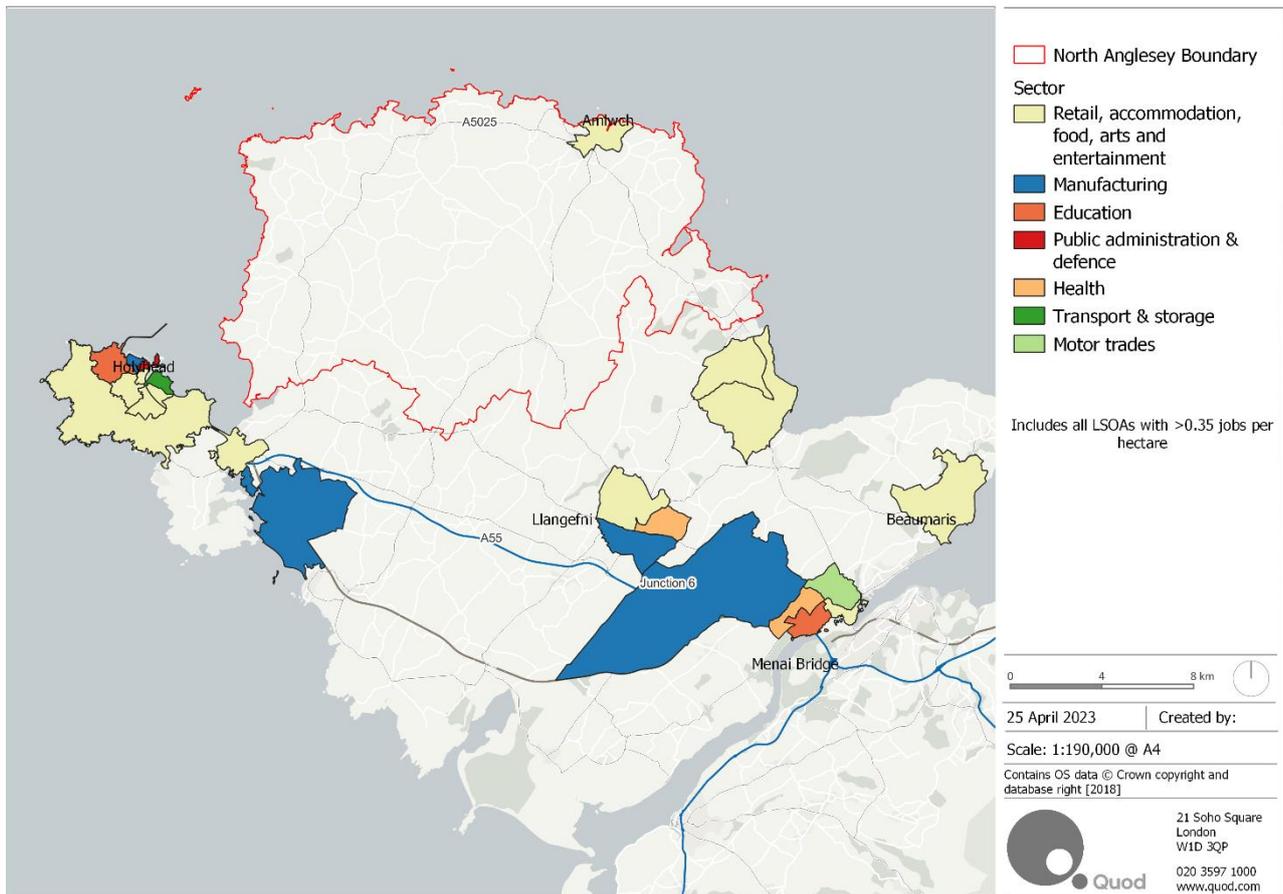
⁸ Business Register and Employment Survey (BRES) (2021), Note that the BRES 2022 has been released but this is not expected to substantially change the findings of the report.

⁹ The services and products in the foundational economy provide those basic goods and services on which every citizen relies to remain safe, sound and civilised. Care and health services, food, housing, energy, construction, tourism and retailers on the high street are all examples of the foundational economy. <https://businesswales.gov.wales/foundational-economy>

¹⁰ Ibid.

4.5 Job density in this part of the Island is also particularly low – with North Anglesey only offering 10 jobs per square km and the only a significant concentration of jobs in Amlwch. This is shown in the Figure 4-2, which also shows that retail, accommodation, food, arts and entertainment are the dominant sectors in Amlwch.

Figure 4-2: Job density in North Anglesey vs Anglesey as a whole¹¹



The North of the Island is poorly connected

4.6 Unlike other major towns on Anglesey, Amlwch is located far from the A55 North Wales Expressway, which allows other parts of the Island to benefit from connectivity and have a greater chance to attract workers and visitors alike.

4.7 On average, by car, it takes between 25 to 30 minutes to reach Junction 6 on the A55 (near Llangefni) from Amlwch and at least 25 minutes needed to reach Junction 5 on the A55 (near Rhosneigr) en route to Holyhead.

4.8 To travel from Amlwch to Holyhead by car, it takes between 35 and 40 minutes, despite being only 14 miles apart.

¹¹ Business Register and Employment Survey (BRES) (2021), Note that the BRES 2022 has been released but this is not expected to substantially change the findings of the report.

And public transport is wholly inadequate.

- 4.9 Anglesey has one of the worst accesses to public transport services in North Wales with infrequent and expensive services, and limited operating hours.¹²
- 4.10 The situation in the North of the Island is even worse. In the morning there is only one bus service from Holyhead, Anglesey's biggest town, to Amlwch that arrives before 9am.
- 4.11 The peripheral location and poor public transport accessibility means that it is more difficult for North Anglesey to attract employers to locate in the area – this is as a result of the small workforce on which to pull, and a lack of connectivity to supply chain and market.

Jobs in historically dominant industries have declined...

- 4.12 In recent years, North Anglesey's historically dominant industries that were key to the local economy have declined considerably.
- 4.13 Since 2004, there have been over 2,300 jobs lost due to closures across Anglesey. Of those, between 500 and 575 were in North Anglesey – at Wylfa Magnox, Octel and the Rehau sites. This was a significant part of the economy and is equivalent to over 20% of the current jobs in the North of the Island.
- 4.14 The loss of Wylfa Magnox in particular was a significant shock to the North Anglesey economy. There were c.1,000 jobs there at peak. Ongoing decommissioning does continue to support jobs and will do over the medium term – and the IACC is committed to working with the NDA to maximise the benefits of the decommissioning process to the local area.
- 4.15 Between 2015 and 2021, North Anglesey had lost 450 jobs (a decrease from 510 to only 25) in the electricity, gas, steam and air conditioning sector, representing 21% of the area's total jobs in 2021. This was driven by the closure of Wylfa Magnox (300 to 350 jobs lost) and lack of alternative jobs for workers skilled in the industry.
- 4.16 The NDA Local Social and Economic Impact Strategy (2020)¹³ recognises the fact that the population of North Anglesey was highly dependent on the Wylfa Magnox Nuclear Power Station for employment and economic growth and that there is a lack of alternative high value employment in the area. The closure of the Rehau factory was a further blow to the North Anglesey economy – a further 100 jobs lost. 70% of the staff employed at Rehau lived within North Anglesey and 25% within Amlwch alone.
- 4.17 These closures have had negative multi-generational effects on families in North Anglesey. For example, 70% of the jobs at Rehau were taken by different generations of the same families. Nearly 30% of Rehau's employees at the time of its closure were aged 55 or over. While nearing the age of retirement, these employees may have found it especially difficult to find new employment upon the closure of the site.

¹² <https://www.gov.wales/sites/default/files/publications/2023-01/nwtc-progress-statement-final.pdf>

¹³ NDA Local Social and Economic Impact Strategy 2020:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/897130/NDA_local_social_and_economic_impact_strategy_2020_update.pdf

4.18 Table 3 below shows the overall job losses from factory closures in Anglesey.

Table 3: Job losses in Anglesey due to closures since 2004¹⁴

Year	Company	Jobs Lost
North Anglesey		
2004	Octel	100 to 120
2015-	Wylfa Magnox	300 to 350 (higher at full operation)
2019	Rehau	100
Total North Anglesey		500 to 570
Other Anglesey		
2006	Cig Môn	100
2008	Peboc	60
2008	Eaton Electrical	265
2009	Anglesey Aluminium	300 to 400
2013	Welsh Country Foods	300 to 350
2019	Marco Cable Management	40
2022	Orthios	120
2023	2-Sisters	730
TOTAL		2,415 to 2,635

4.19 There are also knock-on effects from factory closures that occur elsewhere on the Island – the 2-Sisters factory recently closed in Llangefni resulted in the loss of 730 jobs of which 57 employees lived in North Anglesey.

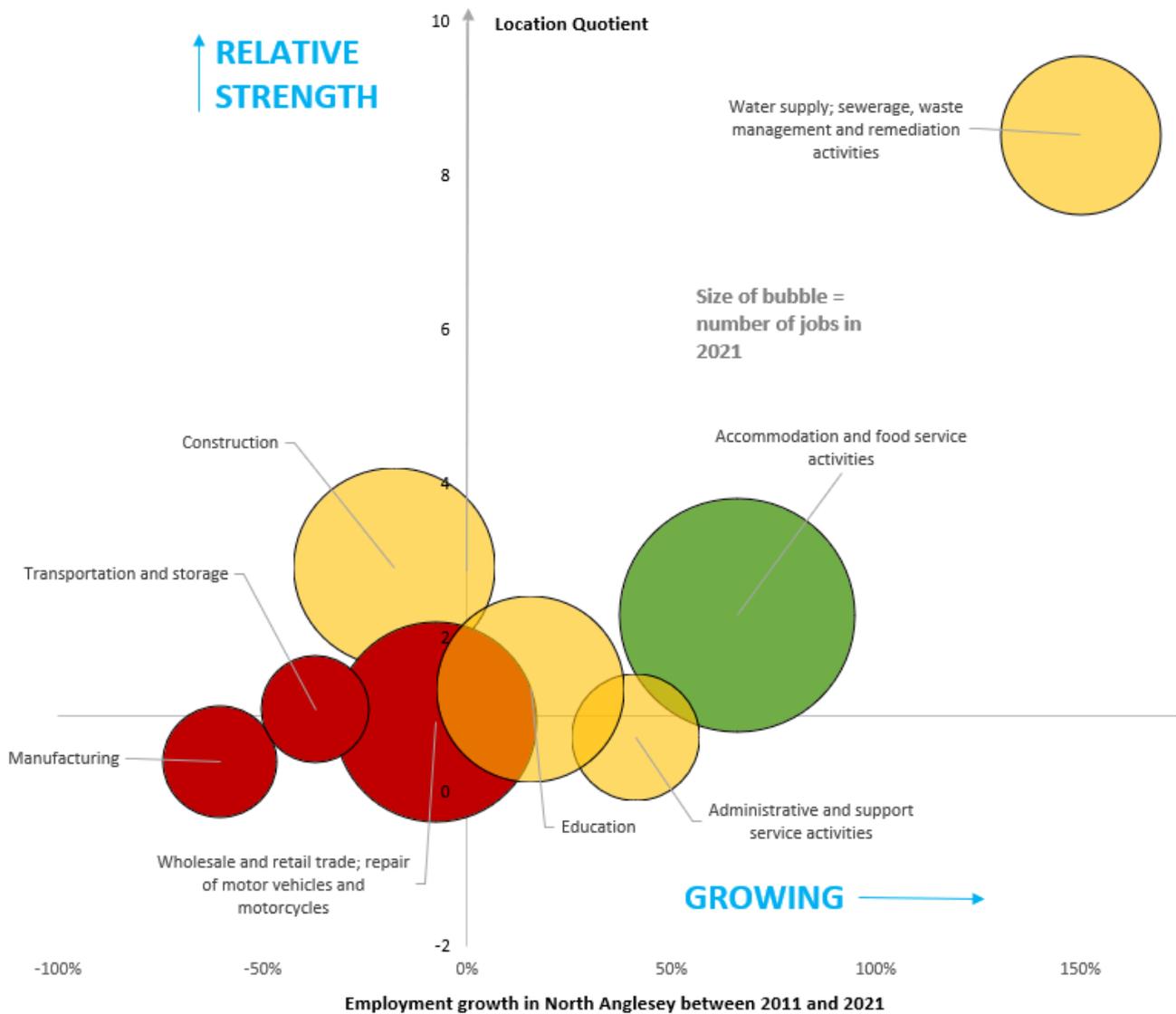
4.20 The recent Budget (March 2024) announced the purchase by the UK Government of the Wylfa Newydd site. This increases the certainty of new nuclear (either giga or SMRs) on the site and the likelihood of some of these ‘lost’ jobs coming back to North Anglesey – this creates confidence both to the local community and potential investors in nuclear power. However, there are still considerable uncertainties around the planning, infrastructure and funding that will be required to deliver a new nuclear power station. Any jobs associated with Wylfa will be some years off (if it is delivered) and investment in North Anglesey is required in the meantime.

Accommodation and food service activities are now dominant...

4.21 Figure 4-3 below shows a shift in dominance from industries such as manufacturing and transportation and storage to accommodation and food service activities.

¹⁴ Source: IACC

Figure 4-3 Shift in industry dominance towards accommodation and food service activities^{15 16}



...but they typically have low wages

4.22 It is not possible to get wage data by sector at a small geographical area. However, Table 4 shows the proportion of employment in Anglesey in each sector, and the median wage in Wales. This shows that the most dominant sectors retail and accommodation/food, typically have the lowest wages.

¹⁵ Business Register and Employment Survey (BRES 2021), ONS. Note that the BRES 2022 has been released but this is not expected to substantially change the findings of the report.

¹⁶ There was no employment in the 'Water supply; sewerage, waste management and remediation activities' in 2011 but there were 190 employees in this sector in 2021. This would represent an infinite employment growth rate. For the purposes of demonstration on the graph, we have assumed a 150% growth rate. However, 'Accommodation and food service activities' is still the dominant industry due to its relative size (as shown by the size of the bubble) and growth rate of employment, and its relative strength in North Anglesey.

Table 4: Median wages in Wales (compared to the dominant sector) ¹⁷

Industry	North Anglesey employment	Wales annual median pay (£)
Mining and quarrying	0%	42,206
Electricity, gas, steam and air conditioning supply	0%	30,732
Financial and insurance activities	0%	26,820
Real estate activities	0%	20,349
Information and communication	1%	29,803
Agriculture, forestry and fishing	2%	22,969
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Manufacturing	4%	30,926
Professional, scientific and technical activities	4%	24,560
Administrative and support service activities	5%	19,986
Water supply; sewerage, waste management and remediation activities	8%	27,887
Human health and social work activities	11%	22,327
Education	11%	25,459
Construction	13%	28,098
Wholesale and retail trade; repair of motor vehicles and motorcycles	13%	17,907
Accommodation and food service activities	18%	10,267
	Employment sectors where North Anglesey is dominant...	...Typically are lower paid

The makeup of jobs and loss of high productivity sectors has resulted in a GVA growth in North Anglesey lagging the rest of the Island

4.23 The loss of major employers in high-value energy and manufacturing industries as mentioned above has been a key factor in impacting the economic activity in North Anglesey.

4.24 The small area GVA statistics¹⁸ are produced by the ONS. Given the difficulty of measuring GVA at such a small scale, these are experimental statistics and should be treated as such. Nonetheless, they suggest that growth in GVA in the North is lagging behind the rest of the Island (Figure 4-4 below):

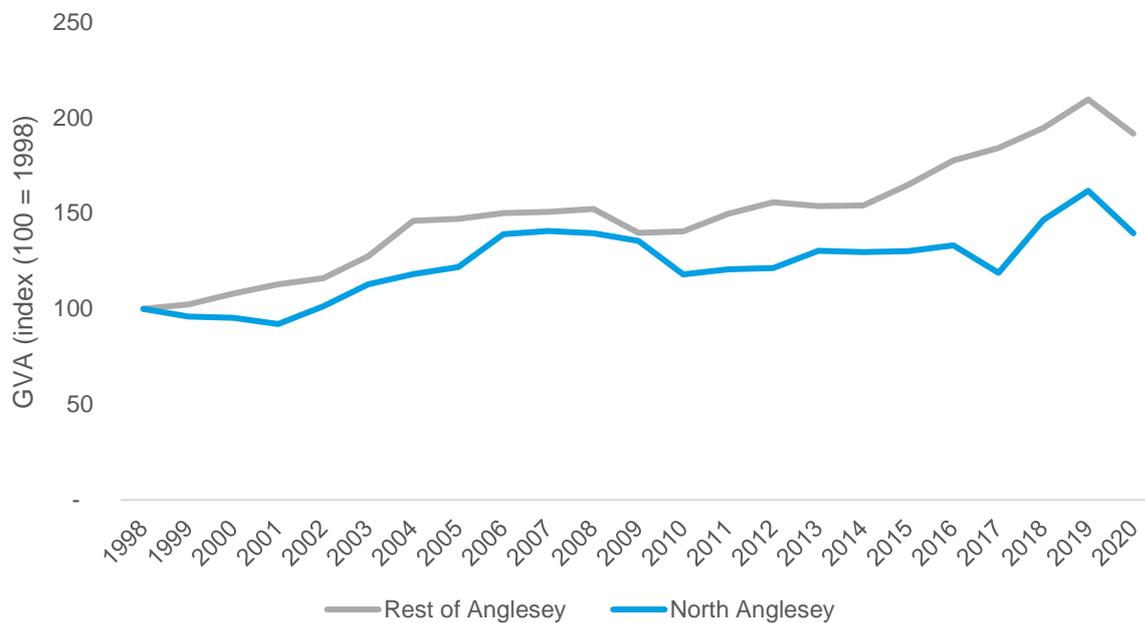
- North Anglesey only contributed 13% of total GVA of Anglesey in 2020 – this has fallen from 17% in 1998.

¹⁷ Annual Survey Hours and Earnings (2021 and 2022). Business Register and Employment Survey (BRES 2021), ONS. Note that the BRES 2022 has been released but this is not expected to substantially change the findings of the report.

¹⁸ ONS (2023). UK small area gross value added (GVA) estimates. Note these estimates are obtained from small area data so are experimental. Available at: <https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/uksmallareagvaestimates>

- Between 1998 and 2020, the GVA of North Anglesey grew by 39%, less than half the equivalent growth across the rest of the Island.

Figure 4-4: GVA growth



4.25 The project development phase of the Wylfa Newydd was estimated to add £1m in Gross Value Added (GVA)¹⁹ per annum to the North Anglesey economy, which would have risen to £7.2m per annum during construction and £5.7m per annum in its operational phase.

4.26 As set out above, the UK Government’s acquisition of the Wylfa site is a key step forward in reviving the future development of nuclear energy in the North of the Island.

Visitor economy is suffering

4.27 The Covid-19 pandemic had a double-edged impact on tourism on Anglesey. Initially, the Island suffered from the decline in tourist numbers due to national lockdowns. However, as restrictions were lifted Anglesey experienced a larger than normal influx of visitors.

4.28 The visitors primarily frequented the South of the Island – this causes two key issues:

- It poses numerous challenges in the South of the Island where visitor infrastructure demands significantly exceeded the capacity of the local accommodation base, local road network, car parks at most popular tourist attractions and waste management. This has negative impacts for residents, visitors and the environment.
- The North of the Island does not benefit from visitor spend and footfall, which would help to support the town centres, periphery villages, attractions and the local economy.

The peripheral nature of North Anglesey, the lack of local leisure and tourist services, and a lack of public knowledge of some of the attractions it does have, means that the potential

¹⁹ IACC; Gross Value Added (GVA) is the value generated by any unit engaged in the production of goods and services. ONS.

tourism market is not captured. This was evidenced through a Town Centre Health Check commissioned by the IACC.

5 Challenges for the North Anglesey community

5.1 The ageing population in North Anglesey has increased and there is now higher economic inactivity than 2011. The core working age population is shrinking and the working age population tend to commute out of North Anglesey for work. There is heavy reliance on private vehicles. The overall effect is a local community with high levels of deprivation.

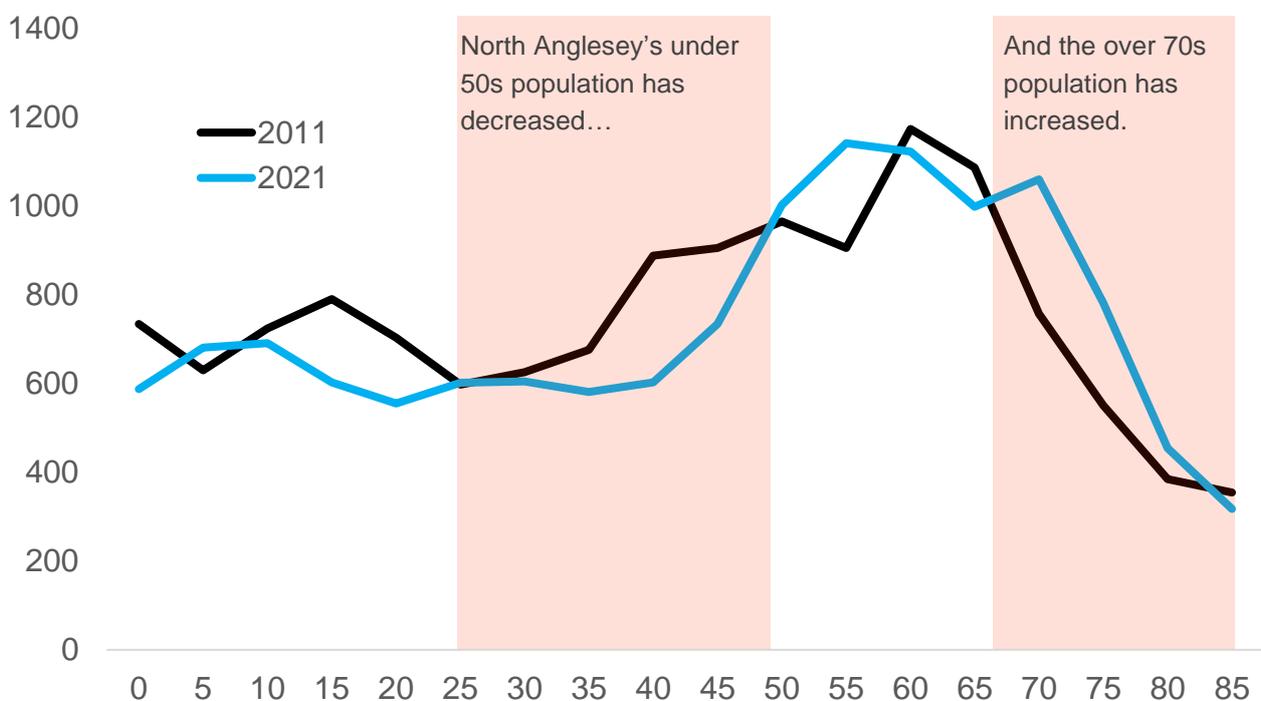
North Anglesey’s ageing population has increased over time

5.2 The effect of the peripheral location is a reduction in the young and working-age population, and an increase in the ageing population, which is also driven by the area’s increasing popularity as a retirement destination leading to the higher economic inactivity in the area.

5.3 This is demonstrated in Figure 5-1 below. Notably, there is a significant loss of population between 25 and 50 - when people are typically at the formative points in their careers.

5.4 By contrast the North Anglesey population aged 65+ increased by nearly 30% between 2011 and 2021, which is above the Welsh average of 18%.²⁰ Inactivity has also increased in the area as it is a popular retirement destination. This creates problems for local service provision as well as for the local economy.

Figure 5-1: Change in the population profile of North Anglesey between 2011 and 2021



²⁰ Census 2011 and 2021 - Office of National Statistics (ONS).

5.5 The median age in Anglesey has increased from 45 to 48 years between the two census years.²¹

New student admission numbers have fluctuated

5.6 The School Admission Forum has published school admission numbers for Anglesey as shown below in Table 5 below:

Table 5: North Anglesey vs Anglesey new admissions²²

	2020	2021	2022
North Anglesey ²³	179	164	192
Llangefni ²⁴	218	218	228
Anglesey	1,329	1,353	1,380

5.7 While there was a decrease in new admissions between 2020 and 2021 in North Anglesey, the admissions increased again in 2022. These numbers suggest that school admissions are broadly stable but the reasons for this fluctuation are unclear. In comparison, school admission numbers in Llangefni and Anglesey as a whole both gradually increased.

5.8 While the working population in 2021 is less than it was in 2011, it may partially be offset by young families returning due to pandemic-related reasons. The School Admission Forum has also cited a couple of possible explanations:

- Some parents changed schools for their children during the COVID-19 lockdown(s) where they were unsatisfied with the level of online education their children received.
- Issues with the Published Admission Numbers (PANs) – these numbers will be subject to review and justification is sought from schools on these numbers.

Effects of the reduction in working age population

5.9 North Anglesey has an ageing population – the number of people over 70 has increased substantially and the number under 50 reduced between the two censuses (2011 and 2021). These effects pose risks and challenges for North Anglesey community associated with:

- Increased pressures on healthcare facilities.
- A rise in the dependency ratio and the need for care. In Amlwch, the carer allowance is under £70 a week – a very small amount.²⁵ This means they are likely to use food banks for personal consumption.
- Increased reliance on public transport
- Reduction in the size of the labour market.

²¹ <https://www.ons.gov.uk/visualisations/censusareachanges/W06000001/>

²² <https://www.anglesey.gov.wales/en/Residents/Schools-and-learning/Schools/School-Admission-Forum.aspx>

²³ Based on the following schools: Ysgol Gynradd Amlwch, Ysgol Cemaes, Ysgol Garreglefn, Ysgol Llanfechell, Ysgol Penysarn, Ysgol Rhosybol and Ysgol Syr Thomas Jones.

²⁴ Based on the following schools: Ysgol Bodffordd, Ysgol Y Craig, Ysgol Talwrn, Ysgol Corn Hir, Ysgol Gyfun Llangefni.

²⁵ <https://www.northwaleschronicle.co.uk/news/15822349.food-bank-praises-amlwchs-generosity-calls-people-need-come-forward-help/>

- Loss of Welsh culture and speakers of the Welsh language – the number of residents in Amlwch & Llannerch-y-medd who can speak Welsh (who are over three years old) has reduced by four percentage points since the 2011 Census.

There is lower economic activity compared to the Anglesey and Welsh averages...

5.10 The proportion of the population that is economically active in North Anglesey is lower than the Anglesey and Welsh averages.

5.11 According to Census 2021, less than half of the population aged 16+ years (49%) in North Anglesey is economically active and in employment, while this proportion is 51% for Anglesey as a whole and 54% for Wales. This is shown in Table 6 below:

Table 6: Economic activity (residents 16+ Census 2021)

	North Anglesey	Isle of Anglesey	Wales
Economically active: In employment	49%	51%	54%
Economically active: Unemployed	3%	3%	3%
Economically inactive	48%	46%	44%

5.12 This could be driven by an increase in the population aged 50+ who have disproportionately become inactive post the Covid-19 pandemic.

There is a lack of suitable business and office space

5.13 Anglesey has the lowest office space provision of any Local Authority in North Wales, accounting for just 3.5% of total provision, and occupancy is at 99.5%, the highest in the region.

5.14 This is particularly acute in the North of the Island, where there is also likely to be strong future demand derived from the Freeport, New Nuclear and revival of commercial operations in Amlwch Port, including Offshore Wind.

5.15 The development of high-quality business space in the North of the Island, such as the recently consented business units in Amlwch and the refurbishment of the Shell building, is crucial to ensuring that the area can maximise the benefits of transformational investment coming from the Freeport and any potential development at Wylfa.

There is high out-commuting for work from North Anglesey...

5.16 The peripheral nature of Anglesey's location means that commuting residents in North Anglesey mostly leave North Anglesey for work but do not leave the Island. In the 2011 Census, only 35% of commuting residents in North Anglesey also worked in North Anglesey but in total 71% remained on the Island. In comparison, 50% of commuting residents in Llangefni, also worked in Llangefni.

5.17 The lack of job opportunities, and in particular of high paid opportunities means residents left North Anglesey but still worked on the Island – this is likely to be heavily influenced by the time, and cost, of commuting elsewhere.

5.18 Similarly – there is very little commuting to North Anglesey – the majority (58%) of jobs are taken by residents of North Anglesey, and only 9% are commuting from off the Island. The out-commuting patterns are shown in Table 7 and Table 8 below.

5.19 Freeport designation and future development at Wylfa will be crucial to reducing the levels of out-commuting and reviving North Anglesey as an employment destination, with positive implications for the local community.

Table 7: Commuting from North Anglesey²⁶

		Commuting residents of North Anglesey
Work in	North Anglesey	35%
	Rest of Anglesey	36%
	Off the Island	29%
Total		100%

Table 8: Commuting to North Anglesey²⁷

		Workers of North Anglesey
Live in	North Anglesey	58%
	Rest of Anglesey	33%
	Off the Island	9%
Total		100%

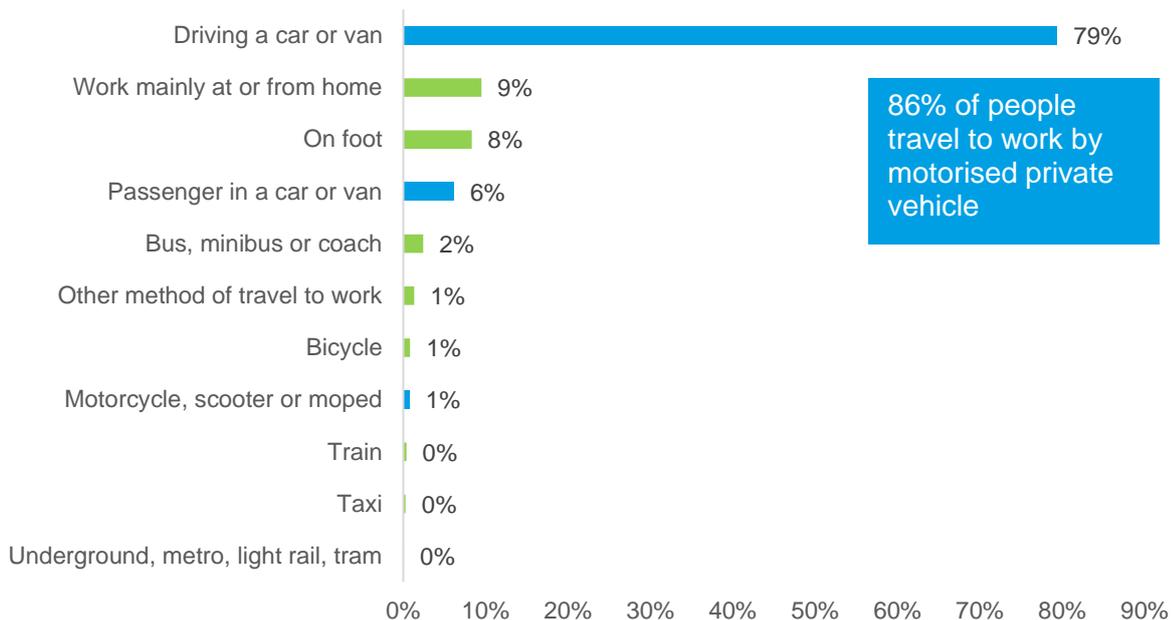
...which is mostly done using private vehicles

5.20 Again, the peripheral location of North Anglesey combined with poor public transport infrastructure means 86% of the working population in North Anglesey uses a private vehicle to get to this part of the Island. Public transport is only used by 2% of the working population.

²⁶ Census 2011 – Office of National Statistics (ONS).

²⁷ Census 2011 – Office of National Statistics (ONS).

Figure 5-2 Method of travel to work in North Anglesey²⁸



5.21 Data from the 2021 Census is distorted by Covid-19.

...because public transport provision is poor (and getting worse)

5.22 The current public transport provision for residents is poor. In the morning there are only two bus services from Amlwch and Holyhead (the 61) which would get in before 9am (i.e. in time for work):

- The 0655 which gets to Holyhead at 0738; and
- The 0745 which gets to Holyhead at 0842.

5.23 All services from Amlwch to Bangor that arrive before 9am take over an hour.

5.24 The situation is only going to get worse. **Arriva recently announced cuts to its bus services across Anglesey including the 62A from Amlwch.** The announcement specifically links the need to reduce the bus service to the long-term ongoing works on the Menai Bridge resulting in lengthy diversions.

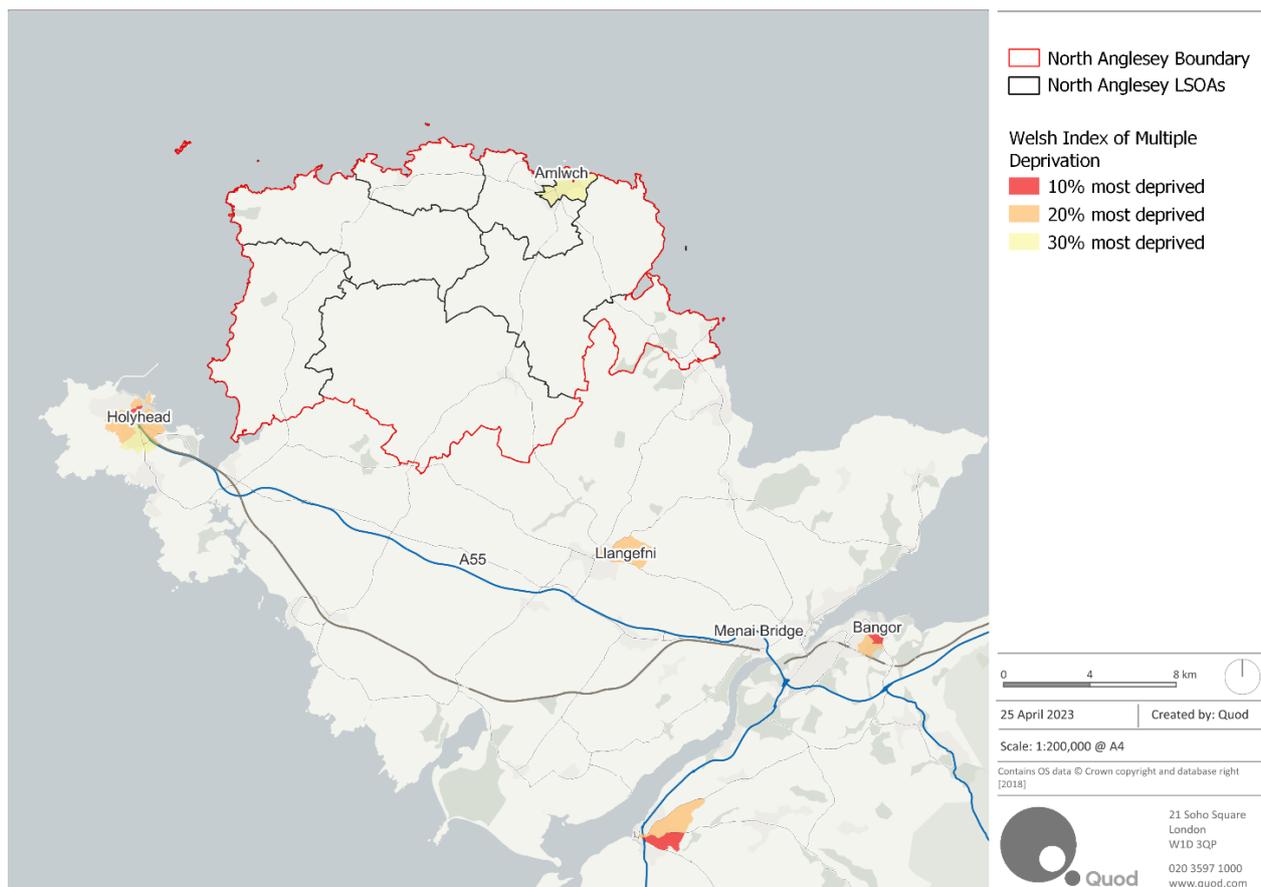
5.25 This could leave the Island residents, in particular the vulnerable and elderly, cut off. For North Anglesey, this could further exacerbate its peripherality and lack of connectivity both within, and out of the area for work purposes.

²⁸ Census 2011 – Office of National Statistics (ONS).

The result is an area with high levels of deprivation

- 5.26 Overall, high out-commuting, low access to services, lack of high-paid jobs and lagging productivity have left North Anglesey deprived compared to the rest of Wales.
- 5.27 Amlwch, the most populated part of North Anglesey is in the top 30% most deprived areas in Wales. It is in the top 30% of the most deprived areas in Wales for both Income and Employment, and in the top 20% most deprived for Access to Services (due to its peripheral location).²⁹ This is shown in Figure 5-3 below:

Figure 5-3: Deprivation map of North Anglesey



Residents are increasingly reliant on food banks

- 5.28 Donations to the Amlwch food bank and consumption have both increased significantly in recent times. Between November 2022 and March 2023, donations to the Amlwch food bank increased by nearly 180% (52 parcels to 145 parcels) and consumption increased by nearly 155% (648kg to 1,658kg).³⁰ This is driven (in part) by a lack of jobs (and of well paid jobs) and high levels of economic inactivity.

²⁹ <https://datamap.gov.wales/layergroups/inspire-wg:WelshIndexOfMultipleDeprivationWIMD2019>

³⁰ Provided by IACC.

6 Opportunities

- 6.1 The NDA has a key role to play in North Anglesey – its role as major landowner, in decommissioning of the Wylfa Magnox sites, and as a funder means that it is a key strategic partner in Anglesey.
- 6.2 It has already contributed financially to council programmes through the:
- North Anglesey Economic Regeneration Plan (NAERP) – In 2019, the NDA provided £495,000 to help support the IACC’s NAERP for its various projects.³¹
 - North Anglesey Regeneration Fund – To date £117,000 of the above funding from the NDA has been provided directly to local businesses and third sector organisations to support job creation. These funds have supported 20 businesses, safeguarded 35 jobs, created 42 jobs and provided volunteering opportunities for 130 people.³²
 - A further award of £75,000 funding in 2023 has enabled the Council to continue project development and implementation works for an additional financial year.
- 6.3 This funding has already enabled a number of projects and has helped define further opportunities for the NDA and others to invest in the area to continue supporting its socio-economic issues. Further funding is needed to prepare and deliver key projects in North Anglesey.
- 6.4 The NDA Business Plan 2022-2025³³ mentions ‘socio-economics’ as one of the ‘critical enablers’. This includes opportunities for supporting the maintenance of sustainable local economies for communities living near NDA sites and, where possible, contributing to regional economic growth is recognised as a key activity, alongside good practice in skills development, support of clean energy projects and the local supply chain.
- 6.5 As previously mentioned, the NDA has provided support for several opportunities listed in the NAERP. This section sets out three of those opportunities which can benefit North Anglesey’s economy and communities and help tackle the preexisting socio-economic issues:
- Potential for sustainable tourism and increasing visits and spending to North Anglesey.
 - Maximising the benefits of the Energy Island Programme (in particular development at Wylfa, and opportunities stemming from Freeport-led inward investment).
 - Making the most of the Freeport designation and the economic growth that unlocks – particularly in the North of the Island.
- 6.6 The intention of these opportunities is to address the structural change required to support the North Anglesey economy.

³¹ <https://www.gov.uk/government/news/nda-pledges-495000-to-aid-north-anglesey-economic-regeneration-plan>

³² <https://www.gov.uk/government/news/nda-supports-launch-of-north-anglesey-regeneration-fund>

³³ NDA (2022). *NDA Business Plan*. Available at :

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1062302/Business_Plan_2022-2025_220322.pdf

Potential for sustainable tourism and increasing visits and spending to North Anglesey

- 6.7 North Anglesey has substantial areas designated as Area of Natural Beauty (AONB), an array of critically important ecological sites including globally important nature reserves (including the Cemlyn North Wales Wildlife Trust Reserve), numerous unspoilt beaches and some of the best coastal views for cetaceans (including whales, porpoises and dolphins) in North Wales.³⁴³⁵³⁶ There are significant opportunities to make better use of existing local assets (in particular Porth Amlwch and Mynydd Parys) to attract more visitors and improve provisions for residents.
- 6.8 Recently, modern improved pedestrian and highway signage has been implemented in and around the Amlwch, highlighting the area's rich industrial heritage. Work is also ongoing to develop plans for a park and to potentially commission a piece of public art to attract tourists.
- 6.9 The draft Town Centre Investment Plan for Amlwch envisions that investment in the town should be focused on five themes:
- **Public realm improvements:** including the already installed wayfinding signage around Amlwch and Amlwch Port.
 - **Physical improvements:** including refurbishment and/or redevelopment of empty or dilapidated properties such as the extensive area formerly used by the copper industry and municipal waste tipping and shop front improvements.
 - **Movement:** including improvements to pedestrian accessibility and cycling infrastructure.
 - **Town Centre Management:** including unlocking development sites.
 - **Technology and data:** including high speed broadband / Wi-Fi – this is particularly relevant in Amlwch given the desire to attract more tourists (and tourist spend) to the North of the Island.
- 6.10 Ambition North Wales also has a Digital Programme targeted at investment in digital connectivity across the region. The Programme contributes to wider activity being led by the public sector and private network operators to extend and upgrade both 'fixed' connectivity (for example fibre broadband) and wireless and mobile networks such as 4G and 5G.

Anglesey Freeport designation promises more, and well-paid jobs

- 6.11 Following a successful joint bid by Stena Line and the IACC, Anglesey will now benefit from Freeport status. The business case process is underway and it is anticipated that the Freeport will be operational by the end of the year.
- 6.12 The Freeport will be a catalyst for the economy. It is designed to both turbo-charge the Energy Island Programme, making Anglesey a world leader in low carbon energy, and boost trade through Holyhead Port. The recent decision by UK and Welsh government to extend the

³⁴ North Anglesey Economic Regeneration Plan (NAERP): <https://www.anglesey.gov.wales/documents/Docs-en/Business/Regeneration/North-Anglesey-Economic-Regeneration-Plan.pdf>

³⁵ <https://www.anglesey.gov.wales/documents/Docs-en/Countryside/Anglesey-AONB-Management-Plan-2015-%E2%80%93-2020.pdf>

³⁶ <https://www.anglesey.gov.wales/documents/Docs-en/Countryside/Anglesey-AONB-Management-Plan-2015-%E2%80%93-2020-Appendix-1.pdf>

benefits time period for the Freeport, will ensure that the benefits of the Freeport can be maximised in Anglesey and across North Wales.

- 6.13 There are three tax sites that make up the Freeport – the Anglesey Prosperity Zone, close to Holyhead, the Central Anglesey Tax Site, and the North Anglesey Tax Site.
- 6.14 The Anglesey Prosperity Zone will also include a customs site where simplified customs and trade rules will apply, providing greater incentives for investment and trade. In future, goods entering and remaining within the customs site will not be subject to the UK's usual tax and customs regime, supporting long-term business investment, and boosting the prosperity of Anglesey and North Wales.
- 6.15 It is anticipated that the Freeport could help create between 3,500 and 13,000 high-skilled, well-paid jobs in North Wales, increasing local productivity and increasing economic activity across North Wales.
- 6.16 North Anglesey's workforce and SMEs could benefit from the employment opportunities offered directly by the development of the Freeport and associated sites (particularly the North Anglesey Tax site) as well as through the supply chain. This could help restore jobs in the high-value industries described in the previous section.
- 6.17 The Freeport is actively engaging with local stakeholders (Bangor University, MSParc, the Institute of Export and International Trade, Grŵp Llandrillo Menai) on plans to integrate delivery of the Freeport with existing local strategies, including those to upskill the local workforce.
- 6.18 Opportunities include accelerating the take up of sustainable, clean energy production by building on existing industry-leading net zero initiatives on Anglesey, such as offshore wind, nuclear, solar and tidal energy. There is strong interest in these opportunities from commercial operators.
- 6.19 To make the most of the Freeport designation, North Anglesey needs employment space in which the economic growth associated with the Freeport will locate. The Freeport will 'turbocharge' the Energy Island Programme – which again will generate economic activity and supply chain effects. There will need to be sufficient employment space in order for benefits to be maximised in the North of the Island.

Anglesey Energy Island and the importance of Wylfa (decommissioning and new opportunities)

- 6.20 The Anglesey Energy Island Programme, established by IACC, is a collective effort between several stakeholders within the public, private and third sectors working in partnership, putting Anglesey at the forefront of low carbon energy research and development, production and servicing, and bringing with it potentially huge economic rewards.
- 6.21 The programme includes investments in hydrogen, tidal, nuclear and offshore wind – and should be 'turbocharged' by the Freeport designation. Significant employment opportunities for a diverse range of skills and professions are expected in due course as major developments move towards their construction and operational phases.

- 6.22 Wylfa – the decommissioning of the existing site and the **future use of the Wylfa site is crucial to maximising the benefits of the Energy Island project** and delivering benefits in the north.
- 6.23 **New investment at Wylfa is critical to the future of North Anglesey – and Wylfa is well placed to contribute to the UK’s future nuclear capacity, as recognised by UK Government’s recent acquisition of the site.** It could support the development of both Small Modular Reactors (SMRs) and / or a gigawatt plant. Such investment would unlock significant benefits for North Anglesey, bringing forward as many as 1,000 well-paid, secure jobs at the operational stage, as well as significant need for construction employment and supply chain effects. Any significant development has the potential transform the economy of North Anglesey – **IACC is committed to working with key local, regional and national partners to secure the future use of the Wylfa site and bring forward new nuclear.**
- 6.24 The IACC is also committed to working with the NDA to make best use of the **decommissioning programme at Wylfa**, and to **capitalise on any long-term opportunities for associated innovation** (in a similar way as has occurred with the research into medical isotopes and the use of waste concrete at Trawsfynydd). There are significant opportunities for businesses located in Anglesey who are able to service work at both Wylfa and Trawsfynydd – the right floorspace in the right places will be crucial to maximising the benefits of this.
- 6.25 As set out above, the Energy Island Programme is not just about Wylfa – and we recognise that uncertainties do still remain around the development of Wylfa Newydd. There are additional opportunities associated with the Energy Island Programme, including but not limited to:
- **Hydrogen Hub at Parc Cybi** in Holyhead, which will be the first development of its kind in Wales. It seeks to establish a green hydrogen production and distribution facility, increasing hydrogen energy security and stimulating the commercialisation and adoption of hydrogen as a fuel particularly in the transportation sector.
 - **Morlais** – Anglesey Marine Energy, which is a tidal energy project brought forward by Menter Môn which aims to benefit local communities, the economy and help tackle climate change by using renewable energy to generate clean low carbon electricity. It is a significant opportunity for Anglesey to be a world-leader in the development, manufacturing and installation of tidal energy equipment. The project will have significant impacts on Anglesey and Wales and will play a key role in delivering the Energy Island. In the latest Contracts of Difference round, companies bidding with the Morlais array were awarded 22.4MW of the 48MW that have been allocated around the UK during this round.
- 6.26 Benefits from these projects include:
- Significant employment opportunities for a diverse range of skills and professions are expected in due course as major developments move towards their construction and operational phases.
 - Involvement of local SMEs in the supply chain activities of these projects.
 - Achieving the Net Zero commitments.

6.27 These projects are significant opportunities that have, and will continue to require, a collaborative approach to bring them forward. The Energy Island aligns with vision in the NDA Sustainability Strategy (2022)³⁷ to become a recognised leader in transforming nuclear legacies into opportunities for local, regional and national sustainable development. The aims of the Legacy and Outcomes should focus on empowering people and communities to create sustainable local economies.

6.28 The NDA is a key strategic partner in realising the benefits of the Energy Island Project in North Anglesey:

- The decommissioning programme and employment supported by decommissioning (although this will decrease over time)
- Major land owner.
- Socio-economic funding for other local schemes.

Need for employment floorspace

6.29 Maximising the benefits of the Energy Island Programme and the Freeport designation requires there to be employment space for SMEs to grow. There is a historic undersupply of high quality floorspace for SMEs, which is restricting economic growth across the Island and in Amlwch. This was reflected in the recently granted planning permission for the Amlwch Business Units.

6.30 The market demand for business units is high, and a Strategic Outline Case (SOC) was written to bring forward new business units in Amlwch to ensure businesses have the right space to set-up and / or grow. The business units are expected to accommodate 10 SMEs and 33 high quality jobs for local people.

6.31 The project builds on IACC's successful Sites and Premises Programme, which was funded by European Structural Funding – as this can no longer be accessed, the IACC considers this a priority project requiring capital investment. It has been granted planning permission, following significant public and local engagement.

³⁷ NDA (2022). *NDA Sustainability Strategy*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063625/NDA_group_Sustainability_Strategy_2022.pdf

7 Looking to the Future

- 7.1 This baseline analysis, and identification of key challenges and opportunities facing North Anglesey, highlights the need both to seek and secure funding to tackle key issues (relating e.g. to unemployment, economic inactivity & low productivity, the outward migration of working age people), as well as then also maximising benefits from the range of identified opportunities.
- 7.2 The IACC, with support from funding partners such as the Nuclear Decommissioning Authority, Y Gymdeithas and Welsh Government, is already developing a portfolio of projects that can help address some of these challenges.
- 7.3 Project development work including design, consenting and the development of formal Business Cases to underpin various funding bids, are well advanced for:
- (i) The refurbishment of the Marine Terminal Building (former Shell Building) Porth Amlwch, which will address the shortage of high-quality office and business floorspace in the area by refurbishing a prominent, currently unlettable Council owned building overlooking the listed harbour in Porth Amlwch.
 - (ii) A new Porth Amlwch Community Park. Concept designs for the site form the basis of a planning application currently being considered by the local planning authority. This sees the currently overgrown and underutilised piece of former industrial land, and municipal tip, redeveloped to promote local heritage & culture, nature conservation, promote well-being, active lifestyles & a sense of community, create a diverse, sustainable and accessible public space beneficial to all (fully aligned to the Wellbeing of Future Generations Act), as well as increase the attractiveness of Amlwch Port as a visitor destination.
 - (iii) New Amlwch Business Units, with planning permission now granted for 10 new business units (which would provide space for 33 jobs), targeted at SMEs and aiming to address the shortage of high-quality business floorspace in the area and across Anglesey as a whole.
- 7.4 **The IACC's priority, in the short term, will be to work with partners and seek funding to move these projects forward, from the current consenting and Business Case phase to securing the necessary funding and full implementation and the delivery of completed capital projects.**
- 7.5 In the medium to longer term, the IACC continues to work to develop a portfolio of further proposals which will make the most of identified opportunities and of potential partner funding streams in respect, for example, of economic development, heritage, coast & countryside, town centre improvement & regeneration and destination tourism.

Capacity Revenue Funding

- 7.6 To develop and deliver on these medium to longer-term aspirations, the IACC does, however, require Capacity Revenue Funding.
- 7.7 The current landscape of public funding requires local authorities to have identified and developed proposals to an advanced level to be able to compete, and make bids and applications, for various funding streams and investment support.
- 7.8 Without the generous revenue funding received to date for North Anglesey from the NDA, it would not have been possible for the IACC to have undertaken the work to progress the exciting proposals set out in 7.3 above as far as it has.
- 7.9 The IACC does not, however, have the capacity and funding to plan and prepare further. Additional revenue is, therefore, vital to develop a project pipeline ready for submission when funding becomes available and various bidding rounds open. This would ensure that the IACC does not miss out on opportunities to seek essential seed capital which will unlock important and much needed investment in the North of the Island. This is needed ahead of the 2025/26 capital programme.
- 7.10 Even with best possible projects prepared and ready to compete for public sector funding, there is, however, a limit to what the Council can achieve and, alone, will be unable to deliver the truly transformational change the area deserves. Whilst the future of Wylfa remains uncertain (even following UK Government's £160m site purchase), substantial job creation, economic restructuring and major transformational change in North Anglesey is likely to remain some years away and can only be achieved with a collaborative approach by both UK Government, Welsh Government and wider local and regional partners.