

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mr Dylan J. Williams  
Prif Weithredwr – Chief Executive  
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR SGRIWTINI CORFFORAETHOL	CORPORATE SCRUTINY COMMITTEE
DYDD MERCHER 21 IONAWR am 9:30 y bore	WEDNESDAY, 21 JANUARY 2026 at 9.30 am
SIAMBR Y CYNGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL DRWY ZOOM	COUNCIL CHAMBER, COUNCIL OFFICES AND VIRTUALLY VIA ZOOM
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

## AELODAU/MEMBERS

Cynghorydd/Councillor:

## PLAID CYMRU / THE PARTY OF WALES

Geraint Bebb, John Ifan Jones, Jackie Lewis, Llio A. Owen, Alwen Watkin, Sonia Williams  
(*Is-Gadeirydd/Vice-Chair*), Arfon Wyn

## Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP

Dafydd Rhys Thomas

## LLAFUR CYMRU/ WELSH LABOUR

Keith Roberts

## ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS

Jeff Evans (*Cadeirydd/Chair*), Aled Morris Jones (Democratiaid Rhyddfrydol Cymru/Welsh Liberal Democrats) R. Llewelyn Jones

## AELODAU CYFETHOLEDIG (Gyda hawl pleidleisio ar faterion Addysg) / CO-OPTED MEMBERS (With voting rights when dealing with Educational matters)

John Tierney (Yr Eglwys Gatholig / The Catholic Church),  
Wenda Owen (Yr Eglwys yng Nghymru/The Church in Wales)  
Kathryn Seeney (Rhiant Llywodraethwr – Sector Ysgolion Cynradd/Parent Governor-  
Primary Schools Sector)  
Christina Williams (Rhiant Llywodraethwr – Sector Ysgolion Uwchradd ac ADY/Parent  
Governor- Secondary Schools Sector and ALN)

*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 by any Member or Officer in respect of any item of business.

**3      MINUTES OF THE PREVIOUS MEETING (Pages 1 - 8)**

To present the minutes of the previous meeting of the Corporate Scrutiny Committee held on 18 November 2025.

**4      BUDGET SETTING 2026/27:INITIAL DRAFT REVENUE BUDGET PROPOSALS  
(Pages 9 - 40)**

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

**5      RESOURCES SCRUTINY PANEL PROGRESS REPORT**

To receive an oral report by the Chair of the Panel.

**6      TOWARDS NET ZERO STRATEGIC PLAN 2026 - 2031 (Pages 41 - 64)**

To present the report of the Climate Change Manager.

**7      FORWARD WORK PROGRAMME 2025/26 (Pages 65 - 72)**

To present the report of the Head of Democracy.

## CORPORATE SCRUTINY COMMITTEE

### Minutes of the meeting held in the Committee Room and virtually on Zoom on 18 November, 2025

**PRESENT:**

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

Councillors Aled M. Jones, R. Llewelyn Jones, Jackie Lewis,  
Llio A. Owen, Keith Roberts, Dafydd Rhys Thomas, Arfon Wyn.

Co-opted Member: Mr John Tierney (The Catholic Church)

**Portfolio Members**

Councillors Gary Pritchard (Leader and Portfolio Member for Economic Development), 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), Robin Williams (Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience).

**IN**

**ATTENDANCE:**

Chief Executive  
Director of Function (Resources)/Section 151 Officer  
Director of Social Services  
Director of Education, Skills and Young People  
Head of Adult Services (AWO)  
Head of Democracy (DS)  
Head of Profession (HR) and Transformation (CE)  
Performance and Projects Manager (GP)  
Manager for Looked After Children's Education, Youth and Children's Wellbeing (SW)  
Committee Officer (ATH)  
Webcasting Officer (FT)

**APOLOGIES:**

Councillor Geraint Bebb, Kathryn Seeney (Co-opted Member – Parent Governor Primary Sector), Christina Williams (Co-opted Member – Parent Governor Secondary Sector and ALN) Rhys H. Hughes (Deputy Chief Executive), Lynn Ball (Director of Function (Council Business/Monitoring Officer), Ned Michael (Head of Housing Services), Huw Percy (Head of Highways, Waste and Property)

**ALSO**

**PRESENT:**

Councillor Glyn Haynes

The Chair welcomed everyone present to the meeting and extended a particular welcome to Councillor Dafydd Rhys Thomas, who had been recently appointed a member of the committee. The Chair expressed sadness at the death last week of Councillor Trefor Lloyd Hughes, MBE, a longstanding member of the Council. On behalf of the committee, he conveyed deepest condolences to Councillor Hughes's family and friends. Members and officers then stood in silence as a mark of respect and sympathy.

## **1. DECLARATION OF INTEREST**

No declaration of interest was received.

## **2. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting of the Corporate Scrutiny Committee held on 15 October 2025 were presented and were confirmed as correct.

## **3. MONITORING PERFORMANCE: CORPORATE SCORECARD Q2 2025/26**

The report of the Head of Profession (HR) and Transformation incorporating the Corporate Scorecard for Quarter 2 of the 2025/26 financial year was presented for the Committee's consideration. The scorecard report details the performance of key indicators in delivering the Council's day to day operations which support the broader objectives of the Council Plan.

Councillor Carwyn Jones, Portfolio Member for Housing and Community Safety presented the scorecard report in his former capacity as portfolio holder for corporate business and customer experience. He reported that the majority of indicators (87%) with set targets performed well during the quarter, achieving Green or Yellow RAG status. Notable examples of good performance as detailed in section 2.3 of the report included the installation of 11 low carbon heating systems in council buildings as part of the Council's climate action projects and its commitment to achieving net zero. He also noted sound financial management, including effective monitoring of the revenue and capital budgets as a cornerstone of the Council's ability to deliver services and achieve its strategic aims. Councillor Carwyn Jones referred to the seven indicators currently rated Red or Amber against their targets as outlined in section 2.2 of the report, together with the associated mitigation measures. These indicators related to Housing Services (re-letting void properties and delivery of Disabled Facilities Grants), the Economy (the total number of customers with mooring contacts and the percentage of high risk businesses subject to planned inspections that were inspected for compliance with food hygiene legislation), Climate Change (specifically waste recycling), and Whole Council Health (timeliness of responses to FOI requests). He confirmed that all these areas are being monitored by the Leadership Team.

In reviewing the corporate scorecard for the second quarter, the committee raised the following matters:-

- A committee member raised concerns regarding fly tipping in the Ynys Gybi and Holyhead areas. While expressing appreciation for the prompt response of Biffa to such incidents, the member requested an update on whether the situation had improved.

Councillor Ieuan Williams, Portfolio Member for Highways, Waste and Property confirmed that the indicator measuring the number of working days taken to clear fly tipping incidents is ragged Green and on target reflecting the efficiency of Biffa's response. He noted however that 70% of fly tipping occurs in one particular area of Holyhead. The matter has been raised with the Chief Waste Management Officer who confirms that all avenues of resolution are being explored. Some improvement has been observed particularly in relation to fewer large items being fly tipped, although overnight incidents

continue to present challenges for identification and enforcement. A further meeting is to be held to discuss the issue.

In a follow-up question, the committee asked about the prospects of the Council's achieving the Welsh Government's 70% recycling target and whether the Welsh Government had indicated that a financial penalty would be imposed for failure to do so.

The committee was advised that the Council runs the risk of financial penalties if it cannot demonstrate that positive steps are being taken to meet the target. It was noted that performance is currently approximately 3.7% below the target. To address this, a report setting out actions and options will be submitted to the Executive in the New Year with the aim of securing approval to consult on those options. Final approval and adoption would then be made by Full Council thereby providing every elected member with the opportunity for input.

Councillor Gary Pitchard, Leader confirmed that he had met with Welsh Government's Deputy First Minister and noted that Welsh Government is tightening its stance on recycling and placing increased pressure on councils to comply. He reported that the meeting had been productive with the Deputy First Minister emphasising the need for councils to demonstrate commitment to achieving what is an ambitious target. The Leader advised that the Council has been using social media to promote the importance of recycling and to provide guidance on how it should be undertaken. This is intended not only to help the Council meet the target and avoid potential penalties, but also to secure future grants to improve recycling facilities on the island. Suggestions for improving recycling processes have been received via social media and will form part of ongoing discussions.

Further questions were asked by the committee regarding the reduction in the recycling rates within council buildings and whether the Council should consider trialling methods for collecting non-recyclable soft plastic waste (such as bags, wrappers and film) as some other local authorities are doing in order to help meet Welsh Government's target. Reference was made to the availability of supermarket drop off points for this type of waste, with suggestions that the Council might consider engaging with such schemes. It was asked whether the Programme Board is examining this issue.

Councillor Ieuan Williams, Portfolio Member for Highways, Waste and Property explained that as a new indicator, there is currently no target for recycling waste within the Council's buildings. He acknowledged that further work is required to promote and to educate staff and service users on recycling within the organisation, including schools and leisure centres and highlighted the need to invest in custom made recycling bins for council buildings. He assured the committee that he would raise this matter with the service during his regular departmental briefings and would report back on progress in six months' time. With regard to non-recyclable plastic waste, he noted that only a minority of councils are trialling collection, as this type of plastic requires specialist processing and remains at an early stage. However, he undertook to raise the issue with the service and report back.

Councillor Gary Pitchard, Leader added that this relates to the wider need previously mentioned to invest in the Council's recycling facilities to enable the collection of different types of waste materials. The emphasis is on the Council to develop a clear plan which it is doing in consultation with WRAP Cymru (the Welsh Government's Waste and Resources Action Programme) to ensure the conditions are in place to achieve Welsh Government's target and thereby secure the investment required for its recycling centres to manage such waste.

The Chief Executive advised that WRAP Cymru selects local authorities to participate in pilot schemes supported by Welsh Government funding. The evidence generated from these pilots informs actions and decisions in other authorities. He suggested that it would

be prudent to await the outcomes of the WRAP Cymru schemes before action is taken locally.

- The committee noted that one of the reasons for the underperformance of Economy KPI 04 (total number of customers with annual mooring contracts) is the current system whereby an area of seabed is leased out and the lessee is then required to purchase mooring equipment and arrange its installation with a third party which has proved unappealing. It was enquired whether, in the longer term, it might represent better value for money for the Council to invest in the equipment itself, thereby potentially attracting more customers and increasing the uptake of mooring contracts to meet the target.

Councillor Alun Roberts, Portfolio Member for Leisure, Tourism, Maritime and Property explained that while 51 mooring contracts had been approved in Quarter 2 against a target of 65, consideration must be given to whether the target remains realistic in the current climate, which has seen a change in boating habits with a shift towards marina facilities. He further noted that any investment on the part of the Council would be considerable, is currently unachievable within budget, and may not deliver the anticipated benefits when compared with the convenience and amenities offered by marinas.

- The committee noted that by the end of Quarter 2, 467 Freedom of Information Requests (FOIs) had been received of which 111 were late. Members asked whether any patterns, trends or areas of focus were emerging, given the volume of requests.

They were advised that the Interim Data Protection Officer is reviewing FOI response arrangements and intends to introduce new processes. The review together with the need to ensure compliance with the requirements of the Information Commissioner's Office has delayed the rollout of the CRM system which is expected to improve response times. While data on trends is not immediately available, it could be provided outside the meeting, and once operational, the CRM system will be able to generate such information.

The committee was also informed that it is understood informally that FOIs are increasingly being used by news outlets and lobbyists to support stories and campaigns. Other factors that have affected the indicator's performance include the complexity of requests often involving multiple questions and requiring input by more than one service, limited capacity in terms of a central support resource, and the need to ensure compliance with data protection legislation, which requires careful consideration and analysis of each request. However, it was noted that over the past 10 years the Council's FOI compliance rate has been above the 70% threshold that would trigger regulatory attention in all but one of those years.

The Chief Executive proposed that a members' briefing session be held in a year's time to review the CRM system's impact and assess the data and insights it can provide on FOI requests.

- The committee noted the improvement in the performance of Housing KPIs, particularly in reducing the time taken to re-let void properties and deliver disabled facilities grants. Members asked about longer term plans to bring performance fully to target.

Councillor Carwyn Jones, as the new Portfolio Member for Housing and Community Safety confirmed that he was arranging meetings with housing managers and officers to review progress and identify the support needed to sustain improvements. New processes are beginning to show results with the average time taking to re-let units now down to 54 days. He also highlighted that new procurement arrangements have increased capacity and he committed to continuing efforts to improve performance. Councillor Robin Williams, Deputy Leader and previous Portfolio Member for Housing also confirmed the improving situation.

Concerns were raised by a member regarding empty properties in the Aberffraw area that remain unoccupied despite being intended for re-letting. The member also noted issues with tenants in popular coastal areas swapping properties with tenants in English towns via channels such as Facebook, with implications for the Welsh language.

Councillor Gary Pritchard, Leader stressed the importance of members reporting any empty council properties in their areas to the Portfolio Member for Housing or the Head of Housing Services for investigation. He explained that properties bought back by the Council take longer to return to use as they must meet the Welsh Housing Quality Standards. He further confirmed that under current central government legislation, social housing tenants may swap properties across local authority areas or housing associations, provided both parties agree, and that this is outside the Council's control.

The Chair informed the committee that following the last meeting, he had met with the Head of Housing Services. He reported that it had been a productive and positive discussion. As a result, it was being proposed that a member briefing session be arranged covering all aspects of Housing Services, to provide further insight into matters such as timescales for property lettings and the acquisition of properties.

- The committee asked for an update on Economy KPI 07 which measures the percentage of high risk businesses subject to planned inspections that were inspected to ensure compliance with food hygiene legislation.

Councillor Nicola Roberts, Portfolio Member for Planning and Public Protection explained that capacity constraints have contributed to the indicator's underperformance. She noted that new regulations covering the licensing and inspection of premises such as tattoo studios and beauty parlours have also required priority attention and officers' time. She confirmed that all highest risk businesses have been inspected and that a temporary resource has been engaged to help clear the backlog. It is hoped this will result in improved figures being reported in Quarters 3 and 4.

- The committee noted that Social Care and Wellbeing KPI 11 measuring visits to leisure centres was under target in Q2 and showing a downward trend. Members asked for an explanation.

Members were advised that the period covered the summer months when many activities take place in community settings across the island rather than in leisure centres. It was suggested that instead of interpreting the figures as fewer people participating in leisure activities, they should be seen as reflecting a shift in location. It was also noted that the fitness room at Holyhead Leisure Centre and the sports hall at Plas Arthur Leisure Centre were closed for refurbishment during the period which may have affected attendance. Good weather may also have encouraged more outdoor activity.

Councillor Gary Pritchard, Leader suggested that KPI 12 which measures the number of people participating in Môn Actif activities provides a fairer reflection of overall engagement. The Council has been pressing Welsh Government to review KPI 11 to include broader participation and will continue to press for change.

The committee expressed appreciation for the continuing achievements of Môn Actif and recognised the health and preventative benefits of leisure activity participation. Members also welcomed Housing KPI 02 which reported a tenant satisfaction figure of 88% for the responsive repairs service.

**Having reviewed the Corporate Scorecard for Q2 2025/26 and having regard to the responses to the issues raised, the Corporate Scrutiny Committee resolved -**

- **To note the Corporate Scorecard report for Q2 2025/26 including the areas which the Leadership Team is exploring and investigating to manage and secure further improvements into the future. These were in relation to Housing (re-letting of void properties and delivery of Disabled Facilities Grants) Economy (number of annual**

mooring contracts and inspection of high risk business for compliance with food hygiene legislation), Climate Change (Domestic Waste recycling) and Whole Council Health (responses to FOI requests within timescale).

- To recommend the scorecard report and mitigating measures outlined therein to the Executive.

**Additional action:** A members' briefing session be held in a year's time to review the CRM system's impact and assess the data and insights it can provide on FOI requests.

#### **4. SELF-ASSESSMENT AND PERFORMANCE (WELLBEING) REPORT 2024/25**

The report of the Head of Profession (HR) and Transformation incorporating the Self-Assessment and Performance (Wellbeing) Report 2024/25 was presented for the committee's consideration. The development and publication of the report is a requirement under the Local Government (Wales) Act 2021 and Wellbeing of Future Generations (Wales) Act 2015.

Councillor Carwyn Jones, Portfolio Member for Housing and Community Safety presented the report in his former capacity as portfolio holder for corporate business and customer experience, noting that it is the first time the Council has combined its self-assessment, performance and wellbeing report for the 2024/25 year. The document demonstrates the Council's integrated approach to planning, managing performance and promoting the wellbeing of future generations. It provides evidence of how the Council has delivered on its strategic objectives and priorities, used resources efficiently and managed risks effectively.

The report offers a clear overview of progress against the 2024/25 commitments in the Annual Delivery Document, the longer term strategic objectives set out in the Council Plan to 2028, and obligations under the Wellbeing of Future Generations (Wales) Act. It also reflects the outcomes of the service review process in which each of the Council's nine services undertook a self-evaluation against four criteria – service planning, financial planning, workforce planning and governance – highlighting any areas for improvement. In addition, the report records progress made on improvement matters identified in the previous self-assessment.

In scrutinising the report, the committee discussed the following matters –

- Members noted that the National Resident Survey 2024 shows that 32% of respondents say they trust the Council. They asked whether this should be a cause for concern and what steps might be taken to strengthen public confidence.

Councillor Gary Pritchard, Leader acknowledged that the figure is disappointing, although not unusual compared with other authorities. He noted that building trust can be challenging, particularly in the current climate where confidence in elected representatives at all levels is generally low. He emphasised that the Council is committed to demonstrating integrity, credibility and to serving the people of the island.

The Chief Executive added that declining trust in the public sector generally is a wider trend, with social media often shaping perceptions. He noted that the Council's standing is broadly average and while improvement is always desirable, given external factors and influences, the position is not overly concerning.

Members discussed the importance of promoting the Council's work more effectively. They highlighted a number of positive developments such as the Freeport, new nuclear initiative at Wylfa, and the acquisition of the former Anglesey Aluminium site for a prosperity park which show the island as forward looking and economically flourishing. While recognising that social media can be a source of misinformation and negativity, they also acknowledged its potential as a valuable tool for communication, engagement and openness. It was further noted that recent political consensus on major issues

reflects a maturity of approach and a collective commitment to serving residents and their communities.

- In a follow-up question, the committee enquired how the Council could strengthen its consultation processes to ensure that residents are well informed and feel confident in responding.

The Projects and Performance Manager explained that the guidance for staff on consultation and engagement procedures has been reviewed. The revised guidance provides advice on reaching a wide range of residents, with particular emphasis on engaging hard to reach groups. The guidance has been approved and is being uploaded to the Council's intranet for staff access. It also incorporates guidance on conducting impact assessments following policy changes or significant developments with the aim of ensuring that consultation is as effective and inclusive as possible.

- The committee asked for an update on the Day Care Strategy which was marked Amber on the 2024/25 work progress table.

Councillor Neville Evans, Portfolio Member for Adult Services reported that developments in day care provision in the Holyhead area which has entailed integrating services within the community with smaller, tailored activity groups have been well received by service users. The long term ambition is to extend this model across the island. He emphasised the importance of listening to service users and carers in shaping services and noted the value of a recent meeting with individuals living with dementia and an upcoming meeting with carers.

The Head of Adult Services confirmed the transition towards a community focused model with smaller groups engaged in a wider range of activities chosen by service users themselves. The purchase of a minibus will further expand opportunities for participation. He explained that the change to a community based provision also requires adjustments for staff, which are being discussed as part of a three way engagement process involving service users, carers and staff.

- The committee, in light of the announcement of a new small nuclear power station at Wylfa, sought clarification of the steps being taken to ensure appropriate education provision and training opportunities so that local young people can gain the skills needed to take advantage of the potential employment opportunities, together with the capacity to deliver such courses. Reference was also made to planning, with members noting that the existing Local Development Plan is now outdated and does not reflect the island's current circumstances or needs.

Councillor Gary Pritchard, Leader acknowledged the importance of ensuring that the benefits of the development in Wylfa are realised by the island's residents. He noted that once discussions with the Council's partners in this initiative begin, the specific requirements will become clearer. He emphasised that the regional skills partnership will play a key role alongside the Council's close partnership with Coleg Llandrillo Menai, in establishing a strong platform for developing the skills required by the industry.

The Chief Executive said that the Council supports economic developments for the benefits they bring to the island and its residents. The planning system defines boundaries and evaluates impact assessments as regards labour and skills needs and allocates resources to ensure that young people can undertake the necessary training. Until this point, the council can only press governments to provide resources while being mindful of the importance of timing i.e. training must lead to real jobs or public confidence may be undermined. By working with its educational and training partners and also with the industry to ensure that prospective jobs are advertised locally, there are a number of practical steps the council can take to strengthen opportunities.

- Members raised concerns about telephone response times and also requested that ward members receive a progress update on flood management schemes in their areas. The Chief Executive explained that the Council's application for Welsh Government funding had not been successful, making implementation more difficult, but assured the committee that local members would be updated.

**Having reviewed the Self-Assessment and Performance (Wellbeing) Report 2024/25, the Corporate Scrutiny Committee resolved to endorse the report and recommend it to the Executive.**

**Additional action – the relevant ward members to be provided with an update on flood management schemes in their areas.**

## **5. FORWARD WORK PROGRAMME**

The report of the Scrutiny Manager incorporating the Committee's Forward Work Programme to April, 2026 was presented for consideration.

**It was resolved –**

- **To agree the current version of the Forward Work Programme for 2025/26.**
- **To note progress thus far in implementing the Forward Work Programme.**

**Councillor Jeff Evans  
Chair**

# Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	21 January 2026
<b>Subject:</b>	Budget setting 2026/27 (revenue budget) – initial draft proposals
<b>Scrutiny Chair:</b>	Councillor Jeff Evans

## 1. Who will be the portfolio holder presenting / leading the report?

<b>Portfolio Holder</b>	<b>Role</b>
Councillor Robin Williams	Portfolio holder for Finance, Corporate Business and Customer Experience
<b>Service Officer (Supporting)</b>	<b>Role</b>
Marc Jones	Head of Function (Resources) / Section 151 officer

## 2. Why the Scrutiny Committee is being asked to consider the matter

It is the Committee's responsibility, in accordance with its Terms of Reference, to assist the Council and the Executive Committee in analysing its budget and to provide assurance regarding the performance and provision of services in line with the budget.

## 3. Role of the Scrutiny Committee and recommendations

- ☐ For assurance  
☒ For recommendation to the Executive  
☐ For information

Recommendation: Agree on a formal response to be submitted to the Executive Committee on the Council's draft revenue budget for 2026/27 (using the key scrutiny themes in section 5 below)

## 4. How does the recommendation(s) contribute to the objectives of the Council's Plan?

Direct link with the Council Plan and strategic priorities. The Committee's consideration of the initial budget proposals for the next year will include how the proposals enable the Council to achieve the Council Plan as well as any specific risks.

## 5. Key scrutiny themes

1.

The following key questions are proposed as a basis for the Committee's considerations on the budgetary proposals for 2026/27:

1. Using the information available to the Committee regarding Council services and the draft financial settlement for 2026/27, to what extent do the proposals sufficiently respond to the pressures and challenges faced by Services?
2. What are the specific risks in relation to the assumptions that form the basis of the Council's initial draft budget for 2026/27?
3. To what extent does the Committee support the Executive's proposal not to increase the Council Tax premium on second / empty homes and continue to use £1m of the income generated from the premium to support first time buyers?
4. What is the Scrutiny Committee's view on the key factors that form the basis of the Executive's budgetary proposals for 2026/27: - To protect school budgets and ensure that schools receive an increase equivalent to the increase in costs - To protect the budgets of the Children and Families Services with a provision to fund the budgetary pressures – additional sum of £1.226m to support services currently under pressure (paragraph 7.3 – 7.14 in the report below).
5. The report of the Section 151 Officer discusses utilising Council reserves. What is the Committee's view on releasing £1.68m from reserves to balance the budget in 2026/27?
6. To what extent should other areas, not discussed in the Section 151 Officer's report, be considered or identified to reduce costs?
7. Council Tax must be raised higher than inflation to maintain the same level of service provision and to meet the increasing demand for services. What is the Committee's view on increasing Council Tax by 5.1% to achieve the Executive's proposals for 2026/27? If not, should the increase be higher or lower than the Executive's recommendation and how should the budget be balanced?

## **6. Key points / summary**

### **CONTEXT**

1.1 Scrutiny of the budget setting process has developed and matured over recent years, laying the foundations for a better, more systematic process based on outcomes and good practice. In fact, the process allows for a more systematic approach to financial scrutiny, as an essential building block of sound financial management and governance.

1.2 Members will be aware that finance is critical to the services the Council delivers and that there are far reaching implications to financial issues facing us as a local authority – both in terms of the services being received by our citizens and also the level of Council Tax or fees and charges being levied. This will inevitably require us to ask challenging questions about which services to offer in the future and which services to invest in and also the degree to which current methods of service delivery remain appropriate. Another consideration is also how best to manage expectations of local people in making the

necessary changes. In the current economic climate, Members therefore need to be assured that the Council is making the most effective use of resources, in particular finances.

1.3 In considering their response to the initial budget proposals, members of the Corporate Scrutiny Committee will need to consider the proposals in terms of the longer term financial position of the Council (our Medium Term Financial Plan) and the Council's objectives and priorities as set out in the Council Plan.

## **2. SETTING THE COUNCIL'S BUDGET FOR 2026/27**

2.1 Attached is the report of the Director of Function (Resources) / Section 151 Officer on the initial proposals for the 2026/27 budget which will be submitted to a meeting of the Executive on 27 January, 2026. The paper provides a position statement on the following issues:

- The Executive's initial budget proposals
- Local Government initial settlement (Welsh Government)
- Initial budget position for 2026/27
- Budget pressures which must be allowed for in the 2026/27 budget
- The financial risks which the Council faces during 2026/27
- The level of Council Tax increase required to set a balanced budget
- Impact on the Medium Term Financial Plan

Details of the Final Settlement for the 2026/27 budget are expected from Welsh Government by the end of February, 2026.

The Committee will consider the 2026/27 final draft budget proposals at its next meeting before the Executive makes its recommendations to Full Council on 5th March, 2026.

## **3. FINANCIAL SCRUTINY – SETTING THE 2026/27 BUDGET**

3.1 Financial scrutiny is much more than adding value to decisions taken by the Executive. It is about ensuring that there is proper scrutiny in the effective planning, delivery and follow up of key decisions impacting on taxpayers and local communities. Scrutiny should therefore:

- Provide effective challenge
- Hold decision makers to account; and
- Assist the Executive to develop a robust budget for the coming year.

### **3.2 Key factors in setting the 2026/27 budget**

There are some key factors to be taken into consideration as the Local Authority sets a balanced budget for 2026/27:

3.2.1 Level of the Settlement – although the Settlement is better than expected, the increase is not sufficient to fully respond to financial pressures facing the Local Authority (salary costs, pressures on social care budgets, and investment of £1.2m in under pressure services)

3.2.2 The Executive's budget proposal protects schools' budgets and ensures that schools receive an increase that meets the increase in costs

3.2.3 The Executive is proposing not to change the level of Council Tax premium on empty and second homes (which is 100%). £1m of the income derived from the Council Tax premium will again be utilised to assist first time home buyers during 2026/27.

3.2.4 The budget proposal includes using reserves totalling £1.6m in order to balance the budget which will leave Council balances at approx. £15m.

#### **4. FINANCE SCRUTINY PANEL**

4.1 The Finance Scrutiny Panel has been established to ensure the following key outcomes:

- Develop a model of working on finance matters focusing on a smaller group to enable Members to become more involved, develop a level of subject expertise, encourage good attendance and teamwork
- Forum to develop a group of members with the expertise and ownership to lead financial discussions at the Corporate Scrutiny Committee.

4.2 The Panel considered the initial budget proposals at its last meeting (8 January 2026). A summary of the Panel's deliberations will be presented verbally at the meeting by Cllr Geraint Bebb, chair of the Panel.

#### **5. PUBLIC CONSULTATION PROCESS**

5.1 There will be consultation on the initial proposals with the Town and Community Councils Forum, the Older People's Forum, and the Ynys Môn Schools Finance Forum.

#### **6. KEY SCRUTINY ISSUES**

6.1 The 2026/27 budget setting process provides an opportunity for Elected Members to consider and challenge the implications of the draft budget. Input has also been received via the Finance Scrutiny Panel who have given detailed consideration to the initial draft budget proposals. At this stage in the process, the Corporate Scrutiny Committee is now requested to agree a formal response to the Executive<sup>1</sup> on the Council's draft proposals for the 2026/27 revenue budget (using the key scrutiny questions in paragraph 5 above).

6.2 In light of the 2026/27 budget setting process to date, it is therefore proposed that the Committee should:

- i. Consider the Executive's initial budget proposals and provide comments which the Executive can consider before agreeing its proposed budget proposals on 27 January, 2026.
- ii. Examine in detail the likely impacts on citizens of the initial proposals
- iii. Come to a view about the level of the Council Tax for 2026/27.

### **7. Impact assessments**

7.1. Potential impacts on groups protected under the Equality Act 2010

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<sup>1</sup> Executive meeting on 27 January 2026

Identify the need for any impact assessments later in the process of setting the budget for 2026/27

7.2. Potential impacts on those experiencing socio-economic disadvantage (strategic decisions)

Identify the need for any impact assessments later in the process of setting the budget for 2026/27

7.3. Potential effects on opportunities to use Welsh and not treat the language less favourably than English

Identify the need for any impact assessments later in the process of setting the budget for 2026/27

7.4. Potential impact on the Council's Net Zero Carbon target

Identify the need for any impact assessments later in the process of setting the budget for 2026/27

## 8. Financial implications

This report discusses the process for setting the Council's budget for 2026/27, which includes consideration of the initial draft proposals for revenue budgets.

## 9. Appendices

Report of the Director of Function (Resources) on the proposed revenue budgets for 2026/27 (below).

## 10. Report author and background papers

Marc Jones, Head of Function (Resources) / Section 151 Officer

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
<b>A - Recommendation/s and reason/s</b>	
<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"> <li>(i) The initial proposed budget for 2026/27 of £207.023m;</li> <li>(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;</li> <li>(iii) To formally propose to maintain the premium on empty and second homes at 100%;</li> <li>(iv) That £1.685m is released from the Council's general balances and earmarked reserves in order to balance the 2026/27 revenue budget.</li> </ul> <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>B - What other options did you consider and why did you reject them and/or opt for this option?</b>	
<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>	
<b>C - Why is this a decision for the Executive?</b>	
<p>The setting of the initial budget proposal is a matter delegated to the Executive.</p>	
<b>CH - Is this decision consistent with policy approved by the full Council?</b>	

Yes. The final decision on the 2026/27 revenue budget will be taken by the full Council at its meeting on 5 March 2026.

**D - Is this decision within the budget approved by the Council?**

Yes. The final decision on the 2026/27 revenue budget will be taken by the full Council at its meeting on 5 March 2026.

<b>Dd – Assessing the potential impact (if relevant):</b>		
<b>1</b>	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.
<b>2</b>	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.
<b>3</b>	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.
<b>4</b>	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.
<b>5</b>	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.
<b>6</b>	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.
<b>7</b>	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.

<b>E - Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Leadership Team (LT)</b> (mandatory)	Comments from the LT have been incorporated into the report and the draft report is endorsed by the LT.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	n/a – this is the Section 151 Officer's report.
<b>3</b>	<b>Legal / Monitoring Officer</b> (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.
<b>4</b>	<b>Human Resources (HR)</b>	Any proposals which impact on staff will have been identified and discussed with the HR Team.
<b>5</b>	<b>Property</b>	Any proposal which impacts on the Council's property and related budgets will have been discussed with the Property Team.
<b>6</b>	<b>Information Communication Technology (ICT)</b>	Any proposal which impacts on the Council's information technology systems and related budgets will have been discussed with the ICT Team.
<b>7</b>	<b>Scrutiny</b>	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.
<b>8</b>	<b>Local Members</b>	Proposals are applicable to all Members.
<b>9</b>	<b>Any external bodies / other/s</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix 1 – Report on Draft Revenue Budget 2026/27</li> <li>• Appendix 2 – 2026/27 Proposed Budget by Service</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• Medium Term Financial Plan 2026/27 – 2028/29 – See Executive meeting Agenda, 23 September 2025 – Item 12.</li> </ul>		

## **APPENDIX 1**

### **DRAFT REVENUE BUDGET 2026/27**

#### **INTRODUCTION**

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.

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.

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).

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.

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.

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%.

#### **MAIN ASSUMPTIONS ARISING FROM THE MEDIUM TERM FINANCIAL PLAN**

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.

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.

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).

### **PROVISIONAL SETTLEMENT**

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:-

<b>Table 1</b>		
<b>2025/26 Provisional Settlement</b>		
	<b>Anglesey</b>	<b>Wales</b>
	<b>£'m</b>	<b>£'m</b>
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
<b>2025/26 Adjusted AEF</b>	<b>138.802</b>	<b>6,273.341</b>
<b>Provisional AEF 2026/27 – November 2025</b>	<b>141.994</b>	<b>6,442.817</b>
Additional Funding Announced December 2025	2.585	112.824
<b>Revised Provisional AEF 2026/27</b>	<b>144.579</b>	<b>6,555.641</b>
<b>Increase in comparison to 2025/26 AEF</b>	<b>8.698</b>	<b>416.563</b>
<b>% Increase in comparison to 2025/26 AEF</b>	<b>6.40%</b>	<b>6.79%</b>
<b>Increase in comparison to 2025/26 Adjusted AEF</b>	<b>5.777</b>	<b>282.300</b>
<b>% Increase in comparison to 2025/26 adjusted AEF</b>	<b>4.16%</b>	<b>4.50%</b>

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).

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.

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

#### **MAIN BUDGET CHANGES FOR 2026/27**

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

##### **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.

### **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.

### **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:-

<b>Table 3 Budget Funding Gap 2026/27</b>			
	<b>Reference</b>	<b>£'m</b>	<b>£'m</b>
<b>2025/26 Final Budget</b>			<b>195.443</b>
<b>Main Budget Adjustments (as set out in Paragraph 4)</b>			
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
<b>Standstill Net Revenue Budget 2026/27</b>			<b>206.773</b>
<b>Funded By</b>			
Revenue Support Grant (RSG)		117.875	
Share of Non-Domestic Rates Pool		26.704	
<b>Total Aggregate External Finance</b>			144.579

2025/26 Council Tax Budget (adjusted for the change in the taxbase and increase in second home premium)			57.810
<b>Total Funding Prior to Increase in Council Tax</b>			<b>202.389</b>
<b>Funding (Surplus) / Deficit (before any change in Council Tax)</b>			<b>4.384</b>

**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**

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

**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	
<b>Revised Budget Requirement 2026/27</b>		<b>0.250</b>
<b>Total Funding Prior to Increase in Council Tax</b>		<b>207.023</b>
<b>Funding (Surplus) / Deficit (before any change in Council Tax)</b>		<b>(202.389)</b>
		<b>4.634</b>

## 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 7<sup>th</sup> 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:-

<b>Table 6 Initial Budget Proposal 2026/27</b>		
<b>Initial Budget Proposal (as per Table 5)</b>	<b>£'m</b>	<b>£'m</b>
		<b>207.023</b>

<b>Funded By</b>		
Revenue Support Grant (RSG)	117.875	
Share of Non-Domestic Rates Pool	26.704	
<b>Total Aggregate External Finance (AEF)</b>		144.579
Council Tax (including premium and a 6.0% rise)		60.759
Council General Balances		1.685
<b>Total Funding</b>		<b>207.023</b>

## 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.

## APPENDIX 2

PROPOSED BUDGET 2026/27 BY SERVICE				
Budget	2025/26 Budget	2026/27 Proposed Budget	Movement	% Change
	£'m	£'m	£'m	%
<b>Lifelong Learning</b>				
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%
<b>Total Lifelong Learning</b>	<b>71.185</b>	<b>73.378</b>	<b>+ 2.193</b>	<b>+ 3.08%</b>
<b>Highways, Waste &amp; Property</b>				
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%
<b>Total Highways, Waste &amp; Property</b>	<b>20.765</b>	<b>21.419</b>	<b>+ 0.654</b>	<b>+ 3.15%</b>
<b>Regulation &amp; Economic Development</b>				
Economic Development, Leisure & Destination	3.019	2.768	- 0.251	- 8.31%
Planning & Public Protection	3.102	3.404	+ 0.302	+ 9.74%
<b>Total Regulation &amp; Economic Development</b>	<b>6.121</b>	<b>6.172</b>	<b>+ 0.051</b>	<b>+ 0.83%</b>
<b>Adult Services</b>	<b>43.082</b>	<b>45.377</b>	<b>+ 2.295</b>	<b>+ 5.33%</b>
<b>Children's Services</b>	<b>17.556</b>	<b>18.606</b>	<b>+ 1.050</b>	<b>+ 5.98%</b>
<b>Corporate Transformation</b>				
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%
<b>Total Corporate Transformation</b>	<b>8.109</b>	<b>8.822</b>	<b>+ 0.713</b>	<b>+ 8.79%</b>
<b>Housing</b>	<b>2.036</b>	<b>2.098</b>	<b>+ 0.062</b>	<b>+ 3.05%</b>

<b>PROPOSED BUDGET 2026/27 BY SERVICE</b>				
<b>Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Proposed Budget</b>	<b>Movement</b>	<b>% Change</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>%</b>
<b>Resources</b>	<b>4.225</b>	<b>4.248</b>	<b>+ 0.023</b>	<b>+ 0.54%</b>
<b>Council Business</b>	<b>2.213</b>	<b>2.380</b>	<b>+ 0.167</b>	<b>+ 7.55%</b>
<b>Total Service Budgets</b>	<b>175.292</b>	<b>182.500</b>	<b>+ 7.208</b>	<b>+ 4.11%</b>
<b>Corporate Budgets</b>				
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%
<b>Total Corporate Budgets</b>	<b>20.151</b>	<b>24.523</b>	<b>+ 4.372</b>	<b>+ 21.70%</b>
<b>TOTAL BUDGET</b>	<b>195.443</b>	<b>207.023</b>	<b>+ 11.580</b>	<b>+ 5.93%</b>

22/11/2024

# Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	21 January 2026
<b>Subject:</b>	Towards Net Zero Strategic Plan 2026-2031
<b>Scrutiny Chair:</b>	Councillor Jeff Evans

## 1. Who will be the portfolio holder presenting / leading the report?

Portfolio Holder	Role
Councillor Ieuan Williams	Portfolio Holder - Highways, Waste and Climate Change
Service Officer (Supporting)	Role
Rhys Alun Williams	Climate Change Manager

## 2. Why the Scrutiny Committee is being asked to consider the matter

The new Towards Net Zero Plan 2026–2031 sets out how the Council will continue working towards becoming a net zero carbon organisation, which is a key commitment within the Council Plan.

As the previous Towards Net Zero Plan expired in 2025, it is essential to adopt a new strategic plan to maintain progress. The Scrutiny Committee is therefore asked to review and provide input on the proposed priority areas and actions within the Towards Net Zero Strategic Plan 2026–2031.

## 3. Role of the Scrutiny Committee and recommendations

- ☒ For assurance
- ☒ For recommendation to the Executive
- ☒ For information

### Recommendation(s):

The Committee is asked to recommend Towards Net Zero Strategic Plan 2026–2031 to the Executive for approval.

#### 4. How does the recommendation(s) contribute to the objectives of the Council's Plan?

The recommendation directly supports the Council Plan's vision:

**"To create an Anglesey that is healthy and prosperous where people can thrive."**

It aligns with the Climate Change Strategic Objective:

**"Responding to the crisis, tackling change, and working towards being a net zero organisation by 2030."**

The Towards Net Zero Strategic Plan 2026–2031 sets out how the Council will continue its journey towards becoming a net zero carbon organisation by:

- Reducing carbon emissions,
- Increasing carbon absorption, and
- Strengthening organisational resilience to a changing climate.

This new Strategic Plan builds on progress and lessons learned from the previous Towards Net Zero Strategic Plan 2022–2025, as detailed in the End-Point Report (see background paper).

It should be noted, that the Strategic Plan recognises that the Councils target to become a net zero organisation by 2030 is not achievable with our current resources, time remaining and the scale of decarbonisation needed.

Therefore, the Strategic Plan proposes the Council aligns to the 'net zero carbon Wales by 2050' target as set by the Environment (Wales) Act 2016. It has also identified specific targets and actions for each key priority area within the Strategic Plan.

#### 5. Key scrutiny themes

Within the Strategic Plans priority areas, the committee should give particular consideration to the following aspects:

1. Councils assets and transport.
2. Council processes and staff development
3. key risks and challenges

#### 6. Key points / summary

There are six key priority areas to the Towards Net Zero Strategic Plan 2026-31, i.e.:

##### 1. Assets and Housing Emissions

- Reduce carbon emissions from council buildings by investing in low-carbon measures, improving energy efficiency, cutting waste and increasing recycling.
- Ensure all existing and new properties are climate-resilient.
- Decarbonise the council's social housing stock.

2. Council Transport Emissions
  - Transition the council fleet to electric vehicles, develop fleet charging facilities.
  - Promote sustainable transport behaviours across the organisation
3. Supply Chain Emissions
  - Improve understanding of supply chain emissions through procurement, require suppliers to demonstrate carbon reduction commitments.
4. Land Use, Nature Recovery and Biodiversity
  - Adopt a whole-Council approach to land carbon sequestration, monitor carbon capture over time, and manage land to support nature recovery and biodiversity while locking up carbon where possible.
5. Organisational Development
  - Embed net zero and climate adaptation into council business processes, use emissions data for informed decisions.
  - Build climate change awareness, skills, and knowledge across the organisation
6. Strategic Projects and Climate Resilience
  - Embed climate, net zero, and biodiversity considerations into our strategic projects, assess long-term climate risks, and ensure council services are resilient to a changing climate.

## **7. Impact assessments**

### **7.1. Potential impacts on groups protected under the Equality Act 2010**

No potential impacts anticipated

### **7.2. Potential impacts on those experiencing socio-economic disadvantage (strategic decisions)**

No potential impacts anticipated

### **7.3. Potential effects on opportunities to use Welsh and not treat the language less favourably than English**

No effects on the Welsh language anticipated

### **7.4. Potential impact on the Council's Net Zero Carbon target**

Positive impact on the Councils net zero target by reducing carbon emissions.

**8. Financial implications**

The Council cannot fully fund this alone, external support from Welsh and UK governments and other bodies will be essential.  
Match funding may be needed and all available funding streams must be fully leveraged where possible.

**9. Appendices**

**10. Report author and background papers**

[Towards Net Zero Strategic Plan 2022 – 2025](#)  
  
**Towards Net Zero Strategic Plan 22-25 - End-Point Report**  
Authors – Rhys A Williams (Climate Change Manager)



# Towards Net Zero Strategic Plan 2026–2031 draft

Mae'r ddogfen hon hefyd ar gael yn y Gymraeg /

This document is also available in Welsh.



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

[www.anglesey.gov.wales](http://www.anglesey.gov.wales)

# Foreword



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Councillor Ieuan Williams  
Portfolio Holder – Highways,  
Waste and Climate Change.



Rhys Howard Hughes  
Deputy Chief Executive

Climate change affects us all and the actions we take now will define the lives of future generations. Isle of Anglesey County Council has declared a climate emergency and committed to becoming a net zero carbon organisation.

The Council Plan 2023 – 2028 identifies Climate Change as a strategic objective – “responding to the crisis, tackling change and working towards bring a net zero organisation by 2030”

Working to achieve this commitment is a challenge the Council has taken head on with the previous Towards Net Zero Strategic Plan. The Council has implemented projects to reduce its emissions, developed its knowledge, expertise and capacity to lower carbon emissions and measuring progress towards net zero.

By delivering Ysgol y Graig as our first net zero carbon building and constructing new solar car ports at our headquarters, we’ve shown practical leadership in lowering emissions by leveraging external funding to maximise impact.

Although we are now in a much stronger position and despite our efforts, we understand that the ambition to become net zero by 2030 is not achievable within the resources available and the time remaining.

This will not deter the Council from continuing to take action to reduce its carbon emissions. Building on the previous Strategic Plan, this Towards Net Zero Strategic Plan 2026 – 2031 identifies the Councils key priority areas and the actions to make further progress to become a net zero carbon organisation. We will continue to work collaboratively with Welsh Government and other partners across the sector to deliver this plan.

# Why do we need a Towards Net Zero Strategic Plan

Climate change is the global challenge of our time, with far-reaching consequences for future generations. Its impacts are already being felt locally across Anglesey, affecting our residents, communities, and visitors. This shared challenge demands both decisive actions to reduce emissions and adaptation to a changing climate.

The Council Plan identifies climate change as a Strategic Objective, with commitments to reduce our carbon emissions and respond to the wider climate crisis.

As a local authority, we recognise our responsibility to lead by example and through this Strategic Plan, we will build a more sustainable Council which supports our communities to be healthy and prosperous where people can thrive.

This Towards Net Zero Strategic Plan 2026–2031, outlines the Council's approach to reducing its overall carbon emissions and how it will become a net zero organisation.

To reach net zero, the Council must cut its emissions across its services. This will be achieved by investing in its buildings, decarbonising transport and work with partners to reduce supply chain emissions. Remaining emissions will be balanced through carbon offsetting through land management.

We must take advantage of opportunities wherever possible to work with external partners such as :

- Welsh Government, WLGA and public sector partners on climate and net zero projects;
- Private Sector organisations on specific projects e.g. Anglesey Freeport;
- Schools and community groups to further action on climate change.

# Towards Net Zero Strategic Plan Highlights

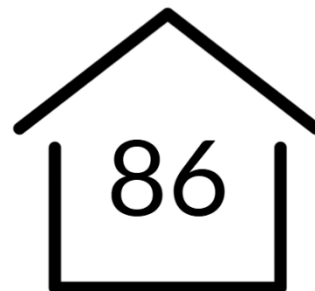


£18.5M

investment to decarbonise  
Council assets



**20%**  
reduction in  
building  
emissions since  
2019/20



new low  
carbon  
Council  
houses



Council  
houses  
upgraded

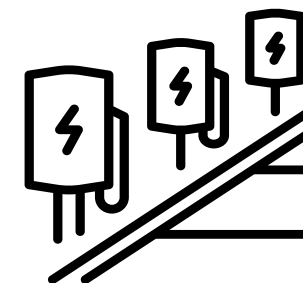
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Ysgol y Graig extension – our first net zero carbon school



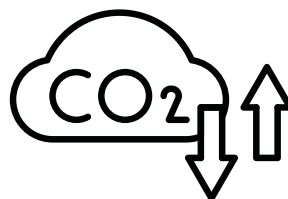
New solar  
car ports  
constructed  
at Llangefni  
HQ



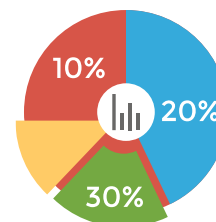
**7**  
new car  
charging  
stations



**16%**  
of our Fleet  
are electric  
vehicles



Improvements  
in carbon  
emissions  
monitoring



Approximately 14,000  
trees planted

# Towards Net Zero Strategic Plan Progress to date

The Towards Net Zero Strategic Plan 2022-2025 End-Point report draws a range of conclusions and priorities considered in the new Strategic Plan :-

- The Council will not reach its net zero by 2030 ambition. This is due to insufficient resources, capacity and the scale of the decarbonisation and offsetting needed; it's understood that this finding is consistent with expectations of most, if not all, Local Authorities in Wales;
- Further investment is needed to develop emissions data collection systems, enabling accurate reporting and informed decision-making;
- Decarbonisation efforts need to be targeted where they will have the greatest impact e.g. assets, transport and procurement;
- Working towards net zero carbon requires a whole Council response;
- Net zero and climate change need to continue to be embedded in governance and business processes.
- It appears that the Council's total carbon emissions have not decreased as expected in recent years (see Attachment 1). This is largely due to increased spend within the supply chain, improvements in the quality and changes in scope of data collected. As a result, annual figures are not directly comparable on a like-for-like basis.

# Council Plan Strategic Objectives

The Council Plan 2023 – 2028 is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.

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

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

The Council Plan’s vision is to:

Page 50  
Create an Anglesey that is healthy and prosperous where people can thrive.'



## The Welsh Language

Increase the opportunities to learn and use the language.



## Social Care and Wellbeing

Providing the right support at the right time.



## Education

Ensuring an effective provision for today and for future generations.



## Housing

Ensuring that everyone has the right to call somewhere home.



## Economy

Promoting opportunities to develop the Island’s economy.



## Climate Change

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



[Council Plan 2023 to 2028 \(gov.wales\)](https://gov.wales/council-plan-2023-to-2028)

# Council Plan – Values

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

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## Respect

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



## Collaborate

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



## Honesty

We are committed to high standards of conduct and integrity.



## Champion the Council and the island

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



# Strategic circle

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

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



# Key priority areas

- Assets and Housing Emissions
- Council Transport Emissions
- Supply Chain Emissions
- Land Use, Nature Recovery and Biodiversity
- Organisational Development
- Strategic Projects and Climate Resilience

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*Financial constraints can have an impact on the Councils' ability to fully deliver these key priority areas*



# Assets and Housing Emissions

## Why is this important?

**Emissions from Council assets, including offices, schools, leisure centres, and care homes, accounted for 5,504 tonnes of carbon emissions (tCO<sub>2</sub>e) in 2024/25—around 11% of our total footprint.**

Reducing emissions from heating, lighting, and energy use in the buildings we own and operate is essential to achieving net zero.

As a landlord of business units, social housing, and agricultural holdings, improving energy efficiency will not only cut carbon but also lower costs, tackle fuel poverty, and enhance the quality and resilience of our assets.

## What are we going to do?

Reduce carbon emissions from the buildings we use.

Invest in energy efficiency measures to reduce operational costs

Ensure our current and new buildings and homes are resilient to a changing climate.

Reduce waste by increasing recycling from our buildings.

Decarbonise the use of the Council's social housing stock.

## How are we going to do this?

Invest in our assets through capital maintenance and grant-funded upgrades to reduce carbon emissions

Apply energy efficiency and climate resilience standards to all new acquisitions and renovations.

Identify and implement measures to reach 70% recycling rate across all Council buildings.

Ensure all Council homes reach an EPC of C (Rating of 75) by 31 March 2031 wherever practical.

45 new council homes each year to minimum EPC A for new builds and low emissions standards for former Council homes purchased.

# Council Transportation Emissions

## Why is this important?

**Emissions from the use of our transport was 6239 tCO<sub>2</sub>e in 2024/25 around 12% of our total emissions.**

Transportation emissions include use of fleet vehicles, business travel, commuting and homeworking.

Use of transport is key to deliver services across Anglesey and part of the Councils direct operational emissions.

Similarly, the Councils indirect emissions include staff business travel in personal vehicles and commuting to work.

## What are we going to do?

Continue to transition the Council fleet to electric vehicles.

Develop the council's fleet EV charging infrastructure.

Develop and implement initiatives to encourage sustainable transport behaviours across the Council.

## How are we going to do this?

Expand the number of electric vehicles in the council's fleet.

Develop and upgrade EV charging infrastructure to support fleet transition.

Aim to reduce fleet carbon emissions to 360 tCO<sub>2</sub>e per year by 2031.

Increase use of EV fleet to reduce business travel emissions.

Increase awareness of the environmental impact of working from home and commuting to work.

Support the workforce to reduce their commuting emissions

# Supply Chain Emissions

## Why is this important?

**Procurement of goods and services from our supply chain accounted for 77% of our reported emissions in 2024/25.**

Emissions from the Councils supply chain is currently calculated based on expenditure – as we spend more, the emissions increase.

Every purchasing decision has a carbon cost, making it essential to embed carbon reduction criteria into all procurement.

## What are we going to do?

Use procurement processes to improve the Councils understanding of its supply chain emissions data.

Ensure suppliers show their commitment to carbon reduction via tendering, monitoring and reporting processes.

Use supply chain emissions data to make informed low carbon decisions.

## How are we going to do this?

Integrate social value, carbon emissions, and biodiversity aims in all procurement.

Prioritise high value and high carbon contracts to reduce supply chain emissions e.g. waste collection, school meals, highways contractor and large capital projects.

Provide training for staff and suppliers to mainstream social value and environmental requirements.

Use robust emissions data to monitor and make informed decisions.

# Land Use, Nature Recovery and Biodiversity

## Why is this important?

The Council manages a diverse portfolio of land, including agricultural holdings, refuse sites, school fields and grazing areas.

Improving land use and nature recovery is critical to achieving net zero as it enables us to offset emissions that cannot be fully eliminated.

Through better land management, we not only reduce our emissions footprint but also deliver wider benefits such as biodiversity enhancement, climate resilience, flood prevention, and soil health.

These actions align with the Well-being of Future Generations Act 2015 and demonstrate leadership in tackling climate change while supporting community well-being and long-term sustainability.

## What are we going to do?

Develop a whole Council approach to land carbon sequestration across all Council assets and land including monitoring carbon captured over time.

Support key actions identified within the Council Plan to manage our land effectively to support nature and biodiversity recovery thus locking up carbon where possible.

## How are we going to do this?

Detailed baseline of all assets, land & types and establish a monitoring process to monitor carbon captured within 2 years.

Measure carbon captured through the Councils activities.

Pursue opportunities to improve carbon capture through biodiversity, nature recovery and land management projects e.g. tree planting

Support schools to prioritise achieving a recognised sustainability award by 2031

# Organisational Development

## Why is this important?

Organisational development is key to reaching net zero by enabling a systematic shift in culture across the Council.

By investing in skills, training, and leadership, we can build capacity for behaviour change.

Strong governance and accountability frameworks will help track progress of this Strategic Plan

## What are we going to do?

Integrate net zero carbon and climate adaptation into the Councils business processes.

Use emissions data to enable informed decision making.

Develop climate awareness, skills and knowledge across the Council.

## How are we going to do this?

Integrate net zero and climate adaptation into business processes and ensure they are treated as priorities in decision-making.

Improve emissions data collection and analysis.

Establish carbon emissions baseline for the Council housing stock and improve supply chain data.

Embed sustainability into training, professional development, and leadership programmes.

Include climate change commitments in job descriptions for new and advertised roles.

Target communications to embed climate action across council Services including behaviour change campaign to reduce energy use on Council premises.

# Strategic Projects and Climate Resilience

## Why is this important?

The Council has a range of strategic and capital projects which include developing new school buildings, care facilities, economic development and regeneration.

It is essential that all projects actively consider climate change, support our net zero target and enhance biodiversity.

The Council must also improve its understanding of the anticipated impacts of climate change to ensure its services remain resilient, effectively manage emerging risks and adapt to a changing climate

## What are we going to do?

Ensure strategic projects include climate, net zero carbon and biodiversity considerations from the outset.

Gain a greater understanding of the long-term climate risks facing the Council.  
Identify how it must adapt to the impacts of a changing climate and ensuring Council Services are resilient.

## How are we going to do this?

Integrate carbon and biodiversity considerations into all strategic projects.

Implement measures to reduce carbon emissions and improve biodiversity within the Councils projects.

Evaluate long-term climate risks facing the Council.

Evaluate the Councils preparedness to respond to climate-related emergencies.

Implement adaptation actions to ensure Councils Services are resilient

# Financial Implications

The Council has invested significantly across its asset portfolio to reduce direct carbon emissions. This capital investment will be ongoing and will need to work parallel to the Councils continued revenue investments across the key priority areas identified within this Strategic Plan.

The Council cannot fully fund this alone, external support from Welsh and UK governments and other bodies will be essential.

Match funding may be needed and all available funding streams must be fully leveraged where possible.

The Council will also consider the use of its own reserves, contributions from revenue budgets and the use of prudential borrowing, if it meets the requirements of the Code of Practice, to maximise grant funding or as primary funding where necessary and where the funding is available.

# Governance: Monitoring and Evaluation

We will build on governance arrangements from the previous Towards Net Zero Strategic Plan. Arrangements will ensure clarity, accountability, coordination and the opportunity to monitor progress effectively.

An annual implementation plan will be established, and progress will be reviewed each quarter via the Net Zero Steering Group. The Steering Group will report to the Leadership Team where necessary.

An annual progress report will be produced including a review of the strategic plan and we regularly assess our progress, targets, emerging risks and opportunities to ensure our actions reflect the Strategic Plans key priority areas.

Key actions identified within the Council Plans' Climate Change strategic objective will be reported to the Improvement and Modernisation Programme Board.

The Council will continue to monitor carbon emissions while fulfilling its annual reporting to Welsh Government; ensuring transparency, accountability, and data informed decisions that support our climate targets.

# Appendix 1 – The Councils Net Zero Targets

Lessons learned from the Towards Net Zero Plan 2022-2025 concludes that net zero by 2030 is not a feasible target. As a result, the Council must ensure the target to achieve net zero carbon is more realistic and achievable.

The Council will maintain the overall target of becoming net zero carbon to be reached by 2050, aligning with Wales' primary target set by Environment (Wales) Act 2016.

Key Priority Area targets to be achieved by 2031 are :-

## **Assets and Housing**

- 22% reduction in emissions from the use of our buildings by 2031.
- Housing emissions baseline established with 10% reduction in overall emissions (from housing refit and solar installations).
- 70% recycling rate across Council operated buildings.

## **Council Transportation Emissions**

- Aim to reduce fleet emissions to 360 tCO<sub>2</sub>e per year.
- 30% reduction in overall emissions from business travel by 2031

## **Supply Chain Emissions**

- Achieve 50% of overall supply chain expenditure where suppliers have provided carbon reduction plans based on cumulative annual targets.

# Appendix 2 – The Councils Carbon Footprint

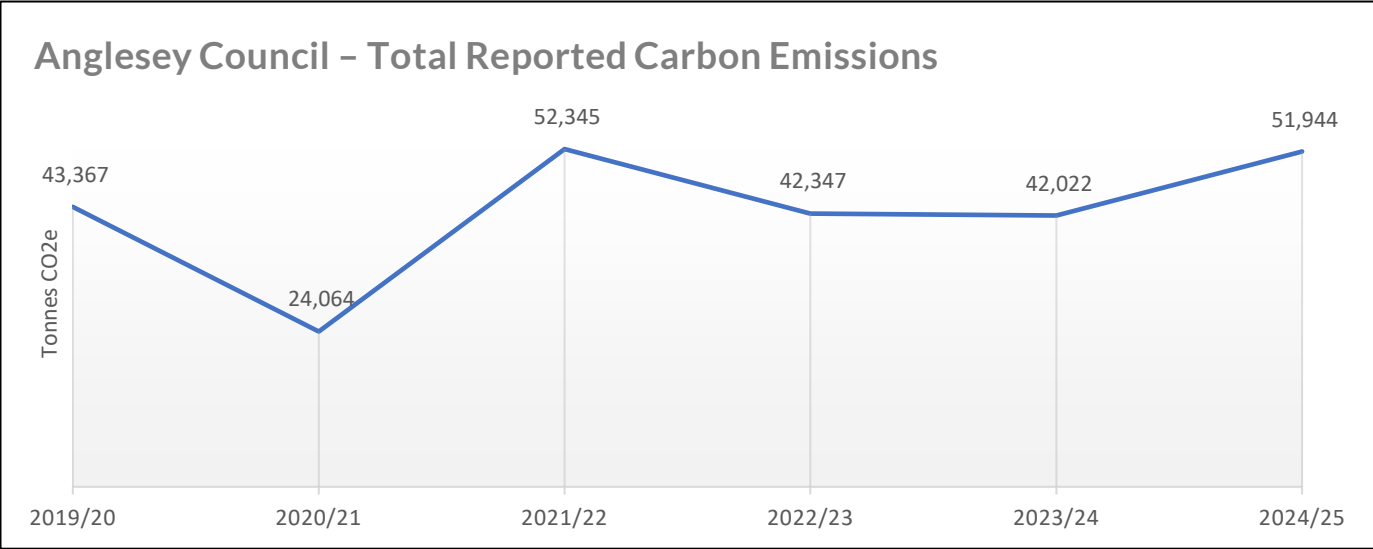
The Council reports on its carbon emissions to Welsh Government within the annual 'net zero reporting' framework.

Using the data submitted, the Council can monitor its carbon emissions, identify priorities and track progress as it implements the Towards Net Zero Strategic Plan.

Based on the data submitted to WG:

The Councils total carbon emissions were 51,944 tonnes CO<sub>2</sub>e in 2024/25

- This is based on emissions calculated under categories of buildings, transport, waste and supply chain.
- Many factors have impacted emissions within these categories such as changes in data requirements, calculation methodology and change of activities within reporting categories.



# Appendix 2 – The Councils Carbon Footprint

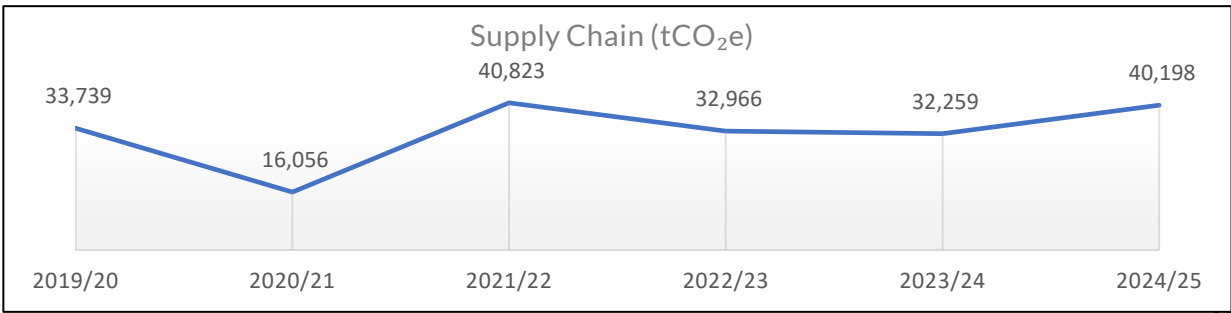
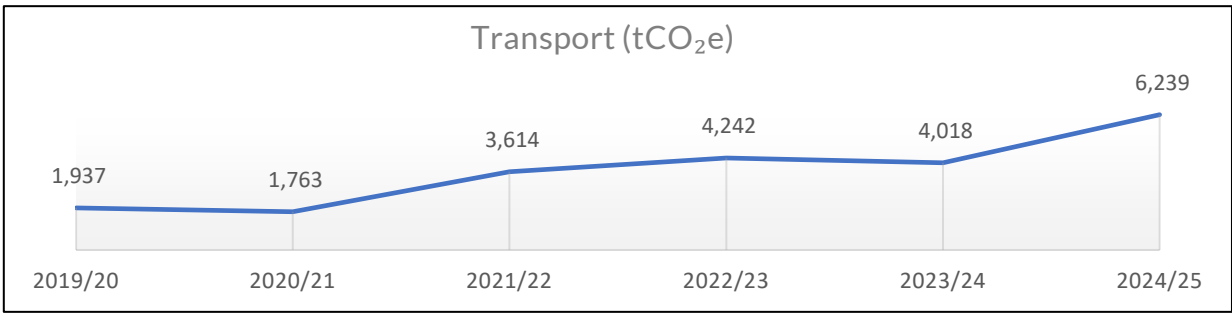
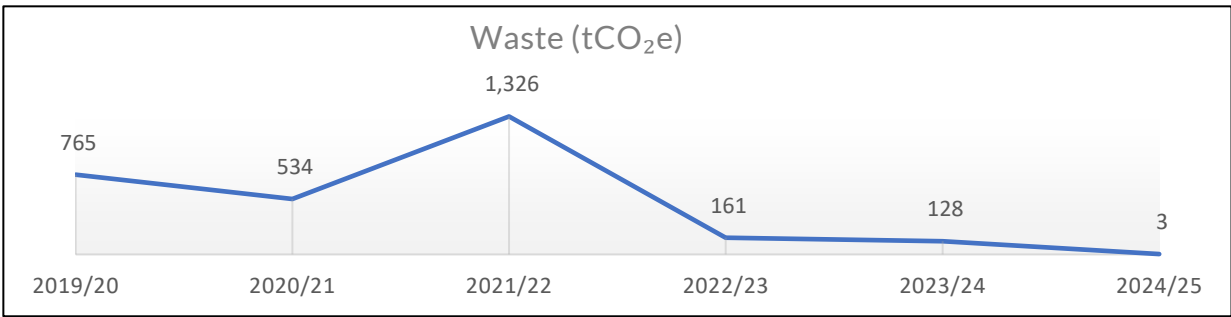
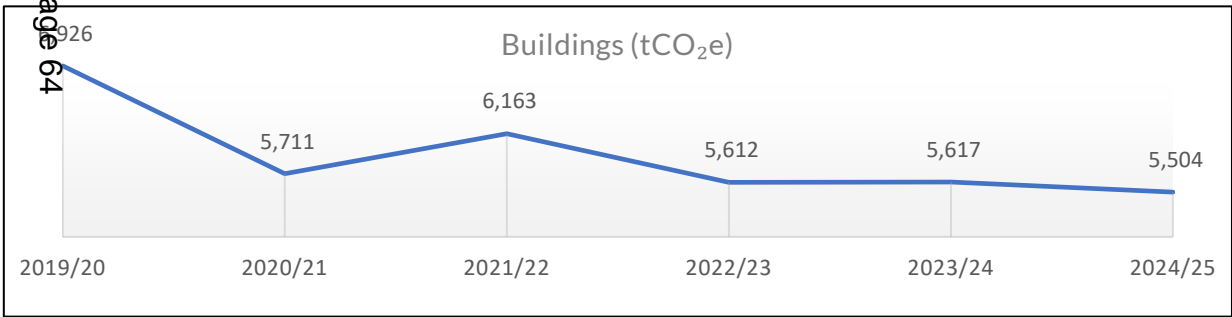
The 2024/25 data and emissions categories show : -

**Buildings** have seen reduction in emissions from electricity, heating and water use across council assets year on year.

**Transport** emissions have increased due to improvements in reporting methodology and have become more accurate for the 2024/25 data.

**Waste** emissions have reduced due to changes reporting boundaries and removal of duplicated reporting.

**Supply Chain** emissions is calculated based on how much the Council spends during the financial year and on the type of goods and services it procured. As the Council has spent more in 2024/25, the corresponding emissions have also increased.



22/11/2024

# Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	<b>Corporate Scrutiny Committee</b>
<b>Date:</b>	<b>21st January, 2026</b>
<b>Subject:</b>	<b>Corporate Scrutiny Committee Forward Work Programme</b>
<b>Scrutiny Chair:</b>	<b>Councillor Jeff Evans</b>

## 1. Who will be the portfolio holder presenting / leading the report?

<b>Portfolio Holder</b>	<b>Role</b>
Not applicable	
<b>Service Officer (Supporting)</b>	<b>Role</b>
Dyfan Sion	Head of Democratic Services

## 2. Why the Scrutiny Committee is being asked to consider the matter

Assist the Scrutiny Committee in considering, agreeing and reviewing its forward work programme for 2025/26
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## 3. Role of the Scrutiny Committee and recommendations

- ☒ For assurance  
☐ For recommendation to the Executive  
☐ For information

<p>Recommendation(s):</p> <p>The Committee is requested to:</p> <p><b>R1</b> agree the current version of the forward work programme for 2025/26</p> <p><b>R2</b> note progress thus far in implementing the forward work programme</p>
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## 4. How does the recommendation(s) contribute to the objectives of the Council's Plan?

Effective work programming is the foundation of effective local government scrutiny. Our Scrutiny rolling forward work programmes are aligned with the corporate priorities of the Council and corporate transformation programmes – ensuring the role of Member scrutiny makes a tangible contribution to the Council's improvement priorities.
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## 5. Key scrutiny themes

Not applicable
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## 6. Key points / summary

### 1. Background

1.1 Effective work programming is the bedrock of an effective local government scrutiny function<sup>1</sup>. Done well, work programming can help lay the foundations for targeted and timely work on issues of local importance demonstrating where Member scrutiny can add value. Good practice advocates two key issues at the heart of the scrutiny forward work programme:

- i. Challenge around prioritising work streams
- ii. Need for a member-led approach and interface with officers.

### 1.2 Basic principles of good work programming<sup>2</sup>

- Work programming should not be a “start-stop” process
- Complementary work programmes for separate scrutiny committees
- Balance between different methods of work
- An effective process for reporting / escalating issues to the Executive
- Input and views of internal stakeholders
- Close working with the Executive
- Links with the Annual Scrutiny Report (evaluation and improvement tool).

### 2. Local context

2.1 There is now a well-established practice of forward work programming which are now rolling programmes focusing on the quality of scrutiny with fewer items, to add value. They are an important tool to assist Members in prioritising their work and are discussed with the Leadership Team and Heads of Service. Both committees review the content of their work programmes on a regular basis, to ensure that they remain relevant and keep abreast with local priorities. Our local forward planning arrangements now ensure greater focus on:

- Strategic aspects
- Citizen / other stakeholder engagement and outcomes
- Priorities of the Council Plan and transformation projects
- Risks and the work of inspection and regulation

Matters on the forward work programme of the Executive. **Outcome:** rolling work programmes for scrutiny committees which are aligned with corporate priorities.

2.2 Committee chairs lead on developing the forward work programmes and are submitted to the monthly Scrutiny Chairs and Vice-chairs Forum and for approval at each ordinary meeting of the scrutiny committees. The Forum is considered an important vehicle to oversee these programmes and jointly negotiate priorities.

<sup>1</sup> A Cunning Plan? Devising a scrutiny work programme, Centre for Public Scrutiny (March, 2011)

<sup>2</sup> A Cunning Plan? Devising a scrutiny work programme, Centre for Public Scrutiny (March, 2011)

2.3 “Whole council” approach to Scrutiny: our work programmes provide a strong foundation for our improvement programme, ensuring the role that Scrutiny plays in the Authority’s governance arrangements:

- i. Supports robust and effective decision-making
- ii. Makes a tangible contribution to the Council’s improvement priorities
- iii. Continues to evolve.

### 3. Issues for consideration

3.1 The Scrutiny Committee receives regular update reports on the implementation of its forward work programme. A copy of the current 2025/26 work programme is attached as **APPENDIX 1** to this report for reference and includes changes made to the work programme since the Committee last considered the document.<sup>3</sup>

3.2 Where appropriate, items may be added to the Committee’s forward work programme during the municipal year. Requests for additional matters to be considered for inclusion on the work programme can be submitted via the Members Request Form for an item to be considered for Scrutiny. Requests are initially considered by the Scrutiny Chairs and Vice-chairs Forum, using the following criteria:

- the Council’s strategic objectives and priorities (as outlined in the Council Plan)
- the ability of the Committee to have influence and/or add value on the subject (A Scrutiny Test of Significance Form will be completed).

## 7. Impact assessments

7.1. Potential impacts on groups protected under the Equality Act 2010

Not applicable

7.2. Potential impacts on those experiencing socio-economic disadvantage (strategic decisions)

Not applicable

7.3. Potential effects on opportunities to use Welsh and not treat the language less favourably than English

Not applicable for this overarching issue but will be considered as an integral part of preparing for specific proposals to be submitted for consideration by the Committee.

<sup>3</sup> Meeting of the Corporate Scrutiny Committee convened on 18<sup>th</sup> November, 2025

7.4. Potential impact on the Council's Net Zero Carbon target

Not applicable

**8. Financial implications**

Not applicable

**9. Appendices**

Corporate Scrutiny Committee Forward Work Programme 2025/26

**10. Report author and background papers**

Elin Allsopp, Scrutiny Officer, Isle of Anglesey, Council Offices, Llangefni. LL77 7TW

**ITEMS SCHEDULED FOR SCRUTINY → MAY, 2025 – APRIL, 2026**  
**[Version dated 09/01/26]**

**Note for Stakeholders and the Public:**

A [Protocol for Public Speaking at Scrutiny Committees](#) has been published by the Council.

Should you wish to speak on any specific item at a Scrutiny Committee then you should register your interest by submitting a written request using the form available as soon as possible and at least 3 clear working days prior to the specific Committee meeting. You can access information about the meeting and which items being discussed by reading this Forward Work Programme. Contact the Scrutiny Manager if you have any queries

[\[AnwenDavies@ynysmon.gov.uk\]](mailto:AnwenDavies@ynysmon.gov.uk)

<b>CORPORATE SCRUTINY COMMITTEE</b>	<b>PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE</b>
<b>May, 2025 (20/05/2025 )</b>	<b>May, 2025 (20/05/2025)</b>
Election of Chair: 2025/26	Election of Chair: 2025/26
Election of Vice-chair: 2025/26	Election of Vice-chair: 2025/26
<b>May, 2025 (21/05/2025)-Additional Meeting</b>	
Results of Engagement on Post-16 Education Provision	
Ysgol Uwchradd Caergybi School building	
<b>June, 2025 (17/06/2025) – Q4</b>	<b>June, 2025 (12/06/2025) – Education / Welsh Language</b>
Performance Monitoring: Corporate Scorecard Qtr4: 2024/25	Welsh Language: <ul style="list-style-type: none"> <li>• Annual Report on the Welsh Standards: 2024/25</li> <li>• Welsh in Education Strategic Plan 2022-2032: Measure Progress→2024/25</li> </ul>
Annual Delivery Plan: 2025/26	UK Government Funded Programme [Ynys Môn Levelling Up Programme – Measure Progress]
Canolfan Addysg y Bont Roof Repair: Lessons Learned	
<b>Item for Information:</b> Ambition North Wales Qtr 4: 2024/25 Progress Report	
Committee Forward Work Programme for 2025/26	Committee Forward Work Programme for 2025/26
<b>No meeting scheduled</b>	<b>July, 2025 (15/07/2025) – Emergency Services</b>
	North Wales Police
	North Wales Police and Crime Commissioner
	Committee Forward Work Programme for 2025/26

CORPORATE SCRUTINY COMMITTEE	PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE
<b>September, 2025 (17/09/2025) – Q1</b>	<b>September, 2025 (16/09/2025) – Joint Working with Grŵp Llandrillo Menai &amp; Bangor University</b>
Performance Monitoring: Corporate Scorecard Q1: 2025/26	Grŵp Llandrillo Menai
Recommendations of the Scrutiny Task and Finish Group: Letting of Council Accommodation – update on progress	Bangor University
Membership of Scrutiny Panels	Membership of Scrutiny Panels
Committee Forward Work Programme for 2025/26	Committee Forward Work Programme for 2025/26
<b>October, 2025 (15/10/2025)</b>	<b>October, 2025 (14/10/2025) – Crime and Disorder</b>
Annual Report North Wales Regional Partnership Board (Part 9): 2024/25	Menter Môn
Regional Emergency Planning Service Annual Report: 2024/25	Gwynedd & Ynys Môn Community Safety Partnership Annual Report: 2024/25
Results of Consultation on Proposal to Relocate Ysgol Uwchradd Caergybi to a New School Building for 11-18 Year Old Learners	
Modernising Learning Communities: Strategic Outline Case (exempt item)	
<b>Item for Information:</b> Ambition North Wales: <ul style="list-style-type: none"> <li>Annual Report: 2024/25</li> <li>Qtr 1: 2025/26 Progress Report</li> </ul>	
Committee Forward Work Programme for 2025/26	Committee Forward Work Programme for 2025/26
	<b>November, 2025 (13/11/2025) - Education</b>
	School improvement guidance: framework for evaluation, improvement and accountability
	Education Scrutiny Panel Progress Report
	Committee Forward Work Programme for 2025/26
<b>November, 2025 (18/11/2025) - Q2</b>	<b>November, 2025 (26/11/2025) – Health</b>
Monitoring Performance: Corporate Scorecard Q2: 2025/26	Audit Wales: Urgent and Emergency Care: Flow out of Hospital-North Wales Region- measure progress
Self-Assessment, Performance and Wellbeing Report 2024/25	Welsh Ambulance Services Trust
Committee Forward Work Programme for 2025/26	Betsi Cadwaladr University Health Board

CORPORATE SCRUTINY COMMITTEE	PARTNERSHIP AND REGENERATION SCRUTINY COMMITTEE
	<b>December, 2025 (10/12/2025)- Special Meeting</b>
	Waste Collection & Recycling Consultation
	Education Digital Strategic Plan
<b>January, 2026 (21/01/2026) – 2026/27 (morning)</b>	<b>January, 2026 (20/01/2026)</b>
2026/27 Budget Setting (Revenue Budget) – initial budget proposals	Corporate Safeguarding
Resources Scrutiny Panel Progress Report	Gwynedd and Ynys Môn Public Services Board: <ul style="list-style-type: none"> <li>Annual Report 2024/25</li> <li>Governance arrangements / scrutiny of delivery of the Wellbeing Plan</li> </ul>
Towards Net Zero Strategic Plan	
<b>Item for Information:</b> Ambition North Wales Qtr 2: 2025/26 Progress Report	Committee Forward Work Programme for 2025/26
Committee Forward Work Programme for 2025/26	
<b>February, 2026 (18/02/2026) – 2026/27 Budget</b>	<b>No meeting scheduled</b>
Final Draft Budget Proposals for 2026/27 – revenue & capital	
Resources Scrutiny Panel Progress Report	
Committee Forward Work Programme for 2025/26	
<b>March, 2026 (18/03/2026) - Q3</b>	<b>March, 2026 (17/03/2026)</b>
Monitoring Performance: Corporate Scorecard Q3: 2025/26	Annual Report on Equalities: 2024/25
Housing Revenue Account Business Plan: 2026/2056	Ynys Môn Free Port – measure progress
	Prosperity Fund Enterprise Items: <ul style="list-style-type: none"> <li>Shared Prosperity Fund-Measure Progress</li> <li>UK Government Funded Programme [Ynys Môn Levelling Up Programme] – Measure Progress</li> </ul>
<b>Item for Information - Ambition North Wales Qtr 3: 2025/26 Progress Report</b>	
Committee Forward Work Programme for 2025/26	Committee Forward Work Programme for 2025/26
<b>April 2026- No meeting scheduled</b>	<b>April 2026-No meeting scheduled</b>

**Items to be scheduled:**

<b>Corporate Scrutiny Committee</b>	<b>Partnership and Regeneration Scrutiny Committee</b>
Modernisation of Learning Communities and Strengthen the Welsh Language Programme	Gypsy and Traveller Accommodation Action Plan
Smallholdings Estate Strategic Plan 2025-2030 (To follow the Council's Budget timeline)	Improving Reliability and Resilience across the Menai Straits
Ambition North Wales Qtr4: 2025/26: Progress Report	Impact of Tourism on Anglesey Local Communities (resolution of the Partnership and Regeneration Scrutiny Committee, 21/06/2023)
North Wales Corporate Joint Committee	Ynys Môn Local Development Plan
Health and Safety Strategic Plan	Anglesey Homelessness
Placemaking Strategic Plan	North Wales Fire & Rescue Service
	UK Government Funded Programme [Ynys Môn Levelling Up Programme] – Measure Progress (June /July 2026)
	Natural Resources Wales