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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Mr Dylan Williams
Prif Weithredwr – Chief Executive

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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH	THE EXECUTIVE
DYDD MAWRTH 27 IONAWR 2026 10:00 o'r gloch	TUESDAY 27 JANUARY 2026 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, Dyfed Wyn Jones, Gary Pritchard, Alun Roberts, Nicola Roberts, Robin Wyn Williams

Y Grŵp Annibynnol/The Independent Group

Dafydd Roberts, Ieuan Williams

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. APOLOGIES

2 DECLARATION OF INTEREST

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

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

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

4 MINUTES (Pages 1 - 10)

To submit for confirmation, the draft minutes of the meetings of the Executive held on the following dates: -

- 16 December 2025
- 6 January 2026 (Extraordinary)

5 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 11 - 18)

To submit the report of the Head of Democratic Services.

6 DRAFT REVENUE BUDGET 2026/27 (Pages 19 - 40)

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

7 CAPITAL STRATEGY 2026 - 2031 (Pages 41 - 82)

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

8 COUNCIL TAX PREMIUM (Pages 83 - 96)

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

9 COMMUNITY BASED NON-RESIDENTIAL SOCIAL CARE SERVICES – FEES AND CHARGES 2026/27 (Pages 97 - 102)

To submit the report of the Head of Adults' Services.

10 LOCAL AUTHORITY RESIDENTIAL HOMES FOR OLDER PEOPLE – SETTING THE STANDARD CHARGE FOR 2026/27 (Pages 103 - 108)

To submit the report of the Head of Adults' Services.

11 **TOWARDS NET ZERO STRATEGIC PLAN**

To submit the report of the Chief Executive. – **TO FOLLOW**

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THE EXECUTIVE

Minutes of the meeting held in the Committee Room and virtually on Zoom on 16 December, 2025

- PRESENT:** Councillor Gary Pritchard (Leader) (Chair)
- Councillors Carwyn Jones, Dyfed Wyn Jones, Alun Roberts, Dafydd Roberts, Nicola Roberts, Ieuan Williams, Robin Williams.
- IN ATTENDANCE:** Chief Executive
Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills, and Young People
Director of Social Services
Head of Highways, Waste and Property (for item 8)
Head of Housing Services (for items 9 & 11)
Head of Democracy
Education Strategic Leader (Primary) (RW)(for item 7)
Chief Digital Officer (MH) (for item 7)
Chief Waste Management Officer (ME) (for item 8)
Committee Officer (ATH)
Democratic Support Assistant – Webcasting (CH)
- APOLOGIES:** Councillor Neville Evans
- ALSO PRESENT:** Councillors Glyn Haynes, Dylan Rees (Chair of the Partnership and Regeneration Scrutiny Committee) (for items 7 & 8), Elin Allsopp (Scrutiny Officer (for items 7 & 8))
-

1. APOLOGIES

The apology for absence was noted.

2. DECLARATION OF INTEREST

Councillors Dafydd Roberts and Robin Williams declared a prejudicial interest with regard to item 11 on the agenda due to their membership of the Planning and Orders Committee. Both members left the meeting when the item was discussed.

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 25 November 2025 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 25 November 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 January to August, 2026 was presented for confirmation.

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

- 6 January 2026 – an extraordinary meeting of the Executive to consider the Ysgol Uwchradd Caergybi objections and final decision report subject to confirmation of the timetable by Welsh Government.
- 27 January 2026 meeting – the Council Tax Premium and Visitor Levy are rescheduled items.
- July 2026 meeting – a new item is the Draft Final Accounts 2025/26 and Use of Reserves and Balances.
- Decision Delegated to the Portfolio Holder - Annual Report on the Biodiversity Plan for publication in February.

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

6. TREASURY MANAGEMENT MID-YEAR REVIEW 2025/26

The report of the Director of Function (Resources)/Section 151 Officer which set out the Council's performance in relation to the 2025/26 treasury management strategy at the mid-year point was presented for the Executive's consideration.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience presented the report as required by CIPFA's Code of Practice for Treasury Management 2021 and CIPFA's Prudential Code 2021. The report provides an economic update, outlines the current position in respect of borrowing and investment performance and measures the Council's current position against the performance indicators set out in the Treasury Management Strategy.

The Director of Function (Resources) reported that capital expenditure remains broadly on target at the six month point. The Council has continued its strategy of using its own cash balances to fund capital projects and has avoided the need to borrow during the first half of the year. However, these balances have reduced as they have been used to support both capital expenditure and the revenue budget.

The Council's investments are held in short, fixed term deposits with mainstream banks and other local authorities. These are now due to mature and it is unlikely that any further investments will be made in the fourth quarter. However, Table 4 of the report shows that the interest received on investments is higher than budgeted due to interest rates being higher than anticipated when the budget was set.

In confirming that treasury management performance remains in line with the prudential indicators approved by the Council, the Section 151 Officer noted a minor technical breach of treasury management practice as outlined in paragraph 8 of the report. This occurred when a call account briefly exceeded the limits set by the treasury management strategy as a result of interest being credited to the account.

The Section 151 Officer further explained in response to a question about whether making no investments in the fourth quarter was usual practice, that the Council has held healthy balances in the years since the pandemic due to Covid related grants, which it was able to invest. These balances have been utilised in the years since, and the Council is now down to its final £5m of investments which are currently maturing. It is likely that the Council will need to borrow in the first half of the new year. This borrowing would be on a short term basis of around a year in the expectation that interest rates may fall, allowing the Council to refinance for a longer period on a lower rate.

It was resolved to note the Treasury Management Mid-Year Review report for 2025/26.

7. DIGITAL EDUCATION STRATEGIC PLAN 2026-2031

The report of the Director of Education, Skills and Young People incorporating the Digital Education Strategic Plan was presented for the Executive's consideration.

Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language introduced the report as an important step in ensuring the island's schools are digitally equipped for the future.

The Education Strategic Leader (Primary Sector) reported that the Education Digital Strategic Plan supports the development of a modern education system and focuses on five key areas – sustainability, connectivity, collaboration, professional learning, and data protection and digital resilience. The Plan reflects the Council's values and is consistent with both the Council Plan and the Council's Digital Strategic Plan. It is also aligned with Welsh Government's priorities set out in the Curriculum for Wales. The Plan emphasises equality ensuring that every pupil, regardless of their background or location, has equal access to digital resources. It aims to reduce the digital divide between learners and supports all learners in accessing online educational resources, giving every learner the same opportunity to succeed in school.

Councillor Dylan Rees, Chair of the Partnership and Regeneration Scrutiny Committee reported from the committee's 10 December 2025 meeting which had reviewed the Digital Education Strategic Plan. The committee had noted the importance of the plan in developing a modern education system that meets the needs of current and future learners. Concerns were raised about potential cyber security and data management risks for schools as well as the challenges posed by limited funding for implementation. The committee sought assurances on these issues and on the provision of adequate support and training for staff once the plan is introduced. Following review, the committee recommended that the plan be accepted by the Executive.

The Chair confirmed that the Executive has committed to setting aside an annual reserve for digital equipment in schools, thereby ensuring the Council avoids a significant financial burden when devices need renewing.

Councillor Ieuan Williams, Portfolio Member for Highways, Waste and Climate Change highlighted several elements he would have liked to see included in the Education Digital Strategic Plan, such as a ratio of devices to learners to reflect the Council's aspirations, and the expectations regarding the proportion of teaching staff achieving Microsoft or Google education related certification. He also proposed that the high level strategy be supported by a detailed action plan outlining how its ambitions will be delivered, at least for the first year. In addition, he suggested that, within the next six months, information on each school's allocation – whether financial or in terms of devices – should be issued, along with a service level agreement setting out the standards of service schools can expect. Noting that the education digital hardware estate is larger than the corporate estate, Councillor Ieuan

Williams recommended establishing a dedicated post to ensure effective delivery of the strategic plan and asked the Leadership Team to consider creating this role.

Officers explained that the Education Digital Strategic Plan is a high level document that will be supported by operational plans that will outline the delivery steps. The plan will be implemented in partnership with the IT service and will be overseen by a steering group with an annual progress report and review. Officers noted that further reflection and engagement with schools will take place to review the current provision, assess its effectiveness including device to learner ratio and determine future investment and priorities. Any changes in use or approach will be factored into the financial forecasting. Officers also highlighted the existing support available to schools in relation to professional learning, specialist advice, and wider network of digital facilitators and technicians. It was emphasised that the service has a strong skills base and a clear direction for development.

The Director of Education, Skills and Young People further confirmed that a draft service level agreement has been circulated to schools and is referenced in the strategic plan.

The Chief Executive stressed that, despite ongoing financial pressures, the Council is committed to the education digital strategic plan and has demonstrated this through annual investment in recent years to keep pace with a rapidly evolving landscape. He acknowledged that the financial situation continues to be challenging and that digital requirements need to be fully discussed and understood and plans developed for the next two to three years. He explained that the strategic planning approach is intentional, and combines both strategy and delivery, ensuring the efficient use of resources, clear leadership through a lead officer and annual reporting on progress. Detailed considerations sit with the service and portfolio member where challenge and discussion take place, and the outcomes of that process inform strategic and financial decision making.

The Executive acknowledged the points raised. It was noted that financial considerations and concerns will be addressed through the budget setting process. Members also recognised the importance of schools having robust IT systems and sufficient capacity as digital assessment methods are more widely introduced.

It was resolved to adopt the new Digital Education Strategic Plan (2025-2031).

8. WASTE COLLECTION AND RECYCLING CONSULTATION

The report of the Head of Highways, Waste and Property which sought the Executive's approval to conduct a consultation process on potential changes to waste collection and recycling services as part of the strategy to achieve statutory targets was presented for consideration.

Councillor Ieuan Williams, Portfolio Member for Highways, Waste and Climate Change presented the report, and noted that the Council is statutorily required to achieve a 70% recycling rate by 2024/25. Failure to meet this target could result in a Welsh Government fine and based on the current recycling rate of around 65%, the Council could incur an annual penalty of £361k. Welsh Government's collections blueprint published in June 2025 sets out recommendations for waste collection practices, most of which the Council already meets. Wrap Cymru has provided support with increasing recycling rates with its main recommendation being to reduce weekly residual waste capacity to 60L in line with the blueprint. This could be achieved through less frequent residual waste collections and/or smaller bins, which could increase the Council's recycling rate by 5%, although replacing bins would involve a significant cost.

A potential change to a service especially where that involves a possible reduction, requires consultation, and since the waste collection service impacts every householder, a full public consultation is necessary. Proposed consultation questions developed with the legal and communication teams are set out in Appendix 1 to the report. If, following consultation a service change is introduced, substantial financial investment will be required. Welsh Government funding would only be available where the Council can demonstrate a credible plan to achieve a recycling rate of 70% or higher. Without such a plan the risk of a fine increases and could also affect business as usual costs.

The Head of Highways, Waste and Property advised that national evidence indicates that the 70% recycling target cannot be achieved through education or enforcement alone and that a step change in approach is required. The long-term plan, if approved would safeguard business as usual operations as significant investment in the two recycling centres is needed to modernise equipment and maintain current services. He also noted that minor amendments have been made to the consultation questionnaire to make it more digitally friendly and to include a Welsh language impacts question in line with statutory duties.

Councillor Dylan Rees, Chair of the Partnership and Regeneration Scrutiny Committee reported from the committee's 10 December 2025 meeting which reviewed the proposed consultation. The committee emphasised the need to reach as many residents as possible through a variety of engagement methods. Members noted the main challenges as low response rates and limited public understanding of the need to change waste collection and recycling arrangements to meet statutory targets. They had sought assurance that additional efforts would be made to raise awareness of the importance of recycling and they suggested extending the consultation period. After reviewing the documentation, the committee had recommended that the Executive proceed with the consultation using the questions set out in Appendix 1 and the proposed timetable, while being mindful of the committee's concerns.

The Executive noted that the Council is not alone in not having met the statutory 70% recycling target and is not among the lowest performers. Members acknowledged that Welsh Government regards recycling rates as a priority and that it can fine local authorities that fail to meet targets. They emphasised that the public consultation is essential in developing a credible plan to demonstrate the Council's commitment to meeting the statutory target, both to avoid penalties and to secure funding to invest in the Council's recycling facilities. Members also highlighted the ongoing need to educate residents about the purpose and process of recycling and emphasised that it is a shared responsibility. They recognised that the Council must lead in promoting and facilitating recycling and that a collective effort is needed to achieve the target.

It was resolved –

- **To approve conducting a consultation process on how the recycling/waste collection service could change in future to help reach the 70% statutory recycling targets.**
- **To approve the questions to be asked as part of the consultation process as set out in Appendix 1 of the report.**
- **To approve the timetable for the public consultation, to commence on 7 January 2026 and last for six weeks.**

9. HOUSING RENTS AND SERVICE CHARGES 2026/27

The report of the Head of Housing Services which set out proposed housing rents and service charges for 2026/27 was presented for the Executive's consideration.

Councillor Carwyn Jones, Portfolio Member for Housing and Community Safety presented the report stating that the 2026/27 rent year will be the first year under the new 10 year Welsh Government Rent and Rent Service Charge framework effective from 1 April 2026 to 31 March 2036. On 24 October, 2025, the Welsh Government confirmed approval of the social housing rent policy for 2026/27, advising that all local authorities should apply the formula of Consumer Price Index plus 0.5%, (with the CPI at 3.8% in September 2025), resulting in a maximum annual rent uplift of 4.3% across the whole of the stock.

The Council intends to apply the maximum increase in order to -

- Meet the Welsh Housing Quality Standards (WHQS) 2023 by 2033 which will require significant investment funded by the HRA.
- Secure the major repair allowance of £2.7m which has not risen to reflect the new standards.
- Support the delivery of affordable social homes and contribute towards meeting Welsh Government's target of 20,00 new homes.

Rent affordability for the Council's tenants has been assessed using the Joseph Rowntree (JRF) Living Rent methodology which confirms that applying a 4.3% increase keeps the average rent and service charge for all property types and sizes affordable for tenants on Anglesey. In addition, 77% of tenants will face no additional hardship as they receive full or part Housing Benefit or Universal Credit. The Housing Services Financial Inclusion team is also available to provide advice and support to any tenants experiencing financial hardship as a result of the increase.

Service charges for 2026/27 will be based on the actual 2024/25 costs, shared equally among tenants and leaseholders utilising the services with most costs eligible for Housing Benefit or Universal Credit. Additional income from increased garage rents will be used to develop a strategic plan for the garages.

The Executive emphasised that the Council's ability to invest in its housing stock to meet the WHQS depends on the HRA budget, supported by rental income. Members noted that rents remain affordable under the JRF methodology, but they urged any tenants facing financial difficulties to seek support from the Housing Services Financial Inclusion team, Citizens Advice or the J. E. O'Toole Centre, where guidance on benefit eligibility is also available.

It was resolved to approve the following –

- **A rent increase of 4.3% on all general rent units in line with the Welsh Government rent policy on collection over 51 weeks.**
- **An increase of £1.10 per week for the rent of all garages.**
- **That the service charges costs noted in section 6.3 of the report be applied to all tenants who receive the relevant services.**
- **The administration of the Rent Support Scheme, a local scheme to support self-paying tenants who are in financial difficulty.**

10. EXCLUSION OF THE PRESS AND PUBLIC

It was resolved under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 12, 13 and 14 of Part 1 of Schedule 12A to the said Act and in the Public Interest Test as presented."

11. RESPONDING TO THE LOCAL HOUSING CHALLENGE – HOUSING DEVELOPMENT AT PLAS PENLAN, LLANGEFNI

The report of the Head of Housing Services with regard to a proposed new council housing scheme at Plas Penlan, Llangefni was presented for the Executive's consideration.

Councillor Carwyn Jones, Portfolio Member for Housing and Community Safety presented the report stating that the site under consideration is that of the former Plas Penlan care home which was closed as a care home nearly a decade ago. The proposal offers an opportunity to demolish the home and clear the site for re-development into 12 affordable homes for local residents to include a mix of one, two and three bedroom bungalows along with a bespoke unit for Social Services to support residents with learning disabilities which could potentially reduce future revenue costs by providing an inhouse provision for the client group. The development would be part funded by a Social Housing Grant and part by the HRA. Initial feasibility modelling indicates that the development is viable and conforms to the Council's development procedures.

A full planning application for the development has been submitted with a decision expected in the Spring 2026.

The Head of Housing Services confirmed that the Council's housing waiting list shows a high demand for one and two bedroom bungalows in Llangefni, and that the development would contribute towards meeting the need with the bungalows intended to be let at a social rent to older people.

The Executive welcomed the proposal as a positive use of the vacant care home site, which if granted planning approval, would address an identified housing need for bungalows in Llangefni and support collaborative work with Social Services.

It was resolved to approve the development of 12 new houses at Plas Penlan, Llangefni,* which will be made available to local residents as affordable homes for rent in response to the current housing challenge.

****The realisation of the scheme is subject to the grant of planning consent.***

**Councillor Gary Pritchard
Chair**

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THE EXECUTIVE

Minutes of the extraordinary meeting held in the Committee Room and virtually on Zoom on 6 January, 2026

- PRESENT:** Councillor Gary Pritchard (Leader) (Chair)
- Councillors Neville Evans, Carwyn Jones, Dyfed Wyn Jones, Alun Roberts, Dafydd Roberts, Ieuan Williams, Robin Williams.
- IN ATTENDANCE:** Chief Executive
Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Education, Skills, and Young People
Head of Democracy
Strategic Performance and Projects Manager (GP)
Strategic Leader (Secondary Schools) (ED)
Programme Manager (EB)
Committee Officer (ATH)
Webcasting Officer (FT)
- APOLOGIES:** Councillor Nicola Roberts, Lynn Ball (Director of Function – Council Business/Monitoring Officer), Fôn Roberts (Director of Social Services)
- ALSO PRESENT:** Councillors Douglas Fowlie, Glyn Haynes, Kenneth Hughes, Dafydd Rhys Thomas
-

The Chair welcomed everyone to the meeting and used the occasion of the Executive's first formal meeting of the new year to thank all the Council's staff for their efforts in maintaining services during the recent difficult winter weather. Particular thanks were given to the Highways Department's staff, who have been working tirelessly to ensure that the island's residents are able to travel safely.

1. APOLOGIES

The apologies for absence were submitted and were noted.

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. OBJECTION REPORT ON THE OUTCOME OF THE STATUTORY CONSULTATION ON THE PROPOSAL TO RELOCATE YSGOL UWCHRADD CAERGYBI LEARNERS TO A NEW SCHOOL BUILDING FOR 11-18 YEAR OLDS

The report of the Director of Education, Skills and Young People incorporating the objection report on the outcome of the statutory consultation on the proposal to relocate Ysgol

Uwchradd Caergybi learners to a new school building for 11-18 year olds, was presented for the Executive's consideration.

Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language presented the report and outlined the background. The Council adopted its Modernising Learning Communities and Developing the Welsh Language Strategy in July 2023 and in March 2024 prepared a Strategic Outline Plan that prioritised a new building for Ysgol Uwchradd Caergybi due to RAAC issues at the school. On 22 May 2025, the Executive agreed to hold a statutory consultation on the proposal to relocate Ysgol Uwchradd Caergybi learners to a new school building for 11-18 year olds. The consultation ran from 5 June to 17 July 2025 and the outcome was reported to the Executive on 21 October 2025 which approved the proposal and authorised the publication of a statutory notice. This was issued on 6 November 2025 and was followed by a statutory objection period of 28 days, the results of which are set out in this report.

The Strategic Leader (Secondary Sector) explained that under section 49 of the School Standards and Organisation (Wales) Act 2013, the Council as the proposer, must publish a summary of all the statutory objections received along with its response to them. Two valid objections to the proposal were received each raising more than one issue, and one objection which was deemed invalid. These, together with the Council's response are summarised in sections 3 and 4 of the report. In accordance with section 5.2 of the School Organisation Code, because the proposal affects sixth form education, it requires approval by Welsh Ministers who must be notified within 35 days of the end of the objection period which is 23:59 on 7 January 2026. A ministerial decision is expected by the end of March 2026.

The Executive's members were agreed that the Council's response to the objections received was valid and thorough and they were satisfied with the conclusions reached. They emphasised the primary reason for the proposal which was the poor condition of the existing Ysgol Uwchradd Caergybi school building, particularly the presence of RAAC, which makes a new school building on the proposed site the most practical solution. Members also noted the strong engagement at the statutory consultation stage, especially from learners and pupils which they found encouraging.

It was resolved –

- **Following consideration of the Objection Report, to proceed with the proposal to “relocate Ysgol Uwchradd Caergybi learners to a new school building for 11-18 Year olds.”**
- **To approve the submission of the Objection Report to Welsh Ministers for the final decision on the proposal to “relocate Ysgol Uwchradd Caergybi learners to a new school building for 11-18 Year olds.”**
- **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) following the approval of the proposal by Welsh Ministers.**
- **To commit to fund the Council's contribution towards the project costs, as set out within section 7 of the Proposal Paper, including transitional costs (section 7.6 of the Proposal Paper) which will be incurred from 2025/26 onwards.**

**Councillor Gary Pritchard
Chair**

Isle of Anglesey County Council

Report to:	The Executive
Date:	27 January 2026
Subject:	The Executive's Forward Work Programme
Portfolio holder(s):	Cllr Gary Pritchard
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 reasons

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.

The Executive is requested to:

- confirm the attached updated work programme which covers **February – September 2026**
- identify any matters for specific input and consultation with the Council's Scrutiny Committees
- note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive

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

-

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 budget approved by the Council?

Not applicable

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

Not applicable

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

Not applicable

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

Not applicable

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

Not applicable

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

Not applicable

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

Not applicable

7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

Not applicable

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (mandatory)	The forward work programme is discussed monthly at Leadership Team meetings.
2. Finance / 151 Officer	See above
3. Legal / Monitoring Officer (mandatory)	See above
4. HR	
5. Property	
6. IT	
7. Procurement	

8. Scrutiny	Under normal circumstances, monthly joint discussions take place on the work programmes of the Executive and the two Scrutiny, to ensure alignment.
9. Local members	Not relevant

F – Appendices

The Executive's forward work programme: February – September 2026

Ff – Background papers (contact the report author for more information)

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Isle of Anglesey County Council

The Executive's Forward Work Programme

Period: February – September 2026

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.

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

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 16 January 2026

February 2026

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)
Delegated decision	Annual Report on the Biodiversity Plan	Cllr Nicola Roberts	
24.02.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Revenue Budget Monitoring – Quarter 3, 2025/26	Cllr Robin Williams	Resources Scrutiny Panel 12.02.26
	Capital Budget Monitoring – Quarter 3, 2025/26	Cllr Robin Williams	Resources Scrutiny Panel 12.02.26
	Housing Revenue Account Budget Monitoring – Quarter 3, 2025/26	Cllr Robin Williams Cllr Carwyn Jones	Resources Scrutiny Panel 12.02.26
	Treasury Management Strategy Statement 2026/27	Cllr Robin Williams	Full Council 05.03.26
	Independent Sector Care Home Fees for 2026/27	Cllr Neville Evans	
	Fees and charges 2026/27	Cllr Robin Williams	
	Medium term Financial Strategy and Budget 2026/27	Cllr Robin Williams	Resources Scrutiny Panel 12.02.26 Corporate Scrutiny Committee 18.02.26 Full Council 05.03.26
	Capital Budget 2026/27	Cllr Robin Williams	Resources Scrutiny Panel 12.02.26 Corporate Scrutiny Committee 18.02.26 Full Council 05.03.26
	Alcohol and regulated entertainment policy statement	Cllr Nicola Roberts	Full Council 05.03.26

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)
	Amendment to the Constitution – Final approval of the Council's Annual Governance Statement	Cllr Robin Williams	Full Council 05.03.26
	Visitor Levy	Cllr Alun Roberts	Full Council 05.03.26
	Beaumaris Car Park	Cllr Ieuan Williams	

March 2026

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)
Delegated decision	Annual Equality Report 2024/25	Cllr Alun Roberts	Partnership and Regeneration Scrutiny Committee 17.03.26
24.03.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Corporate Scorecard – Quarter 3, 2025/26	Cllr Robin Williams	Corporate Scrutiny Committee 18.03.26
	Housing Revenue Account Business Plan 2026-2056	Cllr Robin Williams	Corporate Scrutiny Committee 18.03.26

April 2026

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)
28.04.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	

May 2026

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)
May 2026 meeting	The Executive's forward work programme	Cllr Gary Pritchard	

June 2026

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)
Delegated decision	Welsh Language Standards Annual Report 2025/26	Cllr Dafydd Roberts	
June 2026 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Corporate Scorecard – Quarter 4, 2025/26	Cllr Robin Williams	Corporate Scrutiny Committee
	Revenue Budget Monitoring – Quarter 4, 2025/26	Cllr Robin Williams	Resources Scrutiny Panel
	Capital Budget Monitoring – Quarter 4, 2025/26	Cllr Robin Williams	Resources Scrutiny Panel
	Housing Revenue Account Budget Monitoring – Quarter 4, 2025/26	Cllr Robin Williams Cllr Carwyn Jones	Resources Scrutiny Panel

July 2026

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)
July 2026 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Draft Final Accounts 2025/26 and use of reserves and balances	Cllr Robin Williams	
	Local Development Plan – consultation on the preferred strategy	Cllr Nicola Roberts	

September 2026

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)
September 2026 meeting	The Executive's forward work programme	Cllr Gary Pritchard	

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	EXECUTIVE COMMITTEE
DATE:	27 JANUARY 2026
SUBJECT:	DRAFT REVENUE BUDGET 2026/27
PORTFOLIO HOLDER(S):	CLLR ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE & CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
HEAD OF SERVICE:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
REPORT AUTHOR:	MARC JONES
TEL:	01248 752601
E-MAIL:	rmjfi@ynysmon.gov.wales
LOCAL MEMBERS:	n/a
A - Recommendation/s and reason/s	
<p>The final budget will not be approved by the full Council until 5 March 2026, however, at this point, the Executive is recommended to approve the following:-</p> <ul style="list-style-type: none"> (i) The initial proposed budget for 2026/27 of £207.023m; (ii) A proposed increase in Council Tax of 4.8%, plus 0.3% to cover Fire Levy = total of 5.1%, taking the Band D charge to £1,792.98; (iii) To formally propose to maintain the premium on empty and second homes at 100%; (iv) That £1.685m is released from the Council's general balances and earmarked reserves in order to balance the 2026/27 revenue budget. <p>The detailed report on the preparation of the 2026/27 standstill budget, the provisional settlement and funding the budget gap is attached as Appendices 1 and 2.</p>	
B - What other options did you consider and why did you reject them and/or opt for this option?	
<p>A number of options have been considered in reaching the proposed budget detailed in this report. The options took into account the level of net expenditure based on the draft settlement from Welsh Government and options relating to the level of Council Tax. The proposed budget aims to strike a balance between maintaining core services, dealing with service pressures and business continuity.</p>	
C - Why is this a decision for the Executive?	
<p>The setting of the initial budget proposal is a matter delegated to the Executive.</p>	
CH - Is this decision consistent with policy approved by the full Council?	
<p>Yes. The final decision on the 2026/27 revenue budget will be taken by the full Council at its meeting on 5 March 2026.</p>	
D - Is this decision within the budget approved by the Council?	
<p>Yes. The final decision on the 2026/27 revenue budget will be taken by the full Council at its meeting on 5 March 2026.</p>	

Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	Despite the improving financial position and the improved draft settlement, the financial situation is challenging, with the funding from government being insufficient to meet the rising costs faced by the Council. This shortfall in funding will impact on the Council's ability to respond to the long-term challenges and opportunities faced by the Island. This is an initial budget proposal, which will be reviewed prior to setting and approving the final budget for 2026/27. In drawing up the budget proposal, the Executive has considered its statutory duties and the objectives set out in its Corporate Plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The details of any savings proposals are set out in the report.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council has been working with other Councils, regional and local partners and the WLGA to press the Welsh Government for the best financial settlement possible.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Consultation will take place through a range of Forums which represent stakeholders and the wider population of Anglesey.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Any proposals included in the draft budget for 2026/27 will take into account the impact on any protected groups.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The budget will result in an increase in the Council Tax payable by the taxpayers of Anglesey. Those experiencing socio-economic disadvantage are more likely to qualify for help through the Council Tax Reduction Scheme, which should result in no financial impact / limited financial impact to those who are 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.	No impact identified.
E - Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	Comments from the LT have been incorporated into the report and the draft report is endorsed by the LT.
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 LT and any comments made have been taken into account in discussions on this report in the LT.
4	Human Resources (HR)	Any proposals which impact on staff will have been identified and discussed with the HR Team.

5	Property	Any proposal which impacts on the Council's property and related budgets will have been discussed with the Property Team.
6	Information Communication Technology (ICT)	Any proposal which impacts on the Council's information technology systems and related budgets will have been discussed with the ICT Team.
7	Scrutiny	The initial budget proposals were considered by the Corporate Scrutiny Committee at its meeting on 21 January 2026. An update of the Committee's deliberations will be provided verbally to the Executive.
8	Local Members	Proposals are applicable to all Members.
9	Any external bodies / other/s	
F - Appendices:		
<ul style="list-style-type: none"> • Appendix 1 – Report on Draft Revenue Budget 2026/27 • Appendix 2 – 2026/27 Proposed Budget by Service 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • Medium Term Financial Plan 2026/27 – 2028/29 – See Executive meeting Agenda, 23 September 2025 – Item 12. 		

DRAFT REVENUE BUDGET 2026/27**1. INTRODUCTION**

- 1.1. The following report sets out the Executive's provisional revenue budget for 2026/27. The budget is prepared on the basis of the assumptions set out in the Medium Term Financial Plan (MTFP) approved by the Executive in September 2025, and the provisional local government settlement, which was issued by the Welsh Government (WG) on 24 November 2025, and the revised settlement figure received on 9 December 2025. The report also outlines the proposed revenue savings which have been identified by the individual services and have been discussed by the Leadership Team, individual Portfolio Holders and the Executive.
- 1.2. The final settlement figures are not anticipated to be received until late February 2026. The final budget proposal will be subject to a review by the Scrutiny Committee on 18 February 2026, and will be recommended for approval by the Executive on 24 February 2026, with the final 2026/27 budget being approved by the Council at its meeting on 5 March 2026. No significant change is anticipated between the provisional and final settlement but, if a significant change arises, the budget proposal approved by the Executive would be changed prior to submission to the full Council.
- 1.3. The 2026/27 budget is being set in a significantly challenging time for the UK economy, for the financing of public sector services and the challenges being faced by all local authorities in the UK, with increased demand for services, the impact on the high level of inflation since early 2022 and the reduction in real terms in central government funding. The UK Chancellor announced the budget on 21 November 2025, which increased taxation in order to fund higher welfare spending and to create a larger level of fiscal headroom. The budget did not release any significant sums of money for the Welsh Government (WG).
- 1.4. The situation for 2026/27 is further complicated by the current situation within the Senedd and that Labour no longer hold a majority. The provisional settlement was based on an overall increase of 2% in the overall budget, with a sum of £380m retained to be distributed by the new Government following the elections in May 2026. However, an agreement has been reached between the WG and Plaid Cymru which sees this funding being distributed as part of the final budget for 2026/27, with an additional £112m being allocated to Local Government in Wales. Anglesey's share of this additional funding is £2.58m.
- 1.5. The situation faced by Welsh councils may be better than that faced by English councils, but the financial position of all councils is still precarious.
- 1.6. The WLGA undertook a survey of all 22 councils, and this concluded that Welsh councils were facing budget pressures of £560m in 2026/27, £486m in 2027/28 and £512m in 2028/29. To meet those financial pressures in 2026/27, without additional WG funding, would require an average increase in Council Tax of 28%.

2. MAIN ASSUMPTIONS ARISING FROM THE MEDIUM TERM FINANCIAL PLAN

- 2.1. The Medium Term Financial Plan (MTFP) (reported to the Executive on 23 September 2025 – Item 12) sets out a number of assumptions (noted in Appendix 2 of that report). Since the preparation of the MTFP, the position in respect of a number of assumptions have been clarified, which has allowed assumptions to become more certain. These assumptions have been taken into account and updated in calculating the standstill budget for 2026/27. The standstill budget is a budget which provides resources to operate services at 2025/26 levels, but updated to reflect any known changes outside the control of the services (committed changes) and to reflect the estimated costs in 2026/27.
- 2.2. These assumptions have been factored into the standstill budget, along with more detailed changes (committed changes) which allow for known increases in costs, e.g. contractual commitments. The draft budget also allows for additional funding, known changes to grant funding and minor budget corrections deemed necessary to ensure that the Council's budget accurately reflects the costs it faces in 2026/27.

- 2.3. As the financial year has moved forward, the service pressures faced by the demand led statutory services (Adult and Children's Social Care, Homelessness, Out of County Education and School Transport) have become clearer and have been factored into the budget setting process (see paragraph 4.12).

3. PROVISIONAL SETTLEMENT

- 3.1. The provisional settlement for Local Government in Wales, announced on 24 November 2025, showed an increase of £303.7m in the overall level of funding for Wales, which is equivalent to a 4.9% increase in cash terms. However, a further announcement was made on 9 December 2025, which allocated an additional £112.8m to the local government settlement. The details are shown in Table 1 below:-

Table 1		
2025/26 Provisional Settlement		
	Anglesey	Wales
	£'m	£'m
2025/26 AEF	135.881	6,139.078
Adjustment for the Change in the Taxbase	(0.134)	0.000
Previous Years Grants Transferred In / (Out) para 3.2 below	3.055	134.263
2025/26 Adjusted AEF	138.802	6,273.341
Provisional AEF 2026/27 – November 2025	141.994	6,442.817
Additional Funding Announced December 2025	2.585	112.824
Revised Provisional AEF 2026/27	144.579	6,555.641
Increase in comparison to 2025/26 AEF	8.698	416.563
% Increase in comparison to 2025/26 AEF	6.40%	6.79%
Increase in comparison to 2025/26 Adjusted AEF	5.777	282.300
% Increase in comparison to 2025/26 adjusted AEF	4.16%	4.50%

- 3.2. During 2025/26, WG provided additional funding to meet the additional costs relating to the rise in employer National Insurance contributions (£97.223m across Wales, £2.223m for Anglesey) and also to support the councils with the additional costs relating to the pay awards for both teaching and non-teaching staff (£37.040m across Wales and £0.831m for Anglesey).
- 3.3. A number of various datasets are adjusted in the allocation formula, including population, the number of people in receipt of benefits, children in receipt of free school meals, school pupils etc., and these impact on the allocation to each authority differently. Some authorities fare better from these adjustments, whilst others are impacted negatively and, as a result, not every authority receives the same level of increase. In the 2026/27 provisional settlement, there is a range of increases from 6.1% (Newport) down to 4.1% (Gwynedd, Conwy, Ceredigion & Carmarthenshire). Anglesey's increase is 0.3% below the Welsh average, and the 13th joint highest increase from the 22 authorities.
- 3.4. In addition to the unhypothecated funding that the Council receives in the form of the AEF, all councils in Wales receive additional revenue funding in the form of specific grants, which fund specific services in accordance with the grant conditions set by WG. The details of the individual allocations to each council will be issued in due course, but the overall level of grant funding for Wales is set out in the provisional settlement. Table 2, below, sets out the major grants which the Council will receive:-

Table 2
Main Revenue Grants – All Wales Allocations 2025/26 & 2026/27

Grant	2025/26 Allocation £'000	2026/27 Allocation £'000	% Change
Local Authority Education Grant	407,227	418,322	+ 2.72%
Universal Primary Free School Meals	93,058	92,607	- 0.48%
Youth Support Grant	11,483	11,557	+ 0.64%
Housing Support Grant	204,341	208,427	+ 2.00%
Bus Network Grant	42,000	42,000	0.00%
Bus Services Support	25,500	25,500	0.00%
Sustainable Waste Management Grant	16,400	TBC	TBC
Children & Communities Grant	222,278	222,278	0.00%
Social Care Workforce Grant	45,000	45,000	0.00%
Substance Misuse Action Fund	41,063	41,063	0.00%
Pathways of Care Transformation Grant	30,000	30,000	0.00%
Violence Against Women, Domestic Abuse and Sexual Violence	3,654	TBC	TBC

4. MAIN BUDGET CHANGES FOR 2026/27

4.1. The major changes between the 2025/26 final budget and the 2026/27 initial budget are detailed below.

4.2. Non Teaching Pay Inflation

4.2.1. Pay costs will change annually to reflect the changes in staff over the year (new staff being appointed to a different point on the pay scale), staff receiving annual increments and the pay award. The 2025/26 pay award, effective from April 2025, was not agreed until July 2025. The final agreed pay award was set as an increase of 3.2%. The total initially included in the 2025/26 non teaching pay budgets was 4.1% and, therefore, this over provision will be corrected in the 2026/27 budget.

4.2.2. In determining the level of the 2026/27 pay award, consideration has to be made that inflation continues to fall and is expected to start the 2026/27 financial year at 3.1%, and is expected to fall to 2.2% by March 2027. However, the National Living Wage also impacts as to the level of the pay award. The National Living Wage, from April 2025, was £12.21 per hour, which is £0.44 below the hourly rate of the lowest point on the national pay scale. The National Living Wage will rise to £12.71 (+ 4.1%) from April 2026, which is only £0.06 above the hourly rate of the lowest pay scale in 2025/26. However, the lowest point on the national pay scale is to be deleted from April 2026 and the lowest point will, therefore, be £12.85 per hour, which is £0.14 above the National Living Wage from April 2026.

4.2.3. A 3% rise would increase the minimum hourly rate to £13.24, which is £0.53 above the National Living Wage, and a 4% rise would increase the rate to £13.37, which is £0.66 above the National Living Wage.

4.2.4. The Unions have submitted a pay claim of 10% or £3,000 on each point of the pay scale, whichever is the higher. If this was agreed, it would take the hourly rate of the lowest point of the scale to £14.41, which is £1.70 above the National Living Wage.

4.2.5. In the absence of an agreed pay award, an assumption of 4% has been included in the 2026/27 budget.

4.3. Teaching Pay Inflation

- 4.3.1.** Teachers' pay changes every September. In setting the 2025/26 budget, an assumption of 2% was made for the pay award effective from September 2025. However, the actual pay award was 4.0%. WG has confirmed that they will fund the cost above the assumption they factored into the 2025/26 settlement, which equated to an additional £10.411m of funding for Wales, £231k for Anglesey. For 2026/27, an additional £17.85m has been included in the settlement to cover the full year cost of the pay award.
- 4.3.2.** No information has been provided as to the teachers' pay award applicable from September 2026. This pay award will cover the period September 2026 to August 2027, during which time inflation is expected to fall from 2.7% to 2.0%. An estimate of 3.3% has been included for the pay award from September 2026, which is the average inflation over the period plus 1%.
- 4.3.3.** The correction of the under provision in the 2025/26 budget will increase the budget by £0.95m, and the inflationary increase to March 2027 will add a further £0.65m to the Council's pay budget, with increments and staff changes adding a further £0.16m.

4.4. Local Government Pension Scheme

- 4.4.1.** The Local Government Pension Scheme (LGPS) is valued on a triennial basis, which resets the employer's contribution rate. The valuation takes into account the current value of the fund along with the future values of assets and liabilities.
- 4.4.2.** The fund is currently in a healthy position, with a surplus of assets over liabilities of £1.286bn, compared to £468m at the last valuation. This equates to a funding level of 166%, compared to 120% at the last valuation. Anglesey's share of the fund shows a surplus of £154m and a funding level of 152%.
- 4.4.3.** The employer's contribution rate is split into 2 rates:-
- Primary Rate – which funds the cost of future benefits earned by active members. This cost is charged to the service budgets.
 - Secondary Rate – which adjusts the funding of the costs associated with the funding of benefits for active and inactive members earned up to the valuation date. This cost is charged to the Corporate and Democratic budget.
- 4.4.4.** For Anglesey, the primary rate falls from 21.1% to 16.0%, and the secondary rate increases from -1.0% to 1.1%. Overall, this changes the contribution rate from 20.1% down to 17.1%. This reduces the employer contribution costs by around £2.3m per annum (before the pay award is taken into account) for the primary rate, but increases the costs by £1.1m in respect of the secondary rate.

4.5. Non Pay Inflation

- 4.5.1.** Inflation fell in September 2024 to 1.7%, its lowest point since mid 2021, but then began to rise again through the last part of 2024 and the majority of 2025, when it peaked at 3.8%. It has subsequently begun to fall, and is forecast to continue to fall during 2026, but not reaching the Bank of England's target level of 2% until mid 2027.
- 4.5.2.** When the 2025/26 budget was set, inflation was forecast to fall quickly during 2025 and, as such, 2% was allowed for in the budget. However, the fall did not occur and the average level of inflation for 2025/26 is estimated to be 3.5%. As a result, an adjustment for the under provision for inflation is required in setting the 2026/27 budget.
- 4.5.3.** The Council's non pay costs are made up of a number of different contracts and procurement methods, all of which are affected by inflation in different ways:-

- Long term contracts where the inflation calculation is incorporated into the contract using pre-determined inflation indices and using the figure as at a particular point in time. These types of contracts tend to favour the Council when inflation rates are rising, but they do reflect what is happening with particular types of goods which impact on the contractor's costs, e.g. the inflation factor for the refuse collection contract will be heavily linked to the cost of fuel, as this is a major cost for the contractor.
- Contracts where the annual increase is negotiated. These are, in the main, residential and nursing care home fees and other care contracts. Consumer Price Index (CPI) is not the main factor on these price increases as the main cost is staffing. The level of inflation is linked to pay and, in particular, the increase in the National Living Wage and the Real Living Wage.
- Long term framework agreements where the annual price is set by the framework and not as part of an individual agreement between the Council and the supplier / contractor. These include our main energy contracts. Again, the price increase will be linked to specific factors relating to the goods supplied, rather than using CPI as the basis for the increase.
- Goods and services that are purchased as and when required, either through a one-off tender process, obtaining quotations or simply by placing an order. These costs are subject to inflationary pressures as the price the Council pays is dependent on the price at the time the order is placed or tender received.

4.5.4. In drawing up the standstill budget, the level of inflation as determined by a specific contract has been allowed for. The fact that the inflationary increases in the Council's main contracts are based on inflation levels in the Autumn of the preceding year (Autumn 2025 inflation is used to uprate contract rates from April 2026), will work slightly against the Council as the rate is higher than the forecast rate for 2026.

4.5.5. Energy Costs

- The Council retendered its gas and electricity contracts during 2024, with the new contracts becoming effective from October 2024. The contracts run for a period of 3 years, with the rates fixed for the length of the contract. This gives the Council certainty for the medium term, that it will be protected from any price increases.
- Energy costs will still vary with usage. The Council is investing in changing the heating method in a number of its buildings to heat source pumps. This work is being funded mainly through WG grants. This should reduce the Council's usage and lower costs, although the impact is difficult to determine at this point and is not factored into the budget.

4.5.6 Social Services Care Contracts Inflation

- The Council sets an annual fee for residential and nursing homes each year, with this figure being based on the toolkit which has been historically used by North Wales councils for a number of years. Care home providers have made a number of representations at a local and national level that the current fees are insufficient and that, without a significant increase, their businesses will become unsustainable. A number of providers are unwilling to accept placements at the fee set by the Council and the actual charge is higher.
- The North Wales methodology has slowly broken down, with councils across North Wales moving away from the figure generated by the toolkit to varying degrees. In trying to address the concerns of the providers, the Council has increased fees by an average of 67% since April 2017, compared to an increase of 54% in the Council's budget and 46.7% in the Aggregate External Funding (AEF) provided by WG.

- The National Living Wage is a significant factor in the cost of both the residential and nursing sector and the domiciliary care sector, given that providers use this figure as the starting point to set the pay of their employees. As of April 2026, the National Living Wage will rise from £12.21 to £12.71, a rise of 4.1%. This is a cost that the providers cannot avoid and is likely to be passed onto the Council through higher fees.
- As a starting point for the preparation of the standstill budget, a 5% increase has been factored into the budget as the inflationary increase for all residential care across all sectors, with a 4.5% increase for domiciliary care and direct payments. It is estimated that this will increase the costs by £1.7m in 2026/27.
- Children's out of county placements are experiencing significant rises in placement costs, as the number of providers reduce and the demand across Wales continues to be high. The Council's reliance on out of county placements is reducing as the amount of local provision increases (Cartrefi Clyd, Foster Parents). However, specialist placements are still required, and these tend to be a significant cost. An additional £540k has been allowed for to meet these increased costs.

4.5.7 Fees and Charges

- The Council's budget includes a range of fees and charges, some are set by WG, specific legislation or other outside bodies, and some are set by the Council. The total fees and charges budget for 2025/26 was £14.5m, with £6.7m within the Council's control. The Executive has set an increase of 3% to controllable fees and charges, but it is for each service to determine the individual fees and charges. It is estimated that the 3% increase will generate an additional £200k in income.
- Statutory fees and charges and other Government Grants account for approximately £34m of the 2025/26 net revenue budget. An increase of 2% would generate an additional £680k, although the provisional settlement shows that some grants will be frozen, whilst others will be reduced.

4.6 Pupil Numbers

Each year, the effect of the change in pupil numbers in the primary and secondary sectors is taken into account as part of the budget setting process, with the pupil numbers as at September 2025 being used as the basis for the 2026/27 budget. For 2026/27, the number of primary school pupils has continued to fall, with a further drop of 156 pupils, whilst the number of secondary school pupils (years 7 to 11) has increased by 9 pupils. The net impact of these changes is a reduction of £572k in the primary schools budget and an increase of £67k in the secondary school budget.

During 2025, Canolfan Addysg y Bont (CAYB) increased its capacity, which resulted in an additional 11 pupils being educated at the school. The formula is adjusted to reflect any change in the severity of the pupils' additional needs, which impacts on the staffing ratios. For 2026/27, an increase of £178k has been added to the funding to reflect this change.

4.7 Primary School Integration

Additional funding is provided to primary schools through the delegated schools budget to meet the cost of educating children with additional learning needs. The formula for distributing the funds takes into account the assessed needs of each child and allocates funding based on the requirements to meet these needs. The formula for 2026/27 shows an increasing number of pupils assessed as having additional learning needs (ALN) and also an increase in the severity. This requires additional funding, amounting to £423k, to be included in the budget to meet these demographic changes.

4.8 Other Educational Changes

Each year, changes take place at the start of the academic year which impact on the education budget, in addition to inflation. These changes mainly relate to school transport and out of county educational placements. The net change of these budgets is a reduction of £168k.

In addition, the number of school days in a financial year can change, depending on the timing of Easter. In 2027, Easter falls in late March and, as such, the number of school days in 2026/27 is lower. This impacts on school transport costs and school meals costs, and the budget is adjusted to reflect the lower number of school days. For 2026/27, this adjustment allows for a reduction of £107k in the budget. However, it should be noted that this will have to be corrected in the 2027/28 budget.

4.9 Adult Services Demography

Anglesey has an ageing population, and the increase tends to be people who move to Anglesey to retire and, as such, have limited family support. As a result, the number of older people requiring care from the Council increases. The over 85 population is forecast to grow by 28% by 2032, which is equivalent to an annual growth rate of 3.6% per annum. Based on current numbers, this would be an additional 26 clients requiring care in 2026/27. Using the current allocation of clients between the various care sectors, this will require an additional £0.87m to be added to the budget.

4.10 Children's Services Demography

The number of children in the Council's care continues to increase, and the forecast indicates a further 5% increase in the number of children in care. This equates to an estimated increase in costs, above inflation, of £430k, and this sum has been allowed for in the standstill budget.

4.11 Fire Service Levy

The Council's budget includes levies raised on the Council by other bodies who have the statutory power to set a levy. The main levy raised is by the North Wales Fire Authority, which sets an overall levy for the 6 North Wales authorities, and this is allocated across the 6 authorities on the basis of population. The North Wales Fire Authority is planning an increase in its levy on the 6 constituent authorities of 4.47%, which increases the budget by £2.32m. Due to population changes, the Council's share of the increase is 3.41%, which is an increase in the levy on the Council of £177k, which is equivalent to a 0.30% rise in Council Tax. This takes the levy which is funded by the Council to £5.362m.

4.12 Corporate Joint Committee Levy

There is now a requirement for the 6 North Wales Authorities to set up a Corporate Joint Committee (CJC) to be responsible for strategic transport and planning policy and regional economic development. The Council's share of the levy set for 2025/26 was £80k. Although the CJC has yet to make a final decision, it is anticipated that this levy will not increase significantly in 2026/27, and an inflationary increase of £1.5k has been allowed for in the budget.

4.13 Capital Financing Charges

Capital Financing Charges are made up of the Minimum Revenue Provision (MRP), annual interest charges on outstanding loans and interest received on investments. The Council changed the MRP policy to the annuity method in 2022, which generated a significant reduction in the 2023/24 budget. However, the annuity method results in the MRP charge increasing each year, not taking account any new borrowing which may have been undertaken.

The Council's level of cash balances has been high since 2020, and the strategy has been to run down these cash balances, rather than borrow externally. However, as the Council's reserves and school balances are run down, the Council's cash balances are reaching their minimum, and new borrowing will have to be undertaken in 2025/26 (estimated up to £10m), with a further £10m to £15m required in 2026/27. The additional MRP and interest costs are apportioned between the General Fund and the Housing Revenue Account. It is estimated that the additional borrowing will increase costs by £238k in 2026/27.

In the 2025/26 budget, a decision was taken to use the over provision generated from the change in the MRP policy in 2018, and to only make a minimum provision in 2025/26. This maintained a prudent approach to financing external debt. In 2026/27, the MRP will be provided for in full and will add £1.5m to the Council's budget.

Interest rates have been high since 2022, and peaked at over 5%. These high interest rates, along with a high level of cash balances, generated significant additional income for the Council, through interest paid on investments. However, as the Council has begun to use its reserves and has funded capital expenditure from its own cash reserves, rather than through borrowing externally, the level of cash available to invest has reduced significantly and has fallen below £10m in January 2026.

Interest rates are anticipated to fall during 2026/27, from their current level of 4.0% to around 3.5% by March 2027. However, the additional planned borrowing should boost cash balances and allow the interest receivable budget to remain at around £450k.

The overall effect of the MRP and interest charges is to increase the capital financing budget by £0.970m.

4.14 Council Tax Reduction Scheme

Since 2011, the cost of providing financial support to those in need of help in paying their Council Tax has formed part of the Council's budget, but the sum allowed for in the Council's Standard Spending Assessment (SSA) has remained virtually unchanged. As the level of Council Tax has increased and the number of claimants has changed, the additional cost of the scheme has fallen on the Council Taxpayers to fund. The increase in this budget is directly linked to the final increase in the Council Tax charge.

In 2025/26, the overall budget to fund the Council Tax Reduction Scheme (CTRS) stood at £7.35m, but the current forecast is that the budget will underspend by around 1%, which does not indicate a need to amend the budget due to a changing caseload. The level of Council Tax increase is yet to be finalised but, by using an assumed rate of increase for Council Tax, the net impact on this budget is an increase of £367k.

4.15 Use of Council Tax Premium

The Council Tax premium on empty properties and second homes generates additional income for the Council, and part of this additional income funds schemes to help young local people purchase their own house on the Island. In 2025/26, £1.0m of the additional funding was allocated for this purpose. Current demand for assistance through these schemes should utilise all of the funding, and the demand is expected to continue into 2026/27. The standstill budget, therefore, allows for the £1m budget to remain and increased in line with the increase in Council Tax (whatever the final increase is).

4.16 Contingencies

As part of the budgeting process, a number of contingency budgets are built into the budget to cover fixed term costs, potential risks that may require funding during the year, or as a general contingency which is utilised during the year as additional budget pressures arise or as unexpected events occur. Holding contingency budgets is very important and ensures that the risk of unexpected expenditure having a negative impact on the Council's financial sustainability is mitigated. The current age and condition of the Council's asset stock does increase the risk that the Council will face more unexpected expenditure in order to allow services to continue to be provided from buildings where major problems may arise.

The total budget in 2025/26 was £2.586m, and the estimated budget requirement for 2026/27 is £2.441m, which allows for an inflationary increase for some contingencies.

4.17 Other Committed Changes

In drawing up the standstill budgets, a number of minor budget corrections are made to reflect changes that are required or previous decisions to increase individual budgets. The net effect of these adjustments is to reduce the overall standstill budget by £450k. The main changes relate to the reduction in the grant contribution from Y Gymdeithas to the Oriel £57k, a reduction to reflect the fall in the number of school days in the financial year £81k, changes in business rates valuation £79k, additional rental income for new business units £119k, and increased software costs £102k. The net effect of all the committed changes is an increase of £24k in the budget.

5 THE FUNDING POSITION

5.1 After taking into account the provisional settlement from WG (as set out in paragraph 3) and the main budget changes (as set out in paragraph 4), the funding position prior to any increase in Council Tax is set out in Table 3 below:-

Table 3 Budget Funding Gap 2026/27			
2025/26 Final Budget	Reference	£'m	£'m 195.443
Main Budget Adjustments (as set out in Paragraph 4)			
Pay Inflation and Other Staffing Costs	4.2 – 4.4	1.210	
Non Pay Inflation	4.5	5.751	
Pupil Numbers	4.6	(0.353)	
Primary School Integration	4.7	0.423	
Other Education Budget Adjustments	4.8	(0.275)	
Adult Services Demography	4.9	0.868	
Children's Services Demography	4.10	0.429	
Levies	4.11 – 4.12	0.176	
Capital Financing Charges	4.13	0.759	
Council Tax Reduction Scheme	4.14	0.367	
Use of Council Tax Premium	4.15	0.050	
NI Grant Transferred into Settlement	3.2	2.000	
Contingencies and Other Committed Changes	4.16 – 4.17	(0.075)	
			11.330
Standstill Net Revenue Budget 2026/27			206.773
Funded By			
Revenue Support Grant (RSG)		117.875	
Share of Non-Domestic Rates Pool		26.704	
Total Aggregate External Finance			144.579
2025/26 Council Tax Budget (adjusted for the change in the taxbase and increase in second home premium)			57.810
Total Funding Prior to Increase in Council Tax			202.389
Funding (Surplus) / Deficit (before any change in Council Tax)			4.384

5.2 In order to fund the funding deficit of £4.384m, it would be necessary to increase Council Tax by 7.59%. This would take the Band D charge to £1,835.47, which is an annual increase of £129.42 and a weekly increase of £2.48. In order to reduce the increase in Council Tax, it would be necessary to utilise the Council's own reserves or to implement revenue budget savings. Each £1m reserves used, or savings implemented, reduces the increase in Council Tax by 1.73%.

6 BUDGET RISKS

- 6.1** In setting the budget, there are a number of financial risks which need to be assessed which may impact on the accuracy of the final budget. Some of these risks have been allowed for in the budget proposal, but others have not been allowed for in the budget and would be covered by the Council's general balances and reserves, should the risk materialise into a financial cost in 2026/27. In the current financial climate, a number of these risks are clearly outside the Council's control, e.g. demand for statutory service provision, levies set by other bodies, new or changing service requirements set by Welsh and / or the UK Government.
- 6.2** The Council's current level of unallocated general balances is forecasted to stand at £17.2m by the end of the financial year, but this is based on an assumption that the 2025/26 budget will underspend by £1.5m.
- 6.3** As a rule of thumb, the Executive has set the minimum general balance as 5% of the net revenue budget. Based on the standstill net revenue budget for 2026/27 of approximately £208m, the minimum required sum would be £10.4m. This leaves a potential £6.8m available to help fund the revenue budget over the next 2 to 3 years, but it should be noted that reducing the level of general balances and earmarked reserves does weaken the Council's financial position, and could lead to future financial difficulties should it be necessary to fund any significant unexpected expenditure, e.g. funding future revenue overspending.
- 6.4** In drawing up the draft revenue budget, it has been necessary to make a number of assumptions. The assumptions are based on the professional judgement of the Finance Team and other Council staff, external forecasts of both the UK and Welsh Governments or other professional bodies and other historical and statistical information. The potential impact on the revenue budget of errors in the main assumptions are detailed below:-
- **NJC Pay Award** – as noted in paragraph 4.2 above, the budget has been inflated to reflect the estimated pay awards for 2026/27, but there is still significant uncertainty over the pay awards. The Unions have submitted a pay claim of 10% or £3,000 on each spinal column point, whichever is the higher. If this demand was agreed to, it would add another £4.2m to the pay budget, above what has been allowed for in the standstill budget.
 - **Teachers' Pay Award** – an element of the increase is funded by WG through the settlement and, if this has been insufficient, historically, the WG has provided additional funding to meet the cost. This significantly reduces the financial risk faced by the Council. The matter is further complicated by the fact that the teachers' pay award is applied in September of each year and, as a result, there is no indication as to what the possible pay award from September 2026 will be.
 - **National Living Wage** – the UK Government announced that the National Living Wage (previously known as the minimum wage) would increase by 4.1% in April 2026, to £12.71 per hour. The National Living Wage puts pressure on the Council's budget in two ways, i.e. what it pays its own staff (see above), but also what its main contractors pays its staff.

A large number of staff employed by the Council's main contractors and service providers pay their staff on, or around, the Real Living Wage level. This is particularly true in the care sector (residential and nursing home care, homecare etc). Increases to the National Living Wage will result in an increase in the Real Living Wage (the Real Living Wage is currently £1.24 per hour higher than the National Living Wage). The latest increase in the Real Living Wage was announced in October 2025, with a rise of 6.7%.

The WG requires councils to provide sufficient funding to allow providers to pay the Real Living Wage, and the increase in this figure will be reflected in the increases in the fees the Council has to pay to their contractors and service providers. Although an increase of funding has been allowed for, there is a risk that it will not be sufficient to meet the demands from providers, who may also be facing pressure as a result of general inflation, particularly food, energy and fuel costs.

- **General Inflation** – The budget risk relating to general inflation is significantly lower than when CPI was in excess of 10%. Although there is a risk that inflation could rise above the assumption used in the budget, the level of potential increase will be marginal (0.5% to 1%) and this will only have a minimal impact on actual costs paid by the Council.
- **Service Demand** – The standstill budget allows for the provision of services at the current level of demand in certain services where the demand can fluctuate (Children's Services, Adult Social Care, Homelessness, Council Tax Reduction Scheme). Any significant increase in service demand will create additional financial costs for the Council which would not be covered by the existing budgets.
- **Grant Income** – As noted in Table 2 above, in addition to the funding received through the AEF, the Council receives significant levels of additional funding in the form of specific grants from the WG and others. When the level of specific grant funding falls or is not increased to reflect the increase in costs, it is not always possible to react quickly to the change as the service funded by the grant is integrated into the service funded from the Council's core budget. There is, therefore, a delay between the reduction in funding and the Council's ability to reduce the associated cost through the reconfiguration of the service.
- **Income Targets from Fees and Charges** – As the cost of living crisis eases, residents will potentially have more disposable income, which generates income for the Council, mainly through Leisure services and car park income and, to a lesser extent, planning and building regulation fees. Income levels in 2025/26 have been good and, in the main, exceed the budget targets and, even if income levels begin to fall in 2026/27, they are likely to remain on or around the budget targets.
- **Other Grant Funding** – In addition to the core Council budget funded from AEF, Council Tax and Reserves, the Council receives between £25m and £30m in additional grant funding, as per Table 2 above. This funding provides additional services, or is used to compliment the core revenue funding. It does not always follow that these grants are increased in line with the increase in AEF or the general level of inflation. Some grants can be frozen at the previous year's level. This can increase the demand on the core budget as services funded by grants cannot always be reduced quickly. To mitigate this risk, the Council holds an earmarked reserve of £250k which can be used to supplement the core budget if required.

7 BUDGET SAVINGS AND INVESTMENTS

7.1 As part of the 2026/27 budget setting process, a detailed review of all budgets was undertaken to identify:-

- Budgets that were no longer required;
- Budgets that were overstated;
- Income budgets that could be increased.

7.2 A summary of the findings of the review is shown in Table 4 below:-

Table 4
Summary of Budget Savings Identified

Service	Unrequired Budgets	Overstated Budgets	Understated Income Budgets	Total
	£	£	£	£
Education, Skills & Young People	0	40,533	0	40,533
Adult Services	175,000	0	0	175,000
Highways, Waste & Property	0	64,456	265,000	329,456
Regulation & Economic Development	60,000	61,997	100,000	221,997
Corporate Budgets	209,209	0	0	209,209
TOTAL	444,209	166,986	365,000	976,195

7.3 Services were also asked to submit bids for additional funding to meet existing or new service pressures. The following bids are proposed to be included in the initial budget proposal for 2026/27.

7.4 Additional Funding for Additional Learning Needs Service - £200,000

The joint service with Gwynedd Council is due to end in September 2026. Work is ongoing to determine the staffing structure and associated budgets for the new in-house service. An estimate of £200k has been included for the additional full year cost but, given that the service will start in September 2026, a smaller sum will be required in 2026/27 before the full year cost is required in 2027/28.

7.5 Public Conveniences - £50,000

The Executive has indicated that opening the public conveniences at Benllech and Trearddur Bay all year round is a priority. This has been implemented in 2025/26 using underspending in other service budgets but, if it is to continue on a permanent basis, then additional funding of £25,000 will be required to meet the cost of cleaning the toilets for a greater number of weeks in the year.

Work is also ongoing to bring other public conveniences back under the control of the Council and to potentially extend their opening hours. This will require additional funding to meet the cost of opening and cleaning the public conveniences.

7.6 Property Services Compliance - £40,200

The Asset Management Strategy has an objective to ensure that the Council has an asset portfolio that is in an improved condition, which is more secure, and with improved accessibility.

In order to achieve this objective, additional staffing resource is required to undertake the required inspections and assessments and to report compliance.

7.7 Planning Enforcement - £51,800

Complaints relating to unauthorised developments have risen by 30% in the last year, and the Planning Enforcement Team is a very small team which deal with technical issues which can take an extended period to resolve. There are also concerns about the resilience of the team, should staff be moved on to other posts or be absent due to sickness for an extended period of time. The additional post will provide additional capacity and improve resilience.

7.8 Food Safety Inspections - £146,100 (2026/27 & 2027/28), £64,600 (2028/29 onwards)

The Food Standards Agency has recently undertaken an audit of the Council's food standard inspection service and have given an "unsatisfactory" rating. The Service currently has around 700 non high risk businesses requiring inspection. The additional post would increase the inspection capacity and allow the backlog to be addressed.

In addition, £81,500 is requested in 2026/27 and 2027/28 to provide additional capacity to deal with the backlog of inspections. Once the backlog is cleared, and with an increased capacity, the Service should have sufficient resources to undertake the required number of inspections each year.

7.9 Occupational Health - £20,000

The current occupational health service is provided by an external provider, and the Council cannot control the response time to referrals. Delays in undertaking occupational health assessments prolong the length of sickness absences, which is an additional cost for the Council.

The proposal is to employ an in-house specialist, along with a budget for the necessary equipment and to meet the cost of external specialist assessments.

7.10 Cyber Security - £364,200

The risk of a cyber security attack is ever increasing, with examples of large companies and local authorities suffering significant losses of data and disruption to services following successful cyber-attacks. Cyber security is considered by the Council as a major corporate risk, but the current level of resources is now insufficient to deal with ever increasing number of more sophisticated attacks.

The proposal is to increase the staffing numbers by employing 4 more additional staff, which will increase capacity to monitor and prevent attacks, to deal with any successful attacks and to improve the resilience of the team should staff absences arise. In addition, the investment will allow for the purchase of more sophisticated monitoring and detection software.

7.11 Data Management and Analysis - £81,900

The Council is currently improving the use of data in its decision making processes, so that it becomes a more data driven organisation. Currently, services across the Council use different methods and systems for recording, managing and analysing data. Arrangements for information governance, data security and standardisation varies. Data dashboards have been developed, but further work is required to roll out further datasets which the Council could benefit from.

The proposal is to employ a Data Manager along with an investment in data analysis software. This would allow for the creation of a long term data strategic plan, to include the standardisation of data use, implementing data standards, ensuring proper data governance and developing a culture of working with data.

7.12 Procurement - £79,400

New UK and Welsh procurement legislation has placed new responsibilities on the Council in respect of its procurement activities and the need to publish additional information, prior to, during and at the end of each procurement process. There is also a need to track, evaluate and report on the social value delivered through Council contracts, in line with the Public Services (Social Value) Act 2012.

In order to achieve the new requirements, additional capacity is required within the Corporate Procurement Team, and an investment is also required in procurement systems in order to capture, analyse and report on procurement activities within the Council.

7.13 Legal Services - £92,000

Currently, the Council, along with other councils, are facing significant difficulties in recruiting suitably qualified and experienced solicitors to work in a number of service areas. The Council is currently reliant on employing a number of locum solicitors, which come at a high cost.

The proposal is to employ 2 additional Paralegal officers, who would be easier to recruit, would increase capacity, release more senior staff to undertake higher aspects of their roles and allow the recruited staff to train to become fully qualified solicitors.

7.14 Local Development Plan (LDP) - £100,000 per year for 3 years

The current estimate is that the drafting, consultation and finalisation of the new LDP will cost in the region of £800k. An earmarked reserve of £500k is in place, but the additional £300k is currently unfunded, and the inclusion of £100k in the revenue budget until 2028/29 would allow the plan to be completed and all costs funded.

7.15 The total cost of the budget proposals would amount to £1,225,600 in 2026/27, of which £1,044,100 would be a permanent budget increase.

7.16 The revised budget proposal for 2026/27, if the budget savings were implemented and the budget proposals accepted, is shown in Table 5 below:-

**Table 5
Revised Budget Proposal 2026/27**

	£'m	£'m
Standstill Budget, as per Table 4		206.773
Budget Savings, as per Table 5	(0.976)	
Service Investment proposals – para 7.4 – 7.14	1.226	
		0.250
Revised Budget Requirement 2026/27		207.023
Total Funding Prior to Increase in Council Tax		(202.389)
Funding (Surplus) / Deficit (before any change in Council Tax)		4.634

8 BRIDGING THE FUNDING GAP

8.1 The current estimate for the Council's general balances as at 31 March 2026 is £17.2m. The Council's financial strategy is to maintain 5% of the net revenue budget as general balances, and this figure for 2026/27 would be £10.4m, £6.8m below the estimated balance at 31 March 2026, and could be used to help fund the budget in 2026/27.

8.2 Audit Wales has noted that using reserves in this way did not make best use of the reserves, and a greater impact would be had by using reserves to fund transformation programmes that could deliver improved services at a lower cost. This must be borne in mind when deciding the use of reserves as in-year funding. However, the use of reserves does allow the Council more time to plan for service delivery changes to reduce the overall net revenue budget in 2026/27.

8.3 Each 1% increase in Council Tax generates £533k in standard council tax and £45k in empty and second home premium, giving a total of £578k in gross income. Based on the 2025/26 Band D charge of £1,572.30, each 1% rise increases the Band D charge by £15.72, or £0.30 per week. The Council's current charge is the 7th lowest in Wales and is £93 below the Welsh average.

8.4 The fact that the funding from the WG is lower than the inflation and demand pressures faced by the Council, it does require an above inflation increase to Council Tax in order that the Council can set a fully funded budget. The Executive is proposing a 4.8% increase in Council Tax, plus an additional 0.3% to fund the increase in the Fire Service levy. This is a total rise of 5.1%, which takes the Band D charge (excluding Police and Town / Community Council precepts) to £1,792.98, an increase of £87.03, or £1.67 per week. This increase will generate an estimated £2.949m in additional funding.

- 8.5** Based on the above, the initial revenue budget proposal for 2026/27 is set out in Table 6 below:-

Table 6 Initial Budget Proposal 2026/27		
	£'m	£'m
Initial Budget Proposal (as per Table 5)		207.023
Funded By		
Revenue Support Grant (RSG)	117.875	
Share of Non-Domestic Rates Pool	26.704	
Total Aggregate External Finance (AEF)		144.579
Council Tax (including premium and a 5.1% rise)		60.759
Council General Balances		1.685
Total Funding		207.023

9 THE BUDGET POSITION FOR 2027/28

- 9.1** Beyond 2026/27, the economic forecasts suggest that the economy will continue to improve, with inflation and interest rates continuing to fall, but growth will remain relatively low, which will impact on tax revenues and the Government's ability to invest in public services. Given the historically high levels of debt and the Government's commitment to reduce debt as a percentage of GDP by the end of this Parliament, there is only a minimal possibility that increases in the public sector budget will be funded through borrowing.
- 9.2** The comprehensive spending review and the subsequent UK Government budget has set out the funding for Wales. Analysis undertaken by Wales Fiscal Analysis estimates that, in cash terms, the local government settlement will increase by 0.6% in 2027/28, which is a real terms reduction of 1.4%.
- 9.3** The situation is further complicated by the forthcoming Senedd elections in May and the strong possibility of a change in Government, who may have different priorities, which could impact on the funding for local government in Wales.
- 9.4** With regard to expenditure, the risks of inflationary pressures are much reduced but, of course, external factors can impact on the level of inflation. Pay awards are also expected to fall, and should be more in line with inflation in 2026/27 and beyond.
- 9.5** The largest risk is an increase in demand for those services which are subject to significant changes in client demand (Adult Services, Children's Services and Homelessness). Determining the level of service is difficult, even in the short term, and trying to predict service levels for a period 18 months to 2 years into the future is difficult.
- 9.6** In setting the budget, a significant level of one-off funding (general balances) have been used once again to set a balanced budget for 2026/27. Although this will still leave the Council with a healthy level of general balances, the use of reserves cannot continue in the long term and it will require permanent changes to the budget to allow the Council to meet its statutory requirement to set a fully funded budget, whilst not reducing reserves further, which could weaken the Council's long term financial sustainability.
- 9.7** The current financial modelling suggests that the net revenue budget for 2027/28 will rise by around £6.2m (3%), whilst AEF will rise by 0.6%, which equates to £0.9m. This would require the funding gap to be financed by rises in Council Tax of 8.7%, assuming that reserves are no longer available to finance the budget.

- 9.8** Other funding sources may be available in 2027/28 and beyond, which may contribute to the resources available to the Council. These include any business rates retention from the designated freeport areas, funding that could be generated from the introduction of a Visitor Levy on Anglesey and any changes to the empty and second home premium. The first will depend on progress to develop the freeport areas and the second and third will require further decisions by the Council. No account has been taken of these potential funding sources, but this will be reviewed as further information becomes available.
- 9.9** The balancing of the 2026/27 budget has been extremely challenging but, based on the current assumptions, it is anticipated that the position in 2027/28 will begin to improve. However, the Council will be required to find permanent budget solutions to replace the budget that has been funded by reserves in 2026/27. This will be extremely challenging, without having to significantly reduce the quality and range of services provided. Future budget savings will have to include the reducing or stopping services and, possibly, not achieving the statutory standards expected. Work has already commenced to identify potential budget savings for 2027/28, and these savings proposals will be considered further during 2026/27.

10 CONCLUSION

- 10.1** The budget for 2026/27 has been set in the context of an improving funding position and an expectation that funding will continue to rise, or at least keep pace with inflation. However, the position for 2027/28 may remain challenging, with a permanent solution to the 2026/27 funding shortfall required and an ever increasing demand for services.
- 10.2** There are also a number of factors outside the control of the Council which can have significant cost implications for the Council. The challenging budget position faced by the Council is not unique to Anglesey, it is a position that is being faced by every local authority in the UK. Sound financial management in the past has placed the Council in a strong financial position to deal with the challenge in the short term but, if costs and demand for services continue to grow and is not matched by the required funding increases, a significant restructure of Council services will be required to avoid the Council becoming insolvent.
- 10.3** The Council's services rely on its committed and hard working staff, and the impact on these members of staff also needs to be recognised. The financial challenge will require a reduction in staffing levels but, if this is not met by a reduction in workload, the pressure on staff will continue to grow and will lead to difficulties in retaining existing staff, recruiting new staff and ensuring that the Council has a healthy workforce. Some of the proposed investment in services in 2026/27 goes some way in dealing with the most critical issues but, if the position in other services worsens, then this will place an additional financial cost on the Council which will have to be factored into future budgets.
- 10.4** The proposed budget increase for 2026/27 is 5.93%, and this is matched by the increase of 6.4% in the cash value of the AEF and the 5.1% rise in Council Tax, with the remaining shortfall funded from reserves.
- 10.5** The position in respect of grant funding creates an additional financial challenge which will result in a reduction in some grant funded services. This will become clearer once the individual allocation of each grant is known.
- 10.6** Prudent financial management in previous years has significantly strengthened the Council's financial position and has increased the Council's level of general balances and earmarked reserves. This improved financial position has allowed the Council to put forward a budget proposal which allows the Council Tax rise to be as low as possible, although it has to be higher than the current rate of inflation.
- 10.7** There is a level of risk surrounding the budget, in particular whether sufficient provision has been made for pay increases and the increasing demand for services. The risk is mitigated through the fact that the Council does hold general balances and earmarked reserves which could be redirected to fund any additional costs, and this highlights the importance of maintaining a healthy level of reserves.

- 10.8** However, the continued use of reserves to balance the budget is unsustainable and weakens the Council's financial resilience. The use of reserves allows the Council to review its budget requirement in the long term, where the services provided must be re-aligned to the core funding available.
- 10.9** The proposed budget begins the process of re-investing in service provision, but whether this can be continued in future years is unclear and much will depend on the level of WG funding following the elections in May 2026. If the level of funding increases is low, then the Council will have to consider reductions in services in 2027/28 and beyond to enable the Council to continue to set a balanced budget and to keep Council Tax rises to a reasonable and affordable level. Failure to do so increases the risk of the Council becoming financially unsustainable by 2028/29 or 2029/30.

11 MATTERS FOR DECISION

11.1 The final budget will not be approved by the full Council until 5 March 2026, however, at this point, the Executive is recommended to approve the following:-

- The initial proposed budget for 2026/27 of £207.023m;
- A proposed increase in Council Tax of 4.8%, plus 0.3% to cover Fire Levy = total of 5.1%, taking the Band D charge to £1,792.98;
- To formally propose to maintain the premium on empty and second homes at 100%;
- That £1.685m is released from the Council's general balances and earmarked reserves in order to balance the 2026/27 revenue budget.

PROPOSED BUDGET 2026/27 BY SERVICE				
Budget	2025/26 Budget	2026/27 Proposed Budget	Movement	% Change
	£'m	£'m	£'m	%
Lifelong Learning				
Schools	55.538	57.407	+ 1.869	+ 3.37%
Central Education	13.981	14.314	+ 0.333	+ 2.38%
Culture	1.666	1.657	- 0.009	- 0.54%
Total Lifelong Learning	71.185	73.378	+ 2.193	+ 3.08%
Highways, Waste & Property				
Highways	8.496	8.653	+ 0.157	+ 1.85%
Property	1.875	1.978	+ 0.103	+ 5.49%
Waste	10.394	10.788	+ 0.394	+ 3.79%
Total Highways, Waste & Property	20.765	21.419	+ 0.654	+ 3.15%
Regulation & Economic Development				
Economic Development, Leisure & Destination	3.019	2.768	- 0.251	- 8.31%
Planning & Public Protection	3.102	3.404	+ 0.302	+ 9.74%
Total Regulation & Economic Development	6.121	6.172	+ 0.051	+ 0.83%
Adult Services	43.082	45.377	+ 2.295	+ 5.33%
Children's Services	17.556	18.606	+ 1.050	+ 5.98%
Corporate Transformation				
Human Resources	1.824	1.931	+ 0.107	+ 5.87%
ICT	5.081	5.672	+ 0.591	+ 11.63%
Transformation	1.204	1.219	+ 0.015	+ 1.25%
Total Corporate Transformation	8.109	8.822	+ 0.713	+ 8.79%
Housing	2.036	2.098	+ 0.062	+ 3.05%
Resources	4.225	4.248	+ 0.023	+ 0.54%
Council Business	2.213	2.380	+ 0.167	+ 7.55%
Total Service Budgets	175.292	182.500	+ 7.208	+ 4.11%
Corporate Budgets				
Corporate Management	0.823	0.878	+ 0.055	+ 6.68%
Levies	5.277	5.452	+ 0.175	+ 3.32%
Corporate & Democratic	2.238	3.487	+ 1.249	+ 55.81%
Capital Financing Costs	4.637	5.396	+ 0.759	+ 16.37%
Benefits Granted	0.110	0.110	0.000	0.00%
HRA Recharges	(0.840)	(0.865)	- 0.025	+ 2.98%
Council Tax Reduction Scheme	7.349	7.716	+ 0.367	+ 4.99%
Contingencies	1.451	1.191	- 0.260	- 17.92%
National Insurance Grant	(2.000)	0.000	+ 2.000	+ 100.00%
Discretionary Rate Relief	0.106	0.108	+ 0.002	+ 1.89%
Housing Loans and Grants	1.000	1.050	+ 0.050	+ 5.00%
Total Corporate Budgets	20.151	24.523	+ 4.372	+ 21.70%
TOTAL BUDGET	195.443	207.023	+ 11.580	+ 5.93%

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	27 JANUARY 2026
Subject:	CAPITAL STRATEGY 2026 – 2031
Portfolio Holder(s):	CLLR ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE & CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author:	MARC JONES
Tel:	
E-mail:	rmjfi@ynysmon.llyw.cymru
Local Members:	Not applicable
A –Recommendation/s and reason/s	
<p>The revised CIPFA Prudential Code (September 2017) introduced the requirement that all authorities must produce a capital strategy. This must set out the long term context in which capital expenditure and investment decisions are made. The requirement is aimed at ensuring that authorities take capital and investment decisions in line with the service objectives and properly take into account stewardship, value for money, prudence, sustainability and affordability. The capital strategy is linked to a number of other plans and strategies. They include:-</p> <ul style="list-style-type: none"> • The Council Plan; • The Corporate Asset Management Strategy; • The IT Strategy, including the School's Digitalisation Strategy; • The Net Zero Carbon Reduction Strategy; • The Leisure Improvement Strategy; • The Modernising Learning Communities and Developing Welsh Language Strategy; • The Resources and Recycling Strategic Plan; • The Housing Asset Management Strategic Plan; • The Housing Revenue Account 30 Business Plan; • The Treasury Management Strategy. <p>The Executive is requested to recommend the Capital Strategy to the full Council for its formal approval.</p>	
B – What other options did you consider and why did you reject them and/or opt for this option?	
No other options were considered as the adoption of a capital strategy is a requirement of the CIPFA Prudential Code.	
C – Why is this a decision for the Executive?	
In accordance with the requirements of the Code and the Council's Constitution, the Executive is requested to consider the strategy and recommend its approval to the full Council.	

CH – Is this decision consistent with policy approved by the full Council?		
Approval of the strategy will be given by the full Council.		
D – Is this decision within the budget approved by the Council?		
The capital strategy will form the basis for the 2026/27 capital budget, which will be approved by the full Council on 5 March 2026.		
DD – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The capital strategy summarises the long term capital investment required by the Council to achieve its long term objectives, as set out in the Council Plan. The Council Plan is a 5 year plan which sets out the Council's strategic objectives, which are designed to address the long term needs of the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The capital strategy sets out the Council's future capital investment requirement. Capital investment is designed to ensure ongoing service delivery which can avoid significant future costs.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Delivery of the capital investment programme requires working collaboratively with UK and Welsh Government, other local authorities in North Wales, other grant funding bodies and delivery partners.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Citizens were consulted prior to drafting the final Council Plan. The Capital Strategy will help to deliver the Council Plan.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Capital investment will help a number of protected groups, through investment in buildings, providing disabled facilities grants, investing in leisure facilities, etc.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Capital investment will inject a significant amount of money into the local economy and help to provide local employment. The investment in housing will provide additional affordable homes for local people.
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.	Capital investment will be made into local communities by investing in schools, smallholdings, commercial premises, etc. The investment will help to maintain local communities, which will have a beneficial effect on the Welsh language.

E - Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	Comments from the LT have been incorporated into the report.
2	Finance / Section 151 (mandatory)	n/a – the strategy was drafted by the Section 151 Officer.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a Member of the LT, and any comments made have been taken into account in discussions on this report in the LT.
4	Human Resources (HR)	No direct impact on staff.
5	Property	The Capital Strategy takes into account the Council's Asset Management Plan.
6	Information Communication Technology (ICT)	The Capital Strategy takes into account the Council's Digital and IT strategy.
7	Scrutiny	TBC
8	Local Members	Proposals are applicable to all Members.
9	Any external bodies / other/s	N/A
F - Appendices:		
Appendix 1 – Capital Strategy 2026 - 2031		
FF - Background papers (please contact the author of the Report for any further information):		
Council Plan 2023 – 2028 Treasury Management Strategy 2026/27 – will be updated in February 2026 Medium Term Financial Plan – Executive, 23 September 2025 Revenue Budget 2026/27 – Initial Budget Proposals – Executive, 27 January 2026		



Capital Strategy 2026-2031



Foreword by the Council Leader and Chief Executive

Capital investment is essential for Anglesey from a social, economic, environmental and community perspective but, in the current financial climate, it is important that long term investment decisions are based on clear informed information, address the long term risks faced by the Council and are affordable in the long term.

The Capital Strategy sets out the long term investment requirements arising from the Council Plan and other linked strategies, assesses the affordability of those plans and identifies the capital resources required to deliver those plans.

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The Capital Strategy is a key document to ensure that capital investment decisions are taken in a planned way, that allows the Council to achieve its key objectives, whilst ensuring that the long term viability of the Council is not put at risk.



Councillor Gary Pritchard,
Council Leader



Dylan J. Williams,
Chief Executive

Why Do We Need a Capital Strategy?

- CIPFA Prudential Code sets out a requirement that all local authorities must produce a capital strategy.
- Ideally, the Strategy should cover 10 to 15 years, but the current funding uncertainty does not allow for the development of such a long term plan.
- Ensures authorities take capital and investment decisions that properly take account of:-
 - Stewardship;
 - Value for Money;
 - Prudence;
 - Sustainability;
 - Affordability.
- Contributes to compliance with the Well Being of Future Generations (Wales) Act 2015.

Purpose of the Capital Strategy?

- It is crucial, when long-term investment decisions are undertaken, that decision-makers can rely on clear and informed information. This includes:-
 - A long term view of capital expenditure plans and any financial risks to which the Council is exposed;
 - Ensuring due regard to the long-term financing affordability implications and potential risks;
 - A clear overview of the Council's asset management planning arrangements and any maintenance requirements that have resources and business planning implications.
- The Capital Strategy looks at what new assets, or improvements to assets, such as Council buildings, schools, houses, social care facilities and leisure facilities, are needed to help the Council deliver its strategic objectives, along with its many statutory obligations.
- Through this strategy, we intend to ensure appropriate levels of capital expenditure and investment to meet these priorities and objectives, whilst ensuring that our plans are affordable, prudent and sustainable.

Capital Expenditure 2021/22 – 2025/26

	2021/22 £'m	2022/23 £'m	2023/24 £'m	2024/25 £'m	2025/26 (Forecast) £'m
Maintaining Existing Assets	6.865	9.139	5.678	10.114	8.944
Sustainable Communities for Learning	4.507	6.317	13.160	4.131	0.314
Improvements to Leisure Facilities	0.211	0.336	0.249	1.611	0.835
Waste Management	2.270	0.213	0.099	0.239	0.865
Achieving Net Zero	1.742	1.372	2.379	10.683	9.522
Flood Defence Programme	1.194	2.491	0.567	1.207	0.848
EU Grant Funded Projects	1.361	4.511	0.248	0.562	0.330
UK / Welsh Government (WG) Grant Funded Projects	3.590	2.119	3.085	8.512	10.639
Schools IT Infrastructure / Equipment	0.603	0.341	0.320	0.199	0.000
Investment Properties	0.253	0.242	2.835	0.000	0.814
Other Grant Funded Projects	1.140	2.429	2.148	0.000	0.000
Housing Revenue Account (HRA)	9.723	11.180	19.806	27.468	22.056
TOTAL EXPENDITURE	33.457	40.690	50.574	64.726	55.167

Council Plan 2023-2028

The Council Plan's vision is to:-

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

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.

Our six strategic objectives



The Welsh
Language

Increasing 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 a net zero organisation by
2030.



[Council Plan 2023-2028](#)

Council Plan 2023-2028

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.

Values



Respect

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



Honesty

We are committed to high standards of conduct and integrity.



Collaborate

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



Champion the council and the island

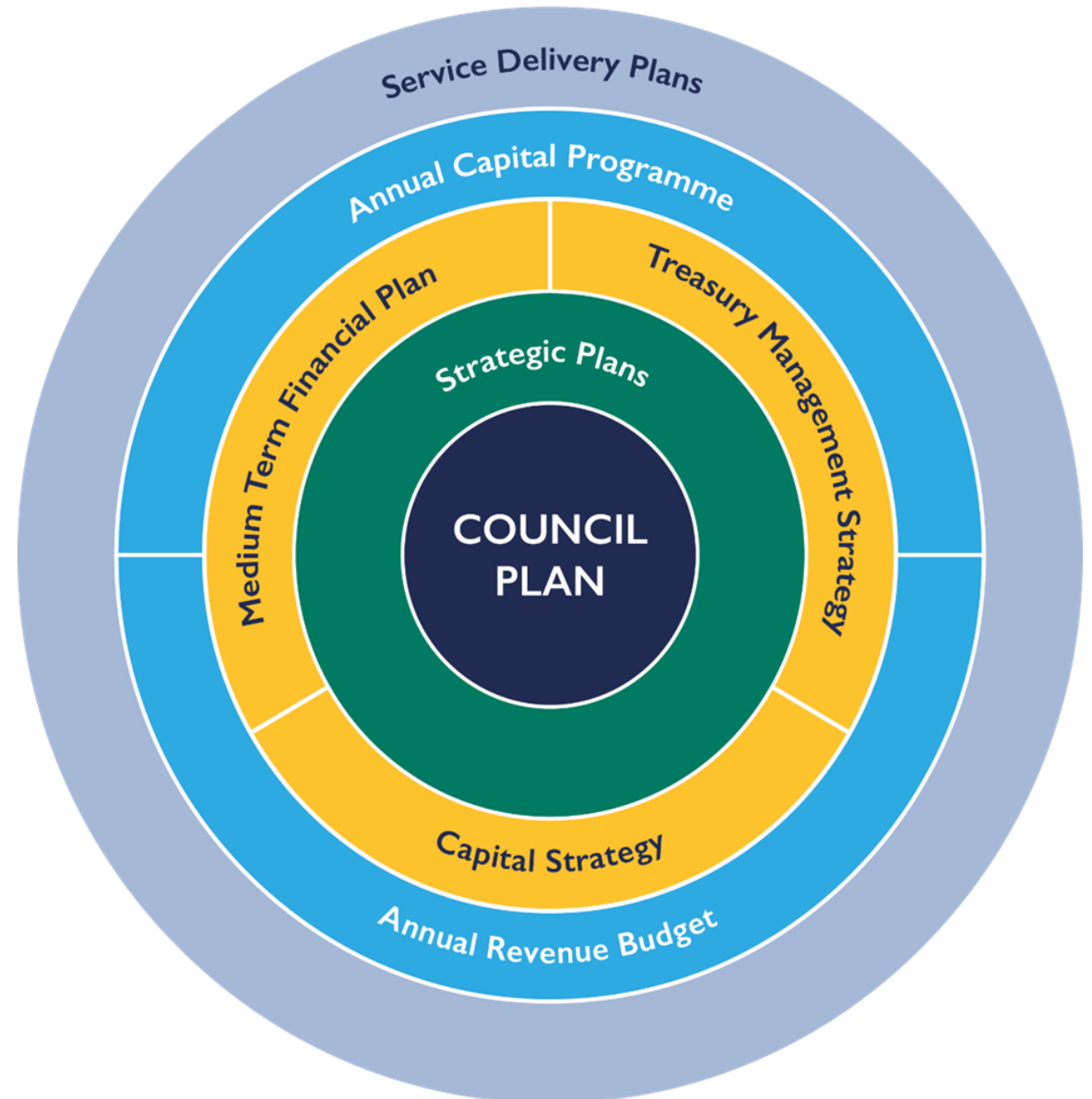
We create a sense of pride in working for the council and present a positive image of the council on the council and the island.



Strategic Circle

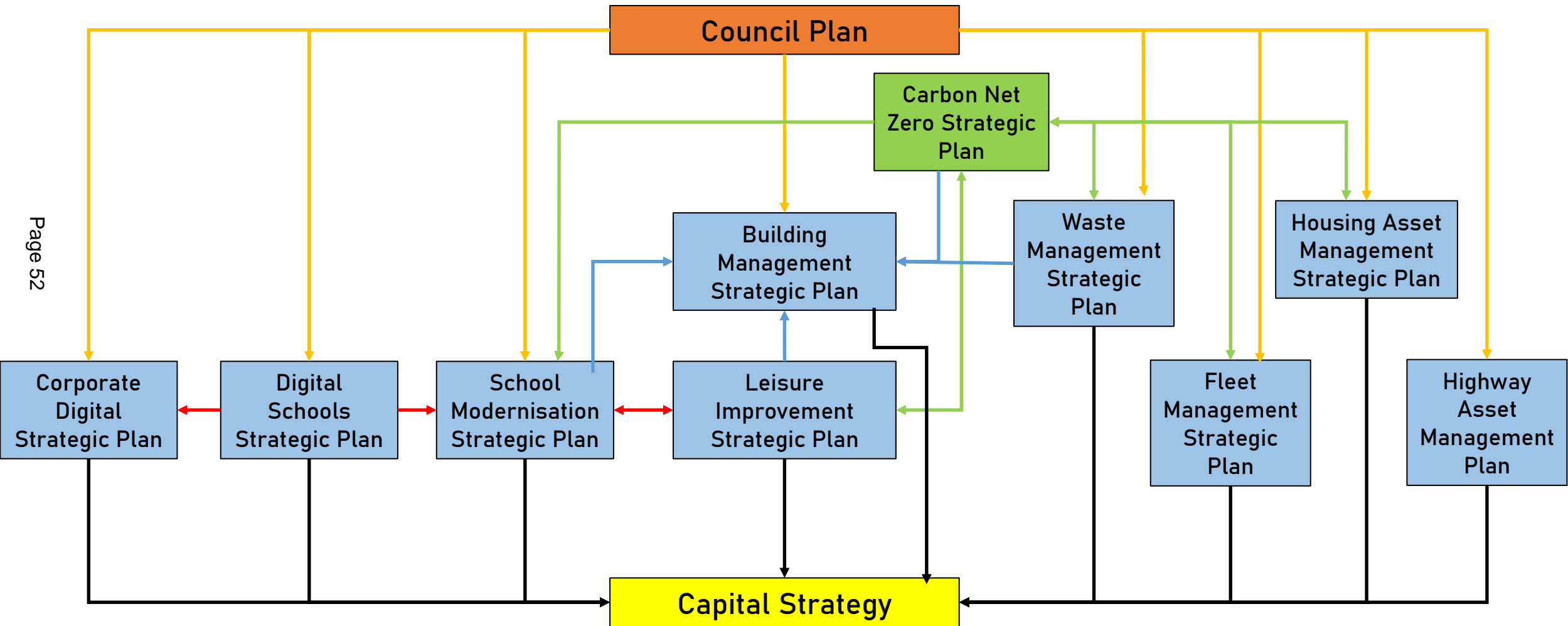
The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

This plan is a key strategic plan that aligns with the Councils Plan and contributes to the achievement of the strategic objectives and vision.



[Council Plan 2023-2028](#)

Relationship between the Council's Plans and Strategic Plans



• The Council Plan and key Operational Plans

- The key strategies and plans below are important and inter-related to help identify an affordable level of revenue and capital resources needed to deliver the key priorities of the Council Plan and key operational plans. These also provide a framework for robust financial management of Council resources.

The Medium Term Financial Plan (MTFP)

This is revised regularly to help set out the likely resource requirement for the next three years, and how the Council plans to balance the resource requirement. This includes the impact of revenue and capital issues on the Council Fund.

Capital Strategy

This sets out the key priorities on how capital expenditure should be spent to help deliver the Council Plan 2023-28. It acknowledges that capital expenditure leads to revenue capital financing costs, which must be kept affordable. The Capital Strategy impacts on, and is impacted by, the MTFP, the TMSS, the Annual Revenue Budget and the Annual Capital Programme.

Treasury Management Strategy Statement (TMSS)

This sets out the Annual Investment Strategy, Minimum Revenue Provisions Policy and Treasury Management Policy Statement for the year. These provide the framework and controls needed to ensure that there is enough cash to pay suppliers for revenue and capital costs, that surplus cash is invested safely, and is accessible, and that borrowing to fund capital expenditure does not go beyond an affordable level.

The Annual Revenue Budget is supported by the MTFP, Capital Strategy and TMSS - Each year, the revenue capital financing costs are reviewed and revised as part of revenue budget setting. Revenue contributions are sometimes used to fund capital costs.

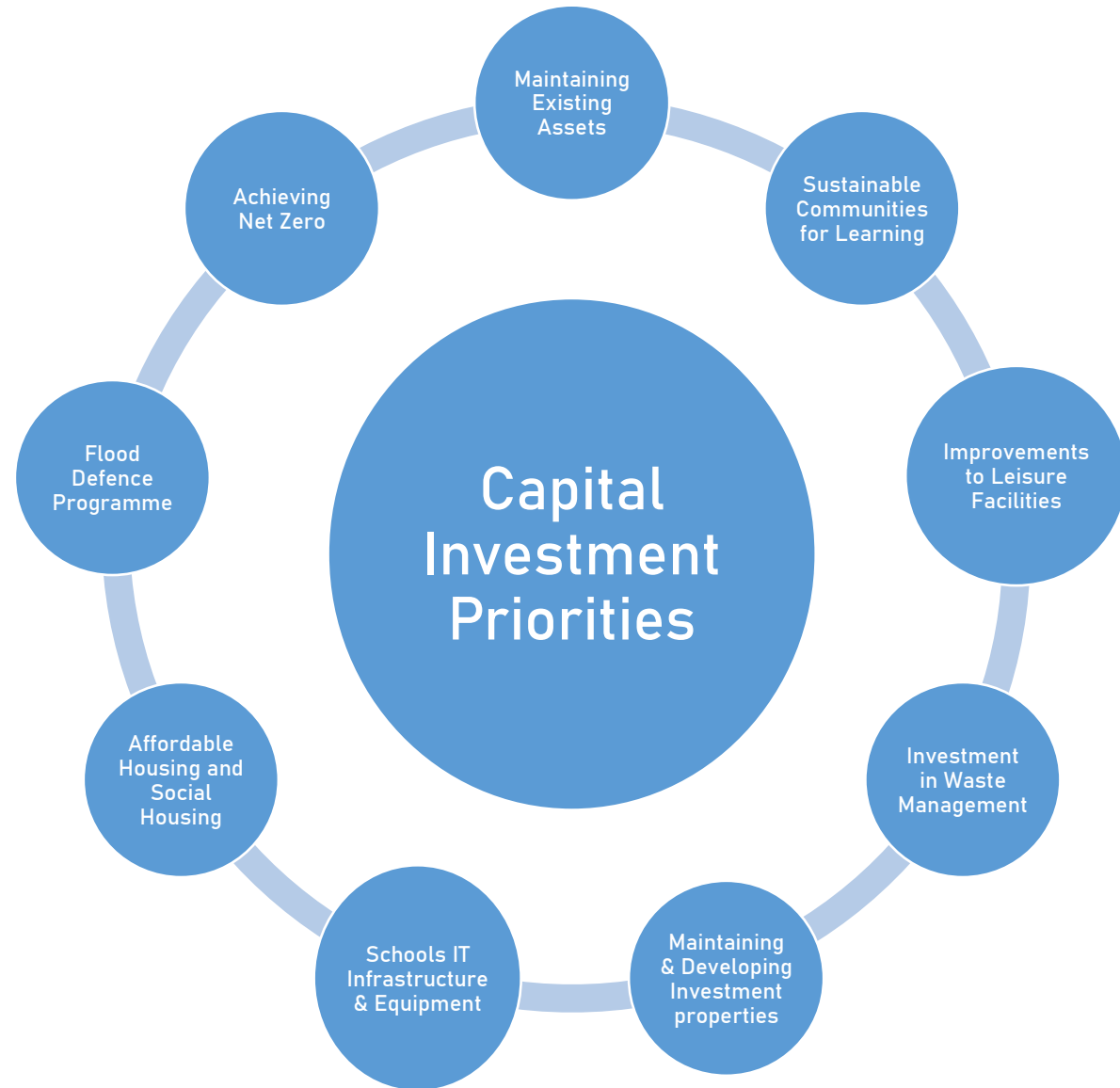
The Annual Capital Programme - The level of capital expenditure and borrowing impacts on the revenue budget due to capital financing costs and any ongoing revenue costs, such as maintenance.

Key priority areas

Delivering the strategic priority, together with key priority areas, sets a clear and ambitious mandate.

We want to ensure that:-

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- We secure sufficient funding to invest in the capital investment priorities;
 - Capital assets are maintained and continue to allow services to be provided;
 - The Council's strategy is sufficiently flexible to meet emerging needs and takes advantage of funding opportunities as they arise.



Principles and Objectives to Support Achievement of the Key Priorities

- Capital projects must relate to assets which help the Council achieve its key objectives, outlined in the Council Plan, and key operational strategies and statutory responsibilities.
- Each year when reviewing this strategy and developing the annual Capital Programme, the Council must take into account stewardship, value for money, prudence, sustainability and affordability.
- Sustainable Communities for Learning Programme will be prioritised within the Capital Programme.
- Capital Receipts from the Sale of Surplus Schools will be used as funding for the Sustainable Communities for Learning Programme (as set out in the Final Business Case) or as general capital funding.
- Receipts from the sale of Council smallholdings may be re-invested in the estate, if other spending priorities allow.
- An annual sum will be allocated to maintain or replace the Council's existing assets – Council Buildings, IT Equipment, Vehicles, Road Network.
- The Council will aim to utilise capital funding to transform and modernise service provision.
- Any new project that requires match funding to draw down grant funding will be assessed on a case by case basis by the Director of Function (Resources) / Section 151 Officer. The assessment will consider the level of grant funding, does the project fit into the Council's corporate priorities, the implications for the revenue budget and the ratio of match funding to grant funding.
- Capital projects must have regard to the net zero carbon targets and must use clean alternatives where, traditionally, carbon generating equipment / facilities / assets have been used.
- The Council will continue to work with its strategic partners and is committed to working as part of the North Wales Economic Ambition Board to deliver capital projects across North Wales.
- Unsupported Borrowing will be considered if the annual capital financing requirements are affordable and maintain an acceptable ratio of capital financing costs to net revenue expenditure.
- The timing of external borrowing will take place in line with the Council's Treasury Management Strategy Statement in order to maintain sufficient cash balances, but to minimise capital financing charges.

Capital Programme Funding Sources

Type of Funding	Source	Restrictions on Use	Revenue Implications	Comments
General Capital Grant	Welsh Government	None	None	
Supported Borrowing	PWLB	None	MRP (Minimum Revenue Provision) (based on asset life) & Interest (fixed for period of loan)	Revenue costs funded by Welsh Government (WG) through the settlement.
Unsupported Borrowing	PWLB	Must meet the requirements of the Prudential Code	MRP (based on asset life) & Interest (fixed for period of loan)	As full cost falls on the Council, any project funded through unsupported borrowing normally has to create additional income or revenue savings to meet the MRP and interest charges.
Communities for Learning (Grants & Borrowing)	Welsh Government & PWLB	As per approved business case	MRP (based on asset life) & Interest (fixed for period of loan)	WG fund 65% (67% through supported borrowing and 33% grant). Council funds 35% through unsupported borrowing and capital receipts.
Communities for Learning (Mutual Investment Model - MIM)	Welsh Government	As per approved business case	Annual revenue charge paid to MIM Company for 25 years	92% of revenue cost funded by WG, remaining 8% falls as revenue cost on the Council.
Specific Grant Funding	Welsh Government, UK Government, Other Funders	As per grant conditions	None	Grant funding may require to fund a level of match funding.
Capital Receipts	Sale of Council Assets	None	None	Capital Receipts must be used to fund capital expenditure or repay existing loans.
Council Reserves	Council	None	None	
Contributions from revenue budget	Council	None	None	
HRA Reserves	Council	HRA Capital expenditure only	None	

Current Council Assets

Type of Asset	Number	Type of Asset	Number	Type of Asset	Number
Primary Schools	38	Youth Clubs	1	Carriageway	1,188 km
Secondary Schools	5	Business Units	68	Footway	661 km
Canolfan Addysg y Bont	1	Retail Sites	20	Cycleways	211 km
Offices	2	Community Centres	8	Structures	539
Museums and Archives	2	Other Educational Establishments	3	Lighting	20,014 lights
Libraries	7	Sundry Property	8	Drainage	28,064
Residential Care Homes	5	Ports and Piers	7	Non-Illuminated Signs	7,629
Children's Care Homes (Cartrefi Clyd)	3	Moorings	468	Other Highway Assets	9,239
Day Care Centres	4	Housing Stock	3,980 units		
Leisure Centres	4	Occupied Land	Various		
Public Conveniences	22	Parks & Open Spaces	47		
Smallholdings	75	Vehicles	200		

Maintaining Existing Assets

- Ensuring Schools meet future educational requirements - £180m
- Backlog maintenance – Council Offices - £2.5m
- Backlog maintenance – Leisure Centres - £8m
- Backlog maintenance – Social Care Buildings - £3.5m
- Backlog maintenance – Business Units - £0.5m
- Backlog maintenance – Smallholdings - £2.3m
- Backlog maintenance – Libraries, Archives & Museums - £0.5m
- Backlog maintenance – Public Conveniences - £1.4m
- Annual Road Maintenance Requirement - £2m - £2.5m to maintain existing road condition
- I.T. Equipment – Replace existing hardware every 3 to 10 years
- Vehicles – Replace existing vehicles every 5 – 7 years – need to move to carbon neutral fuel source
- Disabled Facilities Grant – Budget requirement of £900k per annum minimum

Maintaining existing assets

Why is this important?

- Maintaining existing assets to a condition that allows them to be operational is key to ensure that services can continue to be delivered.
- To invest / upgrade and replace existing assets and to begin to clear backlog maintenance would require capital expenditure in excess of £10m per annum. This is a level that is beyond the current level of funding and investment will need to be prioritised.
- Investment in IT assets allows the Council to maintain its IT hardware, which supports front line service delivery.



What are we going to do?

- Each year, capital funding will be allocated to ensure an investment in existing assets to protect them into the future.
- Capital funding will be prioritised on assets required to help the Council deliver its statutory responsibilities.
- An annual sum will be allocated to maintain or replace the Council's existing assets – Council Buildings, IT Equipment, Vehicles.
- The current strategy is to use the General Capital Grant and Supported Borrowing.
- Funding the remainder would require a significant level of unsupported borrowing, which, in turn, would generate an MRP and interest charge in the region of £750k per annum.
- In the longer term, the number of retained assets will be assessed in terms of future service needs.

How are we going to do this?

- Aim to fund at the following level:-
 - Education Buildings - £1.0m
 - Other Council Buildings - £0.6m
 - Highway Maintenance - £2.0m
 - Vehicles - £0.5m
 - IT Equipment - £0.5m
 - Disabled Facilities Grants - £0.9m
- These funding levels are dependent on the funding available and other funding priorities, but set out the minimum requirement.
- This totals £5.5m, with the additional budget being funded from unsupported borrowing, capital receipts and contributions from revenue budgets.
- The Council will maximise external capital funding wherever possible and affordable.

Sustainable Communities for Learning

Why is this important?

- This is a substantial programme which will result in Sustainable Communities for Learning capital school improvements or new builds into the long term.
- The Council remains committed to the Programme and will continue to fully utilise external funding.

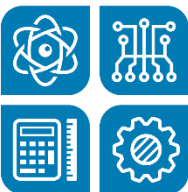


What are we going to do?

- The Council is currently drawing up the Sustainable Communities for Learning strategic outline programme, which sets out the Council's investment priorities over the next 9 years.
- The plan will concentrate on the improvement / replacement of the Council's 5 secondary schools.
- Funding will continue to come in the form of a mixture of WG grants and supported borrowing (65% of the cost) and unsupported borrowing and capital receipts (35% of the cost).

How are we going to do this?

- Capital Receipts from the sale of surplus schools will be used as funding for the Sustainable Communities for Learning Programme.
- The replacement of a secondary school would be in the region of £70m, and this is likely to utilise the majority of the WG funding available.
- The Council will continue to explore the potential of using the WG's Mutual Investment Model (MIM) to fund the cost of replacing one school building.
- Any new scheme is unlikely to commence until 2027/28.



Improvements to Leisure Facilities

Why is this important?

- Leisure Centres provide an important service to Anglesey residents, which contributes to their health and wellbeing.
- 3 of the Council's 4 Leisure Centres are approximately 50 years old and require significant investment to maintain the buildings and to upgrade the facilities.
- The estimated cost would be in the region of £40m to £50m, which the Council cannot fund in isolation.

What are we going to do?

- The Council will continue to maintain the buildings so that they can continue to operate over the short to medium term, with the objective of continuing to operate the 4 centres.
- The Council will assess the long term future of the 4 centres, linking the decision to the needs of communities, the Sustainable Communities for Learning programme and the funding available.

How are we going to do this?

- The long term strategy will be to work to obtain grant funding to undertake refurbishment or the rebuilding of the centres.
- The Council has already commenced the upgrade of Plas Arthur Leisure Centre, using £1.5m of earmarked reserves (generated from a VAT refund and the sale of the Llangefni Golf Course) to use as match funding for external grant funding.



Waste Management

Why is this important?

- The Council must maintain safe 'business as usual' services and comply with future changes in legislation / meet targets, e.g. the 70% of household waste recycling target.
- The estimated cost of the capital investment over the next 6 years is £45.1m, which is made up of:-
 - Business as usual asset renewal, including replacement fleet - £11.0m;
 - Recycling / waste collection service changes to meet targets - £21.3m (with further investment required in additional fleet);
 - Infrastructure changes to support service changes to meet statutory targets - £4.7m;
 - Decarbonisation of fleet and plant equipment - £8.0m.

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What are we going to do?

- The Council's newly adopted Resources & Recycling Strategic Plan sets out four key priorities to ensure 'business as usual' services are maintained and improved to meet future legal requirements / targets. The Council is working with several stakeholders to improve recycling rates to meet statutory targets, but this will require investment in the existing recycling centres, plant, machinery and vehicles.

How are we going to do this?

- The Council expect to receive around £8m from DEFRA through the Producer Extended Packaging Responsibility (pEPR) scheme, which will be used as direct funding or match funding to any grant funding that can be secured
- Any additional funding would have to be undertaken through unsupported borrowing.



Achieving Net Zero

Why is this important?

- WG has set a target for the Council to achieve net zero by 2030.
- The Council has recognised that achieving this target is not possible given the resources available and the time remaining.
- Capital projects must have regard to the net zero carbon targets.



What are we going to do?

- Achieving the target of net zero will require considerable investment in:-
 - Council Buildings - to reduce energy consumption and to change to carbon neutral energy sources;
 - Vehicles – to transfer away from petrol and diesel vehicles;
 - Council Houses – to convert all properties to be carbon neutral wherever possible / viable;
 - Developing electronic vehicle charging infrastructure;
 - Improving biodiversity on Council land;
 - Ensuring that all new buildings are designed to be carbon neutral.

How are we going to do this?

- The capital investment required will be significant, and the Council has no core funding to deliver this objective.
- The strategy will be to develop projects and to bid for grant funding which can deliver projects as and when grant funding is received.
- The Housing Revenue Account will provide funding to move towards making the Council housing stock carbon neutral.



Flood defence programme

Why is this important?

- The Council has identified a number of areas where flood defences need to be improved.

What are we going to do?

- WG currently fund 85% of the capital cost of flood defence work by means of grant. The remaining 15% is provided by the Council.
- The Council estimates that around £2m per annum is required to be invested in flood defence work over the next 5 years. This requires the Council to provide match funding of £300k per annum.
- Given the significant grant funding that can be drawn down through the allocation of match funding, the strategy will continue to prioritise the allocation of match funding in the capital programme.

How are we going to do this?

- Prioritise the allocation of match funding in order to maximise the grant drawn down from WG.
- Prioritise expenditure on the schemes that safeguard the greatest number of properties per pound of expenditure.



UK Government Grant Funding

Why is this important?

- To ensure that Anglesey continues to benefit from grant funding available from the UK and Welsh Government that has replaced EU grant funding.
- To ensure that investment continues to be made in projects that benefit the residents and communities on Anglesey.

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What are we going to do?

- The UK Government has replaced previous EU grant funding with additional regional and local grant funding – currently Levelling Up Fund, Shared Prosperity Fund and the North Wales Growth Deal.
- The Council will continue to work with regional and local partners to bid for funding to undertake projects which improves local infrastructure and the local economy.

How are we going to do this?

- The use of the Council's own reserves as match funding will be assessed on a case by case basis, taking into account the importance of the project for Anglesey and North Wales, the potential benefits arising from completion of the project and the balance of match funding to grant funding.
- Apart from the existing commitments, no new match funding commitments have been made for the period 2026 to 2030.



Schools IT infrastructure and Equipment

Why is this important?

- The way that schools deliver education has changed, with IT playing a greater role in delivering education and in managing schools.
- Investment in IT infrastructure and equipment for pupils is vital to ensure that schools continue to improve and modernise how education is delivered.

What are we going to do?

- The Council has drawn down funding from WG through the HWB Grant scheme. This has allowed for the upgrading of IT infrastructure within schools and purchased devices for individual pupils.
- The condition of the HWB grant requires that the Council commits to replacing the equipment purchased by the grant when it reaches its useful life. This will require around £4.6m of expenditure by 2030/31, with significant further investment required in future years.
- The Council has earmarked reserves of £0.9m to fund some of the cost, and intended to make an annual contribution of £220k from the revenue budget each year to increase this reserve.

How are we going to do this?

- To develop a working service level agreement between stakeholders to fund required investment in future years.
- To look at alternative options for funding the required investment.



Investment properties

Why is this important?

- The Council retains a number of properties which are let on a commercial basis and generate an annual income for the Council. These include industrial units, office accommodation, retail units and smallholdings.

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These properties provide valuable accommodation to support local businesses and allow continued investment in the local economy.



What are we going to do?

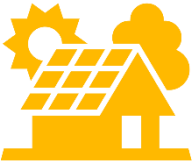
- The Council has followed a strategy of developing new units through grant funding, mainly from the EU and WG. Examples of recent developments include new units at Penrhos, Holyhead, and units on the Bryn Cefni Industrial Estate.
- Seeking to develop new units in North Anglesey and Llangefni, with an estimated investment of £12m, with work ongoing to secure funding.
- During 2010 to 2015, a number of smallholding properties were disposed of, and land merged to create larger, more viable units. The capital receipts from the sale of properties was reinvested in upgrading the remaining properties. However, this source of funding is no longer available.

How are we going to do this?

- The Council's Asset Management Plan sets out the plan for individual asset types and estates, and this will feed through to the capital budget.
- Any investment in these properties would have to be funded from the Council's core capital funding, any grant funding that becomes available or unsupported borrowing.



Social and Affordable Housing



Why is this important?

- The Council currently provides housing to around 4,000 tenants, which provides affordable accommodation to the most vulnerable residents of Anglesey.
- The need for low cost, quality affordable rental accommodation on Anglesey continues to rise. The Council needs to continue to invest in its existing stock and to increase its stock numbers to continue to meet the increasing demand.

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What are we going to do?

- Continue to develop, or repurchase, 45 units a year, and also invest in extra care provision, with a 40 bed unit planned to be opened in 2030/31.
- The Council also continues to invest in its existing stock to ensure that properties continue to maintain the WHQS standard, and that work on any properties not yet upgraded is undertaken when the property becomes available.

How are we going to do this?

- Utilise the financial assets of the Housing Revenue Account (HRA) to fund the required investment.
- The HRA is a ring-fenced account. The funding of capital expenditure is made through the annual surplus achieved on the revenue account, the Major Repair Allowance grant received from WG, existing HRA reserve balances and through unsupported borrowing.
- Any new development will only be undertaken if it passes 3 main financial tests. This ensures that any borrowing is affordable and can be funded from future rental income.
- The HRA 30 Year Business Plan estimates that £67m will be invested in the existing stock and £60m will be invested in the development of new properties over the next 5 years.
- The Business Plan has set a cap on borrowing of 6.5 times the rental income.



Capital Expenditure Summary 2026/27 to 2030/31

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	Base Case £'m	Ambitious £'m	Ideal £'m
Maintenance of Existing Assets	32.45	41.06	59.20
Sustainable Communities for Learning	0.00	96.70	96.70
Improvements to Leisure Facilities	2.15	18.15	22.15
Waste Management	8.69	15.43	44.22
Achieving Net Zero	0.00	4.00	10.00
Flood Defence Programme	0.03	4.03	8.03
Schools IT Infrastructure / Equipment	2.08	3.02	3.63
Investment Properties	12.65	12.65	18.65
Housing Revenue Account	101.27	159.53	164.59
TOTAL EXPENDITURE	159.32	354.57	427.17

- The Base Case utilises the known secured funding. The Ideal scenario is the investment required to achieve all of the Council’s objectives and bring all existing assets to an acceptable condition.
- The Ambitious scenario utilises a level of unsupported borrowing which may be affordable if, and when, the Council’s revenue budget position improves.
- Grant funding, when secured, may also allow the Council to replace borrowing with grants and allow the Council’s position to move from the Base Case to the Ambitious at a lower revenue cost, or allow the Council to move from the Ambitious to the Ideal Scenario.
- Other grant funding may also be secured to undertake other projects, and these will be added to the capital budget as and when the funding is secured and have, therefore, been omitted from this table.

Funding Capital Expenditure Summary 2026/27 to 2030/31

	Base Case £'m	Ambitious £'m	Ideal £'m
Supported Borrowing	12.21	12.21	12.21
General Capital Grant	13.96	13.96	13.96
Sustainable Communities for Learning – Supported Borrowing	0.00	8.19	8.19
Sustainable Communities for Learning – Unsupported Borrowing	0.00	4.03	4.03
Sustainable Communities for Learning – Welsh Government Grant	0.00	6.58	6.58
Mutual Investment Model Funding (MIM)	0.00	77.90	77.90
Other Welsh Government Grants	12.65	31.28	68.57
Waste Recycling Grants	7.70	7.70	7.70
Capital Receipts	0.00	0.80	0.80
Earmarked Reserves	4.85	4.98	5.04
Revenue Contributions – General Fund	6.08	7.29	7.88
HRA Major Repairs Allowance	13.46	13.46	13.46
Other HRA Grants	26.07	46.70	48.16
HRA Reserves and Annual Surplus	34.15	25.48	25.48
Unsupported Borrowing – General Fund	0.60	20.12	49.71
Unsupported Borrowing - HRA	27.59	73.89	77.50
TOTAL FUNDING	159.32	354.57	427.17

Impact of Capital Expenditure on Capital Financing Requirement (CFR) and External Borrowing

	Base Case		Ambitious		Ideal	
	CFR £'m	Borrowing £'m	CFR £'m	Borrowing £'m	CFR £'m	Borrowing £'m
2026/27	161.31	124.24	161.31	124.24	161.31	124.24
2027/28	180.69	144.92	182.90	147.17	184.24	148.54
2028/29	200.87	165.91	206.93	172.12	216.53	181.90
2029/30	210.93	175.22	225.03	194.37	241.59	211.40
2030/31	222.91	182.84	248.50	220.17	273.50	246.11

- The impact of the above on the Council's authorised limit and operational boundary are set out in the Council's Treasury Management Strategy Statement.

Revenue Implications of Capital Expenditure – General Fund

		Base Case		Ambitious		Ideal	
	Estimated Net Revenue Expenditure (NRE) £'m	MRP & Interest £'m	MRP & Interest to NRE %	MRP & Interest £'m	MRP & Interest to NRE %	MRP & Interest £'m	MRP & Interest to NRE %
2026/27	207.02	6.55	3.17%	6.55	3.17%	6.55	3.17%
2027/28	212.20	6.74	3.18%	6.90	3.25%	7.02	3.31%
2028/29	216.44	6.89	3.18%	7.30	3.37%	7.82	3.61%
2029/30	220.77	6.95	3.15%	7.87	3.56%	8.82	3.99%
2030/31	225.19	7.09	3.15%	8.70	3.86%	10.16	4.51%

- The net revenue expenditure is assumed to increase by 2.5% per annum from 2027/28, falling to 2% by 2028/29.
- MRP is calculated on the basis of the Council's current MRP Policy – see Treasury Management Strategy Statement.
- The additional MRP and Interest costs would not be funded through the AEF and would require an increase in Council Tax to fund.
- Given that the Council has adopted the annuity method to calculate the MRP charge, the MRP charge increases annually, which places a greater pressure on Council Tax to fund the additional annual revenue costs.

Revenue Implications of Capital Expenditure – Housing Revenue Account

	Base Case			Ambitious			Ideal		
	Estimated Net Rental Income (NRI) £'m	MRP & Interest £'m	MRP & Interest to NRI %	Estimated NRI £'m	MRP & Interest £'m	MRP & Interest to NRI %	Estimated NRI £'m	MRP & Interest £'m	MRP & Interest to NRI %
2026/27	24.06	2.38	9.88%	24.06	2.38	9.88%	24.04	2.38	9.88%
2027/28	25.22	3.58	14.17%	25.22	3.58	14.17%	25.30	3.55	14.04%
2028/29	26.75	4.78	17.68%	27.02	4.78	17.68%	27.11	4.88	18.00%
2029/30	27.31	5.28	19.35%	27.86	5.49	19.70%	27.97	5.63	20.12%
2030/31	28.41	5.75	20.24%	29.27	6.23	21.28%	29.38	6.39	21.74%

- The net rental income is as per the HRA Business Plan.
- MRP is calculated on the basis of the Council's current MRP Policy – see Treasury Management Strategy Statement.
- Given that the Council has adopted the annuity method to calculate the MRP charge, the MRP charge increases annually, which places a greater pressure on Council Tax to fund the additional annual revenue costs.

Prioritising Capital Expenditure and Setting Annual Capital Budgets

- Annual budgets will be set to maintain existing assets, and the budget will be dependent on the funding available through the General Capital Grant and Supported Borrowing.
- Services are invited to submit bids for funding for one off projects. Bids will be assessed in terms of:-
 - How they contribute to the objectives of the Council Plan;
 - Do they contribute to mitigating any of the Council's corporate risks;
 - The impact of the project on future capital investment;
 - The impact of the project on future revenue costs, i.e. will it increase or decrease revenue costs;
 - Whether the project is partly funded by grant funding and what the level of grant funding will be.
- The Capital budgets for the Communities for Learning programme and the Housing Revenue Account are drawn up outside of this process.

Monitoring and Managing Capital Expenditure and Borrowing

Capital Expenditure and the related borrowing is monitored and managed by the Council, as follows:-

- Treasury Management Strategy Statement and Prudential Borrowing Indicators – Scrutinised by the Governance & Audit Committee, proposed by the Executive and approved by the full Council;
- Half yearly and annual treasury management reports to Governance & Audit Committee, Executive and full Council;
- Quarterly Capital Expenditure Monitoring reports to the Executive and the Finance Scrutiny Panel;
- Annual Capital Budget proposed by the Executive and approved by the full Council.

Responsibility for the Treasury Management function within the Council rests with the Director of Function (Resources) / Section 151 Officer, supported by qualified and experienced finance professionals, including the Accountancy Services Manager, Finance Manager and Capital Accountant.

The Council also employ MUFG Corporate Markets Treasury Limited to provide specialist treasury management advice. Elected Members and Lay Members of the Governance & Audit Committee receive regular treasury management training that allows them to undertake their duties.

Treasury Management Investment Strategy

The Council's Investment Strategy is set out in its Annual Treasury Management Strategy Statement, but is summarised as follows:-

- Surplus cash is invested with financial institutions which hold the highest level of credit rating, as set out in the Treasury Management Strategy Statement.
- Investments are made applying the principles of security, liquidity and yield, in that order. Investments are not made simply to maximise the investment return. Investments are reported on a quarterly basis through the Treasury Management update reports.
- Cash investments will not be funded through additional borrowing.
- The Council will hold minimum cash balances equivalent to the agreed level of general balances, which is currently 5% of the Council's net revenue expenditure budget, £10.35m for 2026/27.
- The Council owns a number of non-treasury management investments in the form of investment properties (retail properties, office and commercial units) which generate an annual rental income, although the income generated is not significant in terms of the Council's overall annual income. There is no intention to dispose of these properties in the foreseeable future.
- The Council will take advantage of any grant funding that may become available to develop more investment properties, but will not undertake any significant additional borrowing to achieve the development of additional units.

Risks in delivering the Capital Strategy and Capital Budget



Summary Conclusions

- The Council's capital requirement to modernise and upgrade existing assets and to deliver on its corporate priorities is in excess of £425m over the next 5 years, and the Council's ability to deliver is restricted by lack of central government unhypothecated funding.
- The Council's ability to undertake unsupported borrowing, in accordance with the requirements of the Prudential Code, is limited on the grounds of affordability, as it would place an unacceptable cost on future taxpayers.
- The minimum funding available through supported borrowing and the general capital grant is insufficient to fund the minimum required to maintain the Council's existing assets to a level that allows the safe and effective operation of those assets.
- To achieve its corporate objectives, the Council must secure additional grant funding, but this may not be sufficient to allow the Council to move towards achieving its objectives.
- To move from the minimum position, the Council must consider undertaking a limited amount of unsupported borrowing, but this must be at an affordable level, taking into account the current financial challenges the Council is facing.
- External factors, such as new or changing legislation, new performance levels or the need to avoid service failure, may accelerate the need to move from the minimum position sooner than is considered desirable or affordable.
- Additional capital investment can be avoided through asset rationalisation and extending the life of existing assets.
- Priority will be given to fund the projects which best achieve the Council's main priorities, e.g. the Sustainable Communities for Learning programme.
- Match funding will be provided where the project is mainly funded by external grants and where the project is in line with the Council's corporate objectives.
- The HRA projects will continue to be assessed separately from the Council Fund projects.

Appendix 1 – Expenditure Assumptions

Capital Budget Category	Funded By	Base Case £'m	Ambitious £'m	Ideal £'m
Maintenance of Assets - Schools	Supported Borrowing & General Capital Grant	Initial Budget of £900k increased by inflation	Initial Budget of £1.0m increased by inflation	Initial Budget of £1.0m increased by inflation
Maintenance of Assets – Other Council Buildings	Supported Borrowing & General Capital Grant	Initial Budget of £334k increased by inflation	Initial Budget of £600k increased by inflation	Initial Budget of £900k increased by inflation
Maintenance of Assets – Vehicles	Supported Borrowing & General Capital Grant	Initial Budget of £350k increased by inflation	Initial Budget of £550k increased by inflation	Initial Budget of £550k increased by inflation
Maintenance of Assets – IT Equipment	Supported Borrowing & General Capital Grant	Initial Budget of £433k increased by inflation	Initial Budget of £433k increased by inflation	Initial Budget of £500k increased by inflation
Highway Maintenance	Supported Borrowing & General Capital Grant	Initial Budget of £1.7m increased by inflation	Initial Budget of £2.0m increased by inflation	Initial Budget of £2.5m increased by inflation
Housing Grants & Loans	Council Tax Premium	Initial Budget of £1.0m increased by inflation	Initial Budget of £1.0m increased by inflation	Initial Budget of £1.0m increased by inflation
Disabled Facilities Grants	Supported Borrowing & General Capital Grant	Initial Budget of £900k increased by inflation	Initial Budget of £900k increased by inflation	Initial Budget of £1.0m increased by inflation
School Modernisation Programme	WG Grants & Supported Borrowing, Unsupported Borrowing, Mutual Investment Model (MIM)	No schemes	New Secondary School Holyhead. Refurbishment of Primary and Secondary Schools (as WG funding allows)	New Secondary School Holyhead. Refurbishment of Primary and Secondary Schools (as WG funding allows)
Schools IT Equipment Replacement	Contribution from Revenue Budget, School Balances and Earmarked Reserve	£1.4m in 2027/28 and £220k in each following year	£3.3m by 2030/31	£4.6m by 2030/31

Appendix 1 – Expenditure Assumptions

Capital Budget Category	Funded By	Base Case £'m	Ambitious £'m	Ideal £'m
Backlog Maintenance – Council Offices	Earmarked Reserves and Unsupported Borrowing	£230k from Earmarked Reserves in 2026/27	£230k from earmarked reserves in 26/27, £250k per annum after 26/27	£230k from earmarked reserves in 26/27, £250k per annum after 26/27
Backlog Maintenance – Social Services Homes and Day Centres	Unsupported Borrowing	£95k from Earmarked Reserves in 2026/27	£95k from Earmarked reserves in 26/27. £1.2m by 2030/31	£95k from Earmarked reserves in 26/27. £3.5m by 2030/31
Backlog Maintenance – Libraries, Archives & Oriel	Unsupported Borrowing	£0	£200k by 2030/31	£250k by 2030/31
Backlog Maintenance - Schools	Unsupported Borrowing	£0	£300k per annum	£2.6m per annum
Backlog Maintenance – Industrial & Business Units	Unsupported Borrowing	£0	£100k per annum for 5 years	£100k per annum for 5 years
Backlog Maintenance - Smallholdings	Revenue Surplus	£0	£100k per annum	£230k per annum
Gypsies & Travellers Site	100% WG Grant	£0	£1.2m by 2028/29	£1.2m by 2028/29
Public Transport Infrastructure	100% WG Grant	Dependant on grant funding	Dependant on grant funding	Dependant on grant funding
Public Conveniences	Earmarked Reserves and WG Grant	£280k from Earmarked Reserves	£280k from Earmarked Reserves	£280k from Earmarked Reserves and £100k per annum
Net Zero Carbon projects	WG Grant (90%) and Unsupported Borrowing	£0	£1m per annum	£2.5m per annum

Appendix 1 – Expenditure Assumptions

Capital Budget Category	Funded By	Base Case £'m	Ambitious £'m	Ideal £'m
Leisure Improvement Plan	Earmarked Reserves, Grant Funding and Unsupported Borrowing	Complete Plas Arthur Refurbishment. £2.15m by 2030/31	Complete Plas Arthur Refurbishment. One new Leisure Centre. £18.2m by 2030/31	Complete Plas Arthur Refurbishment. One new Leisure Centre and refurbishment of other 2. £22.0m by 2030/31
Economic Development Investment Plan	WG Grant and Unsupported Borrowing	Freeport Investment and North Anglesey project	Freeport Investment and North Anglesey project	Freeport Investment and North Anglesey project plus £8.0m for new projects
Waste Management Plan	DEFRA grant & WG grant (90%)	£8.7m by 2029/30	£15.4m by 2030/31	£44.2m by 2030/31
Flood Defence Schemes	85% WG Grant and Supported Borrowing	£30k match funding from Earmarked Reserves	£1.0m per annum	£2.0m per annum
HRA Planned Maintenance & WHQS	HRA Reserve, Revenue Surplus, Major Repairs Allowance & Unsupported Borrowing	£67.0m by 2030/31	£67.0m by 2030/31	£67.0m by 2030/31
HRA New Developments	Social Housing Grant, WG Grants & Unsupported Borrowing	Seiriol Extra Care Scheme & Other Committed Developments. £52.6m by 2030/31	Seiriol Extra Care Scheme & Other Planned Developments. £90.0m by 2030/31	Seiriol Extra Care Scheme & Other Planned Developments. £95.0m by 2030/31
HRA Vehicles	Unsupported Borrowing	Initial Budget of £361k increased by inflation	Initial Budget of £361k increased by inflation	Initial Budget of £361k increased by inflation

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE COMMITTEE
Date:	27 JANUARY 2026
Subject:	Council Tax Premium on dwellings that have been unoccupied and substantially unfurnished for a continuous period of at least 12 months (Long-term Empty Properties) – Results of the Consultation
Portfolio Holder(s):	CLLR. ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE & CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author:	Llinos Mair Roberts
Tel:	01248 752651
E-mail:	LlinosRoberts5@ynysmon.llyw.cymru
Local Members:	n/a
A – Recommendation/s and reason/s	
<p>1. The Executive to note the outcome of the Council Tax Premium Consultation;</p> <p>1.2 Approve Option 5 for implementation from 1 April 2027 - To set the level of the premium based on the length of time the property has been empty from the date the property first became empty, but with a starting premium of 100%; and</p> <p>1.3 The Executive to consider how the associated income should be allocated in line with the Council's strategic priorities.</p> <p>To be discussed and confirmed in the Business Meeting of the Executive.</p>	
B – What other options did you consider and why did you reject them and/or opt for this option?	
<p>The options considered are discussed in the report in Appendix 1. Taking account of consultation feedback, affordability and deliverability, Option 5 is considered the most appropriate option.</p>	
C – Why is this a decision for the Executive?	
<p>The setting of the level of the Council Tax premium for 2026/27 for properties that have been unoccupied and substantially unfurnished for a continuous period of at least 12 months, forms part of the Executive's overall budget proposals, which will be agreed by the Executive at its meeting in March 2026 and voted on by the full Council in March 2026.</p>	
CH – Is this decision consistent with policy approved by the full Council?	
<p>Not applicable</p>	
D – Is this decision within the budget approved by the Council?	
<p>The decision, although impacting on the budget for 2026/27, will not result in the incurring of any additional costs or generate any additional income in the 2025/26 financial year. As a result, the decision will not impact on the budget approved by the Council for 2025/26.</p>	

DD – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The decision will increase the level of funding generated through the premium, which can be used to provide financial assistance to local residents to purchase their first home and to provide funding that will allow the Council to address other issues which affect the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The number of long-term empty properties on the Island is negatively affecting the supply of properties for local people to rent or buy. This puts additional pressures on statutory Council services, in particular Housing Services.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council has been working with other Welsh councils who are experiencing increasing numbers of long-term empty properties and additional challenges to housing demand, to find solutions to the issue.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The report details the results of a wide consultation that has taken place, which was open to Anglesey citizens as well as long-term empty property owners.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The decision does not impact directly on any groups protected under the Equality Act 2020.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The raising of the premium for long-term empty properties would increase the annual council tax charge for those property owners. These are not considered to be a group that are 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 / Leadership Team (LT) (mandatory)	
2	Finance / Section 151 (mandatory)	Bethan H Owen, Accountancy Services Manager, deputising on behalf of Marc Jones, Director of Function (Resources) / Section 151 Officer
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT.
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable

7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
F - Appendices:		
<ul style="list-style-type: none"> • Appendix 1 – Report on Council Tax premium on long-term empty properties • Appendix 2 – Exceptions from the premium on long-term empty properties 		
FF - Background papers (please contact the author of the Report for any further information):		

1. INTRODUCTION AND BACKGROUND

- 1.1** Part 7, Section 139 of the Housing (Wales) Act 2014, amended the Local Government Finance Act 1992 and allowed the Council to increase the level of Council Tax charged on long-term empty dwellings, and the Council can specify different percentages for different dwellings, based on the length of time for which they have been long-term empty dwellings. The initial maximum premium was initially set at 100% but, from 1 April 2023, this figure was increased by the Welsh Government (WG) to 300%.
- 1.2** As at May 2025, there were 805 properties recorded on the Council Tax system which were designated as long-term empty properties. The properties are spread across the Island, with around 25% of all the long-term empty properties in Holyhead and between 5% and 10% in each of Amlwch, Beaumaris, Llanfairpwll, Llangefni and Menai Bridge. The remainder are located in various villages across Anglesey.
- 1.3** The properties are in the following bands as shown in Table 1 below:-

Table 1
Long-term Empty Properties by Council Tax Band as at May 2025

Band	Number of Properties	% of Properties
A	139	17.3%
B	152	18.9%
C	145	18.0%
D	171	21.2%
E	109	13.6%
F	59	7.3%
G	22	2.7%
H	5	0.6%
I	3	0.4%
Total	805	100.0%

- 1.4** The Council currently charges a premium of 100% on all long-term empty properties where the property has been empty for a period of 12 months. Some properties are provided an exception from the premium, as follows:-
- Properties being actively marketed for sale or let – exception of 12 months granted;
 - Annexes forming part of, or being treated as part of, the main dwelling;
 - Dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation;
 - Properties that are subject to major repair work / structural work, providing that the work is ongoing and progressing and where the council tax exemption as a property requiring or undergoing major repair work in order to render it habitable has been exhausted, it may be possible to apply for discretionary relief from the premium, where certain conditions are met. This may be extended by a further 12 months if the taxpayer is a first time buyer with a local connection (as defined in the Discretionary Council Tax Relief Policy).

- 1.5** Of the 805 properties, as at May 2025, 589 properties were paying the premium at that point in time, 170 had been empty for less than 1 year and were currently not required to pay the premium until the first anniversary of the property becoming empty was reached, 44 properties had one year exceptions from the premium (structural works, property being marketed for sale or let) and 2 were permanently exempted from the premium (annexes).
- 1.6** The numbers can change during the year as taxpayers sell or let their properties and new properties become empty during the year.
- 1.7** Based on the number of long-term empty properties as at May 2025, the premium would have generated £1.18m in additional income for the Council. However, the actual figure would be lower because taxpayers would have disposed of or let properties prior to the 1 year exception running out. As a comparison, £906k of premium from long-term empty property was raised in 2024/25.
- 1.8** The Housing (Wales) Act 2014 does not specify how the Council should use the additional revenue generated by the premium, but the guidance issued by WG states that:-
- “The discretion given to local authorities to charge a premium is intended to be a tool to help local authorities to:-
 - Bring long-term empty homes back into use to provide safe, secure and affordable homes; and
 - Support local authorities in increasing the supply of affordable housing and enhancing the sustainability of local communities.”
- 1.9** The premium is not used for specific projects, but is used as part of the overall funding of the Council to provide services. However, the budget does include specific projects which would not be funded if the premium was not raised. This includes £1m in 2025/26 to provide grants and loans to first time buyers.

2. RESULT OF THE CONSULTATION PROCESS

- 2.1** The Executive agreed to undertake a full consultation on a number of options in respect of the long-term empty property premium, in order to provide a greater incentive for taxpayers to bring properties back into use by increasing the financial penalty of keeping a property empty and unoccupied for a long period of time.
- 2.2** The options being considered were as follows:-
- **Option 1 – No change**
To maintain the long-term empty property premium at its current level of 100%.
 - **Option 2 – To increase the premium to 150% on all long-term empty properties from April 2026**
The premium would increase to 150% for all long-term empty properties that have been empty for more than 12 months and do not qualify for an exception.
 - **Option 3 – To set the level of the premium based on the length of time the property has been empty from 1 April 2026**
To re-set the premium for every property to 0% from April 2026 and to then set the premium based on the time the property has been empty from April 2026. The premium would be set as follows:-

Number of Years Empty from April 2026	Premium Charged
Less than 1 year	0%
Between 1 and 2 years	25%
Between 2 and 3 years	50%
Between 3 and 4 years	75%
Between 4 and 5 years	100%
Between 5 and 6 years	125%
Between 6 and 7 years	150%
Between 7 and 8 years	175%
Between 8 and 9 years	200%
Between 9 and 10 years	250%
Over 10 years	300%

- **Option 4 – To set the level of the premium based on the length of time the property has been empty from the date the property first became empty**

The initial level of the premium would be determined based on the number of years since the property became empty, e.g. if a property has been empty since 1 April 2021, the premium from 1 April 2026 would be 125% (based on the premiums as set out in Option 3).

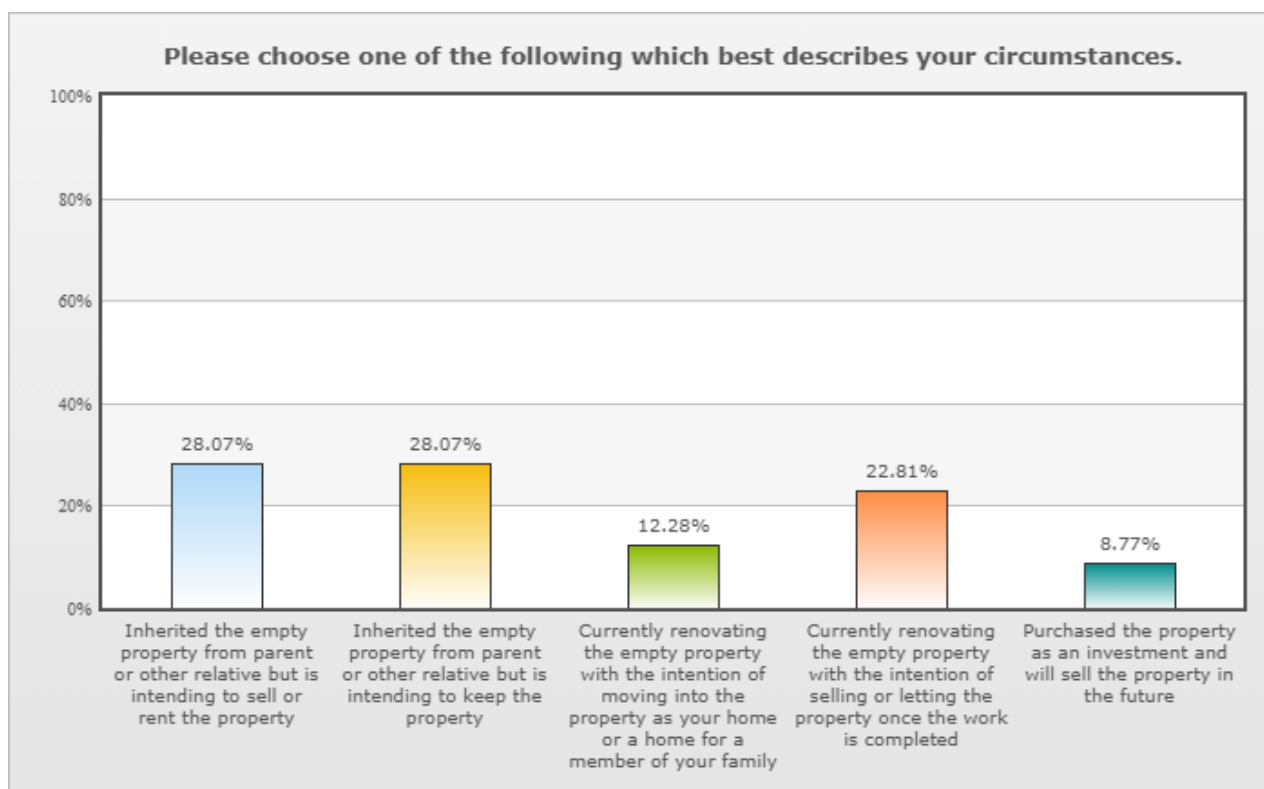
- **Option 5 – To set the level of the premium based on the length of time the property has been empty from the date the property first became empty, but with a starting premium of 100%**

The initial level of the premium would be determined based on the number of years since the property became empty. The premium would be set as follows:-

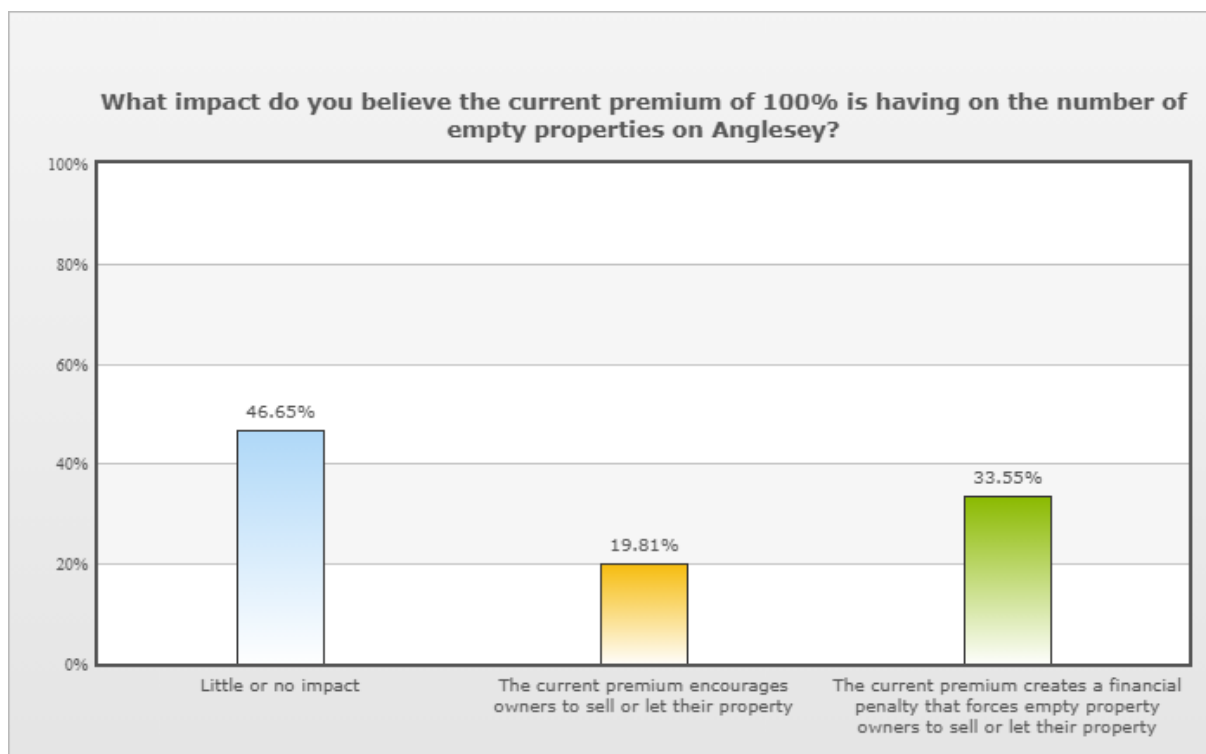
Number of Years Empty from April 2026	Premium Charged
Less than 5 years	100%
Between 5 and 6 years	125%
Between 6 and 7 years	150%
Between 7 and 8 years	175%
Between 8 and 9 years	200%
Between 9 and 10 years	250%
Over 10 years	300%

- 2.3** The consultation opened on 29 September 2025 and closed on 7 November 2025. In total, 449 responses were received to the consultation, 136 partially completed and 313 completed in full.
- 2.4** Each respondent was asked to provide the Council with their post code. Of the 313 who provided this information, 288 (92.01%) were residents of Anglesey and 25 (7.99 %) had their main residence outside of Anglesey.
- 2.5** Respondents were asked whether they owned a long-term empty property on Anglesey, with 55 (17.89%) responding yes and 257 (82.11%) responding no. The figure suggests that approximately 7% of the current owners of long-term empty properties responded to the consultation.

2.6 Respondents were asked to best describe their circumstances, with 57 responding as follows:-

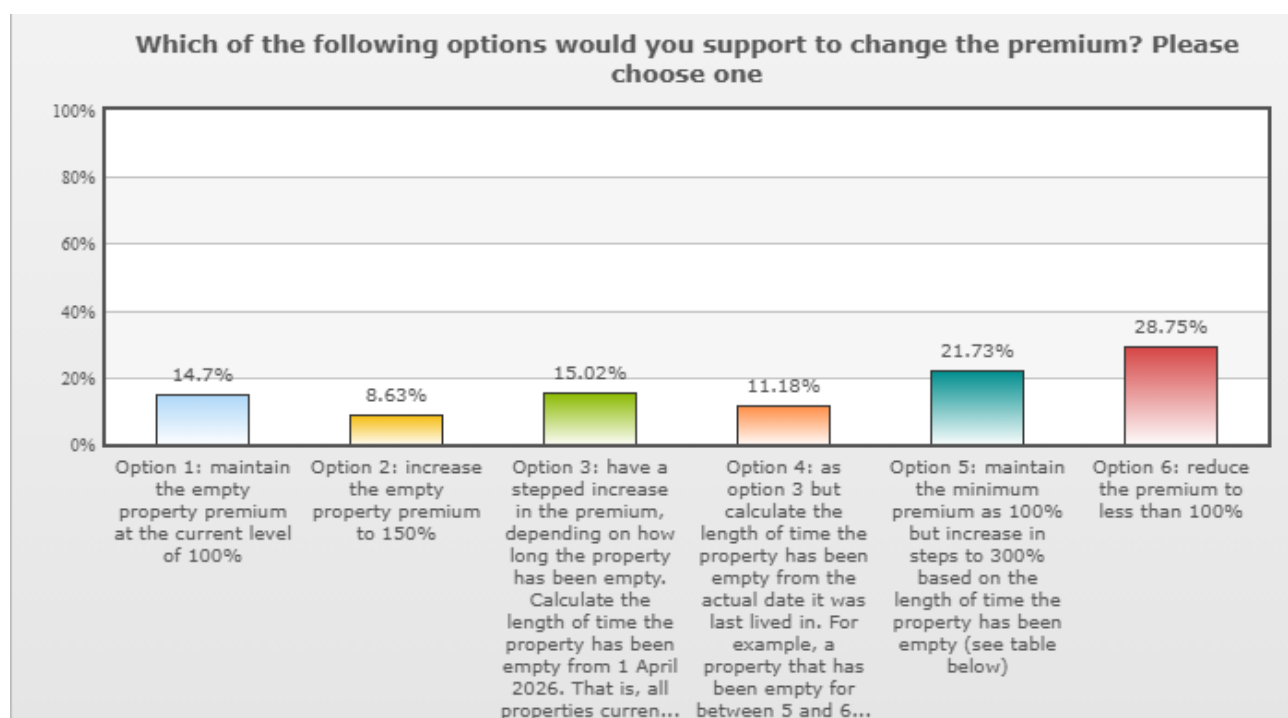


2.7 The consultation asked people's opinion on what impact they believed the current premium is having on the number of long-term empty properties on Anglesey (313 responded):-



2.8 The figures in the above table suggest that over half of respondents consider the premium to either encourage or force long-term empty property owners to sell or let their property.

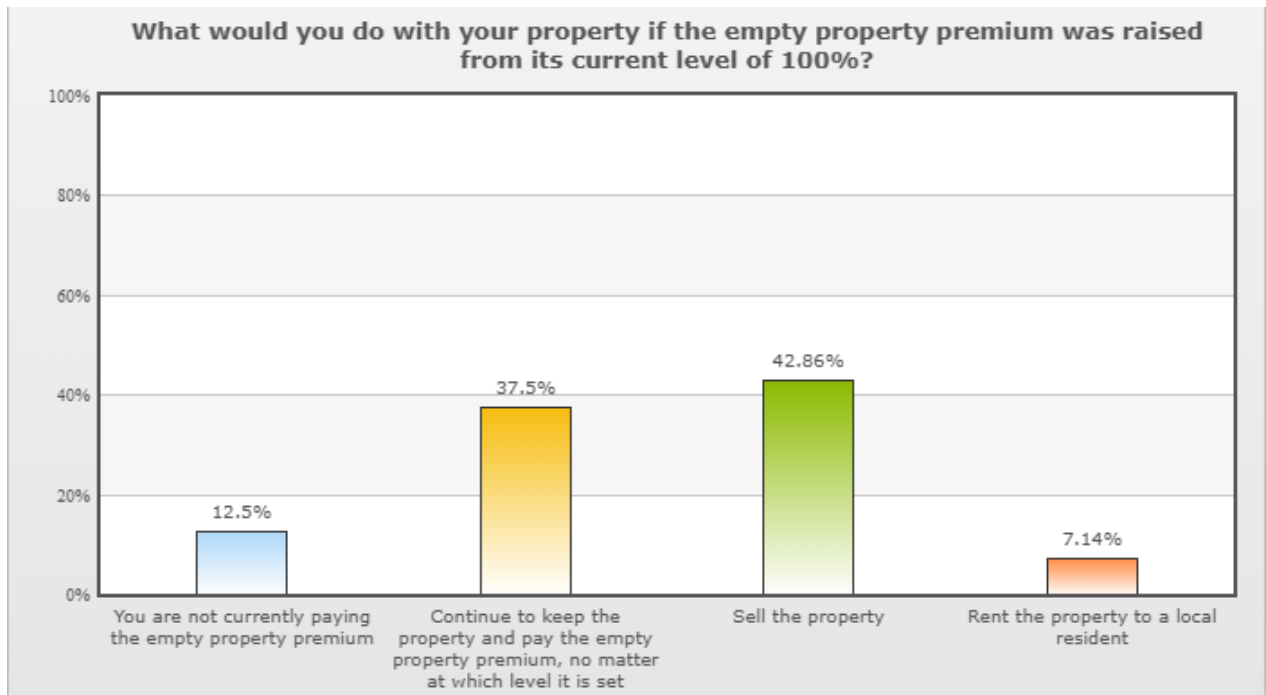
2.9 The consultation then asked which option they would support to change the premium (313 responded):-



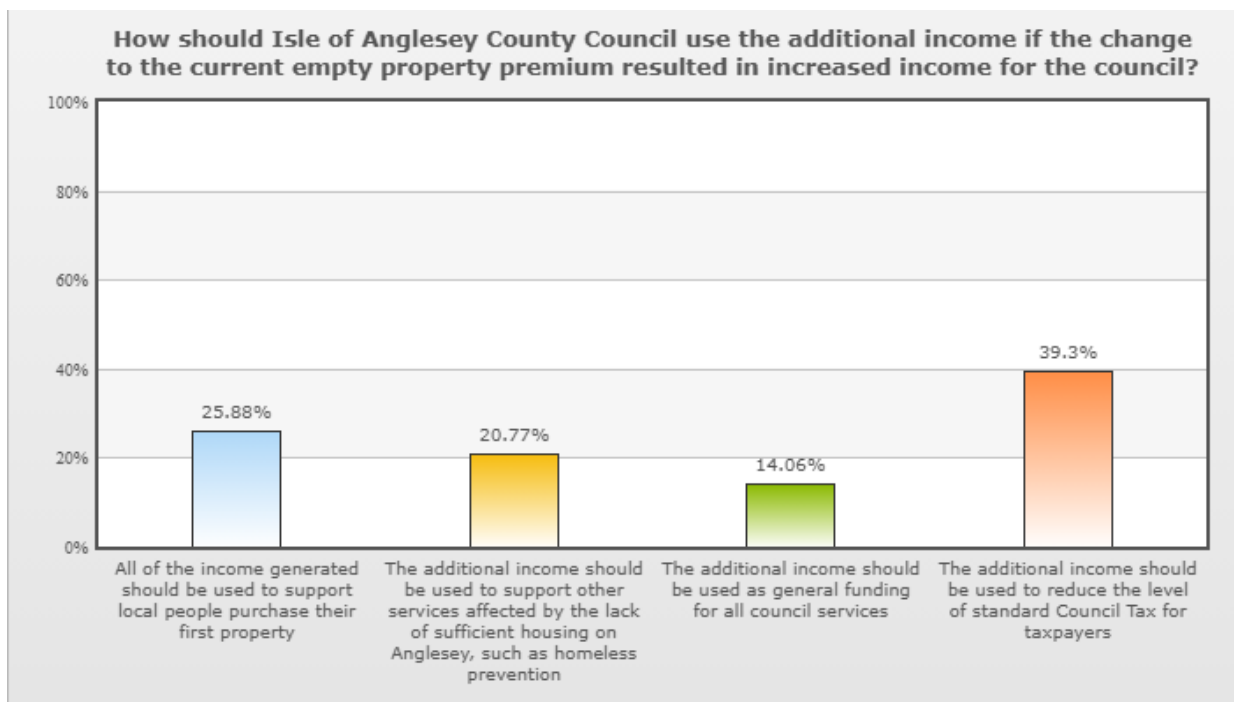
2.10 The figures in the above table suggest that the vast majority agrees with charging the premium at least in line with the current level of 100%, with options 3, 4 and 5 offering a stepped increase approach to charging the premium being supported by approximately 48% of the respondents collectively.

2.11 When asked to what rate they would reduce the premium, 91 responded with various rates, with approximately 27% suggesting a premium rate of 50%, and 46% suggesting a premium rate of 0%. Several comments were made suggesting that no premium should be charged as local services are not being used by long-term empty properties.

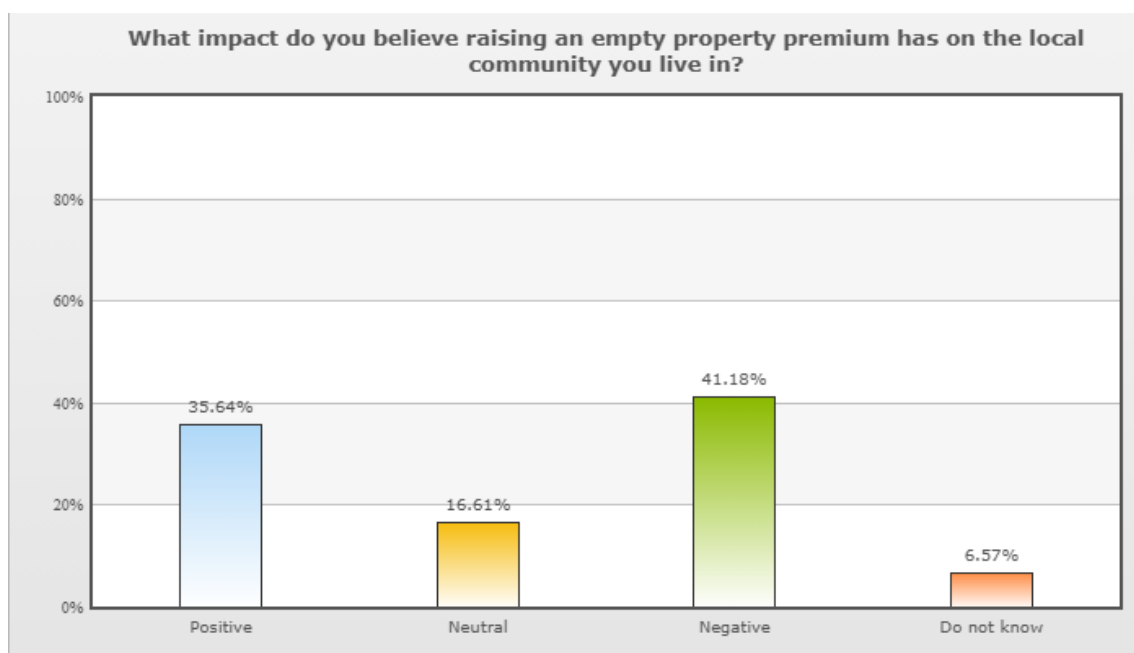
2.12 The consultation then asked what they would do with their long-term empty property premium if the long-term empty property premium was raised from its current level of 100% (55 responded):-



- 2.13** The above table suggests that increasing the premium would encourage / force long-term empty property owners to sell / let their properties.
- 2.14** When asked at which percentage of premium they would sell or rent their property, if the long-term empty property premium increased, 28 responded, with 22 responding that they would sell or rent if the premium was increased to 125%, 3 would sell or rent if the premium was increased to 150% and 2 would sell or rent if premium was increased to 200%.
- 2.15** Respondents were also given the opportunity to choose a statement that best described their opinion on the use of the premium (313 responded):-



- 2.16** The table above suggests that the majority would favour the additional income to be used to reduce the standard Council Tax for taxpayers.
- 2.17** The final question asked was what impact they believed raising a long-term empty property premium has on the local community they lived in (289 responded):-



- 2.18** The above table suggests that over 50% believed that raising a long-term empty property premium has either a positive or neutral effect on their local community, with 41.18% of the opinion that it has a negative effect.

SUMMARY OF GENERAL POINTS MADE

GENERAL POINT MADE		NUMBER OF RESPONSES
Impact of current premium of 100% on number of long-term empty properties on Anglesey		
Little or no impact		146
The current premium encourages owners to sell or let their property		62
The current premium creates a financial penalty that forces long-term empty property owners to sell or let their property		105
The Isle of Anglesey County Council currently uses £1m of the income generated from the long-term empty property premium and second home premium to provide grants and loans to first time buyers to help them buy or renovate their home. Opinion on best use of premium.		
All of the income generated should be used to support local people purchase their first property		118
More than the current level should be used		43
The current level is sufficient		73
Less of the income should be directed to support local people purchase their first property		79
How should the Isle of Anglesey County Council use the additional income if the change to the current premium generated additional income to the Council		
All of the income generated should be used to support local people purchase their first property		81
The additional income should be used to support other services affected by the lack of sufficient housing on Anglesey, such as homeless prevention		65
The additional income should be used as general funding for all Council services		44
The additional income should be used to reduce the level of standard Council Tax for taxpayers		123
Impact of raising long-term empty home premium on the local community		
Positive		103
Neutral		48
Negative		119
Do not know		19

3 FINANCIAL IMPACT OF THE DIFFERENT OPTIONS IN RESPECT OF THE LONG-TERM EMPTY PROPERTY PREMIUM

- 3.1** In order to understand the financial impact on the Council of increasing the premium, it is important to understand that the income from the premium does not affect the sum received as Aggregate External Finance (AEF) from WG.
- 3.2** Any income generated from the premium is additional funding for the Council.
- 3.3** The following table shows the difference in income generated from various options for premiums by year:-

INCOME GENERATED FROM VARIOUS OPTIONS FOR PREMIUMS BY YEAR					
Year	Option 1	Option 2	Option 3	Option 4	Option 5
0	£1,183,341	£1,775,012	£0	£986,086	£1,584,022
1	£1,335,569	£2,003,354	£333,324	£1,309,506	£1,656,951
2	£1,335,569	£2,003,354	£666,647	£1,632,642	£1,765,611
3	£1,335,569	£2,003,354	£999,971	£1,945,162	£1,950,612
4	£1,335,569	£2,003,354	£1,333,295	£2,249,959	£2,249,959
5	£1,335,569	£2,003,354	£1,666,618	£2,559,541	£2,559,541
6	£1,335,569	£2,003,354	£1,999,942	£2,893,386	£2,893,386
7	£1,335,569	£2,003,354	£2,333,266	£3,293,668	£3,293,668
8	£1,335,569	£2,003,354	£2,666,589	£3,733,945	£3,733,945
9	£1,335,569	£2,003,354	£3,333,237	£3,988,985	£3,988,985
10	£1,335,569	£2,003,354	£3,999,884	£3,999,884	£3,999,884
Total	£14,539,034	£21,808,552	£19,332,773	£28,592,765	£29,676,564
Total Excl Year 0	£13,355,693	£20,033,540	£19,332,773	£27,606,678	£28,092,542

3.4 The following table shows the difference in income generated from Option 1, which is no change to the current premium:-

Difference from Option 1, No Change				
Year	Option 2	Option 3	Option 4	Option 5
0	£591,671	-£1,183,341	-£197,255	£400,681
1	£667,785	-£1,002,246	-£26,063	£321,382
2	£667,785	-£668,922	£297,072	£430,042
3	£667,785	-£335,598	£609,593	£615,042
4	£667,785	-£2,275	£914,389	£914,389
5	£667,785	£331,049	£1,223,972	£1,223,972
6	£667,785	£664,373	£1,557,817	£1,557,817
7	£667,785	£997,696	£1,958,099	£1,958,099
8	£667,785	£1,331,020	£2,398,376	£2,398,376
9	£667,785	£1,997,667	£2,653,416	£2,653,416
10	£667,785	£2,664,315	£2,664,315	£2,664,315
Total	£7,269,517	£4,793,739	£14,053,730	£15,137,530

3.5 As can be seen from the table above, if option 3 or 4 was selected, there would be a loss in income initially.

3.6 Option 5 will generate additional income in year 1 of approximately £400k. With all options, there is the potential for the increase in premium to actually make the owners sell or let the property, i.e. the primary purpose of the premium, and so income levels could be lower than noted in the report. There is also the risk that the owners may try and avoid the higher premium by furnishing the property and classifying it as a second home, where the premium remains at 100%, or they strip out the property and try to get it taken off the Council Tax list. These risks are applicable to all the options, but are mitigated to some extent by the fact that we only include 80% of the properties in the taxbase.

4 CONSIDERATION ON HOW TO USE THE ADDITIONAL INCOME

4.1 Assuming that the chosen option generates around £400k initially, this additional income could be used to support priority areas aligned with the Council's strategic objectives, including, but not limited to:-

- Addressing housing supply and availability;
- Provide additional capacity for Housing Services to help first time buyers to purchase or renovate a house on Anglesey;
- Support service pressures associated with the prospective changes in the local economy;
- Contributing to wider place-based or community sustainability initiatives.

Exceptions from the premium on long-term empty properties

- **Class 1:** dwellings being marketed for sale – this exception is time-limited for 12 months
- **Class 2:** dwellings being marketed for let – this exception is time-limited for 12 months
- **Class 3:** annexes forming part of, or being treated as part of, the main dwelling
- **Class 4:** dwellings which would be someone's sole or main residence if they were not residing in armed forces accommodation

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive
Date:	27 January 2026
Subject:	Community based Non-residential Social Care Services – 2026/27 Fees & Charges
Portfolio Holder(s):	Councillor Neville Evans
Head of Service / Director:	Arwel Wyn Owen
Report Author: Tel: E-mail:	Carwyn Edwards, Finance Manager 01248 752699 CarwynEdwards@ynysmon.llyw.cymru
Local Members:	All Members
A –Recommendation/s and reason/s	
<p><u>Recommendation</u></p> <p>To apply the maximum threshold for home care services endorsed by Welsh Government and to increase other service charges as outlined in the summary below. The recommendations are summarised at the end of this section (R1 – R9).</p> <p>1. Background</p> <p>It is usual practice to review the charges in respect of domiciliary services annually to coincide with Central Government revision of benefit and pension levels.</p> <p>The report sets out community based non-residential social care fees and charges for 2026/27, in accordance with the Social Services and Well-Being (Wales) Act 2014.</p> <p>2. Home Care Services</p> <p><u>Home Care Charges 2026/27</u></p> <p>Welsh Government has confirmed in their settlement that they are maintaining the care cap at £100.00 per week. We will charge up to the maximum amount permitted by Welsh Government.</p> <p>3. Telecare Charges</p> <p>Telecare services support independence within the home and provides 24-hour support and response 7 days a week, with remote monitoring via the telephone. Additional sensors can be installed which help identify any known risks, e.g. falls, heat, water etc.</p> <p>The following factors must be considered when determining a fair charge for the Telecare service:-</p>	

- Local Authority Contribution to the Regional Monitoring Galw Gofal Service;
- Maintenance charges;
- Telecare equipment costs;
- Finance and Administration costs;
- Installation costs;
- Costs of recycling equipment;
- Costs of bi-annual Health & Safety visual checks;
- Impact on current business;
- Transformation and modernisation by utilising technological aids.

We propose increasing the Telecare fees by 3.8%, rounded up to the nearest £0.05.

Table A: Telecare 2026/27 Proposed Charges

Tier 1 Digital Equipment, service and maintenance (unit, pendant and smoke alarm)	Everyone will be paying £81.25 per quarter. (£6.25 a week)
Tier 2 Digital Equipment, service, monitoring and maintenance (Equipment other than unit, pendant and smoke alarm)	Everyone will be paying £159.25 per quarter. (£12.25 a week)

Table B – Telecare Annual Charges for 2026/27

	2025/26	2026/27 Proposed Charges
Services and Maintenance	£142.50	£147.95
Services Only	£91.50	£95.00
One-Off Installation	£57.00	£59.20

4. Direct Payments

Direct Payments enable individuals to independently purchase services that the Local Authority would otherwise have provided. Direct Payments support independent living by enabling individuals to make their own decisions and have control over their own lives. In Wales, the Scheme has gradually been extended to include:-

- Older People;
- Carers;
- Parents of Children with Disabilities;
- Adults with Disabilities.

An hourly Direct Payment rate of £16.80 per hour was established for 2025/26. In light of the increase in the Real Living Wage, we propose to increase this to £17.85 per hour for 2026/27.

Micro Carers

To qualify for consideration, applicants would need to meet standards established by the local authority and comply with CIW registration requirements. Under existing legislation, micro cares can provide care for a maximum of 3 individuals and would operate on a self-employed basis. In recognition of the additional requirements, the rate advocated is slightly above the Direct Payment but below the unit cost charged by independent providers who operate on Anglesey. This is intended to try and attract new provision within the sector and increase options within the community. We are proposing an hourly rate of £20.00 per hour for Micro Carers.

Modernisation of Blue Badge Scheme in Wales

It is recommended that a charge of £10 / badge levied in respect of organisational and replacement badges (lost / stolen) be levied for 2026/27.

Purchasing Day Care Services in Independent Residential Care Homes

The charge for purchasing day services was £45.10 per day in 2025/26. We propose to increase the fee for 2026/27 to £46.85 per day. This increase will help to ensure the sustainability and continuation of day care services purchased from independent residential care homes, and to meet the individual needs of service users.

Domiciliary Care Fees

At present, adult social care commission domiciliary care from the independent sectors following a tender exercise in 2023. The contract stipulates that we must allow for statutory increases in legislation, this equates to an increase of £1.38 per hour as a result of the increase in the Real Living Wage in 2026/27.

Meals in Day Services

For 2026/27, we recommend a 3.8% increase in the fees (rounded up to the nearest £0.05).

Table C – Meals in Day Services Charges for 2026/27

	2025/26	2026/27 Proposed Charges
Meals in Day Services for adults (excluding people with learning disabilities)	£7.80	£8.10
Mid-day snack in Day Services for people with learning disabilities	£3.30	£3.45
Other refreshments (tea / coffee / cake) in Day Services	£1.85	£1.95

Recommendations

The Executive Committee is requested to approve the following:-

R1 To apply the maximum threshold for home care services endorsed by Welsh Government.

R2 Charges for Telecare services as outlined in Table A:-
Tier 1 - everyone will be paying **£81.25** per quarter;
Tier 2 - everyone will be paying **£159.25** per quarter.

R3 Charges for Telecare Annual Charges, as outlined in Table B:-
Services and Maintenance **£147.95**;
Services Only **£95.00**;
One off Installation **£59.20**.

R4 Rate for Direct Payments at **£17.85 per hour**.

R5 Implement a charge of **£20.00 per hour** for Micro Carers.

R6 Maintain a charge of **£10.00** for the administration in relation to Blue Badge requests and replacements as outlined.

R7 Increase the fee for purchasing day care services in independent residential homes by 3.8%, to **£46.85 per day** (rounded up to nearest £0.05).

R8 Increase Domiciliary Care fees by **£1.38 per hour**, to comply with increase in Real Living Wage.

R9 Charges for Meals in Day Services fees as outlined in Table C:-
Meals in Day Services for adults (excluding people with learning disabilities) - **£8.10**;
Mid-day snack in Day Services for people with learning disabilities - **£3.45**;
Other refreshments (tea / coffee / cake) in Day Services - **£1.95**.

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

The options noted are consistent with the Council's overall approach to fees and charges in previous years.

C – Why is this a decision for the Executive?

Decisions on fees and charges have financial implications for the Local Authority's budget in terms of income received and the affordability of payments made in the prevailing financial climate.

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?	Not applicable
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	No
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	We have consulted with other Local Authorities in the region as part of our fees-setting process.
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.	DWP benefits that are linked to inflation are set to rise by 3.8% in April 2026, whilst the basic and new state pension are set to rise by 4.8% from April 2026. The increases proposed are equal to the inflationary uplifts provided by DWP for state benefits and below the inflationary uplifts provided for state pension.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	As above, the inflationary increases recommended in this paper for like with like services is in line with the 3.8% inflationary uplift for DWP benefits and 4.8% for state Pension.
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)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	Not applicable
8	Local Members	Not applicable
9	Any external bodies / other/s	Not applicable
F - Appendices:		
None		
FF - Background papers (please contact the author of the Report for any further information):		
None		

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Executive
Date:	27th January 2026
Subject:	Local Authority Homes for Older People – Setting the Standard Charge 2026/27
Portfolio Holder(s):	Councillor Neville Evans
Head of Service / Director:	Arwel Wyn Owen, Adult Services Manager
Report Author: Tel: E-mail:	Carwyn Edwards, Finance Manager 01248 752699 CarwynEdwards@ynysmon.llyw.cymru
Local Members:	All Members

A – Recommendation/s and reason/s

The Local Authority needs to set the level of its Standard Charge for local authority care homes for the year April 2026 – March 2027.

In 2025/26, the cost of all the Council's residential homes (Brwynog, Haulfre and Plas Mona) were pooled together to calculate an average standard charge for standard residential care, whilst the costs of the Council's Dementia residential provision (Garreglwyd and Plas Crigyll) were pooled together to calculate an average standard charge for Dementia residential care,

In 2025/26, the Standard Charge for Residential care was calculated at £983.86 per week. In 2025/26, a Standard Charge for Dementia Residential care was calculated at £1,171.52 per week. However, given that 2025/26 was the first year in which we set a fee for Dementia residential homes, the increase from the standard charge for residential homes in 2024/25 to the standard charge for Dementia residential homes in 2025/26 was deemed too high to implement in year 1, therefore, it was decided to stagger the increase over 3 years. The standard charge for Dementia Residential Care for 2025/26 was established at £1,046.41

Residential Care Home Fees

The following table calculates the estimated cost per resident week for the year to 31 March 2027, based on forecasted occupancy levels and running costs from 2025/26 plus inflationary increases:-

Number of Residential Beds Available	77
Estimated Occupancy Rate	92.00%
Estimated Number of Resident Weeks	3,693.80

	Standard Charge 2025/26 £	Forecasted Running Costs 2026/27 £	Standard Charge 2026/27 £
Estimated Running Costs for 2026/27, based on 2025/26 forecasted running costs + inflation	879.49	3,333,121	902.35
Add - Depreciation charge	60.88	290,117	78.54
- Support Services	43.49	168,556	45.63
TOTAL	983.86	3,791,794	1,026.52
Increase compared with the standard charge in 2025/26	42.66		4.34%

Based on the above table, the estimated cost per resident week for the year to 31 March 2027 is £1,026.52.

The estimated cost per resident week for the year to 31 March 2027 is higher when compared to the estimated cost for the year to 31 March 2026. This is as a result of inflationary increases and a change in the forecasted occupancy levels.

Dementia Residential Care Home Fees

The following table calculates the estimated cost per resident week for the year to 31 March 2027, based on forecasted occupancy levels and running costs from 2025/26 plus inflationary increases:-

Number of Dementia Beds Available	53
Estimated Occupancy Rate	92.00%
Estimated Number of Resident Weeks	2,542.49

	Standard Charge 2025/26 £	Forecasted Running Costs 2026/27 £	Standard Charge 2026/27 £
Estimated Running Costs for 2026/27, based on 2025/26 running costs + inflation	1,054.96	2,760,759	1,085.85
Add - Depreciation charge	71.33	211,475	83.17
- Support Services	45.23	112,371	44.20
TOTAL	1,171.52	3,084,605	1,213.22
Increase compared to the standard charge in 2025/26, based on full cost of care	41.70		3.56%

Based on the above table, the estimated cost per resident week for the year to 31 March 2027 is £1,213.22. This is an increase of £41.70 per week when compared with the residential rate of £1,171.52 for 2025/26.

As noted above, it was agreed in 2025/26 that the increase to actual cost of care for Dementia Residential care be implemented over a 3 year period. Therefore, in line with this decision, we propose to increase the Dementia fee to £1,150.99 in 2026/27, with a further increase in 2027/28 to bring the fees to actual cost of care by 1st April 2027.

	Standard Charge 2025/26 £	Standard Charge 2026/27 £	% Increase
Dementia Standard Charge (Full Cost)	1,171.52	1,213.22	3.56
Residential Standard Charge (Full Cost)	983.86	1,026.52	4.34
Difference between Dementia Standard Charge and Residential Standard Charge	187.66	186.70	
2/3 of difference between Dementia Standard Charge and Residential Standard Charge 2026/27	62.55	124.47	
Proposed Dementia Rate for 2026/27	1,046.41	1,150.99	9.99

Recommendation

R1 - It is recommended that the full cost of the service is charged, which is **£1,026.52** per week in 2026/27 for Residential Care.

R2 – It was decided in 2025/26 that the full cost of service was to be implemented over a 3 year period, therefore, it is recommended that the full cost of service is discounted to **£1,150.99** per week in 2026/27 for Dementia Residential Care.

B – What other options did you consider and why did you reject them and/or opt for this option?		
<p>The setting of the standard charge follows a prescribed method which does not allow for options to be considered. It is possible for the Executive to set a fee which differs from the Standard Charge. Charging less than the standard charge results in the Council subsidising the cost of care of clients who have been identified as having the financial means to pay the full cost of their care. As a result, the option has been discounted.</p>		
C – Why is this a decision for the Executive?		
<p>Local Authorities are required, under Section 22 of the National Assistance Act 1948, to set the Standard Charge for their homes.</p>		
CH – Is this decision consistent with policy approved by the full Council?		
<p>This decision is consistent with National Policy, as outlined in section C above.</p>		
D – Is this decision within the budget approved by the Council?		
<p>Yes</p>		
DD – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The setting of the fee will only impact on a small number of clients who pay the full cost of their care. This decision will have minimal impact on the long term needs of the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	The decision eliminates the subsidy that the Council provides to those clients that have been identified as having the means to pay for their full cost of care.
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.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The decision would impact on the clients who have been assessed as having the means to pay for their full cost of care. These are not a group that are 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.	No impact on the Welsh Language.
E - Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	
2	Finance / Section 151 (mandatory)	
3	Legal / Monitoring Officer (mandatory)	

4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	
8	Local Members	Not applicable
9	Any external bodies / other/s	Not applicable
F - Appendices:		
None		
FF - Background papers (please contact the author of the Report for any further information):		
None		

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