

CORPORATE SCRUTINY COMMITTEE

Minutes of the meeting held in the Committee Room and virtually on Zoom on 18 February 2026

PRESENT: Councillor Jeff Evans (Chair)
Councillor Arfon Wyn (Vice-Chair) (for this meeting only)

Councillors Geraint Bebb, Aled M. Jones, R. Llewelyn Jones, Keith Roberts, Dafydd Rhys Thomas, Alwen Watkin.

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

Portfolio Members

Councillors Gary Pritchard (Leader of the Council), 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), Dafydd Roberts (Portfolio Member for Education and the Welsh Language), Nicola Roberts (Portfolio Member for Planning and Public Protection).

IN ATTENDANCE: Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Social Services
Head of Highways, Waste and Property (for item 6)
Head of Democracy (DS)
Chief Property and Asset Officer (MH) (for item 6)
Committee Officer (ATH)
Democratic Support Assistant (Webcasting) (CH)

APOLOGIES: Councillors John Ifan Jones, Jackie Lewis, Sonia Williams, Robin Williams (Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience), Alun Roberts (Portfolio Member for Leisure, Tourism, Maritime and Property), John Tierney (The Catholic Church), Christina Williams (Parent Governor – Secondary Sector and ALN), Rhys H. Hughes (Deputy Chief Executive), Arwel Owen (Head of Adult Services), Lynn Ball (Director of Function - Council Business/Monitoring Officer).

ALSO PRESENT: Councillor Kenneth Hughes, Angharad Hughes (Scrutiny and Committee Services Manager)

In the absence of Councillor Sonia Williams, the Vice-Chair, Councillor Arfon Wyn was elected to serve as Vice-Chair for this meeting of the committee.

Councillor R. Llewelyn Jones noted with regret the death of the Rev. Jesse Jackson which was announced yesterday. Councillor Jones paid tribute to the Rev. Jackson's lifelong work for civil rights, equality and social justice. Members and Officers stood in silence as a mark of respect.

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 21 January 2026 were presented and were confirmed as correct.

3 BUDGET SETTING 2026/27: FINAL DRAFT REVENUE BUDGET PROPOSALS

The report of the Head of Democracy was presented for the Committee's consideration. The report outlined the context to the 2026/27 Budget setting process and highlighted the key issues and questions for Scrutiny in formulating a formal response to the Executive's final draft revenue budget proposals. The report of the Director of Function (Resources)/Section 151 Officer, summarising the Executive's final draft budget proposals together with the updated medium term outlook was attached at Appendix 1 to the report.

Councillor Gary Pritchard, Leader and Portfolio Member for Economic Development presented the report and noted that the Corporate Scrutiny Committee is being asked to review the final draft revenue budget proposals for 2026/27 and provide a formal response to the Executive before the budget goes to the Full Council on 5 March 2026. The initial draft budget proposals were discussed in detail at this committee's 21 January meeting including the significant financial pressures and challenges faced by the Council. The final proposals remain unchanged i.e. a total budget of £207.029m, a proposed 5.1% Council Tax increase and the use of £1.685m of reserves to balance the budget. In setting the proposed budget the Executive has recognised the need to protect frontline services and to increase funding for adult and children's services to meet rising demand while ensuring that schools receive the funding required to meet inflationary pressures.

The Director of Function (Resources)/Section 151 Officer confirmed that no matters have arisen since the issuing of the initial budget proposal which requires amendment to the net expenditure budget which remains at £207.029m. He advised the committee of his statutory duty to report on the robustness of the budget estimates and the adequacy of the Council's financial reserves. He explained that the 2026/27 budget is based on an assessment of the costs and income expected in the coming financial year with assumptions applied and risks identified. The main risks are highlighted in section 5 of the report and having considered all the risks and the mitigating actions, he concluded that in his view, the budget is robust and deliverable and the Council's current level of healthy general balances and earmarked provides sufficient mitigation against the risks identified. With regard to the medium term outlook he noted that based on the latest information, significant savings will still be required in 2027/28 and 2028/29 although inflation, pay awards and demand for services remain major uncertainties.

Councillor Geraint Bebb, Chair of the Resources Scrutiny Panel reported on the outcome of the Panel's meeting on 12 February 2026 at which the final draft revenue budget proposals for 2026/27 were considered. Having reviewed the documentation presented by the Director of Function (Resources)/Section 151 Officer and having noted that the final draft budget proposals were unchanged from the initial proposals, the Panel had resolved to support the final draft revenue budget proposals for 2026/27 as presented and to recommend them to the Corporate Scrutiny Committee.

In responding to the committee's questions on the final draft revenue budget proposals for 2026/27, Officers and Portfolio Members provided further clarification. They explained -

- That the allocations of £146,100 for food safety inspections in 2026/27 and £64,600 from 2028/29 onwards are intended to increase inspection capacity and address the backlog of approximately 700 non-high risk businesses awaiting inspection. The backlog has arisen from pandemic related capacity constraints and from the introduction of new regulatory requirements for licensing and inspecting premises such as tattoo studios and beauty parlours, which have required priority attention. The underperformance of the service has also been recognised through the scorecard monitoring process. The investment is designed to provide additional capacity needed to clear the backlog, after which the enhanced capacity is expected to ensure the service can meet the required number of inspections each year.
- The £364,200 allocation for cyber security reflects the increasing risk of cyber-attacks which is an identified risk on the strategic risk register. The funding is intended to support preparation, defence and business continuity arrangements in the event of an attack, and to ensure full compliance with the Cyber Assessment Framework. The sum will be held in reserve until the newly appointed Head of Digital, Performance and Modernisation has reviewed the position and confirmed the level of need, either in full or in part, with any unused balance to be returned to the General Fund.
- The drafting, consultation and finalisation of the new Local Development Plan is estimated to cost in the region of £800k. An earmarked reserve of £500k is in place but the additional £300k is unfunded. The inclusion of £100k in the revenue budget until 2028/29 when the Plan is expected to be published would allow the plan to be completed and all costs funded. The Director of Function (Resources)/Section 151 Officer provided further clarification of the detailed costs associated with the Local Development Plan.
- That despite the final settlement being higher than forecast, it is still insufficient to fully meet the scale of cost pressures faced by the Council. But without the increased funding the Council Tax increase would likely be higher. Anglesey like other rural authorities is also disadvantaged by the funding formula which is influenced by population based data which means that councils with smaller populations receive proportionately less funding even though the cost of delivering services in rural areas is often significantly higher. The proposed Council Tax increase is comparable to that of other councils in the region which are also facing the same pressures.
- The wellbeing of Anglesey's residents is central to all the Executive's discussions, particularly in relation to the budget which aims to protect the services that people rely on, especially those who are most vulnerable. However, with a limited increase in Welsh Government funding, rising costs and increasing demand for services, the Council's options for achieving a balanced budget are restricted to reducing services, increasing Council Tax or drawing on reserves. To support residents who may struggle financially, the Council continues to invest in support and advice organisations including Citizens Advice and the J. E. O'Toole Centre. In addition, the Council Tax Reduction Scheme is available for individuals who are experiencing difficulty in paying council tax.
- With regard to the increasing demand for children's social care and the cost of placements, the Welsh Government's policy to move towards a not for profit model for children's care in Wales although well-intentioned, has reduced the availability of placements and contributed to higher costs in the transition period. The Council has invested in a wide range of preventative and early intervention services and is continuing to expand its Cartrefi Clyd model. This approach is designed to provide looked after children with a supportive and more family like environment in small residential homes within the community. As well as offering a more personalised experience and greater stability for the child, the model makes more efficient use of

resources by reducing reliance on expensive out of county placements. However, where children have more complex needs that require specialised provision, out of county placements may still be necessary.

The Portfolio Member for Children, Young People and Families and the Director of Social Services outlined the costs involved and described the structure and operational arrangements of the Cartrefi Clyd model.

- The report at section 5 sets out the financial risks to the budget. These include pay inflation uncertainty with no NJC pay offer yet agreed for 2026/27 and teachers pay award still to be determined, price inflation and potential changes in interest rates. Grant availability remains a risk with more than £30m of income dependent on grants. Further risks relate to income generation e.g. in leisure, planning and parking where ongoing cost of living pressures may affect demand, and the demand for services especially in social care, additional learning needs and homelessness. Other risks are fluctuations in Council Tax premium on second homes and empty properties and Council Tax collection rates arising from wider cost of living challenges. In setting the budget, the Council must strike an appropriate balance between optimism risk where assumptions may be overly positive and underestimate future costs and overcaution risk where assumptions are too conservative and result in the Council Tax being set higher than necessary.

Having scrutinised the final draft Revenue Budget proposals for 2026/27 and having regard to the matters raised in discussion and the responses provided by the Officers and Portfolio Members it was resolved to support the 2026/27 final draft Revenue Budget proposals as presented and to recommend them to the Executive to include a proposed increase of 5.1% in the Council Tax taking the Band D charge to £1,792.98, use of £1.685m of reserves to balance the budget and the maintenance of the second and empty homes premium at 100%.

(Councillors Jeff Evans, Aled M. Jones and R. Llewelyn Jones abstained)

4 BUDGET SETTING 2026/27: FINAL DRAFT CAPITAL BUDGET PROPOSALS

The report of the Head of Democracy was presented for the Committee's consideration. The report outlined the context to the 2026/27 Capital Budget setting process along with the key issues and questions for Scrutiny in evaluating the Executive's final draft capital budget proposals. The report of the Director of Function (Resources)/Section 151 Officer summarising the final capital spending proposals for 2026/27 was attached at Appendix 1.

Councillor Gary Pritchard, Leader and Portfolio Member for Economic Development presented the report noting that the capital budget remains tight which limits the Council's ability to progress new projects. Borrowing is an option, but it carries financial risk and ongoing costs to the revenue budget.

The Director of Function (Resources)/Section 151 Officer explained that the capital budget is guided by the Capital Strategy 2026-2031 which prioritises protecting and maintaining current assets, maximising external funding, meeting statutory responsibilities and continuing to support the Communities for Learning Programme. Although the General Capital Funding allocation from Welsh Government for 2026/27 is £155k (3.15%) higher than in 2025/26, it does not make up for the erosion in value caused by inflation. The Council may borrow to fund capital spending but borrowing generates revenue costs because loans must be repaid. Treasury Management rules set limits on borrowing to ensure that councils borrow responsibly.

While the Welsh Government's Capital Grant is largely absorbed by the need to maintain existing assets, the capital programme and budget also include other key projects - improvements to Menai Bridge Pier and Pontoons (£225k); Phase 2 of the Plas Arthur Leisure Centre refurbishment (£1.65m), and upgrades to Penhesgyn and Gwalchmai recycling centres (£3.806m) funded largely through the eEPR scheme funding. In addition, the Council has received £1.5m from the UK Government's Pride in Place Fund to deliver community led improvement initiatives.

The proposed Housing Revenue Account Capital Programme for 2026/27 totals £31.572m and is focused on continued investment in existing housing stock to maintain compliance with WHQS (£15.71m); a new extra care and residential facility in Menai Bridge (£14.001m); new housing developments (£1.498m but with the potential for further additions during the year); and replacement vehicles for the Housing Maintenance Unit (£363k). HRA funding is ring-fenced meaning that both revenue and capital resources must be used for housing purposes only. When combined with the General Fund capital budget, the total proposed capital budget for 2026/27 is £54.084m.

Councillor Geraint Bebb, Chair of the Resources Scrutiny Panel reported on the outcome of the Panel's meeting on 12 February 2026 at which the final draft capital budget proposals for 2026/27 were considered. In reviewing the proposed capital programme and budget the panel had noted that General Fund capital expenditure prioritises existing assets including Council buildings, schools, vehicles, IT infrastructure, highways and Disabled Facilities Grants. Having reviewed the documentation presented by the Director of Function (Resources)/ Section 151 Officer, the Panel had resolved to support the final draft capital budget proposals for 2026/27 as presented and to recommend them to the Corporate Scrutiny Committee.

Councillor Gary Pritchard, Leader responded to a request for clarification on how the HRA operates, how rental income is used and the extent to which rents are subsidised, explaining that while the exact figures were not immediately available, they could be provided. He highlighted that one of the main challenges facing the HRA is that rent increases in recent years have been capped by Welsh Government at levels below inflation meaning that rental income, which is the HRA's main source of funding, has not kept pace with rising costs. As a result, there is reduced capacity to invest in existing stock, develop new housing and continue meeting the WHQS. The Executive acknowledges the importance of ensuring that rents remain affordable and that based on the Joseph Rowntree Living Rent methodology, the Council's rents remain within affordability thresholds.

The Director of Function (Resources)/Section 151 Officer outlined the purpose of the HRA, the way it is funded and the types of expenditure it supports and also explained the collaborative relationship with housing associations as key partners in delivering new social housing.

Councillor Carwyn Jones, Portfolio Member for Housing and Community Safety noted that the Council has contributed towards Welsh Government's target of delivering 20,000 additional social homes during the current Senedd term through joint working with housing associations. While the Council is committed to continuing the development of new social housing in line with the HRA Business Plan, the Plan will come under increasing pressure unless the current rent cap is lifted, additional funding is made available or capital and decarbonisation schemes are deferred. He emphasised that borrowing within the HRA must remain affordable.

Having scrutinised the final draft Capital Budget proposals for 2026/27 and having regard to the matters raised in discussion and the responses provided by the

Officers and Portfolio Members it was resolved to support the 2026/27 final draft Capital Budget proposals as presented and to recommend them to the Executive.

5 RESOURCES SCRUTINY PANEL PROGRESS REPORT

It was noted that feedback from the Resources Scrutiny Panel meeting on 12 February 2026 had been provided by the Chair of the Panel under items 3 and 4 above.

6 SMALLHOLDINGS MANAGEMENT STRATEGIC PLAN 2026-2031

The report of the Head of Highways, Waste and Property incorporating the Smallholdings Management Strategic Plan 2026-2031 was presented for the committee's consideration.

Councillor Gary Pritchard, Leader and Portfolio Member for Economic Development presented the report noting that the new Smallholdings Strategic Plan replaces the previous 15 year old policy and sets out a five year framework to ensure a strategic, holistic and co-ordinated approach to managing the smallholdings estate in alignment with the Council Plan. He explained that a multi-party smallholdings steering group has been established and that the strategic plan has been driven by the work and output of that group's meetings.

The committee in scrutinising the Smallholdings Management Strategic Plan, raised the following points -

- The committee sought clarification of the proposed monitoring and governance arrangements and requested that an annual progress report be provided.
- How the Council's smallholdings estate demonstrates value for money
- Whether more regular engagement with tenants would be advantageous, while recognising that the priority should be to implement the proposed programme of improvements before considering additional engagement activity.

The committee was advised that consideration will be given to how progress against the strategic plan is reported as part of a broader review of how all the Council's strategic plans are integrated into the wider performance reporting framework to ensure progress is monitored. It was emphasised the purpose of the smallholdings strategic plan is to ensure that the estate is managed sustainably so that it delivers appropriate financial, environmental and social returns thereby providing value for money. The estate also has an economic role by creating opportunities for new farmers, supporting local employment and contributing to local food production. The smallholdings steering group has reviewed the estate and the Executive has redirected some underspend to the Property Service to strengthen capacity to implement the required improvements and ensure that farm buildings are fit for purpose.

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

7 FORWARD WORK PROGRAMME

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

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**