

CORPORATE SCRUTINY COMMITTEE

Minutes of the meeting held in the Council Chamber and virtually on Zoom on 21 January 2026

PRESENT: Councillor Jeff Evans (Chair)
Councillor Sonia Williams (Vice-Chair)

Councillors Geraint Bebb, Jackie Lewis, John Ifan Jones, R. Llewelyn Jones, Llio A. Owen, Keith Roberts, Dafydd Rhys Thomas.

Co-Opted Member: Kathryn Seeney (Parent Governor – Primary Sector)

Portfolio Members

Councillors Robin Williams (Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience), Neville Evans (Portfolio Member for Adult Services), Carwyn Jones (Portfolio Member for Housing and Community Safety), Dyfed Wyn Jones (Portfolio Member for Children, Young People and Families), Alun Roberts (Portfolio Member for Leisure, Tourism, Maritime and Property) Dafydd Roberts (Portfolio Member for Education and the Welsh Language), Nicola Roberts (Portfolio Member for Planning and Public Protection), Ieuan Williams (Portfolio Member for Highways, Waste and Climate Change).

Members of the Partnership and Regeneration Scrutiny Committee and Other Members of the Council (by invitation)

Councillors Non Dafydd, Glyn Haynes, Kenneth Hughes, Euryrn Morris, Pip O'Neill, Derek Owen, Dylan Rees, Margaret M. Roberts, Ken Taylor.

IN ATTENDANCE: Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Social Services
Director of Learning, Skills, and Young People
Head of Housing Services
Head of Democracy (DS)
Climate Change Manager (RAW)
Committee Officer (ATH)
Democratic Support Assistant (Webcasting) (CH)

APOLOGIES: Councillors Alwen Watkin, Arfon Wyn, Gary Pritchard (Leader of the Council), Mr John Tierney (The Catholic Church), Christina Williams (Parent Governor – Secondary Sector and ALN), Dylan Williams (Chief Executive), Huw Percy (Head of Highways, Waste and Property).

ALSO PRESENT: Elin Allsopp (Scrutiny Officer)

1 APOLOGIES

The apologies for absence were presented and noted.

2 DECLARATION OF INTEREST

No declaration of interest was received.

3 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Corporate Scrutiny Committee held on 18 November 2025 were presented and were confirmed as correct.

4 BUDGET SETTING 2026/27: INITIAL DRAFT REVENUE BUDGET PROPOSALS

The report of the Director of Function (Resources)/Section 151 Officer setting out the initial draft revenue budget proposals for 2026/27 due to be submitted to the meeting of the Executive on 27 January 2026 was presented for the committee's consideration. The report set out the Executive's initial budget proposals, the provisional local government settlement, and the Council's initial budget position for 2026/27. It also detailed the budget pressures that must be accommodated in the 2026/27 budget, the financial risks facing the Council during 2026/27, the level of Council Tax increase required to achieve a balanced budget and the implications for the Medium Term Financial Plan.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience presented the report and noted that setting the budget each year remains challenging due to the local government settlement continuing to be issued on a one year basis despite longstanding calls for a three year settlement to support better planning. Although the Council's general balances and reserves are currently in a healthy position, Councillor Robin Williams emphasised the need for continued prudence and forward planning. He informed the committee that the budget requirement for 2026/27 is £207.023m, funded through the Revenue Support Grant, Anglesey's share of the non-domestic rates pool and Council Tax. He highlighted some of the key budget pressures which include inflation and staff pay, with both teaching and non-teaching staff pay awards for 2026/27 yet to be confirmed. At this stage, the Executive is proposing a Council Tax increase of 4.8% plus a 0.3% increase to cover the Fire Service Levy, giving a total rise of 5.1% and taking the Band D charge to £1,792.98. It is also proposed that the 100% premium on empty and second homes be maintained, and that £1.685m be released from the Council's general balances and earmarked reserves to achieve a balanced budget for 2026/27.

The Director of Function (Resources)/Section 151 Officer reported that the final settlement figure had been received the previous evening and was £5,692 higher than the amount stated in the report. The report will be updated to reflect this change. He highlighted the principal revenue grants set out in table 2 of the report on an all Wales basis which are distributed outside of the settlement and he outlined the implications for services and budgets should any of these grants be frozen or reduced. He referred to the main changes between the 2025/26 final budget and the 2026/27 initial budget as detailed in section 4 of the report and explained their positive or negative impact on the budget. These include non-teaching and teaching pay inflation, the employer contribution rate to the pension fund, the effect of the National Living Wage on the cost of residential, nursing and domiciliary care, changes in pupil numbers, demographic pressures in adult and children's services, and the Fire Service Levy. Collectively, these and the other changes documented result in an £11.330m increase in the standstill net revenue budget for 2026/27 compared with a £5.777m increase in the settlement. This leaves a 4.634m budget deficit prior to any increase in Council Tax. Closing the gap through Council Tax alone would require an increase of 8%. The proposal is therefore to address the deficit through a combination of Council Tax increase and use of general balances and reserves.

As part of the budget development process, a detailed review of all budgets was undertaken to identify budgets no longer required, overstated budgets and income budgets that could be increased. Table 4 in the report summarises the resulting savings of £976k. Services were also invited to submit bids for additional funding to meet existing or new service pressures and the bids listed in section 7 are proposed for inclusion in the initial budget proposal for 2026/27.

The Section 151 Officer also provided an overview of the projected budget position for 2027/28, noting that the current financial modelling indicates that the net revenue budget for 2027/28 will increase by around £6.2m (3%) while the AEF is expected to rise by only 0.6% (£0.9m), based on figures from Wales Fiscal Analysis. Without the use of reserves this would require an 8.7% increase in Council Tax to bridge the gap. The Section 151 Officer added that although the Council's current financial position is strong enough to allow the use of reserves to balance the 2026/27 budget, he had advised the Executive that reserves cannot be used simply to reduce the Council Tax increase as doing so would require drawing down a significant amount which is not possible given the outlook for 2027/28.

Councillor Geraint Bebb, Chair of the Resources Scrutiny Panel reported on the outcome of the Panel's meeting on 8 January 2026 at which the initial draft revenue budget proposals for 2026/27 were considered. Having reviewed the documentation presented by the Director of Function (Resources)/Section 151 Officer and receiving responses to the issues raised, the Panel had resolved to support and recommend the proposals as presented to the Corporate Scrutiny Committee with the exception of the proposed Council Tax increase which the panel recommended should be no more than 4.9% inclusive of the Fire Service Levy.

- In scrutinising the initial draft revenue budget proposals for 2026/27 members discussed the proposed 5.1% Council Tax increase. Concerns were expressed about its affordability for residents given ongoing cost of living pressures. A member felt the increase should not exceed inflation with a target of around 3% set at the beginning of the year and worked towards. A question was also raised as to whether a compromise between the Executive's proposed 5.1% increase and the Resources Scrutiny Panel's recommended 4.9% could be achieved.
- Questions were asked about the Council Tax premium on second and empty homes, including the amount of revenue generated, how it is used and whether the continued allocation of £1m of the additional income to support young local people to purchase their own home on the Island remains feasible. A member queried whether this funding might be better used to reduce the Council Tax increase for all residents.
- Members discussed the importance of the main revenue grants listed in Table 2 of the report to the Council's budget and how these grants are allocated.
- Clarification was sought on whether the additional £423k provided to reflect the increasing number of pupils assessed as having additional learning needs is sufficient. Questions were also raised about the formula used to distribute ALN funding to primary schools .
- Members considered the impact of the budget proposals on the Council's non-statutory services.
- It was noted that the Council's unallocated general balances are forecast to stand at £17.2m at the end of the financial year, assuming that the projected £1.5m underspend on the 2025/26 budget is realised. It was also noted that the Executive has set a minimum general balance of 5% of the net revenue budget equating to £10.4m based on the standstill net revenue budget for 2026/27. Members asked about the purpose and public perception of the remaining £6.8m.

- Members asked about the impact of inflation on the budget during the year and how any in year inflationary pressures would be managed.
- The service bids for existing and/or emerging risks and pressures listed in section 7 of the report were noted. Clarification was sought on the proposed use of the £364,200 funding bid for cyber security.
- Members noted the Executive's priority to keep public conveniences at Benllech and Trearddur Bay open all year round which was funded in 2025/26 through underspends in other services. To continue this on a permanent basis would require additional funding of £25k. Questions were raised about the rationale for this approach and whether funding would not be better directed towards opening facilities in areas currently without any provision, in particular during the summer months in popular tourist areas.
- A question was raised about whether members' allowances could be reviewed.
- Clarification was sought on the 55% increase in the Corporate and Democratic budget shown in Appendix 2 of the report.
- The need for a crematorium facility to serve the island was raised. Statistics were presented in support of the need and viability of such a facility and a request was made that this be further investigated.
- A member suggested that a more detailed report from the Resources Scrutiny Panel's budget meeting would assist the committee with its own budget deliberations.

The Portfolio Member for Finance, Corporate Business and Customer Experience and the Director of Function (Resources)/Section 151 Officer addressed the matters raised as follows –

- That the Section 151 Officer's statutory duties include ensuring the budget reflects the estimated costs of providing services in the coming year. The Medium Term Financial Plan approved by the Executive in September 2025 projects a 5% Council Tax increase as necessary to balance the budget over the next three years. Budget setting is made more difficult by the late and sometimes significantly revised settlement information from Welsh Government. It was highlighted that not all Council costs follow CPI inflation and that staff pay and National Living Wage changes can lead to significantly higher costs. The Council Tax Reduction Scheme is available to support those who need help with paying their Council Tax.

It was emphasised that these are initial proposals. Any recommendations by this committee will be considered by the Executive on 27 January after which approved draft budget proposals will go out to public consultation before returning to the Corporate Scrutiny Committee on 18 February 2026. Final proposals will be made by the Executive on 24 February for Full Council approval on 5 March 2026.

- Although there is no statutory requirement that the second and empty homes premium be used for local housing purposes, Welsh Government strongly encourages it. The estimated income from the premium for 2025/26 is £4.3m, with £1m proposed to support local first time home buyers. When introduced, part of the premium funded additional Council Tax and Housing staff (£200k), and in 2022/23 it supported an Economic Development post. The remaining £3m goes to the General Fund to support Council services, including by providing a higher level of service for those elements affected by the number of second homes on the island.
- The main revenue grants listed in Table 2 of the report are distributed by formula across the 22 local authorities in Wales, with Anglesey's share being around 2.5%. Most of the grants are allocated annually and are used to supplement core services. If the grants are frozen or reduced, the Council would find it difficult to stop the activities they fund, creating an additional financial burden for the Council as costs rise.

- Funding is allocated annually to Canolfan Addysg y Bont based on assessed pupil numbers and needs. ALN funding for primary schools is provided through the delegated schools budget. The formula for distributing the funds considers the assessed needs of each child and the costs of meeting those needs. The secondary ALN budget is held centrally by the Learning Service and is currently keeping pace with statutory requirements.
- The £976k savings identified following a review of all budgets do not represent service cuts. The draft budget contains no proposals to reduce services which will be maintained at 2025/26 levels with budgets adjusted to reflect demand.
- The £6.8m residual general fund balance is available to the Council for any unexpected expenditure (e.g. storm damage or major repairs), to cover budget shortfalls or overspends, to help balance the budget in 2027/28 if required, and to support capital spending when the general capital grant has remained flat for many years. The Council's strategy has been to use reserves in a limited way to avoid severe service cuts or large Council Tax increases.
- The budget includes a provision for inflation based on assessed levels. Additionally, an earmarked reserve is available to mitigate the impact of any inflation spike during the year. While this would be factored into the 2027/28 budget, it would still create additional cost pressures for the Council.
- The £364k bid for cyber security funding is an initial estimate and will be further reviewed against the identified need.
- Establishing new public conveniences would require both capital and revenue funding. Town and community councils have previously been asked whether they wish to take on responsibility for keeping facilities open, and they may wish to reconsider this or explore grant opportunities for upgrades or new facilities.
- Members' allowances are not set by local councils but annually by the Independent Remuneration Panel for Wales whose functions have since transferred to the Democracy and Boundary Commission. The Commission is currently reviewing Members' allowances. Annual remuneration proposals are considered by the Council's Democratic Services Committee.
- The employer contribution rate to the Local Government Pension Scheme is split into a primary rate which funds future benefits for active members and is charged to service budgets, and the 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 and is charged to the Corporate and Democratic budget. For Anglesey, the primary rate has fallen reducing the employer contribution costs by around £2.3m per annum (before pay award) while the secondary rate has risen, increasing the costs by £1.1m, hence the increase in the Corporate and Democratic budget line.
- The Executive remains open to investment proposals, including a crematorium, subject to feasibility. However, the Section 151 Officer outlined the borrowing implications of establishing such a facility, approximately £70k per annum in revenue costs for every £1m borrowed over an assumed 50 year asset life as well as staff, maintenance, energy and rates costs. If income levels fell, the costs would remain creating a financial risk. Such a proposal would need to be examined in detail and a substantial capital grant would be required to make the project viable, otherwise the risk is too high.
- The Resources Scrutiny Panel membership is politically balanced, and Panel members may report back to their group members on panel discussions. The Chair of the Panel provides verbal updates to the Corporate Scrutiny Committee on panel progress.

Following discussion, it was proposed and seconded that the Executive's initial draft budget proposals as presented by the Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Satisfaction be supported and recommended to the Executive. An amendment to reconsider the Council Tax increase and reduce it to 3% was proposed but was not seconded.

Having scrutinised the initial draft Revenue Budget proposals for 2026/27 and having regard to the matters raised in discussion and the responses provided by the Officers and Portfolio Member it was resolved to support and recommend the 2026/27 initial draft Revenue Budget proposals comprising of the following to the Executive for the purpose of public consultation –

- **An initial proposed budget of £207.023m**
- **A proposed increase of 4.8% in the Council Tax plus 0.3% to cover the North Wales Fire and Rescue Service Levy giving a total increase of 5.1%, taking the Band D charge to £1,792.98.**
- **To maintain the second and empty homes premium 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.**

(Councillor R. Llewelyn Jones voted against)

5 RESOURCES SCRUTINY PANEL PROGRESS REPORT

Councillor Geraint Bebb, Chair of the Resources Scrutiny Panel reported on the Panel's work between July 2025 and January 2026. During this period, the Panel reviewed the 2024/25 quarter 4 and the 2025/26 quarter 1 and 2 revenue, capital and HRA budget positions, with particular attention to overspending in Children's Services and Council Business. Senior Officers were invited to the panel meeting on 6 November 2025 to provide further insight into the causes of the overspends in these areas. The Panel also received an overview of the financial pressures facing the services and the mitigating measures being implemented to address the overspending.

It was resolved to note the progress update on the work of the Resources Scrutiny Panel.

6 TOWARDS NET ZERO STRATEGIC PLAN 2026 - 2031

The report of the Climate Change Manager incorporating the Towards Net Zero Strategic Plan for the period 2026 to 2031 was presented for the committee's consideration.

Councillor Ieuan Williams, Portfolio Member for Highways, Waste and Climate Change presented the report noting that the Plan builds on the progress and lessons learned from the previous Towards Net Zero Strategic Plan 2022-2025 as outlined in the End Point Report. The new plan sets out how the Council will continue its journey towards becoming a net zero organisation by reducing carbon emissions, increasing carbon absorption and strengthening organisational resilience to a changing climate. The plan identifies six key priority areas covering assets and housing emissions, Council transport emissions, supply chain emissions, land use, nature recovery and biodiversity, organisational development, and strategic projects and climate resilience. An annual implementation plan will be developed and reviewed quarterly by the Net Zero Steering Group which will report to the Leadership Team as required. An annual progress report will also be produced and key actions under the Council Plan's climate change strategic objective will be reported to the Improvement and Modernisation Programme Board.

Councillor Ieuan Williams highlighted that the Strategic Plan recognises that the Council's target of becoming a net zero organisation by 2030 is not achievable within current resources, the time available or the scale of the decarbonisation required. The Strategic

Plan therefore proposes aligning with the net zero carbon Wales by 2050 target set by the Environment (Wales) Act 2016.

In scrutinising the Towards Net Zero Strategic Plan 2026 to 2031, the committee raised the following issues –

- The value of installing air source heat pumps in older buildings. Members asked whether the Council has evidence demonstrating value for money.
- The arrangements for disposing of or recycling solar panels at the end of their operational life. Members questioned whether the Council should develop a formal disposal strategy rather than relying on an ad-hoc approach.
- The increase in the Council's transport and supply chain emissions as shown in Appendix 2 of the strategic plan. Members sought clarification on the reasons for the increase and how the data should be interpreted given the reporting methodology has changed.
- The prominence given to education within the strategic plan, with Members suggesting that education should feature more strongly.
- The upgrading of Council housing stock. While noting that 93 council houses have been upgraded, Members queried how the Council intends to address the significant task of upgrading the remainder of its housing stock and how it might affect tenants.
- Battery recycling arrangements. Members noted the removal of battery collection from the recycling service and the availability of small battery recycling points elsewhere but raised concerns about the lack of provision for recycling large batteries and the potential risk of fly-tipping.
- The need for further investment in emissions data collection systems as identified in the Towards Net Zero Strategic Plan 2022-2025 End Point Report. Members sought clarification on the cost implications, the type of data to be collected and how it would be used to support accurate reporting and informed decision making.
- The Council's operating model for installing public electric vehicle charging stations.

The Portfolio Member for Highways, Waste and Climate Change and Officers addressed the matters raised as follows –

- Air source heat pumps are recent installations, so there is currently insufficient data to assess value for money. A more reliable assessment should be possible in a year's time.
- That strategy for disposing end of life solar panels will be examined. This is a global challenge as the adoption of green energy technologies increases. The Head of Housing Service noted that some Council properties have solar panels approaching twenty years old. Although a few individual panels have been replaced due to wind damage, the available data shows no decline in performance or electricity generation. The twenty year point is more a reflection of return on investment assumptions than the panels' operational lifespan.
- The database used to calculate transport emissions has been developed and refined over the past five years as has data collection processes. As a result, the most recent figures are the most accurate. Supply chain emissions are calculated based on the Council's annual spending and the types of goods and services procured. Increased spending in 2024/25 has therefore resulted in higher reported emissions.
- Education is addressed under the Organisational Development priority of the strategy which focuses on developing climate change awareness, skills and knowledge across the Council through investment in training, leadership and capacity for behaviour change. The Portfolio Member for Highways, Waste and Climate Change agreed to review the wording to make the educational element clearer.

- Standards and expectations for decarbonising the Council’s housing stock are separate from the Wales Housing Quality Standards 2023 which the Council is committed to meeting. Achieving decarbonisation in full will require a dedicated budget including reviewing Welsh Government set rent levels and the HRA’s borrowing capacity. In addition, sector wide capacity to deliver the changes is essential. The Head of Housing Services clarified that most retrofitting work is external meaning tenants should be able to remain in their homes while improvements are carried out.
- The issue of battery recycling will be discussed with the Waste Management Service to determine whether the policy should be reconsidered or whether, following the current public consultation, it should clearly state that the Council does not recycle batteries but can direct residents to organisations that do.
- Numerous data sources feed into an evolving dashboard, including information on energy, heat, and electricity use, supply chains and transport. As data collection improves, it will better identify priority areas for decarbonisation and support evidence based decision making. Continuous improvement of data collection processes is regarded as a journey and is a key objective.
- Some public electric vehicle charging stations were installed several years ago, with the Council responsible for them and retaining any profit. The Council is now tendering for external companies to invest in new charging stations aiming not only to generate revenue but also to encourage greater uptake of electric vehicles. The expectation is that more private companies will enter the market as electric vehicle use grows.

Following discussion and having regard to the matters raised and responses provided, it was resolved to recommend the Towards Net Zero Strategic Plan 2026-2031 to the Executive for approval.

7 FORWARD WORK PROGRAMME 2025/26

The report of the Head of Democracy incorporating the committee’s forward work programme for 2025/26 was presented for consideration and review.

The Head of Democracy informed members of an additional item – Smallholdings Strategic Management Plan - for the committee’s next meeting on 18 February 2026.

It was resolved –

- **To agree the current version of the Forward Work Programme for 2025/26 with the additional item for the 18 February 2026 meeting.**
- **To note progress thus far in implementing the forward work programme.**

**Councillor Jeff Evans
Chair**