

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Mr Dylan J. Williams  
Prif Weithredwr – Chief Executive  
CYNGOR SIR YNYS MÔN  
ISLE OF ANGLESEY COUNTY COUNCIL  
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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>
<b>PWYLLGOR SGRIWTINI CORFFORAETHOL</b>	<b>CORPORATE SCRUTINY COMMITTEE</b>
<b>DYDD MERCHER, 18 CHWEFROR 2026 am 2:00 y. p.</b>	<b>WEDNESDAY, 18 FEBRUARY 2026 at 2.00 pm</b>
<b>YSTAFELL BWYLLGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL DRWY ZOOM</b>	<b>COMMITTEE ROOM, COUNCIL OFFICES AND VIRTUALLY VIA ZOOM</b>
<b>Swyddog Pwyllgor</b>	<b>Ann Holmes 01248 752518 Committee Officer</b>

## **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),  
Gwag/Vacant (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 DECLARATION OF INTEREST**

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

### **2 MINUTES OF THE PREVIOUS MEETING (Pages 1 - 10)**

To present the minutes of the previous meeting of the Corporate Scrutiny Committee held on 21 January 2026.

### **3 BUDGET SETTING 2026/27: FINAL DRAFT REVENUE BUDGET PROPOSALS (Pages 11 - 28)**

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

### **4 BUDGET SETTING 2026/27: FINAL DRAFT CAPITAL BUDGET PROPOSALS (Pages 29 - 84)**

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

### **5 RESOURCES SCRUTINY PANEL PROGRESS REPORT**

To present the report of the Chair of the Panel.

### **6 SMALLHOLDINGS MANAGEMENT STRATEGIC PLAN 2026-2031 (Pages 85 - 102)**

To present the report of the Head of Highways, Waste and Property.

### **7 FORWARD WORK PROGRAMME (Pages 103 - 110)**

To present the report of the Head of Democracy.

## CORPORATE SCRUTINY COMMITTEE

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

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

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

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

#### **Portfolio Members**

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

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

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

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

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

**ALSO PRESENT:** Elin Allsopp (Scrutiny Officer)

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#### **1 APOLOGIES**

The apologies for absence were presented and noted.

## **2 DECLARATION OF INTEREST**

No declaration of interest was received.

## **3 MINUTES OF THE PREVIOUS MEETING**

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

## **4 BUDGET SETTING 2026/27 – INITIAL DRAFT REVENUE BUDGET PROPOSALS**

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

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

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

As part of the budget development process, a detailed review of all budgets was undertaken to identify budgets no longer required, overstated budgets and income budgets that could be

increased. Table 4 in the report summarises the resulting savings of £976k. Services were also invited to submit bids for additional funding to meet existing or new service pressures and the bids listed in section 7 are proposed for inclusion in the initial budget proposal for 2026/27.

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

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

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

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

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

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

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

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

schools budget. The formula for distributing the funds considers the assessed needs of each child and the costs of meeting those needs. The secondary ALN budget is held centrally by the Learning Service and is currently keeping pace with statutory requirements.

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

Following discussion, it was proposed and seconded that the Executive's initial draft budget proposals as presented by the Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Satisfaction be supported and recommended to the Executive. An

amendment to reconsider the Council Tax increase and reduce it to 3% was proposed but was not seconded.

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

- **An initial proposed budget of £207.023m**
- **A proposed increase of 4.8% in the Council Tax plus 0.3% to cover the North Wales Fire and Rescue Service Levy giving a total increase of 5.1%, taking the Band D charge to £1,792.98.**
- **To maintain the second and empty homes premium at 100%**
- **That £1.685m is released from the Council's general balances and earmarked reserves in order to balance the 2026/27 revenue budget.**

*(Councillor R. Llewelyn Jones voted against)*

## **5 RESOURCES SCRUTINY PANEL PROGRESS REPORT**

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

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

## **6 TOWARDS NET ZERO STRATEGIC PLAN 2026-2031**

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

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

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

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

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

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

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

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

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

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

## **6 FORWARD WORK PROGRAMME 2025/26**

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

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

**It was resolved –**

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

**Councillor Jeff Evans  
Chair**

# Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	18 February 2026
<b>Subject:</b>	Budget setting 2026/27 (revenue budget final draft)
<b>Scrutiny Chair:</b>	Councillor Jeff Evans

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

Portfolio Holder	Role
Councillor Robin Williams	Portfolio holder for Finance, Corporate Business and Customer Experience
Service Officer (Supporting)	Role
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 final 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. What is the Committee's final view on the extent to which the proposals adequately respond to the pressures and challenges facing services?
2. To what extent have the proposals considered the views of Council forums following consultation?
3. To what extent does the Committee support a 5.1% increase in Council Tax to deliver the Executive Committee's proposals for 2026/27?
4. What steps should the Executive Committee take to fill any anticipated financial gap in 2027/28 and 2028/29 and thereby reduce the financial risk to the Council?

## **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 final proposals for the 2026/27 budget which will be submitted to a meeting of the Executive on 24 February 2026.

The final recommendations will be presented 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.

### **4. RESOURCES SCRUTINY PANEL**

4.1 The Resources 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 final budget proposals at its last meeting (12 February 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 was 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 Resources Scrutiny Panel who have given detailed consideration to the final draft budget proposals. At this stage in the process, the Corporate Scrutiny Committee is now requested to agree a formal response to the Executive on the Council's final 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 final budget proposals and provide comments which the Executive can consider before agreeing its proposals on 24 February, 2026.
- ii. Examine in detail the likely impacts on citizens of the 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

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

<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>24 FEBRUARY 2026</b>
<b>SUBJECT:</b>	<b>MEDIUM TERM FINANCIAL PLAN AND BUDGET 2026/27</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>CLLR ROBIN WILLIAMS – DEPUTY LEADER &amp; PORTFOLIO HOLDER – FINANCE &amp; CORPORATE BUSINESS AND CUSTOMER EXPERIENCE</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
<b>REPORT AUTHOR:</b>	<b>MARC JONES</b>
TEL:	01248 752601
E-MAIL:	rmjfi@ynysmon.gov.wales
<b>LOCAL MEMBERS:</b>	<b>n/a</b>

### A - Recommendation/s and reason/s

#### 1. MEDIUM TERM FINANCIAL PLAN AND 2026/27 REVENUE BUDGET

##### 1.1 Purpose

The Executive is required to agree a number of key matters in respect of the 2026/27 budget. This will then allow the final recommendations to be presented to the full Council at its meeting on 5 March 2026. The matters requiring agreement are:-

- The Council's Revenue Budget and resulting Council Tax for 2026/27;
- The Council's updated Medium Term Financial Plan;
- The use of any one-off funds to support the budget.

##### 1.2 Summary

This paper shows the detailed revenue budget proposals requiring final review and agreement for 2026/27, and the resulting impact on the Isle of Anglesey County Council's revenue budget. These are matters for the Council to agree, and the Executive is asked to make final recommendations to the Council.

The paper also updates the Medium Term Financial Plan, which provides a context for work on the Council's future budgets. However, it should be noted that a further report on the Council's Medium Term Financial Plan will be presented to the Executive later in the year, when further information on the economy and the proposed future local government financial settlement may be clearer.

#### 2. 2026/27 REVENUE BUDGET AND COUNCIL TAX RECOMMENDATIONS

The Executive is requested :-

- To recommend to the full Council to accept the draft revenue budget as proposed, and to increase the Council Tax Band D charge by 5.1%, taking the charge for 2026/27 to £1,792.98, noting that a formal resolution, including the North Wales Police and Town / Community Council precepts, will be presented to the Council on the 5 March 2026;
- To note the Section 151 Officer's recommendation that the Council should maintain a minimum of £10.4m general balances;
- To note the comments made by the Section 151 Officer on the robustness of the estimates made, as set out in Section 5 of Appendix 1;
- To authorise the Section 151 Officer to make such changes as may be necessary before the submission of the final proposals to the Council;
- To agree that any unforeseen pressures on demand led budgets during the financial year will be able to draw upon funding from the general contingencies budget;

<ul style="list-style-type: none"> <li>To request the Council to authorise the Executive to release up to £250k from general balances if the general contingencies budget is fully committed during the year;</li> <li>To delegate to the Section 151 Officer the power to release funding from the general contingency up to £50k for any single item. Any item in excess of £50k not to be approved without the prior consent of the Executive;</li> <li>To confirm that the level of Council Tax Premium for second homes and empty homes is maintained at 100%.</li> </ul>		
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>		
A number of options were considered following the issue of the initial budget proposals. The final budget proposals take account of the final local government settlement, views expressed during the consultation process and the views of the Scrutiny Committee.		
<b>C - Why is this a decision for the Executive?</b>		
The Council's Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council.		
<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.		
<b>D - Is this decision within the budget approved by the Council?</b>		
N/A		
<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?	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 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.	Discussions on the budget proposals have also taken place at :- School Finance Forum; Older People's Forum; Town and Community Council Forum.
<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 final 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 (CTRS), 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)	The Chief Executive and LT have been part of the budget setting process throughout, and are in agreement with the report and support the final budget proposal.
<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 part of the LT and, as such, the Officer’s comments have been taken into account.
<b>4</b>	<b>Human Resources (HR)</b>	-
<b>5</b>	<b>Property</b>	-
<b>6</b>	<b>Information Communication Technology (ICT)</b>	-
<b>7</b>	<b>Scrutiny</b>	Final budget proposals were considered by the Scrutiny Committee at its meeting on 18 February 2026. A verbal update on the outcome of the meeting will be provided to the Executive.
<b>8</b>	<b>Local Members</b>	The Council’s budget is applicable to all Members and consultation has taken place throughout the budget setting process.
<b>9</b>	<b>Any external bodies / other/s</b>	See Section 2 of the report.
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix 1 - Detailed report on the Budget Proposals</li> <li>• Appendix 2 - Summary of the Proposed Revenue Budget 2026/27 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>• Initial Budget Proposals for 2026/27 – Executive Committee – 27 January 2026</li> <li>• Initial Budget Proposals for 2026/27 – Corporate Scrutiny Committee – 21 January 2026</li> <li>• Medium Term Financial Plan for 2026/27 to 2028/29 – Executive Committee – 23 September 2025</li> </ul>		

## 1. INTRODUCTION AND BACKGROUND

- 1.1. The following report sets out the 2026/27 revenue budget proposals and is one of a set of reports which provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The other reports in the set relate to the Council's Capital Programme and Capital Strategy, the Council's Treasury Management Strategy Statement and Fees and Charges.
- 1.2. The revenue budget and the continued need to identify revenue savings has been driven by the Medium Term Financial Plan (MTFP), as approved by the Executive Committee in September 2024, and can be summarised as follows:-

**Table 1**  
**Medium Term Financial Plan 2026/27 to 2028/29**

	2026/27 £'m	2027/28 £'m	2028/29 £'m
Net Revenue Budget B/F	195.443	208.076	205.961
Budget Pressures and Inflation	12.634	5.138	4.263
Savings B/F from previous year	0.000	(7.253)	(1.295)
<b>Revised Standstill Budget</b>	<b>208.076</b>	<b>205.961</b>	<b>208.929</b>
Aggregate External Finance (AEF) (assuming 3.7% rise in 2026/27 and 0.6% rise in 2027/28 and 2028/29)	(140.867)	(141.712)	(142.576)
Council Tax (assuming 5% rise in 2026/27 & 2027/28 and 3% rise in 2028/29)	(59.956)	(62.954)	(64.843)
<b>Total Funding</b>	<b>(200.823)</b>	<b>(204.666)</b>	<b>(207.419)</b>
<b>Additional Funding Requirement / Savings Required</b>	<b>7.253</b>	<b>1.295</b>	<b>1.510</b>
<b>Main Assumptions</b>			
Pay Awards – Non Teaching	3.6%	2.0%	2.0%
Pay Awards – Teaching (from Sept 2026)	4.8%	2.5%	2.0%
General Inflation	3.6%	2.0%	2.0%

- 1.3. The figures quoted in the MTFP were based on assumptions and information available at the time the MTFP was drawn up. The purpose of the MTFP was not to provide an accurate assessment of the budget requirement, but to give a high level assessment of the potential budget gap.
- 1.4. Following on from the publication of the MTFP, a number of factors were finalised which has allowed more certainty when calculating the standstill budget. As inflation has fallen, it becomes less of a factor and becomes easier to estimate the level of inflation for the forthcoming year.
- 1.5. The Welsh Government (WG) announced its provisional settlement in November 2025, and Anglesey received an increase of 2.3% in AEF (after allowing for the transfer of grants into the settlement). A further £112.8m was added to local government funding in December 2025, and the revised AEF showed an increase of 4.16% for Anglesey, which is higher than the estimate included in the MTFP.
- 1.6. However, despite these changes and that the funding gap was lower than forecast in the MTFP, it is still a challenging financial position for both 2026/27 and in the following two financial years, with costs still expected to rise due to inflation and increased demand, but little prospect that the funding from WG will be sufficient to cover all of these increases in costs.

- 2.1. **THE INITIAL BUDGET PROPOSAL**At its meeting on 27 January 2026, the Executive discussed its original budget proposal and the final budget settlement which the WG had published on 20 January 2026.
- 2.2. The final settlement was higher than anticipated in the MTFP, and would provide the Council with £144.584m, which is an increase in cash terms of £8.698m (6.40%) but, after allowing for grants transferring into the settlement and the effect of the change in the Council's taxbase, the adjusted increase was £5.777m (4.16%).
- 2.3. The Executive proposed a budget for 2026/27 of £207.029m and, given the final AEF of £144.584m, this would require an increase of 5.1% in Council Tax and the use of £1.685m of the Council's general balances to balance the budget.
- 2.4. In setting the proposed budget, the Executive recognised the need to protect front line services and increasing budgets to meet an increased demand in Adult and Children's services, whilst ensuring that schools receive all the funding required to meet the cost of inflationary pressures. The proposal also invested £1.226m in smaller services which are experiencing difficulties in maintaining the statutory requirements, and to address emerging risks faced by the Council.
- 2.5. Although not intended as a measure of what the Council's net revenue budget should be, the Standard Spending Assessment (SSA) does give some indication as to whether the Council's budget is at a reasonable level for the Council. The SSA for 2026/27 is £201.479m and the proposed budget is, therefore, 102.8% of the SSA, which is the same level as the 2025/26 budget.
- 3.1. **SCRUTINY COMMITTEE**Due to the delays in receiving the provisional and final settlement, the budget timetable for 2026/27 has had to be condensed in order to ensure that the Council is in a position to set the Council Tax within the timeframe set out in the Local Government Finance Act 1992 (Section 30(6)). The Finance Scrutiny Panel also examined in detail the service investment proposals at its meeting on 8 January 2026, and the Panel's comments were reported to the Corporate Scrutiny Committee meeting on 21 January 2026. At this meeting, the Committee resolved to support the Executive's initial budget proposal.
- 3.2. The final budget proposal was given further consideration by the Corporate Scrutiny Committee at its meeting on 18 February 2026, and a verbal report on the Committee's deliberations will be presented to the Executive at the Committee meeting.

#### **FINAL BUDGET PROPOSAL**

- 4.1. No matters have arisen since the issuing of the initial budget proposal which requires any amendment to the net expenditure budget, and this remains at £207.029m.
- 4.2. The final settlement included an initial £5,962 above the level of the provisional settlement plus the additional funding. Given that this is a minor sum, the general contingency budget has been increased by this sum in order to maintain a balanced budget.
- 4.3. The level of reserves to be used to balance the 2026/27 budget is significant, and a total of £12.35m has been used to balance the budget in the last 3 financial years. Based on current projections, it may be possible to use reserves again in 2027/28 to contribute to the overall funding. It should be noted that the use of reserves only delays the need to reduce the Council's overall net revenue budget, and their use are not a permanent solution to the financial position faced by the Council.

#### **ROBUSTNESS OF ESTIMATES**

- 5.1. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of the proposed financial reserves.
- 5.2. Budget estimates are based on assumptions of future expenditure and income and contain an element of assumption risk. The impact of this risk can be mitigated through contingency plans, contingency budgets and financial reserves.
- 5.3. The robustness of budget estimates is not simply a question of whether they are correctly calculated. In practice, many budgets are based on estimates or forecasts, and there may

be an element of risk as to whether plans will be delivered or targets achieved. Different risks to the budget are considered in turn below:-

- **Pay Inflation Risk** – When inflation levels are low and the overall movement in the inflation rate is small, then the inflation risk is low, as has been the case for a number of years. Given that there is no pay offer made for NJC staff for 2026/27, and that the WG has yet to indicate what the Teacher’s pay award will be from September 2026, there is still considerable uncertainty in respect of pay inflation and, with a pay bill in excess of £100m, a 1% error in the pay inflation assumption could result in a £1m under funding position in 2026/27. This risk is mitigated by the fact that the Council holds an earmarked reserve to fund any inflationary pressures. This would be released to fund any additional pay budget requirement, with the long term budget then being corrected in 2027/28.
- **Price Inflation Risk** - The general measure of inflation (Consumer Price Index - CPI) has fallen back to more normal levels of around 3%, and is expected to fall to the Bank of England’s target rate of 2% during 2026. However, these forecasts may be impacted by how the economy performs over the coming months, whether further tax rises are implemented or cuts to public expenditure take place and whether global energy prices increase. The forecasted reduction in the Bank of England base rate could also create an inflationary pressure.

CPI is a general measure of inflation, and particular areas of expenditure may see inflation at a higher or lower level than CPI. Whatever happens with inflation, it is not expected to rise significantly, and any variance should be within 1% of the figure allowed for in the budget. As a result, the financial impact in 2026/27 will only be marginal and can be funded by the Inflation Reserve which the Council holds.

- **Interest Rate Risk** - Interest rates affect a single year’s revenue budget through the interest earned - i.e. an interest rate rise is beneficial. The Authority’s Treasury Management Strategy requires investments to be made on the grounds of security and liquidity of the investment as the first consideration, with investment returns being a lower priority, therefore, the budget is not reliant on high investment returns. Interest rates have remained high, with the Council achieving over 4% returns on investments. In setting the budget, an estimate of the interest receivable has been factored into the budget, but there is a risk that the budget will not be achieved if interest rates begin to fall quickly, or if the funds available to be invested are lower than forecast. The majority of the interest paid by the Council relates to fixed rate loans which will not change should the interest rate rise. Therefore, the interest rate risk is considered low and, as in previous years, this is a compensating risk for inflation risk, because if one increases, the other is likely to increase also.

- **Grants Risk** - These are risks attached to the large number of specific grants from WG, or other bodies, which provide in excess of £30m additional funding. The final settlement indicates that, in overall terms, grant funding across Wales will increase by 2%, however, individual grants may increase by more or less than this figure. What is not clear for all grants is the specific grant funding for Anglesey. Whilst the immediate response is to say that when the grant ceases, so must the associated expenditure,

there is a risk that this may not always be possible. It may not be possible when contract terms mean the expenditure cannot be cut as quickly as the income, or it involves unfunded severance costs. It may not be possible if the activity funded turns out to be so important to the delivery of the Council's own priorities that the Council decided it must continue the expenditure. Efforts to mitigate this risk are to ensure we have the best information available on each grant, but significant changes during the year cannot be entirely ruled out.

- **Income Risks** – The budget is based on securing an overall 3% increase in fees, and a number of services have assumed rises up to 3%. In addition, some budgets have been restated to reflect the historic levels of income collected. If the elasticity of demand for Council Services is such that volume falls, and income targets are not achieved, that may cause overspending on net budgets. The cost of living crisis may have an impact on the income generated from services such as leisure, car parking, planning and building regulations, where users may choose to reduce their expenditure on these non-essential services. This will require close monitoring of the net budget position and, if necessary, cutting back on spending to match reduced income.
- **Demand Risk** – A number of services can experience a change in the demand for its services. Some can be predicted and taken into account when setting the budget, e.g. changes in pupil numbers. Others are more difficult to predict, and a small increase in numbers can have a significant impact on costs. Allowance has been made in the 2026/27 budget for the current level of service demand for social care, additional learning needs and homelessness prevention, although there is a risk of the increase in demand continuing in 2026/27 above what has been allowed for in the budget. This would result in an overspend in those services affected, which would have to be funded from the Council's general reserves and balances.
- **Optimism Risk** – In previous years, probably the greatest risk in current circumstances is that the Authority, Members and Officers have been over-optimistic in the savings that will be achieved, or that demand for services, particularly social care, will not increase significantly. For 2026/27, the budget does include over £0.9m of budget adjustments to reflect historic patterns of expenditure or income. There is a risk that the changes made are not reflected in the actual income and expenditure in 2026/27 but, again, the risk is low and would be funded from general balances should the risk actually materialise.
- **Over-caution Risk** – This is the opposite of optimum risk: the danger that our budgets have been drawn up with too much caution and, so, are more than is required, and this would result in the Council Tax being set at a level that is higher than required, which is something that Members are keen to avoid. The Section 151 Officer is satisfied with the budget setting process and that the budget set is a fair assessment of the resources required by each service, based on the relevant factors as they stand at the moment.
- **Council Tax Premium** – In setting the taxbase, it is accepted that the number of empty properties and second homes can change during the year and, as such, only 80% of eligible properties are included in the taxbase. This protects the Council's budget should there be a significant drop in numbers. However, it should be noted that the number of empty properties used in the taxbase calculation rose from 544 properties in October 2024 to 568 properties in October 2025. The number of second homes rose from 2,443 properties to 2,616 properties over the same period.

Many factors influence the number of second homes, and a rise has been seen during 2025 as the Valuation Office transfers self catering properties from the Non-Domestic Rates register back to the Council Tax register as the number of nights the property has been let has not achieved the increased threshold. There is a significant risk that properties will return to the Non-Domestic Rates register in 2026/27 as the owners successfully appeal the original decision, or that they now let the property for the

required number of nights. To mitigate the risk, £900k is held in an earmarked reserve to fund the cost of any refunds and to mitigate for the reduction in the income in 2026/27.

The premium is designed to encourage second home owners to sell or let their property, however, it may also encourage a greater amount of non payment or avoidance by transferring to business rates or by other avoidance means. To mitigate the risk, additional staff will be employed to identify tax avoidance and minimise the amount of the premium lost as a result. As the Executive has committed to using all of the additional premium to address the issues caused by high numbers of second homes on Anglesey, any significant reduction in income would result in a reduction in the funding available for these initiatives in future years.

**Council Tax Income** – The Council Tax income budget is based on the taxbase calculation as at November of the previous financial year. The taxbase changes constantly during the year, as new properties are included and exemptions and single person discounts are granted. These changes cannot be estimated and, invariably, lead to a difference between the actual debit raised and the budget.

The cost of living crisis may also impact on the Council's collection rate, as more households struggle financially with rising costs. The proposed increase in the level of Council Tax may also impact collection rates. This may result in a financial loss in 2026/27, or future years, when uncollectable debts are eventually written off.

- 5.4. Having considered all the risks noted above, and the mitigating actions, the Section 151 Officer is of the view that the budgets are robust and deliverable, and the Council's current healthy level of general balances and earmarked reserves provides sufficient mitigation against the risks identified.

## 6. GENERAL AND SPECIFIC RESERVES

- 6.1. The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget, which are set out in paragraph 5, above.
- 6.2. In terms of any contingencies and reserves, the Section 151 Officer needs to review these in their totality, in conjunction with the base budget itself and the financial risks which face the Authority. In addition, the review should incorporate a medium term view, where needed, and should take into account key developments that may impact on the need and use of one-off resources.
- 6.3. A robust view is being taken on managing budget risks and protecting the financial health of the Council at this time. This is particularly the case when one-off funds need to be adequately protected to fund future strategic / transformational changes, as opposed to funding significant overspends on the base budget itself.
- 6.4. Account has been taken of the need to keep the immediate reductions in spending, and the resulting impact on services, to a minimum, but this must be balanced against the need to ensure the medium and long term financial stability of the Council, and for savings to be implemented over the coming years in a phased and structured way. In addition, there is always some risk of unforeseen items of expenditure or overspending because of a more general pressure on a service budget, and reserves must also be adequate to absorb these pressures.
- 6.5. As at 1 April 2025, the Council's general reserves stood at £15.71m (after allowing for the £2.46m used to balance the 2025/26 budget), which is equivalent to 8.0% of the Council's net revenue budget for 2025/26, 9.1% if the delegated schools' budget is excluded. During the year, no allocations have been made from the general reserve, and it is forecast that

the 2025/26 budget will be £3.23m below the budget. This gives an estimated revised balance of £18.94m, or 9.7% of the 2025/26 net revenue budget.

- 6.6. School balances began the 2025/26 financial year at £5.07m but are forecast to fall to £2.82m by the end of 2025/26. It is expected that schools will use the majority of these balances in order to fund the 2026/27 budget.
- 6.7. The level of general balances is a matter for the Council to decide, based on the recommendation of the Council's Section 151 Officer, but, as a general rule, 5% of the net revenue budget is considered to be an acceptable level. It is a matter for debate whether the net revenue budget should exclude the delegated school's budget, as schools hold their own balances to meet unexpected costs. Based on the current financial situation, there is a high degree of confidence that the level of general balances will exceed 5% of the net revenue budget at the beginning of the 2026/27 financial year.
- 6.8. Having taken into consideration the level of the Council's general balances, school balances, earmarked reserves and contingency budgets, the Section 151 Officer is content that the Council's financial position is sufficiently robust to withstand any difficulties that may arise during 2026/27 if the proposed revenue budget is insufficient to meet the actual costs incurred by the Council during 2026/27.

## 7. COUNCIL TAX

- 7.1. The Council's Band D Council Tax charge for 2025/26 was £1,705.95, which was 16<sup>th</sup> from the 22 Authorities in Wales, and is lower than the Welsh Average of £1,784. More importantly for Anglesey is the comparison to the 5 other North Wales authorities. This is shown in Table 2, below: -

**Table 2**  
**Comparison of Council Tax Band D Charges for North Wales Authorities**

Authority	Band D Charge 2025/26 £	Amount Above / Below Anglesey £	Percentage Above / Below Anglesey %
Anglesey	1,705		
Gwynedd	1,907	202	11.86%
Conwy	1,888	183	10.73%
Denbighshire	1,780	74	4.37%
Flintshire	1,816	110	6.46%
Wrexham	1,746	41	2.40%

- 7.2. The Council Tax budget for 2026/27 (prior to an increase in the Council Tax but after adjusting for the change in the Council Tax Base and premium) is £57.81m. Therefore, each 1% increase generates an additional £578k (less the required increase to the CTRS budget).
- 7.3. After taking into account the final settlement figure of £144.584m, the revised budget requirement of £207.029m (see Appendix 2) and the use of £1.685m of reserves, it would require £60.760m in Council Tax funding. To fund the revised budget requirement, the increase in the level of Council Tax would be 5.1%, taking the Band D charge to £1,792.98, an increase of £87.03, or £1.67 per week.

## 8. EQUALITIES IMPACT ASSESSMENT

- 8.1. In delivering its services, the Council has to be mindful of its duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Well Being of Future Generations (Wales) Act 2015 to assess the impact of key financial decisions on protected groups, and have due regard to the result of such assessments.

8.2. The proposed budget will not impact on any of the protected groups set out in the Regulations and, as a result, no Equality Impact Assessments are considered necessary.

## 9. UPDATING THE MEDIUM TERM FINANCIAL PLAN

9.1. As stated in paragraph 1, above, the funding position and staffing costs has changed considerably since the Council approved the Medium Term Financial Plan (MTFP) in September 2025.

9.2. The main area of uncertainty for the MTFP moving forward is inflation and its impact on future pay awards, whilst the cost of living crisis and its impact on the demand for Council services is also a major factor.

9.3. The updated MTFP for 2027/28 and 2028/29 is shown in Table 3, below:-

**Table 3**  
**Summary Medium Term Financial Plan 2027/28 & 2028/29**

	2027/28 £'m	2028/29 £'m
Net Revenue Budget B/F	207.029	212.141
Budget Pressures and Inflation	5.112	4.242
Savings B/F from previous year	0.000	(2.892)
<b>Revised Standstill Budget</b>	<b>212.141</b>	<b>213.491</b>
Aggregate External Finance (AEF) (assuming 0.6% rise in 2027/28 and 2028/29)	(145.451)	(146.324)
Council Tax (assuming 5% rise in 2027/28 and 3% in 2028/29)	(63.798)	(65.712)
<b>Total Funding</b>	<b>(209.249)</b>	<b>(212.036)</b>
<b>Additional Funding Requirement / Savings Required</b>	<b>2.892</b>	<b>1.455</b>
<b>Main Assumptions</b>		
Pay Awards – Non Teaching	2.0%	2.0%
Pay Awards - Teaching	2.5%	2.0%
General Inflation	2.0%	2.0%

The MTFP estimate above is based on a number of assumptions which may change as we move towards 2027/28, but the plan indicates that there will be a need to make significant further reductions in the net revenue expenditure budget in 2027/28, whilst still increasing Council Tax by an above inflation amount. This, again, could be partly offset by the further use of reserves but, again, this only postpones the need to make budget reductions until 2027/28.

9.4. The capital funding situation also has an impact on the revenue budget moving forward, with the current level of funding being insufficient to maintain the Council's buildings and roads to their current standard and to invest in new vehicles and IT hardware. This lack of funding will increase repair and maintenance costs of all the Council's assets as their useful lives are extended. Investment and asset rationalisation will have to be considered in order to ensure that services can be maintained, whilst minimising the additional costs that will fall on the revenue budget moving forward.

- 9.5. The situation may improve in 2027/28 and 2028/29, with the expectation that inflation will have fallen back to the Bank of England's target of 2%, which eases the pressure on costs. In addition, the forecast is that economic growth will improve, which may result in more funding to the WG. However, the forthcoming Senedd elections may result in a different government, who may prioritise local government differently.
- 9.6. The unknown variable will be demand for social care and homelessness services, which can place a significant pressure on budgets should they increase. Any significant increase in demand will impact on the forecasted figures shown in Table 3.
- 9.7. The plan shown in Table 3 is for indicative purposes only, and is based on the assumption that the net revenue budget for 2026/27 is increased in line with inflation. However, it is noted that the Executive may choose to set a lower net revenue budget and lower increase in Council Tax. An updated MTFP will be presented to the Executive in September 2026.

## 10. CONCLUSIONS

- 10.1. It is important that the budget set is achievable and reflects the demands faced by services currently, although it is noted that the continuation of the cost of living crisis would have a significant impact on the Council's budget. The financial position faced by the Council is not unique to Anglesey, but it is a situation that all 22 Welsh councils are facing, along with the vast majority of English councils.
- 10.2. The local government settlement is higher than initially forecast, however, the overall increase in the settlement is insufficient to meet the rising costs as a result of pay awards, inflation and increased demand for services. As anticipated, the only way open to the Council to set a balanced budget, whilst maintaining services and catering for increased demand, is to make budget reductions, combined with an increase in Council Tax and the controlled use of reserves.
- 10.3. The Council's general financial position is still fairly strong, with an underspend forecast in 2025/26, which will allow the level of general balances to remain healthy and above the recommended minimum level of 5% of net expenditure. The use of reserves to balance the 2026/27 budget is a fairly safe strategy, but it is not a strategy that can be used long term. There may be some scope to use reserves again to balance the budget in 2027/28, but this will need to be assessed further in 2026, prior to setting the 2027/28 budget.
- 10.4. The position in 2027/28 may be improving, but this is very much dependant on the economy growing, thereby increasing tax receipts, falling interest rates and low inflation, which would ensure that government funding at least keeps pace with rising costs. The other important factor is demand for services and, if they begin to rise again, then this will put pressure once again on budgets, and necessitate either cuts to services or increasing Council Tax above inflation.
- 10.5. Therefore, in the professional opinion of the Section 151 Officer, the proposed revenue budget for 2026/27 achieves the following objectives:-
- Ensures that the financial resources allocated to each service is sufficient to meet the current budget pressures and fulfil the demand for the statutory functions which the services must provide.
  - Uses a combination of budget reductions, reserves and a rise in Council Tax to set a balanced budget.
  - Sets a level of Council Tax which is comparable with the Welsh Government's assessment of where Anglesey's Council Tax should be, and is in line with the Council Tax set by other Welsh authorities of a similar size and type.

## RECOMMENDATIONS

- 11.1. To recommend to the full Council to accept the draft revenue budget as proposed, and to increase the Council Tax Band D charge by 5.1%, taking the charge for 2026/27 to £1,792.98.

## FINAL BUDGET PROPOSAL 2026/27 BY SERVICE

	<b>Final Proposed Budget 2026/27 £'m</b>
Education and Culture	73.378
Adult Services	45.377
Children's Services	18.606
Housing Services	2.098
Highways, Waste and Property	21.419
Regulation and Economic Development	6.172
Corporate Transformation	8.822
Resources	4.248
Council Business	2.380
Corporate Management	0.878
<b>Total Service Budgets</b>	<b>183.378</b>
Corporate and Democratic Costs	3.487
Recharges to HRA	(0.865)
Support for Local Housing Help to Buy Schemes	1.050
Levies	5.450
Capital Financing	5.396
Benefits Granted	0.110
Discretionary Rate Relief	0.108
Council Tax Reduction Scheme	7.716
<b>Total Allocated Budgets</b>	<b>205.830</b>
General & Other Contingencies	1.199
<b>Total Budget 2026/27</b>	<b>207.029</b>
<b>Funded By</b>	
Revenue Support Grant	120.504
Non-Domestic Rates	24.081
Council Tax (Including Council Tax Premium)	60.759
Council Reserves	1.685
<b>Total Funding</b>	<b>207.029</b>

## Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	18 February 2026
<b>Subject:</b>	Budget setting 2026/27 (capital)
<b>Scrutiny Chair:</b>	Councillor Jeff Evans

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

Portfolio Holder	Role
Councillor Robin Williams	Portfolio holder for Finance, Corporate Business and Customer Experience
Service Officer (Supporting)	Role
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 final capital 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 for the Committee's considerations:

1. To what extent does the Committee support the proposed capital programme and the proposed plans, given the limited capital funding available in the General Fund?
2. How do the proposals enable the delivery of the Council's medium-term priorities as noted in the Council Plan, as well as balancing short-term pressures?
3. Are the proposals appropriate considering the principles of the Council's Capital Strategy?

## 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. 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 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 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 final capital spending proposals for the 2026/27 budget which will be submitted to a meeting of the Executive on 24 February 2026.

The final recommendations will be presented 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.

#### **4. RESOURCES SCRUTINY PANEL**

4.1 The Resources 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 final budget proposals at its last meeting (12 February 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 was 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 Resources Scrutiny Panel who have given detailed consideration to the final draft budget proposals. At this stage in the process, the Corporate Scrutiny Committee is now requested to agree a formal response to the Executive on the Council’s final proposals for the 2026/27 revenue budget (using the key scrutiny questions in paragraph 5 above).

### **7. Impact assessments**

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

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**

APPENDIX 1: Report of the Director of Function (Resources) on the proposed revenue budgets for 2026/27  
APPENDIX 2: Capital Strategy 2024 - 29

**10. Report author and background papers**

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

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Date:</b>	<b>24 FEBRUARY 2026</b>
<b>Subject:</b>	<b>CAPITAL BUDGET 2026/27</b>
<b>Portfolio Holder(s):</b>	<b>CLLR ROBIN WILLIAMS – DEPUTY LEADER &amp; PORTFOLIO HOLDER – FINANCE &amp; CORPORATE BUSINESS AND CUSTOMER EXPERIENCE</b>
<b>Head of Service / Director:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
<b>Report Author:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
Tel:	01248 762601
E-mail:	rmjfi@ynysmon.gov.wales
<b>Local Members:</b>	<b>n/a</b>

#### **A – Recommendation/s and reason/s**

The Executive is required to propose a capital budget for 2026/27, which will be presented to the full Council for approval at its meeting on 5 March 2026.

#### **RECOMMENDATIONS**

To recommend to the full Council the following capital programme for 2026/27:-

	<b>Ref</b>	<b>£'000</b>
2025/26 Schemes Brought Forward – General Fund	Para 4.1	8,394
Refurbishment / Replacement of Assets	Para 4.2 & 4.3	6,937
Waste Infrastructure	Para 6.1	3,806
Menai Bridge Pier and Pontoons	Para 6.2	225
Plas Arthur Leisure Centre Refurbishment	Para 6.3	1,650
Pride in Place	Para 6.4	1,500
Housing Revenue Account	Para 7	31,572
<b>Total Recommended Capital Programme 2026/27</b>		<b>54,084</b>
<b>Funded By:</b>		
General Capital Grant		2,761
Supported Borrowing General		5,047
Communities for Learning Unsupported Borrowing		0
Capital Receipts Reserve		271
Earmarked Reserves		3,452
Welsh & UK Government Grants		10,044
Unsupported Borrowing – General Fund		937
HRA Revenue Account Surplus		5,418
HRA External Grants		17,291
HRA Unsupported Borrowing		8,863
<b>2026/27 Total Capital Funding</b>		<b>54,084</b>

<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>		
A number of additional schemes are to be considered in the capital programme, with the main driving factor in funding being affordability and the maximisation of external grant funding.		
<b>C – Why is this a decision for the Executive?</b>		
It is a matter for the Executive to propose the annual capital budget.		
<b>CH – Is this decision consistent with policy approved by the full Council?</b>		
Yes		
<b>D – Is this decision within the budget approved by the Council?</b>		
Not applicable		
<b>DD – Assessing the potential impact (if relevant):</b>		
1	How does this decision impact on our long term needs as an Island?	The capital budget ensures funding to maintain the Council's assets, and forms part of the strategy to meet the objectives set out in the Council's Corporate Plan.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Continued maintenance of the Council's assets will prevent larger costs in the future.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Capital projects in respect of Communities for Learning and the HRA are aligned to priorities set out by the Welsh Government.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	As part of the consultation process on the Council's Corporate Plan for 2023 – 2028, citizens were asked a number of questions relating to capital expenditure and their priorities.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The capital budget ensures funding to maintain the Council's assets, and forms part of the strategy to meet the objectives set out in the Council's Corporate Plan.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	None Identified.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact identified.
<b>E - Who did you consult?</b>		<b>What did they say?</b>
1	Chief Executive / Leadership Team (LT) (mandatory)	The report has been considered by the LT and any comments incorporated into the report.
2	Finance / Section 151 (mandatory)	Author of the report.
3	Legal / Monitoring Officer (mandatory)	The Director of Function - Council Business is a member of the LT.
4	Human Resources (HR)	No direct impact on HR.

<b>5</b>	Property	The capital programme has been drafted in consultation with the Chief Property and Asset Officer and the Head of Highways, Waste & Property.
<b>6</b>	Information Communication Technology (ICT)	The comments of the Head of ICT have been incorporated into the report.
<b>7</b>	Scrutiny	TBC
<b>8</b>	Local Members	Proposals applicable to all Members.
<b>9</b>	Any external bodies / other/s	Not applicable
<b>F - Appendices:</b>		
Appendix 1 – Report on the Capital Budget 2026/27 Appendix 2 – Final Proposed Capital Budget 2026/27		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
Capital Strategy Report 2026 – 2031 – Executive 27 January 2026 Capital Budget 2025/26 – full Council 6 March 2025 Quarterly Capital Monitoring Reports 2025/26 – Executive - 23 September 2025, 25 November 2025, 24 February 2026		

**1. INTRODUCTION**

1.1. The Capital Budget for 2026/27, set out below, takes into account the principles set out in the Capital Strategy 2025 – 2030 which was approved by the Executive and the full Council in March 2025. The Capital Strategy has been updated to reflect the proposed capital budget for 2026/27, but the principles of the strategy remain unchanged.

**2. PRINCIPLES OF THE CAPITAL STRATEGY**

2.1. The Capital Strategy for 2025/26 was approved by the Executive and full Council, and has been updated for 2026/31 to reflect the new funding levels, any changes in the Council's priorities and any changes set out in the Council's Treasury Management Strategy for 2026/27, which will be approved by the Executive and full Council in March 2026.

2.2. The current Capital Strategy sets out the following principles for the Council in determining its capital programme:-

- Each year, capital funding will be allocated to ensure an investment in existing assets to protect them into the future.
- The Council will maximise external capital funding wherever possible and affordable.
- Capital funding will also be prioritised on assets required to help the Council deliver its statutory responsibilities.
- The Council remains committed to the Communities for Learning Programme, and will continue to fully utilise Communities for Learning external funding.

2.3. The strategy then went on to provide a little more information on how these principles would be delivered, and included the following key points:-

- That the Communities for Learning programme is considered separately from the remainder of the general capital programme.
- That the replacement of existing and obsolete assets has the benefit of reducing revenue costs, and that the capital programme will allocate funding to replace or improve existing IT equipment, vehicles and Council buildings.
- It is a statutory requirement to offer disabled facilities grants, and that the capital programme will allocate funding annually to comply with this requirement.
- A sum will be allocated annually to fund road improvement works. The sum will depend on the amount required to achieve any minimum contract values, the level of external and internal funding available and an assessment of the state of repair of the Authority's roads.
- Projects that require match funding will be assessed on a case by case basis, with any decision to allocate funding being based on how the project fits into the Council's corporate priorities, any ongoing revenue implications and the ratio of Council funding to external funding.
- Projects funded from unsupported borrowing will only be undertaken if the reduction in revenue costs, or increased income generated, is sufficient to meet any additional capital financing costs.

2.4. The Capital Strategy also sets out how any new bid should be assessed, as follows:-

- How closely the project will contribute to the priorities of the Council Plan;
- Whether the project attracts significant external funding;
- Whether the project will lead to revenue savings;
- Whether the project will help mitigate a corporate risk.

### 3. FUNDING THE CAPITAL PROGRAMME 2026/27

3.1. The funds available to finance the capital programme for 2026/27 are shown in Table 1, below. It should be noted that the figures for the General Capital Grant and Supported Borrowing are based on the final Local Government settlement figures which was announced on 20 January 2026.

**Table 1**  
**Anticipated Capital Funding Available for 2026/27**

Source of Funding	£'000	£'000
<b>General Fund Capital Programme</b>		
Schemes / Funding brought forward from 2025/26	7,457	
General Capital Grant 2025/26 Unused	426	
General Capital Grant 2026/27	2,761	
Supported Borrowing	3,668	
UK and Welsh Government Grants (secured)	5,306	
Capital Receipts Reserve	48	
Earmarked Reserves	1,909	
<b>Funding for the General Capital Programme (Council Fund)</b>		<b>21,575</b>
<b>Housing Revenue Account (HRA)</b>		
HRA - In-year Surplus	5,418	
Welsh Government Major Repairs Allowance & Other external grants	17,291	
<b>Funding for HRA</b>		<b>22,709</b>
<b>Total Capital Funding 2026/27</b>		<b>44,284</b>

3.2. The General Capital Funding received from Welsh Government (WG) for 2026/27 is £155k (3.15%) higher than the allocation for 2025/26. Although the increase is welcomed, it does not make up for the erosion in the value of the funding that has taken place due to inflation.

Although the Council does have unsold old schools, the capital receipts generated will have been allocated to fund the replacement school, e.g. Ysgol Llangaffo remains unsold, but the capital receipts from any future sale has been allocated as part of the funding for Ysgol Santes Dwynwen. The Council does hold a small number of assets which it wishes to dispose of, and there is a balance of capital receipts which have not been allocated to any particular scheme. Currently, £267k of capital receipts is available to fund capital expenditure in 2026/27, or in subsequent years.

3.3. In previous years, sums have also been held as earmarked reserves to fund individual projects. The Council continues to use reserves to balance the revenue budget, with £2.46m used in 2025/26 and £1.685m recommended to be used in 2026/27. Despite this, the level of general balances is still above the minimum recommended level of 5% of the net revenue budget. However, the amount of funds above this figure will not be certain until after the final accounts for 2025/26 are closed, but there is the potential to release some funding from general balances to support the capital programme in 2026/27.

3.4. The HRA funding is earmarked for HRA projects and cannot be used for any other purpose. The HRA reserve is now forecast to reach its minimum level and no further funding can be released from reserves. The surplus generated by the HRA Revenue Account is re-invested in the housing stock through the capital programme, and the figure shown above is based on the estimated surplus as set out in the 30 year Business Plan. Grant funding is made up of the WG's Major Repair Allowance and grant funding for the development of an extra care facility in Menai Bridge.

#### 4. PROPOSED CAPITAL PROGRAMME 2026/27

##### 4.1. 2025/26 Schemes Carried Forward

The capital budget monitoring report to the end of quarter 3 of 2025/26 estimates that the capital programme will underspend by £9.849m, although the final position may change during the final quarter. Once the final position in respect of 2025/26 is known, this will be reported to the Executive, alongside a request to approve the carrying forward of funding from 2025/26 to 2026/27. The schemes which are likely to carry forward to 2026/27 are shown in Table 2, below:-

**Table 2**  
**2025/26 Schemes Brought Forward**

2025/26 Schemes Brought Forward	2026/27 £'000
Maintenance of Schools	913
Maintenance of Other Council Buildings	447
Vehicles	120
Upgrade of Public Conveniences	280
Upgrade of Secondary School Toilets	43
Repairs and Maintenance – Menai Bridge Library	17
Repairs and Maintenance – Garreglwyd Residential Home	355
Repairs and Maintenance – Brwynog Residential Home	12
Repairs and Maintenance – Plas Mona Residential Home	20
Repairs and Maintenance – Hen Reithordy	35
Repairs and Maintenance – Gors Felen	215
Waste Management Investment Plan	816
Plas Arthur Leisure Centre	683
Amlwch Leisure Centre	74
David Hughes Leisure Centre	28
Crown Site, Holyhead - Redevelopment	816
Transforming Towns - Amlwch Marine Terminal	480
Transforming Towns - Place Making Grant	301
Holyhead Culture & Heritage Driven Transformation Project	2,500
Flood Relief Schemes (Match Funding)	239

2025/26 Schemes Brought Forward	2026/27 £'000
<b>Total Schemes Brought Forward</b>	<b>8,394</b>
<b>Funded By</b>	
Supported Borrowing – General Fund	1,379
Welsh Government Grants	1,597
UK Government Grants	2,683
Capital Receipts	223
Earmarked Reserves	1,117
DEFRA eEPR (Extended Producer Responsibility for Packaging) Grant	458
Unsupported Borrowing	937
<b>Total Funding for Schemes Brought Forward</b>	<b>8,394</b>

#### 4.2. Refurbishment / Replacing Existing Assets

Each year, it is necessary to invest in the Council's assets to prolong their life and ensure that they are fit for purpose, or to replace obsolete assets. The following sums are proposed:-

- **Refurbishment of Schools** – The cost of clearing the backlog maintenance in the Council's 44 schools is considerable, and cannot be fully funded in the short to medium term. The Council's school modernisation programme may reduce some of this cost, but a large number of the existing schools will remain in use in the long term. A sum of £900k has been allocated.
- **Refurbishment of Non School Buildings** – Due to insufficient funding over a number of years, the condition of the Council's buildings continue to deteriorate. Work is ongoing by the Property Services Team to update the cost of the backlog. £334k has been allocated from the core budget and the Executive may be requested to allocate additional funding from the Council's reserves, following the closure of accounts and when the exact cost of the backlog work is finalised.
- **Highways Resurfacing** – The Annual Status and Option Report confirms that an annual budget of £2.5m is required in order to sustain the Steady State (Preventative) condition of our roads. A budget below this required amount would inevitably result in less efficiency and reduced value for money, with additional costs to the Highway Authority, with more money being spent on emergency works and also the risk of increased third party claims being made against the Authority. A budget allocation of £1.7m has been provided for this work. However, the Local Government Borrowing Initiative allowed the Council to borrow an additional £2.153m in 2025/26 and £1.435m in 2026/27, with the borrowing costs funded by WG. This brings the total funding for Highways Resurfacing in 2026/27 to £3.135m.
- **Vehicles** – The Council is committed to becoming a carbon neutral organisation and, in order to achieve that commitment, the Council needs to reduce the number of petrol and diesel powered vehicles. However, achieving this within the current funding limitations will be challenging, and the Council will be reliant on additional grant funding, or will have to change from direct purchase to leasing in order to achieve the change. The Service will also continue with the programme of gritter replacement and upgrading the MCT (Môn Community Transport) fleet. In total, £550k has been allocated for vehicle replacement.

- **IT Assets** – Continued investment is required to maintain the Council's core infrastructure and to replace devices used by staff to access systems. £433k has been identified as the sum required to maintain the core infrastructure and to replace desktop devices. However, an additional expenditure programme of £426k is required in 2026/27 to fund the cost of infrastructure that requires urgent replacement.
- **IT Assets in Schools** – Significant investment has been made in upgrading IT assets in schools using WG funding (HWB). It will be necessary for the Council to fund the replacement of these assets when they reach the end of their useful lives. Although only a small amount of expenditure is required in 2025/26 (£259k), funds are allocated when available to build up a reserve to fund the significant expenditure, over £2m, which will be necessary in 2027/28. The balance of the fund at the beginning of 2026/27 is estimated at £983k, with a further £220k being added to the fund from the revenue budget in 2026/27. This will leave a balance of £944k at the end of the 2026/27 financial year.

#### **4.3. Disabled Facilities Grants**

The demand for major adaptations to enable disabled residents to continue to live at home continues to be high. Funding of £500k for adapting Council houses is included in the HRA planned maintenance budget, however, the Council must also fund work to private homes as well. The allocation remains at the same level as 2026/27, i.e. £900k.

### **5. COMMUNITIES FOR LEARNING PROGRAMME**

- 5.1. The Council's modernisation of the school estate, through WG's Communities for Learning programme, is now moving to the next phase and, as a result, no work is planned on any new schools in 2026/27. Work is ongoing to move ahead with the planned new secondary school for Holyhead, but no capital expenditure is planned for 2026/27.

### **6. OTHER PROJECTS**

- 6.1. Significant expenditure will be required over the medium term to upgrade the Council's waste facilities. This will not only allow ageing equipment to be replaced, but will also allow the facilities at both Penhesgyn and Gwalchmai to be upgraded to meet new legislative requirements and to allow the Council to meet WG's recycling targets. Work is ongoing to secure grant funding from WG to fund the majority of the investment. The Council began receiving funding through the UK Government's extended producer responsibility for packaging (eEPR) scheme in 2025/26, and this will continue in 2026/27. It is estimated that the Council will receive £2.395m of funding in 2026/27, and this funding is earmarked to fund essential investment in the waste infrastructure which will not be funded by WG grants. £3.806m has been allocated in the 2026/27 budget and this will utilise all of the eEPR funding. Any future level of expenditure will depend on the future level of eEPR funding and any WG grants that can be secured.
- 6.2. Work is required to repair and improve the pier and pontoons at St George's Pier, Menai Bridge. This will allow for the continued use of the pier and pontoons. £225k has been allocated to the project.
- 6.3. Work is planned to complete the refurbishment of Plas Arthur Leisure Centre, with the scheme resulting in the remodelling of the reception area, the creation of a soft play area, new fitness suite and meeting rooms. The total cost of the scheme is £2.333m, which will be funded from the income generated from the sale of the Llangefni Golf Course, a VAT refund received a number of years ago due to a change in the VAT classification of Leisure services, Shared Prosperity Grant funding and the Council's own reserves.

- 6.4.** The Council has received an allocation of £1.5m from the UK Government's Pride in Place Fund to be spent by March 2027. The funding is required to deliver short-term, visible improvements to community-valued places and spaces by March 2027, reflecting local pride and fostering economic growth. The Council will have full discretion to direct funding to projects and programmes deemed to have the most immediate impact. The UK Government expects a community-led approach to engagement, with input from local stakeholders. In order to deliver projects in the time available, part of the funding will be distributed to the 40 Town and Community Councils, with the remainder being spent on the Council's own projects. Work is ongoing to draw up the final list of projects which will be undertaken.

## **7. HOUSING REVENUE ACCOUNT**

- 7.1.** The Housing Revenue Account (HRA) is a ring-fenced account in terms of both revenue and capital expenditure. The proposed programme for 2026/27 will see the continued investment in the existing stock to ensure continued compliance with the WHQS standards, with £15.71m being invested.
- 7.2.** Planning work is ongoing to build a new extra care and residential care facility in Menai Bridge. £14.001m of expenditure is planned for 2026/27, with the project being funded through grant funding in 2026/27, but a mixture of grant funding and unsupported borrowing by the HRA in future years. The revenue costs of the borrowing will be funded from the additional income generated from letting the extra care flats and in the charges for the residential element of the project to Social Services.
- 7.3.** The Council continues to build new housing stock across the Island, with a number of projects planned for 2026/27. Each project is subject to a financial viability assessment and is only added to the programme if the assessment is positive and is authorised by the Executive under the agreed authorisation protocol. As a result, only £1.498m is included in the budget at this stage, but further projects may be added during the year, as they reach a point where the project can commence.
- 7.4.** The total planned investment for 2026/27 on maintaining the Council's existing stock is £15.710m. The programme will be funded from: the revenue surplus generated in 2026/27 (£5.418m), Unsupported Borrowing (£7.965m) and WG grants (£2.690m).
- 7.5.** The long term investment programme, and how it will be funded over the next 30 years, will be set out in the HRA business plan, which will be presented to the Executive in due course.
- 7.6.** A sum of £363k has been allocated to purchase replacement vehicles for the Housing Maintenance Unit which is funded from the in year surplus.

**8. SUMMARY RECOMMENDED CAPITAL PROGRAMME 2026/27**

8.1. The recommended capital programme for 2026/27 is summarised in Table 3, below, and analysed in further detail in Appendix 2:-

**Table 3  
Summary Recommended Capital Programme 2025/26**

	Ref	£'000
2025/26 Schemes Brought Forward – General Fund		8,394
Refurbishment / Replacement of Assets		6,678
Waste Infrastructure		3,806
IT Equipment in Schools		259
Menai Bridge Pier		225
Plas Arthur Refurbishment – Phase 2		1,650
Pride in Place		1,500
Housing Revenue Account		31,572
<b>Total Recommended Capital Programme 2026/27</b>		<b>54,084</b>
<b>Funded By:</b>		
General Capital Grant		2,761
Supported Borrowing General		5,047
Communities for Learning Unsupported Borrowing		0,000
Capital Receipts Reserve		271
Earmarked Reserves		3,452
Welsh & UK Government Grants		10,044
Unsupported Borrowing – General Fund		937
HRA Revenue Account Surplus		5,418
HRA External Grants		17,291
HRA Unsupported Borrowing		8,863
<b>2026/27 Total Capital Funding</b>		<b>54,084</b>

## FINAL PROPOSED CAPITAL BUDGET 2026/27

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Surplus £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000
<b>2025/26 Committed schemes b/f</b>								
Maintenance of Schools	913			913				
Maintenance of Other Council Buildings	447			169	119		159	
Vehicles	120			120				
Upgrade of Public Conveniences	280						100	180
Upgrade of Secondary School Toilets	43							43
Repairs and Maintenance – Menai Bridge Library	17			17				
Repairs and Maintenance – Garreglwyd Residential Home	355				355			
Repairs and Maintenance – Brwynog Residential Home	12			3	9			
Repairs and Maintenance – Plas Mona Residential Home	20			20				
Repairs and Maintenance – Hen Reithordy	35			35				
Repairs and Maintenance – Gors Felen	215				215			
Waste Management Investment Plan	816	458					358	
Plas Arthur Leisure Centre	683	183					500	
Amlwch Leisure Centre	74			74				
David Hughes Leisure Centre	28			28				
Crown Site, Holyhead - Redevelopment	816	816						
Transforming Towns - Amlwch Marine Terminal	480	480						
Transforming Towns - Place Making Grant	301	301						
Holyhead Culture & Heritage Driven Transformation Project	2,500	2,500						

Scheme	Budget £'000	External Grants £'000	General Capital Grant £'000	Supported Borrowing £'000	Unsupported Borrowing £'000	HRA Surplus £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000
Flood Relief Schemes (Match Funding)	239				239			
<b>Total 2026/27 Committed Schemes</b>	<b>8,394</b>	<b>4,738</b>	<b>0</b>	<b>1,379</b>	<b>937</b>	<b>0</b>	<b>1,117</b>	<b>223</b>
<b>Refurbishment / Replacement of Assets</b>								
Refurbishment of School Buildings	900			900				
Refurbishment of Council Building	334			334				
Vehicle Replacement	550		550					
IT Equipment Replacement - General	859			433			426	
IT Equipment Replacement - Schools	259						259	
Disabled Facilities Grants	900		900					
Highway Resurfacing	3,135		1,311	1,824				
<b>Total Refurbishment / Replacement of Assets</b>	<b>6,937</b>	<b>0</b>	<b>2,761</b>	<b>3,491</b>	<b>0</b>	<b>0</b>	<b>685</b>	<b>0</b>
<b>Waste Infrastructure</b>								
Plant and Recycling Centres Upgrades	3,806	3,806						
<b>Total Waste Infrastructure</b>	<b>3,806</b>	<b>3,806</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Projects</b>								
Menai Bridge Pier & Pontoons	225			177				48
Plas Arthur Refurbishment – Phase 2	1,650						1,650	
Pride in Place	1,500	1,500						
	<b>3,375</b>	<b>1,500</b>	<b>0</b>	<b>177</b>	<b>0</b>	<b>0</b>	<b>1,650</b>	<b>48</b>
<b>TOTAL GENERAL FUND</b>	<b>22,512</b>	<b>10,044</b>	<b>2,761</b>	<b>5,047</b>	<b>937</b>	<b>0</b>	<b>3,452</b>	<b>271</b>

<b>Scheme</b>	<b>Budget £'000</b>	<b>External Grants £'000</b>	<b>General Capital Grant £'000</b>	<b>Supported Borrowing £'000</b>	<b>Unsupported Borrowing £'000</b>	<b>HRA Surplus £'000</b>	<b>Earmarked Reserves £'000</b>	<b>Capital Receipts Reserve £'000</b>
<b>Housing Revenue Account</b>								
WHQS Planned Maintenance Programme	15,710	2,690			7,965	5,055		
Extra Care Facility Menai Bridge	14,001	14,001						
New Developments	1,498	600			898			
Vehicle Replacement	363					363		
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>31,572</b>	<b>17,291</b>	<b>0</b>	<b>0</b>	<b>8,863</b>	<b>5,418</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME 2026/27</b>	<b>54,084</b>	<b>27,335</b>	<b>2,761</b>	<b>5,047</b>	<b>9,800</b>	<b>5,418</b>	<b>3,452</b>	<b>271</b>

# Ynys Môn

THE ISLE OF

# Anglesey

## Capital Strategy

### 2026-2031



## Foreword by the Council Leader and Chief Executive

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

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

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



Councillor Gary Pritchard,  
Council Leader



Dylan J. Williams,  
Chief Executive

# Why Do We Need a Capital Strategy?

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

# Purpose of the Capital Strategy?

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

# Capital Expenditure 2021/22 – 2025/26

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

# Council Plan 2023-2028

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

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

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

The Council Plan's vision is to:-

Page 41  
Create an Anglesey that is  
healthy and prosperous  
where people can thrive.'

## Our six strategic objectives



The Welsh  
Language

Increasing opportunities to learn  
and use the language.



Social Care and  
Wellbeing

Providing the right support at the  
right time.



Education

Ensuring an effective provision  
for today and for future  
generations.



Housing

Ensuring that everyone has the  
right to call somewhere home.



Economy

Promoting opportunities to  
develop the Island's economy.



Climate Change

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



[Council Plan 2023-2028](#)

# Council Plan 2023-2028

The Council Plan 2023-28 is underpinned by the organisation's core values, which are used to develop and guide the vision, strategic plans and services.

## Values



### Respect

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



### Honesty

We are committed to high standards of conduct and integrity.



### Collaborate

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



### Champion the council and the island

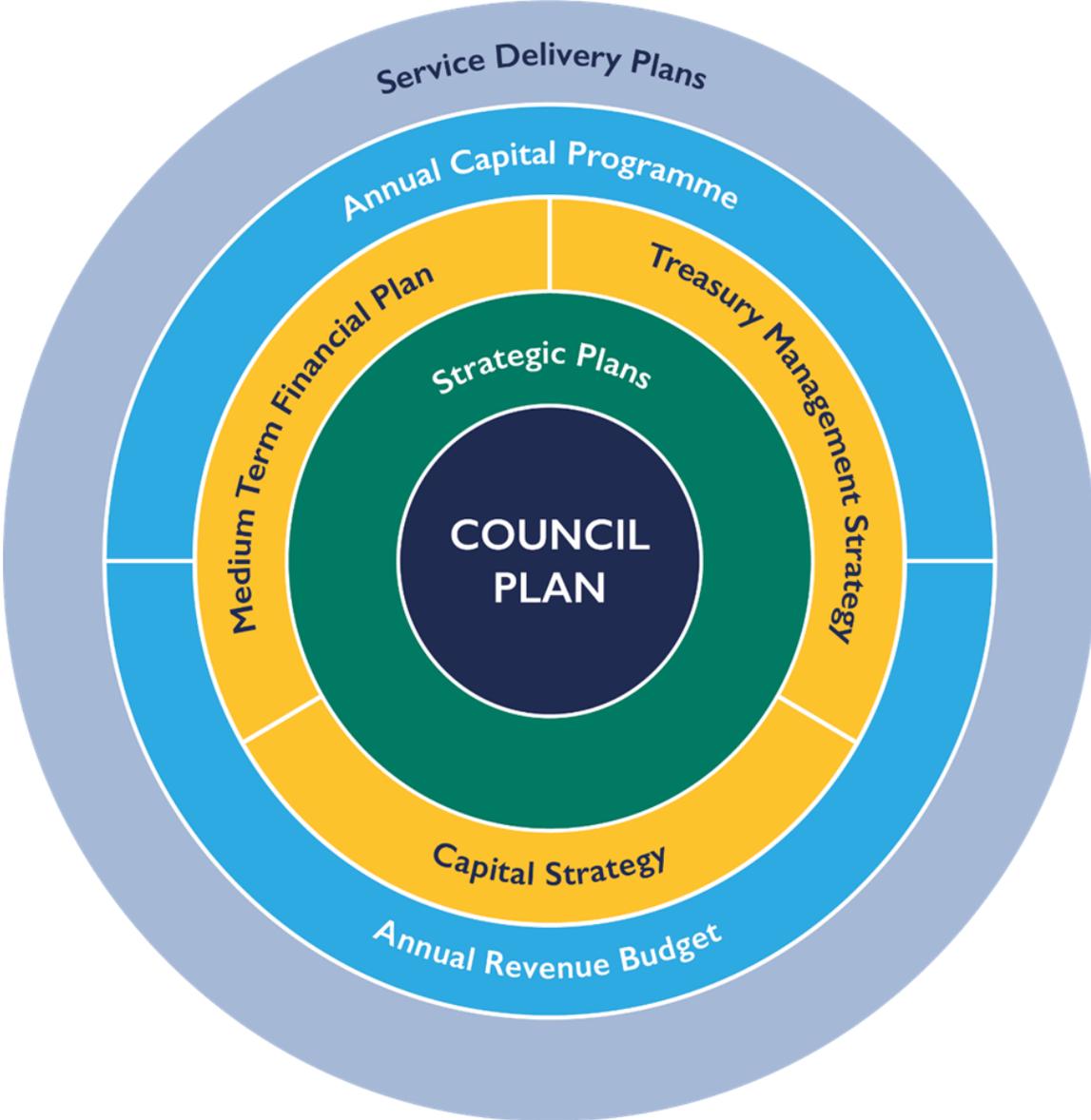
We create a sense of pride in working for the council and present a positive image of the council on the council and the island.



# Strategic Circle

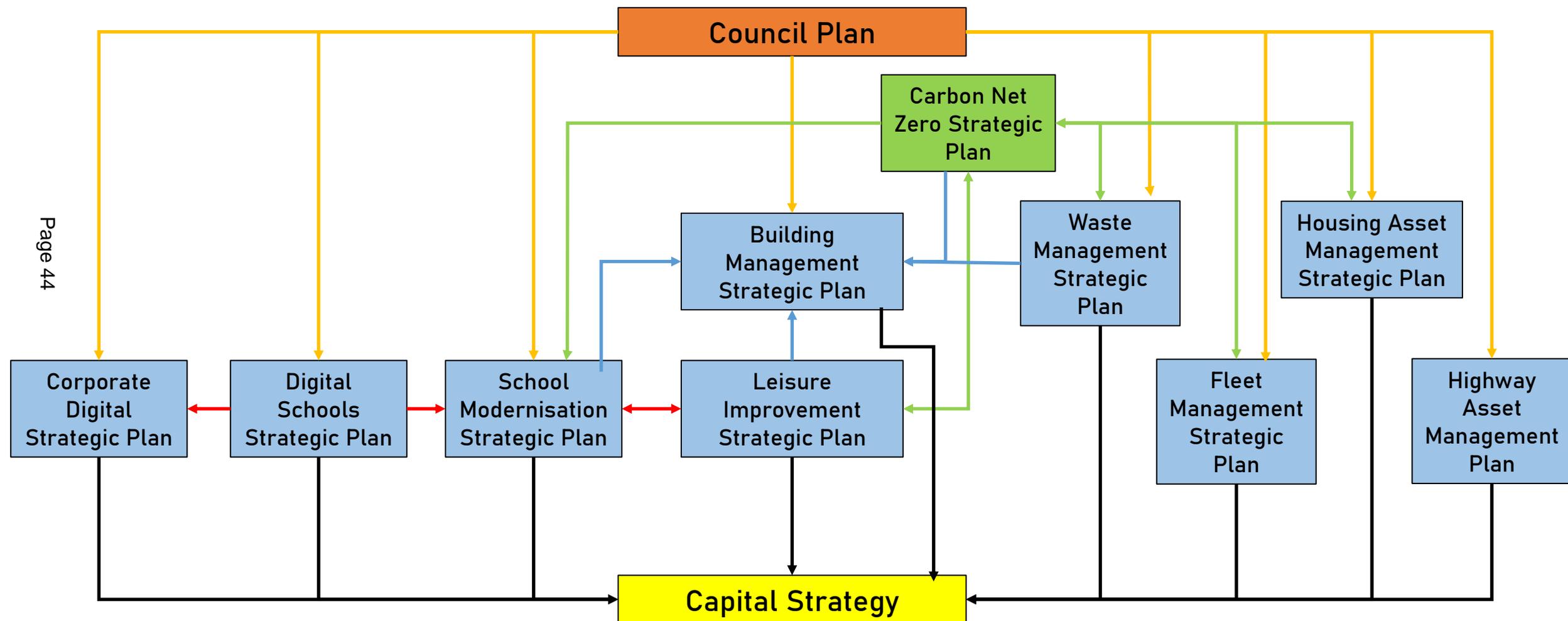
The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

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



[Council Plan 2023-2028](#)

# Relationship between the Council's Plans and Strategic Plans



- **The Council Plan and key Operational Plans**

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

### The Medium Term Financial Plan (MTFP)

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

### Capital Strategy

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

### Treasury Management Strategy Statement (TMSS)

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

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

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

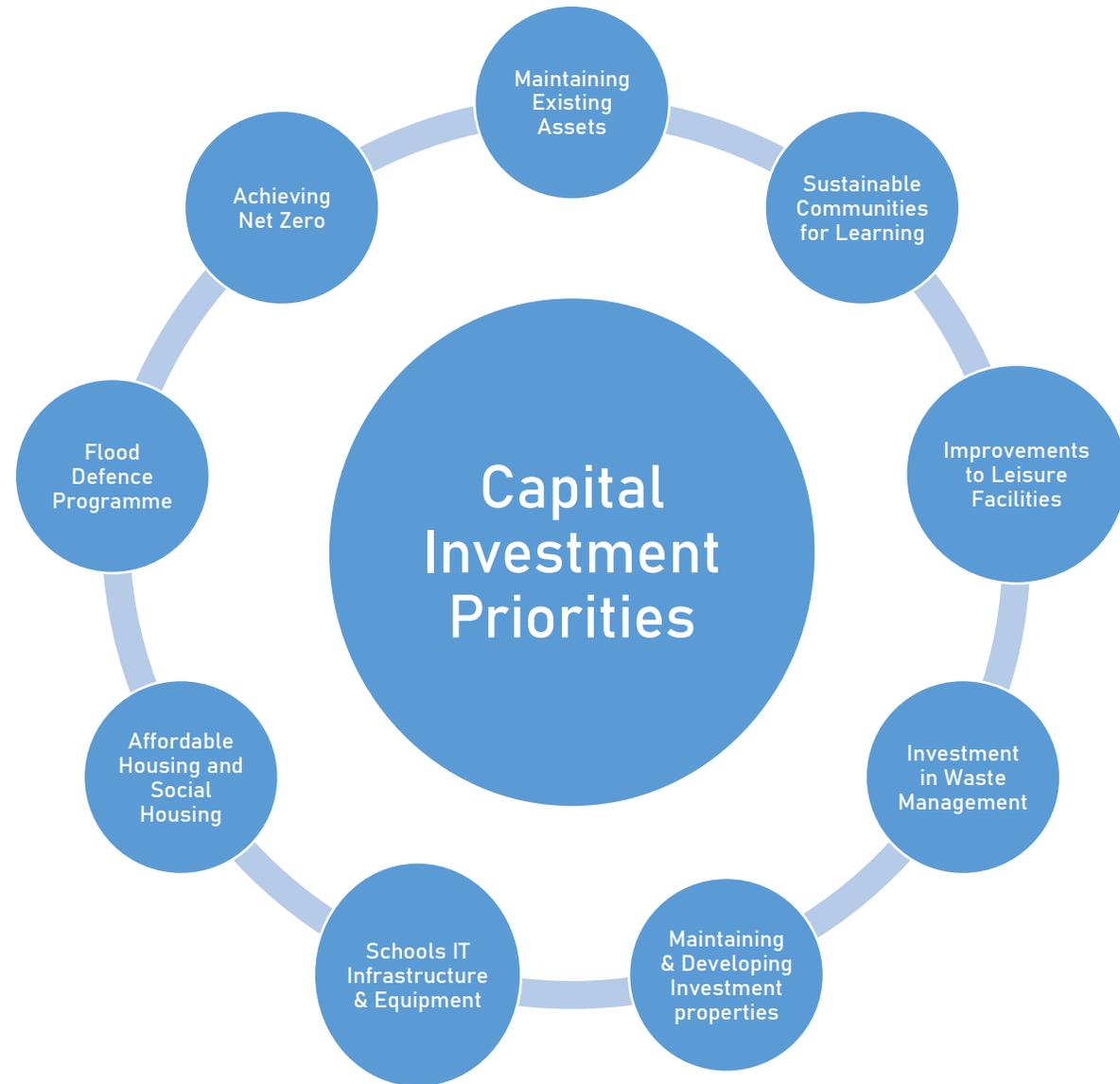
# Key priority areas

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

We want to ensure that:-

Page 46 We secure sufficient funding to invest in the capital investment priorities;

- Capital assets are maintained and continue to allow services to be provided;
- The Council's strategy is sufficiently flexible to meet emerging needs and takes advantage of funding opportunities as they arise.



# Principles and Objectives to Support Achievement of the Key Priorities

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

# Capital Programme Funding Sources

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

## Current Council Assets

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

## Maintaining Existing Assets

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

# Maintaining existing assets

## Why is this important?

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



## What are we going to do?

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

## How are we going to do this?

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

# Sustainable Communities for Learning

## Why is this important?

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

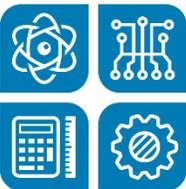


## What are we going to do?

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

## How are we going to do this?

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



# Improvements to Leisure Facilities

## Why is this important?

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



## What are we going to do?

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

## How are we going to do this?

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



# Waste Management

## Why is this important?

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

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## What are we going to do?

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

## How are we going to do this?

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



# Achieving Net Zero

## Why is this important?

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

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## What are we going to do?

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

## How are we going to do this?

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



# Flood defence programme

## Why is this important?

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

## What are we going to do?

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

## How are we going to do this?

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



# UK Government Grant Funding

## Why is this important?

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

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## What are we going to do?

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

## How are we going to do this?

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



# Schools IT infrastructure and Equipment

## Why is this important?

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

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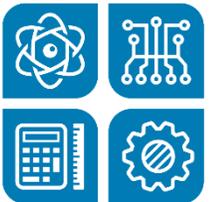


## What are we going to do?

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

## How are we going to do this?

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



# Investment properties

## Why is this important?

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

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



## What are we going to do?

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

## How are we going to do this?

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



# Social and Affordable Housing



## Why is this important?

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

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## What are we going to do?

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

## How are we going to do this?

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



# Capital Expenditure Summary 2026/27 to 2030/31

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

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

# Funding Capital Expenditure Summary 2026/27 to 2030/31

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

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

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

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

## Revenue Implications of Capital Expenditure – General Fund

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

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

## Revenue Implications of Capital Expenditure – Housing Revenue Account

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

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

## Prioritising Capital Expenditure and Setting Annual Capital Budgets

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

# Monitoring and Managing Capital Expenditure and Borrowing

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

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

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

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

# Treasury Management Investment Strategy

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

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

# Risks in delivering the Capital Strategy and Capital Budget



## Summary Conclusions

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

# Appendix 1 – Expenditure Assumptions

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

# Appendix 1 – Expenditure Assumptions

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

# Appendix 1 – Expenditure Assumptions

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

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22/11/2024

## Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	18 February, 2026
<b>Subject:</b>	Smallholdings Management Strategic Plan 2026 – 2031
<b>Scrutiny Chair:</b>	Councillor Jeff Evans

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

<b>Portfolio Member</b>	<b>Role</b>
Councillor Alun Roberts	Leisure, Tourism, Maritime and <b>Property</b>
<b>Service Officer (supporting)</b>	<b>Role</b>
Meilir Hughes	Chief Property and Assets Officer

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

The Smallholdings Management Strategic Plan 2026 – 2031 provides the framework for ensuring that there is a strategic, holistic and co-ordinated approach to the management of the Smallholdings Estate, aligned with the Council Plan.  
The period of the current Plan has ended and therefore a new plan needs to be established for the next period. The Committee is asked to consider the content of the 2026-2031 Strategic Plan.

**3. Role of the Scrutiny Committee and recommendations**

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

**Recommendation(s):**  
The Scrutiny Committee is asked to accept the content of the Smallholdings Management Strategic Plan for the period 2026 – 2031 before it is presented to the Executive Committee.

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

Approving the Strategic Plan will contribute to the following objectives;

Economy - improving the viability of the Estate in the long term and thereby ensuring the Council's ability to promote farming opportunities and rural economy businesses on the island.

Climate change – improving the availability of the Estate on for alternative uses that would contribute to the Council 's journey towards Net Zero if the Council choose to do so.

## 5. Key scrutiny themes

Key themes the Scrutiny Committee should concentrate on:

1. The principle of committing financially valuable assets in order to provide a non -statutory service.
2. Financial constraints
3. The aim of enabling alternative use of the Estate to support the Council's Plan
4. Effective governance and oversight
5. Risks and challenges

## 6. Key points / summary

### **A new Strategic Plan is needed.**

The latest policy was adopted over 15 years ago, and its original operational period has ended. There is a duty to maintain current policy documents to support democratic and transparent governance. Officers need a policy framework and guidance to empower them to make consistent decisions aligned with the Council's aspirations.

### **The adoption and delivery of the Strategic Plan will improve the management and viability of the Smallholding Estate.**

The Smallholdings Management Strategic Plan's purpose is to establish a vision and principles to drive sustainable management of the Estate. That will ensure long-term viability by returning appropriate financial, environmental and social benefits.

### **The Strategic Plan recognizes the need, and recommends increasing the Maintenance budget by £100,000**

As part of the development of the Strategic Plan it was established that there is a shortfall in the current budgetary provision which means that the maintenance backlog is increasing continually. By reducing the Estate's net contribution to the Council Fund and investing that money in Repair and Maintenance work we can address the backlog and deliver an Estate that will be in a condition that we can be proud of.

### **The Strategic Plan establishes a process to identify opportunities for rationalizing the Estate.**

The Strategic Plan establishes the principle of evaluating the viability of holdings as they become vacant and considering whether to re-let, re-structure or dispose of holdings on each individual holding's own merit on a case-by-case basis.

The Strategic Plan establishes a long-term ambition to increase the size of the Estate by buying additional land funded from income from sales.

**The Smallholdings Steering Group supports the Strategic Plan.**

A multi-party Smallholdings Steering Group has been convened, and it's the output of that group's meetings that has driven the Strategic Plan. The Steering Group Recommends the Draft Strategic Plan.

**7. Impact assessments**

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

Impact assessment carried out – no impact identified. Please contact the author of the report for more information/details.

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

Impact assessment carried out – no impact identified. Please contact the author of the report for more information/details.

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

Impact assessment carried out – no impact identified. Please contact the author of the report for more information/details.

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

Positive / Neutral / Negative and how.

Positive.

The long-term commitment to the Estate ensures continued ownership of lands which are a net carbon sink.

The implementation of the Strategic Plan will lead to improving the availability of the Estate for alternative uses to support the delivery of the Council's Plan when suitable.

While further authority would be required to commit parts of the Estate for alternative purposes, the Council can choose to commit parts of the Estate to schemes that contribute to the Council's journey towards Net Zero.

**8. Financial implications**

The Strategic Plan recognizes a need, and recommends increasing the Maintenance budget by £100,000. Supporting the Plan and accepting the Recommendation will mean an additional demand worth £100,000 on the Council's revenue budgets.

**9. Appendices**

Smallholdings Management Strategic Plan

**10. Report author and background papers**

Meilir Hughes, Chief Property and Asset Officer

# Ynys Môn

THE ISLE OF

# Anglesey

## Smallholdings Management Strategic Plan

2026 – 2031

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# Foreword



Councillor Alun Roberts  
Portfolio Member  
Leisure, Tourism,  
Maritime and Property



Huw Percy  
Head of Service:  
Highways,  
Waste and  
Property

The Isle of Anglesey County Council is proud of its Smallholdings Estate and the contribution it continues to make to the rural economy, farming community and environment of the Island.

The Council is committed to our Estate's retention and to securing its long-term viability as a let agricultural Estate.

Managing the Estate, and the competing and often diametrically opposed demands made of it by various stakeholders is a significant challenge, for example; the demands of incumbent tenants will be quite different to those perspective applicants for their first tenancy, and this Strategic Plan seeks to balance those demands in pursuit of the best interest of the Estate in the long term.

Whilst it is appreciated that there may be some resistance to elements, it's recommended that the changes proposed are undertaken gradually to address risks in good time. Delay in undertaking changes will exacerbate risks and is likely to lead to more drastic actions having to be undertaken in due course.

*This strategic plan does not apply to the David Hughes Charitable Estate, which has a separate policy document reflecting the obligations attached to its charitable objectives.*

# Purpose

“To manage the Smallholdings Estate sustainably to ensure its long-term viability by providing an appropriate financial, environmental and social return to reflect its capital value.”

The Smallholdings Management Strategic Plan is driven by the Council Plan and the Capital Strategic Plan to ensure that smallholdings management decisions are taken in a planned way that allows the Council to achieve its key strategic objectives whilst ensuring long-term viability.

This strategic document has a lifespan of 5 years and will provide the framework for ensuring there is a strategic, holistic and co-ordinated approach to the management of the Smallholdings Estate, in line with the Council Plan.

# The Smallholdings Estate



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Size Of Holdings	
Size (acres)	Number of Holdings
0-5	3
5-10	9
10-30	5
30-40	7
40-50	11
50-60	9
60-70	5
70-80	10
80-90	12
90-100	6
100-120	9
120-140	2
140-160	2
160-180	1
Farm Type	
	Number of Holdings
Milking	2
Mixed	76
Bare Land	13
Tenancy Type	
Type	Number of Holdings
Farm Business Tenancy	55
Agricultural Holdings Act (lifetime)	22
Agricultural Holdings Act (retirement clause)	13
No Tenancy	1

# Council Plan Strategic Objectives

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

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

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

The Council Plan’s vision is to:

Page 83  
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 2023-2028](#)

# Core Values

The council's core values underpin everything we do, shaping our culture and guiding how we make decisions, work with partners and deliver 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.

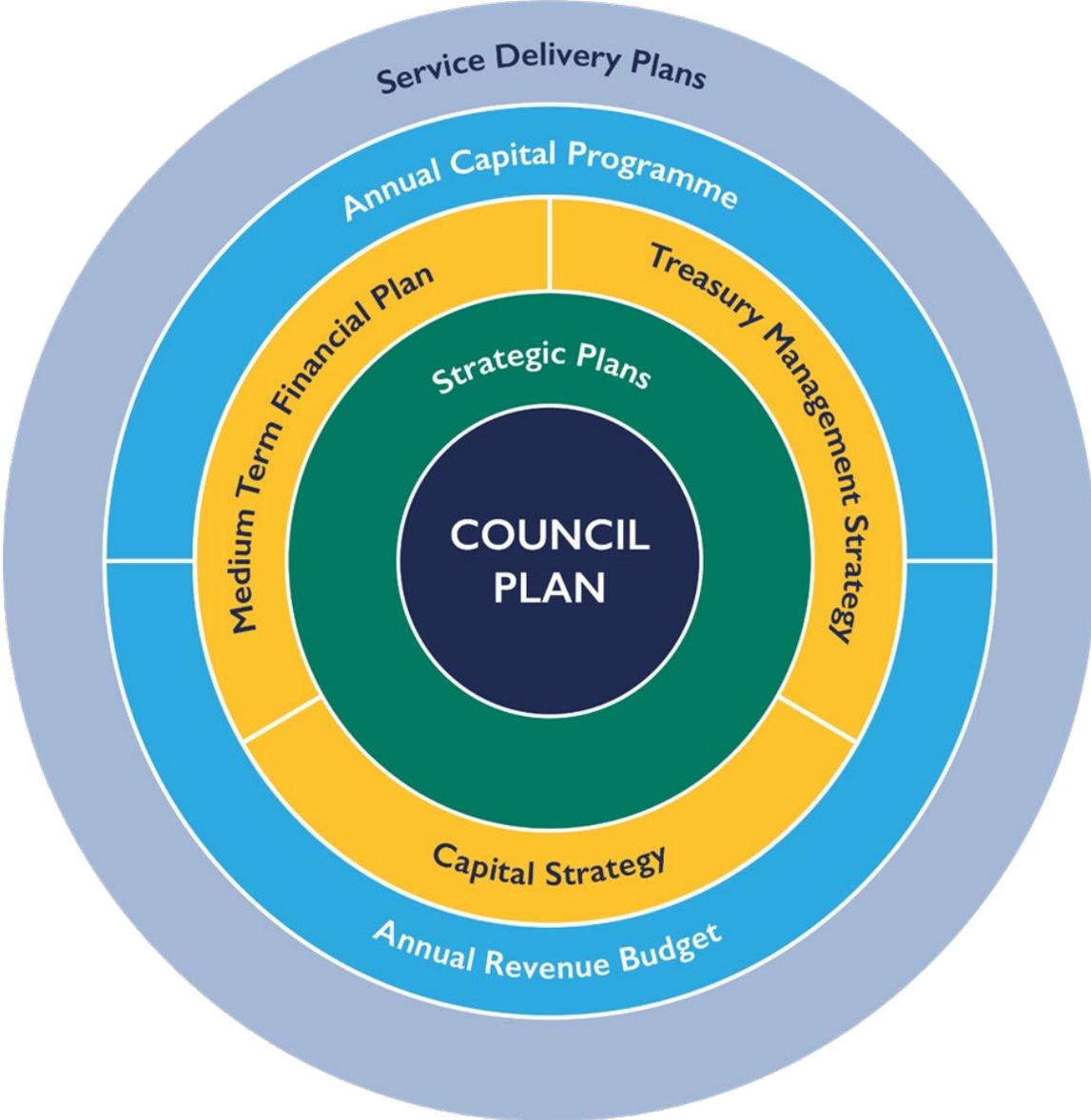


[Council Plan 2023-2028](#)

# 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.



[Council Plan 2023-2028](#)

# Key priority areas

“To manage the Smallholdings Estate sustainably to ensure its long-term viability by providing an appropriate financial, environmental and social return to reflect its capital value.”

## 1. A financially sustainable Estate

- Appropriately rationalized and optimised Estate that generates financial returns commensurate with the capital invested to secure a financially sustainable long-term future.

## 2. An Estate to be proud of

- In good condition, supportive of its tenants and able to continue to provide opportunities for people to farm on their own account.
- Managed transparently, prudently and professionally with decision-making principles applied consistently and fairly.

## 3. An Estate where risk is minimised and managed

- Managed to minimise the Council’s exposure to risks (insured and others) and the consequences of their realization.

## 4. An Estate that supports the Council Plan

- An Estate that supports the delivery of the Council Plan’s strategic objectives where appropriate.

# A financially sustainable Estate

## Why is this important?

The capital value of the Estate is significant, and it should generate a financial return commensurate with that invested capital.

The retention of an Estate that performs poorly, and that needs to be subsidized from central council budgets is unsustainable.

The future of an appropriately rationalized and optimized Estate that performs well financially is more secure and sustainable.

## What are we going to do?

- Rationalize the Estate
- Invest appropriately
- Maximize Rental Income and improve timeliness of payments

## How are we going to do this?

- Consider the business case for both retention and disposal when holdings become vacant.
- Consider alternative uses.
- When selling, do so on the open market and look to maximize the capital receipt.
- Retain land where appropriate, adding it to other holdings or letting as bare land.
- Produce a 10-year investment plan.
- Increase the annual R&M Budget by £102,000 from 2026/27 with the budget to be subject to inflation-based increases for the duration of the strategic plan.
- Review all rents in accordance with the provisions.
- Change letting terms to simplify rent reviews when opportunities arise.
- Hold deposits when letting new holdings.
- Pursue timely payments enforcing when necessary.
- Terminate tenancies in cases of persistent late and non-payment.

# A well-managed Estate to be proud of

## Why is this important?

The Smallholdings Estate is an asset of significant value and profile within the agricultural community. The links between the Council and its tenants can span decades.

It is important that we manage the Estate transparently, prudently and professionally.

As well as offering rare opportunities for people to farm on their own account, they are people's homes, and it is important that those homes are fit for purpose.

## What are we going to do?

- Improve documentation and record keeping to strengthen our capability to make data informed decisions by creating a complete, accurate and well-maintained dataset for our holdings/ tenancies.
- Apply decision-making principles consistently using data to inform those decisions.
- Improve transparency and answerability for management arrangements
- Review the principles and processes of appointing new tenants
- Invest appropriately in the repair and maintenance of the holdings, and we will specifically aim to improve the Estate's EPC average rating.

## How are we going to do this?

- Develop profile sheets for all holdings summarising key data and update periodically.
- Record agreements between Landlord and Tenants for future reference.
- Undertake comprehensive condition surveys to establish the condition of dwellings and buildings.
- Use CPM (computer aided facilities management program) to manage rent reviews and tenancy renewals.
- Establish key performance indicators and report annually.

# An Estate where risk is minimised and managed

## Why is this important?

There are certain risks attached to owning any property. The risks attached to smallholdings are higher relatively to those attached to other Council properties in their unmitigated state. This is due to their lack of uniformity, the tenants' independence and the limited control the Council has over their actions.

As the Council is committed to retaining the Estate, the risks cannot be eliminated. Therefore, it's recommended that reasonably practicable steps are taken to manage them.

## What are we going to do?

Minimise exposure to the following risks:

- Civil and/or criminal liability
  - For health and safety matters and others
- Statutory Compliance
  - Building Safety Matters
  - Environmental Legislation
- Financial burden
  - Repair and maintenance costs and liability for costly repairs
  - Insurance costs
  - Non-payment of rent
- Poor Estate management
  - Non-compliance with lease terms by either Tenant or Landlord
  - Repair and Maintenance
- Reputational damage
  - As a secondary consequence of the realisation of the above risks.

## How are we going to do this?

Take opportunities to make beneficial changes to tenancy agreements whenever possible e.g. when negotiating tenancy renewals or amendments to:

- Clearly define both Tenant's and Landlord's duties
- Transfer certain duties to tenants as appropriate.
- Transfer responsibility for ensuring the house is safe and compliant to the Landlord (where necessary).
- Investigate options for reducing the cost of insuring the properties to the Landlord.
- Reduce the length of the tenancies to give the Landlord a stronger negotiating position and more control over the properties.
- Take a low-risk approach to tenant appointment
- Presume in favour of approving applications for succession (on revised terms) in joint names where family members wish to succeed subject to previous satisfactory performance.\*

\* NB this will reduce opportunities for new entrants

# An Estate that supports the Council Plan

## Why is this important?

Whilst the Estate is let to c.90 households, it is proposed that it should be made available for alternative uses to support the delivery of the Council Plan where appropriate.

This may include retaining some holdings or parts of holdings in hand rather than letting them so they can be used for alternative purposes. It could also involve working collaboratively with tenants to develop management plans that enable the land to be used for a particular purpose.

## What are we going to do?

Consider alternative uses for parts of the Estate when opportunities arise:

- Repurpose buildings for strategic use.
- Repurpose land for strategic development. Repurpose land for uses that will contribute towards tackling climate change.
- Reinvest the proceeds from the sale of holdings to acquire new land to be let as part of the Estate in the short to medium term with strategic potential for accommodating economic, housing, education or other development.

## How are we going to do this?

- Change the form and length of tenancy, as outlined under “Minimize Risk” to give the Landlord a stronger negotiating position and more control over the properties.
- Repurpose holdings only after full appraisal and approval, giving priority to development or tackling climate change. Appropriate opportunities will be rare but should be taken when presented.
- Create a ring-fenced capital fund from sale proceeds to reinvest in the Estate, including purchasing strategic agricultural land for future development. Land will be let for agricultural purposes until its strategic potential can be realized.

# Risks in delivering the Smallholdings Management Strategic Plan

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- Internal capacity to deliver
- Legislative changes
- Need to react to unforeseen events
- Budgetary constraints
- Resistance to change
- Broader discussions around pressure on the agricultural sector derailing change
- Perception of proposed changes being unfair
- Limited ability to make changes within the life of tenancies without the Tenants' consent, together with the long length of those tenancies and low turnover.
- Climate change and the seemingly higher frequency of damage-causing storms, and the resulting pressure on insurance costs and cover availability.

# Governance: Monitoring and evaluation

We will establish robust arrangements to ensure the successful delivery of the strategic plan. These arrangements will provide clarity, accountability, cohesion, and a structured approach to effectively monitor progress.

The Highways, Waste and Property Service Management Team will lead on developing, implementing and monitoring the strategic plan. This group will report directly to the Leadership Team – Capital and Digital.

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Regular progress updates will include details of actions taken, outcomes achieved, and the impact delivered, highlighting both successes and challenges. An annual progress report will be produced, alongside a formal review of the strategic plan to ensure it remains relevant and effective.

It is important to recognise that delivering these changes will take time, largely due to the security of tenure held by our tenants. Progress will depend on individual circumstances, and we must be prepared to take opportunities as they arise, such as retirements or other changes.

22/11/2024

## Isle of Anglesey County Council Scrutiny Report

<b>Committee:</b>	<b>Corporate Scrutiny Committee</b>
<b>Date:</b>	<b>18th February, 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?**

Portfolio Holder	Role
Not applicable	
Service Officer (Supporting)	Role
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

**3. Role of the Scrutiny Committee and recommendations**

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

Recommendation(s):  
 The Committee is requested to:  
**R1** agree the current version of the forward work programme for 2025/26  
**R2** note progress thus far in implementing the forward work programme

**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.

**5. Key scrutiny themes**

Not applicable

## 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 21<sup>st</sup> January, 2026

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 03/02/26]**

**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 Team if you have any queries

[\[sgriwtiniscrutiny@ynysmon.llyw.cymru\]](mailto:sgriwtiniscrutiny@ynysmon.llyw.cymru)

<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 Caerdybi School building	
<b>June, 2025 (17/06/2025) – Q4</b>	
Performance Monitoring: Corporate Scorecard Qtr4: 2024/25	<b>June, 2025 (12/06/2025) – Education / Welsh Language</b>
Annual Delivery Plan: 2025/26	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>
Canolfan Addysg y Bont Roof Repair: Lessons Learned	UK Government Funded Programme [Ynys Môn Levelling Up Programme – Measure Progress]
<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
	Betsi Cadwaladr University Health Board
Committee Forward Work Programme for 2025/26	

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 (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>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	
Smallholdings Management Strategic Plan 2026-2031	
Committee Forward Work Programme for 2025/26	
<b>March, 2026 (18/03/2026) - Q3</b>	
<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>	<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
Ambition North Wales Qtr4: 2025/26: Progress Report	Improving Reliability and Resilience across the Menai Straits
North Wales Corporate Joint Committee	Impact of Tourism on Anglesey Local Communities (resolution of the Partnership and Regeneration Scrutiny Committee, 21/06/2023)
Health and Safety Strategic Plan	Ynys Môn Local Development Plan
Placemaking Strategic Plan	North Wales Fire & Rescue Service
Data-informed Council Strategic Plan	UK Government Funded Programme [Ynys Môn Levelling Up Programme] – Measure Progress (June /July 2026)
	Natural Resources Wales