



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

**GŴYS A RHAGLEN**

**SUMMONS AND AGENDA**

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for a

**CYFARFOD O GYNGOR  
SIR YNYS MÔN**

**MEETING OF THE ISLE OF  
ANGLESEY COUNTY COUNCIL**

ar

on

**5 MAWRTH 2026**

**THURSDAY, 5 MARCH 2026**

**→ am 2:00 o'r gloch yp ←**

**→ at 2:00 pm ←**

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## **A G E N D A**

### **1. MINUTES**

To submit for confirmation, the draft minutes of the meeting of the County Council held on 9 December 2025.

### **2. DECLARATION OF INTEREST**

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

### **3. ANNOUNCEMENTS**

To receive any announcements from the Chairperson, Leader of the Council or the Chief Executive.

### **4. QUESTIONS**

To submit the following questions on notice by Councillor Robert Ll Jones in relation to large vehicles traversing through Holyhead on their way to Ireland via the ferries: -

*I would like to ask the Leader of Ynys Mon Council as to whether he has asked our Senedd member or our M.P. to tell us what is happening regarding any plans to provide parking facilities for Lorries in transit to Ireland through the port of Holyhead.*

*We need to support these drivers as it is a danger to pedestrians when the cabs are being parked on the shop car parks around the Penrhos precinct. Recent problems this winter with adverse weather conditions have only added to the problem.*

*From what I understand our Highways Department have made the Welsh Government aware of the ongoing issues and are willing to work co-operatively in finding a solution to this problem. We need to act before an accident or worse happens.*

### **5. NOTICE OF MOTION**

To receive the following Notice of Motion by Councillor Dylan Rees: -

*The pioneering Red Squirrel Conservation Project on Ynys Mon has proved extremely successful. There are now in the region of 800 red squirrels on the island with the largest pockets being around Llangefni, Marianglas and along some of the coastal straits. Sightings of red squirrels bring joy and excitement to locals and visitors alike. However, the success of this project remains under constant threat because of squirrelpox.*

*Squirrelpox virus is carried and spread by grey squirrels, but it doesn't harm them. When red squirrels are infected, they develop open extensive skin lesions and die a painful death within 2 weeks. In North Wales, 70-80% of the Gwynedd red population was lost in a 2020/21 outbreak. Within the last 18 months approximately 40 grey squirrels have been captured on Ynys Mon and despite the best efforts it is impossible to stop every grey squirrel from coming onto the island. A long-term solution is needed **before it is too late.***

*In 2023 a petition was commenced calling upon the Welsh Government to fund vaccine research to protect red squirrels from deadly squirrelpox. The petition had collected 11,313 signatures from across Wales and was debated in the Senedd on the 27 September 2023. It was given cross-party support and consequently received Ministerial commitment.*

*To date, the only action that Welsh Government officials have undertaken was to send invitations to suppliers registered on the "Sell2Wales" website inviting tenders. This was in July 2025 and the advert only remained on the website for five weeks and unsurprisingly no tenders were received. No further action has since been taken.*

*Anglesey Council therefore calls upon the Welsh Government, **as a matter of urgency,** to take the necessary steps to commission an appropriate organisation to carry out the vaccine research.*

## **6. PRESENTATION OF PETITIONS**

To receive any petition in accordance with Paragraph 4.1.11 of the Constitution.

## **7. TREASURY MANAGEMENT MID-YEAR REVIEW 2025/26**

To submit the report of the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 16 December 2025.

## **8. CAPITAL STRATEGY 2026 - 2031**

To submit the report of the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 27 January 2026.

## **9. TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27**

To submit the report of the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 24 February 2026.

## **10. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2026/2027**

- **Revenue Budget 2026/27**

To submit the report of the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 24 February 2026.

- **Capital Budget 2026/27**

To submit the report of the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 24 February 2026.

- **Discretionary Council Tax Relief Policy**

To submit the report of the Director of Function (Resources)/Section 151 Officer, as presented to the Executive on 24 February 2026.

- **Council Tax Resolution 2026/27**

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

**Opposition Group Alternative Budget Proposal**

To submit for the Council's consideration, the Opposition Group's amendment to the final budget proposals of the Executive in accordance with section 4.3.2.2.11 of the Constitution

**11. AMENDMENT TO THE CONSTITUTION - FINAL APPROVAL OF THE COUNCIL'S ANNUAL GOVERNANCE STATEMENT**

To submit the report of the Director of Function (Council Business)/Monitoring Officer, as presented to the Executive on 24 February 2026.

**12. POLITICAL BALANCE OF COMMITTEES**

To submit the report of the Head of Democratic Services.

**13. STATEMENT OF LICENSING POLICY 2026 - 2031**

To submit the report of the Head of Regulation and Economic Development, as presented to the Executive on 24 February 2026.

**14. PAY POLICY STATEMENT 2026**

To submit the report of the Head of Human Resources, Communications and Customer Experience.

**ISLE OF ANGLESEY COUNTY COUNCIL**

**Minutes of the hybrid meeting held on 9 December 2025**

**PRESENT:** Councillor Non Dafydd (Chair)  
Councillor Dafydd Rhys Thomas (Vice-Chair)

Councillors Geraint Bebb, Paul Ellis, Jeff M Evans, Neville Evans, Douglas M Fowlie, Glyn Haynes, Kenneth P Hughes, Robert LI Jones, Aled Morris Jones, Gwilym O Jones, Dyfed Wyn Jones, Jackie Lewis, Pip O'Neill, Derek Owen, Gary Pritchard, Dylan Rees, Alun Roberts, Dafydd Roberts, Keith Roberts, Margaret Murley Roberts, Nicola Roberts, Ken Taylor, Alwen Pennant Watkin, Ieuan Williams, Robin Williams, Sonia Williams and Arfon Wyn

**IN ATTENDANCE:** Chief Executive,  
Deputy Chief Executive,  
Director of Function (Council Business)/Monitoring Officer,  
Director of Function (Resources)/Section 151 Officer,  
Director of Social Services,  
Director of Education, Skills and Young People,  
Head of Housing Services,  
Head of Adults' Services,  
Head of Regulation and Economic Development,  
Head of Highways, Waste and Property,  
Committee Officer (MEH),  
Webcasting Committee Services Officer (FT).

**APOLOGIES:** Councillors Carwyn Jones, John Ifan Jones, Euryrn Morris, Llio Angharad Owen, Liz Wood

Head of Profession (Human Resources) & Transformation,

**1. MINUTES**

The minutes of the following meetings were confirmed as correct:-

- Minutes of the meeting held on 25 September, 2025
- Minutes of the Extraordinary meeting held on 28 October, 2025

**2. DECLARATION OF INTEREST**

None received.

**3. ANNOUNCEMENTS**

The Chair made the following announcements:-

- Congratulations were extended to everyone who was rewarded in the Môn Actif Awards held at Beaumaris Leisure Centre in October.
- Best wishes extended to Bodffordd Elderly Club on reaching a significant milestone recently – reaching their 50<sup>th</sup> birthday since the club was established. The Club has been supported by Mr Ellis Wyn Roberts throughout the years.
- Congratulations were extended to Jac Hughes, one of the Social Services Department’s users who will appear on the TV Programme “Y Cyfweliad” (The Interview) in the new year. Jac is known to everyone who has attended the Learning Disabilities forum for his valuable contributions.
- Congratulations were extended to the Communities Team within the Housing Service Department for winning a National Award at the 2025 Wales Safer Communities Awards in the Equalities, Inclusion and Cohesion category. This award is a tremendous achievement and a testament to the outstanding work of the staff, volunteers, and partners behind the Môn Diverse Community Hub. Their commitment to inclusion, safety, and community wellbeing reflects the very best of our island.
- Congratulations were extended to Elen Gwen Williams, who now lives on Anglesey, for winning the Dai Jones memorial prize for her project “Calon Cefn Gwlad” (The Heart of the Countryside). The work was praised for its focus on the community and heritage of agricultural Wales.
- The Chair referred to the North Wales tourism awards held recently in Llandudno with many Anglesey businesses succeeding – including Chateau Rhianfa, Ribride and Llanfairpwll Distillery. Holyhead Town Council were also honoured for their excellent work in welcoming cruise passengers to the town.
- Congratulations were extended to the Young Farmers of Anglesey for their success at Young Farmers’ Eisteddfod at Montgomeryshire in November.
- Congratulations were extended to Kenan Davies-Zorlu from Holyhead who is an Engineering student at Coleg Menai and who has received national recognition for his excellent progress in Mathematics.
- Congratulations were extended to Steffan Lloyd Owen for winning one of the most prestigious Opera competitions in the World in Paris recently.
- Congratulations were extended to Cari Hughes (Menai Track and Field) who won the Liverpool Cross Challenge 2025 – an 8km cross country race in November.
- Congratulations were extended to Mrs Susan Jones, Tregarnedd, Star, Llanfairpwll, on being chosen as President Elect of the Royal Welsh Agricultural Society for 2027.

- Congratulations were extended to Mari Llion Jones on being chosen as an Ambassador Elect for the Royal Welsh Agricultural Society for 2027.
- Congratulations were extended to the Farmers' Union of Wales who are celebrating 70 years since they were established back in 1955.
- Congratulations were extended to the Old Ysgol Bodorgan Centre for their recognition for their voluntary services.
- Best wishes were extended to Mr Magee from Valley who has recently celebrated his 100<sup>th</sup> birthday.

\* \* \* \* \*

The Chair expressed her deepest sympathy with the family of the late Councillor Trefor LI Hughes MBE who passed away recently following a period of illness.

The Leader of the Council, fellow Elected Members who represents the Ynys Cybi Ward and other Members of the Council paid tribute to the late Councillor Trefor Lloyd Hughes MBE and referred to his humour, knowledge and friendship and their deepest sympathy was extended to his wife Janet, Gareth his son and family. The late Councillor Trefor Lloyd Hughes main interest and passion was football and he volunteered, from a young age, at the Bodedern Football Club and thereafter supported the football clubs on Anglesey over a number of years. He became the President of the Football Association in Wales in 2012. He also spent six years as an UEFA International Football Delegate a role which took him to football stadia around the World before stepping down in 2019. He was awarded the MBE in 2016 for his services to football and was also honoured with his acceptance to the Gorsedd of the Bards in 2007.

\* \* \* \* \*

Condolences were extended to any Member of the Council or Staff who had suffered a bereavement.

Members and Officers stood as silent tribute.

#### **4. PRESENTATION OF PETITIONS**

No petitions received.

## 5. QUESTIONS RECEIVED PURSUANT TO RULE 4.1.12.4 OF THE CONSTITUTION

Submitted – the following question on notice by Councillor Kenneth P Hughes to the Council Leader:-

*'Following receiving an e-mail to draw my attention to the fact that there is a clash between the dates of the Royal Welsh Show in 2027 and the dates of the School Summer Holidays in Anglesey, which means that schools will be open for the first two days of the show. Is it possible for the portfolio holder to use his influence to try and find a resolution which ensures that there will be no clash between the dates of the show and the dates of school holidays in Anglesey in 2027, this being essential as Anglesey is the feature county in 2027.'*

The Leader of the Council said it is the government that sets out school holidays timetable rather than County Councils. He noted that the schools in Powys have been allowed to start their summer holidays before the start of the Royal Welsh Show in Builth Wells. The Member of Parliament Llinos Medi and Rhun ap Iorthwerth, AS Member have sent a joint letter to the Cabinet Secretary for Education requesting that Anglesey Schools should be allowed to close before the start of the show in 2027 as Anglesey is the feature county and that every feature county in the future should be afforded the same provision. The Leader assured that he would inform the Members of the Council of the response received by the Cabinet Secretary for Education.

The Portfolio Member for Education and the Welsh Language said that the only flexibility available is that school Governors and Headteachers can choose the dates for the five training days afforded to schools. He noted following discussions with Education Catchment Officers it has been agreed to allow the two days training days for pupils to attend the Royal Welsh Show 2027. However, the Portfolio Member stressed that it is a matter for the School Governors to decide and support the release of the two training day sessions to allow pupils to take part in the Show as Anglesey is the feature county in 2027.

## 6. NOTICE OF MOTION

- Submitted – a Notice of Motion by Councillor Jeff Evans:-

*"A recent Marie Curie report " dying in poverty" found that 28% of working people and 16% of pension age people are in poverty, in their last year of life; these rates significantly higher than people not in the final/ last year of life.*

*End of life Charity, Marie Curie, worked with Manchester City Council as to 'pioneering 'Council Tax Plans, and said the Council was the first in England to offer full exemption for people with a terminal illness.*

*Manchester's proposals set out plans for the Council to change its Discretionary Council Tax Policy, to explicitly include a commitment to support people who have been diagnosed with a terminal condition.*

*Manchester's initiative is intended to ease the burden on family carers and goes a long way to help/ assist with unseen costs, where there is a palliative diagnosis, including powering home medical devices and allowing/ having heating on longer and higher, to help manage symptoms.*

*Marie Curie is 'urgently' seeking more Councils to adopt a similar approach to Manchester, to help people live out their last months, weeks, days without worrying about Council Tax Bills.*

*A number of other Councils have now adopted similar proposals to support people with a terminal illness and in the final year of life.*

*I am submitting this ' Notice of Motion' on behalf of the Independent Group Councillors, requesting that Anglesey County Council, adopts similar proposals as now accepted and in place in Manchester City Council."*

Councillor Paul Ellis seconded the motion.

The Leader of the Council said that he was supportive of Marie Curie's initiative for support of people with a terminal illness and in the final year of life, and it will be considered as part of budget setting process.

Councillor Nicola Roberts said that she supported the Motion and reminded that Citizens Advice is available to support people in poverty and illness and there is support for people through the Council Tax Discretionary Relief Scheme.

Councillor Robert LI Jones said that there is a need to consider the implications of the discretionary relief as noted within the Motion and he questioned as to whether the Council Tax exemption would cease on the death of a person and what effect it would have if the person was already in receipt of the Council Tax Reduction Scheme. He further questioned whether the discount would be for the person or on the property with other people living in the dwelling and liable for Council Tax.

Councillor Aled Morris Jones said that there is an adequate period to consider the implications of the proposal to next years budget. The Council Tax Reduction Scheme, which is supported by Welsh Government, is available and it would not burden the taxpayers of Anglesey. He noted that the Motion before the Council is to show dignity to persons that have a terminal illness and in the final year of their life.

The Leader responded that scheme is available to support people, but the Motion is the request by Marie Curie to treat people with dignity in the final months of their lives. He noted that any proposals will be considered as part of the budget setting process.

**It was AGREED, in principle, to support the Marie Curie initiative to seek full exemption from paying Council Tax to people with a terminal illness in the last year of their lives.**

*Councillor Robert LI Jones did not vote in favour of the Motion.*

- Submitted, a Notice of Motion by Councillor Jackie Lewis:-

*'As an elected member for Talybolion Ward, I very much welcome the UK Government's announcement that Small Modular Reactors will be located at Wylfa.*

*Anglesey has a proud tradition of energy production at Wylfa Nuclear Power Station, providing quality employment for the residents of Anglesey for decades.*

*However, we are aware of the possible impacts on communities and residents living nearby and therefore I ask the County Council to ensure the project delivers maximum local benefits, and to reduce and mitigate any negative impacts.*

*We must listen to the views, needs and concerns of residents as the Wylfa project progresses.*

*I therefore ask Anglesey County Council to work diligently to ensure that the economic benefits and employment opportunities are predominantly for the residents of Anglesey by:*

- *Ensuing employment and supply chain opportunities for local people and businesses;*
- *Working with the Learning Department and partners at Coleg Llandrillo Menai and Bangor University to ensure that our young people have the necessary skills;*
- *Creating circumstances that will allow young people and their families who have already left the island to return;*
- *Ensuring that our language and culture is a golden thread throughout the process.'*

Councillor Robin Williams seconded the motion.

Councillor Aled Morris Jones proposed an addition to the Motion to recognise and appreciate the work and initiative by Ms Gwen Parry Jones the former CEO of Great British Nuclear who has been instrumental in securing the location of Small Modular Reactors in the Wylfa Site and to invite her to a future meeting of the Council. He said that Ms Gwen Parry Jones has been involved in the nuclear sector for many years and it is a duty on the Council to show recognition for a person from Anglesey to ensure the future of the nuclear industry on the Wylfa site.

Councillor Derek Owen seconded the addition to the Motion.

The addition on the Motion was approved.

The Leader of the Council also wished to recognise the work by Ms Gwen Parry Jones as the former CEO of Great British Nuclear. He noted that listening the comments of the residents of the Island was important when Horizon was considering a new development on the Wylfa Site and the lessons learnt by the Economic Department as part of the Ynys Ynni project, need to be considered and the benefits from such a new development on the site is undertaken. The Authority will work closely with Great British Nuclear to reflect the ambitions of the local community and the Island.

Councillor Aled Morris Jones said that it is important that Great British Nuclear affords the Council specific dates, especially when the Development Consent Order is submitted by the company. He noted that whilst lessons need to be learnt from the Horizon project, it must be realised that the Great British Nuclear project is completely different as these will be medium sized reactors. The employment opportunities will result in 3,000 jobs during construction 1,000 jobs available thereafter. The final Investment Decision is important as well as when the construction will commence. He further said that there needs to be community consent and to ensure employment for future generations for the young people of Anglesey.

Councillor Kenneth P Hughes referred to the delegation from the UK Government and Welsh Government who attended Coleg Menai when the announcement was made that the SMRs were to be built on the Wylfa site and noted that it was disappointing that representation from the Authority were not invited to attend. He further said that it is hoped that the development will materialise on the Wylfa Site as there is a dire need for employment on the Island.

Councillor Sonia Williams said that it is hoped that some of the students that the delegations from both government met during their visit will be able to take advantage of the employment opportunities available from the development at Wylfa. She said that the Education Department should ensure that the children will be able to take advantage of the employment opportunities afforded from the development and to ensure that the Welsh language is paramount to any development on the site.

Councillor Gwilym O Jones said that it is hoped that there will be opportunities for local young people and for those who have had to move to work away to be able to return to their local communities.

Councillor Derek Owen said that the Community Councils, and especially those in the North of the Island, needs to be informed and supported during the development on the Wylfa Site.

Councillor Robert Ll Jones said that it must be considered that there are people on the Island who have their doubt as regards to nuclear developments and if there was a need for evacuation due to an incident on the Wylfa site, the infrastructure as regards to the bridges is a problem. He considered that people should be invited to the Council to explain their concerns as regards to the development on the Wylfa site. The Director of Function (Council Business)/Monitoring Officer advised that,

while a decision for the Chair, she did not consider that the proposal was relevant to the Notice of Motion, as amended.

Councillor Ken Taylor said that there are significant issues that needs to be addressed as regards to what will be done with the waste from the site, if there is community and Island benefits from the new development and whether the Island's residents will have reduction in their electricity bills. He noted that following the closure of the former Wylfa site, the town of Amlwch is suffering from lack of financial gain from the closure of the site.

Councillor Pip O'Neill agreed that safety is paramount as regards to nuclear development on the site and caution is required as regards to pressure for timetable for dates as regards to the project at Wylfa.

The Leader of the Council said that there is respect to the people who have concerns as to the development on the Wylfa site and there is a need to listen and discuss such concerns. He considered strongly that there is also support for the development at Wylfa and people from the Island have had good employment on the former Wylfa site for several years; economic and employment benefits from the new development on the site should be welcomed to ensure that the future generation of young people will have the opportunity to gain employment and for some to be able to return to work on the Island.

**It was RESOLVED to approve the Motion with the following addition to acknowledge the work undertaken by Ms Gwen Parry Jones, the former CEO of Great British Nuclear in her efforts to secure the location of Small Modular Reactors in the Wylfa Site and to invite Ms Gwen Parry Jones to a future meeting of the Council.**

**7. AMENDMENT TO THE CONSTITUTION – FINAL APPROVAL OF THE COUNCIL'S ANNUAL ACCOUNTS**

The report of the Director of Function (Council Business)/Monitoring Officer as presented to the Executive 25 November, 2025 was presented for the Council's acceptance.

**It was RESOLVED to approve the proposed amendment to the Constitution to provide for the final approval of the Council's Annual Accounts by the Governance and Audit Committee, in place of the Council.**

**8. TO APPOINT A CO-OPTED INDEPENDENT MEMBER TO THE STANDARDS COMMITTEE**

The report of the Director of Function (Council Business)/Monitoring Officer was presented for the Council's acceptance.

**It was RESOLVED to accept the recommendations of the Standards Committee Selection Panel as follows:-**

- **To appoint Mr David Davies as co-opted independent member of the Standards Committee with a term of office beginning on 12 December, 2025;**
- **In the event that a casual vacancy for an independent member of the Standards Committee arises during the next twelve months, to automatically appoint Dr Margaret Flynn to this role without need for further recruitment process, provided always that this candidate remains eligible for the role, and subject to satisfactory references being received prior to the appointment.**

**COUNCILLOR NON DAFYDD  
CHAIR**

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| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>   |  |
|--|--|
| <b>Report to:</b>  | <b>COUNTY COUNCIL</b>  |
| <b>Date:</b>   | <b>5 MARCH 2026</b>  |
| <b>Subject:</b>  | <b>TREASURY MANAGEMENT – MID YEAR REVIEW 2025/26</b>   |
| <b>Portfolio Holder(s):</b>  | <b>COUNCILLOR R 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</b>  |
| Tel:   |  |
| E-mail:  | MarcJones@ynysmon.llyw.cymru   |
| <b>Local Members:</b>  | <b>n/a</b>   |
| <b>A – Recommendation/s and reason/s</b>   |  |
| <p><b>Recommendation</b></p> <p>To note the contents of the treasury management mid year review for 2025/26.</p> <p><b>Reasons</b></p> <p>CIPFA’s Code of Practice for Treasury Management 2021 and the CIPFA Prudential Code 2021 (The Code), requires that the Council’s body charged with overseeing the Council’s Treasury Management function receive a quarterly update on the Council’s treasury management performance and its compliance with the constraints set in the Treasury Management Strategy.</p> <p>The report provides an economic update, sets out the current position in respect of borrowing, outlines the investment performance and measures the Council’s current position against the performance indicators set out in the annual Treasury Management Strategy. Any breaches of the Treasury Management Strategy are also noted in the report. A more comprehensive report will be provided at the half year and at the end of the financial year.</p> <p><b>Conclusion</b></p> <p>The Council’s borrowing position remains unchanged, investment performance is good, with investment returns exceeding the budget, the Council remains within the constraints set by the Annual Treasury Management Strategy Performance Indicators, although 1 minor reportable breach did occur. As a result, no further action is required, and the Executive only needs to note the contents of the report.</p> |  |
| <b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>   |  |
| <p>The report is mainly for information purposes and no decisions are required and, as such, no options require consideration.</p>   |  |
| <b>C – Why is this a decision for the Executive?</b>   |  |
| <p>As the body charged by the Council with ensuring good governance of treasury management, this is a matter for the Executive to consider. It also ensures compliance with the Local Government Act 2003 and the CIPFA Prudential Code 2021.</p>  |  |

| <b>CH – Is this decision consistent with policy approved by the full Council?</b>   |  |  |
|---|--|--|
| No formal decision is required, but the information contained in the report provides assurance that the Council is complying with the Annual Treasury Management Strategy, which was approved by the Council on 6 March 2025. |  |  |
| <b>D – Is this decision within the budget approved by the Council?</b>  |  |  |
| No decision required in respect of this report which will impact on the budgetary position of the Council.  |  |  |
| <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?   | Treasury Management is key to facilitating sustainability for the long-term needs of the Island, as borrowing plans help to fund capital expenditure to ensure assets are available now and into the future. Treasury plans must also be affordable to ensure that future generations are not disadvantaged by Treasury Management decisions taken in the short and medium term. |
| <b>2</b>  | Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?  | The Treasury Management strategy and activity must be affordable to mitigate the impact on the future. Some capital expenditure funded by borrowing, such as Sustainable Communities for Learning, and other invest to save schemes funded by borrowing may help to reduce future costs.   |
| <b>3</b>  | Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom  | Treasury management activities often fund capital projects in partnership with other organisations, such as Welsh Government.  |
| <b>4</b>  | Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.  | Anglesey Citizens are consulted each year about the annual capital programme, some of which is dependent on Treasury Management activities.  |
| <b>5</b>  | Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.   | Newly built assets funded by borrowing will be compliant with the Equality Act and related regulations and guidance. Annual refurbishments and replacement programmes also help to increase accessibility and enable diversity.  |
| <b>6</b>  | If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.   | This is statutory monitoring of Treasury Management activities, not a strategic decision.  |
| <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. | Some of the projects funded by borrowing have a positive impact on the development and increase of the Welsh Language, such as the Welsh medium schools built as part of the 21st Century Schools Programme / Sustainable Communities for Learning Programme.  |

| <b>E - Who did you consult?</b>  |   | <b>What did they say?</b>   |
|--|---|---|
| <b>1</b>   | <b>Chief Executive / Leadership Team (LT) (mandatory)</b> | The report was considered by the LT at its meeting on 18 November 2025. Any comments made will have been considered and incorporated into the report where necessary. |
| <b>2</b>   | <b>Finance / Section 151 (mandatory)</b>                  | Report Author   |
| <b>3</b>   | <b>Legal / Monitoring Officer (mandatory)</b>             | Is a member of the LT.  |
| <b>4</b>   | <b>Human Resources (HR)</b>                               | Not applicable  |
| <b>5</b>   | <b>Property</b>   | Not applicable  |
| <b>6</b>   | <b>Information Communication Technology (ICT)</b>         | Not applicable  |
| <b>7</b>   | <b>Scrutiny</b>   | The report was considered by the Governance and Audit Committee at its meeting on 4 December 2025. Any comments will be reported to the Executive at the meeting.     |
| <b>8</b>   | <b>Local Members</b>                                      | Not applicable  |
| <b>9</b>   | <b>Any external bodies / other/s</b>                      | Not applicable  |
| <b>F - Appendices:</b>   |   |   |
| <p>Appendix 1 – Treasury Management Mid Year Review 2025/26<br/> Appendix 2 – Economic Update – Produced by MUFG (External Treasury Management Consultants)<br/> Appendix 3 – Economic Indicators March 2025 to 2027<br/> Appendix 4a – ch – Analysis of External Loans Outstanding as at 30 September 2025<br/> Appendix 5a – c – Analysis of Investments as at 30 September 2025</p> |   |   |
| <b>FF - Background papers (please contact the author of the Report for any further information):</b>   |   |   |
| <ul style="list-style-type: none"> <li>• 2025/26 Treasury Management Strategy Statement, approved by the full Council on 6 March 2025</li> <li>• 2025/26 Capital Strategy, approved by full Council on 6 March 2025</li> </ul>   |   |   |

**1. INTRODUCTION**

1.1. The report sets out the position at the end of the first 6 months of 2025/26 in respect the Council's performance in respect of the treasury management strategy. This mainly relates to investment of surplus cash and borrowing to fund capital expenditure.

**2. COMPLIANCE WITH REPORTING REQUIREMENTS**

2.1 Under the requirements of the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code), a number of reports are required to be presented to the Governance & Audit Committee, the Executive and the Full Council during the year. The mid year review is one of those reports and the presentation of this report ensures the Council's continuing compliance with the reporting requirements.

**3. REVIEW OF 2025/26 TO 30 SEPTEMBER 2025 – EXTERNAL FACTORS**

3.1 A number of factors influence the Council's Treasury Management activities which are outside the Council's control but have a major impact on the Council's borrowing and investment decisions.

**3.2 Interest Rates**

The level of interest rates at the time decisions are taken and the future trajectory for rates has a significant impact on treasury management decisions and can influence if the Council borrows externally, the length of any borrowing, when the Council ties into longer term investments and where the Council invests its surplus cash.

At the commencement of 2025/26, the Bank of England base rate stood at 4.5%. It was anticipated that this rate would fall fairly quickly during the first half of the year but inflation has not fallen as quickly as expected and growth remains fairly low. With wage levels also remaining above inflation but slowing and unemployment rising to 5% in October 2025, the inflationary pressures are easing. However, the Bank of England have taken a cautious approach to reducing interest rates with a cut of 0.25% in May 2025, followed by a further cut of 0.25% in August 2025.

The Bank of England narrowly decided to maintain interest rates at 4% in November 2025, but a further 0.25% cut is expected in December 2025 or February 2026. A further cut of 0.25% is expected before the end of the financial year and rates will continue to follow a slow downward trend during 2026/27 and 2027/28.

**3.3 The UK Economy**

The UK economy is still operating within major global events which are impacting the global economy, which include the continuing war in Ukraine and the need to increase expenditure on defence, the change in the President of the United States, the introduction of higher tariffs by the United States causing a potential slowdown in the world economy and its impact on oil and energy prices.

In the first quarter of 2025/26, the UK economy grew by 0.3% and was 0.1% during the second quarter. The forecast growth in GDP for 2025 is 1.4% with a similar figure forecast for 2026 and only slight increase in 2027.

The Bank of England have indicated that they believe that CPI inflation has peaked in September 2025 and will begin to fall during the third quarter of 2025 reaching 3% early next year and gradually returning towards the 2% target in 2027.

How the UK economy performs and its impact on interest rates will be impacted by the Chancellor's budget in November 2025. Higher tax rises are likely, which may have a negative impact on inflation and unemployment.

**3.4** A more detailed economic analysis produced by the Council's Treasury Management advisors, MUFG is attached as Appendix 1. Forecasted economic indicators to March 2027 are shown in Appendix 2.

#### **4. CAPITAL EXPENDITURE 2025/26**

**4.1** Capital expenditure has a significant impact on the Council's treasury management activity. Capital expenditure can be financed:-

- immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- from borrowing: If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

**4.2** Following the completion of the draft accounts, the Executive has approved the carry forward of unspent budget from 2024/25 to 2025/26, and this is detailed in the capital outturn report which was presented to the Executive on 17 July 2025. Further to this additional capital funding has been received during the year, which has added to the capital budget. These additions were approved by the Executive at its meeting on 23 September 2025 and 25 November 2025.

**4.3** Table 1 below provides details of the updated capital programme for 2025/26 following on from the decision of the Executive 2025:-

| <b>Summary</b>            | <b>Budget Approved<br/>March 2025<br/>including Slippage</b> | <b>Additional Funding<br/>Q1 and Q2</b> | <b>Revised Capital Budget<br/>as at November 2025</b> |
|---------------------------|--|---|---|
|                           | <b>£</b>   | <b>£</b>                                | <b>£</b>  |
| Housing General Fund      | 900,650  | 198,030                                 | 1,098,680   |
| Housing HRA               | 20,894,000   | 3,626,814                               | 24,520,814  |
| Lifelong Learning         | 1,666,791  | 1,904,082                               | 3,570,873   |
| Economic and Regeneration | 9,460,242  | 1,900,668                               | 11,360,910  |
| Highways                  | 2,974,500  | 4,021,120                               | 6,995,620   |
| Waste Management          | 1,470,124  | -                                       | 1,470,124   |
| Property                  | 6,756,605  | 1,194,711                               | 7,951,316   |
| Transformation            | 784,861  | -                                       | 784,861   |
| Adult Services            | 1,915,439  | -                                       | 1,915,439   |
| <b>TOTAL</b>              | <b>46,823,212</b>  | <b>12,845,425</b>                       | <b>59,668,637</b>                                     |
| <b>Funded By</b>          |  |   |   |
| Capital Grant             | 22,014,411   | 13,762,949                              | 35,777,360  |
| Capital Receipts          | 831,431  | -                                       | 831,431   |
| Supported Borrowing       | 3,813,331  | -                                       | 3,813,331   |
| Unsupported Borrowing     | 13,020,000   | 9,338,353                               | 3,681,647   |
| Revenue Contribution      | 5,788,000  | 7,323,493                               | 13,111,493  |
| Reserves                  | 1,340,443  | 252,625                                 | 1,593,068   |
| Other Loans               | 15,596   | 844,711                                 | 860,307   |
| <b>TOTAL FUNDING</b>      | <b>46,823,212</b>  | <b>12,845,425</b>                       | <b>59,668,637</b>                                     |

4.4 A summary of the capital programme and the forecasted expenditure and funding as at 30 September 2025 is shown in Table 2 below:-

| Summary                   | Annual Budget (£'000) | Total Expenditure (£'000) | Annual Budget Spent (%) | Projected Expenditure (£'000) | Projected Under / Over (£'000) | Variance (%) |
|---------------------------|-----------------------|---------------------------|-------------------------|-------------------------------|--------------------------------|--------------|
| Housing General Fund      | 1,099                 | 842                       | 77                      | 1,099                         | 0                              | 0            |
| Housing HRA               | 24,521                | 10,149                    | 41                      | 22,056                        | (2,465)                        | (10)         |
| Lifelong Learning         | 3,571                 | 1,123                     | 31                      | 3,571                         | 0                              | 0            |
| Economic and Regeneration | 11,361                | 3,968                     | 35                      | 10,881                        | (480)                          | (4)          |
| Highways                  | 6,996                 | 2,704                     | 39                      | 6,996                         | 0                              | 0            |
| Waste Management          | 1,470                 | -                         | 0                       | 865                           | (605)                          | (41)         |
| Property                  | 7,951                 | 161                       | 2                       | 7,154                         | (797)                          | (10)         |
| Transformation            | 785                   | 194                       | 25                      | 630                           | (155)                          | (20)         |
| Adult Services            | 1,915                 | 435                       | 23                      | 1,915                         | 0                              | 0            |
| <b>TOTAL</b>              | <b>59,669</b>         | <b>19,576</b>             | <b>33</b>               | <b>55,167</b>                 | <b>(4,502)</b>                 | <b>(8)</b>   |
| <b>Funded By</b>          |                       |                           |                         |                               |                                |              |
| Capital Grant             | 35,777                |                           |                         | 34,692                        | (1,085)                        | (3)          |
| Capital Receipts          | 831                   |                           |                         | 497                           | (334)                          | (40)         |
| Supported Borrowing       | 3,814                 |                           |                         | 3,797                         | (17)                           | (0)          |
| Unsupported Borrowing     | 3,682                 |                           |                         | 1,445                         | (2,237)                        | (61)         |
| Revenue Contribution      | 13,111                |                           |                         | 12,883                        | (228)                          | (2)          |
| Reserves                  | 1,594                 |                           |                         | 993                           | (601)                          | (38)         |
| Other Loans               | 860                   |                           |                         | 860                           | 0                              | 0            |
| <b>TOTAL FUNDING</b>      | <b>59,669</b>         | <b>-</b>                  |                         | <b>55,167</b>                 | <b>(4,502)</b>                 | <b>(8)</b>   |

5. **IMPACT ON COUNCIL'S FINANCIAL POSITION AS AT 30 SEPTEMBER 2025**

5.1 Analysis of the Council's Current External Borrowing is shown in Appendix 3a – 3ch.

5.2 During the first half of the year, no new borrowing was undertaken and the combined balance of all outstanding loans is £121.898m as at 30 September 2025. It is estimated that £10m of internal borrowing will have to be externalised by the end of the financial year, to give a forecasted borrowing position of £131.895m, with a further £25.033m of internal borrowing. This gives an estimated Capital Financing Requirement of £156.928m, which is based on the forecasted capital expenditure and funding.

**Table 3  
Internal and External Borrowing Forecast to 31 March 2026**

| EXTERNAL BORROWING                           | £'000  | £'000          |
|--|--------|----------------|
| <b>Opening Balance</b>                       |        | <b>122,082</b> |
| Borrowing to Fund Capital Expenditure        | -      |                |
| Borrowing to Fund Loan Repayments            | -      |                |
| Borrowing to Replace Internal Borrowing      | 10,000 |                |
| <b>Total New Borrowing in Year</b>           |        | <b>10,000</b>  |
| Loan Repayments in Year                      |        | - 187          |
| <b>Closing Balance of External Borrowing</b> |        | <b>131,895</b> |

| <b>INTERNAL BORROWING</b>                        |              |               |
|--|--------------|---------------|
|  | <b>£'000</b> | <b>£'000</b>  |
| <b>Opening Balance</b>                           |              | <b>30,203</b> |
| Replacement of Internal Borrowing                | - 10,000     |               |
| Borrowing to Fund Loan Repayments                | -            |               |
| Borrowing to Fund Capital Expenditure            | 6,102        |               |
| <b>Total New Borrowing in Year</b>               |              | - 3,898       |
| Rights of Use Assets brought onto Balance Sheet  |              |               |
| Loan Repayments in Year                          |              | 187           |
| Minimum Revenue Provision                        |              | - 1,459       |
| Minimum Revenue Provision - Rights of Use Assets |              |               |
| <b>Closing Balance of Internal Borrowing</b>     |              | <b>25,033</b> |

### 5.3 Debt Repayments

During the first half of 2025/26, annual repayments on PWLB annuity loans totalling £9k and zero interest Salix loans totalling £178k were made.

## 6. INVESTMENTS

6.1 The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by the Council on 6 March 2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:-

- Security of capital;
- Liquidity;
- Yield.

6.2 All investments were made with institutions that met the required credit rating, as set out in the Treasury Management Strategy, and the value of the investments held with the institutions at any one time did not breach the approved limit set out in the strategy.

6.3 Further information on the Council's cash balances and investments are shown in Appendix 4a to 4c.

6.4 The interest received on investments as at 30 September 2025 is shown in Table 4 below, along with the forecasted position for 2025/26:-

**Table 4**  
**Interest Received on Investments as at 30 September 2025**

|                                | <b>As at 30<br/>September 2025</b> | <b>Forecast to 31<br/>March 2026</b> |
|--------------------------------|------------------------------------|--------------------------------------|
|                                | <b>£</b>                           | <b>£</b>                             |
| General Fund                   | 387,892                            | 652,564                              |
| Housing Revenue Account        | 49,456                             | 83,201                               |
| School Balances                | 39,975                             | 67,251                               |
| <b>Total Interest Received</b> | <b>477,322</b>                     | <b>803,016</b>                       |

## 7. PRUDENTIAL INDICATORS

7.1 The Treasury Management Strategy sets out a number of prudential indicators and authorised limits. The current forecasted position against each of the indicators and limits is set out in Table 5 below:-

**Table 5**  
**Comparison of the Forecasted Position at the End of Quarter 1 to the Treasury Management Strategy**

| PERFORMANCE INDICATORS              |   |  |                                 |         |
|-------------------------------------|---|--|---------------------------------|---------|
| Indicator Group                     | Description   | Treasury Management Strategy Statement 2025/26 | Estimated Position at end of Q2 |         |
| Affordability                       | Ratio of Financing Costs to Net Revenue Stream – General Fund                       | 2.60%  | 1.55%                           |         |
|                                     | Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account (HRA)      | 10.03%   | 12.65%                          |         |
| Capital Financing Requirement (CFR) | Council Fund & HRA  | £154.390m                                      | £156.928m                       |         |
| AUTHORISED LIMITS                   |   |  |                                 |         |
| Prudence                            | Gross debt must be lower than the CFR plus any additional CFR in the next two years | <171.070m                                      | £121.895m                       |         |
| External Debt                       | Authorised Limit  | < £181.230m                                    | £121.895m                       |         |
|                                     | Operational Boundary  | < £171.230m                                    | £121.895m                       |         |
| Maturity of Debt                    | Under 12 months   | <20% of total debt = £24.379m                  | £0.550m                         | 0.45%   |
|                                     | 12 months and within 24 months  | <20% of total debt = £24.379m                  | £1.895m                         | 1.55%   |
|                                     | 24 months and within 5 years  | <50% of total debt = £60.947m                  | £7.632m                         | 6.26%   |
|                                     | 5 years and within 10 years   | <75% of total debt = £85.326m                  | £14.275m                        | 11.71%  |
|                                     | 10 years and above  | 100% = £121.895m                               | £121.895m                       | 100.00% |

## 8. REPORTABLE BREACHES TO THE TREASURY MANAGEMENT PRACTICE

8.1 The Treasury Management Strategy for 2025/26 allows for the maximum investment of £10m in any single non nationalised bank or building society. The Council operates a Call Account with Lloyds Bank and the sum held is maximised as it provides a higher interest rate than other call accounts held by the Council.

8.2 On 4 June 2025, the balance on the Lloyds Call Account was £9.993m. On the 5 June 2025, interest totalling £25,748 was credited to the account, which took the balance to £10.019m, which exceeded the limits set out in the Treasury Management Strategy Statement. On 23 June 2025, £1m was transferred from the account, bringing the balance down to £9.019m. Technically this is a breach, although the breach did not result in any loss for the Council.

## **9. CONCLUSIONS**

- 9.1** The Council's Treasury Management performance during the year was in line with the strategy of low risk, low return investments and a planned approach to borrowing designed to minimise interest charges.
- 9.2** The performance against the Prudential Indicators set by the Council show that the Council's Treasury Management activities are being undertaken in a controlled way which ensure the financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.
- 9.3** The Council's Treasury Management Strategy and its performance against the strategy take into account the external economic factors and it is constantly reviewed to ensure that it is the most appropriate strategy moving forward.

## Economics Update – Produced by MUFG

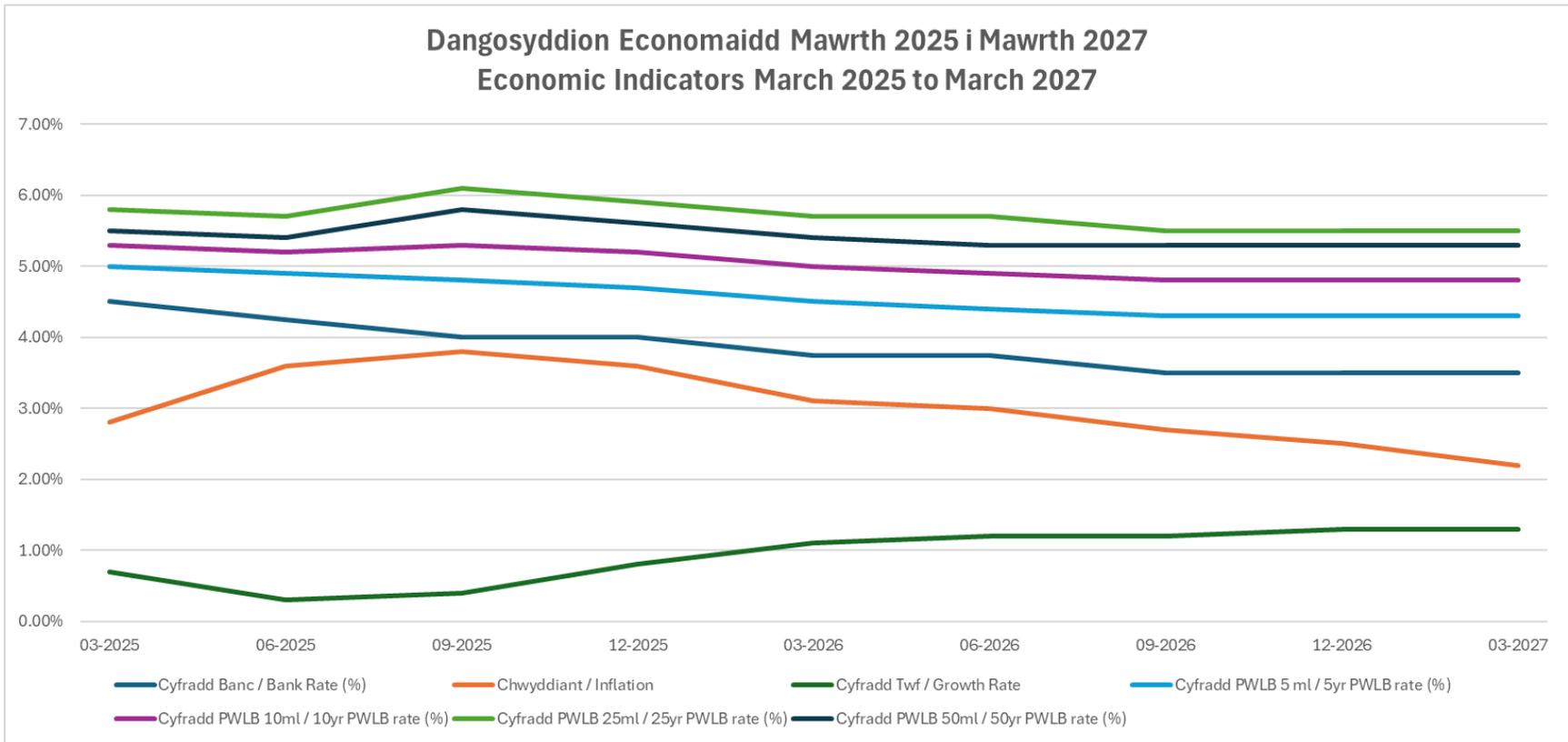
- The first half of 2025/26 saw:
  - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
  - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.
  - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.
- Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.
- With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has

still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.

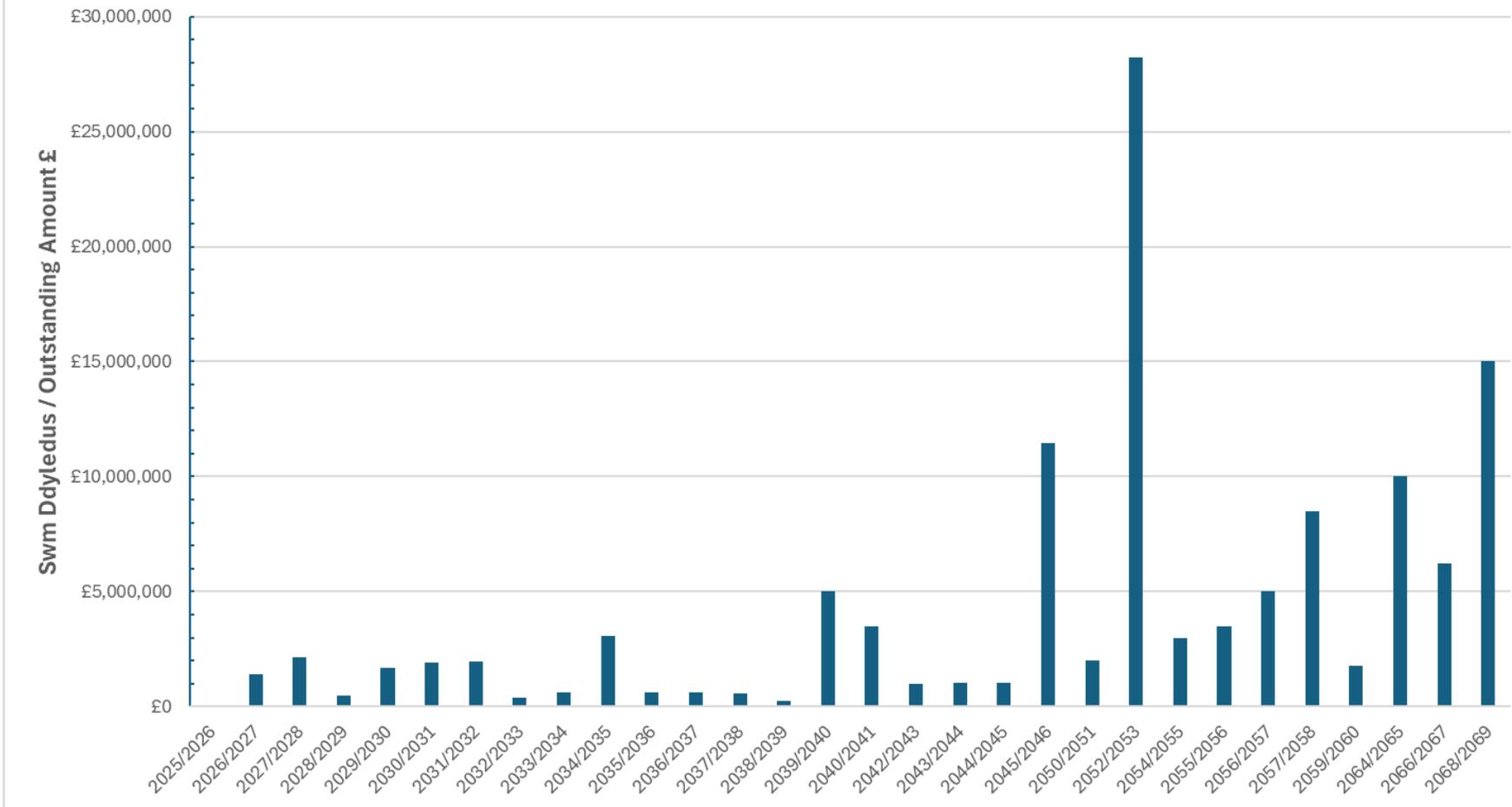
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).
- CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.

## **MPC meetings: 8 May, 19 June, 7 August, 18 September 2025**

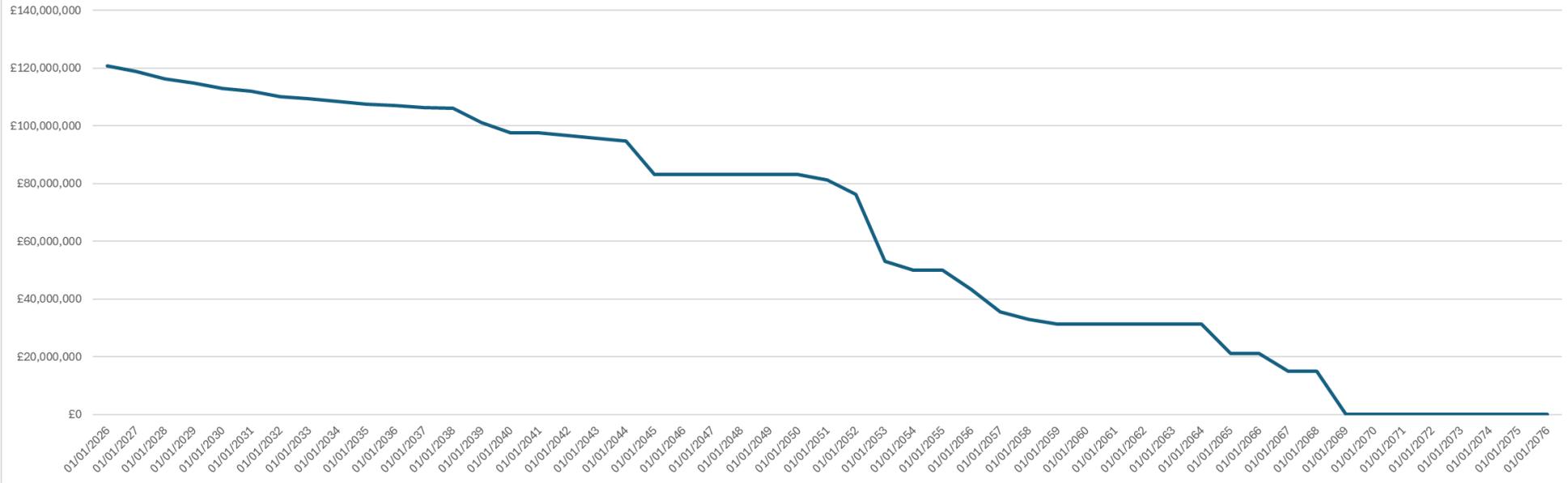
- There were four Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC will be wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).
- The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with both our own view and that of the prevailing market sentiment.



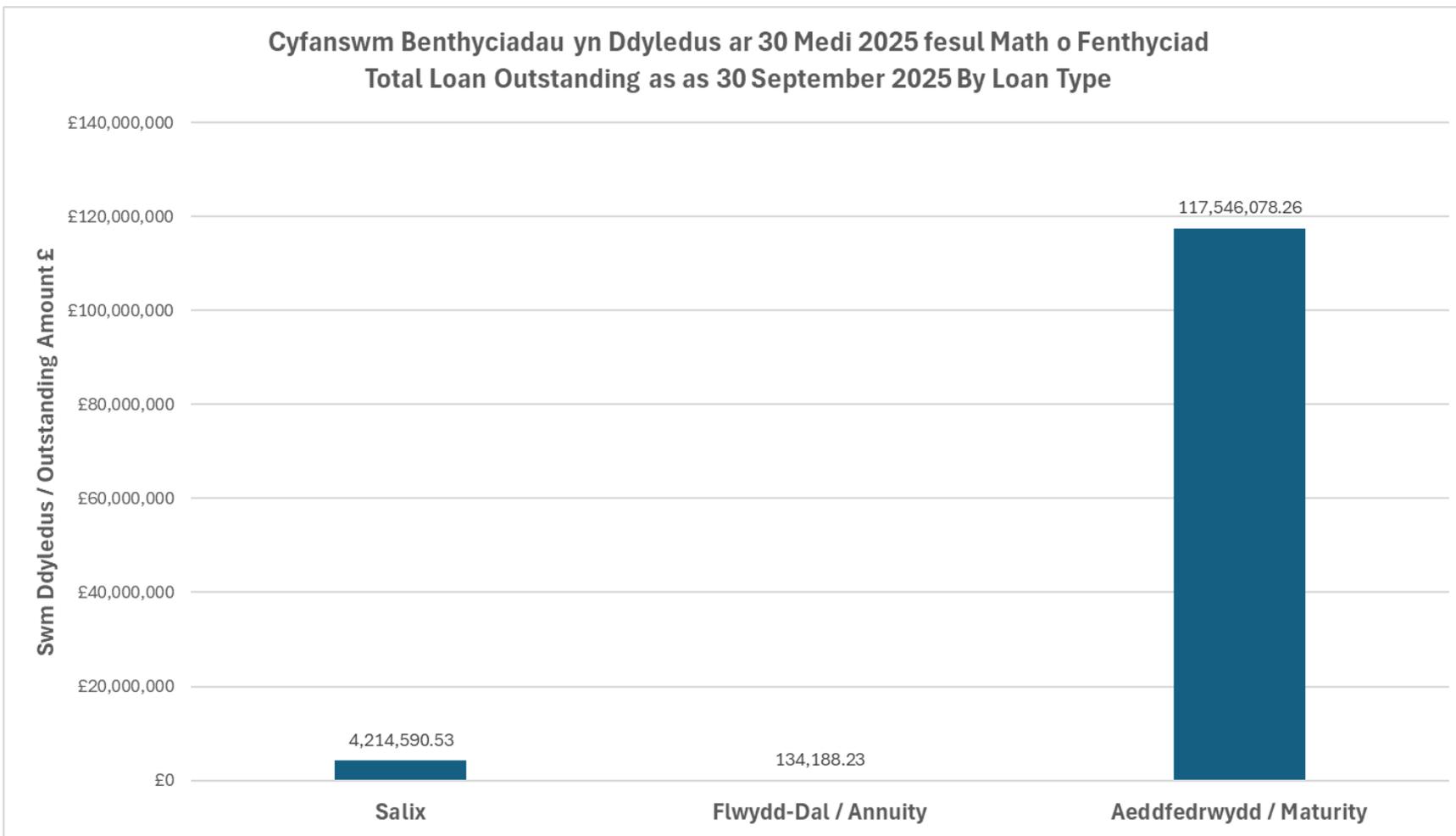
**Cyfanswm Benthyciadau yn Ddyledus ar 30 Medi 2025 fesul Blwyddyn Ad-Dalu**  
**Total Loans Outstanding as at 30 September 2025 By Repayment Year**

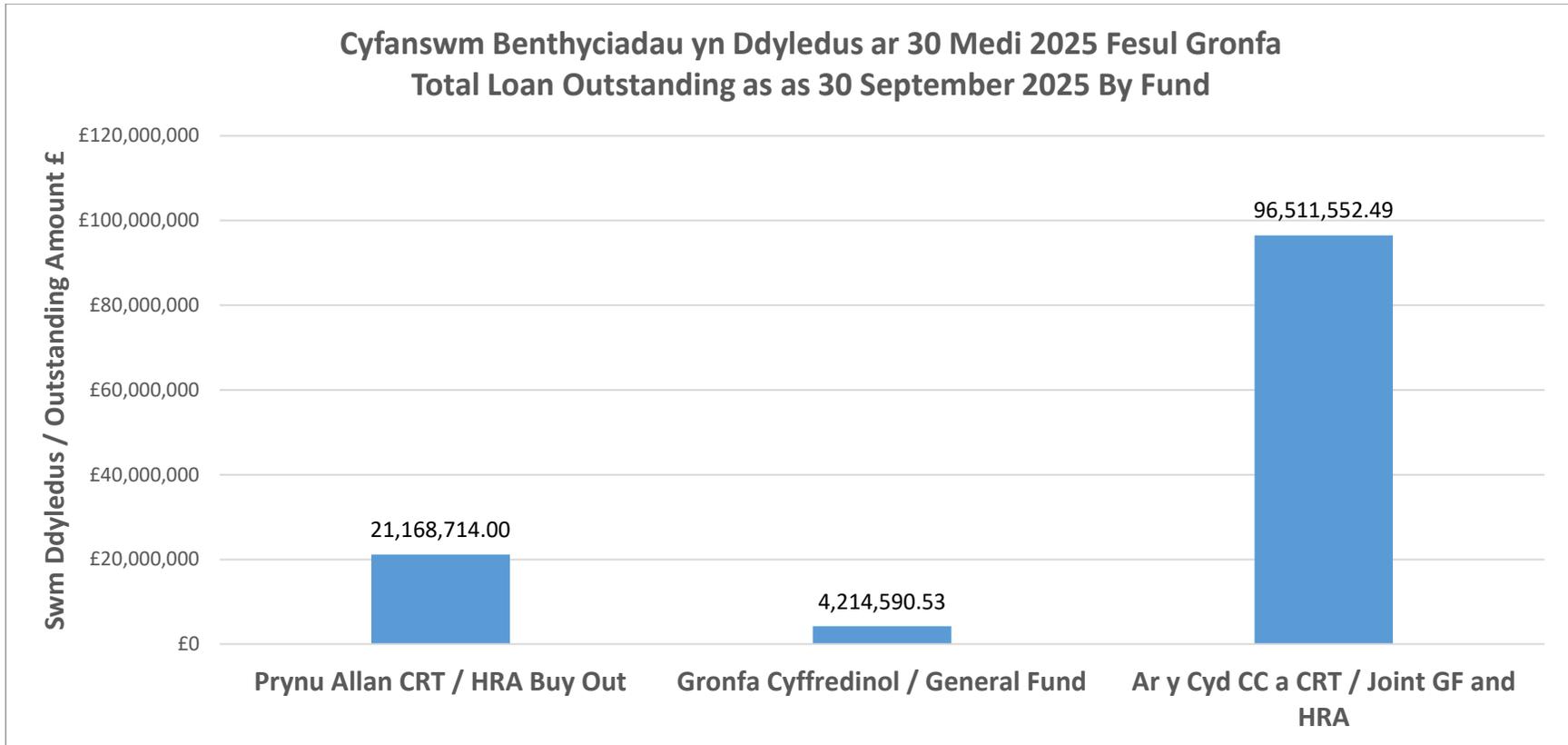


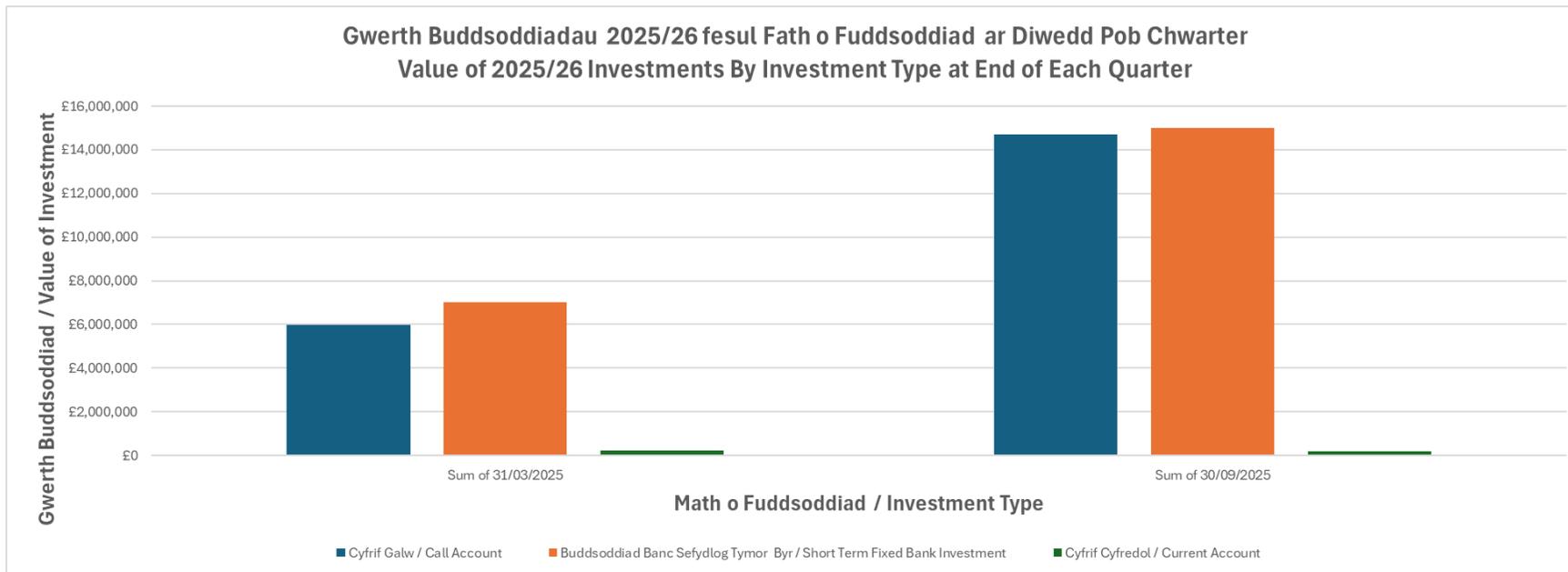
**Benthyciadau yn Ddyledus ar 30 Medi 2025**  
**Outstanding Loan Balance as at 30 September 2025**

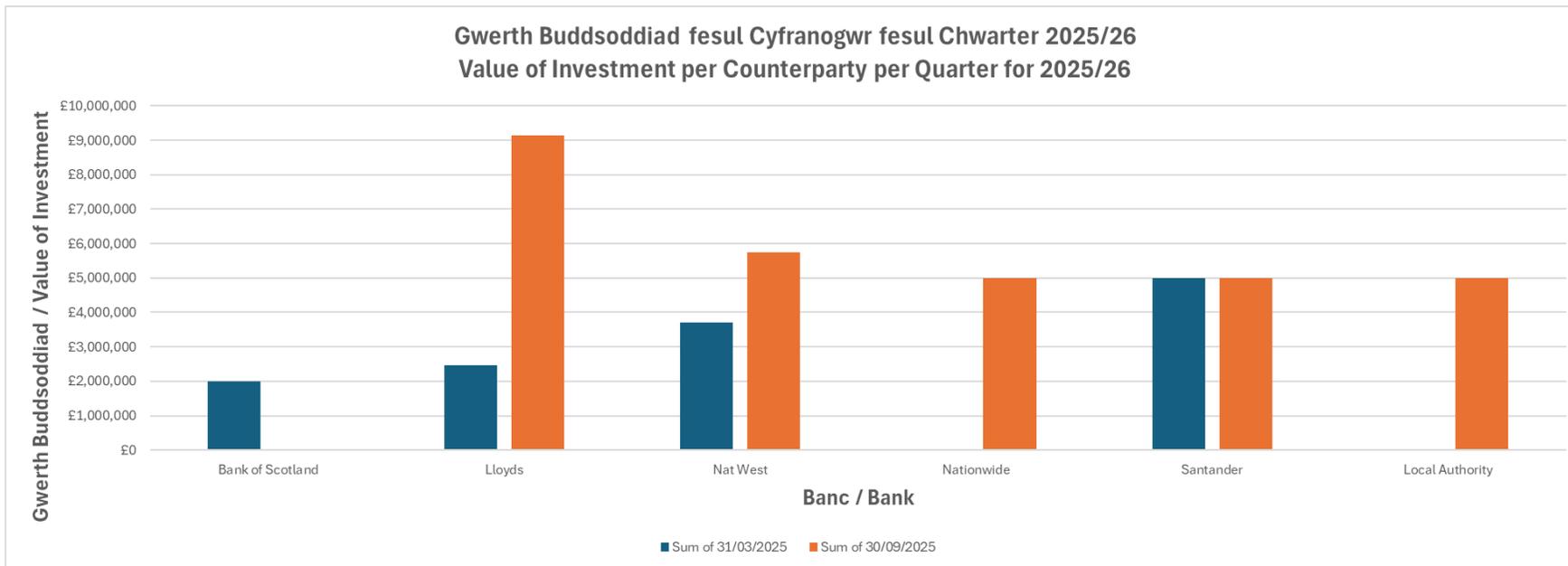


Cyfanswm Benthyciadau yn Ddyledus ar 30 Medi 2025 fesul Math o Fenthyciad  
 Total Loan Outstanding as as 30 September 2025 By Loan Type



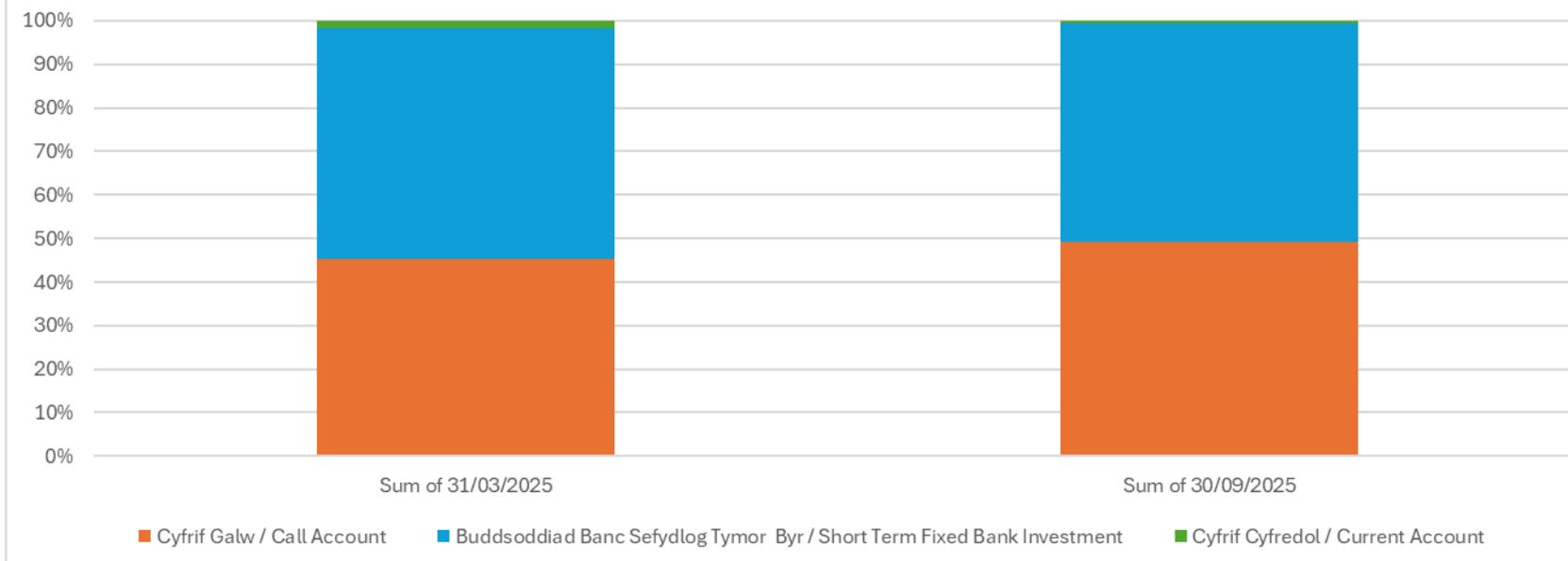






### Canran y Buddsoddiad a Ddelir ym Mhob Math o Fuddsoddiad Fesul Chwarter 2025/26

#### Percentage of Investment Held in Each Investment Type per Quarter 2025/26



| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>  |   |
|---|---|
| <b>Report to:</b>   | <b>COUNTY COUNCIL</b>   |
| <b>Date:</b>  | <b>5 MARCH 2026</b>   |
| <b>Subject:</b>   | <b>CAPITAL STRATEGY 2026 – 2031</b>   |
| <b>Portfolio Holder(s):</b>   | <b>ROBIN WILLIAMS – DEPUTY LEADER &amp; PORTFOLIO HOLDER<br/>– FINANCE &amp; CORPORATE BUSINESS AND CUSTOMER<br/>EXPERIENCE</b> |
| <b>Head of Service /<br/>Director:</b>  | <b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) /<br/>SECTION 151 OFFICER</b>  |
| <b>Report Author:</b>   | <b>MARC JONES</b>   |
| Tel:  |   |
| E-mail:   | <a href="mailto:rmjfi@ynysmon.llyw.cymru">rmjfi@ynysmon.llyw.cymru</a>  |
| <b>Local Members:</b>   | <b>Not applicable</b>   |
| <b>A –Recommendation/s and reason/s</b>   |   |
| <p>The revised CIPFA Prudential Code (September 2017), introduced the requirement that all authorities must produce a capital strategy. This must set out the long term context in which capital expenditure and investment decisions are made. The requirement is aimed at ensuring that authorities take capital and investment decisions in line with the service objectives and properly take into account stewardship, value for money, prudence, sustainability and affordability. The capital strategy is linked to a number of other plans and strategies. They include:-</p> <ul style="list-style-type: none"> <li>• The Council Plan;</li> <li>• The Corporate Asset Management Strategy;</li> <li>• The IT Strategy, including the School’s Digitalisation Strategy;</li> <li>• The Net Zero Carbon Reduction Strategy;</li> <li>• The Leisure Improvement Strategy;</li> <li>• The Modernising Learning Communities and Developing Welsh Language Strategy;</li> <li>• The Resources and Recycling Strategic Plan;</li> <li>• The Housing Asset Management Strategic Plan;</li> <li>• The Housing Revenue Account 30 Business Plan;</li> <li>• The Treasury Management Strategy</li> </ul> <p>The Council is requested to formally approve the Capital Strategy 2026 – 2031.</p> |   |
| <b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>  |   |
| <p>No other options were considered as the adoption of a capital strategy is a requirement of the CIPFA Prudential Code</p>   |   |
| <b>C – Why is this a decision for the Executive?</b>  |   |
| <p>In accordance with the requirements of the Code and the Council’s Constitution, the Executive is requested to consider the strategy and recommend its approval to the full Council.</p>  |   |

**CH – Is this decision consistent with policy approved by the full Council?**

Approval of the strategy will be given by the Full Council

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

The capital strategy will form the basis for the 2026/27 capital budget which will be approved by the Full Council on 5 March 2026

**Dd – Assessing the potential impact (if relevant):**

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

| <b>E - Who did you consult?</b>   |  | <b>What did they say?</b>  |
|---|--|--|
| <b>1</b>  | <b>Chief Executive / Leadership Team (LT)</b><br>(mandatory) | Comments from the LT have been incorporated into the report  |
| <b>2</b>  | <b>Finance / Section 151</b> (mandatory)                     | n/a – the strategy was drafted by the S151 Officer   |
| <b>3</b>  | <b>Legal / Monitoring Officer</b> (mandatory)                | The Monitoring Officer is a Member of the LT and any comments made have been taken into account in discussions on this report in the LT. |
| <b>4</b>  | <b>Human Resources (HR)</b>                                  | No direct impact on staff  |
| <b>5</b>  | <b>Property</b>  | The Capital Strategy takes into account the Council's Asset Management plan  |
| <b>6</b>  | <b>Information Communication Technology (ICT)</b>            | The Capital Strategy takes into account the Council's Digital and IT strategy  |
| <b>7</b>  | <b>Scrutiny</b>  | TBC  |
| <b>8</b>  | <b>Local Members</b>   | Proposals are applicable to all Members  |
| <b>9</b>  | <b>Any external bodies / other/s</b>                         | N/A  |
| <b>F - Appendices:</b>  |  |  |
| Appendix 1 – Capital Strategy 2026 - 2031   |  |  |
| <b>FF - Background papers (please contact the author of the Report for any further information):</b>  |  |  |
| Council Plan 2023 – 2028<br>Treasury Management Strategy 2026/27 – will be updated in February 2026<br>Medium Term Financial Plan – Executive 23 September 2025<br>Revenue Budget 2026/27 – Initial Proposals – Executive 27 January 2026 |  |  |

# 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<br>(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:-

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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

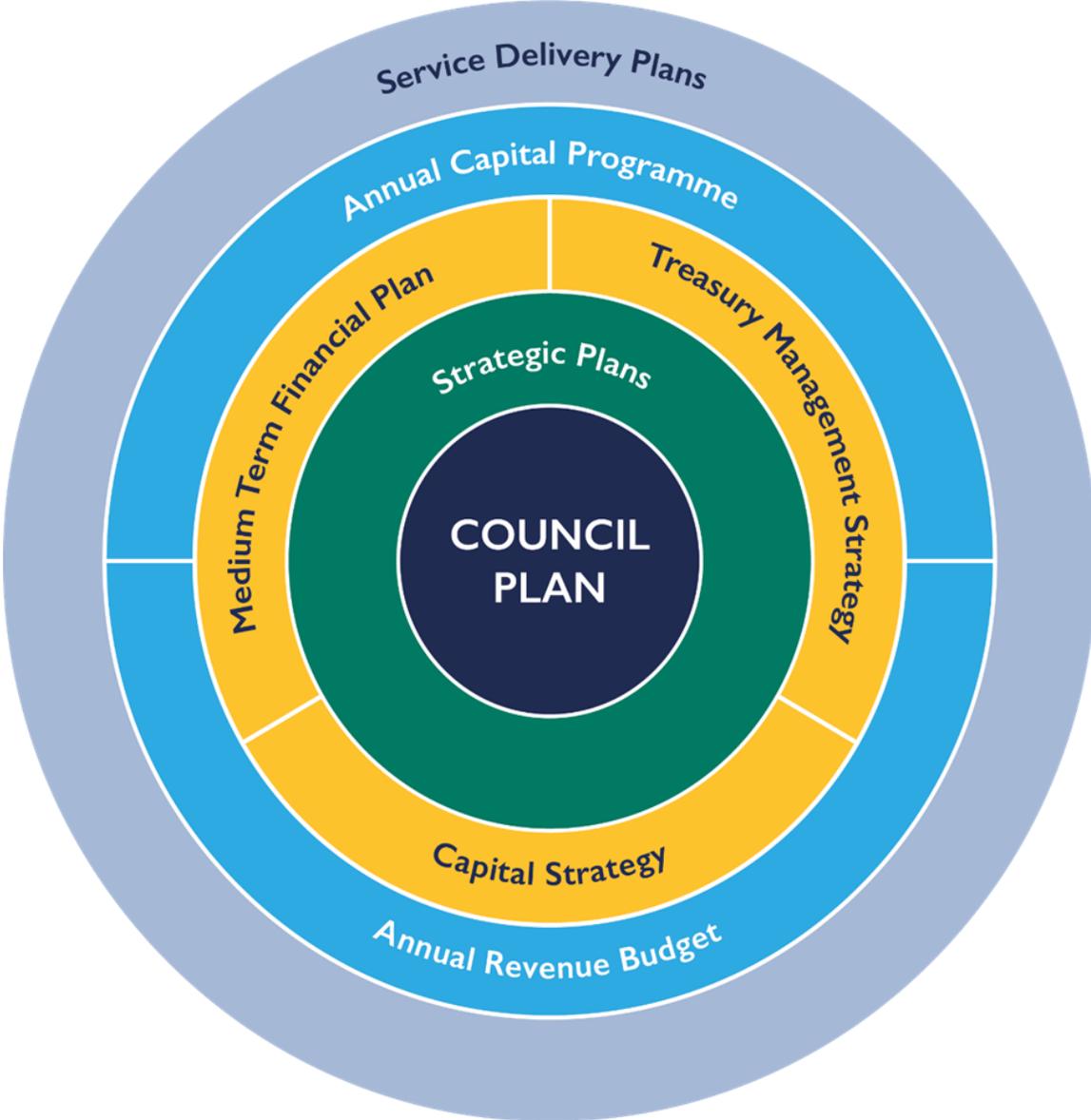
We create a sense of pride in working for the council and present a positive image of the council on the council and the island.



# Strategic Circle

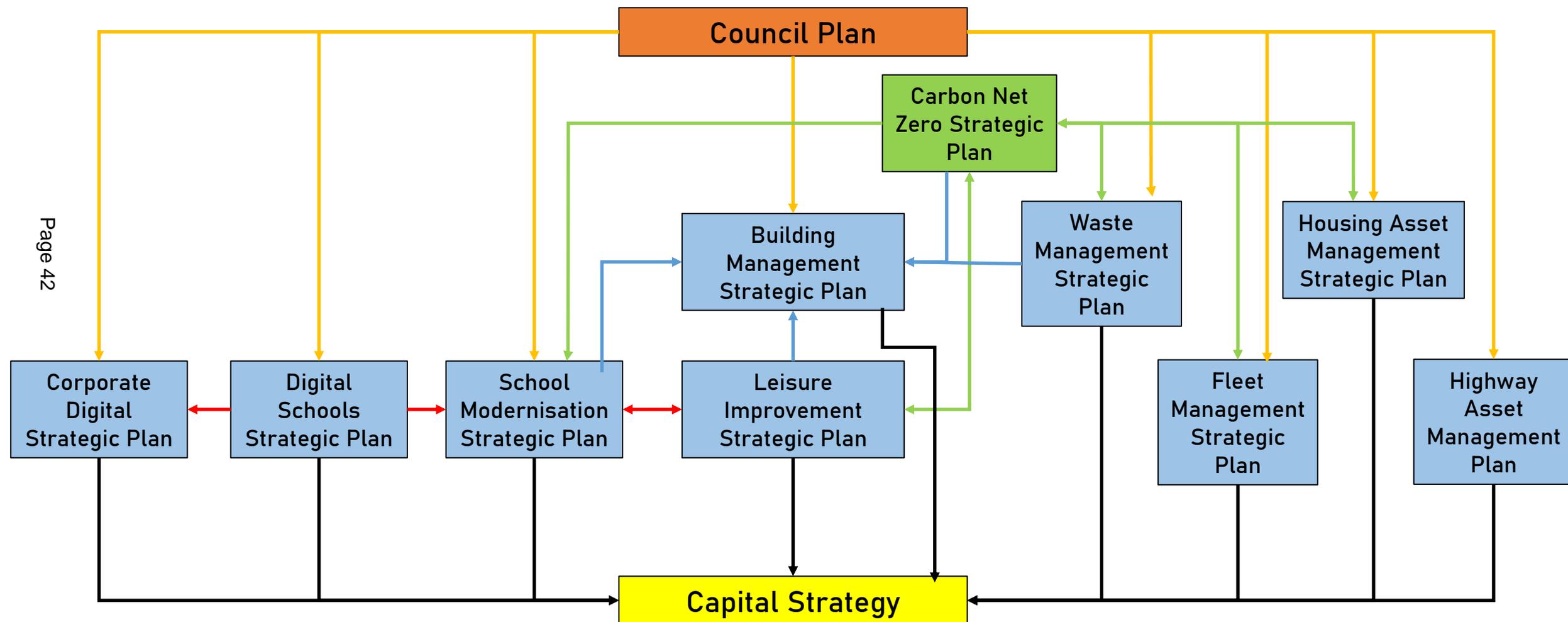
The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

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

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



# Principles and Objectives to Support Achievement of the Key Priorities

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

# Capital Programme Funding Sources

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

## Current Council Assets

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

## Maintaining Existing Assets

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

# Maintaining existing assets

## Why is this important?

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



## What are we going to do?

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

## How are we going to do this?

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

# Sustainable Communities for Learning

## Why is this important?

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

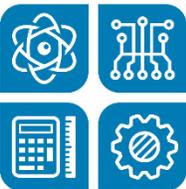


## What are we going to do?

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

## How are we going to do this?

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



# Improvements to Leisure Facilities

## Why is this important?

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



## What are we going to do?

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

## How are we going to do this?

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



# Waste Management

## Why is this important?

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

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## What are we going to do?

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

## How are we going to do this?

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



# Achieving Net Zero

## Why is this important?

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

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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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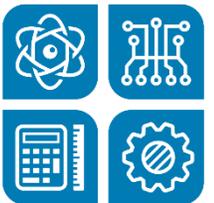


## What are we going to do?

- 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<br>£'m | Ambitious<br>£'m | Ideal<br>£'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<br>£'m | Ambitious<br>£'m | Ideal<br>£'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<br>£'m | Borrowing<br>£'m | CFR<br>£'m | Borrowing<br>£'m | CFR<br>£'m | Borrowing<br>£'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<br>£'m                                  | Ambitious<br>£'m   | Ideal<br>£'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<br>£'m                         | Ambitious<br>£'m  | Ideal<br>£'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<br>£'m  | Ambitious<br>£'m  | Ideal<br>£'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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| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>   |  |
|--|--|
| <b>Report to:</b>  | <b>COUNTY COUNCIL</b>  |
| <b>Date:</b>   | <b>5 MARCH 2026</b>  |
| <b>Subject:</b>  | <b>TREASURY MANAGEMENT STRATEGY STATEMENT 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</b>  |
| <b>Tel:</b>  | 01248 752601   |
| <b>E-mail:</b>   | rmjfi@ynysmon.gov.wales  |
| <b>Local Members:</b>  | n/a  |
| <b>A – Recommendation/s and reason/s</b>   |  |
| <ul style="list-style-type: none"> <li>• The Council is required to produce and publish an annual Treasury Management Strategy Statement (TMSS) before the start of each financial year. The Council, under the Local Government Act 2003 and Welsh Government Regulations, has to have due regard to the CIPFA Prudential Code and CIPFA Treasury Management Codes, the latest versions of which were published in 2021.</li> <li>• This TMSS complies with the requirements in both codes and sets out all the requirements which must be followed in how the Isle of Anglesey County Council treasury management activities are conducted. This helps to ensure that the Council’s investments are secure and sufficiently accessible so that there is enough cash to for day-to-day payments as they fall due. The TMSS, as required by the codes, also provides a framework to ensure that the Council’s borrowing levels remain prudent and affordable.</li> <li>• The CIPFA Prudential Code, 2021 (S29), introduced more frequent treasury management monitoring reports. The Council now produces treasury management quarterly reports, culminating in the year-end treasury management outturn report.</li> <li>• These reports provide monitoring information on the forward-looking prudential indicators which are specified in the appendices within the TMSS. The quarterly reports highlight any significant variances from the approved indicators and include forecasts on the Council’s borrowing and investments during the year.</li> <li>• <b>Recommendations</b> <ul style="list-style-type: none"> <li>○ The Council is requested to formally approve the Treasury Management Strategy Statement for 2026/27.</li> </ul> </li> </ul> |  |
| <b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>   |  |
| No other options are available, it is a requirement to approve a TMSS annually   |  |
| <b>C – Why is this a decision for the County Council? Statutory requirement</b>  |  |
| It is a requirement of the Code that the Treasury Management Strategy Statement is approved by the full Council.   |  |
| <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> |   |  |
|--|---|--|
| N/a  |   |  |
| <b>DD – Assessing the potential impact (if relevant)</b>               |   |  |
| <b>1</b>   | <b>How does this decision impact on our long term needs as an Island</b>  | Treasury management is key to facilitating sustainability for the long-term needs of the Island, as borrowing plans help to fund capital expenditure to ensure assets are available now and into the future. Treasury plans must also be affordable to ensure that future generations are not disadvantaged by Treasury Management decisions taken in the short and medium term. |
| <b>2</b>   | <b>Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how:-</b>   | The Treasury Management strategy and activity must be affordable to mitigate the impact on the future. Some capital expenditure funded by borrowing, such as Sustainable Communities for Learning and other invest to save schemes funded by borrowing, may help to reduce future costs.   |
| <b>3</b>   | <b>Have we been working collaboratively with other organisations to come to this decision, if so, please advise whom:</b>   | Treasury Management activities often fund capital projects in partnership with other organisations, such as Welsh Government. The 21 <sup>st</sup> Century Schools Programme / Sustainable Communities for Learning new schools/extensions were / are funded with significant funding from Welsh Government.   |
| <b>4</b>   | <b>Have Anglesey citizens played a part in drafting this way forward? Please explain how:-</b>  | Consultation does take place as part of the planning of major capital projects e.g. new schools. No other consultation takes place with citizens on the TMSS   |
| <b>5</b>   | <b>Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.</b>   | Newly built assets funded by borrowing will be compliant with the Equality Act and related regulations and guidance. Annual refurbishments and replacement programmes also help to increase accessibility and enable diversity.  |
| <b>6</b>   | <b>If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.</b>   | The TMSS is required each year.  |
| <b>7</b>   | <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.</b> | Some of the projects funded by borrowing have a positive impact on the development and increase of the Welsh Language, such as the Welsh medium schools built as part of the 21 <sup>st</sup> Century Schools Programme / Sustainable Communities for Learning Programme.  |

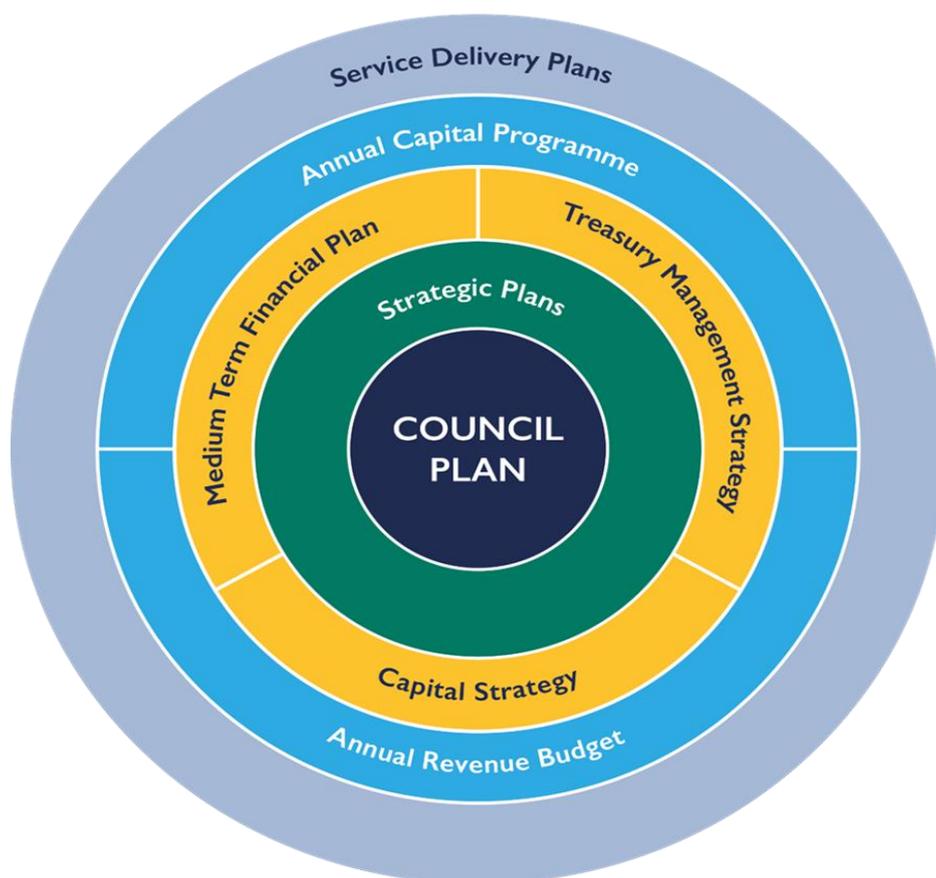
| <b>E – Who did you consult?</b>  |   | <b>What did they say?</b>   |
|--|---|---|
| 1  | <b>Chief Executive / Leadership Team (LT)</b> (mandatory) |   |
| 2  | <b>Finance / Section 151</b> (mandatory)                  | N/A – this is the Section 151 Officer’s report.   |
| 3  | <b>Legal / Monitoring Officer</b> (mandatory)             |   |
| 4  | <b>Human Resources (HR)</b>                               |   |
| 5  | <b>Property</b>   |   |
| 6  | <b>Information Communication Technology (ICT)</b>         |   |
| 7  | <b>Procurement</b>  |   |
| 8  | <b>Scrutiny</b>   | The strategy was considered by the Governance & Audit Committee at its meeting on 4 February 2026 and the Committee recommended to accept the strategy without amendment. |
| 9  | <b>Local Members</b>                                      |   |
| 10   | <b>Other</b>  |   |
| <b>F - Appendices:</b>   |   |   |
| <ol style="list-style-type: none"> <li>1. Treasury Management Key Principles</li> <li>2. Economic background</li> <li>3. Loan maturity profile PWLB Loans</li> <li>4. Loan Maturity Profile Salix Loans</li> <li>5. MRP Policy Statement</li> <li>6. Specified and non-specified investments</li> <li>7. Counterparty criteria</li> <li>8. Approved countries for investments</li> <li>9. Treasury management scheme of delegation and the role of the Section 151 Officer</li> <li>10. Prudential and Treasury Indicators</li> <li>11. Explanation of Prudential and Treasury Indicators</li> <li>12. Glossary of, and information on, Prudential &amp; Treasury Management indicators</li> </ol> |   |   |
| <b>FF - Background papers (please contact the author of the Report for any further information):</b>   |   |   |
| <ul style="list-style-type: none"> <li>• 2025/26 Treasury Management Strategy Statement, approved by the full Council on 6 March 2025</li> <li>• Annual Treasury Management Review 2024/25, approved by the full Council on 25 September 2025</li> <li>• 2024/25 Capital Outturn Report, presented to the Executive on 17 July 2025</li> <li>• 2025/26 Capital Budget Monitoring Quarter 2, presented to the Executive on 25 November 2025</li> <li>• 2025/26 Treasury Management Mid-Year Report, presented to the Executive on 16 December 2026</li> <li>• 2026/2031 Capital Strategy – presented to the Executive, 27 January 2026</li> </ul>   |   |   |

**TREASURY MANAGEMENT STRATEGY STATEMENT**

**ANNUAL INVESTMENT STRATEGY, MINIMUM REVENUE PROVISION POLICY STATEMENT AND TREASURY MANAGEMENT POLICY STATEMENT 2026/27**

**1. INTRODUCTION**

- 1.1 The Treasury Management Strategy Statement (TMSS) 2026/27 provides the framework for day-to-day and medium-term treasury management. It is completed with regard to the CIPFA Prudential Code 2021 and the CIPFA Treasury Code 2021.
- 1.2 The TMSS is a key part of the Council’s strategic planning processes to help ensure that the Council is able to achieve its strategic objectives and vision. The Council’s strategic circle, below, shows the Council Plan is central to the work of the Council. All the Council’s strategic and operational plans must align with the Council Plan to deliver the services and priorities needed to achieve the strategic objectives of the Plan. The circle shows that the Treasury Management Strategy Statement, alongside the Capital Strategy and Medium Term Financial Plan, are the key financial strategies to ensure that the Council’s financial resources are managed in line with key legislation and CIPFA requirements and are focused on meeting the priorities of the Council. This helps ensure that the Council’s finances are targeted at the right functions and services to achieve the Council’s goals.



## **2. BACKGROUND**

### **2.1. CIPFA defines treasury management as:-**

*“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

- 2.2.** Treasury management involves tasks which ensure that there is enough cash in the Council general account to pay day-to-day bills and the investment of surplus cash, over what is needed in the general account. These investments must be in highly secure accounts, such as UK banks with high credit ratings. The Council prioritises security of its funds, in line with the Codes, and ensures that enough cash is instantly accessible so that the Council is able to pay suppliers, staff and benefits, at the required payment dates. The last consideration is yield, the Council invests to get the highest interest rate possible within the pool of organisations that are secure and meet the criteria in this strategy. The final element of Treasury Management is managing the Council’s loan portfolio, to ensure that the Council’s borrowing is not too high and that the revenue costs of borrowing are affordable.
- 2.3.** The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will, in effect, result in a loss to the Council’s cash reserves.

## **3. ISLE OF ANGLESEY TREASURY MANAGEMENT POLICY STATEMENT**

- 3.1** In addition to the corporate risk policies, register, actions and monitoring, the Council takes its responsibility for good stewardship of public funds seriously, and all treasury management practices will have protection of public funds engrained. It is impossible to eliminate all risk, but all treasury management activities will be managed to reduce the risk Council funds are exposed to, as follows:-
- 3.1.1** Investment decisions will always prioritise security of the investment first. Liquidity is the second consideration, as the Council needs instant access to enough funds to pay day-to-day payments as they fall due. Finally, the Council will seek to maximise income earned on investments only if the investments are highly secure and if there is sufficient instant access to funds.
- 3.1.2** Bank deposits, or investments in banks or building societies, will only be placed in highly secure banks and building societies with high credit ratings, in line with the criteria included in Appendix 7.
- 3.1.3** Loans to local authorities will be considered after due diligence checks have been completed.
- 3.1.4** Investments in AAA rated money market funds are permitted.
- 3.1.5** The Council will aim to keep a minimum of £10m in instant access accounts, if Council balances are sufficient.
- 3.1.6** The Council is committed to ensuring value for money in its treasury management activities, though within the context of protection of public funds.
- 3.1.7** The Council will internally borrow if there is sufficient cash balances, particularly when interest rates are rising, to reduce or delay interest payable.
- 3.1.8** If there is a borrowing need for eligible purposes, any borrowing should take into account whether rates are likely to rise or reduce in the medium term. Short-term loans should mitigate interest payable if rates are likely to reduce in the short or medium-term, and longer-term loans should be considered if interest rates are forecast to increase in the medium to long-term.

**3.1.9** Treasury management activity supports the achievement of the Council’s key priorities and will be aligned with the Capital Strategy and the Medium Term Financial Plan to ensure that investments are secure, accessible and interest receivable is optimised within secure investments. Borrowing will be based on the requirements of the Capital Strategy 2026/30 and annual programmes, but only if affordable, taking into account the financial scenario at the time and information in the Medium Term Financial Plan, which is updated regularly.

**3.1.10** Setting the Treasury Management Strategy cannot be undertaken in isolation, and consideration must be given to the economic situation as this has an impact on investment interest rates, the cost of borrowing and the financial strength of counterparties.

#### 4. EXTERNAL CONTEXT

**4.1** A full summary of the economic outlook is set out in Appendix 2. Table 1, below, shows the recent Bank of England (BoE) base rate forecasts, inflation and PWLB rates provided by MUFG Corporate Markets:-

**Table 1 – Forecast Bank Base Rate, Inflation and PWLB Rates  
March 2026 to December 2027**

|                            | Mar   | Jun   | Sep   | Dec   | Mar   | Jun   | Sep   | Dec   |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                            | 2026  | 2026  | 2026  | 2026  | 2027  | 2027  | 2027  | 2027  |
| Bank Rate (%)              | 3.75% | 3.50% | 3.50% | 3.25% | 3.25% | 3.25% | 3.25% | 3.25% |
| Inflation (BoE – Feb 2026) | 3.10% | 3.00% | 2.70% | 2.50% | 2.20% | 2.00% | 2.00% | 2.00% |
| 5yr PWLB rate (%)          | 4.60% | 4.50% | 4.30% | 4.20% | 4.10% | 4.10% | 4.10% | 4.10% |
| 10yr PWLB rate (%)         | 5.20% | 5.00% | 4.90% | 4.80% | 4.80% | 4.70% | 4.70% | 4.70% |
| 25yr PWLB rate (%)         | 5.80% | 5.70% | 5.60% | 5.50% | 5.50% | 5.40% | 5.30% | 5.30% |
| 50yr PWLB rate (%)         | 5.60% | 5.50% | 5.40% | 5.30% | 5.30% | 5.20% | 5.10% | 5.10% |

**4.2** The BoE’s target inflation, set by the Government, is 2%. During 2025, Consumer Price Index (CPI) rose from its lowest point of 2.7% in September 2024, reaching a peak of 3.8% in September 2025, before falling back to 3.2% in November 2025. The fall in inflation is expected to continue to fall during 2026, reaching the BoE’s target level of 2% by late 2026.

**4.3** At the start of the pandemic, the base rate was reduced to its lowest point at 0.1% in support of the economy. In December 2021, the BoE increased the rate to 0.25%, and then increased the base rate at each meeting of the Monetary Policy Committee (MPC) between 0.25% to 0.75% at its highest increase. In August 2023, the MPC increased the base rate to 5.25%. The rate of 5.25% remained unchanged until 1 August 2024, when the base rate was reduced for the first time since 2020, to 5%, which was also the rate on 30 September 2024. The base rate has since reduced to 3.75%, with further cuts expected during 2026.

**4.4** The Council benefits from a higher base rate for investment of surplus cash, and is forecast to generate around £900k in investment income in 2025/26. However, loans to the Council are more expensive, and the Council has followed a strategy of delaying external borrowing for as long as possible and using Council balances to fund capital expenditure (internal borrowing). However, as the Council has used its reserves to balance the revenue budget and to fund capital expenditure on the Housing Revenue Account (HRA), the level of surplus cash is now reaching a point where internal borrowing can no longer be maintained, and borrowing will need to be externalised.

## 5. THE COUNCIL'S CURRENT BORROWING POSITION

- 5.1 The current position in respect of Public Works Loans Board (PWLB) loans is shown in Table 2 below:-

**Table 2  
PWLB Loans Outstanding**

|   | Maturity Loans | EIP / Annuity Loans | Total      |
|---|----------------|---------------------|------------|
| Balance as at 1 April 2025                    | £117.546m      | £0.144m             | £117.690m  |
| Balance as at 31 December 2025                | £117.546m      | £0.128m             | £117.674m  |
| Estimated Loan Balance at 31 March 2026       | £117.546m      | £0.118m             | £117.664m  |
| Average Time to Repayment as at 31 March 2026 | 18.2 years     | 4.4 years           | 14.4 years |
| Average Interest Rate                         | 5.1%           | 9.4%                | 6.3%       |

- 5.3 Borrowing Salix – Salix is a Welsh Government (WG) organisation which provides interest free loans and, more recently, grants for projects which support the environment and to help public sector bodies in Wales to work towards achieving their net zero target by 2030. The Council had £4.393m of interest free loans outstanding with Salix at 31 December 2024. These loans are repaid over a period of 8 or 10 years, depending on the agreement, with 2 repayments made per year, per loan. These loans have funded LED street lighting, LED lighting in schools and leisure centres and various other sustainable projects.

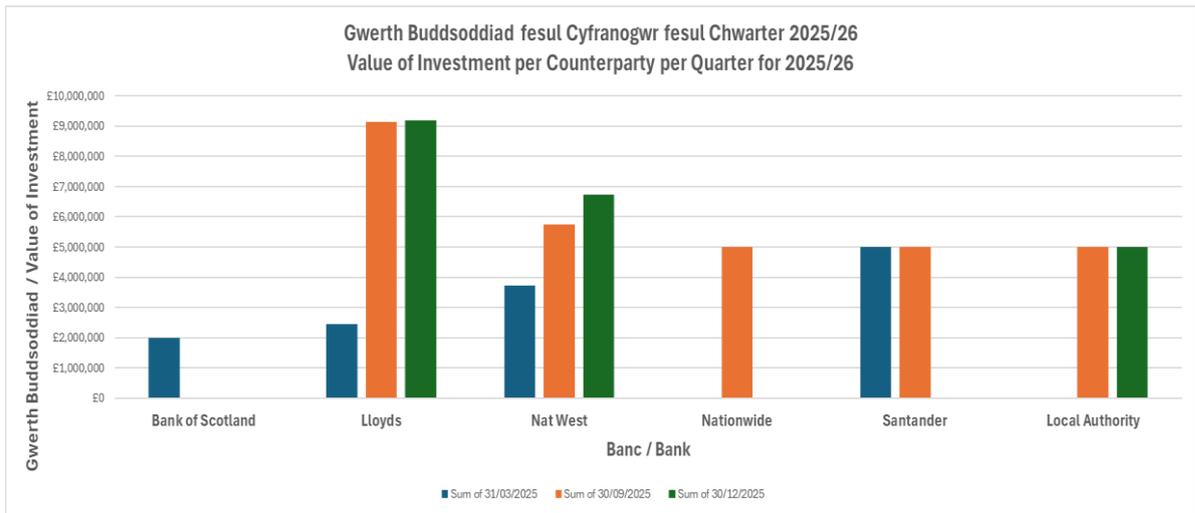
**Table 3 – Salix Loans Outstanding**

|   | Salix Loans |
|---|-------------|
| Balance as at 1 April 2025                    | £4.393m     |
| Balance as at 31 December 2025                | £4.037m     |
| Estimated Loan Balance at 31 March 2026       | £3.702m     |
| Average Time to Repayment as at 31 March 2026 | 4.6 years   |
| Average Interest Rate                         | 0.00%       |

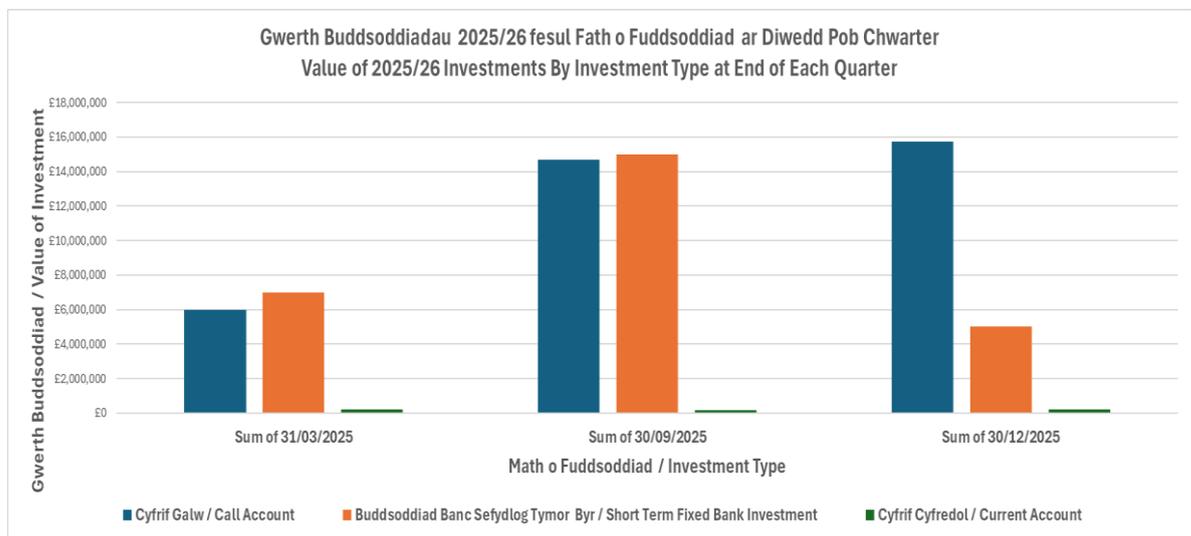
## 6. THE COUNCIL'S INVESTMENT BALANCES AS AT 31 DECEMBER 2025

- 6.1 The total balance of investments at 31 December 2025 was £20.993m, as shown in Chart 1 and 2 below. The yield from these investments from 1 April 2025 to 31 December 2025 was £0.770m, with the total interest receivable on the below listed investments expected to be £0.893m for 2025/26. The interest receivable will be shared on the appropriate basis between the Council Fund, the HRA, schools and external bodies the Council holds funds for, including the Trusts.

**Chart 1 – Investments by Counterparty**



**Chart 2 – Investment by Type**



**7. IMPACT OF FUTURE PLANS ON BORROWING**

**7.1** Capital expenditure is partly funded from borrowing, therefore, the Capital Strategy and this strategy are closely linked. The capital expenditure summary 2025/26 to 2027/28 presents three options for capital expenditure. All three scenarios take into account the work needed on the Council’s assets, or whether replacement assets will be needed. The three options are presented as the:-

**Base case** – this is based on the funding that is currently secured and requires little or no unsupported borrowing, apart from that required for committed schemes.

**Ambitious** – this is a sum based on the base case plus an element of unsupported borrowing, which is considered reasonable and affordable, and allows existing assets to be maintained to an acceptable level to guarantee ongoing future use and to allow the Council’s Plan to be implemented.

**Ideal** - this the sum required to upgrade the Council’s assets to the highest standard and allows all elements of the Council Plan to be implemented. This requires a substantial increase in borrowing, which may not be affordable to the Council.

**7.2** Tables 4a – 4ch, below, shows estimated expenditure and funding for the period 2024/25 to 2029/30 for the 3 scenarios:-

**Table 4a – Actual Capital Expenditure and Funding 2024/25 & Estimated 2025/26**

|  | Actual 2024/25<br>£'m | Estimated 2025/26<br>£'m |
|--|-----------------------|--------------------------|
| Council Fund - excluding Investment Properties | 37.258                | 24.171                   |
| HRA  | 27.468                | 22.056                   |
| Investment Properties                          | 0.000                 | 8.940                    |
| <b>Total Expenditure</b>                       | <b>64.726</b>         | <b>55.167</b>            |
| Capital Grants                                 | 45.883                | 34.692                   |
| Capital Receipts                               | 1.173                 | 0.497                    |
| Reserves & Revenue Contributions               | 10.817                | 13.876                   |
| Supported Borrowing                            | 4.243                 | 3.797                    |
| Unsupported Borrowing                          | 2.491                 | 1.445                    |
| Salix Loans                                    | 0.119                 | 0.860                    |
| <b>Total funding</b>                           | <b>64.726</b>         | <b>55.167</b>            |

**Table 4b Base Case Expenditure and Funding 2026/27 to 2030/31**

|  | 2026/27<br>£'m | 2027/28<br>£'m | 2028/29<br>£'m | 2029/30<br>£'m | 2030/31<br>£'m |
|--|----------------|----------------|----------------|----------------|----------------|
| Council Fund - excluding Investment Properties | 14.122         | 8.845          | 7.965          | 7.920          | 6.547          |
| HRA  | 41.555         | 30.337         | 10.259         | 9.328          | 9.792          |
| Investment Properties                          | 10.652         | 2.000          | 0.000          | 0.000          | 0.000          |
| <b>Total Expenditure</b>                       | <b>66.329</b>  | <b>41.182</b>  | <b>18.224</b>  | <b>17.248</b>  | <b>16.339</b>  |
| Capital Grants                                 | 34.839         | 14.847         | 5.481          | 5.481          | 5.481          |
| Capital Receipts                               | 0.000          | 0.000          | 0.000          | 0.000          | 0.000          |
| Reserves & Revenue Contributions               | 15.268         | 10.121         | 9.588          | 9.416          | 8.404          |
| Supported Borrowing                            | 3.603          | 2.151          | 2.151          | 2.151          | 2.151          |
| Unsupported Borrowing                          | 12.619         | 14.063         | 1.004          | 0.200          | 0.303          |
| Salix Loans                                    | 0.000          | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Total funding</b>                           | <b>66.329</b>  | <b>41.182</b>  | <b>18.224</b>  | <b>17.248</b>  | <b>16.339</b>  |

**Table 4c – Ambitious Case Expenditure and Funding 2026/27 to 2030/31**

|  | 2026/27<br>£'m | 2027/28<br>£'m | 2028/29<br>£'m | 2029/30<br>£'m | 2030/31<br>£'m |
|--|----------------|----------------|----------------|----------------|----------------|
| Council Fund - excluding Investment Properties | 16.689         | 16.351         | 52.016         | 55.102         | 41.431         |
| HRA  | 45.950         | 35.819         | 27.569         | 26.893         | 23.294         |
| Investment Properties                          | 10.652         | 2.200          | 0.200          | 0.200          | 0.200          |
| <b>Total Expenditure</b>                       | <b>73.291</b>  | <b>54.370</b>  | <b>79.785</b>  | <b>82.195</b>  | <b>64.925</b>  |
| Capital Grants                                 | 34.865         | 18.178         | 22.413         | 20.271         | 16.239         |
| Capital Receipts                               | 0.000          | 0.200          | 0.200          | 0.200          | 0.200          |
| Reserves & Revenue Contributions               | 14.107         | 8.929          | 34.696         | 34.404         | 31.222         |
| Supported Borrowing                            | 3.603          | 3.372          | 4.764          | 4.329          | 4.329          |
| Unsupported Borrowing                          | 20.716         | 23.691         | 17.712         | 22.992         | 12.936         |
| Salix Loans                                    | 0.000          | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Total funding</b>                           | <b>73.291</b>  | <b>54.370</b>  | <b>79.785</b>  | <b>82.195</b>  | <b>64.925</b>  |

**Table 4ch – Ideal Case Expenditure and Funding 2026/27 to 2030/31**

|  | 2026/27<br>£'m | 2027/28<br>£'m | 2028/29<br>£'m | 2029/30<br>£'m | 2030/31<br>£'m |
|--|----------------|----------------|----------------|----------------|----------------|
| Council Fund - excluding Investment Properties | 22.357         | 34.470         | 62.904         | 77.873         | 44.776         |
| HRA  | 45.369         | 40.040         | 28.173         | 27.363         | 23.647         |
| Investment Properties                          | 10.882         | 2.330          | 2.330          | 2.330          | 2.330          |
| <b>Total Expenditure</b>                       | <b>78.608</b>  | <b>76.840</b>  | <b>93.407</b>  | <b>107.567</b> | <b>70.753</b>  |
| Capital Grants                                 | 38.665         | 31.490         | 28.507         | 35.878         | 16.189         |
| Capital Receipts                               | 0.000          | 0.200          | 0.200          | 0.200          | 0.200          |
| Reserves & Revenue Contributions               | 14.015         | 9.406          | 34.704         | 34.985         | 30.890         |
| Supported Borrowing                            | 3.603          | 3.372          | 4.764          | 4.329          | 4.329          |
| Unsupported Borrowing                          | 22.325         | 32.372         | 25.232         | 32.176         | 19.145         |
| Salix Loans                                    | 0.000          | 0.000          | 0.000          | 0.000          | 0.000          |
| <b>Total funding</b>                           | <b>78.608</b>  | <b>76.840</b>  | <b>93.407</b>  | <b>107.567</b> | <b>70.753</b>  |

**7.3** An important factor to consider is the impact of borrowing on the Council's Capital Financing Requirement (CFR). The CFR is the measure of the Council's underlying borrowing need. Borrowing is not limited to external borrowing from PWLB but also the use of the Council's own cash balances (internal borrowing) which have been used to fund capital expenditure. While internal borrowing saves the Council in interest payable costs, the Minimum Revenue Provision (MRP) is charged on the basis of the underlying borrowing need (the CFR), not the actual borrowing. Table 5, below, shows the CFR for both the Council Fund and the HRA under the 3 scenarios:-

**Table 5 – Capital Financing Requirement**

| Base Case                  | Actual<br>2024/25<br>£'m   | Estimated<br>2025/26<br>£'m   | Estimated<br>2026/27<br>£'m   | Estimated<br>2027/28<br>£'m   | Estimated<br>2028/29<br>£'m   | Estimated<br>2029/30<br>£'m   | Estimated<br>2030/31<br>£'m   |
|----------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| CFR - Council Fund         | 114.391                    | 119.486                       | 125.567                       | 127.905                       | 128.727                       | 128.613                       | 129.573                       |
| CFR - HRA                  | 37.998                     | 36.895                        | 35.744                        | 47.116                        | 59.834                        | 59.332                        | 57.863                        |
| <b>Total CFR</b>           | <b>152.389</b>             | <b>156.381</b>                | <b>161.311</b>                | <b>175.021</b>                | <b>188.561</b>                | <b>187.945</b>                | <b>187.436</b>                |
| <b>Net movement in CFR</b> |                            | <b>+ 5.992</b>                | <b>+ 4.930</b>                | <b>+ 13.710</b>               | <b>+ 13.540</b>               | <b>-0.616</b>                 | <b>-0.509</b>                 |
|                            |                            |                               |                               |                               |                               |                               |                               |
| Ambitious Case             | Actual<br>2024/25<br>£'m   | Estimated<br>2025/26<br>£'m   | Estimated<br>2026/27<br>£'m   | Estimated<br>2027/28<br>£'m   | Estimated<br>2028/29<br>£'m   | Estimated<br>2029/30<br>£'m   | Estimated<br>2030/31<br>£'m   |
| CFR - Council Fund         | 114.391                    | 119.486                       | 125.567                       | 130.114                       | 134.741                       | 142.620                       | 155.016                       |
| CFR - HRA                  | 37.998                     | 36.895                        | 35.744                        | 52.784                        | 72.145                        | 82.313                        | 93.340                        |
| <b>Total CFR</b>           | <b>152.389</b>             | <b>156.381</b>                | <b>161.311</b>                | <b>182.898</b>                | <b>206.886</b>                | <b>224.934</b>                | <b>248.356</b>                |
| <b>Net movement in CFR</b> |                            | <b>+ 5.992</b>                | <b>+ 4.930</b>                | <b>+ 21.587</b>               | <b>+ 23.988</b>               | <b>+18.048</b>                | <b>+23.422</b>                |
|                            |                            |                               |                               |                               |                               |                               |                               |
| Ideal Case                 | Actual<br>2024/25<br>£'000 | Estimated<br>2025/26<br>£'000 | Estimated<br>2026/27<br>£'000 | Estimated<br>2027/28<br>£'000 | Estimated<br>2028/29<br>£'000 | Estimated<br>2029/30<br>£'000 | Estimated<br>2030/31<br>£'000 |
| CFR - Council Fund         | 114.391                    | 119.486                       | 125.567                       | 132.033                       | 142.649                       | 157.143                       | 177.766                       |
| CFR - HRA                  | 37.998                     | 36.895                        | 35.744                        | 52.441                        | 74.331                        | 85.096                        | 96.583                        |
| <b>Total CFR</b>           | <b>152.389</b>             | <b>156.381</b>                | <b>161.311</b>                | <b>184.473</b>                | <b>216.980</b>                | <b>242.239</b>                | <b>274.349</b>                |
| <b>Net movement in CFR</b> |                            | <b>+ 5.992</b>                | <b>+ 4.930</b>                | <b>+23.162</b>                | <b>+32.507</b>                | <b>+25.259</b>                | <b>+32.110</b>                |

7.4 The 3 scenarios detailed above will increase the Council's borrowing with a level of internal borrowing continuing, but the majority of the additional borrowing will be externalised, through the PWLB. The estimated borrowing requirement is shown in Table 6, below:-

**Table 6**  
**External Borrowing 2024/25 to 2030/31**

|                   | Base Case<br>£'m | Ambitious Case<br>£'m | Ideal Case<br>£'m |
|-------------------|------------------|-----------------------|-------------------|
| 2024/25 Actual    | 122.082          | 122.082               | 122.082           |
| 2025/26 Estimated | 131.710          | 131.710               | 131.710           |
| 2026/27 Estimated | 134.235          | 134.235               | 134.235           |
| 2027/28 Estimated | 149.075          | 157.173               | 158.781           |
| 2028/29 Estimated | 163.125          | 182.070               | 192.360           |
| 2029/30 Estimated | 166.003          | 204.268               | 222.078           |
| 2030/31 Estimated | 166.785          | 230.019               | 257.013           |

7.5 Additional borrowing results in additional expenditure charged to the revenue account in the form of additional Minimum Revenue Provision (MRP) charges and additional interest cost. It is, therefore, important to assess the impact of additional borrowing on the revenue account to ensure that the revenue costs remain affordable. The best measure of affordability is to express the capital financing costs as a percentage of the net revenue budget. These are shown in Tables 7a and 7b, below:-

**Table 7a**  
**Revenue Implications of Capital Expenditure and Borrowing – General Fund**

|         | Net Revenue Expenditure (NRE)<br>£'m | Base Case                       |                            | Ambitious Case                  |                            | Ideal Case                      |                            |
|---------|--------------------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|
|         |                                      | Estimated MRP & Interest<br>£'m | MRP & Interest to NRE<br>% | Estimated MRP & Interest<br>£'m | MRP & Interest to NRE<br>% | Estimated MRP & Interest<br>£'m | MRP & Interest to NRE<br>% |
| 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                       | 7.04                            | 3.32                       |
| 2028/29 | 216.44                               | 6.89                            | 3.18                       | 7.30                            | 3.37                       | 7.85                            | 3.63                       |
| 2029/30 | 220.77                               | 6.95                            | 3.15                       | 7.87                            | 3.56                       | 8.87                            | 4.02                       |
| 2030/31 | 225.19                               | 7.09                            | 3.15                       | 8.69                            | 3.86                       | 10.23                           | 4.54                       |

**Table 7b**  
**Revenue Implications of Capital Expenditure and Borrowing – HRA**

|         | Net Rental Income (NRI)<br>£'m | Base Case                       |                            | Ambitious Case                  |                            | Ideal Case                      |                            |
|---------|--------------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|
|         |                                | Estimated MRP & Interest<br>£'m | MRP & Interest to NRI<br>% | Estimated MRP & Interest<br>£'m | MRP & Interest to NRI<br>% | Estimated MRP & Interest<br>£'m | MRP & Interest to NRI<br>% |
| 2026/27 | 24.06                          | 2.38                            | 9.88                       | 2.38                            | 9.88                       | 2.38                            | 9.88                       |
| 2027/28 | 25.22                          | 3.10                            | 12.28                      | 3.58                            | 14.17                      | 3.55                            | 14.04                      |
| 2028/29 | 26.75                          | 3.85                            | 14.40                      | 4.78                            | 17.68                      | 4.88                            | 18.00                      |
| 2029/30 | 27.31                          | 3.94                            | 14.42                      | 5.49                            | 19.70                      | 5.63                            | 20.12                      |
| 2030/31 | 28.41                          | 3.99                            | 14.03                      | 6.23                            | 21.28                      | 6.38                            | 21.74                      |

## 8. BORROWING STRATEGY

8.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR) has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent, as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and will adopt a pragmatic approach to changing circumstances:-

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- MUFG's long-term (beyond 10 years) forecast is 3%. All PWLB certainty rates are currently significantly above this rate. Therefore, better value can be gained from short-term investments until the bank rates reduce.

## **8.2 External v Internal Borrowing**

**8.2.1** Current conditions indicate a need for a flexible approach to the choice between internal and external borrowing. However, it remains the case that there are certain limitations to externalised borrowing. Careful on-going consideration needs to be given to the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

**8.2.2** In favour of internalisation, over the medium term, investment rates are expected to continue to be below long-term borrowing rates. This means that value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure, or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.

**8.2.3** However, short term savings, by avoiding new long term external borrowing in 2026/27, must also be weighed against the potential for incurring additional long term extra costs, by delaying unavoidable new external borrowing, as PWLB long term rates are now higher.

**8.2.4** Additionally, the cash flow implications of internalising borrowing require regular review and will limit the potential extent of internalising borrowing. The level of the Council's reserves has fallen during 2025/26, as general fund reserves and school balances have been used to fund revenue budgets, and the HRA reserve has been used to fund capital expenditure. The scope of continuing to maintain a high level of internalised borrowing is reducing and is likely to reduce in future years.

## **8.3 Borrowing in Advance of Need**

**8.3.1** The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

## **8.4 Debt Rescheduling**

**8.4.1** Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated, but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

**8.4.2** All rescheduling will be reported to the Governance & Audit Committee at the earliest practicable meeting following its action.

## 8.5 Borrowing from other Financial Institutions

The PWLB is the Council's main source of borrowing, with some loans from the WG owned organisation, Salix, for funding of energy efficiency and low carbon projects. The PWLB certainty rate is gilts & 80 basis points (0.8%). Consideration may be given to borrowing from the below:-

- Local authorities;
- UK Municipal Bond Agency – pooled loans;
- Corporate Bonds;
- Money Market Funds.

## 9. DEBT PROFILE

9.1 Appendix 4 shows the maturity information of the Council's borrowing, the existing borrowing is due to be repaid in various years up to 2068/69. The Council aims to ensure that the repayment date is arranged so as to smooth out repayments as far as possible, but priority will be given to the interest rate payable when determining the type of loan (maturity or annuity) and the length of the loan.

9.2 Table 8, below, shows the present value of the future loan repayments discounted at the value of future long term interest rates of 3%:-

**Table 8 – Maturity Profile of PWLB Loans, 31 December 2025**

| Number of Years until Loan Matures | Principal<br>£'m | Present Value of<br>Principal<br>£'m | Cumulative<br>% |
|------------------------------------|------------------|--------------------------------------|-----------------|
| <1                                 | 0.00             | 0.00                                 | 0.00            |
| 1 to 3                             | 4.01             | 3.81                                 | 3.29            |
| 4 to 6                             | 5.41             | 4.66                                 | 7.74            |
| 7 to 10                            | 4.67             | 3.60                                 | 11.58           |
| 11 to 14                           | 6.41             | 4.30                                 | 16.84           |
| 15 to 22                           | 17.99            | 10.37                                | 31.62           |
| 23 to 33                           | 50.25            | 21.69                                | 72.91           |
| 34 to 50                           | 32.96            | 9.86                                 | 100.00          |
| <b>TOTAL</b>                       | <b>121.71</b>    | <b>58.29</b>                         |                 |

## 10. INVESTMENT STRATEGY AND CREDITWORTHINESS POLICY

10.1 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The Council aims to have an agile investment strategy appropriate to optimise returns. Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

### 10.2 Management of Risk

The Isle of Anglesey County Council is one of the smallest local authorities in Wales. The Council does not have the large council balances some of the larger authorities hold, though there are larger councils with similar balances or less. The management of risk is the primary consideration for all of the Council's investments.

10.2.1 The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, with the Council's risk appetite being for low-risk investments only.

- 10.2.2** Minimum acceptable **credit criteria** (Appendix 7) are applied to generate a list of highly creditworthy counterparties. This also enables diversification and, thus, avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- 10.2.3 Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate.
- 10.2.4** Investments can be specified or non-specified (Appendix 7 defines these and provides further information). The Council, in line with its requirement for investing in low risk investments, will only invest in specified investments:-
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year, or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, maybe for periods in excess of one year and / or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
- 10.2.5** Lending limits (amounts and maturity) for each counterparty will be set through applying the matrix table, as set out in the Creditworthiness section of this strategy.
- 10.2.6** This Council will set a limit for the amount of its investments which are invested for longer than 365 days (see Appendix 10).
- 10.2.7** The Council will only invest in counterparties outside the UK if the credit ratings are AAA or above and if there are exceptional circumstances, such as the creditworthiness of UK investments are compromised. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating** (see Appendix 9).
- 10.2.8** This Council has engaged **external consultants** to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- 10.2.9** All investments will be denominated in **sterling**.

### **10.3 Creditworthiness Policy**

- 10.3.1** The primary principle governing the Council's investment criteria is the security of its investments. After this main principle, the Council will ensure that:-
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
  - It will only invest in counterparties which have credit ratings as outlined in Appendix 7.
- 10.3.2** As an additional layer to the minimum credit rating criteria described above, this Council also employs the creditworthiness service provided by MUFG.
- 10.3.3** The MUFG creditworthiness service uses a wider array of information than just primary ratings and, by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

- All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

**10.3.4** Significant levels of downgrades to short and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Accordingly, when setting minimum sovereign debt ratings, the Council will not set a minimum rating for the UK.

## **10.4 Country Limits**

The Council has determined that, with the exception of the UK, it will only use approved counterparties from countries with a minimum sovereign credit rating of AAA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria, as at the date of this report, is shown in Appendix 8. This list will be added to or deducted from by officers should ratings change, in accordance with this policy. In practice, investments tend to be placed in UK banks for security reasons. The list is included for the unlikely event of there being an exceptional need to invest in highly secure counterparties in other countries. For example, in the event of UK banks losing their creditworthiness and failing the specific Council's counterparties criteria.

## **11. GOVERNANCE AND CONTROL**

**11.1** The Prudential Code reflects a move towards self-regulation for local authorities, and effective corporate governance is one of the key elements to the successful implementation of the Code.

**11.2** Corporate Governance includes the following elements:-

- A formal role for the Section 151 Officer;
- Setting and monitoring of Prudential and Treasury Indicators;
- A scheme of delegation and a process of formal approval;
- Reporting on Treasury Management matters to Members.

### **11.3 Role of the Section 151 Officer and Members**

**11.3.1** The Section 151 Officer is responsible for ensuring that matters relating to Treasury Management and Capital Financing are taken into account and reported to the Executive / full Council for consideration, and that procedures are established to monitor performance.

**11.3.2** The Section 151 Officer must ensure that prudential indicators are set and monitored in order to demonstrate the legislative requirement that the Council's financial plans are affordable.

**11.3.3** Members also play an important role in not just authorising the relevant decisions but also in scrutinising treasury management processes, decisions and performance. In order to undertake this role, the CIPFA Treasury Management Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. In order to support the scrutiny role of the members of the Governance & Audit Committee, the Committee's members received training in treasury management, delivered by the appointed treasury management consultants on 14 September 2022. Further training will be arranged when required. The training needs of treasury management officers are regularly reviewed and addressed.

- 11.3.4** The Council officers involved in treasury management activities have comprehensive knowledge and skills for managing the treasury management function. The Section 151 Officer plays a key role in Treasury Management and approves or rejects any investments proposed by the team. The Council also provides training to increase the knowledge and skills for those responsible for management, delivery, governance and decision making.
- 11.3.5** A formal record of the training received by officers central to the Treasury function will be maintained by the Human Resources Team. Similarly, a formal record of the treasury management / capital finance training received by Members will also be maintained by the Head of Democratic Services.
- 11.3.6** The Treasury Management Scheme of Delegation and a fuller explanation of the role of the Section 151 Officer is set out in Appendix 9.

## **12. TREASURY MANAGEMENT ADVICE**

- 12.1** The Council uses MUFG Corporate Markets (formerly called Link Group) as its external treasury management advisors. In accordance with procurement regulations, the Council retendered this service during early 2021, for the period 1 April 2021 to 31 March 2025, with an option to extend for a further two years.
- 12.2** The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regard to all available information, including, but not solely, our treasury advisers. Final responsibility for treasury management decisions remains with the Council.

## **13. PRUDENTIAL AND TREASURY INDICATORS**

- 13.1** The Prudential and Treasury Indicators set out in Appendix 10 cover affordability, prudence and sets out limits for capital expenditure, external debt, the liability benchmark and the maturity structure of borrowing. It is for the Council to set the Prudential Indicators and it is important to not just consider the indicators for each individual year in isolation but, also, to consider the past performance and the future forecasts. A fuller explanation of the purpose of each indicator is set out in Appendix 10.

## **14. REPORTING**

- 14.1** The Council is required to receive and approve, as a minimum, five main reports each year, which incorporate a variety of policies, estimates and actuals:-
- 1.** Treasury Management Strategy Statement - the first and most important report (this report) is forward looking and covers:-
    - the Treasury Management Strategy (how the investments and borrowings are to be organised), including treasury management indicators;
    - an Investment Strategy (the parameters on how investments are to be managed);
    - a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
    - a Treasury Management Policy Statement (definition of the policies and objectives of the treasury management function); and
    - the capital plans (including the associated prudential indicators).
  - 2.** Capital Strategy – this sets out the planned strategy for capital investment for the forthcoming 5 years and highlights the planned outputs, the planned expenditure and how the expenditure is to be funded.

3. Quarter 1 and 3 treasury management monitoring reports - these will update Members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting its objectives or whether any policies require revision. These reports are accepted by the Portfolio Holder for Finance under delegated authority from the Executive.
4. A mid-year treasury management monitoring report – this is similar to the two quarterly reports but is considered by the Governance & Audit Committee and the Executive, prior to being accepted by the full Council.
5. An annual treasury year end report - this is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy. This report is also considered by the Governance & Audit Committee and the Executive, prior to being accepted by the full Council

## **15. CONCLUSION**

- 15.1 In summary, the Treasury Management Strategy Statement for 2026/27 continues the strategy of prudent approach to borrowing in order to limit the revenue implications, and using internal borrowing where cash balances allow. The investment strategy continues the policy of ensuring the security and liquidity of deposits over yield.
- 15.2 It is envisaged that, over the lifetime of the strategy, the continued use of reserves to contribute to fund the revenue budget and the use of the HRA to fund capital expenditure will reduce cash balances significantly. An increased level of borrowing will have to be undertaken in order to fund the Council's capital programme, whilst still maintaining sufficient cash balances to fund liabilities as they fall due.

## The CIPFA Treasury Management in the Public Services: Code of Practice – provided by MUFG Corporate Markets (formerly Link Group)

The key principles of CIPFA's *Treasury Management in the Public Services: Code of Practice (2021 Edition)*, as described in Section 4 of that Code are as follows:-

### Key Principle 1:

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

### Key Principle 2:

Their policies and practices should make clear that the effective management and control of risks are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and portfolio liquidity when investing treasury management funds.

### Key Principle 3:

They should acknowledge that the pursuit of value for money in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that, within the context of effective risk management, their treasury management policies and practices should reflect this.

The Code then goes on to say that:-

“In framing these recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. This Code does not seek to be prescriptive about how this issue should be handled, particularly since it covers such a wide variety of organisations. However, where appropriate, the sector specific guidance notes give suitable advice. CIPFA recognises that no two organisations in the public services are likely to tackle this issue in precisely the same manner, but success in this area of treasury management is likely to be viewed, especially in value for money terms, as an indicator of a strongly performing treasury management function.”

“It is CIPFA's view that throughout the public services, the priority is to protect capital rather than to maximise return. The avoidance of all risk is neither appropriate nor possible. However, a balance must be struck with a keen responsibility for public money.”

Accordingly, the Authority will adopt, as part of the standing orders, the following four clauses:-

1. The Authority will create and maintain, as the cornerstones for effective treasury management:-
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and
  - suitable treasury management practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the Policy Statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key principles.

2. The County Council, Executive Committee and the Governance & Audit Committee will receive reports on the Authority's treasury management policies, practices and activities, including: an annual strategy and plan in advance of the year, a mid-year review report and an annual report after its close, in the form prescribed in the TMPs.

3. The County Council / Executive Committee are responsible for the implementation of the Authority's treasury management policies and practices, in accordance with the Treasury Management Scheme of Delegation. The Section 151 Officer is responsible for the execution and administration of treasury management decisions, who will act in accordance with the Authority's policy statement and TMPs and, if they are a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. The Authority nominates the Governance & Audit Committee to be responsible for ensuring effective scrutiny of treasury management strategy and policies.

## Economics and Interest Rate update -produced by MUFG Corporate Markets (formerly Link Group)

### 1. Economics update

- The third quarter of 2025/26 saw:-
  - A -0.1% m/m change in real Gross Domestic Produce (GDP) in October, leaving the economy no bigger than at the start of April.
  - The 3myy rate of average earnings growth excluding bonuses fall to 4.6% in October, having been as high as 5.5% earlier in the financial year.
  - Consumer Price Index (CPI) inflation fall sharply from 3.6% to 3.2% in November, with core CPI inflation easing to 3.2%.
  - The Bank of England cut interest rates from 4.00% to 3.75% in December, after holding in November.
  - The 10-year gilt yield fluctuate between 4.4% and 4.7%, ending the quarter at 4.5%.
- From a GDP perspective, the financial year got off to a bumpy start, with the 0.3% m/m fall in real GDP in April, as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern (0.1% q/q). October's disappointing -0.1% m/m change in real GDP suggests that growth slowed to around 1.4% in 2025 as a whole.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK rose from 51.2 in November to 52.1 in December, suggesting the economy may be benefitting somewhat from pre-Budget uncertainty fading. This may also reflect a diminishing drag from weak overseas demand. While the services PMI rose from 51.3 to 52.1, the improvement in the manufacturing output balance from 50.3 to 51.8 was larger. Indeed, the manufacturing sector has been more exposed to the recent weakness of external demand and has lagged the services sector since the end of last year.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. Nonetheless, the 0.1% m/m fall in retail sales volumes in November built on the 0.9% m/m drop in October, suggesting the longer-lasting effects of weak employment and slowing wage growth are impacting. Moreover, the decline in the GfK measure of consumer confidence from -17 in October to -19 in November suggests that consumers are not that optimistic at present.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the Office for Budget Responsibility (OBR). For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- Following the 26 November Budget, the OBR calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives, with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in National Insurance contributions (NICs) on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.

- After the Budget, public net sector borrowing of £11.7bn in November was comfortably below last November's figure of £13.6bn, and was the lowest November borrowing figure since 2021, mainly due to tax receipts being £5.4bn higher, largely because of the hike in employer NICs in April 2025. Cumulative borrowing in the first eight months of 2025/26 was still £10bn above last year's total. However, lower inflation and a disposal of assets ahead of the Budget should mean borrowing in 2025/26 comes in below last year's total.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began, and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, the 38,000 fall in payroll employment in November was the tenth monthly decline in the past 13 months, causing the annual growth rate to slow further, from -0.5% to -0.6%. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022) but the less reliable Labour Force Survey data showed that employment fell by 16,000 in the three months to October, with the unemployment rate rising further, from 5.0% to 5.1%. All this suggests the labour market continues to loosen, albeit at a slow pace.
- A looser labour market is driving softer wage pressures. The 3myy growth rate of average earnings, including bonuses, eased from 4.9% in September to 4.7% in October. And excluding bonuses, the 3myy rate slowed from 4.7% to 4.6%. Regular private sector pay growth continued to slow from 4.2% to 3.9%. That left it broadly on track to meet the Bank's end of December prediction of 3.5%.
- CPI inflation fell sharply in November, easing from 3.6% in October to 3.2%. This was the third consecutive softer-than-expected inflation outturn and suggests that disinflation is well underway. There was a widespread easing in price pressures, with inflation slowing in 10 of the 12 main categories. Core inflation fell from 3.4% to 3.2% and services inflation dipped from 4.5% to 4.4%. However, a great deal will depend on the adjustments to regulated and indexed prices scheduled for next April. Capital Economics forecast CPI inflation to drop from 3.2% in March to 2.0% in April, thereby leaving inflation on track to settle at the 2.0% target, or below, by the end of 2026.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to a high of c4.8%, before ending June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July, as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points (bps) and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although, subsequently, gilt yields fell back after the Budget, supported by a tighter fiscal plan, fewer tax hikes required following a smaller-than-expected downgrade to the OBR's fiscal forecast, and a favourable shift in bond issuance away from long-dated debt. Gilt yields hovered around 4.5% at the end of the quarter.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March, and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further significant jump in value. The stock market hit new record highs above 9,900 in mid November, driven by a global rebound on hopes of a US government-shutdown resolution, expectations of a December rate-cut, and strong corporate earnings. Despite some jitters around Budget time, the FTSE 100 closed Q4 at 9,931, 5% higher than at the end of September and 22% higher since the start of 2025.

**Monetary Policy Committee (MPC) meetings: 8 May, 19 June, 7 August, 18 September, 6 November, 18 December**

## 2025

- There were six MPC meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the MPC, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but, with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4%, but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

## 2. Interest rate forecasts

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts and commentary on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

| MUFG Corporate Markets Interest Rate View 22.12.25 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 | Jun-28 | Sep-28 | Dec-28 | Mar-29 |
| <b>BANK RATE</b>                                   | 3.75   | 3.50   | 3.50   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   |
| <b>3 month ave earnings</b>                        | 3.80   | 3.50   | 3.50   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   |
| <b>6 month ave earnings</b>                        | 3.80   | 3.50   | 3.50   | 3.40   | 3.30   | 3.30   | 3.30   | 3.40   | 3.40   | 3.40   | 3.40   | 3.40   | 3.40   |
| <b>12 month ave earnings</b>                       | 3.90   | 3.60   | 3.60   | 3.50   | 3.40   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.60   | 3.60   | 3.60   |
| <b>5 yr PWLB</b>                                   | 4.60   | 4.50   | 4.30   | 4.20   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   |
| <b>10 yr PWLB</b>                                  | 5.20   | 5.00   | 4.90   | 4.80   | 4.80   | 4.70   | 4.70   | 4.70   | 4.70   | 4.60   | 4.60   | 4.60   | 4.70   |
| <b>25 yr PWLB</b>                                  | 5.80   | 5.70   | 5.60   | 5.50   | 5.50   | 5.40   | 5.30   | 5.30   | 5.30   | 5.20   | 5.20   | 5.20   | 5.20   |
| <b>50 yr PWLB</b>                                  | 5.60   | 5.50   | 5.40   | 5.30   | 5.30   | 5.20   | 5.10   | 5.10   | 5.10   | 5.00   | 5.10   | 5.00   | 5.00   |

- *Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.*
- *Surprisingly to most market commentators, the recent steep fall in CPI inflation in one month, from 3.6% to 3.2%, did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.*
- *Given the wafer-thin majority for a rate cut, it was not unexpected to hear that, although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".*

- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer / Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But, for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given" and, additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

### Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

| PWLB borrowing | Current borrowing rates as at 22.12.25 p.m.<br>% | Target borrowing rate now (end of Q4 2027)<br>% | Target borrowing rate previous (end of Q4 2027)<br>% |
|----------------|--|---|--|
| 5 years        | 4.81   | 4.10  | 4.20   |
| 10 years       | 5.39   | 4.70  | 4.70   |
| 25 years       | 6.01   | 5.30  | 5.30   |
| 50 years       | 5.78   | 5.10  | 5.10   |

**Borrowing advice:** Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity / <10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below:-

| Average earnings in each year | Now<br>% | Previously<br>% |
|-------------------------------|----------|-----------------|
|                               |          |                 |

|                           |      |      |
|---------------------------|------|------|
| <b>2025/26 (residual)</b> | 3.80 | 3.90 |
| <b>2026/27</b>            | 3.40 | 3.60 |
| <b>2027/28</b>            | 3.30 | 3.30 |
| <b>2028/29</b>            | 3.30 | 3.50 |
| <b>2029/30</b>            | 3.50 | 3.50 |
| <b>Years 6-10</b>         | 3.50 | 3.50 |
| <b>Years 10+</b>          | 3.50 | 3.50 |

*We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report, but will consider our position on an ad-hoc basis as required.*

*Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.*

## PWLB Loans Repayment Dates at 31 December 2025

| Financial Year       | Maturity   | Rate | Total            |
|----------------------|------------|------|------------------|
| 2026/27              | 01/04/2026 | 3.67 | 527,601          |
|                      | 30/09/2026 | 8.63 | 853,800          |
| <b>2026/27 Total</b> |            |      | <b>1,381,401</b> |
| 2027/28              | 01/04/2027 | 3.73 | 490,601          |
|                      | 19/08/2027 | 5.20 | 1,000,000        |
|                      | 30/09/2027 | 7.00 | 674,502          |
| <b>2027/28 Total</b> |            |      | <b>2,165,103</b> |
| 2028/29              | 01/03/2029 | 9.50 | 13,920           |
|                      | 01/04/2028 | 3.80 | 262,440          |
| <b>2028/29 Total</b> |            |      | <b>276,360</b>   |
| 2029/30              | 01/04/2029 | 3.85 | 684,697          |
|                      | 01/09/2029 | 9.25 | 5,182            |
|                      | 06/06/2029 | 9.13 | 800              |
|                      |            | 9.25 | 4,087            |
|                      |            | 9.38 | 4,132            |
|                      | 06/12/2029 | 9.25 | 9,126            |
|                      | 09/05/2029 | 9.25 | 2,724            |
|                      | 30/09/2029 | 8.63 | 853,800          |
| <b>2029/30 Total</b> |            |      | <b>1,564,547</b> |
| 2030/31              | 01/03/2031 | 9.25 | 6,295            |
|                      | 01/04/2030 | 3.91 | 450,706          |
|                      | 01/09/2030 | 9.25 | 4,382            |
|                      |            | 9.75 | 6,838            |
|                      | 06/12/2030 | 9.63 | 1,675            |
|                      |            | 9.75 | 6,222            |
|                      | 09/05/2030 | 9.38 | 6,755            |
|                      | 09/11/2030 | 9.75 | 3,799            |
| <b>2030/31 Total</b> |            |      | <b>486,672</b>   |
| 2031/32              | 01/04/2031 | 3.96 | 660,449          |
|                      | 30/09/2031 | 8.63 | 1,280,700        |
| <b>2031/32 Total</b> |            |      | <b>1,941,149</b> |
| 2032/33              | 01/03/2033 | 9.88 | 1,074            |
|                      | 01/04/2032 | 4.01 | 314,886          |
|                      | 06/06/2032 | 9.25 | 22,319           |
|                      | 06/12/2032 | 9.50 | 28,420           |
| <b>2032/33 Total</b> |            |      | <b>366,700</b>   |
| 2033/34              | 01/04/2033 | 4.05 | 636,565          |
| <b>2033/34 Total</b> |            |      | <b>636,565</b>   |
| 2034/35              | 01/04/2034 | 4.09 | 623,834          |
| <b>2034/35 Total</b> |            |      | <b>623,834</b>   |
| 2035/36              | 01/04/2035 | 4.13 | 611,357          |
| <b>2035/36 Total</b> |            |      | <b>611,357</b>   |
| 2036/37              | 01/04/2036 | 4.16 | 599,130          |
| <b>2036/37 Total</b> |            |      | <b>599,130</b>   |

| Financial Year       | Maturity   | Rate | Total              |
|----------------------|------------|------|--------------------|
| 2037/38              | 01/04/2037 | 4.18 | 587,147            |
| <b>2037/38 Total</b> |            |      | <b>587,147</b>     |
| 2038/39              | 01/04/2038 | 4.20 | 225,467            |
| <b>2038/39 Total</b> |            |      | <b>225,467</b>     |
| 2039/40              | 15/04/2039 | 4.95 | 5,000,000          |
| <b>2039/40 Total</b> |            |      | <b>5,000,000</b>   |
| 2040/41              | 15/04/2040 | 4.95 | 3,500,000          |
| <b>2040/41 Total</b> |            |      | <b>3,500,000</b>   |
| 2042/43              | 01/04/2042 | 4.25 | 999,781            |
| <b>2042/43 Total</b> |            |      | <b>999,781</b>     |
| 2043/44              | 01/04/2043 | 4.25 | 1,020,120          |
| <b>2043/44 Total</b> |            |      | <b>1,020,120</b>   |
| 2044/45              | 01/04/2044 | 4.25 | 1,009,718          |
| <b>2044/45 Total</b> |            |      | <b>1,009,718</b>   |
| 2045/46              | 01/04/2045 | 4.25 | 11,464,215         |
| <b>2045/46 Total</b> |            |      | <b>11,464,215</b>  |
| 2050/51              | 16/01/2051 | 4.15 | 2,000,000          |
| <b>2050/51 Total</b> |            |      | <b>2,000,000</b>   |
| 2052/53              | 09/11/2052 | 4.55 | 6,138,400          |
|                      | 11/12/2052 | 4.25 | 6,000,000          |
|                      | 12/10/2052 | 4.55 | 4,300,000          |
|                      | 19/05/2052 | 4.05 | 5,000,000          |
|                      | 20/11/2052 | 4.20 | 6,800,000          |
| <b>2052/53 Total</b> |            |      | <b>28,238,400</b>  |
| 2054/55              | 06/05/2054 | 8.38 | 3,000,000          |
| <b>2054/55 Total</b> |            |      | <b>3,000,000</b>   |
| 2055/56              | 15/11/2055 | 8.00 | 1,500,000          |
|                      | 15/12/2055 | 7.88 | 2,000,000          |
| <b>2055/56 Total</b> |            |      | <b>3,500,000</b>   |
| 2056/57              | 10/10/2056 | 7.88 | 2,000,000          |
|                      | 15/04/2056 | 7.13 | 3,000,000          |
| <b>2056/57 Total</b> |            |      | <b>5,000,000</b>   |
| 2057/58              | 15/04/2057 | 6.88 | 3,000,000          |
|                      |            | 7.13 | 3,000,000          |
|                      | 15/10/2057 | 6.50 | 2,512,854          |
| <b>2057/58 Total</b> |            |      | <b>8,512,854</b>   |
| 2059/60              | 22/06/2059 | 4.25 | 1,763,308          |
| <b>2059/60 Total</b> |            |      | <b>1,763,308</b>   |
| 2064/65              | 25/03/2065 | 2.24 | 10,000,000         |
| <b>2064/65 Total</b> |            |      | <b>10,000,000</b>  |
| 2066/67              | 30/03/2067 | 2.20 | 6,200,000          |
| <b>2066/67 Total</b> |            |      | <b>6,200,000</b>   |
| 2068/69              | 16/01/2069 | 2.49 | 15,000,000         |
| <b>2068/69 Total</b> |            |      | <b>15,000,000</b>  |
| <b>Grand Total</b>   |            |      | <b>117,673,828</b> |

**Salix Loans Repayment Dates**

| <b>Financial year</b> | <b>Salix Loan Repayments<br/>£000</b> |
|-----------------------|---------------------------------------|
| 2026/27               | 658                                   |
| 2027/28               | 658                                   |
| 2028/29               | 658                                   |
| 2029/30               | 580                                   |
| 2030/31               | 568                                   |
| 2031/32               | 568                                   |
| 2032/33               | 347                                   |
| <b>Total</b>          | <b>4,037</b>                          |

## Minimum Revenue Provision (MRP) Policy Statement 2026/27

The Council is required to pay off an element of the accumulated Council Fund and HRA capital spend funded by borrowing, each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision, MRP).

The Welsh Government (WG) statutory guidance requires the Council to approve a MRP Statement in advance of each year. The guidance also states "if it is ever proposed to vary the terms of the original statement during the year, a revised statement should be put to the Council at that time". A variety of options is provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Policy Statement:-

From 1st April 2022, for all Council Fund and HRA capital expenditure funded by supported and unsupported borrowing (CFR), MRP will be charged on the asset life - annuity method at the Council's average interest rate on all of its loans at the end of each relevant year-end.

Capital expenditure incurred each year will not be subject to a MRP charge until the following financial year or, in some cases, at the discretion of the Section 151 Officer, the year after the asset becomes operational, where the costs incurred on the asset are £5m or higher.

The estimated asset life of the asset would be determined in the year the MRP commences and would not change over the life of the asset. The estimated life periods will be set by the Section 151 Officer, based upon advice received from the relevant officers, and will have regard to statutory requirements and WG guidance in relation to MRP and asset life. Where land is purchased, the asset life will be based on the asset life of the asset placed on the land, which, in the majority of cases, will be 50 years, in line with the asset life for buildings.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. In addition, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

**MRP Overpayments** - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

The Council retains the right to make additional VRP to reduce debt if deemed prudent for the Council Fund and / or the HRA

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

Cumulative VRP overpayments made to date are £0.216m and £12.386m from the over-provision of MRP following the change in MRP policy in 2018, less £1.402m under-provision in 2025/26.

### Leased Assets into the Authority

MRP in respect of right of use assets leased into the Council or private initiative finance (PFI) will, from 1 April 2024, be charged at an amount equal to the principal element of the annual repayment.

### Capitalisation Directive

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

### Loans to Third Parties

In the exceptionally rare event of the Council providing a loan to a third party. For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments. The capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP. Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

## Specified and Non-Specified Investments

The Welsh Government 'Guidance on Local Government Investments' (the Guidance) (effective from 1 April 2010) provides the definition of specified and non-specified investments.

Paragraph 5.1 of the Guidance states that an investment is specified if all of the following apply:-

- (a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling; and
- (b) the investment is not a long-term investment (\*); and
- (c) the making of the investment is not defined as capital expenditure by virtue of regulation 20(1)(d) of the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 [SI 3239 as amended]; and
- (ch) the investment is made with a body or in an investment scheme of high credit quality (\*\*); or with one of the following public-sector bodies:-
  - (i) the United Kingdom Government;
  - (ii) a local authority in England or Wales (as defined in Section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland;
  - (iii) a parish or community council.

The Guidance also states that any investment not meeting the definition of paragraph 5.1 is classified as a non-specified investment.

During 2025/26, the Council does not intend to make any investments in foreign currencies, nor any with low credit quality bodies, nor any that are defined as capital expenditure by legislation (such as company shares). Non-specified investments will, therefore, be limited to (i) long-term investments; and (ii) deposits with the Council's own banker for transactional purposes if it fails to meet the basic credit criteria; in this instance, balances will be minimised as far as is possible

The table in Appendix 7 sets out the investment criteria and limits for the categories of investments intended for use during 2025/26 and, therefore, form the basis for the approved lending list.

Any proposed revisions or amendments during the year to the categories of specified and non-specified investments to be used and / or to the associated credit rating criteria / investment limits will be subject to prior approval by the County Council.

\* Section 2.4 of the 'Guidance' defines a long term investment as "any investment other than (a) one which is due to be repaid within 12 months of the date on which the investment was made or (b) one which the local authority may require to be repaid within that period."

\*\* For the purposes of high credit quality the 'Guidance' states that "for the purposes of paragraph 5.1(d), Welsh ministers recommend that the Strategy should define high credit quality (and where this definition refers to credit ratings, paragraph 6.1 (\*\*\*) is relevant)."

\*\*\* Paragraph 6.1 of the 'Guidance' recommends that "the Strategy should set out the authority's approach to assessing the risk of loss of investments, making clear in particular: (a) to what extent, if any, risk assessment is based upon credit ratings issued by one or more credit rating agencies; (b) where credit ratings are used, how frequently credit ratings are monitored and what action is to be taken when ratings change; and (c) what other sources of information on credit risk are used, additional to or instead of credit ratings." The table in Appendix 8 of this strategy sets out what this Council defines as high credit quality and the associated investment criteria and limits and section 7.3 of this strategy sets out the Council's creditworthiness approach.

## Counterparty Criteria – Investments

| Category  | Short Term Credit Rating (Fitch) | Short Term Credit Rating (Moody's) | Short Term Credit Rating (Standard & Poor's) | Long Term Credit Rating (Fitch) | Long Term Credit Rating (Moody's) | Long Term Credit Rating (Standard & Poor's) | Cash Limit   | Time Limit     |
|---|----------------------------------|------------------------------------|--|---------------------------------|-----------------------------------|---|--------------|----------------|
| Bank and Building Societies (not nationalised or part nationalised)   | F1+                              | P-1                                | A-1+   | AAA                             | Aaa                               | AAA   | £10m         | 5 years        |
|   | F1+                              | P-1                                | A-1+   | AA                              | Aa2                               | AA  | £10m         | 3 years        |
|   | F1+                              | P-1                                | A-1+   | AA-                             | Aa3                               | AA-   | £10m         | 364 days       |
|   | F1                               | P-1                                | A-1  | A                               | A2                                | A   | £7.5m        | 6 months       |
| Nationalised / Part Nationalised UK Banks   | n/a                              | n/a                                | n/a  | n/a                             | n/a                               | n/a   | £10m         | 364 days       |
| NatWest Bank business account and cash manager – when amounts are held in the NatWest as part of operational banking. The following amounts and limits will apply to ensure adequate cash is available to pay bills as they fall due. | n/a                              | n/a                                | n/a  | n/a                             | n/a                               | n/a   | £20m to £25m | 5 working days |
|   |                                  |                                    |  |                                 |                                   |   | £15m to £20m | 2 months       |
|   |                                  |                                    |  |                                 |                                   |   | £10m to £15m | 364 days       |
|   |                                  |                                    |  |                                 |                                   |   | Up to £10m   | No limit       |
| UK Central Government (irrespective of credit rating)   | n/a                              | n/a                                | n/a  | n/a                             | n/a                               | n/a   | No maximum   | No limit       |
| UK Local Authorities*   | n/a                              | n/a                                | n/a  | n/a                             | n/a                               | n/a   | £10m         | 364 days       |
| Money Market Funds  | n/a                              | n/a                                | n/a  | AAA                             | AAA                               | AAA   | £5m          | 6 months       |

\*as defined in the Local Government Act 2003

### **Notes and Clarifications**

#### **(1) Cash Limit**

- (i) The cash limits apply both to the individual counterparty and to the overall group to which it belongs (e.g. for the banks within the Lloyds Banking Group plc (being Bank of Scotland plc and Lloyds Bank plc), the investment limit applies to those banks individually and the banking group as a whole);
- (ii) The overall cash limit for deposits over 364 days is £15m.

#### **(2) Time Limit**

- (i) This up to and including the period indicated.

#### **(3) Foreign Countries**

- (i) Investments in foreign countries will be limited to those that hold a sovereign credit rating of (Fitch) AA- or equivalent (from the agencies referred to in section 4.3 of this strategy) (based upon the lowest common denominator), and to a maximum of £10m per foreign country.
- (ii) Investments in countries whose lowest sovereign rating is not AA or above, will not be permitted. No country limit will apply to investments in the UK, irrespective of the sovereign credit rating.
- (iii) Subsidiaries of foreign banking groups will normally be assessed according to the country of domicile of the parent organisation. However, Santander UK plc (a subsidiary of Spain's Banco Santander) will be classed as a UK bank due to its substantial UK franchises and the arms-length nature of the parent-subsidary relationships.

**(4) Credit Rating Downgrade**

Should a credit rating downgrade place a counterparty below the minimum credit rating criteria for investment, the counterparty will cease to be used as soon as practicable.

If the Section 151 Officer wishes to continue investing with that counterparty, approval will be sought from the Chair of the Governance & Audit Committee plus one other member of the Chair's choosing, who both must approve the action. This will then be reported as appropriate at the next available opportunity.

**Approved countries for investments [correct as at 25 November 2025]**

*This list is based on those countries which have sovereign ratings of AA- or higher (we show the lowest rating from Fitch, Moody's and S&P) and also (except - at the time of writing - for Hong Kong, and Luxembourg) have banks operating in sterling markets which have credit ratings of green or above in the MUF<sub>G</sub> Corporate Markets' credit worthiness service.*

**Based on lowest available rating**

- AAA
  - Australia
  - Denmark
  - Germany
  - Netherlands
  - Norway
  - Singapore
  - Sweden
  - Switzerland
  
- AA-
  - **U.K.**

## Treasury management scheme of delegation

### (i) County Council

- budget approval;
- approval of the annual Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy, annual Treasury Management Policy Statement and amendments thereto;
- approval of amendments to the Council's adopted clauses;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities; and
- acting on recommendations received from the Governance & Audit Committee and / or Executive Committee.

### (ii) Executive Committee

- budget consideration;
- approval of the division of responsibilities;
- approval of the selection of external service providers and agreeing terms of appointment;
- receiving and reviewing monitoring reports on treasury management policies, practices and activities and making recommendations to the County Council as appropriate; and
- acting on recommendations received from the Governance & Audit Committee.

### (iii) Governance & Audit Committee

- Scrutiny of Treasury Management matters, as required by CIPFA's Code of Practice on Treasury Management and the Council's Treasury Management Policy. This includes:-
  - scrutinising the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and making recommendations to the Executive Committee and County Council as appropriate;
  - scrutinising proposals for amendments to the annual Treasury Management Strategy Statement, Annual Investment Strategy, Annual MRP Policy, Annual Treasury Management Policy and Treasury Management Practices and to the adopted clauses and making recommendations to the Executive and County Council as appropriate;
  - receiving and scrutinising any other proposals relating to treasury management which require a decision by the Executive or County Council; and
  - receiving and scrutinising the Treasury Management mid-year report and Treasury Outturn report, monitoring reports on treasury management policies, practices and activities and make recommendations to the Executive and County Council as appropriate.

## The Treasury Management role of the Section 151 Officer

### The Section 151 (responsible) Officer's role includes:-

- recommending clauses, treasury management policy / practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;

- responsibility for the execution and administration of its treasury decisions, including decision on borrowing, investment and financing, have been delegated to the Section 151 Officer, who will act in accordance with the Council's policy statements and Treasury Management Practices (TMPs);
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable and affordable in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Authority;
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to Members of a schedule of all non-treasury investments, including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that Members are adequately informed and understand the risk exposures taken on by the Authority;
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices (TMP) which specifically deal with how non-treasury investments will be carried out and managed, to include the following: -
  - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
  - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
  - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
  - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
  - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

## PRUDENTIAL INDICATORS FOR 2026/27 – 2030/31

|  |  | 2025/26        | 2026/27        | 2027/28        | 2028/29        | 2029/30        | 2030/31        |
|--|--|----------------|----------------|----------------|----------------|----------------|----------------|
|  |  | Estimate       | Estimate       | Estimate       | Estimate       | Estimate       | Estimate       |
| <b>Affordability – Based on the Ambitious Scenario</b>       |  |                |                |                |                |                |                |
|  | Council Fund   | 1.52%          | 3.17%          | 3.25%          | 3.37%          | 3.56%          | 3.86%          |
|  | Housing Revenue Account (inclusive of settlement)  | 12.61%         | 9.88%          | 14.17%         | 17.68%         | 19.70%         | 21.28%         |
|  | <b>Total</b>   | <b>2.70%</b>   | <b>3.86%</b>   | <b>4.41%</b>   | <b>4.96%</b>   | <b>5.37%</b>   | <b>5.87%</b>   |
| <b>Prudence</b>  |  |                |                |                |                |                |                |
| <b>3</b>   | <b>Gross debt and the Capital Financing Requirement (CFR)</b>  |                |                |                |                |                |                |
|  | <i>Is the gross external debt &lt; the CFR for the preceding year plus the estimates of any additional CFR for the current and the next two financial years?</i> | ✓              | ✓              | ✓              | ✓              | ✓              | ✓              |
| <b>Capital Expenditure – Based on the Ambitious Scenario</b> |  |                |                |                |                |                |                |
| <b>4,5</b>   | <b>Estimates of [or actual] capital expenditure</b>  | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
|  | Council Fund   | 35,268         | 27,341         | 18,551         | 52,216         | 55,302         | 41,631         |
|  | Housing Revenue Account  | 22,056         | 45,950         | 35,819         | 27,569         | 26,893         | 23,294         |
|  | <b>Total</b>   | <b>57,324</b>  | <b>73,291</b>  | <b>54,370</b>  | <b>79,785</b>  | <b>82,195</b>  | <b>64,925</b>  |
| <b>6,7</b>   | <b>Estimates of [or actual] Capital Financing Requirement</b>  | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
|  | Council Fund   | 119,486        | 125,567        | 130,114        | 134,741        | 142,620        | 155,016        |
|  | Housing Revenue Account  | 36,895         | 35,744         | 52,784         | 72,145         | 82,313         | 93,340         |
|  | <b>Total</b>   | <b>156,381</b> | <b>161,311</b> | <b>182,898</b> | <b>206,886</b> | <b>224,934</b> | <b>248,356</b> |
| <b>8</b>   | <b>Authorised Limit</b>  | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
|  | General Borrowing  | 141,710        | 144,235        | 167,173        | 192,070        | 214,268        | 240,019        |
|  | Other long term liabilities  | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          |
|  | <b>Total</b>   | <b>146,710</b> | <b>149,235</b> | <b>172,173</b> | <b>197,070</b> | <b>219,268</b> | <b>245,019</b> |
| <b>9</b>   | <b>Operational Boundary</b>  | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
|  | General Borrowing  | 131,710        | 134,235        | 157,173        | 182,070        | 204,268        | 230,019        |
|  | Other long term liabilities  | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          |
|  | <b>Total</b>   | <b>136,710</b> | <b>139,235</b> | <b>162,173</b> | <b>187,070</b> | <b>209,268</b> | <b>235,019</b> |

|                            |  | £'000           | £'000           | £'000           | £'000           | £'000           | £'000           |
|----------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 10                         | Actual External Debt   | 131,710         | 124,235         | 147,173         | 172,119         | 194,367         | 220,168         |
| <b>Treasury Management</b> |  | <b>2025/26</b>  | <b>2026/27</b>  | <b>2027/28</b>  | <b>2028/29</b>  | <b>2029/30</b>  | <b>2030/31</b>  |
|                            |  | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> |
| 11                         | The limit for total principal sums invested for periods longer than 364 days | 15,000          | 15,000          | 15,000          | 15,000          | 15,000          | 15,000          |
| 12                         | The upper limits for the maturity structure of fixed rate borrowing          |                 |                 |                 |                 |                 |                 |
|                            | under 12 months  | <20%            |                 |                 |                 |                 |                 |
|                            | 12 months and within 24 months   | <20%            |                 |                 |                 |                 |                 |
|                            | 24 months and within 5 years   | <20%            |                 |                 |                 |                 |                 |
|                            | 5 years and within 10 years  | <30%            |                 |                 |                 |                 |                 |
|                            | 10 years and above   | No upper Limit  |                 |                 |                 |                 |                 |

## Information on Prudential & Treasury Management Indicators

### PRUDENTIAL INDICATORS

#### A) Affordability

##### 1 & 2 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

The estimates of financing costs include current commitments and the proposals in this budget report.

#### B) Prudence

##### 3 Gross Debt and the CFR

The Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

#### C) Capital expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

This provides a summary of the Council's capital expenditure. It reflects matters previously agreed and those proposed for the forthcoming financial periods, as set out in the Ambitious Scenario of the Capital Strategy

The extent to which such expenditure is to be financed will influence how the Council's Capital Financing Requirement Indicator will change.

##### 4 & 5 Estimates of Capital Expenditure

This is the forecast Capital Expenditure from 2026/27 to 2030/31, and is based on the Capital Programme for 2026/27 and the Capital Strategy for the subsequent years.

##### 6 & 7 The Council's borrowing need (the Capital Financing Requirement)

Another prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR and, therefore, the Council's borrowing requirement, these types of schemes include a borrowing facility, and so the Council is not required to separately borrow for these schemes. The Council currently has £nil of such schemes within the CFR.

## CH) External Debt

8. **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under Section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Section 151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans and the proposals in the budget report.

9. **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.
10. **Actual external debt.** The Council has to disclose the closing balance for actual gross borrowing in respect of the financial period just ended, together with the level of other long-term liabilities, and so the actual aggregate level of external debt at the Balance Sheet date.

## TREASURY INDICATORS

11. **Limits for Long Term Treasury Management Investments.** This Indicator is seeking to support control of liquidity risk. The limits should be set with regard to the Council's liquidity needs and also reduce the potential need to have to make early exit from an investment in order to recover funds. The indicator relates solely to the Council's investments for treasury management purposes.
12. **Maturity Structure of Borrowing.** The Council is required to set gross limits on maturities for the periods shown and covers both fixed and variable rate borrowings. The reason being to try and control the Council's exposure to large sums falling due for refinancing.

## Glossary

### **CAPITAL EXPENDITURE**

Capital expenditure is expenditure on the purchase of a non-current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. Examples include: the building of a new school, the purchase of IT equipment, a major refurbishment of a care home.

### **CAPITAL FINANCING**

Funds that are available to pay for capital expenditure. There are various methods of financing capital expenditure, including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### **CAPITAL FINANCING REQUIREMENT (CFR)**

The total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is, essentially, a measure of the Council's underlying borrowing need.

### **CAPITAL PROGRAMME**

The capital schemes the Council intends to carry out over a specific period of time.

### **CAPITAL RECEIPTS**

Capital receipts represent the proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government, but they cannot be used to finance revenue expenditure.

### **CIPFA**

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local authority accounting.

### **HOUSING REVENUE ACCOUNT (HRA)**

The HRA is a separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

### **INTEREST RECEIVABLE OR PAYABLE**

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax. For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

### **MINIMUM REVENUE PROVISION (MRP)**

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

### **NET DEBT**

The Net Debt is the Council's borrowings less cash and liquid resources.

**PUBLIC WORKS LOANS BOARD (PWLB)**

A Central Government Agency which provides loans for one year and / or more to authorities at interest rates only slightly higher than those at which the Government can borrow itself.

**REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)**

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

**REVENUE SUPPORT GRANT (RSG)**

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

**SUPPORTED BORROWING**

The Council borrows money to fund part of its capital programme. This borrowing is recognised by Central Government in its calculation of formula funding for the Council.

**TEMPORARY BORROWING**

Money borrowed for a period of less than one year.

**UNSUPPORTED BORROWING**

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code, with which the Council fully complies.

**ISLE OF ANGLESEY COUNTY COUNCIL**

|                             |  |
|-----------------------------|--|
| <b>REPORT TO:</b>           | <b>EXECUTIVE COMMITTEE</b>   |
| <b>DATE:</b>                | <b>5 MARCH 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 :-<br>School Finance Forum;<br>Older People's Forum;<br>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<br>£'m   | 2027/28<br>£'m   | 2028/29<br>£'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)<br>(assuming 3.7% rise in 2026/27 and<br>0.6% rise in 2027/28 and 2028/29) | (140.867)        | (141.712)        | (142.576)        |
| Council Tax (assuming 5% rise in<br>2026/27 & 2027/28 and 3% rise in<br>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 /<br/>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. 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. 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.
- 4. 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.
- 5. 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<br>2025/26<br>£ | Amount Above /<br>Below Anglesey<br>£ | Percentage Above /<br>Below Anglesey<br>% |
|--------------|-------------------------------|---------------------------------------|---|
| 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<br>£'m   | 2028/29<br>£'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.

## 11. 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<br/>Proposed<br/>Budget<br/>2026/27<br/>£'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>   |

| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b> |  |
|--|--|
| <b>Report to:</b>                      | <b>COUNTY COUNCIL</b>  |
| <b>Date:</b>                           | <b>5 MARCH 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<br>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<br>Capital Budget 2025/26 – full Council 6 March 2025<br>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<br>£'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<br>£'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<br>£'000 | External<br>Grants<br>£'000 | General<br>Capital<br>Grant<br>£'000 | Supported<br>Borrowing<br>£'000 | Unsupported<br>Borrowing<br>£'000 | HRA<br>Surplus<br>£'000 | Earmarked<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'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<br>£'000 | External<br>Grants<br>£'000 | General<br>Capital<br>Grant<br>£'000 | Supported<br>Borrowing<br>£'000 | Unsupported<br>Borrowing<br>£'000 | HRA<br>Surplus<br>£'000 | Earmarked<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'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>                              |

| Scheme                                 | Budget<br>£'000 | External<br>Grants<br>£'000 | General<br>Capital<br>Grant<br>£'000 | Supported<br>Borrowing<br>£'000 | Unsupported<br>Borrowing<br>£'000 | HRA<br>Surplus<br>£'000 | Earmarked<br>Reserves<br>£'000 | Capital<br>Receipts<br>Reserve<br>£'000 |
|--|-----------------|-----------------------------|--------------------------------------|---------------------------------|-----------------------------------|-------------------------|--------------------------------|---|
| <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>                              |

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| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>   |  |
|--|--|
| <b>REPORT TO:</b>  | <b>COUNTY COUNCIL</b>  |
| <b>DATE:</b>   | <b>5 MARCH 2026</b>  |
| <b>SUBJECT:</b>  | <b>COUNCIL TAX DISCRETIONARY RELIEF POLICY -INTRODUCE A 100% DISCOUNT FOR HOUSEHOLDS WITH A TERMINALLY ILL OCCUPANT</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><br>Tel:<br>E-mail:   | <b>Llinos Mair Roberts</b><br>01248 752651<br>LlinosRoberts5@ynysmon.llyw.cymru  |
| <b>Local Members:</b>  | <b>n/a</b>   |
| <b>A – Recommendation/s and reason/s</b>   |  |
| <p><b>Recommendations</b></p> <p>The Executive to recommend to the Council the following:-</p> <ol style="list-style-type: none"> <li>1. <b>Approve</b> the amendment to the Council Tax Discretionary Relief Policy, to introduce a 100% discount for households with a terminally ill occupant, in accordance with Section 13A of the Local Government Finance Act 1992.</li> <li>2. <b>Implement</b> the policy from 1 April 2026, ensuring application processes and supporting documentation (including SR1 certification) are in place.</li> <li>3. <b>Delegate authority</b> to the Revenues &amp; Benefits Service Manager to administer the scheme and make any minor operational adjustments required.</li> <li>4. <b>Monitor and review</b> the impact of the policy after 12 months and report findings to the Executive Committee.</li> </ol> |  |
| <b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>   |  |
| n/a  |  |
| <b>C – Why is this a decision for the Executive?</b>   |  |
| The current policy was agreed by the Executive in February 2022 and voted on by the full Council in March 2022. Therefore, amendments to the current policy must be agreed by the Executive and voted on by full Council.  |  |
| <b>CH – Is this decision consistent with policy approved by the full Council?</b>  |  |
| Not applicable   |  |
| <b>D – Is this decision within the budget approved by the Council?</b>   |  |
| The change will result in a reduction in the income raised through Council Tax but, at this stage it is not possible to quantify the cost because it is dependent on the number of applications received, the band of the property to which the exemption would apply, whether the applicant is in receipt of any other exemption or discount or qualifies for help through the Council Tax Reduction Scheme.  |  |

| <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?   | The amendments to the policy may increase the number of applications under the discretionary relief policy. However, it demonstrates a commitment to supporting vulnerable residents. This aligns with our long term goal of creating a compassionate, inclusive community and strengthens trust in local services. |
| <b>2</b>  | Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?  | This could potentially prevent costs. By reducing financial stress for terminally ill residents and their families, the policy may reduce reliance on crisis support services and prevent escalation into debt recovery processes, which are costly for the Authority.  |
| <b>3</b>  | Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom  | No, however, an increasing number of local authorities in England are already providing 100% discount to individuals with a long term illness. Marie Curie has been campaigning for this change to ensure no one faces poverty at end of life.  |
| <b>4</b>  | Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.  | No.   |
| <b>5</b>  | Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.   | Positive impact: The policy supports individuals with serious health conditions (disability) and their families, reducing financial inequality and promoting fairness. No adverse impact identified.  |
| <b>6</b>  | If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.   | Significant positive impact: Terminal illness often leads to reduced income and increased costs. Offering a 100% discount alleviates financial hardship for households already vulnerable to 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. | All application forms, guidance and communication will be available in Welsh and English. The policy will uphold the principle of treating Welsh no less favourably, ensuring residents can engage in their preferred language.   |
| <b>E - Who did you consult?</b>                           |  | <b>What did they say?</b>   |
| <b>1</b>  | <b>Chief Executive / Leadership Team (LT)</b> (mandatory)  |   |
| <b>2</b>  | <b>Finance / Section 151</b> (mandatory)   | Bethan H Owen, Accountancy Services Manager, deputising on behalf of Marc Jones, Director of Function (Resources) / Section 151 Officer   |
| <b>3</b>  | <b>Legal / Monitoring Officer</b> (mandatory)  | The Monitoring Officer is a member of the LT.   |

|  |   |                |
|--|---|----------------|
| <b>4</b>   | <b>Human Resources (HR)</b>                       | Not applicable |
| <b>5</b>   | <b>Property</b>                                   | Not applicable |
| <b>6</b>   | <b>Information Communication Technology (ICT)</b> | Not applicable |
| <b>7</b>   | <b>Scrutiny</b>                                   |                |
| <b>8</b>   | <b>Local Members</b>                              |                |
| <b>9</b>   | <b>Any external bodies / other/s</b>              |                |
| <b>F - Appendices:</b>   |   |                |
|  |   |                |
| <b>FF - Background papers (please contact the author of the Report for any further information):</b> |   |                |

## **1. Purpose**

**1.1** The purpose of this report is to seek approval for an amendment to the Council Tax Discretionary Relief Policy, under Section 13A of the Local Government Finance Act 1992. The proposed change introduces a 100% Council Tax discount for households where a terminally ill individual resides as their sole or main residence. This measure aims to provide compassionate financial support to residents during end-of-life care, reduce hardship and align the Council with best practice adopted by other progressive authorities.

## **2. Background**

**2.1** Currently, the Council Tax Discretionary Relief Policy offers limited relief for exceptional circumstances, primarily through hardship provisions. Residents diagnosed with a terminal illness often experience significant financial and emotional challenges, including reduced income and increased care costs. These factors can lead to arrears and enforcement action, adding further distress during an already difficult time.

**2.2** Under Section 13A of the Local Government Finance Act 1992, local authorities have the discretion to reduce or remit Council Tax liability for individuals or classes of taxpayers. Several councils across England have introduced similar schemes, offering up to 100% Council Tax discount for terminally ill residents. This approach is widely regarded as best practice and supported by national advocacy groups such as Marie Curie, which highlight the importance of reducing financial stress during end-of-life care.

**2.3** The proposed policy change will apply to households where a terminally ill individual occupies the property as their sole or main residence. Eligibility will be confirmed through an SR1 medical certificate, and the discount will remain in place until two months after the date of death, unless this exceeds 12 months.

## **3. Financial Impact**

**3.1** 'In Wales, an estimated 36,054 people died in 2023 and, of those, approximately 32,449 individuals - equivalent to around 90% - were considered in need of palliative or end-of-life care in that year. That gives a clear picture: each year, around 32,000 people in Wales reach the end of life and require specialized care and support'. (Key facts and statistics - Updated 10 July 2025 - Marie Curie).

**3.2** 32,449 people represent approximately 1.04% of the population of Wales (based on an estimated population of 3,107,500). Applying the same proportion to Anglesey's population of around 70,000 suggests that, roughly, 728 individuals on the Island are likely to be at the end of life annually.

**3.3** It is challenging to quantify the financial implications of granting a 100% Council Tax discount to individuals at the end of life. This is because circumstances vary significantly: some individuals may already be receiving existing discounts or exemptions, and many will be entitled to Council Tax Reduction Scheme (CTRS) support. These overlapping factors make it difficult to calculate an accurate overall cost impact without detailed case-level analysis.

**3.4** The financial impact of this policy will depend on the number of eligible applications. The cost may be absorbed within the existing discretionary budget allocation, and the policy could help reduce future costs associated with debt recovery and enforcement for vulnerable households. A monitoring framework will be implemented to track uptake and financial implications, with a formal review scheduled after 12 months.

## **4. Proposed Policy Changes.**

**4.1** The proposed changes to the Council Tax policy aim to provide additional support for residents diagnosed as terminally ill. These changes are detailed in Appendix A, within the highlighted section, illustrating how eligibility criteria and discount application would be implemented.

## COUNCIL TAX DISCRETIONARY RELIEF POLICY

### Background

Section 13A, subsections (1) (c); (6) and (7), of the Local Government Finance Act (LGFA) 1992 (as inserted by Section 10 of the Local Government Act 2012) gives power to a billing authority to reduce the amount of tax payable as follows:-

- (1)(c) In any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit;
- (6) The power under subsection (1) (c) includes power to reduce an amount to nil; and
- (7) The power under subsection (1) (c) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination.

This means that the Isle of Anglesey County Council can apply a discretionary relief in respect of any amount of council tax liability, even if the Council has already awarded a reduction under its Council Tax Reduction Scheme by virtue of Section 13A (1) (b).

This policy sets out how the Isle of Anglesey County Council will consider and apply relief under Section 13A (1) (c).

### Purpose of the policy

- a) Section 1 of the policy detailing classes of cases which may be entitled to a reduction in accordance with Section 13A (1) (c);
- b) Section 2 of the policy outlining the conditions that should be satisfied in order for the Council to consider relief under Section 13A (1) (c) for all other cases not covered in Section 1.

The policy is intended ultimately to enable the Council to provide relief in respect of Council Tax costs.

The Council already provides a Council Tax Reduction Scheme in accordance with Section 13A (1) (b) of the LGFA 1992. The Council's Council Tax Reduction Scheme can be downloaded at:-

<https://www.anglesey.gov.uk/en/Residents/Council-tax/Reductions-and-exemptions/Council-Tax-Reduction-Scheme.aspx>

This discretionary relief policy is separate and independent of the Council's Council Tax Reduction Scheme.

## Section 1

### A. Section 13A (1) (c) discretionary relief for class of persons

#### 1. Eligible person(s) - care leavers – (THIS RELIEF APPLIES FOR PERIODS PRIOR TO 1 APRIL 2019 ONLY)

The Council may reduce to nil the council tax liability of care leavers who satisfy all of the following criteria:-

- The person is a former relevant care leaver and is a category 3 young person as defined by the Social Services and Well-being (Wales) Act 2014;
- The person is someone for whom the Isle of Anglesey County Council has acted previously as a corporate parent;
- The person has left care and is aged between 18 and 24 or under. The person resides in the Isle of Anglesey County Council area and is liable to pay council tax to the Isle of Anglesey County Council.

Where the care leaver is liable for more than one dwelling the discretionary relief will be awarded in respect of only one property – that being the person's sole or main residence.

Where the care leaver is the sole resident at a dwelling and is over 18 years of age, the council tax liability on the dwelling will be reduced to nil.

Where the care leaver resides with another person at the property but, by virtue of Section 6 (2) of the LGFA 1992 "hierarchy of liability", the care leaver is solely responsible for payment of the council tax (and joint and several liability does not apply), a 25% reduction will apply to the council tax liability on the dwelling.

Where the care leaver is jointly and severally liable with another care leaver, as husband or wife or as a partner, for a dwelling (and they are the only occupants 18 years of age or over), the council tax liability on the dwelling will be reduced to nil.

Where the care leaver is jointly and severally liable with a husband or wife or partner who is not a care leaver (and they are the only occupants 18 years of age or over), a 25% reduction will apply to the council tax liability on the dwelling.

Where a care leaver has a joint tenancy with another tenant (who is not a care leaver) and they are the only occupants 18 years of age or over, a 25% reduction will apply to the council tax liability on the dwelling.

Where a care leaver has a joint tenancy with another tenant (who is a care leaver) and they are the only occupants 18 years of age or over, the council tax liability on the dwelling will be reduced to nil.

#### Requesting relief

Requests for a reduction will normally be made by the Council's Children's Service. In which case, requests will:-

- Be submitted by email to the council tax team;
- Confirm that the care leaver has been informed of the intention to submit the request on their behalf and that information will be shared with the council tax team for this purpose and the care leaver has not objected to this;
- Confirm that the care leaver satisfies the requirements of entitlement;
- Confirm the care leaver's name, address and date of birth.

Eligible care leavers may submit requests in writing directly to the council tax team. Requests should include supporting evidence from the Council's Children's Service that the care leaver satisfies the requirements. Alternatively, requests should confirm the applicant's consent for the council tax team to obtain information directly from the Children's Service.

When making the decision the following will be assessed:-

- Whether the care leaver has applied for any national reliefs, exemptions or discounts they would be entitled to. These must be assessed before Care Leaver discretionary relief is awarded;
- Whether the care leaver applied for any Council Tax Reduction they would be entitled to. This should be assessed before Care Leaver relief is awarded;
- The date of the day before the care leaver's 25<sup>th</sup> birthday determines the last day of the period of award;
- Whether the Council's Children's Service or other public body or professional organisation have confirmed that the care leaver was in the care (being 'looked after');
- Which Council is the council tax billing authority to whom the care leaver is liable to make council tax payments?

The process of making a decision and requests for decisions to be reconsidered will be considered in accordance with the provisions in the section headed **G. "Decision making and appeals"** later on in this policy.

## **2. Eligible person(s) – foster carers**

The Council will apply a 50% discount to designated foster carers' council tax liability. This discount is included in the fostering package for local authority foster carers and applies **only** to foster carers on the Council's register. The discount will be applied under the following circumstances:-

- The names and addresses of the foster carers are on the Council's register;
- The Council's Children and Families Services have confirmed that this is the case ;
- The Council's Children and Families Services will also advise of any amendments to the Register, providing the name and address and the effective date of the change;
- The discount will apply from 1 April 2019 onwards until it is amended or revoked;
- The 50% discount will apply **after** statutory exemptions/discounts have been applied and where relevant, the calculation of a Council Tax Reduction;
- Any balance owed will then be reduced by 50% under this class of eligible persons. If no balance is owed due to statutory exemptions/discounts or calculation of the Council Tax Reduction no foster carers discount can apply;
- The discount will apply to one property only for which the foster carer(s) is liable to pay the Council Tax to the Isle of Anglesey County Council i.e. the property address shown on the Council's register of foster carers and that property is also the sole or main residence of the foster carer(s).

Annually, in February, Council's Children and Families Services will submit a confirmation of the name and addresses currently on the Council's foster carers register and the Revenue Section will compare this to Council Tax records. Any discrepancies will then be resolved between both services.

The process of making a decision and requests for decisions to be reconsidered will be considered in accordance with the provisions in the section headed **G. "Decision making and appeals"** later on in this policy.

### 3. Eligible person(s) - terminally ill individuals

Isle of Anglesey County Council has determined that it will provide a **100% discount on Council Tax** to households where a resident is terminally ill and living within the county. This support aims to ease financial pressures for terminally ill residents and their families, allowing them to focus on care without the stress of Council Tax obligations. The policy reflects the Council's commitment to fairness, compassion and supporting vulnerable residents.

#### Qualifying Criteria

- A terminally ill individual is defined as a person diagnosed by a registered medical practitioner with an illness or condition that:-
  - Cannot be cured; and
  - Is likely to lead to death.
- The discount applies from the date an **SR1 form** is issued, but not before the official start date of the scheme (**1 April 2026**), and continues until **two months after the date of death** or 12 months (whichever occurs first). The discretionary discount will apply for up to 12 months.

#### Discount Scheme

- The scheme starts **1 April 2026**; applications can be made from this date onwards.
- The discount applies to:-
  - Properties within the **Isle of Anglesey County Council area**.
  - Properties where the terminally ill resident occupies as their **sole and main residence**, or occupied prior to receiving care in a hospital / care setting.
- The discount will be **100% of Council Tax liability** after other national reliefs, exemptions or discounts (e.g., Single Person Discount) have been applied.
- If liability changes (e.g. another discount is awarded), the terminally ill discount will be adjusted so it does not exceed the total liability.
- The discount remains in force until:-
  - Two months after the death of the terminally ill resident; or
  - 12 months (whichever occurs first).
- The taxpayer must inform the Council of any change in circumstances.
- A revised Council Tax bill will be issued showing the discount. If refused, the applicant will be notified with reasons.

#### Making an Application

- Applications must be made **via e-mail** to [revenue@ynysmon.llyw.cymru](mailto:revenue@ynysmon.llyw.cymru) or through the **Council's Citizen's Portal** on the website.
- Evidence required:-
  - Both front and back of the **SR1 form**.
  - This can be provided by the applicant / caregiver or, in exceptional circumstances, with consent, the Council can request a copy from the medical practitioner / GP.
- A declaration confirming the terminally ill resident occupies the property as their **sole and main residence** is required.
- The process of making a decision and requests for decisions to be reconsidered will be considered in accordance with the provisions in the section headed **G. "Decision making and appeals"** later on in this policy.

## **B. Section 13a (1) (c) discretionary relief for class of dwelling**

### **1. Eligible dwelling(s) – unoccupied long term dwellings that are undergoing major repair or structural work to render them habitable**

The Council may not charge the Council Tax premium (as determined for the relevant period by the Council) for designated dwellings who meet the following criteria:-

1. If a property is undergoing major repairs or structural work to render it habitable, the dwelling is to be treated as an Exempt Class A dwelling under The Council Tax (Exempt Dwelling) Order 1992 SI 558 as amended by The Council Tax (Exempt Dwellings) (Amendment) (Wales) Order 2000 SI 1025 (W.61), from the agreed date.
2. At the end of the 12 month period, when the Class A exemption comes to an end, the taxpayer may be granted a further exemption from paying the empty property premium for a further period of up to 12 months, provided that:-
  - a. The major repair work / structural work is on-going and progressing;
  - b. The property is still considered to be subject to major repair work / undergoing structural work to render it habitable. (If the work on the property has been completed but the property still remains empty, the premium would then be applicable from the date of the completion of the work, provided that no other exemption is applicable.)

Please see Appendix A for examples of how such exemption may be applied.

3. If a first time buyer\* with a local connection\*\* purchases an unoccupied long-term dwelling, with the intention of renovating the property to make it their sole or main residence once all work is completed, they may request to be granted exemption from paying the Council Tax on the property for the first 12 months from the date of purchase ( as per Class A) and a further exemption from the empty property premium for up to a further 24 months provided that the work is ongoing, progressing and has not been completed. (Conditions apply for the Class A exemption to be awarded)

### **Definitions**

- **Applicants must be absolute first time buyers\***

(Absolute first time buyer(s) are people who have never owned a property in the past, either on their own or as a couple.)

- **Applicants must have a local connection\*\***

Local connection means that the applicant, or at least one of the applicants has:-

- Lived or worked in Anglesey for a continuous period of five years or more immediately before submitting the application or
- Lived on Anglesey for a continuous period of five years or more at some time in the past.

### **Requesting relief**

The owner of the designated dwelling may submit a request in writing directly to the council tax team. Requests should include supporting evidence of major repairs/ structural repair work that is being undertaken to render the dwelling habitable. The council tax team will carry out an inspection of the property to verify the current state of the property and the work being undertaken confirming whether it is structural in nature or not.

The process of making a decision and requests for decisions to be reconsidered will be considered in accordance with the provisions in the section headed **G. “Decision making and appeals”** later on in this policy.

## **Section 2**

### **C. Section 13a (1) (c) discretionary relief for persons or class of dwelling other than those designated in Section 1 of this policy**

#### **1. Discretionary relief scheme**

Section 13A (1) (c) allows the Council the discretion to provide assistance to council taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in such circumstances where the Council feels that the level of discount, exemption or reduction is insufficient given the circumstances. When deciding on whether to grant a discretionary award, the Council will consider each application on its merits (apart from persons or dwelling meeting the criteria set out in Section 1 of this policy). Principles of reasonableness will apply in all cases with the Authority deciding each case on relevant merits.

Any decision made will be without reference to any budgetary considerations notwithstanding the fact that any awards must be balanced against the needs of local taxpayers who will, ultimately, pay for a reduction in Council Tax income. Likewise the period of any reduced liability will be considered in conjunction with the circumstances of the Council Taxpayer or dwelling. For the purposes of administration, the Council proposes that the discretionary power to grant any reduction in liability for Council Tax shall be considered within the following categories:-

#### **a) Exceptional financial hardship**

In accordance with Section 13A (1) (b) of the LGFA 1992, this Council has a Council Tax Reduction Scheme which provides support, through a reduction, to those who need assistance to meet their Council Tax costs. The scheme is designed to take account of the financial and specific circumstances of individuals through the use of applicable amounts, premiums and income disregards.

All taxpayers can apply but, initially, the Council will normally expect a taxpayer to ascertain if eligibility for a Council Tax Reduction will apply.

As part of the process of applying for a discretionary reduction in Council Tax, all applicants must be willing to undertake **all** of the following:-

- Make a separate application for assistance;
- Provide full details of their income and expenditure (a form will be provided for the purpose);
- The taxpayer is able to satisfy the Council that they are not able to meet their full council tax liability or part of their liability;
- Identify potential changes in payment methods and arrangements to assist the applicant;
- The taxpayer to assist the Council to minimise his/her liability by ensuring that all discounts, exemptions and reductions are properly been applied and granted; and
- The taxpayer has no access to assets that could be realised and used to pay the Council Tax.

The taxpayer should read the Council’s Privacy Policy prior to making an application for discretionary relief due to exceptional financial hardship.

The following factors will be considered when assessing the application under this policy:-

- Current household composition and specific circumstances including disability or caring responsibilities;
- Current financial circumstances;
- Determine what action(s) the applicant has taken to alleviate the situation;
- Consider alternative means of support that may be available to the applicant by:-
  - i. Re-profiling council tax debts or other debts;
  - ii. Applying for a Discretionary Housing Payment to meet rent costs (if applicable);
  - iii. Maximising other benefits (by referring to welfare advice);
  - iv. Determining whether, in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged, having regard that Council Tax is a priority debt.

The process of making a decision and requests for decisions to be reconsidered will be considered in accordance with the provisions in the section headed **G. “Decision making and appeals”** later on in this policy.

#### **b) Crisis – flood, fire etc.**

The Council will consider requests for assistance from council taxpayers who, through no fault of their own, have experienced a crisis or event that has made their dwelling uninhabitable e.g. due to fire or flooding, where they remain liable to pay council tax and for which they have no recourse for compensation nor have recourse to any statutory exemptions or discounts.

All such requests must be made in writing detailing the **exact** circumstances of any reduction in the liability required and specifying when the situation is expected to be resolved.

The Council will consider applications on a case by case basis in consultation with other services or organisations as appropriate. Any reduction will be applied where they remain liable to pay council tax and for which they have no recourse for compensation not to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy. The Council will not consider requests from taxpayers where devolved government guidance or policy provides for a reduction in liability in specific circumstances, for example flood relief schemes.

#### **c) Other circumstances**

The Council will consider requests from Council Taxpayers for a reduction in their liability based on other circumstances not specifically mentioned within this policy. However, the Council must be of the opinion that the circumstances relating to the application warrant further reduction in their liability for Council Tax having regard to the effect on other Council Taxpayers.

No reduction in liability will be granted where a statutory exemption or discount could be granted. No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the Council.

### **CH. Changes in circumstances**

The Council may revise any discretionary reduction in liability granted under Section 1 and Section 2 where the applicant’s circumstances have changed.

The taxpayer agrees that he/she must inform the Council immediately either by telephone, email or in writing about any changes in their circumstances which might affect the claim under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council. All changes in circumstances should be notified within 21 days.

#### **D. Duties of the applicant and the applicant's household**

A person claiming any discretionary reduction in liability must:-

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim
- Continue to make payments as per statutory obligation until a final decision has been made with regards to assistance under the discretionary relief policy.

#### **DD. The award and duration of the reduction in liability**

Both the amount and the duration of the award will be determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.

#### **E. Payment**

In line with legislation, any award shall be granted as a reduction in the liability of the Council Taxpayer and shown on their bill, thereby reducing the amount of Council Tax payable.

#### **F. Reductions in Council Tax liability granted in error or incorrectly**

Where a reduction in liability has been granted incorrectly or in error, either due to a failure to provide the correct information to the Council or inaccurate information being provided or some other circumstances, the amount will be recovered from the Council Taxpayer's account in the normal way.

#### **FF. Notification of a reduction in liability**

The Council will notify the outcome of each application in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.

#### **G. Responsibility for decision making and appeals**

Any relief granted in accordance Section 1 of this policy will be approved by an officer of Team Leader grade or above within Council Tax.

Taxpayers can request that the Council reviews a decision in respect of a discretionary relief. Requests for reconsideration should be made in writing within 21 days of notification of the original decision and should detail the reasons for the request.

Upon receipt of a request for reconsideration, decisions made with regard to Section 1 of the policy will be reviewed by a more senior officer within Council Tax/Resources. For decisions made with regard to Section 2 of the policy, dependant on who made the decision, this can be reviewed by the Head of Function (Resources)/Section 151 Officer or by any one of the Assistant Chief Executives. The Council will notify the taxpayer of its decision within 21 days of the request for reconsideration.

The Valuation Tribunal does not have jurisdiction to investigate a Council's decision in respect of Section 13A discretionary relief decisions under Section 2 of the policy in respect of individual cases. In such instances, the Valuation Tribunal's opinion is that the council taxpayer should make an application before the High Court for a judicial review.

Where the council taxpayer is aggrieved by the Council's refusal to abide by its own resolution to award a reduction regarding specific classes, further appeal may be made to a Valuation Tribunal.

### **Section 3**

#### **NG. Policy Review**

This policy will be reviewed on a regular basis and updated as appropriate to ensure it remains fit for purpose. However, a review may take place sooner should there be any significant changes in legislation.

Review Date - January 2026

## **Appendix A**

### **B. Section 13a (1) (c) discretionary relief for class of dwelling**

#### **1. Eligible dwelling(s) – unoccupied long-term dwellings that are undergoing structural work to render them habitable**

##### **Example 1**

A property is purchased by a new owner who then decides to undertake major work – Class A is granted for the first 12 months and then the exemption from the premium is granted for up to a further 12 months, provided that the work is ongoing and progressing.

##### **Example 2**

A property is subject to a Class A exemption and is then sold to a new owner before the period of the Class A exemption ends. The new owner will benefit from the Class A exemption to the end of the 12 month period and then will receive an exemption from the premium for a further 12 months, provided that the work is ongoing and progressing. The end of the exemption from the premium would expire 2 years after the date of granting the original Class A exemption, and not 2 years from the date of purchase.

##### **Example 3**

A property is subject to a Class A exemption but this has subsequently expired. Work is not ongoing on the property and, as a result, the property is subject to the empty property premium. The property is then sold and the new owner applies for a Class A exemption. The exemption is refused on the grounds that the property has not been occupied for a period of 42 days since the original Class A has expired, but an exemption from the empty property premium is granted for a period of up to 12 months from the date of purchase, provided that the work is ongoing, progressing and has not been completed.

##### **Example 4**

A property is subject to a Class A exemption but this has subsequently expired. Work is ongoing at the property and an exemption from the empty property premium has been granted. The property is sold prior to the end of the exemption from the empty property premium. The new owner is granted the continuation of the exemption from the empty property premium to the end of the 12 months from when it was granted to the previous owner, provided that the work is ongoing, progressing and has not been completed. This may reduce the time that the new owner has to complete the work before the exemption ends, but the exemption is property based and not taxpayer based and has still allowed a period of 2 years for the work to be completed, even if that is for 2 different owners.



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

**PENDERFYNIAD DRAFFT  
AR OSOD  
Y DRETH GYNGOR  
2026/27**

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**DRAFT RESOLUTION  
ON SETTING  
THE COUNCIL TAX  
2026/27**

## DRAFT COUNCIL TAX RESOLUTION

### 1. RESOLVED

Pursuant to the recommendations of the Executive, to adopt Section 13 of the Medium Term Financial Plan and Section 9 of the 2026/27 Budget report as the Budget Strategy within the meaning given by the Constitution, and to affirm that it becomes part of the budget framework with the exception of figures described as current.

- (a) Pursuant to the recommendations of the Executive, to adopt a revenue budget for 2026/27 as shown in the 2026/27 Budget Report and Appendix 1 and Appendix 2.
- (c) Pursuant to the recommendations of the Executive, to adopt a capital budget as shown in the Capital Budget Report 2026/27 report.
- (ch) To delegate to the Director of Function (Resources)/Section 151 Officer the power to make adjustments between headings in the Final Budget Proposal 2026/27 at Appendix 2 in order to give effect to the Council's decisions. In addition, to delegate to Director of Function (Resources)/Section 151 Officer the power to transfer up to £50k per item from the general contingency. Any item in excess of £50k will require the approval of the Executive before any transfer from the general contingency is made.
- (d) To delegate to the Executive Committee, for the financial year 2026/27, the powers to transfer budgets between headings as follows:-
  - (i) unlimited powers to spend each budget heading in Appendix 2 Final Budget Proposal 2026/27 against the name of each service, on the service to which it relates;
  - (ii) powers to approve the use of service and earmarked reserves to fund one-off spending proposals that contribute to the delivery of the Council's objectives and improve services;
  - (iii) powers to vire from new or increased sources of income.
- (dd) To delegate to the Executive Committee, in respect of the financial year 2026/27 and on the advice of the Director of Function (Resources) – Section 151 Officer, the power to release up to £250k from general balances to deal with priorities arising during the year.
- (e) To delegate to the Executive Committee in respect of the period to 31 March 2027, the following powers:-
  - (i) powers to make new commitments from future years' revenue budgets up to amount identified under New Priorities in the Medium Term Financial Plan;
  - (ii) the power and the duty to make plans for achievement of revenue budget savings implied by the Medium Term Financial Plan;
  - (iii) powers to transfer budgets between capital projects in the Capital Budget Report 2026/27 report and to commit resources in following years and consistent with the budget framework.
- (f) To set and approve the prudential and treasury indicators which are estimates and limits for 2026/27 and onwards as shown in the report on the Treasury Management Strategy Statement 2026/27.
- (ff) To approve the Treasury Management Strategy Statement for 2026/27 and the Capital Strategy 2026/27.
- (g) To confirm that items 1(b) to (ff) become part of the budget framework.

2. **RESOLVED** to adopt and affirm for the purposes of the financial year 2026/27 the decision of the County Council on 10 March 1998 to set the discount level applicable to the prescribed Class A and prescribed Class B of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations 1998, as follows:-

|                    |              |
|--------------------|--------------|
| Prescribed Class A | Nil Discount |
| Prescribed Class B | Nil Discount |

3. **RESOLVED** to adopt and affirm for the purposes of the financial year 2026/27 the decision of the County Council on 6 March 2007 to set the discount level applicable to the prescribed Class C of dwellings under Section 12 of the Local Government Finance Act 1992 (as amended), as described by the Local Authorities (Calculation of Tax Base) and Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004 as follows:-

Prescribed Class C Nil Discount

4. **RESOLVED** to disapply any discount(s) granted to long-term empty dwellings and dwelling occupied periodically (usually known as second homes) and to vary the full Council's decision made on 28 February 2018 and apply for the financial year 2026/27 a higher amount of Council Tax (called a Council Tax Premium) of 100% of the standard rate of Council Tax for long-term empty dwellings or for dwellings occupied periodically (usually known as second homes) to apply a higher amount of Council Tax (called a Council tax Premium) of 100% under Sections 12A and 12B of the Local Government Finance Act 1992 as inserted by Section 139 of the Housing (Wales) Act 2014.
5. That it be noted that at its meeting on 28 February 1996 the Council resolved not to treat any expenses incurred by the Council in part of its area or in meeting any levy or special levy as special expenses and that the resolutions remain in force until expressly rescinded.
6. That it is noted that a resolution of the Executive on 25 November 2025 approved the amount calculated by the Isle of Anglesey County Council for its council tax base for 2026/27 and to further note that the full Council in its meeting on the 11 December 2018 approved that the local Council Tax Reduction Scheme will continue unchanged for subsequent years unless substantially amended. It is also noted that the full Council on 28 February 2018 adopted and approved a local Council Tax Discretionary Policy under Section 13A of the Local Government Finance Act 1992, delegating to the Executive the power to revoke, re-enact and/or amend the Policy. The Executive having last amended the Policy on 03 March 2022. The Executive has recommended to the Full Council at its meeting on 6 March 2026, to amend the policy to allow for an exemption for council taxpayers who are suffering from a terminal illness. This resolution accepts the adoption of the amended Council Tax Discretionary Policy if the Council ratifies the proposed change. If the proposal is not ratified, then the Policy as amended on 3 March 2022 will continue to apply and will be accepted under this resolution."
7. At its meeting on 25 November 2025, the Executive, in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base)(Wales) Regulations 1995 (SI19956/2561) as amended by SI1999/2935 and the Local Authorities (Calculation of Council Tax Base) and Council Tax (Prescribed Classes of Dwellings)(Wales) Amendment) Regulations 2004 and the Local Authority (Calculation of Taxbase) (Wales) (Amendment) Regulations 2016 resolved to approve the amounts calculated by the Isle of Anglesey County Council as its tax base and for the parts of the area, for the year 2026/27, as follows:-
- a) **33,887.44** being the amount approved by the Executive as the Isle of Anglesey County Council's council tax base for the year.
- b) The parts of the Council's area, being the amounts calculated by the Executive as the amounts of the Isle of Anglesey County Council's council tax base for the year for dwellings in those parts of its area to which one or more special items relate, are as follows:-

| <b>Community/Town Council Areas</b> | <b>Tax Base 2026/27</b> |
|-------------------------------------|-------------------------|
| Amlwch                              | 1,596.26                |
| Beaumaris                           | 1,177.85                |
| Holyhead                            | 4,134.77                |
| Llangefni                           | 2,164.10                |
| Menai Bridge                        | 1,512.10                |
| Llanddaniel-fab                     | 386.37                  |
| Llanddona                           | 435.66                  |
| Cwm Cadnant                         | 1,235.84                |
| Llanfair Pwllgwyngyll               | 1,333.25                |
| Llanfihangel Ysgeifiog              | 714.12                  |
| Bodorgan                            | 494.92                  |
| Llangoed                            | 698.55                  |
| Llangristiolus & Cerrigceinwen      | 655.90                  |
| Llanidan                            | 432.82                  |
| Rhosyr                              | 1,096.44                |

| <b>Community/Town Council Areas</b> | <b>Tax Base<br/>2026/27</b> |
|-------------------------------------|-----------------------------|
| Penmynydd                           | 249.00                      |
| Pentraeth                           | 627.60                      |
| Moelfre                             | 715.20                      |
| Llanbadrig                          | 736.08                      |
| Llanddyfnan                         | 536.58                      |
| Llaneilian                          | 652.60                      |
| Llanerch-y-medd                     | 554.69                      |
| Llaneugrad                          | 209.68                      |
| Llanfair Mathafarn Eithaf           | 2,082.80                    |
| Cylch y Garn                        | 446.48                      |
| Mechell                             | 601.70                      |
| Rhos-y-bol                          | 484.65                      |
| Aberffraw                           | 327.15                      |
| Bodedern                            | 456.21                      |
| Bodffordd                           | 417.58                      |
| Trearddur                           | 1,584.29                    |
| Tref Alaw                           | 276.93                      |
| Llanfachraeth                       | 240.24                      |
| Llanfaelog                          | 1,476.95                    |
| Llanfaethlu                         | 306.81                      |
| Llanfair-yn-Neubwll                 | 596.82                      |
| Valley                              | 1,077.66                    |
| Bryngwran                           | 369.54                      |
| Rhoscolyn                           | 410.32                      |
| Trewalchmai                         | 380.93                      |
| <b>Total Taxbase</b>                | <b>33,887.44</b>            |

8. That the following amounts will now be calculated by the Council for the year 2026/27, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- a) £279,761,942 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (d) of the Act.
  - b) £72,062,360 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
  - c) £207,699,582 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
  - ch) £144,584,962 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant and specific grant, reduced by any amount calculated in accordance with Section 33(3) of the Act.
  - d) £1,862.48 being the amount at 8(c) above less the amount at 8(ch) above, all divided by the amount at 7(a) above, calculated by the Executive, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.
  - dd) £ 2,355,140 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
  - e) £ 1,792.98 being the amount at 8(d) above less the result given by dividing the amount at 8(dd) above by the amount at 7(a) above, calculated by the Executive, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

f)

| Community/Town Council areas   |   | Band D equivalent per area including Isle of Anglesey Council and Community/Town Council elements |
|--------------------------------|---|---|
| Amlwch                         | £ | 1,875.24  |
| Beaumaris                      | £ | 1,826.37  |
| Holyhead                       | £ | 1,982.79  |
| Llangefni                      | £ | 1,959.84  |
| Menai Bridge                   | £ | 1,892.16  |
| Llanddaniel-fab                | £ | 1,837.26  |
| Llanddona                      | £ | 1,814.76  |
| Cwm Cadnant                    | £ | 1,821.42  |
| Llanfair Pwllgwyngyll          | £ | 1,891.98  |
| Llanfihangel Ysgeifiog         | £ | 1,829.70  |
| Bodorgan                       | £ | 1,817.19  |
| Llangoed                       | £ | 1,835.91  |
| Llangristiolus & Cerrigceinwen | £ | 1,805.13  |
| Llanidan                       | £ | 1,843.83  |
| Rhosyr                         | £ | 1,825.11  |
| Penmynydd                      | £ | 1,836.36  |
| Pentraeth                      | £ | 1,847.61  |
| Moelfre                        | £ | 1,814.22  |
| Llanbadrig                     | £ | 1,839.24  |
| Llanddyfnan                    | £ | 1,824.66  |
| Llaneilian                     | £ | 1,833.48  |
| Llanerch-y-medd                | £ | 1,840.14  |
| Llaneugrad                     | £ | 1,816.83  |
| Llanfair Mathafarn Eithaf      | £ | 1,829.34  |
| Cylch y Garn                   | £ | 1,810.89  |
| Mechell                        | £ | 1,811.61  |
| Rhos-y-bol                     | £ | 1,810.35  |
| Aberffraw                      | £ | 1,838.79  |
| Bodedern                       | £ | 1,829.16  |
| Bodffordd                      | £ | 1,828.89  |
| Trearddur                      | £ | 1,816.83  |
| Tref Alaw                      | £ | 1,817.37  |
| Llanfachraeth                  | £ | 1,855.44  |
| Llanfaelog                     | £ | 1,822.77  |
| Llanfaethlu                    | £ | 1,819.08  |
| Llanfair-yn-Neubwll            | £ | 1,829.79  |
| Valley                         | £ | 1,856.16  |
| Bryngwran                      | £ | 1,841.67  |
| Rhoscolyn                      | £ | 1,807.56  |
| Trewalchmai                    | £ | 1,837.62  |

being the amount given by adding to the amount at 8(e) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 8(b) above, calculated by the Executive in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one of more special items relate.

### Valuation Bands

being the amounts given by multiplying the amounts at 8(e) and 8(f) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Executive, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

**Council Tax per Band, per Area, which includes the Isle of Anglesey County Council and Community/Town Council elements/precepts**

|                                 |   | A        | B        | C        | D        | E        | F        | G        | H        | I        |
|---------------------------------|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Amlwch                          | £ | 1,250.16 | 1,458.52 | 1,666.88 | 1,875.24 | 2,291.96 | 2,708.68 | 3,125.40 | 3,750.48 | 4,375.56 |
| Beaumaris                       | £ | 1,217.58 | 1,420.51 | 1,623.44 | 1,826.37 | 2,232.23 | 2,638.09 | 3,043.95 | 3,652.74 | 4,261.53 |
| Holyhead                        | £ | 1,321.86 | 1,542.17 | 1,762.48 | 1,982.79 | 2,423.41 | 2,864.03 | 3,304.65 | 3,965.58 | 4,626.51 |
| Llangefni                       | £ | 1,306.56 | 1,524.32 | 1,742.08 | 1,959.84 | 2,395.36 | 2,830.88 | 3,266.40 | 3,919.68 | 4,572.96 |
| Menai Bridge                    | £ | 1,261.44 | 1,471.68 | 1,681.92 | 1,892.16 | 2,312.64 | 2,733.12 | 3,153.60 | 3,784.32 | 4,415.04 |
| Llanddaniel-fab                 | £ | 1,224.84 | 1,428.98 | 1,633.12 | 1,837.26 | 2,245.54 | 2,653.82 | 3,062.10 | 3,674.52 | 4,286.94 |
| Llanddona                       | £ | 1,209.84 | 1,411.48 | 1,613.12 | 1,814.76 | 2,218.04 | 2,621.32 | 3,024.60 | 3,629.52 | 4,234.44 |
| Cwm Cadnant                     | £ | 1,214.28 | 1,416.66 | 1,619.04 | 1,821.42 | 2,226.18 | 2,630.94 | 3,035.70 | 3,642.84 | 4,249.98 |
| Llanfair Pwllgwyngyll           | £ | 1,261.32 | 1,471.54 | 1,681.76 | 1,891.98 | 2,312.42 | 2,732.86 | 3,153.30 | 3,783.96 | 4,414.62 |
| Llanfihangel Ysgeifiog          | £ | 1,219.80 | 1,423.10 | 1,626.40 | 1,829.70 | 2,236.30 | 2,642.90 | 3,049.50 | 3,659.40 | 4,269.30 |
| Bodorgan                        | £ | 1,211.46 | 1,413.37 | 1,615.28 | 1,817.19 | 2,221.01 | 2,624.83 | 3,028.65 | 3,634.38 | 4,240.11 |
| Llangoed                        | £ | 1,223.94 | 1,427.93 | 1,631.92 | 1,835.91 | 2,243.89 | 2,651.87 | 3,059.85 | 3,671.82 | 4,283.79 |
| Llangristiolus & Cerrig Ceinwen | £ | 1,203.42 | 1,403.99 | 1,604.56 | 1,805.13 | 2,206.27 | 2,607.41 | 3,008.55 | 3,610.26 | 4,211.97 |
| Llanidan                        | £ | 1,229.22 | 1,434.09 | 1,638.96 | 1,843.83 | 2,253.57 | 2,663.31 | 3,073.05 | 3,687.66 | 4,302.27 |
| Rhosyr                          | £ | 1,216.74 | 1,419.53 | 1,622.32 | 1,825.11 | 2,230.69 | 2,636.27 | 3,041.85 | 3,650.22 | 4,258.59 |
| Penmynydd                       | £ | 1,224.24 | 1,428.28 | 1,632.32 | 1,836.36 | 2,244.44 | 2,652.52 | 3,060.60 | 3,672.72 | 4,284.84 |
| Pentraeth                       | £ | 1,231.74 | 1,437.03 | 1,642.32 | 1,847.61 | 2,258.19 | 2,668.77 | 3,079.35 | 3,695.22 | 4,311.09 |
| Moelfre                         | £ | 1,209.48 | 1,411.06 | 1,612.64 | 1,814.22 | 2,217.38 | 2,620.54 | 3,023.70 | 3,628.44 | 4,233.18 |
| Llanbadrig                      | £ | 1,226.16 | 1,430.52 | 1,634.88 | 1,839.24 | 2,247.96 | 2,656.68 | 3,065.40 | 3,678.48 | 4,291.56 |
| Llanddyfnan                     | £ | 1,216.44 | 1,419.18 | 1,621.92 | 1,824.66 | 2,230.14 | 2,635.62 | 3,041.10 | 3,649.32 | 4,257.54 |
| Llaneilian                      | £ | 1,222.32 | 1,426.04 | 1,629.76 | 1,833.48 | 2,240.92 | 2,648.36 | 3,055.80 | 3,666.96 | 4,278.12 |
| Llanerch-y-medd                 | £ | 1,226.76 | 1,431.22 | 1,635.68 | 1,840.14 | 2,249.06 | 2,657.98 | 3,066.90 | 3,680.28 | 4,293.66 |
| Llaneugrad                      | £ | 1,211.22 | 1,413.09 | 1,614.96 | 1,816.83 | 2,220.57 | 2,624.31 | 3,028.05 | 3,633.66 | 4,239.27 |
| Llanfair Mathafarn Eithaf       | £ | 1,219.56 | 1,422.82 | 1,626.08 | 1,829.34 | 2,235.86 | 2,642.38 | 3,048.90 | 3,658.68 | 4,268.46 |
| Cylch y Garn                    | £ | 1,207.26 | 1,408.47 | 1,609.68 | 1,810.89 | 2,213.31 | 2,615.73 | 3,018.15 | 3,621.78 | 4,225.41 |
| Mechell                         | £ | 1,207.74 | 1,409.03 | 1,610.32 | 1,811.61 | 2,214.19 | 2,616.77 | 3,019.35 | 3,623.22 | 4,227.09 |
| Rhos-y-bol                      | £ | 1,206.90 | 1,408.05 | 1,609.20 | 1,810.35 | 2,212.65 | 2,614.95 | 3,017.25 | 3,620.70 | 4,224.15 |
| Aberffraw                       | £ | 1,225.86 | 1,430.17 | 1,634.48 | 1,838.79 | 2,247.41 | 2,656.03 | 3,064.65 | 3,677.58 | 4,290.51 |
| Bodedern                        | £ | 1,219.44 | 1,422.68 | 1,625.92 | 1,829.16 | 2,235.64 | 2,642.12 | 3,048.60 | 3,658.32 | 4,268.04 |
| Bodffordd                       | £ | 1,219.26 | 1,422.47 | 1,625.68 | 1,828.89 | 2,235.31 | 2,641.73 | 3,048.15 | 3,657.78 | 4,267.41 |
| Trearddur                       | £ | 1,211.22 | 1,413.09 | 1,614.96 | 1,816.83 | 2,220.57 | 2,624.31 | 3,028.05 | 3,633.66 | 4,239.27 |
| Tref Alaw                       | £ | 1,211.58 | 1,413.51 | 1,615.44 | 1,817.37 | 2,221.23 | 2,625.09 | 3,028.95 | 3,634.74 | 4,240.53 |
| Llanfachraeth                   | £ | 1,236.96 | 1,443.12 | 1,649.28 | 1,855.44 | 2,267.76 | 2,680.08 | 3,092.40 | 3,710.88 | 4,329.36 |
| Llanfaelog                      | £ | 1,215.18 | 1,417.71 | 1,620.24 | 1,822.77 | 2,227.83 | 2,632.89 | 3,037.95 | 3,645.54 | 4,253.13 |
| Llanfaethlu                     | £ | 1,212.72 | 1,414.84 | 1,616.96 | 1,819.08 | 2,223.32 | 2,627.56 | 3,031.80 | 3,638.16 | 4,244.52 |
| Llanfair-yn-Neubwll             | £ | 1,219.86 | 1,423.17 | 1,626.48 | 1,829.79 | 2,236.41 | 2,643.03 | 3,049.65 | 3,659.58 | 4,269.51 |
| Valley                          | £ | 1,237.44 | 1,443.68 | 1,649.92 | 1,856.16 | 2,268.64 | 2,681.12 | 3,093.60 | 3,712.32 | 4,331.04 |
| Bryngwran                       | £ | 1,227.78 | 1,432.41 | 1,637.04 | 1,841.67 | 2,250.93 | 2,660.19 | 3,069.45 | 3,683.34 | 4,297.23 |
| Rhoscolyn                       | £ | 1,205.04 | 1,405.88 | 1,606.72 | 1,807.56 | 2,209.24 | 2,610.92 | 3,012.60 | 3,615.12 | 4,217.64 |
| Trewalchmai                     | £ | 1,225.08 | 1,429.26 | 1,633.44 | 1,837.62 | 2,245.98 | 2,654.34 | 3,062.70 | 3,675.24 | 4,287.78 |

9. That it be noted that for the year 2026/27, the Police and Crime Commissioner North Wales has stated the following amounts in a precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

**Precepting Authority**

**Valuation Bands**

|   |   | <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> | <b>E</b> | <b>F</b> | <b>G</b> | <b>H</b> | <b>I</b> |
|---|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Police and Crime Commissioner North Wales | £ | 265.50   | 309.75   | 354.00   | 398.25   | 486.75   | 575.25   | 663.75   | 796.50   | 929.25   |

10. That, having calculated the aggregate in each case of the amounts at 8(ff) and 9 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2026/27 for each of the categories of dwellings shown below:-

|                                 |   | Council Tax per Band, per Area, which includes the Isle of Anglesey County Council element, Community/Town Council Precepts and North Wales Police Precept |          |          |          |          |          |          |          |          |
|---------------------------------|---|--|----------|----------|----------|----------|----------|----------|----------|----------|
|                                 |   | A  | B        | C        | D        | E        | F        | G        | H        | I        |
| Amlwch                          | £ | 1,515.66   | 1,768.27 | 2,020.88 | 2,273.49 | 2,778.71 | 3,283.93 | 3,789.15 | 4,546.98 | 5,304.81 |
| Beaumaris                       | £ | 1,483.08   | 1,730.26 | 1,977.44 | 2,224.62 | 2,718.98 | 3,213.34 | 3,707.70 | 4,449.24 | 5,190.78 |
| Holyhead                        | £ | 1,587.36   | 1,851.92 | 2,116.48 | 2,381.04 | 2,910.16 | 3,439.28 | 3,968.40 | 4,762.08 | 5,555.76 |
| Llangefni                       | £ | 1,572.06   | 1,834.07 | 2,096.08 | 2,358.09 | 2,882.11 | 3,406.13 | 3,930.15 | 4,716.18 | 5,502.21 |
| Menai Bridge                    | £ | 1,526.94   | 1,781.43 | 2,035.92 | 2,290.41 | 2,799.39 | 3,308.37 | 3,817.35 | 4,580.82 | 5,344.29 |
| Llanddaniel-fab                 | £ | 1,490.34   | 1,738.73 | 1,987.12 | 2,235.51 | 2,732.29 | 3,229.07 | 3,725.85 | 4,471.02 | 5,216.19 |
| Llanddona                       | £ | 1,475.34   | 1,721.23 | 1,967.12 | 2,213.01 | 2,704.79 | 3,196.57 | 3,688.35 | 4,426.02 | 5,163.69 |
| Cwm Cadnant                     | £ | 1,479.78   | 1,726.41 | 1,973.04 | 2,219.67 | 2,712.93 | 3,206.19 | 3,699.45 | 4,439.34 | 5,179.23 |
| Llanfair Pwllgwyngyll           | £ | 1,526.82   | 1,781.29 | 2,035.76 | 2,290.23 | 2,799.17 | 3,308.11 | 3,817.05 | 4,580.46 | 5,343.87 |
| Llanfihangel Ysgeifiog          | £ | 1,485.30   | 1,732.85 | 1,980.40 | 2,227.95 | 2,723.05 | 3,218.15 | 3,713.25 | 4,455.90 | 5,198.55 |
| Bodorgan                        | £ | 1,476.96   | 1,723.12 | 1,969.28 | 2,215.44 | 2,707.76 | 3,200.08 | 3,692.40 | 4,430.88 | 5,169.36 |
| Llangoed                        | £ | 1,489.44   | 1,737.68 | 1,985.92 | 2,234.16 | 2,730.64 | 3,227.12 | 3,723.60 | 4,468.32 | 5,213.04 |
| Llangristiolus & Cerrig Ceinwen | £ | 1,468.92   | 1,713.74 | 1,958.56 | 2,203.38 | 2,693.02 | 3,182.66 | 3,672.30 | 4,406.76 | 5,141.22 |
| Llanidan                        | £ | 1,494.72   | 1,743.84 | 1,992.96 | 2,242.08 | 2,740.32 | 3,238.56 | 3,736.80 | 4,484.16 | 5,231.52 |
| Rhosyr                          | £ | 1,482.24   | 1,729.28 | 1,976.32 | 2,223.36 | 2,717.44 | 3,211.52 | 3,705.60 | 4,446.72 | 5,187.84 |
| Penmynydd                       | £ | 1,489.74   | 1,738.03 | 1,986.32 | 2,234.61 | 2,731.19 | 3,227.77 | 3,724.35 | 4,469.22 | 5,214.09 |
| Pentraeth                       | £ | 1,497.24   | 1,746.78 | 1,996.32 | 2,245.86 | 2,744.94 | 3,244.02 | 3,743.10 | 4,491.72 | 5,240.34 |
| Moelfre                         | £ | 1,474.98   | 1,720.81 | 1,966.64 | 2,212.47 | 2,704.13 | 3,195.79 | 3,687.45 | 4,424.94 | 5,162.43 |
| Llanbadrig                      | £ | 1,491.66   | 1,740.27 | 1,988.88 | 2,237.49 | 2,734.71 | 3,231.93 | 3,729.15 | 4,474.98 | 5,220.81 |
| Llanddyfnan                     | £ | 1,481.94   | 1,728.93 | 1,975.92 | 2,222.91 | 2,716.89 | 3,210.87 | 3,704.85 | 4,445.82 | 5,186.79 |
| Llaneilian                      | £ | 1,487.82   | 1,735.79 | 1,983.76 | 2,231.73 | 2,727.67 | 3,223.61 | 3,719.55 | 4,463.46 | 5,207.37 |
| Llanerch-y-medd                 | £ | 1,492.26   | 1,740.97 | 1,989.68 | 2,238.39 | 2,735.81 | 3,233.23 | 3,730.65 | 4,476.78 | 5,222.91 |
| Llaneugrad                      | £ | 1,476.72   | 1,722.84 | 1,968.96 | 2,215.08 | 2,707.32 | 3,199.56 | 3,691.80 | 4,430.16 | 5,168.52 |
| Llanfair Mathafarn Eithaf       | £ | 1,485.06   | 1,732.57 | 1,980.08 | 2,227.59 | 2,722.61 | 3,217.63 | 3,712.65 | 4,455.18 | 5,197.71 |
| Cylch y Garn                    | £ | 1,472.76   | 1,718.22 | 1,963.68 | 2,209.14 | 2,700.06 | 3,190.98 | 3,681.90 | 4,418.28 | 5,154.66 |
| Mechell                         | £ | 1,473.24   | 1,718.78 | 1,964.32 | 2,209.86 | 2,700.94 | 3,192.02 | 3,683.10 | 4,419.72 | 5,156.34 |
| Rhos-y-bol                      | £ | 1,472.40   | 1,717.80 | 1,963.20 | 2,208.60 | 2,699.40 | 3,190.20 | 3,681.00 | 4,417.20 | 5,153.40 |
| Aberffraw                       | £ | 1,491.36   | 1,739.92 | 1,988.48 | 2,237.04 | 2,734.16 | 3,231.28 | 3,728.40 | 4,474.08 | 5,219.76 |
| Bodedern                        | £ | 1,484.94   | 1,732.43 | 1,979.92 | 2,227.41 | 2,722.39 | 3,217.37 | 3,712.35 | 4,454.82 | 5,197.29 |
| Bodffordd                       | £ | 1,484.76   | 1,732.22 | 1,979.68 | 2,227.14 | 2,722.06 | 3,216.98 | 3,711.90 | 4,454.28 | 5,196.66 |
| Trearddur                       | £ | 1,476.72   | 1,722.84 | 1,968.96 | 2,215.08 | 2,707.32 | 3,199.56 | 3,691.80 | 4,430.16 | 5,168.52 |
| Tref Alaw                       | £ | 1,477.08   | 1,723.26 | 1,969.44 | 2,215.62 | 2,707.98 | 3,200.34 | 3,692.70 | 4,431.24 | 5,169.78 |
| Llanfachraeth                   | £ | 1,502.46   | 1,752.87 | 2,003.28 | 2,253.69 | 2,754.51 | 3,255.33 | 3,756.15 | 4,507.38 | 5,258.61 |
| Llanfaelog                      | £ | 1,480.68   | 1,727.46 | 1,974.24 | 2,221.02 | 2,714.58 | 3,208.14 | 3,701.70 | 4,442.04 | 5,182.38 |
| Llanfaethlu                     | £ | 1,478.22   | 1,724.59 | 1,970.96 | 2,217.33 | 2,710.07 | 3,202.81 | 3,695.55 | 4,434.66 | 5,173.77 |
| Llanfair-yn-Neubwll             | £ | 1,485.36   | 1,732.92 | 1,980.48 | 2,228.04 | 2,723.16 | 3,218.28 | 3,713.40 | 4,456.08 | 5,198.76 |
| Valley                          | £ | 1,502.94   | 1,753.43 | 2,003.92 | 2,254.41 | 2,755.39 | 3,256.37 | 3,757.35 | 4,508.82 | 5,260.29 |
| Bryngwran                       | £ | 1,493.28   | 1,742.16 | 1,991.04 | 2,239.92 | 2,737.68 | 3,235.44 | 3,733.20 | 4,479.84 | 5,226.48 |
| Rhoscolyn                       | £ | 1,470.54   | 1,715.63 | 1,960.72 | 2,205.81 | 2,695.99 | 3,186.17 | 3,676.35 | 4,411.62 | 5,146.89 |
| Trewalchmai                     | £ | 1,490.58   | 1,739.01 | 1,987.44 | 2,235.87 | 2,732.73 | 3,229.59 | 3,726.45 | 4,471.74 | 5,217.03 |



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## 2026/27 REVENUE BUDGET

### OPPOSITION GROUP ALTERNATIVE BUDGET PROPOSAL

This is a summary report from the Director of Function (Resources) / Section 151 Officer on the Opposition Group's alternative budget proposal.

The budget proposal put forward by the Executive increases the Council's Net revenue Budget for 2026/27 to £207,029,007 and is funded as follows:-

|                                  | Executive's Proposal |                      |
|----------------------------------|----------------------|----------------------|
|                                  | £                    | £                    |
| <b>Net Revenue Budget</b>        |                      | <b>207,029,007</b>   |
| <b>Funded By</b>                 |                      |                      |
| Revenue Support Grant            | - 120,503,951        |                      |
| Redistributed Non Domestic Rates | - 24,081,011         |                      |
|                                  |                      | - 144,584,962        |
| Council Tax                      |                      | - 60,759,480         |
| Reserves                         |                      | - 1,684,565          |
| <b>Total Funding</b>             |                      | <b>- 207,029,007</b> |

The Opposition have put forward the following budget proposal

1. To reduce the service investment bids by £456,800 as follows:-

| Reduce the Service Investments                    |   |                  |
|---|---|------------------|
| Reduce ALN Budget by £20k                         | - | 20,000           |
| Reduce the Public Conveniences Budget by £25k     | - | 25,000           |
| Delete the Bid for Property Services Team         | - | 40,200           |
| Reduce the Food Safety Inspection Budget to £100k | - | 46,100           |
| Reduce the Cyber Security budget to £200k         | - | 164,200          |
| Delete the Data Analysis Bid                      | - | 81,900           |
| Delete the Procurement Bid                        | - | 79,400           |
| <b>Total Budget Reduction</b>                     |   | <b>- 456,800</b> |

2. Reduce the increase in Council Tax to 1% plus 0.3% to cover the increase in the Fire Service levy. This would put the Band D charge at £1,728.09 compared to the Executive's proposals of £1,792.98. This would result in an increase of £22.13 in the Band D charge (£0.42 per week) compared to £87.03 (£1.67 per week) in the Executive's proposal.

The reduction in the Council Tax increase would require a smaller increase in the Council Tax Reduction Scheme Budget. This would generate a further saving of £271,903 in the net revenue budget.

3. To fund the balance resulting from points 1 and 2 above, by increasing the use of general balances. The net revenue budget and funding would be as follows:-

| <b>Opposition Group Proposal</b>    |               |                      |
|-------------------------------------|---------------|----------------------|
|                                     | <b>£</b>      | <b>£</b>             |
| Net Revenue Budget                  |               | 207,029,007          |
| Savings Proposals                   | - 456,800     |                      |
| Impact of change in CT rise on CTRS | - 271,903     |                      |
|                                     |               | - 728,703            |
| <b>Revised Net Revenue Budget</b>   |               | <b>206,300,304</b>   |
| <b>Funded By</b>                    |               |                      |
| Revenue Support Grant               | - 120,503,951 |                      |
| Redistributed Non Domestic Rates    | - 24,081,011  |                      |
|                                     |               | - 144,584,962        |
| Council Tax                         |               | - 58,560,456         |
| Reserves                            |               | - 3,154,886          |
| <b>Total Funding</b>                |               | <b>- 206,300,304</b> |

The use of reserves would increase by £1.47m compared to the Executive's proposals.

4. The proposal would also impact on the Council's level of general balances going forward as follows

| General Balances   | Executive's<br>Proposal<br>£'000 | Opposition<br>Proposal<br>£'000 |
|--|----------------------------------|---------------------------------|
| Opening Balance as at 1 April 2025                         | 15,707                           | 15,707                          |
| Less Allocated in Year                                     | - 100                            | - 100                           |
| Plus Contribution from 25/26 Underspend as per Q3 Forecast | 1,865                            | 1,865                           |
| Less Funding of 2026/27 Revenue Budget                     | - 1,685                          | - 3,155                         |
| <b>Balance as at 1 April 2027</b>                          | <b>15,787</b>                    | <b>14,317</b>                   |
| <b>Percentage of 26/27 Net Revenue Budget</b>              | <b>7.63%</b>                     | <b>6.94%</b>                    |

**5. Comparison of Council Tax Band D Charges in North Wales**

Based on the information currently available, the proposed Council Tax for each of the 6 North Wales authorities is as follows:-

| Authority    | Proposed<br>Council Tax<br>26/27 | %<br>Increase | Executive<br>Proposal<br>£1,793 + 5.1% | Opposition Group<br>Proposal<br>£1,728 + 1.3% |
|--------------|----------------------------------|---------------|--|---|
|              |                                  |               | Difference to<br>Anglesey              | Difference to<br>Anglesey                     |
| Anglesey     |                                  |               |  |   |
| Gwynedd      | £2,006                           | 5.17%         | + £213                                 | + £278  |
| Conwy        | £2,011                           | 6.50%         | + £218                                 | + £283  |
| Denbighshire | £1,872                           | 5.22%         | + £79                                  | + £144  |
| Flintshire   | £1,921                           | 5.77%         | + £128                                 | + £192  |
| Wrexham      | £1,843                           | 5.30%         | + £50                                  | + £144  |

6. Looking forward to 2027/28, the Opposition's Proposal would have an impact on the 2027/28 budget as follows:-

| Impact on 2027/28 Budget                               | Executive's Proposal | Opposition Proposal  |
|--|----------------------|----------------------|
|  | £                    | £                    |
| 2026/27 Net Revenue Budget                             | 207,029,007          | 206,300,304          |
| Assume 2.5% increase in Costs                          | 5,175,725            | 5,157,508            |
| <b>Estimated Net Revenue Budget 2027/28</b>            | <b>212,204,732</b>   | <b>211,457,812</b>   |
| Funded By  |                      |                      |
| Aggregate External Finance - assume 0.6% increase      | - 145,452,472        | - 145,452,472        |
| Council Tax - assume 5% increase                       | - 63,797,454         | - 61,488,479         |
| <b>Total Assumed Funding 2027/28</b>                   | <b>- 209,249,926</b> | <b>- 206,940,951</b> |
| <b>Budget Shortfall</b>                                | <b>2,954,806</b>     | <b>4,516,861</b>     |
| <b>Increase in CT Required to Fully Fund Shortfall</b> | <b>9.86%</b>         | <b>12.71%</b>        |

The increased use of reserves in the Opposition Group's proposal would increase the estimated budget shortfall from £2.95m under the Executive's proposal to £4.52m. To fund this shortfall fully from an increase in Council Tax would require an increase of 12.71% in Council Tax in 2027/28, compared to 9.86% under the Executive's current proposal. Of course, the shortfall could be funded by also reducing expenditure or a further contribution from general balances, or as has happened in previous years a combination of council tax increase, budget reduction and use of reserves.

### Conclusions

1. The Opposition Group's proposal is fully funded and therefore complies with the legal requirements for the Council's budget.
2. The net revenue budget proposed by the Opposition is also a fair and reasonable estimate of the budget requirement for 2026/27.
3. The proposal does not fully fund all the service risks identified and by reducing the service investments some of these risks remain.
4. The reduction in Council Tax in 2026/27, results in a lower starting point for the 2027/28 budget. Using more of the Council's general balances in 2026/27 also reduces the possibility of using balances again in 2027/28 as a funding source. The combination of both of these changes will make balancing the 2027/28 revenue budget even more challenging.

Isle of Anglesey County Council

|                             |   |
|-----------------------------|---|
| Report to:                  | Governance and Audit Committee<br>Executive<br>Council                                      |
| Dates:                      | 3 February 2026<br>24 February 2026<br>5 March 2026   |
| Subject:                    | Amendment to the Constitution – Final Approval of the Council’s Annual Governance Statement |
| Portfolio holder(s):        |   |
| Head of service / director: | Lynn Ball, Director of Function (Council Business)/Monitoring Officer                       |
| Report author:              | Lisa Lord, Interim Legal Services Manager and Deputy Monitoring Officer                     |
| Local members:              | All   |

A – Recommendation(s) and reasons

|   |
|---|
| <p><b><u>Recommendations</u></b></p> <p><b>Executive</b></p> <p>For the Executive to express a view on the proposed amendment to the Constitution to provide for the final approval of the Council’s Annual Governance Statement by the Governance and Audit Committee, in place of the Council.</p> <p><b>Governance and Audit Committee</b></p> <p>For the Committee to express a view on the proposed amendment to the Constitution to provide for the final approval of the Council’s Annual Governance Statement by the Governance and Audit Committee, in place of the Council.</p> <p><b>Council</b></p> <p>For Council to approve the proposed amendment to the Constitution to provide for the final approval of the Council’s Annual Governance Statement by the Governance and Audit Committee, in place of the Council.</p> <p><b><u>Reasons</u></b></p> <ul style="list-style-type: none"> <li>The main stages of the preparation and approval process for the Council’s Annual Governance Statement are currently as follows:             <ol style="list-style-type: none"> <li>Internal process (preparation and review)</li> </ol> </li> </ul> |
|---|

- A multi disciplinary Governance Group has been reintroduced to support the production of the Annual Governance Statement to be reviewed May.
- Draft submission to Leadership Team May/June.
- Draft published online end June. At this stage details will be sent to all councillors and comments will be invited.

2. Review by Governance and Audit Committee July.

3. Approval, currently by full Council (in sufficient time for publication by no later than 30 September 2026)

- The Annual Governance Statement forms part of the Council's Annual Accounts to meet the requirement to publish a Statement on Internal Control. Council recently approved a change to the Constitution, to delegate approval of the Council's Annual Accounts to Governance and Audit Committee.
- This change was introduced in line with Audit Wales' Annual Plan reflecting the clear goal to bring forward the audit timetable for local government. The authorisation date for 2025/26, is 30/09/2026, which is a month earlier than 2024/25.
- Welsh Government recommends the Statement on Internal Control (which, for this Council is the Annual Governance Statement) is published at the time the unaudited annual accounts are signed and dated by the responsible financial officer.
- This compresses the time available to respond to any matters raised by the Governance and Audit Committee, and to produce an amended, accurate and bilingual version at a time when there are also pressures on production of the Council's Annual Accounts.
- If approval remains with full Council, the 09/2026 meeting will need to be moved or an extraordinary meeting of full Council will be required.
- Delegating authority to the Governance and Audit Committee is a more efficient approval process and keeps the Annual Governance Statement on the same approvals timeline as the Council's Annual Accounts. There is no disadvantage to any councillor, nor to the public, as the reports will still be available in the usual way and at the stage when the draft Annual Governance Statement is published (planned to be end June), a copy will be sent to all councillors inviting comment.
- Against this background, the amendment sought is to paragraph 3.4.8.4.2 – *"The Committee will review and approve the Annual Governance Statement (AGS) prior to full council approval and consider taking into account whether it properly reflects the risk environment and supporting assurances, including the Head of Audit and Risk's annual opinion. ~~It will consider~~ The Committee will determine whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives."*
- Under paragraph 2.15.2.1 of the Constitution "...changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive".

- A report will also be taken to the Governance and Audit Committee, on 3 February 2026, in order to seek the view of that committee on the change proposed.

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

Approval remaining with full Council. This was rejected as the status quo is having a negative impact on the efficiency of the process while the proposed change does not disadvantage any party.

C – Why is this a decision for the Executive?

This is not an Executive decision, and the decision will be made by full Council. However under paragraph 2.15.2.1 of the Constitution there is a requirement to provide the Executive with an opportunity to comment on any proposed changes to the Constitution.

Ch – Is this decision consistent with policy approved by the full Council?

Changes to the Constitution (not falling within 3.5.3.6.6 and 3.4.12.6.3) require approval of full Council

D – Is this decision within budget approved by the Council?

There are no budgetary impacts

Dd – Assessment of potential impacts (if relevant)

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

The proposed change supports efficient decision making in relation to documentation required as part of the Council's statutory accounts.

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

Not to any significant extent but will obviate the need for an extraordinary meeting of the Council.

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

CIPFA

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

No

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

No impact

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

No impact

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

No impact

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

|  |  |
|--|--|
| 1. Chief Executive / Leadership Team (mandatory) | Leadership Team are supportive of the proposal (20 January 2026)   |
| 2. Finance / 151 Officer                         | Supportive of the proposal which would bring the approval process in line with the Annual Statement of Accounts approval process |
| 3. Legal / Monitoring Officer (mandatory)        | No objection to the recommendation   |
| 4. HR  | N/A  |
| 5. Property                                      | N/A  |
| 6. IT  | N/A  |
| 7. Procurement                                   | N/A  |
| 8. Scrutiny                                      | N/A  |
| 9. Local members                                 | Consultation with the Governance and Audit Committee will take place on 3 February 2026  |

**F – Appendices**

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

CIPFA, Delivering good governance in local government: framework addendum (May 2025)  
[Delivering Good Governance in Local Government Addendum](#)  
[Annual Governance Statement](#)

| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b> |   |
|--|---|
| <b>Meeting:</b>                        | County Council  |
| <b>Date:</b>                           | 5 March 2026  |
| <b>Title of report:</b>                | Political Balance of Committees   |
| <b>Report by:</b>                      | Head of Democracy   |
| <b>Purpose of Report:</b>              | To review the political balance on committees in accordance with the Council's constitution and local government legislation. |

### **Background**

1. The Council needs to review political balance arrangements on its committees on an annual basis. The last review took place in May 2025, but following the result of the Ynys Gybi by-election in February and a change in the membership of the Anglesey Independents group, there has been a change in the political balance of the Council, and the allocation of committee seats needs to be reconsidered.

2. The Local Government and Housing Act 1989 sets out the main principles governing political balance, which are:

*“a) that not all the seats on the body are allocated to the same political group;*

*b) that the majority of the seats on the body is allocated to a particular political group if the number of persons belonging to that group is a majority of the Authority's membership;*

*c) subject to (a) and (b) above, the number of seats on the ordinary committees of a relevant Authority which are allocated to each political group bears the same proportion to the total of all the seats on the ordinary committees of that Authority as is borne by the number of members of that group to the membership of the Authority; and*

*d) subject to paragraphs (a) to (c) above, that the number of the seats on the body which are allocated to each political group bears the same proportion to the number*

*of all the seats on that body as is borne by the number of members of that group to the membership of the Authority.”<sup>1</sup>*

3. The political situation on the Council following the by-election and the change to the membership of Anglesey Independents group is as follows (political balance only recognises political groups on the Council and for that there have to be at least two members):

|                         |           |
|-------------------------|-----------|
| Plaid Cymru -           | 19 (-1)   |
| Anglesey Independents - | 7 (-1)    |
| Y Grŵp Annibynnol -     | 4         |
| Welsh Labour -          | 3         |
| Unaffiliated members    | 2 (+2)    |
| <b>Total -</b>          | <b>35</b> |

#### **Allocation of Seats on Committees**

4. Unless the calculation arrives at whole numbers for the total number of seats or the number of seats on each committee, then it is necessary to achieve the best possible compliance on the figures in accordance with the principles set out in paragraph 2 above.
5. Committee seats are for political groups; there is no specific right for unaffiliated members who do not belong to a group to any seat, apart from on the County Council itself. As paragraph 3 shows, the Council currently has two individual/unaffiliated members. If there is no objection from the County Council, it is possible to assign the unallocated seats to those members.
6. If any member of the County Council opposes the principle of assigning unallocated seats to the two unaffiliated members, the seats will remain unallocated. Political groups cannot fill these seats. The situation will be reviewed again at the County Council's annual meeting in May.
7. Appendix A explains the allocation of committee seats based on political balance following the recent changes. There is a change to 7 seats across 7 committees. Two fewer seats for the Plaid Cymru group (Planning and Orders Committee and the Licensing Committee) and 5 fewer seats for the Anglesey Independents group (Appointments Committee, Appeals Committee, Planning Policy Committee and the two scrutiny committees).

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<sup>1</sup> Local Government and Housing Act 1989 Sections 15(5)(a) to (d)

8. That leaves 7 unallocated seats to be allocated between the two individual / unaffiliated members if there is no objection. Subject to there being no objection from any member to the general principle of allocation to the unaffiliated members, they are advised to agree between themselves which seats each would occupy. If they have not agreed, then Council will allocate specific seats.
9. Each political group on the Council can only allocate the seats it receives under the political balance arrangements to its own members and not to elected members who are not members of the same political group.
10. In accordance with political management protocol, Group Leaders have been consulted on the change to the allocation of seats as outlined in this report.
11. Recommendations
  - a. That the Council confirms the political balance arrangements for allocating committee seats as outlined in Appendix A.
  - b. That the unallocated seats are allocated between the two individual / unaffiliated members.
  - c. That group leaders advise the Head of Democracy as soon as possible of any changes to group membership on Committees.

|                       |
|-----------------------|
|                       |
| <b>Chwef / Feb 26</b> |

| PWYLLGORAU CRAFFU<br>SCRUTINY COMMITTEES |                             |                            |                                    |   |
|--|-----------------------------|----------------------------|------------------------------------|---|
| Pwyllgorau<br>Committees                 | Partneriaeth<br>Partnership | Corfforaethol<br>Corporate | Cyd-Bwyllgor<br>Corfforedig<br>CJC | Cyfanswm<br>Craffu<br>Total<br>Scrutiny |
| Aelodaeth<br>Membership                  | 12                          | 12                         | 2                                  | 26                                      |
|  | 7                           | 7                          | 1                                  | 15                                      |
|  | 1                           | 1                          |                                    | 2                                       |
|  | 1                           | 1                          |                                    | 2                                       |
|  | (-1)                        | (-1)                       |                                    |   |
|  | 2                           | 2                          | 1                                  | 5                                       |
|  | (+1)                        | (+1)                       |                                    |   |
|  | 12                          | 12                         | 2                                  | 26                                      |

|  |            |
|--|------------|
| <b>ALLWEDD</b>   | <b>KEY</b> |
| <i>Chwith uchaf, italic = hawl ffracsiynol damcaniaethol</i> |            |
| <i>Top left, italic, theoretical fractional entitlement</i>  |            |
| Dde isaf, arferol = awgrym rhif llawn                        |            |
| Bottom right, normal = whole number suggestion               |            |

| Balans ar y Cyngor Sir<br>Balance on County Council |        |           |
|---|--------|-----------|
| Plaid Cymru<br>Party of Wales                       | (-1)   | 19 54.30% |
| Llafur Cymru<br>Welsh Labour                        | 3      | 8.60%     |
| Y Grwp Annibynnol                                   | 4      | 11.40%    |
| Annibynwyr Mon<br>Anglesey Independents             | 7 (-1) | 20%       |
| Unigol / Unaffiliated                               | 2      |           |

Cyfanswm / Total 35

| Pwyllgorau<br>Committees                | LLED-FARNWROL<br>QUASI-JUDICIAL                      |   |   |                            |                            |                          |                      |                        |            | PWYLLGORAU ERAILL Y CYNGOR<br>OTHER COMMITTEES OF THE COUNCIL |   |   |      | Cyfanswm<br>Eraill<br>Total<br>Others |   |   |    |
|---|--|---|---|----------------------------|----------------------------|--------------------------|----------------------|------------------------|------------|---|---|---|------|---------------------------------------|---|---|----|
|   | Cynllunio a<br>Gorchmynion<br>Planning and<br>Orders | Llywodraethu<br>ac Archwilio<br>Governance &<br>Audit | Gwasanaethau<br>Democratiaidd<br>Democratic<br>Services | Penodiadau<br>Appointments | Ymchwilio<br>Investigation | Disgyblu<br>Disciplinary | Apeliadau<br>Appeals | Trwyddedu<br>Licensing | CYS<br>SAC | Pwyllgor Polisi Cynllunio<br>Planning Policy<br>Committee     | Penodi Safonau<br>Standards<br>Appointing | Is-Bwyllgor<br>Indemniadau<br>sub-Committee |      |                                       |   |   |    |
| Aelodaeth<br>Membership                 | 13   | 8   | 9   | 12                         | 3                          | 3                        | 12                   | 13                     | 6          | 11  | 3   | 5   | 98   |                                       |   |   |    |
| Plaid Cymru<br>Party of Wales           | (-1)   | 7   | 4   | 5                          | 7                          | 2                        | 2                    | 7                      | 3          | 6   | 2   | 3   | 55   |                                       |   |   |    |
| Llafur<br>Labour                        | 1  | 1   | 1   | 1                          | 0                          | 0                        | 1                    | 1                      | 1          | 1   | 0   | 0   | 8    |                                       |   |   |    |
| Grwp Annibynnol<br>Independent Group    | 1  | 1   | 1   | 1                          | 0                          | 0                        | 1                    | 1                      | 1          | 1   | 0   | 1   | 9    |                                       |   |   |    |
| Annibynwyr Mon<br>Anglesey Independents | 3  | 2   | 2   | (-1)                       | 2                          | 1                        | 1                    | 2                      | 1          | (-1)  | 2   | 1   | 21   |                                       |   |   |    |
| Unigol / Unaffiliated*                  | (+1)   | 13  | 8   | (+1)                       | 12                         | 3                        | 3                    | (+1)                   | 12         | (+1)  | 13  | 6   | (+1) | 11                                    | 3 | 5 | 98 |

|                       |     |
|-----------------------|-----|
| <b>CYFANSWM LLAWN</b> |     |
| <b>GRAND TOTAL</b>    | 124 |
|                       | 70  |
|                       | 10  |
|                       | 11  |
|                       | 26  |
|                       | 117 |

Isle of Anglesey County Council

|                             |   |
|-----------------------------|---|
| Report to:                  | County Council  |
| Date:                       | 05/03/2026  |
| Subject:                    | Statement of Licensing Policy 2026 – 2031   |
| Portfolio holder(s):        | Councillor Nicola Roberts<br>Planning and Public Protection   |
| Head of service / director: | Christian Branch Head of Regulation and Economic Development  |
| Report author:              | Sion Hughes Licensing & Corporate Safety Manager<br><b>01248 752843</b><br><a href="mailto:sionhughes@ynysmon.llyw.cymru">sionhughes@ynysmon.llyw.cymru</a> |
| Local members:              | Not Applicable  |

A – Recommendation(s) and reasons

|   |
|---|
| <p><b>Recommendation:</b></p> <p><b>The Council is requested to adopt the Statement of Licensing policy 2026 - 2031</b></p> <p><b>Context</b></p> <p>The Licensing Authority, which means Isle of Anglesey County Council, is required, every 5 years, to review, consult and publish a Statement of Licensing Policy setting out its policy for the exercise of its functions under the Licensing Act 2003.</p> <p>The Licensing Act 2003 covers the following licensable activities:</p> <ul style="list-style-type: none"> <li>• Sale or supply of alcohol</li> <li>• Provision of regulated entertainment</li> <li>• Provision of late-night refreshment</li> </ul> <p>The policy sets out a general approach to how licensing decisions are made; how representations are considered, and conditions imposed while also acting as a guide for applicants. The licensing authority must carry out its functions with a view to promoting the licensing objectives and this policy is framed around those objectives.</p> <p>The 4 licensing objectives are as follows:</p> <ul style="list-style-type: none"> <li>• The prevention of crime and disorder</li> <li>• Public safety</li> <li>• The prevention of public nuisance</li> <li>• The protection of children from harm</li> </ul> <p>The revised Statement of Licensing Policy (2026-2031) is attached as annex A. The policy review has been carried out in line with the Home Office revised guidance issued under section 182 of the Licensing Act and the Licensing Act 2003.</p> |
|---|

The draft Statement of Licensing policy was published on the Council's website and letters were issued to all responsible authorities. The consultation was undertaken between 14 November 2025 and 5 January 2026.

Responses were received from Betsi Cadwaladr University Health Board (BCUHB) Public Health, Anglesey Council's Public Protection's Environmental Health team and one licence holder.

Subsequent meetings were convened with Environmental Health and BCUHB Public Health to examine their representations in detail and to determine the extent to which they should be incorporated into the final proposals. The comments submitted by the individual licence holder relate to matters that would require legislative amendment and therefore fall outside the scope of this policy.

The feedback informed a series of targeted amendments to strengthen specific sections of the policy.

The response from BCUHB is attached as annex B.

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

It is a legal requirement that the Statement of Licensing Policy is adopted by the Council.

No other options are available.

C – Why is this a decision for the Executive?

The policy forms part of the Council's Policy Framework as noted in the Constitution at 3.2.2.1.

Ch – Is this decision consistent with policy approved by the full Council?

Yes, it forms part of the Council's Policy Framework.

D – Is this decision within budget approved by the Council?

Yes. All responsibilities linked to the Licensing Policy Statement are absorbed within current staffing structures and will be delivered from the existing budget.

Dd – Assessment of potential impacts (if relevant)

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

Not relevant

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

Not relevant

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

Consultation with the Responsible Authorities listed in section 5 of the Licensing Act 2003 between 14 November 2025 and 5 January 2026.

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

Public consultation via Council website between 14 November 2025 and 5 January 2026.

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

EIA completed - none foreseen

Annex C

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

Not relevant

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

None foreseen

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

|  |                |
|--|----------------|
| 1. Chief Executive / Leadership Team (mandatory) | No comments    |
| 2. Finance / 151 Officer                         | No comments    |
| 3. Legal / Monitoring Officer (mandatory)        |                |
| 4. HR  | Not applicable |
| 5. Property                                      | Not applicable |

|                  |                |
|------------------|----------------|
| 6. IT            | Not applicable |
| 7. Procurement   | Not applicable |
| 8. Scrutiny      | Not applicable |
| 9. Local members |                |

F – Appendices

|   |
|---|
| Annex A Draft Statement of Licensing Policy 2026 – 2031 |
| Annex B - Consultation response                         |
| Annex C - Equality Impact Assessment                    |

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

|     |
|-----|
| N/A |
|-----|



**CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL**

## **STATEMENT OF LICENSING POLICY, LICENSING ACT 2003**

- 1. Background**
- 2. Scope and Extent of the Licensing Act 2003**
- 3. Licensing Objectives**
- 4. The Licensing Process and Administration of Functions**
- 5. Premises Licences and Club Premises Certificates (New Applications, Variations & General Information)**
- 6. Temporary Event Notices (TENs)**
- 7. Personal Licences**
- 8. Club Premises Certificates.**
- 9. Operating Schedule**
- 10. Fees**
- 11. Cumulative Impact, Late Night Levy & Early Morning Restriction Orders**
- 12. Other relevant regimes**
- 13. Enforcement**
- 14. Miscellaneous**

### **APPENDICES**

- Appendix A Contact details for licensing applications**
- Appendix B Responsible Authorities**
- Appendix C Review procedure incorporating joint problem solving and enforcement ladder**
- Appendix D Delegation of functions**
- Appendix E Glossary of Terms**

## 1 BACKGROUND

- 1.1 This Licensing Policy (**the Policy**) is issued in accordance with the Licensing Act 2003 (**the Act**). The Policy sets out the principles that Isle of Anglesey County Council (**the Authority**) will apply when making decisions upon applications, hearings, reviews and appeals under the Act in relation to:
- (a) The sale by retail of alcohol;
  - (b) The supply of alcohol by or on behalf of a club to, or to the order
  - (c) of a member of the club;
  - (d) The provision of late night refreshment (supply of hot food or drink from a premises between 23.00 and 05.00 hours); and
  - (e) The provision of regulated entertainment to the public or club members with a view to making profit including raising money for charity where the entertainment involves: a theatrical performance or film exhibition; an indoor sporting event; boxing or wrestling bouts; performance of live music; playing of recorded music or performance of dance.
- 1.2 The Isle of Anglesey is located in the North West of Wales. The Island is predominantly lowland and it has a coastal Area of Outstanding Natural Beauty (AONB). Large numbers of visitors are attracted, who make an important contribution to the local economy. Agriculture remains an important activity and is integral to the island's identity and culture. The 2021 Census records a population of 68,900 with 30,800 households. Holyhead is the largest town on Anglesey, and the majority of the largest settlements are located around the coast. The largest settlement away from the coast is Llangefni, which is the County town. Anglesey has strong international transport links to Ireland through the Port of Holyhead. The A55, which is part of the Trans-European Road Network (TERN), and the North Wales coastal railway, connects the area to the rest of North Wales and the United Kingdom
- 1.3 The majority of licensed premises for on sales are pubs and restaurants located across the island in towns and villages. There are no concentrations of drink led licensed premises and night clubs on the Island. Village and school halls provide venues for social and cultural events. Several open air concerts and shows provide for the larger and temporary events.
- 1.4 Alcohol consumption and its associated harms continue to present a significant public health challenge. Harmful alcohol use is consistently identified as one of the leading risk factors for disease, disability and premature deaths worldwide. Overall, effective and well-enforced licensing is recognised as a vital component in reducing alcohol related harm, protecting children and vulnerable groups and supporting safer, healthier communities.

## 2 SCOPE AND EXTENT OF THE LICENSING ACT 2003

- 2.1 It is the duty of the Authority to carry out its functions under the Act with a view to promoting with equal importance the **Four Licensing Objectives**:
- (a) Prevention of Crime and Disorder;
  - (b) Public Safety;
  - (c) Prevention of Public Nuisance and,
  - (d) Protection of children from harm.
- 2.2 It is recognised that the licensing function is only one means of securing the delivery of the above objectives. The Authority will therefore continue to work in partnership with all other relevant stakeholders and partners.
- 2.3 In undertaking its licensing function, the Authority will have regard to other legislation and Government Strategies and Policies as applicable. Where other regulatory regimes place obligations on applicants, the Authority will avoid imposing the same or similar obligations by way of conditions on a licence as far as possible.
- 2.4 The Authority will also consider wider initiatives that are relevant to licensing such as:
- (a) CCTV coverage of town centres
  - (b) Exclusion Orders from Town Centre
  - (c) Pub Watch & Safety Advisory Group
  - (d) Accreditation approval initiatives such as The Best Bar None awards or other schemes
  - (e) Initiatives to reduce violence directed towards women and girls
  - (f) Calling Time for Change (2025-2028) - North Wales Alcohol Harm Reduction Strategy (North Wales Area Planning Board 2025)
- 2.5 The Authority wishes to facilitate well run and managed premises with licence holders displaying sensitivity to the impact of the premises on local residents. The Authority recognises that licensed premises on the Island contribute to the local economy, attract tourists and visitors, make for vibrant towns and communities and are major employers. Commercial occupiers of premises also have a legitimate expectation of an environment that is attractive and sustainable for their businesses. That said, the Authority is mindful of balancing this with the needs of local residents and wider considerations in accordance with the Licensing Objectives.
- 2.6 The Authority has adopted this Policy which sets out the Authority's general approach to licensing decisions. The Authority will take the Policy, as well as the Guidance published by the Secretary of State under Section 182 of the Act, into account when exercising its functions under the Act whilst recognising that each application must be considered on its own merits.
- 2.7 This Policy was last reviewed in [18<sup>th</sup> May 2021] and adopted on [May Xth 2026 (subject to approval)].

- 2.8 Where the statutory guidance published under Section 182 of the Act is revised at any time, or where relevant legislative or regulatory changes occur, the Licensing Authority will have regard to such developments where they might have a potential impact upon this Policy.

### **3 LICENSING OBJECTIVES**

- 3.1 The Authority's approach to the Licensing Objectives is set out further below.
- 3.2 In addition to its powers under the Act, the Authority will use a full range of measures including its planning controls, transport controls, crime and disorder policies and powers. The Authority will work closely with its regulatory partners; the Police, the fire authority, local Health Board and also with local businesses, community representatives and local people in meeting these objectives.

#### **Prevention of Crime and Disorder**

- 3.3 The Authority will have regard to the Crime and Disorder Act 1998 under which it has a duty to prevent/reduce crime and disorder in the area.
- 3.4 The Anglesey and Gwynedd Community Safety Partnership/CSP (of which the Authority is a standing member) aims to tackle crime and disorder by producing an annual Community Safety Plan. The plan is guided by the regional priorities of the Police and Crime Commissioner and the Safer North Wales Partnership Board. *The Policy will have regard to the likely impact of licensing on the good management of premises and their immediate environment with regards to preventing crime and disorder.*
- 3.5 The Authority will have due regard to the representations of North Wales Police Service.
- 3.6 The Authority wishes to promote a safe environment at any night clubs. Appropriate and proportional licensing conditions may be imposed to control the environment at relevant premises based on current best practice. **Drugs** - Where deemed necessary, conditions will be imposed to reduce the possible sale and/or consumption of drugs, including staff training, first aid provision and customer safety information. In all cases where these conditions are deemed necessary, advice will be taken from the local Alcohol and Drugs services and the Police.
- 3.7 **Door Supervisors** - Where a premises licence includes a condition requiring any person to carry out a security activity, the licence must include a condition requiring that person to be licensed by the Security Industry Authority unless exempt from such a requirement by reason of falling into one or more of the categories specified in section 21(2) of the Act (licences authorising plays or films, or on other occasions). Where deemed necessary, the Authority may also exercise its discretion and impose conditions that licensed door supervisors (approved by the Security Industry Authority) must be employed at the premises, either at all times or at such times as specified by the Authority, and at a number and ratio to be determined,

based on an agreed risk assessment of the premises.

### **Public Safety**

- 3.8 The Authority wishes to promote high standards of public safety in relation to premises and activities within the scope of the Act.
- 3.9 The Authority's Environmental Health Section which enforces health and safety requirements in relevant premises will be consulted as a Responsible Authority and its officers may also act as Authorised Persons for enforcement purposes under the Act.
- 3.10 The Authority recognises that general health and safety duties will not always adequately cover specific issues and therefore conditions may need to be attached to a Premises Licence or Club Premises Certificate. Physical safety includes the prevention of accidents and injuries and other immediate harms that can result from alcohol consumption such as unconsciousness, alcohol poisoning and 'spiking' incidents.
- 3.11 In the case of premises requiring a Premises Licence or Club Premises Certificate the Authority may select certain conditions that are appropriate and proportionate to the nature of the activities specified in the operating schedule and that promote the licensing objectives.
- 3.12 Where activities are organised by volunteers or a committee of a club or society or community premises the Authority considers it good practice that the same level of health and safety protection is provided as if an employer / employee relationship existed, irrespective of whether there are strict legal duties applicable under the relevant legislation. Applicants are also encouraged to take a proactive approach to general safety issues, including that of their customers, and to discuss appropriate measures with the Responsible Authorities concerned.
- 3.13 Where any conditions have been applied to a Premises Licence or Club Premises Certificate an Authorised Officer of the Authority may inspect the premises at any reasonable time for the purpose of checking that the conditions are being complied with.
- 3.14 The Authority expects that organisers of large scale events, where licensable activities are to take place, will prepare an event management plan incorporating appropriate risk assessments and present them to the Safety Advisory Group well in advance of any proposed event. Any decision to licence such an event under the Act will remain that of the Authority.
- 3.15 **Fire Safety** - The Authority will have due regard to the representations of North Wales Fire and Rescue Service which is one of the Responsible Authorities that will be consulted regarding applications. The Authority may select appropriate and proportional conditions in relation to fire safety matters in consultation with North Wales Fire and Rescue Service. In any premises where a work activity takes place the Fire Precautions (Workplace) Regulations 1997 (as amended) and The Regulatory Reform (Fire Safety) Order 2005 will also apply. These regulations are enforced by North Wales Fire and Rescue Service and confer a statutory duty

on premises supervisors to conduct and keep up to date their own Fire Risk Assessments on each Premises. The Fire Risk Assessment document should amongst other matters address the mode of construction, occupancy figures, smoke and fire detection, alarm systems and communication, security and supervision, principal and secondary means of escape and firefighting equipment for the licensed Premises.

### **Prevention of Public Nuisance**

- 3.16 The Authority when making objective judgments about what constitutes a nuisance will focus on impacts of the licensable activities at the relevant premises on people living and working in the vicinity that are unreasonable. The issues will mainly concern: Noise from talking, shouting, and music played; Waste; Litter; Car Parking and Light pollution and noxious odours.
- 3.17 In considering the potential impact of licensed premises on the surrounding locality the Authority will initially take into account the type of entertainment activity, proposed hours of operation, the capacity of the premises and the character of the area and proximity to local residents.
- 3.18 The Authority's Environmental Health team enforce the provisions of the Environmental Protection Act 1990 which relate to noise nuisance. They will be consulted in relation to existing premises if a statutory nuisance is caused to residents or the business community. They will also be consulted as a Responsible Authority in relation to applications and can offer advice to applicants in relation to the prevention of public nuisance by noise.
- 3.19 The Authority will use a range of licence conditions to control noise and reference may be made to current best practice on the control of noise from pubs and clubs. Stricter conditions with regard to noise control are likely to be imposed in areas where premises are near or adjacent to residential property.
- 3.20 The Authority will not impose conditions that a licence holder cannot directly control, or concerning matters not related to the immediate vicinity of the premises.
- 3.21 North Wales Police also have powers under the Act to control noise from premises. In the event that they have to invoke these powers they shall liaise, where practicable, with the Authority in accordance with the shared enforcement protocol.
- 3.22 The Authority will balance the potential for limited disturbance in neighbourhoods with the need to encourage and promote live music, dancing and theatre.
- 3.23 The Authority will work together with Licensed Premises Operators to ensure all appropriate terms of the Clean Neighbourhoods and Environment Act 2005 are upheld.
- 3.24 The Anti-Social Behaviour, Crime and Policing Act 2014 makes provision for the closure of premises where noise from any licensed premises is causing a public nuisance.

## Protection of Children from Harm

- 3.25 The Authority recognises the great variety of premises for which licences may be sought. These will include for example theatres; cinemas; hotels; supermarkets; smaller shops; restaurants; pubs; nightclubs; cafes; take-aways; community halls and schools. Access by children to all types of premises will not be restricted in any way (save as in accordance with the Act) unless it is considered appropriate and proportionate to do so in order to protect them from harm or exploitation.
- 3.26 When considering applications and options appropriate to prevent harm or exploitation of children, the Authority will take into account the history of a particular premises and the nature of the activities proposed. For example:
- (a) Have there been convictions for serving alcohol to minors or does the premises have a reputation/evidence for underage drinking (to include any action undertaken by the Trading Standards Section of the Authority regarding test purchases in relation to the supply of alcohol);
  - (b) Is there is a known association with drug taking or dealing;
  - (c) Is there is a strong element of gambling on the premises; or
  - (d) Is entertainment of an adult or sexual nature commonly provided.
- 3.27 Where deemed appropriate conditions may be attached which:
- (a) Limit the hours when children may be present;
  - (b) Restrict the age of persons on a premises (below 18);
  - (c) Limit or exclude when certain activities may take place; or
  - (d) Require an accompanying adult.
- 3.28 The Police Reform & Social Responsibility Act 2011 allows Licensing Authorities and the Police the option of imposing a period of voluntary closure of up to two weeks (48 hours minimum) on a premises persistently selling alcohol to children as an alternative to prosecution in some cases.
- 3.29 Where large numbers of children are likely to be present on any licensed premises, for example a children's show or pantomime, then the Authority will require a suitable risk assessment to ensure their safety and protection from harm.
- 3.30 Where the exhibition of films is permitted the Authority will expect age restrictions to be complied with in accordance with the British Board of Film Classifications recommendations. Only in exceptional cases will the authority consider variations of this general rule.

- 3.31 No film shall be exhibited at licensed premises which is likely to lead to disorder; stir up hatred or incite violence towards any section of the public on grounds of colour, race or ethnic or national origin, disability, religious beliefs, sexual orientation, marital status, pregnancy or gender.
- 3.32 The Authority will not impose any condition, which specifically requires access for children to be provided at any premises. Where no restriction or limitation is imposed the issue of access will remain a matter for the individual licence holder.
- 3.33 The Gambling Act 2005 allows a degree of equal chance gaming on licensed premises plus a limited number of gaming machines. The presence of children or vulnerable persons must be monitored by the Authority and the Designated Premises Supervisor.

#### **4 THE LICENSING PROCESS AND ADMINISTRATION OF FUNCTIONS - OVERVIEW**

- 4.1 **Appendix A** provides contact details for the licensing application process, whilst this section provides some general guidance.

##### **Administration of Licensing Functions and the Licensing Committee**

- 4.2 The powers of the Authority under the Act shall be carried out by the Licensing Committee, by a Sub Committee, or by one or more officers acting under delegated authority (see **Appendix D**).
- 4.3 The Licensing Committee consists of 15 members of the Authority. Hearings (when necessary) take place before the Licensing Sub-Committee which is made up of 3 members of the Licensing Committee.

##### **Advertising and Relevant Representations**

- 4.4 When an application is advertised, the Responsible Authorities (**see Appendix B**) and other persons have the opportunity to comment and make representations. Representations are only considered relevant if they relate to one or more of the licensing objectives.
- 4.5 Responsible Authorities may make representations and observations in relation to the impact each licence application may have on the licensing objectives and whether the control measures contained in the operating schedule are adequate to mitigate those impacts.
- 4.6 Representation can be made by any other person (including where a third party or Ward Councillor is representing that person, subject to the Authority being satisfied as to their identity and having given the third party authority to make the representation on their behalf).
- 4.7 Representations may be positive as well as negative, however if only positive representations are received a hearing is unlikely to be necessary.

- 4.8 The Licensing Authority will need to be satisfied there is an evidential link between the representations made, the licensing objectives and the premises in question. Where a representation simply relists the licensing objectives without stating why it is considered the grant of the application will undermine or fail to promote them, it may be rejected as invalid.
- 4.9 Any person making a representation to an application should bear in mind that their personal data (such as name and address) will be disclosed to the applicant. The Licensing Authority will not edit letters of representation. All letters of representation will be contained in the agenda should the matter proceed to a Sub-Committee hearing. Hearings are open to the public and may include the presence of members of the media, unless the sub-committee so decides under the Licensing Act 2003 (Hearings) Regulations 2005 or the Local Government Act 1972, Sch 12A (as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, SI 2007/969, Article 3). Furthermore, personal data may be published in the minutes which are distributed to all parties to the proceedings and available on the Authority's website.

#### **Representations and discussion and the need for a hearing**

- 4.10 The Licensing Authority is obliged by the Act to grant an application unless relevant representations are received. If there are no relevant representations the application will be dealt with by the Licensing Authority's licensing officers under the scheme of delegation. If there are relevant representations which cannot be resolved (see below) then the application will be considered by the Licensing Sub-Committee at a public hearing.
- 4.11 Where representations are made, an officer will be responsible for liaising between the Applicant(s), the Responsible Authorities and any other person who makes relevant representations.
- 4.12 Where relevant representations are made, an officer of the Licensing Authority may liaise with the relevant parties to see if a "settlement" is possible to overcome any objections and resolve areas of concern, without the need for the matter to go before the Licensing Sub-Committee. Once an application has been lodged there are statutory timescales imposed on the application and determination process which may restrict the opportunity for discussions, liaison and mediation.
- 4.13 If agreement can be reached and all parties agree that a hearing is unnecessary, then a hearing will not be convened. Only where objections are raised which cannot be reconciled, will matters be referred to the Licensing Sub-Committee for determination.
- 4.14 Whilst contested Licensing Applications and Review Hearings are Quasi-Judicial in nature, the Sub-Committee will aim to keep the proceedings as informal as possible. Some degree of formality is needed to ensure that all parties receive a fair hearing. Procedural requirements will be established to ensure that all parties are able to express their views openly and fairly.

- 4.15 Whilst the Sub-Committee usually meets in public, it does have power to hear certain applications in private. The Sub-Committee, however, will always reach its decision in private. A public announcement of the decision is normally made at the end of the Hearing together with an outline for the reasons for that decision.

### **Conditions**

- 4.16 If no relevant representations are made the application will be granted on the terms sought i.e. consistent with the operating schedule and subject to the mandatory conditions. No additional conditions will be imposed.
- 4.17 The Licensing Sub-Committee deal with applications where there are relevant representations, or where there is an application for a review of a licence. When considering applications the Sub-Committee will have regard to this Policy, the Act, the statutory guidance and associated regulations.
- 4.18 If the matter proceeds to hearing, the Licensing Sub-Committee may attach conditions (in addition to the mandatory conditions) where it concludes (after receiving relevant representations) that it is appropriate to promote one or more of the licensing objectives. The Authority will, as far as it is reasonably practicable, avoid imposing disproportionate and over burdensome conditions on premises.
- 4.19 The Authority acknowledges Home Office advice that the views of vocal minorities should not be allowed to predominate over the interests of the community
- 4.20 Any conditions attached at hearing will primarily focus on the direct impact of the activities taking place at the premises on those attending the premises and members of the public living, working or otherwise engaged in normal activity in the vicinity of the premises. In determining whether a person lives or has business interests sufficiently close to the premises so as to be likely to be affected by the proposed activities, the Licensing Authority will consider weighting factors such as:
- (a) The size of the premises.
  - (b) The nature of the premises.
  - (c) The distance of the premises from the location of the residence or business of the person making the representations.
  - (d) The potential impact of the premises (e.g. the number of customers and routes likely to be taken by its customers).
- 4.21 Conditions which seek to control the range or nature of activities within the premises, or which are designed to reduce the potential for anti-social behaviour, may be necessary. Such

conditions may also seek to directly impact upon the behaviour of customers on, or within the immediate vicinity of, the premises.

### **Integrating Strategies and the avoidance of Duplication**

- 4.22 Any decision in relation to licensing applications will be entirely separate from any decision in relation to planning. Reports can be given to the Planning Committee on the situation with regard to licensing for the area, including the general impact of alcohol related crime and disorder.
- 4.23 The Licensing Committee can receive data in relation to Crime and Disorder by making a request to the Anglesey and Gwynedd Community Safety Partnership
- 4.24 There are a number of wider issues which may need to be given due consideration when dealing with applications. The Authority's Licensing Committee may therefore receive reports, where deemed appropriate to assist their decision making. Such reports may include, the needs of the local tourist economy, the Cultural Strategy for the area, the Employment situation in the area and the need for new investment and employment and planning considerations which might affect licensed premises.
- 4.25 Where any protocols agreed with the Police identify a particular need to disperse people from town centres swiftly and safely to avoid concentrations which could lead to disorder and disturbance, the Authority will assist, where practicable, to reduce the potential for problems to occur.
- 4.26 The Betsi Cadwaladar Univeristy Health Board (BCUHB) Public Health is responsible for making representations and observations on licence applications. The BCUHB will use health information to inform their decision making. Public health is not yet a licensing objective but the licensing authority believes that public health has much to add to licensing in relation to the local populations' alcohol related health needs. Health bodies such as BCUHB have unique access to data not available to other responsible authorities, such as evidence from A&E and the local Substance Misuse Service, which may inform licensing decisions. Public Health is useful in providing evidence of alcohol related health harms particularly in relation to cumulative impact policies.

## **5 PREMISES LICENCES AND CLUB PREMISES CERTIFICATES (NEW APPLICATIONS, VARIATIONS AND GENERAL INFORMATION)**

- 5.1 The Authority will assess all new or variation applications in light of the licensing objectives and in particular will consider the following:
- (a) The steps taken or proposed to prevent noise and vibration escaping from the premises, including music, noise from ventilation equipment, and human voices. Such measures may include the installation of soundproofing, air conditioning, acoustic lobbies and sound limitation devices.

- (b) The steps taken or proposed to prevent disturbance by patrons and staff arriving at or leaving the premises.
- (c) The steps taken or proposed to prevent queuing, or, if queuing is inevitable, to divert queues away from neighbouring premises, or otherwise to manage to prevent disturbance or obstruction.
- (d) The arrangements made or proposed for parking by patrons, and the effect of parking on local residents.
- (e) Whether there is sufficient provision for public transport for patrons.
- (f) Whether taxis and private hire vehicles serving the premises are likely to disturb local residents.
- (g) Whether routes to and from the premises on foot or by car or service or delivery vehicles pass residential premises.
- (h) Whether other measures to prevent nuisance have been considered, such as the use of CCTV or the employment of registered door supervisors.
- (i) The measures proposed to prevent the consumption or supply of illegal drugs, including any search procedures.
- (j) The measures proposed to comply with the Disability Discrimination Act.
- (k) The likelihood of violence, public disorder or policing problems arising if a licence was granted.
- (l) If the applicant has previously held a licence with the Authority, the details of any enforcement action arising from that premises.
- (m) Whether the premises would result in increased refuse storage or disposal problems, or additional litter in the vicinity of the premises.
- (n) Representations from responsible authorities (including the Police, Fire Authority and Environmental Health).
- (o) Representations from any other person (such as a member of the public or other business).
- (p) Any mitigation measures proposed.

5.2 The Authority also requires applicants to provide contextual information in support of their applications and to demonstrate an awareness of the local community, which could include for example the area's demographic characteristics and/or specific local crime and disorder issues for example.

- 5.3 The Authority will take account of any non-compliance of other statutory requirements brought to its attention, particularly where these undermine the licensing objectives. Non-compliance with other statutory requirements may demonstrate that the premises are unsuitable for the activities proposed; or that the management of the premises is not adequate to protect the public from harm or nuisance.
- 5.4 **Minor Variations** – A premises licence/club premises certificate holder may apply under the minor variation procedure for small variations that will not impact adversely on the licensing objectives. This is a simplified variation process and there is no right to a hearing. If an application is refused, a full variation may be made.

### **General Information**

- 5.5 **Disapplication of Designated Premises Supervisor** – Where community premises hold a premises licence allowing the supply/sale of alcohol, the licence holder can apply to have the mandatory condition requiring a Designated Premises Supervisor to be appointed, be removed. This passes the responsibility for the sale/supply of alcohol to the premises Management Committee.
- 5.6 **Garages** - In determining applications for garages, (i.e. forecourt shops) the Authority must decide whether or not premises are primarily used as a garage and will expect applicants to submit data which establishes the primary use. Where such information is not available (because for example the premises have only just started trading), the Authority may consider imposing a condition requiring this information to be provided to the Licensing Authority on a regular basis for the following years to ensure the premises are not primarily used as a garage.

## **6 TEMPORARY EVENT NOTICES (TENS)**

- 6.1 There are strict criteria and limits in relation to TENS which applicants should be aware of and comply with. These include (but are not limited to) in relation to:
- (a) **Number of TENS that may be given per calendar year** - 50 for personal licence holder (including a maximum of 10 late TENS), 5 for other people (including a maximum of 2 late TENS). 15 TENS maximum per calendar year for any particular premises.
  - (b) **Maximum duration of one event** – 168 hours (seven days).
  - (c) **Maximum total duration of events across calendar year** - 21 days.
  - (d) **Maximum number of attendees at any one time** – 499.
  - (e) **Minimum period between events authorised under separate TENS in relation to the same premises** – 24 hours.
- 6.2 Applicants should consider their compliance with the limitations before a TEN is submitted.

## **Timings for submission**

- 6.3 The Authority recommends that applicants submit standard TENs **at least 20 days** prior to the temporary event in question.
- 6.4 Both the Police and Environmental Health team can object to a TEN, within a three day window of submission, which will allow a period for a review of the TEN leading to a modification or in some cases for the Authority to add conditions to the TEN.
- 6.5 A late TEN is one submitted between 9 and 5 working days before the event.
- 6.6 A key difference between standard and late TENs is that where an objection is received in relation to a standard TEN a hearing must be held (unless all parties consider this unnecessary). If the Police or Environmental Health team object to a late TEN there is no hearing and the event will not go ahead.
- 6.7 The Authority will aim to provide advice about organising such events to applicants, including in relation to the issue of public safety. Where the need arises, coordination between responsible authorities and the emergency services will be facilitated through the Safety Advisory Group.
- 6.8 Many local events will be organised by volunteers or a committee of a club or society. The Authority considers it good practice that the same level of health and safety protection is provided as if an employer/employee relationship existed, irrespective of whether there are strict legal duties applicable under the health and safety legislation.

## **7 PERSONAL LICENCES**

- 7.1 Applicants for a Personal Licence must demonstrate the following requirements:
- (a) They are aged 18 or over.
  - (b) They possess a relevant licensing qualification.
  - (c) They have not forfeited a personal licence within 5 years of the application.
  - (d) Where an applicant has an unspent conviction for a relevant offence or a foreign offence that either i) the Police have not objected to the grant of the application or ii) the Authority has considered the Police's objection but determined that the grant of the application will not undermine the prevention of crime and disorder objective.
  - (e) They have paid the relevant fee.
- 7.2 The named Designated Premises Supervisor (DPS) on each Premises Licence, who is the principle point of contact for the Authority, Police and other Responsible Authorities must hold a personal licence.

- 7.3 Personal Licences are valid for an indefinite period however once issued the licensing authority which issued the licence remains the relevant licensing authority for it and its holder even though the holder may move out of the area.
- 7.4 The holder of a Personal Licence is also required to notify the Licensing Authority of any relevant convictions and to notify the courts that they hold a personal licence at the first possible opportunity in order that the licence can be considered for endorsement, suspension or revocation. It will be an offence not to conform with the above.
- 7.5 A Personal Licence ceases to have effect if the holder of the Personal Licence ceases to be entitled to work in the United Kingdom.

## **8 CLUB PREMISES CERTIFICATES**

- 8.1 A club is an organisation where members have joined together for particular social, sporting or political purposes. These should not be confused with proprietary clubs, which are clubs run by individuals, partnerships or businesses for profit. In order to apply for a Club Premises Certificate the club needs to be a 'Qualifying Club' which means that the Club must meet conditions set out in the Act, including that:
- (a) Under the rules of the Club, there is a minimum of 2 days between applications for membership and admission. This includes the privileges of membership (i.e. use of facilities and the consumption of alcohol).
  - (b) The Club is established and conducted in good faith as a club.
  - (c) The club has at least 25 members.
  - (d) Alcohol is not supplied or intended to be supplied, to members on the premises otherwise than by or on behalf of the club.
- 8.2 Clubs that hold Club Premises Certificates are entitled to certain benefits:
- (a) No need for Personal Licence Holders on the premises.
  - (b) No need for Designated Premises Supervisors.
  - (c) More limited rights of entry for the Police and Authorised Persons (Licensing Officers) as the premises is considered private and not generally open to the public.
  - (d) To sell hot food and drink between 11pm and 5am to members and guests without the need for a licence.

## **9 OPERATING SCHEDULE**

- 9.1 All new and variation applications for Premises Licences, Club Premises Certificates and Provisional Statements must incorporate an operating schedule which outlines how the

premises will be operated. This should include details of how the applicant will promote the four licensing objectives and reduce any potential negative impact from their operation on the local community, depending on the type of premises, location and profile of customers.

- 9.2 The proposals contained in the operating schedule will form the main body of the conditions to be applied, together with any applicable mandatory conditions, any conditions agreed with responsible authorities during the application process and any conditions imposed by the Licensing Sub-Committee (as applicable).
- 9.3 In completing an operating schedule, applicants are expected to have regard to this Policy and to demonstrate suitable knowledge of their local area when describing the steps that they propose to take in order to promote the Licensing Objectives. Applicants should demonstrate, when setting out the steps they propose to take to promote the licensing objectives, that they understand:
- (a) the layout of the local area and physical environment including crime and disorder hotspots, proximity to residential premises and proximity to areas where children may congregate;
  - (b) any risk posed to the local area by the applicants' proposed licensable activities; and
  - (c) any local initiatives (for example, local crime reduction initiatives or voluntary schemes including local taxi-marshalling schemes, street pastors and other schemes) which may help to mitigate potential risks.
- 9.4 Applicants are advised to discuss their proposed operating schedules with the Authority and other Responsible Authorities prior to submission. Officers of the Authority will endeavour to provide guidance at this stage of the process. Where an officer is representing the Authority in its role as a Responsible Authority, wherever possible another officer will be designated to process the application and provide applicant guidance.
- 9.5 The complexity and detail required in the operating schedule will depend upon the nature and use of the premises concerned. For example, for a public house where regulated entertainment is not provided, only a relatively simple document may be required whereas an application for a major entertainment venue or event will require a much more detailed operating schedule and it will be expected that issues such as public safety and the prevention of crime and disorder will be addressed in detail.
- 9.6 The operating schedule must be set out on the prescribed form and include:
- (a) Full details of the licensable activities to be carried on at and the intended use of the premises;
  - (b) The times during which the licensable activities will take place;

- (c) Any other times when the premises are to be open to the public;
- (d) Where the licence is only required for a limited period, that period;
- (e) Where the licensable activities include the supply of alcohol, the name and address of the individual to be specified as the designated premises supervisor (as applicable);
- (f) Whether alcohol will be supplied for consumption on or off the premises or both;
- (g) The steps which the applicant proposes to promote the Licensing Objectives.

9.7 For some premises, it is possible that no additional measures in the form of conditions will be appropriate to promote one or more of the Licensing Objectives, for example, because they are adequately covered by other existing legislation. It is however important that all operating schedules should be precise and enforceable, unambiguous, not duplicate other statutory provisions, be clear in what they intend to achieve and be appropriate, proportionate and justifiable.

### **Hours of Operation**

9.8 Under the Act there is no general presumption in favour of lengthening hours.

9.9 In relation to hours of operation the four licensing objectives will be the paramount consideration at all times and each case will be judged on its individual merits. As part of this, key issues that will be considered include: Environmental quality; Residential amenity; Character or function of a particular area and nature of the proposed activities to be provided at the premises.

9.10 The Authority recognises that longer licensing hours for the sale of alcohol may be a factor in reducing problems at late night food outlets, taxi ranks, private hire offices and other sources of Transport which lead to disorder and disturbance.

9.11 Shops, stores and supermarkets will generally be permitted to sell alcohol for consumption off premises at times when they are normally open in the course of their business. Where relevant representations are made (for example from the Police or resident(s) in the case of individual shops, which are known to be a focus of disorder and disturbance), restrictions on hours may be appropriate. In areas where alcohol related problems or anti-social behaviour are already evident, applicants should carefully consider the appropriateness of selling alcohol during early morning or late evening hours, as extended availability may attract problematic drinking and exacerbate local issues.

9.12 Whilst the Authority is minded to grant the applied for terminal hours where the applicant can show that they will not adversely affect any of the above, the Authority may set an earlier terminal hour where it considers, having regard to the licensing objectives, this is appropriate to the nature of the activities and the amenity of the area.

9.13 Where premises are situated adjacent to residential areas then stricter conditions with regard to noise control may apply, but this should not limit opening hours provided the required conditions are complied with.

## **10 FEES**

- 10.1 Although premises licences and club premises certificates are granted in perpetuity, licence/certificate holders are required to pay an annual licence fee to the Authority. The annual fee becomes payable upon the anniversary of grant.
- 10.2 The Authority **must suspend** premises licences and club premises certificates, where the annual fee is not paid when it is due, subject to a grace period of 21 days where payment was not made because of a dispute or administrative error. Once the fee has been paid the licence is automatically re-instated
- 10.3 Upon notification/discovery that an annual fee is not paid, the Authority will give notice to the licence/certificate holder, in writing:
- (a) That the licence/certificate will be suspended 14 days from the date of the notice but that suspension will not become effective if the fee is paid prior to the suspension date.
  - (b) If an administration error is claimed, the suspension date may be 21 days from the due date; or the date of suspension on the 14 day notice, whichever is later.
  - (c) A copy of the notice will also be served on the designated premise supervisor/premises manager if they are not the premises licence holder.
- 10.4 If the fee is not paid by the date specified on the notice then the licence/certificate will be deemed suspended. The licence/certificate holder and DPS/Manager will be immediately notified of the suspension becoming effective, and informed that the premises may no longer offer any licensable activities until such time as the fee is paid and the suspension lifted. When full payment is made the Authority will immediately lift the suspension, and confirm this in writing.
- 10.5 Where a licence/certificate is suspended and licensable activities are provided the Authority will consider prosecuting the provider for offences under section 136 of the Act.

## **11 CUMULATIVE IMPACT, LATE NIGHT LEVY & EARLY MORNING RESTRICTION ORDERS**

### **Cumulative Impact**

- 11.1 In some areas where the type or density of premises selling alcohol or providing late night refreshment is high or exceptional, there may be a negative impact on the promotion of the licensing objectives. For example, the cumulative effect of a proliferation of late night entertainment premises (including night cafes) in a particular area may result in an increase in the number of people either walking through or congregating in streets during the night, potentially leading to: an increase in crime; an increase in noise causing disturbance to residents; significant increase in the level of pedestrian traffic; traffic congestion and/or parking difficulties and/or littering and fouling.

- 11.2 This may result in an unacceptable interference with the amenity of local residents, as it will not always be possible to attribute the cause to patrons of particular premises. This means that while enforcement action to ensure conditions are complied with is taken, this may not resolve all problems in a locality.
- 11.3 Under the Act, the Authority has discretion (after following a specified procedure) to introduce a Cumulative Impact Policy which would have the effect of creating a rebuttable presumption that applications for the grant or variation of a premises licence or club premises certificate which are likely to add to the cumulative impact will normally be refused or subject to certain limitations.
- 11.4 **The Authority does not have a special Cumulative Impact Policy in place at the present time but will keep this under review.**
- 11.5 The absence of a Cumulative Impact Policy at the present time does not prevent any Responsible Authority or other person making representations on an application for the grant or variation of a licence on the grounds that because of its location it will give rise to a negative cumulative impact on one or more of the licensing objectives.
- 11.6 It should be noted that Licensing is only one means of addressing the problems identified above and the following mechanisms are also relevant:
- (a) Planning controls.
  - (b) Powers of local authorities to designate parts of the local authority area as places where alcohol may not be consumed publicly and confiscation of alcohol in these areas.
  - (c) Police powers to close down premises or temporary events for up to 24 hours on the grounds of disorder, the likelihood of disorder or excessive noise.
  - (d) Prosecution of personal licence holders who sell alcohol to people who are drunk.
  - (e) Powers of the Police, responsible authorities or a local resident or business to seek a review of a licence or premises certificate.

### **Late Night Levy**

- 11.7 The Late Night Levy power enables the Authority to charge a levy to persons who are licensed to sell alcohol between the hours of midnight and 06.00hrs as a means of raising a contribution towards the costs of policing the late night economy.
- 11.8 **The Authority does not consider it appropriate to introduce a levy at the current time.**

### **Early Morning Restriction Order (EMRO)**

11.9 EMROs allow for restrictions on the sale of alcohol in all or part of the Authority's area between the hours of midnight and 06.00 hrs, if it is satisfied that it would be appropriate for the promotion of the licensing objectives.

11.10 **The Authority does not consider that there is a need for the introduction of an EMRO at the current time.**

## **12 OTHER RELEVANT REGIMES**

### **Planning/ Building Control**

12.1 Welsh Government planning policy is set out in Planning Policy Wales and Technical Advice Notes. The Authority's Planning Policies are set out within the Anglesey Local Development Plan.

12.2 Planning, building control and licensing are properly separated within the Authority. The planning and Licensing regimes consider different (albeit related) matters and the Licensing Committee is not bound by decisions of the planning committee (and vice versa).

12.3 Where an applicant has been through the planning process prior to submitting their licensing application, the Authority expects the applicant's operating schedule to be consistent with any planning permission or conditions imposed.

12.4 When any hours specified for a premises differ under Planning from Licensing, the applicant must observe the earlier time. Premises operating in breach of their planning permission are liable to prosecution under planning law.

12.5 It should be borne in mind that Building Regulations govern a variety of issues, which directly contribute to the Licensing Objectives, including means of escape, structural integrity, accessibility and public safety. Building Regulation Approval and Completion Certificates may be required prior to the use of the premises for licensable activities

### **Street Trading**

12.6 Street Traders will give consideration to the Authority's Policy regarding street trading and ensure all sites utilized are appropriately licensed.

### **Tables and Chairs**

12.7 Operators will give consideration to the Authority's Highways section requirements with regards to street/garden furniture and any possible implications in pursuance of the four main licensing objectives as set out in the Act.

### **Adult Entertainment – Sexual Entertainment Venues**

12.8 Isle of Anglesey County Council has adopted Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982. This means that venues proposing to provide sexual

entertainment must apply for a Sexual Entertainment Venue licence (in addition to their premises licence under the Act) where any premises is to be used on more than 12 occasions within a 12 month period for any relevant sexual entertainment. Relevant sexual entertainment includes: lap dancing, pole dancing, table dancing, strip shows, peep shows and live sex shows.

12.9 There is an exemption under the Local Government (Miscellaneous Provisions) Act 1982 that does permit premises to offer sexual entertainment no more than 11 times a year and no more frequently than monthly. Where operators intend to take advantage of this exemption, the licensing authority expects a clear explanation in the operating schedule of the proposed signage, publicity and external advertising/display materials. Explicit material should not be visible while signage relating to the nature of the entertainment and the exclusion of children should be prominent and conspicuous.

12.10 The licensing authority would also expect to see the following measures offered in the operating schedule:

(a) No persons under 18 years of age will be admitted to premises when a performance of adult entertainment is taking place.

(b) No performance shall involve physical contact between the performer(s) and any other person.

(c) No performance shall involve the use of sex articles (as defined in the Local Government (Miscellaneous Provisions) Act 1982 and performers shall at all times wear a G-string of other similar clothing on the appropriate part of the body.

(d) CCTV should cover all performance areas in the premises including those areas set aside for private dances/performances.

12.11 Applicants for both new licences and variations must indicate the nature of any adult entertainment to be carried out at the premises. Where no information is provided it will be assumed that there are no intentions to allow such activities and the licensing authority will impose a condition to that effect.

### **13 ENFORCEMENT**

13.1 Protocols exist on the implementation of a shared enforcement role between the Authority and North Wales Police and the Fire and Rescue Service as well as a local Enforcement ladder protocol again agreed between the Authority and the Police (see **Appendix C**).

13.2 Enforcement action will be taken in accordance with relevant legislation, agreed enforcement principles and in line with the Authority's own enforcement policy. To this end the key principles of consistency, transparency and proportionality will be maintained.

## **Reviews**

- 13.3 A responsible authority or any person may ask the Licensing Authority to review a premises licence because of a matter arising at the premises in connection with any of the four licensing objectives.
- 13.4 The Licensing Authority will not normally engage its role as a Responsible Authority by calling reviews on behalf of other persons, such as local residents or community groups. These individuals and groups are entitled to do so in their own right where there are sufficient grounds.
- 13.5 Where Responsible Authorities have concerns about problems identified at a premises, the Licensing Authority considers it to be good practice for them to give licence holders early warning of their concerns and the need for improvement. Where possible and/or appropriate it would be expected that advice and guidance in addressing the issue(s) should be given.
- 13.6 The Police can take action under the Act to close premises for up to 24 hours on grounds of disorder and noise nuisance. They also have powers to apply for an expedited review of a premises licence leading potentially to immediate closure where premises selling alcohol are associated with 'serious crime or serious disorder or both'.
- 13.7 Environmental Health officers have further powers under Sections 76 of the Anti - Social Behaviour Crime and Policing Act 2014 to close premises for 24 hours and up to 48 hours on grounds that noise from licensed premises is causing a public nuisance.
- 13.8 The Licensing Authority will signpost Responsible Authorities to current best practice guidance regarding practical measures for preventing and dealing with alcohol related problems where required.

## **14 MISCELLANEOUS**

### **Alcohol Deliveries**

- 14.1 Applicants seeking a licence that would enable them to provide alcohol as part of an alcohol delivery service should include in their operating schedule the procedures they intend to operate to ensure that:
- (a) The person they are selling alcohol to is over 18
  - (b) That alcohol is only delivered to a person over 18
  - (c) That a clear document trail of the order process from order to delivery is maintained (with times and signatures) and available for inspection by an authorised officer
  - (d) The time that alcohol is sold on the website/over the phone and the time the alcohol is delivered is within the hours stated on the licence for the sale of alcohol.
  - (e) Staff are adequately trained in age-verification procedures at the point of sale and delivery.

## **Illicit Goods**

- 14.2 The Licence Authority will consider licence review applications where there is evidence that illicit alcohol has been offered for sale on the premises. Where other illicit goods, such as tobacco, have been found this may be considered by the Authority as evidence of poor management and have the potential to undermine the licensing objectives.
- 14.3 The Authority's approach, which is consistent with the Guidance issued by the Home Office, is that the supply of illicit goods will be taken seriously as these matters undermine the licensing objectives. Licensees supplying illicit goods can expect the Authority to impose additional controls and sanctions and holders run the risk of losing their licence.

## **Interaction with other policies**

- 14.4 In applying this policy the Authority will, where relevant, give due consideration to other policies adopted. This will include consideration of Equality matters, Welsh language policies and Safeguarding in the context of Licensing Act matters.
- 14.5 The Authority works in partnership with key agencies to prevent and respond to safeguarding risks, through participation in multi-agency safeguarding arrangements and close collaboration with the Safeguarding Board, Police and other responsible authorities. Safeguarding is a shared responsibility and effective partnership working is essential to identify risks early, protecting vulnerable individuals and disrupting criminal activity.
- 14.6 In relation to planning permission for new developments, existing businesses should not have unreasonable restrictions placed upon them as a result of later permitted development. If the operation of an existing business could have adverse effects on new developments, the applicant should provide mitigating measures.
- 14.7 This statement of Licensing policy recognises that the Equalities Act 2010 places legal obligations on public authorities. The policy will be applied with due regard to those obligations.
- 14.8 The Well-being of Future Generations Wales Act 2015 requires public bodies in Wales to think about the long-term impact of their decisions. This policy will be implemented with due regard to the provisions of the Act.
- 14.9 Consideration will be given to The Noise and Soundscape plan for Wales 2023 – 2028 where relevant to Licensing Act matters.

## **Adapting to External factors**

- 14.10 Where it is necessary for the Authority to adapt to external factors which have a significant impact on business delivery; it will do so in a flexible and agile manner. This will be done in a transparent manner that upholds the principles of this policy and ensures business continuity as far as possible.

## **APPENDIX A – CONTACT DETAILS FOR LICENSING APPLICATIONS**

Applications for premises licences, club certificates, personal licences and variations may be made via the Isle of Anglesey County Council website.

Pre application advice is available, on a chargeable basis. If you wish to use this service please contact: [licensing@anglesey.gov.uk](mailto:licensing@anglesey.gov.uk)

You may contact the licensing section at [licensing@anglesey.gov.uk](mailto:licensing@anglesey.gov.uk)

## **APPENDIX B – RESPONSIBLE AUTHORITIES**

### **1. North Wales Police**

Licensing Co-ordinator  
North Wales Police  
The Police Station  
Yr Ala  
Pwllheli  
Gwynedd  
LL53 5BU  
Tel No : 01286 670053  
e-mail : [Elizabeth.Williams@nthwales.pnn.police.uk](mailto:Elizabeth.Williams@nthwales.pnn.police.uk)

### **2. Teulu Môn**

Isle of Anglesey County Council  
Council Offices  
LLANGEFNI  
Anglesey  
LL77 7TW  
01248 725 888  
[teulumon@ynysmon.gov.uk](mailto:teulumon@ynysmon.gov.uk)

### **3. North Wales Fire and Rescue Service**

Chief Fire Officer  
North Wales Fire and Rescue Service  
Fire Station  
Llanberis Road  
Caernarfon  
Gwynedd  
LL55 2DF  
Tel No: 01286 662999  
e-mail : [gwynedd.mon@nwales-fireservice.org.uk](mailto:gwynedd.mon@nwales-fireservice.org.uk)

### **4. Trading Standards**

Trading Standards Manager  
Public Protection Section  
Regulation & Economic Development Dept  
Isle of Anglesey County Council  
Council Offices  
LLANGEFNI  
Anglesey  
LL77 7TW  
01248 752 840  
[safonaumasnach@ynysmon.gov.uk](mailto:safonaumasnach@ynysmon.gov.uk)

### **5. Environmental Health**

Environmental Health Manager  
Public Protection Section  
Regulation & Economic Development Dept  
Isle of Anglesey County Council  
Council Offices

LLANGEFNI  
Anglesey  
LL77 7TW  
01248 752 840  
[ehhealth@ynysmon.gov.uk](mailto:ehhealth@ynysmon.gov.uk)

#### **6. Planning**

Planning Development Manager  
Planning Section  
Regulation & Economic Development Dept  
Isle of Anglesey County Council  
Council Offices  
LLANGEFNI  
Anglesey  
LL77 7TW  
01248 752 421  
[cynllunio@ynysmon.gov.uk](mailto:cynllunio@ynysmon.gov.uk)

#### **7. North Wales Health Board**

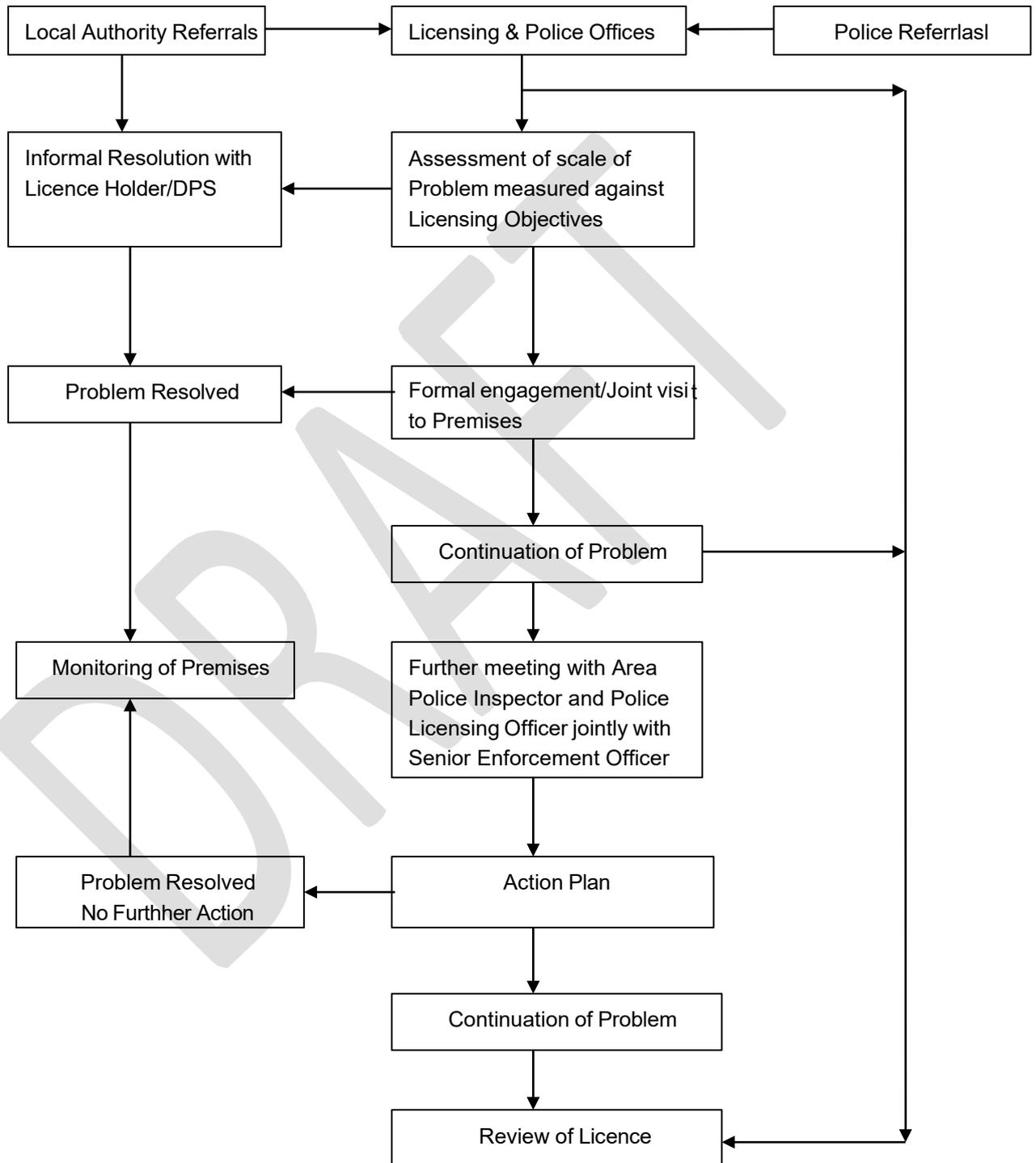
Administration & Resource Officer  
Betsi Cadwaladr University Health Board  
Public Health Directorate  
Preswylfa  
Hendy Road  
Mold  
Flintshire  
CH7 1PZ  
[BCUHB.Licensing@wales.nhs.uk](mailto:BCUHB.Licensing@wales.nhs.uk)

#### **8. Home Office Immigration Enforcement**

IE Licensing Compliance Team (IELCT)  
2 Ruskin Square (floor 6)  
Dingwall  
Croydon  
CR20 2WF  
[IE.licensing.applications@homeoffice.gov.uk](mailto:IE.licensing.applications@homeoffice.gov.uk)

**APPENDIX C - REVIEW PROCEDURE INCORPORATING JOINT PROBLEM SOLVING AND ENFORCEMENT LADDER**

LICENSED PREMISES REVIEW PROCEDURE INCORPORATING JOINT PROBLEM SOLVING



It should be noted that this flowchart is designed as a template for the monitoring of troublesome licensed premises, but the Authority's may depart from the procedure outlined as necessary on a case-by-case basis.

## **NORTH WALES POLICE AND LOCAL AUTHORITY LICENSING PARTNERSHIP**

### **PREMISES ENFORCEMENT LADDER**

It should be noted that the emphasis of this enforcement ladder is achieving the common aims of 'good housekeeping' and 'best practice' whilst working together. There is no absolute intention to review a licence as long as problems are willingly addressed by the Designated Premises Supervisor with the support of North Wales Police and the Licensing Authority

#### **Example Scenario**

**STAGE ONE** - Incident of disorder/underage drinking/ attempts to purchase alcohol by underage person or on behalf of underage person in/from a licensed premise where the person in charge calls the Police for assistance and agrees to work with the Police.

**If problems continue move from Stage 1 to Stage 2.**

**STAGE TWO** - Meeting with Police Inspector / Neighbourhood Sergeant, Western Division, Licensed Premises Manager and representative of the Local Authority. Issues will be formally discussed and formal written warning given.

**If problems continue move from Stage 2 to Stage 3.**

**STAGE THREE** - Police Inspector / Neighbourhood Sergeant and Western Division Licensed Premises Manager will apply for Review of Premises Licence, as appropriate to the circumstances.

**Mutual Action Plan** agreed with time span of three months. If no further incidents occur then exit from enforcement ladder.

The Police will do everything possible to assist and work with a Designated Premise Supervisor to come off the enforcement ladder. However, the onus of responsibility is on the Designated Premises Supervisor to run good business/premises.

More serious offences can trigger stage two or three automatically (e.g. Willful serving of Pub Watch excluded persons, assault on Police by Designated Premises Supervisor, authorized staff or family) and the discretion for this rests with the Police Inspector. More than two entries (in any 12 month period) onto the ladder will result in an immediate stage 3 review (more than one will result in Stage 2).

## APPENDIX D – DELEGATION OF FUNCTIONS

### Delegation of Functions

| Matter  | Full Committee | Sub-committee                     | Officers                           |
|---|----------------|-----------------------------------|------------------------------------|
| Application for Personal Licence  |                | If a Police Objection             | If no representation made          |
| Application for Personal Licence with Unspent Convictions   |                | All cases                         |                                    |
| Application for Premises / Club Premise Certificate   |                | If a relevant representation made | If no relevant representation made |
| Application for a Provisional Statement   |                | If a relevant representation made | If no relevant representation made |
| Application to Vary Premises Licence / Club Premises Certificate  |                | If a relevant representation made | If no relevant representation made |
| Application to Vary Designated Premises Supervisor  |                | If a Police Objection             | All other cases                    |
| Request to Be Removed as a Designated Premises Supervisor   |                |                                   | All cases                          |
| Application for Transfer of Premises Licence  |                | If a Police Objection             | All other cases                    |
| Application for Interim Authorities   |                | If a Police Objection             | All other cases                    |
| Application to Review Premises Licence / Club Premises Certificate  |                | All cases                         |                                    |
| Decision on Whether a Complaint Is Irrelevant Frivolous or Vexatious etc.                                     |                |                                   | All cases                          |
| Decision to Object When Local Authority Is a Consultee and not relevant authority considering the application |                | All cases                         |                                    |
| Determination of a Police Objection to a Temporary Event Notice   |                | All cases                         |                                    |

## APPENDIX E - GLOSSARY OF TERMS

**Please note that this glossary of terms is provided for reference only. They have not been used throughout the Policy and are provided for guidance only.**

**Authorised Persons** – Authorised persons are bodies empowered to carry out inspection and enforcement roles under the Licensing Act 2003.

**Club premises certificate** – Authorising a **qualifying club** to carry out ‘qualifying club activities’ under the Licensing Act 2003. This includes time-limited certificates.

**Conditions** – there are three types of conditions

1. **Proposed Conditions** – are conditions proposed by the applicant in the operating schedule.
2. **Imposed Conditions** – are conditions imposed by the licensing authority after its discretion has been engaged following the receipt of relevant representations.
3. **Mandatory Conditions** – are conditions prescribed by the Act and are included in every premises licence or club premises certificate when specified licensable activities take place.

**Cumulative impact area** – Area that the **licensing authority** has identified in their licensing policy statement as having a saturation of licensed premises and the ‘cumulative impact’ of any additional licensed premises could adversely impact on the statutory licensing objectives.

**Designated Premises Supervisor (DPS)** – This will normally be the person who has been given day-to-day responsibility for running the premises by the **premises licence** holder. Every premises licence that authorises the sale of alcohol is required under the 2003 Act to specify a DPS. The DPS must be a **personal licence** holder. The only exception is for community premises which have made a successful application to the LA to be exempt from the requirement.

**Early morning alcohol restriction order** – A power under section 119 of the **Police Reform and Social Responsibility Act 2011** to prohibit sales of alcohol for a specific time period between the hours of 12am and 6am, if it is deemed appropriate for the promotion of the licensing objectives.

**Expedited/summary review** – A chief officer of police can apply for an expedited/summary review of a **premises licence** because of serious crime and/or serious disorder under s.53A of the **Licensing Act 2003**.

**Fee bands** – In determining the amount of the licence fee for applications for new **premises licences** and **club premises certificates**, and full variations to licences or certificates, each premises falls into a band based on its non-domestic rateable value. Since the introduction of the 2003 Act until 2012/13, the application fees associated with each band for a new licence or certificate have been as follows: Band A (£100); Band B (£190); Band C (£315); Band D [no **multiplier**] (£450); Band D premises licence with **multiplier** (£900); Band E [no multiplier] (£635); Band E premises licence with multiplier (£1,905). The subsequent annual fees associated with each licence or certificate are as follows: Band A (£70); Band B (£180); Band C (£295); Band D [no multiplier] (£320); Band D premises licence with multiplier (£640); Band E [no multiplier] (£350); Band E premises licence with multiplier (£1,050).

**Forfeited (personal licence)** – Suspension following a court order under s.129 of the **Licensing Act 2003** specified (and where that order has not been suspended, pending an appeal under s.129 (4) or 130 of the Act).

**Hearing** – Used in the context of applications for a **premises licence** or **club premises certificate** that go to a hearing for determining applications for a premises licence, for provisional statements, to vary a premises licence, for club premises certificates, and to vary club premises certificates.

**Judicial review** – Includes only those where the High Court notified parties of its decision in the time period specified.

**Lapsed (club certificate)** – Where a **club premises certificate** has lapsed because it had effect for a limited period, but that period has since expired.

**Lapsed (premises licence)** – Where a **premises licence** has lapsed due to the death, incapacity, insolvency etc. of the licence holder, as set out under s.27 of the **Licensing Act 2003**. Excludes instances where a premises licence was in effect for a limited period, but the period has since expired (e.g. one-off events).

**Late night levy order** – A discretionary power for **licensing authorities** under section 125 of the **Police Reform and Social Responsibility Act 2011**. The late night levy is paid by those premises licensed to sell alcohol late at night to raise a contribution to the costs of policing the late night economy.

**Late night refreshment** – The provision of hot food or drink to the public, for consumption on or off the premises, between 11pm and 5am or the supply of hot food or hot drink to any persons between those hours on or from premises to which the public has access.

**Licensing authority** – The licensing authority is responsible for the licensing of alcohol, regulated entertainment and late night refreshment.

**Minor variation (to licence or certificate)** – Applications made under s.41A or s.86A of the **Licensing Act 2003** to make low-risk changes to the terms of a **premises licence** or **club premises certificate**. The fee for a minor variation is prescribed in the Act.

**Multiplier** – Multipliers are applied to premises used exclusively or primarily for the supply of alcohol for consumption on the premises under the authorisation of a **premises licence** (**fee bands D and E** only).

**Off-sales** – The sale by retail of alcohol for consumption off the premises.

**On-sales** – The sale by retail of alcohol and the supply of alcohol (by clubs) for consumption on the premises.

**Other persons** – Any individual, body or business that is likely to be to be affected by the granting of **premises licence** or **club premises certificate** applications. Other persons may submit relevant representations to the relevant licensing authority and may seek a review of premises licence or club premises certificate.

**Personal licence** – Authorising an individual to supply or authorise the supply of alcohol in accordance with a **premises licence** under the **Licensing Act 2003**. The application fee for a personal licence is prescribed in the Act.

**Premises licence** – Authorising premises to be used for the sale or supply of alcohol, the provision of regulated entertainment or the provision of **late night refreshment**, under the **Licensing Act 2003**. This includes time-limited premises licences. A premises licence fee is based on its non-domestic rateable value. Application fees vary from £100 (Band A) to £1,905 (Band E with multiplier); annual fees vary from £70 to £1,050.

**Qualifying club** – A number of criteria must be met to be considered a qualifying club for a **club premises certificate**. They are:

- that under the rules of the club, persons may not be admitted to membership or be admitted as candidates for membership, or to any of the privileges of membership without an interval of at least two days between their nomination for membership and their admission;
- that the club is established and conducted in good faith as a club;
- that the club has at least 25 members; and
- that alcohol is not supplied to members on the premises otherwise than by or on behalf of the club.

**Relevant representations** – Representations which are about the likely effect of the grant of the **premises licence** or **club premises certificate** applications on the promotion of the licensing objectives, that are made by a responsible authority or other person within the period prescribed under

section 17(5)(c) of the Act, that have not been withdrawn, and in the case of representations made by a other persons, that they are not, in the opinion of the relevant licensing authority, frivolous or vexatious.

**Responsible authority** – Public bodies that must be notified of certain **premises licence** or **club premises certificate** applications and are entitled to make representations to the licensing authority. They include

- the licensing authority and any other licensing authority in whose area part of the premises is situated,
- the chief officer of police for any police area in which the premises are situated,
- the fire and rescue authority for any area in which the premises are situated,
- the Local Health Board for any area in which the premises are situated,
- the enforcing authority for Health and Safety at Work etc. Act 1974 for any area in which the premises are situated,
- the local planning authority for any area in which the premises are situated,
- the local authority responsible for minimising or preventing the risk of pollution of the environment or of harm to human health in any area in which the premises are situated in relation to,
- a body which represents those who, in relation to any such area, are responsible for, or interested in, matters relating to the protection of children from harm, and are competent to advise such matters,
- in relation to a vessel, a navigation authority having functions in relation to the waters where the vessel is usually moored or berthed or any waters where it is, or is proposed to be, navigated at a time when it is used for licensable activities,
- the local authority responsible for weights and measures in any area in which the premises are situated.

**Review** – Following the grant of a **premises licence** or **club premises certificate** a **responsible authority** or **other person** may ask the licensing authority to review the licence or certificate because of a matter arising at the premises in connection with any of the four licensing objectives.

**Revoked (personal licence)** – If the holder of a **personal licence** is convicted of an offence during the application period for the licence, the licence may be revoked under s.124 of the **Licensing Act 2003**.

**Surrender (of licence)** – If the holder of a licence wishes to surrender it, it is done according to the provisions under section 28 (for a **premises licence**), section 81 (for a **club certificate**) and section 116 (for a **personal licence**).

**Temporary event notice (TEN)** – A notice under s.100 of the **Licensing Act 2003**, used to authorise relatively small-scale licensable activities, subject to certain criteria and limits. Includes only notices that have been correctly and properly given in the time period specified i.e. excludes notices that were sent back because of mistakes on the form. This also includes notices that were subsequently withdrawn. The fee for a TEN is prescribed in the Act.

**Variation (to premises licence)** – Applications made under s.34 of the **Licensing Act 2003** to change the terms of a **premises licence**, for example the opening hours, the licensable activities or the conditions. The fee for a variation of **DPS** is prescribed in the Act.

**Variation (to club premises certificate)** – Applications made under s.84 of the **Licensing Act 2003** to change the terms of a **club premises certificate**, for example the qualifying club activities or the conditions.

**Public Health Directorate, Betsi Cadwaladr University Health Board**

**Isle of Anglesey County Council - Statement of Licensing Policy consultation response**

**05/01/2026**

The Health Board welcomes the opportunity to respond to this draft Statement of Licensing Policy. We recognise the importance of a clear evidence-based approach to addressing alcohol related harm and acknowledge the significant impact of alcohol misuse on individuals, families, communities, and health services.

Overall, the draft policy is well-worded, comprehensive, and clearly structured. The Health Board supports the policy's overarching aims and values the inclusive and proportionate approach taken. We support the draft Statement of Licensing Policy and welcome the council's commitment to evidence-led licensing, partnership working, and community safety.

Alcohol remains a major preventable cause of illness, death, and social harm in North Wales. It is associated with a wide range of health conditions, crime, violence, family breakdown and inequality, with impacts extending beyond the individual drinker. Evidence shows that alcohol availability and consumption contribute to significant health harms, including hospital admissions, premature mortality and harm to children and young people. Deprivation exacerbates these effects, with the most deprived communities experiencing poorer health outcomes and longer periods of ill health linked to alcohol use.

Reducing the availability of alcohol has been identified by the World Health Organization as one of the most effective measures for preventing alcohol-related harm. The licensing process is therefore a key preventative tool, enabling local authorities to regulate the number, location, and operation of licensed premises, including opening hours, age-restriction enforcement, and the responsible selling of alcohol.

The comments provided below are intended to further support and strengthen the policy to enhance its positive impact on population health.

**In summary, we recommend:**

- 1. An increased focus on protecting vulnerable individuals, including children and young people.**
- 2. Include reference to Public Health data/ local evidence of alcohol related harm being used to inform decisions.**
- 3. Strengthen reference between the SLP and other relevant strategies including calling Time For Change and the Wellbeing of Future Generations Act 2015.**

To align with the above recommendations, we recommend including wording similar to the following in the relevant sections of the document:

**Section 1 – Background**

**We recommend including a further bullet point; 1.4 to acknowledge and emphasise the impact alcohol may have on communities and those individuals that may be at increased risks of alcohol**

**related harms.** We acknowledge that the Statement of Licensing Policy may be in place for 5 years and therefore the data will be out of date, therefore it may not be appropriate to include the data highlighted in yellow below.

*Alcohol consumption and its associated harms continue to present a significant public health challenge. Harmful alcohol use is consistently identified as one of the leading risks factors for disease, disability, and premature deaths worldwide.*

*In Ynys Mon, 36.6% of young persons aged 11-16, reported drinking alcohol. This is higher than the Wales average of 35.6% ([SHRN, 2023](#)).*

*During 2023-24; 196 individuals per 100,000 population in Ynys Mon were admitted to hospital for an alcohol-specific condition; this is a decrease of 22% since 2022-2023 ([PHW 2025](#)).*

*During 2023-24; 837 individuals per 100,000 population in Ynys Mon were admitted to hospital with an alcohol attributable condition. This is a decrease of 17% since 2021-22 ([PHW 2025](#)).*

*There are areas of deprivation on the island with some communities amongst the 10% most deprived in Wales across all domains including Community Safety.*

*On average, people on low incomes drink less than people on higher incomes, with affordability being one of the key drivers in alcohol consumption. However, people in deprived areas are many times more likely to experience an alcohol related hospital admission or die of an alcohol related cause.*

*Overall, effective, and well-enforced licensing is recognised as a vital component in reducing alcohol-related harm, protecting children and vulnerable groups, and supporting safer, healthier communities.*

## **Section 2 - Scope and Extent of the Licensing Act 2003**

**Section 2.3** In this section there is reference that the Authority will have regard to other policies, Acts and Strategies. We would encourage specific reference to the below within the main policy or within the appendices:

### **Regional and National Policies**

#### ***Calling Time for Change (2025-2028) – North Wales Alcohol Harm Reduction Strategy (North Wales Area Planning Board 2025)***

*Calling Time for Change (2025-2028), is the North Wales’s Alcohol Harm Reduction Strategy. Priorities include:*

- *Safe and Supportive Environments – to promote responsible retailing and support a safe, vibrant and diverse night-time economy, through working in partnership with local alcohol businesses to reduce alcohol related harm.*
- *Changed attitude and social norms – to increase knowledge and understanding of alcohol related harms and enable people in North Wales to have a positive relationship with alcohol, and work towards a culture in which non-drinking or a low level of alcohol consumption is valued and accepted as a norm.*
- *Reduce availability of alcohol – to reduce alcohol related crime, disorder, and anti-social behaviour by preventing and tackling alcohol related offending by individuals and irresponsible alcohol retailing.*

- *Children, Young People and Families to protect children, young people, and families from alcohol related harm*

**Substance Misuse Delivery Plan (2019-2022) (Welsh Government 2019)**

*The vision set out by Welsh Governments’ Substance Misuse Delivery Plan (2019-22) is that everyone should have longer healthier lives, free from the potential harms of substance misuse, building resilience so they can be active and contribute positively to their communities.*

**The Well-being of Future Generations Act, 2015 (Future Generations Commissioner for Wales 2015)**

*The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to improve how they work with people, communities, and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. This legislation provides a unique opportunity in Wales to create positive change by working collectively to protect the health and wellbeing of our future generations.*

**The Public Health (Minimum Price for Alcohol) (Wales) Act 2018, which aims to reduce alcohol-related harm by controlling affordability.**

*The Act provides for a minimum price for the sale and supply of alcohol in Wales by certain persons. It also makes it an offence for alcohol to be sold or supplied below that price and establishes a local authority led enforcement regime.*

**Wales without Violence: A shared Framework for Preventing Violence among Children and Young People, Violence Prevention Unit, 2023 Public Health Wales.**

*This framework references Safe community environments to create physically and psychologically safe spaces for children and young people.*

*The Framework notes Alcohol and Licensing Policy as a key programme/ intervention to help address risk factors and prevent violence.*

<https://waleswithoutviolence.com/wp-content/uploads/2023/04/WWV-Framework-Digital-English.pdf>

**North Wales without Violence, North Wales Serious Violence Response Strategy, 2024**

*Access to Alcohol is listed as one of the Causes and risk factors of serious violence and therefore emphasises the importance of the Alcohol licensing regime.*

**Section 3 Licensing Objectives**

**Section 3.10 Public Safety**

**Specifically include ‘spiking’ as below.** The Revised guidance issued under section 182 of Licensing Act 2003 guidance (November 2025 update) specifically mentions that licensing authorities ‘may wish to consider additional licence conditions to safeguard patrons against spiking’ in appropriate cases, where there is evidence to justify such action. This reflects an awareness of a health-related safety risk on licensed premises and offers local authorities the discretion to tackle it through licensing conditions if appropriate.

**3.10 The Authority recognises that general health and safety duties will not always adequately cover specific issues and therefore conditions may need to be attached to a Premises Licence or Club Premises Certificate. Physical safety includes the prevention of accidents and injuries and**

***other immediate harms that can result from alcohol consumption such as unconsciousness, alcohol poisoning and 'spiking' incidents.***

**We would also encourage including wording in Section 3 of the document to encourage applicants to consider supporting wider campaigns. For example:**

*Applicants and licensees should support wider harm-reduction strategies and campaigns, including campaigns around awareness of spiking incidents and have regard to relevant Welsh Government substance misuse strategies. Where age restrictions apply, appropriate control measures should be in place, including staff training and the adoption of schemes such as Challenge 25.*

**Section 3 (Licensing Objectives) or at the end of section 4** (The Licensing Process and Administration of Functions 4.26 - where there is reference to the Local Health Board).

Corrections are provided for Section 4.26 where reference is made to Public Health Wales; following the transfer of the Public Health team to the Health Board in 2022. As representatives of the Health Board, we have submitted data as part of representations from services within the Health Board.

Furthermore, we suggest that you reference the Local Health Board as the either the Health Board or BCUHB.

**To strengthen BCUHB Public Health input we suggest that you may include narrative similar to:**

*The Authority recognises that the licensing regime plays an important role in supporting and protecting public health. Alcohol availability and consumption can contribute to a range of harms, including alcohol-related hospital admissions, injury, violence, long-term health conditions and poor mental wellbeing.*

*The Local Health Board is responsible for making representations and observations on licencing applications. While public health is not a standalone licensing objective under the Act, the Authority will take relevant public health evidence into account where it supports the promotion of the existing licensing objectives, particularly the prevention of crime and disorder, public safety, and the protection of children from harm*

*The Health Board can provide data and evidence from A&E and the local Substance Misuse Service may also provide input. The information provided by the Health Board is not available to other responsible authorities and it may help inform licensing decisions.*

**Section 5: Premises Licences and Club Premises Certificates (New Applications, Variations & General Information).**

***5.6 Garages - In determining applications for garages, (i.e. forecourt shops) the Authority must decide whether or not premises are primarily used as a garage and will expect applicants to submit data which establishes the primary use. Where such information is not available (because for example the premises have only just started trading), the Authority may consider imposing a condition requiring this information to be provided to the Licensing Authority on a regular basis for the following years to ensure the premises are not primarily used as a garage.***

**We suggest to include** that as part of the application you will consider the location and the risks related to drink and drug driving and that applicants need to give this due consideration (to consider ways to minimise risks such as supporting local campaigns around drink and drug driving).

### **Section 9 Operating Schedule**

**Section 9.11 Shops, stores and supermarkets will generally be permitted to sell alcohol for consumption off premises at times when they are normally open in the course of their business. Where relevant representations are made (for example from the Police or resident(s) in the case of individual shops, which are known to be a focus of disorder and disturbance), restrictions on hours may be appropriate.**

On-sales and off-sales have different implications for public health, as well as for the prevention of crime and disorder, public safety, the prevention of public nuisance, and the protection of children from harm. For example, off-sales needs to consider the potential for 24-hour access and delivery of alcohol. There is a growing body of evidence that highlights the harm this can cause to vulnerable individuals including those with acute alcohol dependency or those in recovery.

**We would consider further additions to strengthen this section, for example:**

*In areas where alcohol-related problems or anti-social behaviour are already evident, applicants should carefully consider the appropriateness of selling alcohol during early morning or late evening hours, as extended availability may attract problematic drinking and exacerbate local issues.*

**Within this section we would also encourage including the below:**

*Applicants are strongly encouraged to apply only for the hours they genuinely intend to operate. Applications for unnecessarily extended hours may increase the likelihood of representations. The existence of other premises with similar hours in the vicinity will not be regarded as justification for granting extended hours*

### **Section 14 Miscellaneous**

#### **Remote and Delivery Sales of Alcohol**

We suggest strengthening this section with reference to employee training and seeking advice where relevant, for example:

*Operating schedules should clearly set out effective age-verification procedures at both the point of sale and point of delivery, alongside appropriate staff training.*

*Applicants are encouraged to seek advice from the Licensing Authority or police where proposing delivery services, particularly in relation to delivery times, quantities, and age-restriction controls*

**Safeguarding** - Safeguarding is noted within this section (14.4) We would encourage more detail around safeguarding, some wording below that may be appropriate to use:

*The Licensing Authority works in partnership with key agencies to prevent and respond to safeguarding risks, including through participation in multi-agency safeguarding arrangements and close collaboration with the Safeguarding Board, Police and other responsible authorities. Safeguarding is a shared responsibility, and effective partnership working is essential to identifying risks early, protecting vulnerable individuals, and disrupting criminal activity.*

*The Authority will work proactively with partner agencies to undertake compliance activity, including test purchase operations, to ensure appropriate safeguards are in place.*

*Licence holders are expected to regularly review their practices to ensure continued compliance with the licensing objectives. Where premises are found to be repeatedly exposing children or vulnerable people to harm, the Authority will take prompt and proportionate enforcement action, in consultation with other responsible authorities, using the full range of powers available.*

*Concerns relating to the safety or welfare of a child should be reported to North Wales Police or the local authority safeguarding teams without delay.*

**In addition to the above we include some further comments below that you may wish to consider as part of the development of the final document:**

**Late night refreshments.**

- BCUHB recommend that the policy considers the public health implications of late-night refreshment provision between 23:00 and 05:00. The availability of hot food and drink during these hours may contribute to unhealthy eating behaviours, increased calorie consumption, and alcohol-related harm, particularly when combined with extended hours of alcohol availability.
- Late-night refreshment premises can contribute to increased levels of crime, disorder and anti-social behaviour, particularly when operating during the early hours of the morning. Applicants seeking to provide hot food or drink between 23:00 and 05:00 should be required to demonstrate how their proposed operation will not exacerbate existing issues of crime and disorder within the locality.

**Drug Misuse**

- Expectation of licensed premises to take reasonable steps to prevent drug misuse, including staff training, clear procedures, customer safety information and appropriate first-aid provision, particularly in larger venues.

**Operating schedule**

- Some Licensing authorities consider further information around closing times, for example a minimum 30-minute drinking-up or wind-down period before closing that may support the safe and gradual dispersal of customers and help minimise disturbance to the surrounding area. Larger venues and events should consider a longer wind-down period where appropriate. Licensed premises should also be encouraged to make available contact details for licensed Taxi's to support customers in leaving the premises safely and promptly.

## Equality Impact Assessment Template (including the Welsh language and the Socio-Economic Duty)

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

| Version | Date       | Summary of changes |
|---------|------------|--------------------|
| 0.1     | 19/09/2025 |                    |
|         |            |                    |
|         |            |                    |

| Step 1: Background   |   |
|--|---|
| 1 - What are you assessing?                                | Statement of Licensing Policy as required by the Licensing Act 2003. Every 5 years the Council must adopt a Statement of Licensing Policy. The current policy was adopted in 2021 and consequently a revised policy is required in 2026. This Policy sets out how the Council will discharge its functions with regards to the regulation of Licensed regulated activity. The draft policy has been produced in accordance with the Licensing Act statutory guidance on form and content of the Policy. It is a revised and updated version of the Council's previous policy. |
| 2 - Is this a new or existing proposal?                    | Revision of existing proposal.  |
| 3 - What are the aims and purpose of this proposal?        | The aim of the proposal is to meet the statutory requirements of the Licensing Act 2003 by producing a Statement of Licensing Policy. The statement will set out a general approach to making licensing decisions consistent with the licensing Act 2003. A statement is required before the Council makes any decisions with regards to applications and notices made under the provisions of the Act. The purpose of the proposal is to have a policy in place which enables the Council to carry out it's statutory function.  |
| 4 - Who is responsible for the proposal you are assessing? | Trystan Owen Chief Public Protection Officer  |

| <b>Step 1: Background</b>  |   |    |
|--|---|----|
| 5 - Who is the lead officer for this assessment?   | Sion Hughes Licensing & Corporate Health & Safety Manager |    |
| 6 - Who else is involved in undertaking this assessment?   | Not applicable  |    |
| 7 - Is the proposal related to other areas of work? For example, are there other proposals of policies that should be taken into consideration as part of this assessment?   | No  |    |
| 8 - Is the proposal relevant to how the Authority complies with the public sector general duty relating to people who are protected by the Equality Act 2010?<br><br>As a general rule, any policy that affects people is likely to be relevant across all protected groups. | The elimination of discrimination and harassment          | No |
|  | The advancement of equality of opportunity                | No |
|  | The fostering of good relations                           | No |
|  | The protection and promotion of human rights              | No |
| 9 – Is the proposal a strategic decision? If so, the Socio-Economic Duty is relevant - see appendix 1.   | No  |    |

| <b>Step 1: Background</b>   |   |
|---|---|
| <p>10 - Who would be affected by the proposal(s) (adversely or positively, directly or indirectly)?</p> <p><b>If this is a strategic proposal</b>, ensure that you give specific consideration to whether the proposal would affect more on people living in less favourable social and economic circumstances than others in the same society (see appendix 1)</p> | <ul style="list-style-type: none"> <li>• Responsible Authorities designated under the Licensing Act 2003</li> <li>• Holders of premises licences and club certificates</li> <li>• Holders of personal licences to sell alcohol</li> <li>• Local Health Board</li> <li>• Local businesses</li> <li>• Residents and visitors</li> </ul> <p>Not a strategic proposal</p> |

| <b>Step 2.1: Information Gathering – Welsh Language Standards and the Welsh Language Measure (Wales) 2011</b>   |  |
|---|--|
| 11 - Does this proposal ensure that the Welsh language is treated no less favourably than the English language, in accordance with the Council's Welsh Language Policy?   | Proposals are in accordance with the Council's Welsh Language policy.  |
| 12 - Is there an opportunity here to offer more opportunities for people to learn and / or use the Welsh language on a day-to-day basis?  | Proposals are not relevant or likely to change opportunities to learn or use Welsh. The proposal may have a positive effect on the ability to use the Welsh language on a day-to-day basis by allowing local Welsh speaking businesses to be licensed. |
| 13 – Will this area of work proactively offer services in Welsh for users?  | Proposals are not relevant or likely to proactively offer services in Welsh for users.   |
| 14 – Is this proposal likely to protect and promote the Welsh language within communities?  | Proposals will contribute towards the local economy in Welsh speaking areas.   |
| <p>To help you to answer the questions above, the corporate <b>Impact Assessment Guidance</b> lists a series of questions which should be considered when assessing how proposals impact on the Welsh language in general. The extent to which these questions are relevant will depend on the proposal in question. However:</p> |  |

| <b>Step 2.1: Information Gathering – Welsh Language Standards and the Welsh Language Measure (Wales) 2011</b>  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• If you are looking at how the implementation of the Council's key policies, strategies or guidance would affect the Welsh language; or</li> <li>• If your initial response to the above questions raises any concerns or evidence to suggest that the proposal would treat the Welsh language less favourably than the English language, or would have a detrimental impact on opportunities for people to use the Welsh language;</li> </ul> <p><b>a more comprehensive impact assessment on the Welsh language should be carried out.</b> A separate template is available on MonITor. The <b>Welsh Language Commissioner's good practice advice document</b> is also available on MonITor to assist you further.</p> |  |

| <b>Step 2.2: Information Gathering – Human Rights Act 1998</b>  |   |
|---|---|
| 15 - Are there any Human Rights issues? If so, what are they? For example, could this proposal result in the failure to safeguard the right to privacy? | (The 16 basic rights are listed at Appendix 2).<br><br>No |

| <b>Step 2.3: Information Gathering – Well-Being of Future Generations (Wales) Act 2015</b>   |                    |  |
|--|--------------------|--|
| 16 – Does this proposal meet any of the seven national well-being goals outlined in the Well-being of Future Generations (Wales) Act 2015?<br><br>(Descriptions of the wellbeing goals are listed at Appendix 3) | A prosperous Wales | The aim of the proposal is to set a policy for making decisions consistent with the Licensing Act 2003. In so doing, it should create a well regulated licensed trade that promotes the licensing objectives. This should in turn contribute to the local economy and maintain or increase prosperity by providing employment and income from the licensed sector. |
|  | A resilient Wales  | N/A  |
|  | A healthier Wales  | N/A  |
|  | A more equal Wales | N/A  |

|  |  |  |
|--|--|--|
|  | A Wales of cohesive communities                        | The licensed sector helps to encourage vibrant cohesive communities by providing regulated entertainment at events, festivals and venues where residents and visitors can socialise. |
|  | A Wales of vibrant culture and thriving Welsh language | Regulated entertainment provides cultural opportunities and Welsh language productions and events contribute to a thriving Welsh language.   |
|  | A globally responsible Wales                           | N/A  |

| <b>Step 2.4: Information Gathering – Engagement / Consultation / Evidence / Filling gaps in information</b> |   |
|---|---|
| Please see the pre-consultation and pre-engagement checklist, which is available on MonITor                 |   |
| 17 - What has been done to date in terms of involvement and consultation with regard to this proposal?      | <p>Consultation will take place with the following who are listed as statutory consultees in the Licensing Act 2003:</p> <ul style="list-style-type: none"> <li>• Chief Constable North Wales Police</li> <li>• North Wales Fire and Rescue Service</li> <li>• Local Health Board</li> <li>• Persons/bodies representative of local premises licence holders</li> <li>• Persons/bodies representative of local club premises certificate holders</li> <li>• Persons/bodies representative of local personal licence holders</li> <li>• Persons/bodies representative of businesses and residents in its area</li> </ul> |

|  |  |
|--|--|
| 18 – What other information have you used to inform your assessment? Please list any reports, websites, links used etc here and include the relevant evidence in the table in Step 3 below | Statutory Guidance issued under section 182 of the Licensing Act 2003<br><br>Revised guidance issued under section 182 of the Licensing Act 2003 (February 2025) (accessible version) - GOV.UK |
| 19 - Are there any gaps in the information collected to date?<br>If so, how will these be addressed?   | N/A  |

### Step 3: Considering the potential impact and identifying mitigating action

20 – Note below any likely impact on equality for each individual group, and identify what action could be taken to reduce or improve the impact. \*For determining potential impact, please choose from the following: **Negative / Positive / No impact**

| Protected group     | *Potential Impact | Details of the impact (including evidence to support the findings)   | Actions to mitigate negative impact |
|---------------------|-------------------|--|-------------------------------------|
| Age                 | Positive          | The proposal will promote the licensing objective of protecting children from harm. This is a paramount consideration and must be addressed when licensing functions are undertaken. |                                     |
| Disability          | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic   |                                     |
| Sex                 | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic   |                                     |
| Gender Reassignment | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic   |                                     |

| Protected group  | *Potential Impact | Details of the impact (including evidence to support the findings)   | Actions to mitigate negative impact |
|--|-------------------|--|-------------------------------------|
| Pregnancy & Maternity  | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic |                                     |
| Race / Ethnicity / Nationality   | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic |                                     |
| Religion or Belief   | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic |                                     |
| Sexual Orientation   | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic |                                     |
| Marriage or Civil Partnership  | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on people that share this Protected Characteristic |                                     |
|  |                   |  |                                     |
| Welsh language   | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on the Welsh language                              |                                     |
| Human Rights   | Neutral           | There is no evidence that suggests the proposal will have a disproportionate impact on human rights                                    |                                     |
| Any other relevant issue.  | Not applicable    | There is no evidence that suggests the proposal will have a disproportionate impact on any other relevant issue                        |                                     |
| There are clear links between equality and socio-economic issues. Discrimination against protected groups can be a direct cause of socio-economic disadvantage. If any such issues become apparent when assessing non-strategic matters, they should be given due regard and recorded under the relevant protected group, or under 'any other relevant issue' above. |                   |  |                                     |

| Please complete this section if the proposal is a strategic matter (see appendix 1)                     |                        |  |                                     |
|---|------------------------|--|-------------------------------------|
| The Socio-Economic Duty   | Potential impact       | Details of the impact (including evidence to support the findings) | Actions to mitigate negative impact |
| Is the proposal likely to cause any inequalities of outcome resulting from socio-economic disadvantage? | Not a strategic matter |  |                                     |

#### Step 4 – Outcome of the assessment

There are four possible outcomes – bear these in mind when completing the next section:

- **No major change** - The assessment demonstrates the proposal is robust; there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.
- **Adjust the proposal** - The assessment identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality.
- **Continue the proposal** - The assessment identifies the potential for adverse impact or missed opportunities to promote equality. Clearly set out the justifications for continuing with it. The justification should be included in the assessment and must be in line with the duty to have due regard. For the most important relevant proposals, compelling reasons will be needed.
- **Stop and remove the proposal** - The proposal shows actual or potential unlawful discrimination. It must be stopped and removed or changed. (The codes of practice and guidance on each of the public sector duties on the Commission's website provide information about what constitutes unlawful discrimination.)

| Step 4: Outcome of the assessment  |   |
|--|---|
| 21 - Note the impacts identified and how it is intended to mitigate any negative impact in terms of equality, the Welsh language and, if relevant, socio-economic disadvantage (ie a summary of the table/s in step 3) | The outcome of the assessment is no major change. Adopting the proposal will enable the Council to carry out its statutory functions under the Licensing Act 2003. A well regulated and prosperous Licensed sector will contribute to and maintain the economic viability of businesses. It will also provide opportunities for Welsh language businesses and cultural events in the community. |

| <b>Step 4: Outcome of the assessment</b>  |  |
|---|--|
| 22 - Describe any actions taken to maximise the opportunity to promote equality and the Welsh language, the goals of the Well-being of Future Generations (Wales) Act 2015 (sustainability) and, if relevant, ensure better outcomes for those facing economic disadvantage.  | Proposals will contribute towards the viability of Licensed businesses which will benefit the local economy and communities through the provision of licensed regulated activities.<br>A consultation will take place in accordance with the provisions of the Licensing Act 2003. |
| 23 - Would any aspect of the proposal contravene the wellbeing goals of the Well-being of Future Generations (Wales) Act 2015?  | No   |
| 24 – Is there a need to look at what could be done differently, or to reconsider the entire proposal as a result of conducting this assessment?<br><br>(Evidence of negative impact could render the proposal or decision unlawful. If you have identified negative impact, you should consider at this stage whether it is possible to proceed with the proposal). | No. The Council has a statutory duty to adopt this proposal, so that it can make decisions regarding Licensed premises and activities. Should the Council take any other action it cannot discharge its statutory obligations.   |
| 25 - Is there a strategy for dealing with any unavoidable but not unlawful negative impacts that cannot be mitigated?   | N/A  |
| 26 - Will the proposal be adopted / forwarded for approval? Who will be the decision-maker?   | Yes, the full Isle of Anglesey County Council  |
| 27 - Are there monitoring arrangements in place? What are they?   | No   |

### Step 5: Action Plan

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

| <b>Ref</b> | <b>Proposed actions</b>                       | <b>Lead officer</b> | <b>Timescale</b>         |
|------------|---|---------------------|--------------------------|
|            | A full consultation on the proposed policy    | Sion Hughes         | October – November 2025  |
|            | A review of the response to the consultation. | Sion Hughes         | November – December 2025 |
|            |   |                     |                          |

## Appendix 1 – A More Equal Wales – The Socio-Economic Duty (Commencement date of the Duty: 31 March 2021)

### What is the Duty?

The general aim of the duty is to ensure better outcomes for those suffering socio-economic disadvantage. When making strategic decisions such as deciding priorities and setting objectives, due regard must be given to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage.

### Who is likely to experience socio-economic disadvantage?

Socio-economic disadvantage can be disproportionate in both ‘communities of interest’ and ‘communities of place’, leading to inequality of outcome, which can be further exasperated when considering ‘intersectionality’:

**Communities of interest** – groups who share an experience, eg homelessness; or people who share an identity, eg lone parents, carers. Also those who share one or more of the protected characteristics listed in the Equality Act 2010.

**Communities of place** – people who are linked together because of where they live, work, visit or spend a substantial portion of their time there.

**Intersectionality** - crucially, this is about understanding the way in which a combination of characteristics such as gender, race or class, can produce unique and often multiple experiences of disadvantage in certain situations. One form of discrimination cannot and should not be understood in isolation from other forms. A truly intersectional approach ensures that this does not happen.

### When will the Duty be relevant?

When making **strategic decisions**. The Welsh Government has provided some examples of strategic decisions (this is not an exhaustive list):

- Strategic directive and intent.
- Strategies developed at Regional Partnership Boards and Public Service Boards which impact on public bodies’ functions.
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans).
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy).
- Changes to and development of public services.
- Strategic financial planning.
- Major procurement and commissioning decisions.
- Strategic policy development

**Further details can be found in the corporate equality impact assessment guidance.**

## Appendix 2 – Human Rights

Human rights are rights and freedoms that belong to all individuals, regardless of their nationality and citizenship. There are 16 basic rights in the Human Rights Act – all taken from the European Convention on Human Rights. For the purposes of the Act, they are known as ‘the Convention Rights’. They are listed below:

(Article 1 is introductory and is not incorporated into the Human Rights Act)

- Article 2: The right to life
- Article 3: Prohibition of torture
- Article 4: Prohibition of slavery and forced labour
- Article 5: Right to liberty and security
- Article 6: Right to a fair trial
- Article 7: No punishment without law
- Article 8: Right to respect for private and family life
- Article 9: Freedom of thought, conscience and religion
- Article 10: Freedom of expression
- Article 11: Freedom of assembly and association
- Article 12: Right to marry
- Article 14: Prohibition of discrimination
- Article 1 of Protocol 1: Protection of property
- Article 2 of Protocol 1: Right to education
- Article 3 of Protocol 1: Right to free elections
- Article 1 of Protocol 13: Abolition of the death penalty

### **Appendix 3 - Well-being of Future Generations (Wales) Act 2015**

This Act is about improving the social, economic, environmental and cultural well-being of Wales. Public bodies need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales in the future. The Act puts in place seven well-being goals:

**A prosperous Wales:**

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

**A resilient Wales:**

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

**A healthier Wales:**

A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

**A more equal Wales:**

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

**A Wales of cohesive communities:**

Attractive, viable, safe and well-connected communities.

**A Wales of vibrant culture and thriving Welsh language:**

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

**A globally responsible Wales:**

A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

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## Isle of Anglesey County Council

**Meeting:** County Council

**Date:** 05/03/2026

**Title of report:** Pay Policy Statement 2026

**Report by:** Councillor Robin Williams

**Purpose of report:**

To ensure that the authority satisfies its statutory obligations under the Localism Act 2011 to have a published Pay Policy by 31/03/2026.

### Introduction

Under Section 112 of the Local Government Act 1972 the council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. The Localism Act 2011, Section 38, requires English and Welsh local authorities to produce and publish a Pay Policy statement for each financial year.

### Scope of the policy

The Localism Act 2011 requires authorities to develop and make public their Pay Policy on all aspects of chief officer remuneration. In the interest of transparency and accountability the council has chosen to take a broader approach and produce a policy statement covering all employee groups, with the exception of school teachers as their remuneration is not within local authority control. Welsh Government guidelines have been incorporated into the statement.

### Recommendation

It is recommended that the council endorse the Pay Policy Statement attached to this report as its Pay Policy Statement for 2026/27.

Appendix 1 Pay Policy Statement

# Isle of Anglesey County Council

## Pay Policy Statement

February 2026

### 1. Introduction and purpose

1.1 Under section 112 of the Local Government Act 1972, the council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the council’s approach to Pay Policy in accordance with the requirements of Section 38 of the Localism Act 2011, requiring English and Welsh local authorities to produce and publish a Pay Policy statement for each financial year. The purpose of the statement is to provide transparency with regard to the council’s approach to setting the pay of its employees (excluding those teaching in local authority schools) by identifying:

- the methods by which salaries of employees are determined
- the level and elements of remuneration of its chief officers as defined by the relevant legislation
- the level of remuneration of its lowest paid employees

1.2 Local authorities are large complex organisations with multimillion pound budgets. They have a very wide range of functions and provide and/or commission a wide range of essential services. The general approach to remuneration levels may therefore differ from one group of employees to another to reflect specific circumstances at a local, Welsh or UK national level. It also needs to be flexible when required to address a variety of changing circumstances and aligned to business objectives.

### 2. Legislative framework

2.1 In determining the pay and remuneration of its employees, the council will comply with all relevant employment legislation. This includes (but not exhaustively) the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006.

### 3. Scope of the Pay Policy statement

3.1 The Localism Act 2011 requires authorities to develop and make public their Pay Policy on all aspects of chief officer remuneration (including on ceasing to hold office), and that pertaining to the ‘lowest paid’ in the authority, explaining their policy on the relationship between remuneration for senior management and other employees, with the exception of school teachers as their remuneration is not within local authority control.

- 3.2 Nothing within the provisions of the Localism Act 2011 detracts from councils' autonomy in making decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers. However, this policy statement will be complied with in setting remuneration levels for all groups within its scope.
- 3.3 This Pay Policy does not apply to teaching staff in the local authority's schools, who will have their own Pay Policy.

## 4. Development of Pay and Reward Strategy

- 4.1 The primary aim of a reward strategy is to attract, retain and motivate suitably skilled staff so that the organisation can perform at its best. One of the biggest challenges for the council is to maximise productivity and efficiency within current resources. Pay Policy is a matter of striking a sometimes difficult balance between setting remuneration at appropriate levels to facilitate a sufficient supply of appropriately skilled individuals to fill the authority's very wide range of posts, and ensuring that the burden on the taxpayer does not become greater than can be fully and objectively justified.
- 4.2 In this context it does need to be recognised that at the more senior levels in particular, remuneration levels need to enable the attraction of a suitably wide pool of talent and the retention of suitably skilled and qualified individuals once in post. It should be recognised that the council will often be seeking to recruit in competition with other good public and private sector employers.
- 4.3 The council is a major employer in the area and, as such, must have regard to its role in improving the economic wellbeing of the people of Anglesey. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy. The council also has a role in setting a benchmark example on pay and conditions to other employers in the area for the same reasons.
- 4.4 In designing, developing and reviewing pay and reward strategy the council will seek to balance these factors appropriately to maximise outcomes for the organisation and the community it serves, whilst managing costs appropriately and maintaining sufficient flexibility to meet future needs. This Pay Policy statement will be reviewed and approved on an annual basis by the Full Council.

## 5. Pay structure

- 5.1 The council uses the nationally negotiated National Joint Committee (NJC) pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the non teaching workforce, together with the use of other nationally defined rates where relevant. An annual pay award for NJC employees covering the period from 1 April 2026 to 31 March 2027 has not yet been agreed. The council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine. The council is committed to fairly determining pay in accordance with equal pay legislation and has, from 1 December 2015, implemented a single status pay and grading structure.

The council's NJC grading structure runs from Grade 1 (scale point 3) to Grade 10 (maximum scale point 50) with current minimum and maximum hourly rates of pay being £12.85 and £33.46 respectively. This Pay Policy statement will be subsequently revised when a pay award for 2026/27 is agreed.

- 5.2 Once a post has been evaluated, the score will determine into which pay grade or band the post will be assimilated. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate, with the agreement of the Head of Human Resources, Communication and Customer Experience. Salaries are then subject to an incremental increase each year until the maximum rate of the grade is reached (normally within 3 years).
- 5.3 All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council policy.
- 5.4 The council does not generally utilise the practice of applying market supplements to take account of the external pay market in the attraction and retention of employees with particular experience, skills and capacity. However, a Market Supplement Policy exists and, in implementing this, the council will ensure that any application for market supplements will be objectively justified by reference to clear and transparent evidence of successive failure to recruit to a particular post and evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector. The council, through its Honoraria Policy, can also apply temporary honoraria to individuals who, for various reasons, are acting up to a higher level of responsibility for a period of time.
- 5.5 The council expects high levels of performance from all employees and has an Annual Development Conversation Procedure in place to monitor, evaluate and manage performance on an ongoing basis. However, the council does not operate any performance related pay arrangements. The council's Annual Development Conversation Procedure forms the basis of the approach to talent management and succession planning. Based on the analysis of the performance and potential of employees, managers can plan relevant talent actions, considering everyone as an individual, the development they need, making them feel rewarded and enabling them to be effective in their role within the council. The main part of the process is the open, honest and constructive conversation between the manager and the employee to establish where they are now, where they want to be and how they can be supported to get there.

## 6. Other benefits

- 6.1 Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. The employee contribution rates, which are defined by statute, currently vary between 5.5% to 11.4% of salary, dependent upon defined pay bands relating to whole time equivalent salary. The Employer contribution rates are set by actuaries advising the Gwynedd Pension Fund and reviewed on a triennial basis to ensure the scheme is appropriately funded. The rate from 01/04/2026 will be 17.1% and is applicable until 31/03/2029.

6.2 The council has a range of other terms and conditions applicable to its employees, based largely upon National Joint Council terms and conditions, supplemented by locally negotiated conditions and policies. Certain of these terms and conditions result in monetary payments, including business mileage payments, payment of professional fees and honoraria payments for undertaking additional responsibilities. No bonuses are paid. For relevant 'additions to salary of chief officers', see paragraph 10 below. Staff terms and conditions are reviewed on a regular basis in consultation and negotiation with our recognised trade unions.

## 7. Equal pay and gender pay gap reporting

7.1 The council is committed to the principle of equal opportunities and equal treatment for all employees. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex and evaluates job roles and pay grades as necessary to ensure a fair structure. The council reports its gender pay gap figure annually to the Office for National Statistics. While the council does have a negative gender pay gap, it is confident that this pay gap does not stem from paying men and women differently for the same or equivalent work and is pleased to report that its mean gender pay gap continues to be below the national average.

7.2 The council's gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract. While the council employs more women than men overall, they are not evenly spread across the grades. The majority of staff at lower grades are women. Any pay awards are implemented at all grades, therefore will not reduce the gender pay gap significantly. However, the council is committed to addressing its gender pay gap by supporting women at all levels of the organisation to develop and further their careers.

## 8. Senior management remuneration

8.1 For the purposes of this statement, senior management means 'chief officers' as defined within section 43 of the Localism Act. The following posts are identified as falling within the statutory definition of 'senior management' in the context of this statement:

- a) Chief Executive (who is also the Head of Paid Service) – the senior officer who leads and takes responsibility for the authority, working closely with elected members to deliver the authority's aims and objectives
- b) Senior Leadership Team - Deputy Chief Executive, Director of Function (Resources)/Section 151 Officer, Director of Function (Council Business)/Monitoring Officer, Director of Social Services and Director of Education, Skills and Young People
- c) Heads of service – Children and Families; Adult Services; Human Resources, Communication and Customer Experience; Digital, Performance and Modernisation; Housing; Highways, Waste and Property; and, Regulation and Economic Development

8.2 In 2019 all job descriptions within the senior management structure were evaluated in accordance with the Local Government Association (LGA) Job Evaluation Scheme for senior officers and externally validated by the LGA. The scores were then translated into a salary structure (again reviewed by the LGA and shown below) prior to submission to the Independent Remuneration Panel for Wales (IRP) who confirmed their full support for the proposed grading and salary structure.

8.3 A chief executives' and chief officers' pay award for 2025/26 has been agreed during 2025. As currently no further pay awards for 2026/27 have been offered or agreed on publication of this report, senior management basic remuneration as at 1 April 2026 will therefore be as follows:

8.4 Local Government Association (LGA) salary structure for senior management team:

|               |  |          |
|---------------|--|----------|
| LGA grade 2,  | heads of service,                                | £90,015  |
| LGA grade 2A, | Director of Function (Monitoring Officer),       | £91,601  |
| LGA grade 3,  | directors / Director of Function (S151 Officer), | £101,101 |
| LGA grade 4,  | Deputy Chief Executive,                          | £112,748 |
| LGA grade 5,  | Chief Executive,                                 | £136,041 |

8.5 Senior officer remuneration:

Chief Executive, LGA5, £136,041 per annum (nonincremental)  
This officer is also the Head of Paid Service and will also receive additional fees for Returning Officer duties

Senior leadership, LGA2A-LGA4, £91,601 - £112,748 per annum

Heads of service, LGA2, £90,015 per annum

8.6 No other additional special allowances, increments or bonuses are included in the remuneration arrangements.

8.7 The council's Appointments Committee convenes to consider and provide recommendations to the council on levels of pay and reward for the above three tiers of senior officers. The scope of the committee is to:

- make recommendations on senior pay and reward issues to council, ensuring consistency, transparency and accessibility
- make recommendations on the management of and structure of senior pay and reward, and grounds for pay progression
- make recommendations to the Full Council on the appointment of senior management

8.8 Section 143A of the Local Government (Wales) Measure 2011 gives the Independent Remuneration Panel for Wales ('the IRP') powers to make recommendations in relation to the salary of the Chief Executive (who is also the Head of Paid Service), or any proposed changes to the salary of the Chief Executive. The council will consider any recommendations received from the IRP in relation to remuneration for its Chief Executive.

## 9. Recruitment of chief officers

9.1 The council's policy and procedures regarding recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in Part 4.10 of the constitution. When recruiting to all posts the council will take full and proper account of its own Equal Opportunities, Recruitment and Selection, and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the agreed pay structure and relevant policies in place at the time of recruitment.

9.2 Where the council is unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the council will, where necessary, consider internal interim appointments for a short term period only where a permanent recruitment process is in progress. Internal interim appointments will be deputised to the Head of –Human Resources, Communication and Customer Experience, as set out in Part 3.5.3.9 of the constitution. Alternatively, the council may engage individuals under 'contracts for service'. These will be sourced through a relevant procurement process, ensuring the council is able to demonstrate the maximum value for money benefits from competition, in securing the relevant service.

9.3 In line with Welsh Government regulations, it is the council's policy that the Full Council is offered the opportunity to vote on remuneration and any restructures at senior management level, regardless of salary levels. Welsh Government regulations also specify that all posts attracting a salary of £100,000 or higher must be advertised externally if the duration of the post is expected to be for 12 months or more.

## 10. Pay awards

10.1 The council employs its Chief Executive and chief officers under Joint National Council (JNC) terms and conditions which are incorporated in their contracts. The JNC for Chief Executives and Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of same is determined on this basis. The Chief Executive and chief officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this council will therefore pay these as and when determined in accordance with current contractual requirements.

## 11. Additions to salary of Chief Executive and chief officers

- 11.1 The Chief Executive and chief officers are subject to the same qualifying criteria and arrangements as other employees with regard to receipt of additional monetary based terms and conditions, including mileage payments and reimbursement of professional fees.

## 12. Payments on termination

- 12.1 The council's approach to statutory and discretionary payments on termination of employment of its Chief Executive and chief officers and all employees falling within the scope of this statement, prior to reaching normal retirement age, is set out within its policy statement in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007. Any enhancements provided within the council's policy are applied to all staff, irrespective of grade or status.
- 12.2 Full Council will have an opportunity to vote on all severance packages over £100,000, the total amount to include severance pay, salary paid in lieu of notice and the cost to the council of the strain on the pension fund arising from providing early access to pension. Any other severance payments falling outside the provisions of contractual terms shall be subject to a formal decision made by the Full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments. The council will have due regard to best value in considering whether it is appropriate to make any special severance payments, and whether such a payment would be a proper use of public money.
- 12.3 The council does not currently have any instances of re-engagement of retired chief officers. If circumstances arose where this needed to be considered for business critical reasons, any such decision would be made by the Full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such arrangements and be in line with the council's Restructuring and Redundancy Policy as noted below.
- 12.4 The council's Restructuring and Redundancy Policy states that any employee who leaves the employment of the council on voluntary redundancy terms will not be re-employed by the council for the duration of the redundancy compensation payment period received, for example, if a member of staff receives 45 weeks' redundancy payment, they cannot be re-employed by the council for 45 weeks after the termination date. This period will be extended to 12 months if the employee is also in receipt of a pension for which the council has incurred additional costs. Any re-employment sooner than that noted above would have to be with the express authorisation of the senior leadership team and the Head of Human Resources, Communication and Customer Experience who would consider each case on its merits.

## 13. Lowest paid employees

- 13.1 The lowest paid persons employed under a contract of employment with the council are employed on full time 37 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the council's grading structure. As of 1 April

2025, and subject to any future pay offer for 2026/27 being agreed in 2026, this point is the current nationally agreed scale point 3 of £24,796 per annum, or £12.85 per hour, compared with the National Living Wage of £12.71 per hour at 1 April 2026 and the current Real Living Wage (set in October 2025) of £13.45 per hour.

- 13.2 The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
- 13.3 The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the government's code of recommended practice on data transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the council's workforce.
- 13.4 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council will use available benchmark information as appropriate. When expressed as a multiplier of pay, the Chief Executive's salary is 5.49:1 greater than that of the council's lowest earner.

## 14. External contractors

- 14.1 The council will utilise its procurement processes to ensure that fair and ethical pay practices are adopted by external contractors commissioned to deliver services.

## 15. Publication

- 15.1 Upon approval by the Full Council, this statement will be published on the council's website. In addition, for posts where the full time equivalent salary is at least £60,000, the council's [annual statement of accounts](#)<sup>i</sup> will include a note setting out the total amount of:
- salary, fees or allowances paid to or receivable by the person in the current and previous year
  - any sums payable by way of expenses allowance that are chargeable to UK income tax
  - any compensation for loss of employment and any other payments connected with termination
  - any benefits received that do not fall within the above

## 16. Accountability and decision making

- 16.1 Section 54 of the Local Government & Elections (Wales) 2021 Act requires the Chief Executive to keep continuously under review the arrangements for the recruitment, pay and grading of the council's staff.

## 17. Monitoring

- 17.1 This Pay Policy statement will be reviewed annually and presented annually to a meeting of the Full Council either in February or March, following which it will be published on the council's website.
- 17.2 The council has considered all current guidance in the development of this Pay Policy but should further amended guidance be received, the council may decide to amend its policy with Full Council approval. The revised version will be published on the website.

## 18. Weblinks

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<sup>i</sup> <https://www.anglesey.gov.wales/en/Council/Council-finances/Statement-of-Accounts.aspx>