

THE EXECUTIVE

Minutes of the meeting held on 1 March, 2016

PRESENT:	Councillor Ieuan Williams (Chair) Councillor J.Arwel Roberts (Vice-Chair) Councillors Richard Dew, Aled Morris Jones, H.Eifion Jones, Kenneth Hughes.
IN ATTENDANCE:	Chief Executive Assistant Chief Executive (Governance & Business Process Transformation) Assistant Chief Executive (Partnerships, Community & Service Improvement) Head of Resources and Section 151 Officer Head of Corporate Transformation Revenues & Benefits Service Manager (GHJ) (for item 8) Empty Homes Officer (GO) (for item 8) Committee Officer (ATH)
APOLOGIES:	Councillor Alwyn Rowlands
ALSO PRESENT:	Councillors John Griffith, Llinos Medi Huws, R.Meirion Jones, Alun Mummery, R.G.Parry, OBE

1. DECLARATION OF INTEREST

The following declared an interest in relation to the items noted:

Councillor H.Eifion Jones declared a prejudicial interest with regard to item 9 on the agenda and withdrew from the meeting during the discussion thereon.

Councillor Aled Morris Jones declared a prejudicial interest with regard to item 8 on the agenda and took no part in the discussion thereon.

Councillor Kenneth Hughes declared a personal interest with regard to item 8 on the agenda.

Councillor Richard Dew declared a personal interest with regard to items 8 and 11. Having received advice from the Monitoring Officer he said that in relation to item 8 he had a personal interest as the matter could have a financial effect on him. The interest would be prejudicial only for the fact that he expected to vote in favour of a higher rate premium meaning that the interest is not prejudicial because it goes against his own best interests. Similarly the interest in item 11 is personal because the decision could affect his parents. The interest would be prejudicial only for the fact that he expected to vote in favour of raising the fees meaning that the interest is therefore not prejudicial. Councillor Richard Dew said that should his position change during the course of the discussions, then he would declare a prejudicial interest at that time and withdraw from the meeting.

Councillor R.Meirion Jones (not a member of the Executive) declared an interest with regard to item 8 on the agenda and withdrew from the meeting during the discussion thereon.

2. URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HIS APPOINTED OFFICER

None to report.

3. FINANCIAL RESERVES

The report of the Head of Resources and Section 151 Officer setting out the Section 151 Officer's assessment of the level of general balances and reserves for 2016/17 along with recommendations as to the allocation of general balances for use during 2016/17 was presented for the Executive's consideration.

The Portfolio Member for Finance reported on a positive position with regard to general balances and said that as at 31 March, 2015, the level of general balances stood at £7.193m, having increased by £1.516m on the previous year. During 2015/16, £500k of these general reserves has been allocated to fund budget pressures in Children's Services. Having regard to current projections which indicate that the revenue budget will remain within budget and after allowing the release of £500k from general balances, the balance of general reserves as at 31 March, 2016 based on current information will be £6.693m. It is the Section 151 Officer's assessment that the Council's minimal level of general balances should be set at £5m thus releasing £1m to deliver future efficiency savings on a spend to save basis, subject to further assessment at a later date in the financial year.

The Head of Resources and Section 151 Officer confirmed that he was satisfied that having assessed the underlying financial risks faced by the Council, the limited flexibility that budget holders have in managing their budgets and the need to deliver future efficiency savings, maintaining a minimum level of general balances of £5m for 2016/17 is appropriate for the Council and will afford it the latitude to release funds to create an Improvement Fund to support projects that will deliver further efficiency savings subsequently. The general policy on reserves and balances at Appendix A sets out the general principles for managing and utilising reserves.

It was resolved –

- **To adopt the general policy on reserves and balances as noted in Appendix A to the report.**
- **To set the minimum level of general balances for 2016/17 at £5m in accordance with the Section 151 Officer's assessment.**
- **To authorise the release of £1m from general balances for the creation of an Improvement Reserve.**
- **To delegate to the Chief Executive and the Section 151 Officer the power to release funds from the Investment Fund to meet the cost of projects to be funded. The decision as to which projects receive funding to be taken jointly by the Executive and the SLT at the strategic meetings of the Executive.**
- **To confirm the continuation of the existing earmarked reserves.**
- **To authorise the return of £35,176 from the two unrequired earmarked reserves back to the Council's general balances.**

4. TREASURY MANAGEMENT STRATEGY 2016/17

The report of the Head of Resources and Section 151 Officer incorporating the Treasury Management Strategy Statement for 2016/17 including the Annual Investment Strategy, the annual MRP Policy Statement, the annual Treasury Management Policy Statement and the Treasury Management Scheme of Delegation was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the Strategy had been scrutinised by the Audit and Governance Committee at its meeting held on 18 February, 2016.

It was resolved –

- **To note the content of the covering report.**
- **To endorse the content of, and assumptions and proposals made within the Treasury Management Strategy Statement (including the Prudential and Treasury Management Indicators) for 2016/17 (Annexe A to the report)**
- **To forward the Strategy to the County Council without further comment.**

5. FEES AND CHARGES 2016/17

The report of the Head of Resources and Section 151 Officer incorporating a schedule of revised fees and charges for 2016/17 was presented for the Executive's consideration.

The Portfolio Member for Finance reported that all the Council's fees and charges have been reviewed as part of the budget setting process and for the first time they have been brought together and presented in one composite schedule.

It was resolved to approve the schedule of fees and charges for 2016/17 as set out in Appendix A to the report.

6. 2016/17 REVENUE BUDGET

- The report of the Head of Resources and Section 151 Officer incorporating the Medium Term Financial Plan and 2016/17 Revenue Budget was presented for the Executive's consideration.

The Portfolio Member for Finance reported that the Welsh Government's provisional settlement figure which showed a reduction in funding of 2% equating to just under £2m was received in December and is expected to be confirmed on 9 March, 2016. The Council's services are also facing additional pressures for example in the form of an increase of 1% in salaries and also an increase in National Insurance contributions as from April, 2016 which is a permanent additional cost in this and future years. Although the process of identifying savings in 2016/17 has therefore been a challenging one, the Council has successfully met its savings target over and above the requirement for 2016/17. The proposals formulated have taken account of the public consultation process the outcome of which is summarised under Appendix 1 as well as the view of the SLT. The budget proposals further recognise the increasing demand on Children's Services and rising cost pressures within Adults' Services which it is proposed are met by an increase in the budgets of both services of £500k and £300k respectively. The views of the Corporate Scrutiny Committee have also been considered – the proposed reduced increase of 3.5% in the Council Tax reflects feedback from both the Committee and the public. The impact of the reduction in the schools budget for 2016/17 is also being lessened as referred to in paragraph 10.3 of the report.

The Head of Resources and Section 151 Officer highlighted the risks in terms of the deliverability of the budget as set out in paragraph 8 of the report and confirmed that he was satisfied that the budgets are robust and can be delivered. He referred to the Medium Term Financial Strategy as per paragraph 12 of the report and pointed out factors which make completing the Strategy with any degree of certainty and accuracy very difficult. Table 9 of the report indicate the likely savings requirements over the course of the medium term to 2019/20 based on assumptions that reflect a cautious interpretation of possible future outcomes meaning that further work in terms of delivering savings will be necessary.

The Officer further referred to a meeting of the Schools Forum held on 29 February, following which three options had been formulated based on the discussions of the Forum taking into account that the cut in the Post 16 grant falls on the secondary sector only. The Head of Resources provided a brief outline of each of the three options presented and said that in his professional opinion, Option 2 was the preferred option, namely to split the cut on the basis of school balances as at 31 March, 2015 (primary, secondary and special schools). The Officer's view was endorsed and proposed by the Portfolio Member for Finance.

The Executive acknowledged the contribution made by both officers and elected members alike over the course of several months to the process of formulating the budget proposals and commended the process as having been a thorough and inclusive one commencing with the budget workshops held in the summer of 2015 at which much of the critical preparatory work was undertaken.

It was resolved –

- **To note the formal consultation meetings on the budget and the resulting feedback as outlined in Section 2 and Appendix 1 of the report.**
- **To note the equalities implications summary on the budget proposals in Section 11 of the report.**

- To agree that within the proposed budget, schools are given an increase in budget which meets the Welsh Government's pledge for schools funding as detailed in paragraph 4.3 of the report.
 - To agree the final details of the Council's proposed budget, investments, pressures and savings as shown in paragraph 10 and Appendix 5 of the report.
 - To note the Section 151 Officer's recommendation that the minimum General Fund Balances be maintained at £5m, the confirmation of the robustness of the estimates underlying the proposals and the adequacy of the General Reserves in the context of other earmarked reserves.
 - To recommend a net budget for the County Council and resulting Tax to Council, noting that a formal resolution, including the North Wales Police and Community Council Precepts, will be presented to the Council on 10th March, 2016.
 - To authorise the Section 151 Officer to make such changes as may be necessary before the submission 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 budgets.
 - To recommend a 3.5% Council Tax increase to full Council.
 - That with regard to implementing the cut to schools in 2016/17 to recommend that Option 2 be adopted, namely to split the cut on the basis of school balances as at 31 March, 2015 (primary, secondary and special schools).
- The report of the Head of Democratic Services summarising the views of the Corporate Scrutiny Committee from its meetings held on 16 November, 2015 and 1 February, 2016 was presented for the Executive's consideration.

Councillor R.Meirion Jones, Chair of the Corporate Scrutiny Committee elaborated on the Scrutiny review of the revenue budget proposals as carried out over the two meetings.

It was resolved to note the views of the Corporate Scrutiny Committee from its meetings held on 16 November, 2015 and 1 February, 2016.

7. CAPITAL BIDS 2016/17

The report of the Head of Resources and Section 151 Officer incorporating a proposed schedule of capital bids for inclusion in the 2016/17 to 2020/21 was presented for the Executive's consideration.

It was resolved to recommend to the Full Council –

- That the items shaded on Appendix A to the report (items valued up to £26.933m) be included in the Capital Programme 2016/17 to 2020/21.
- That the items for HRA shaded in the second table on Appendix A to the report (items valued to £11.636m) be referred to the Housing Services Board for consideration of the Capital Programme 2016/17 to 2020/21.

8. COUNCIL TAX PREMIUMS FOR SECOND HOMES AND LONG TERM EMPTY PROPERTY

The report of the Head of Resources and Section 151 Officer was presented for the Executive's consideration. The report sought the Executive's views on the requirement for the Isle of Anglesey County Council as a billing authority for its area, to make a decision whether to charge a premium of up to 100% of the standard rate of council tax on long-term empty dwellings and second homes by 31 March, 2016 to come into effect on 1 April, 2017 and set out the considerations and implications relevant to the determinations to be made on this issue prior to the matter being considered by Full Council.

The Head of Resources and Section 151 Officer reported that the Welsh Government when giving power to local authorities in Wales to charge a premium on the Council Tax had the aim that such powers would assist local authorities in bringing long-term empty homes back into use to provide safe, secure and affordable homes and to support local authorities to increase the supply of affordable housing and enhance sustainability of local communities. In formulating a view on the matter, a balance needs to be struck between prescribing a level that is sufficiently high to achieve

that objective (if it is so determined that a council tax premium should be applied) and ensuring that it is clear and understandable, does not incur excessive costs to the Council in administration and does not impact on Council Tax collection. The Officer said that in his professional opinion, the same level of council tax premium should apply to both second homes and long-term empty property and should be levied initially at 25% of the standard rate of Council Tax and be reviewed in the second year of operation prior to implementation in 2019/20.

The Portfolio Member for Finance endorsed the professional view of the Officer. The Empty Homes Officer reported on the position in Anglesey with regard to the number and percentage of homes on the Island having no usual residents.

It was resolved to recommend to the Full Council at its meeting on 10 March, 2016 –

- **That the Isle of Anglesey County Council (“Full Council”) as a billing authority in Wales uses its discretionary powers under sections 12A and 12B of the Local Government Finance Act 1992 (“the 1992 Act”) as inserted by the Housing (Wales) Act 2014 (the 2014 Act) to dis-apply any discount(s) granted to long-term empty dwellings and dwellings occupied periodically (usually known as second homes) and apply a higher amount of council tax (called the Council Tax Premium) to come into effect from 1 April, 2017.**
- **That the Council Tax Premium be set at 25% of the standard rate of council tax for both long-term empty dwellings and for dwellings occupied periodically (usually known as second homes), and that a review of the Council Tax premiums be undertaken by the Head of Function (Resources) and Section 151 Officer during 2018/19 (after the first full year of operation of the Council Tax premiums) to establish if the premiums determined have met the aims of the Executive and the Full Council and whether, as a consequence, the premium levels determined need to be varied or revoked when the Full Council sets its Council Tax requirement for 2019/20. The revised premiums, if applicable, will then come into force from 1 April, 2019 onwards.**
- **That the Council instructs and authorises the Head of Function (Resources) and Section 151 Officer:**
 - **To publish a notice of its determination to charge a premium in a local newspaper within 21 days of its decision.**
 - **To communicate its decision, also within 21 days and in particular to those who may be affected, by publication of press notices, providing information on website pages or other avenues to raise awareness. This to include direct communication with council taxpayers who are likely to be liable for the premium and in particular to those who normally reside outside the local authority area.**
 - **To ensure that administrative arrangements are put in place to establish (before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18) the estimated number of long-term empty dwellings and dwellings occupied periodically (usually known as second homes) that will be eligible to be charged a Council Tax premium under the 1992 Act, as inserted by the 2014 Act, subject to the exceptions allowed by regulations.**
 - **To ensure that administrative arrangements are put in place for the proper administration and enforcement of the Council Tax premium from 1 April, 2017 onwards and notes that the Executive agrees in principle (subject to the Executive’s approval) to any additional resources that is deemed necessary (by the Head of Function (Resources) and Section 151 Officer), to ensure that there is proper administration and enforcement of the Council tax premium, which will initially include, establishing the estimated number of dwellings where the Council Tax premium will apply.**
- **That the Council also instructs and authorises the Head of Function (Resources) and Section 151 Officer (before the Executive calculates the Council Tax Base for 2017/18 and the Full Council sets its Council Tax requirement for 2017/18) that the Executive, and the Full Council (as a billing authority in Wales) is advised whether it needs to determine under section 13 A of the 1992 Act to use its discretionary powers to reduce council tax liability resulting from a Council Tax premium being charged, to such extent it thinks fit. For fairness and transparency, should such a determination be required, advice is to be provided if the full Council should adopt a clear policy on whether and how these powers**

will be used, with appropriate delegated decision making authority being provided for in the Council's Constitution, but also recognising that each case is considered on its merits having taken into account the circumstances of each case.

9. STANDARD CHARGE FOR COUNCIL CARE HOMES

The report of the Head of Adults' Services in respect of the need for the Authority to set the level of its standard charge for local authority care homes for the year April, 2016 to March, 2017 was presented for the Executive's consideration.

It was resolved –

- That whilst the Council acknowledges the costs incurred within residential care, that the actual cost of delivery is not reflected in the charge to residents.
- That the increase for those contributing towards the cost of care is consistent for council services and set at 5%, and that a fee of £567.27 is set.

10. INDEPENDENT SECTOR RESIDENTIAL AND NURSING CARE HOME FEES 2016/17

The report of the Head of Adults' Services in respect of independent sector care home fees for 2016/17 was presented for the Executive's consideration.

It was resolved –

- To adopt the North Wales Fee Methodology as implemented hitherto by the Authorities in North Wales as a basis for setting fees in Anglesey during 2016/17 (Appendix 1 of the report).
- To approve the recommendation to increase fee levels as noted in the table in paragraph 5 of the report.
- To endorse for high cost/low volume placements increases consistent with the financial value of the increases as at the table in paragraph 5 therefore a fee increase for specialist residential placements of £17.56 and £22.44 for specialist nursing placements.
- In line with other authorities, to authorise the Social Services and Finance Departments to respond to any request from homes to explore their specific accounts and to utilise the exercise as a basis to consider any exceptions to the agreed fees. Any exceptions to be agreed with the Portfolio Holder, Head of Finance and Head of Adult Social Care from within current budgets.

11. CHARGES AND FEES FOR NON-RESIDENTIAL SERVICES 2016/17

The report of the Head of Adults' Services in respect of fees and charges for community based non-residential social care services for 2016/17 was presented for the Executive's consideration.

It was resolved –

- To approve the home care charges outlined in paragraph 2.4.2 of the report.
- To agree to a revision of home care charges in year as noted in paragraph 2.4.3 subject to appropriate consultation.
- To approve charges for meals in day services as outlined in paragraph 2.5.2 of the report.
- To approve charges for telecare services as outlined in paragraph 2.6.3 of the report.
- To agree to a revision and simplification of telecare charges as noted under paragraph 2.6.4 subject to appropriate consultation.
- To freeze the rate for Direct Payments at £10.50/hour as outlined in paragraph 2.7.2 of the report.
- To maintain a charge of £10.00 for the administration in relation to Blue Badge requests and replacements as per paragraph 2.8.1 of the report.
- To increase the fee for purchasing day care services in independent residential homes by 5% to £30.37 as per paragraph 2.9.1 of the report.
- To agree to an increase in fees paid for commissioned domiciliary care from £14.50 to £15.50 per hour or part thereof.

**Councillor Ieuan Williams
Chair**

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