

THE EXECUTIVE

Minutes of the meeting held in the Committee Room and virtually on Zoom on 17 July 2025

- PRESENT:** Councillor Robin Williams (Deputy Leader) (Chair)
- Councillors Neville Evans, Carwyn Jones, Dyfed Wyn Jones, Alun Roberts, Dafydd Roberts.
- IN ATTENDANCE:** Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills, and Young People
Head of Adult Services (for item 12)
Head of Democracy
Head of Profession (HR) and Transformation (for item 10)
Corporate Planning, Performance and Programme Manager (GP) (for item 10)
Programme Manager (Corporate) (AH) (for item 12)
Committee Officer (ATH)
Democratic Services Support Assistant (Webcasting)(CH)
- APOLOGIES:** Councillors Gary Pritchard (Leader), Nicola Roberts
Mr Rhys H. Hughes (Deputy Chief Executive) Mr Fôn Roberts, (Director of Social Services).
- ALSO PRESENT:** Councillors Kenneth Hughes, Derek Owen.

1 APOLOGIES

Apologies for absence were submitted and were noted as documented above.

2 DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

4 MINUTES

The minutes of the previous meeting of the Executive held on 24 June 2025 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 24 June 2025 be confirmed as correct.

5 THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democracy incorporating the Executive's Forward Work Programme for the period from August, 2025 to March, 2026 was presented for confirmation.

The Head of Democracy updated the Executive on the changes to the Forward Work Programme as follows –

- The Self-Assessment and Performance Reporting item is an addition to the 23 September meeting. The report seeks to amend the Constitution to combine self-assessment and performance reporting with the Annual Performance Report and to delegate the responsibility to the Executive. The report will subsequently be submitted to the Full Council.
- The Medium Term Financial Plan and Purchase of the former Peboc Site, Llangejni have also been added to the 23 September meeting.
- The Self-Assessment, Performance and Wellbeing Report 2024/25 is a new item for the 25 November meeting. The Digital Education Strategic Plan has also been rescheduled to November from October 2025.
- An addition to the March 2026 meeting is the Quarter 3 2025/26 Corporate Scorecard.

It was resolved to confirm the Executive's updated Forward Work Programme for the period August 2025 to March 2026 with the changes outlined at the meeting.

6 CAPITAL OUTTURN 2024/25

The report of the Director of Function (Resources)/Section 151 Officer setting out the capital outturn position for 2024/25 was presented for the Executive's consideration. Appendix B to the report provided a detailed breakdown of the progress of individual projects within the capital programme. It was noted that the figures in the report are subject to audit and may be revised as the 2024/25 accounts are finalised.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing presented the report noting that in March 2024 the Council approved an initial capital programme of £43.838m. In July, the Executive approved the carry forward of £15.499m in slippage from 2023/24, resulting in a revised budget of £59.337m. During the year, additional schemes were incorporated into the capital programme to reflect changes in funding and the receipt of new grant allocations. In total, £18.910m was added to the capital programme including £3.074m in the final quarter. The Executive is asked to approve the additions made in the final quarter. Details of all schemes added during the year and their funding sources are shown in Appendix C to the report. Schemes added in the final quarter are shown in Appendix CH. This brought the total capital programme to £78.247m, funded as outlined in Table 1 of the report. The total expenditure for 2024/25 amounted to £64.726m, representing 83% of the budget.

Councillor Robin Williams highlighted that the main projects that have underspent their approved budget allocation are listed in Table 3. These include two projects where the Council holds the funding but is reliant on external bodies to incur the majority of the expenditure. When these two schemes are excluded, the overall budget utilised increases to 88%. Regarding the £2.529m slippage position, Councillor Robin Williams emphasised that all associated external funding has been secured and will be available to support the carried forward slippage in 2025/26.

The Executive noted that the level of underspending represents an improvement on the 2023/24 position when only 75% of the available funding was spent. It was further acknowledged that underspending on the capital programme is not unexpected when dealing with a large number of complex projects, and valid reasons for the variances are documented in the report.

It was resolved –

- **To note the draft outturn position of the capital programme for 2024/25 (subject to audit).**
- **To approve the addition of £3.074m to the 2024/25 budget as a result of additional funding received during the final quarter, which brings the final budget for 2024/25 to £78.247m.**
- **To approve the carry forward of £2.529m of expenditure and the associated funding to the 2025/26 budget. The revised budget for 2025/26 is £46.823m.**

7 HOUSING REVENUE ACCOUNT OUTTURN 2024/25

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Housing Revenue Account for 2024/25 was presented for the Executive's consideration.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing presented the report noting that the revenue budget was set with a budgeted surplus of £8,369k. The gross capital budget for 2024/25 totalled £29,573k, which was reduced to a net budget of £18,485k through £10,578k in grant funding and £509k from the earmarked reserve balance. The combination of the revenue budget and adjusted capital budget gave a planned deficit of £10,116k, of which £7,011k was to be funded from the HRA reserve, with the balance of £3,105k to be funded by external borrowing.

At the end of Quarter 4, the HRA revenue account showed an underspend of £543k compared to the budget. Capital expenditure was £2,105k below budget at year end. Grant income was overachieved by £6,623k and capital receipts were £632k above budget. The year-end deficit combining both revenue and capital was £214k, which is £9,902k less than budgeted. The variance is primarily due to a reduction in the capital deficit as explained in section 9 of the report.

The opening balance of the HRA reserve stood at £8.189k. The budget allowed for the use of £7.011k from this balance leaving a minimum reserve level of £1.177k in line with the HRA Business Plan. However, only £214k was needed to fund the combined revenue and capital in year deficit, resulting in a closing HRA reserve balance of £7,975k.

Councillor Robin Williams highlighted that the HRA is ringfenced meaning that its reserves cannot be transferred to the General Fund nor can General Fund reserves be used to fund the HRA.

The Director of Function (Resources)/Section 151 Officer confirmed that the original intention had been to reduce the HRA reserve to a level equivalent to 5% of the income budget, approximately £1.6m. Due to underspending and more significantly, additional grant funding which covered a large portion of capital expenditure, the HRA reserve balance remains considerably higher than anticipated at the start of the financial year. It will be used to fund capital expenditure in 2025/26, thereby reducing the reserve balance and avoiding external borrowing and its associated costs. The Section 151 Officer referred to Appendix C of the report which detailed the housing development budget for 2024/25 and

the schemes it supported. Some of these schemes had since been completed and were now tenanted.

The Executive acknowledged the investment in new developments and the much needed housing they provided, while also recognising the challenges ahead, particularly in meeting the requirements of the new Welsh Housing Quality Standards 2023 and the costs this would entail. Members agreed that fulfilling these standards is important for improving housing quality and ensuring tenant wellbeing, but that doing so would require additional Welsh Government support. They were reassured by the findings of a recent stock condition survey which rated the Council's housing stock among the best of all stock-retaining authorities in Wales in terms of quality, placing the Council in a strong position.

The Chief Executive stated that the Council has an ambitious housing programme both in terms of developing new housing and investing in existing stock. However, maintaining this programme at its current level will be difficult, if not impossible, without changes. Decisions will need to be made regarding prioritisation. The Council, through the Leader and the Deputy Leader and Portfolio Member for Finance and Housing, continues to seek influence to ensure that the current level of investment can be sustained.

It was resolved to note the position in respect of the financial performance of the Housing Revenue Account (HRA) for 2024/25.

8 ANNUAL TREASURY MANAGEMENT REVIEW 2024/25

The report of the Director of Function (Resources)/Section 151 Officer incorporating the annual Treasury Management review for 2024/25 was presented for consideration. The report provides an economic update, sets out the current borrowing position, reviews investment performance and evaluates the Council's current position against the performance indicators set out in the annual Treasury Management Strategy.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing presented the report as required by the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities and he noted that that the Governance and Audit Committee had reviewed the report on 16 July and that it would be presented to Full Council on 25 September, 2025. The report's simplified format had been positively received by the Governance and Audit Committee.

The Director of Function (Resources)/Section 151 Officer outlined the report's key elements comprising of an overview of the economic factors which affect the Council's treasury management decisions, the Council's capital expenditure and its impact on treasury management activity and the Council's borrowing position. He advised that the Council's strategy has remained to avoid external borrowing due to high interest rates instead utilising the Council's internal cash reserves to fund capital expenditure as shown in Table 5 of the report. A shift towards external borrowing may be required towards the end of the current financial year in order to maintain adequate cash flow. If external borrowing becomes necessary, it will be short-term with refinancing anticipated in 2026/27 when interest rates are expected to fall. With regard to investment, higher balances in April due to Welsh Government funding, grants and Council Tax receipts enabled increased investment. As cash balances are used and reduce throughout the year the capacity to invest declines. However, sustained interest rates and additional grant income have resulted in higher than budgeted for returns, thereby boosting the Council's finances.

The Director of Function (Resources)/Section 151 Officer confirmed that the Council had complied fully with the performance indicators and authorised limits set out in the 2024/25

Treasury Management Strategy (Table 7 refers). The report is positive and demonstrates prudent and responsible financial management.

The Executive welcomed the report and endorsed the Council's sensible approach to treasury management and use of public funds.

Councillor Dafydd Roberts raised a query about the sharp increase in loan repayments in 2052/53 (Appendix 1 – Total Loans outstanding as at 31 March 2025 by repayment year) and how this aligns with the Well-Being of Future Generations Act. The Director of Function (Resources)/Section 151 Officer explained that some of the loans on the schedule are historic dating back a number of years, and that the aim when borrowing is to spread the repayments evenly over a number of years. With regard to 2052/53, planning will be required nearer the time either to take out new borrowing to repay some or all the debt or by refinancing in a timely way when interest rates are favourable. Early repayment can incur penalties which can exceed the interest saved.

It was resolved to note the Treasury Management Review report for 2024/25 and to recommend its approval by the Full Council at its meeting on 25 September 2025.

9 DRAFT FINAL ACCOUNTS 2024/25 AND USE OF RESERVES AND BALANCES

The report of the Director of Function (Resources)/Section 151 Officer incorporating the draft Comprehensive Income and Expenditure Statement (CIES) for 2024/25 and the draft Balance Sheet as at 31 March 2025 was presented for the Executive's consideration.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing presented the report outlining the draft main financial statements for the 2024/25 financial year. The report included a summary of the Council's general balances, earmarked reserves, school balances and HRA reserve and their proposed use in 2025/26 and subsequent years. The report also set out the opinion of the Council's Section 151 Officer on the adequacy of the reserves and whether they offer sufficient financial resilience and cover for the risks facing the Council. As risks can change, the level of general balances and earmarked reserves will be kept under review over the coming months. Councillor Robin Williams noted that the figures are unaudited and may change following the audit process. A report on the final Statement of the Accounts will be presented to the Governance and Audit Committee and the Full Council upon completion of the audit.

The Director of Function (Resources)/Section 151 Officer explained that the Statement of the Accounts is a complex technical document which is prepared in accordance with accounting standards and regulations. While it may not be the most accessible source of information for taxpayers regarding how the Council manages public funds, some sections such as the notes can prove useful. In terms of the timeline, the Council published its draft Statement at the end of June, meeting the revised deadline of 30 June which supersedes the original 31 May deadline now considered impractical. The draft accounts have been submitted for audit with the aim of achieving sign off by the end of October, 2025. The Section 151 Officer expressed appreciation for the Accountancy Service's staff whose efforts made compliance with the timeline possible.

While the CIES shows that the Council has made a surplus of £45m on the cost of services, this reflects the accounting cost rather than the amount funded from grants and taxation and when the necessary adjustments have been made the true surplus is reduced to £3.74m and has been added to the General Balances. Table 2 of the report summarises the various reserves and balances held by the Council including movements in and out of those reserves which are detailed more fully in Appendix 4. Earmarked reserves are summarised in Table 5 with further details provided in Appendix 5. New earmarked

reserves requested and their purpose are listed in Table 4 of the report. The Section 151 Officer referred to the reduction in school balances for 2024/25 but confirmed that the schools sector remains financially stable overall and compares well with schools in other local authorities. Only four primary schools are in a deficit position, three of which have minor shortfalls with each of the four schools with plans in place to address the deficits.

The Chief Executive along with the Executive thanked the Accountancy Service's staff for their commitment and diligence in completing the draft accounts within the required timeframe.

It was resolved –

- **To note the draft unaudited financial statements for the financial year 2024/25. The full Draft Statement of Accounts 2024/25 is published on the following link - <https://www.anglesey.gov.wales/documents/Docs-en/Finance/Statement-of-Accounts/2024-to-2025/draft-statement-of-accounts-2024-to-2025.pdf?nocache=1>**
- **To note the position of the Council's general balances of £15.705m.**
- **To note the balance of earmarked reserves of £18.295m and approve the creation of £1.958m of new earmarked reserves.**
- **To formally approve the transfer of £0.094m of earmarked reserves back to the Council's General Balances.**
- **To note the balance of school reserves of £5.074m.**
- **To note the balance of the HRA reserve of £7.978m.**

10 PANEL PERFORMANCE ASSESSMENT

The report of the Head of Profession (HR) and Transformation which set out the proposed themes for the Panel Performance Assessment was presented for the Executive's consideration and endorsement.

Councillor Carwyn Jones, Portfolio Member for Corporate Business and Customer Experience presented the report on the arrangements for a Panel Performance Assessment which is a requirement under the Local Government Elections (Wales) Act 2015. Every council must arrange for a PPA once during each 5 year electoral cycle. The PPA is not an audit or inspection but rather an independent external review of how well the Council meets its performance requirements. It combines off-site analysis with an on-site assessment which is held over four days and has been arranged for 10 to 13 November 2025. The Panel's constitution is defined by legislation. Its members will be agreed upon beforehand by the Chief Executive and the Executive in collaboration with the Welsh Local Government Association which has appointed two officers to support the Panel's work. Having considered the challenges facing the Council, it is proposed that the two areas outlined in section 2 of the report - linked to the Council's strategic objectives and its approach to working with partners and communities to achieve those objectives - be the focus of the assessment. The timeline for each stage of the PPA is set out in section 7. Following assessment, the Panel will issue a report for the Council detailing its conclusions and recommended actions.

The Corporate Planning, Performance and Programme Manager confirmed that the WLGA is responsible for co-ordinating the Panel's work and that the Council continues to work closely with the WLGA. He assured the Executive that the arrangements for the PPA are progressing.

The Chief Executive said that the Council is keen to learn from the process and he highlighted engagement with councils that have previously undergone a PPA to identify

effective practices to ensure as smooth as possible a process and to maximise the benefits of the assessment in order to inform the Council's improvement plans.

The Executive welcomed the opportunity to gain an independent external perspective on performance through the PPA in particular its consultation with partners and the chance to articulate what the Council does and the work involved.

It was resolved to agree the matters to be considered by the Panel as set out in Appendix 1 to the report, namely –

- **The arrangements for achieving the Council Plan's strategic objectives – do the Council's arrangements provide assurance that it is delivering the Council Plan efficiently, and**
- **Is the Council working effectively with its communities and partners to achieve the Council Plan's strategic objectives.**

11 EXCLUSION OF THE PRESS AND PUBLIC

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

12 FULL BUSINESS CASE (FBC) – AETHWY EXTRA CARE & RESIDENTIAL CARE

The report of the Director of Social Services incorporating the Full Business Case (FBC) for the Aethwy Extra Care and Residential Care Home scheme was presented for the Executive's consideration.

The report was presented by the Programme Manager who provided an update confirming that the scheme is now well developed with the detailed design completed and a main contractor appointed under a two stage design and build contract. Tendering for sub-contractor packages is expected to take place over the next three months. Discussions have been ongoing with Welsh Government to agree a process for presenting, challenging and approving the Full Business Case. A proposed timeline includes submitting the draft FBC to Welsh Government in July based on estimated costs with an update in November following receipt of the tender prices. The final FBC to be considered by the Welsh Government's Investment Panel in December 2025, with a grant approval letter anticipated in January 2026 if the FBC is accepted. Subject to the Executive's approving the recommendations, the dates will be discussed with Welsh Government. The reason for agreeing this process is to ensure that grant funding is secured within the period in which the tender price is still available. The business case is to seek funding towards the combined cost of developing the residential care home and community resource team elements of the scheme. A separate application will be submitted for social housing grant/housing with care funding towards the extra care costs. Remaining costs will be funded through HRA borrowing.

The Head of Adult Services emphasised the importance of making timely progress in order to maximise the available grant funding opportunities.

The Executive acknowledged the considerable effort invested in developing the Full Business Case and recognised the scheme as a major strategic investment for the Council. In light of changing demographics and an ageing population, the scheme was acknowledged as an important step in adult social care provision.

Responding to a query regarding delegated authority for officers to amend and update the FBC, the Programme Manager clarified that such authority would apply only to non-material changes.

It was resolved –

- **To approve the Full Business Case (FBC) for the Aethwy Extra Care/ Residential Care Home scheme.**
- **To approve the submission of the FBC to Welsh Government.**
- **To delegate authority to the Director of Social Services in consultation with the Deputy Leader and Portfolio Member for Finance and Housing, Chief Executive, Director of Function (Resources)/Section 151 Officer, and the Director of Function (Council Business)/Monitoring Officer to amend and/or update the FBC as required – providing the changes do not result in material changes (in terms of policy, principles, financial contribution [other than HRA contribution – if the project returns a positive NPV], risks and harm to third parties.**
- **To commit to funding the Council's capital requirement - towards the project cost – via the Housing Revenue Account.**

**The realisation of the scheme will be subject to the decision of the Planning Committee and other statutory consents required.*

**Councillor Robin Williams
Chair**