

THE EXECUTIVE

Minutes of the virtual meeting held on 21 June, 2021

- PRESENT:** Councillor Llinos Medi (Chair)
- Councillors Richard Dew, Carwyn Jones, Alun Mummery, R.G. Parry, OBE FRAGS, Dafydd Rhys Thomas, Robin Williams
- IN ATTENDANCE:** Chief Executive
Deputy Chief Executive
Director of Function (Resources) & Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills and Young People
Director of Social Services
Head of Service (Highways, Waste and Property)
Head of Service (Regulation and Economic Development)
Head of Democratic Services
Head of Profession (HR) and Transformation
Programme, Business Planning and Performance Manager (GM)
Economic Development Manager (THJ) (for item 11)
Scrutiny Manager (AGD)
Senior Transport Officer (IC) (for item 9)
Committee Officer (ATH)
- APOLOGIES:** Councillors R. Meirion Jones and Ieuan Williams
- ALSO PRESENT:** Councillors Glyn Haynes, Kenneth Hughes, Bryan Owen, Dafydd Roberts.
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1. DECLARATION OF INTEREST

No declaration of interest was received.

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

None to report.

3. MINUTES

The minutes of the previous meeting of the Executive held on 17 May, 2021 were presented for the Executive's approval.

It was resolved that the minutes of the previous meeting of the Executive held on 17 May, 2021 be approved.

4. THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period from July, 2021 to February 2022 was presented for consideration and the following changes were noted -

- Item 3 – Social Services Complaints Annual Report – a new item scheduled for the Executive's 12 July, 2021 meeting.
- Item 4 – Annual Report of the Statutory Director on the Effectiveness of Social Services – a new item scheduled for the Executive's 12 July, 2021 meeting.
- Item 5 – Changes to the Constitution: Delegated Powers – Developments of National Significance and non-statutory Community Benefits – item rescheduled from the Executive's 21 June, 2021 meeting to its 12 July, 2021 meeting.
- Item 11 – Medium Term Financial Review – a new item scheduled for the Executive's 27 September, 2021 meeting.
- Item 12 – Consultation on the level of Council Tax Premium for second homes – a new item for the Executive's 27 September, 2021 meeting.
- Item 21 – Council Tax Base 2022/23 – a new item scheduled for the Executive's 29 November, 2021 meeting.
- Items 25 to 27 – Budget Monitoring related items – new items scheduled for the Executive's 14 February, 2022 meeting.

It was resolved to confirm the Executive's updated Forward Work Programme for the period from July, 2021 to February, 2022 as presented.

5. CORPORATE SCORECARD QUARTER 4 2020/21

The report of the Head of Profession (Human Resources) and Transformation incorporating the Corporate Scorecard for Quarter 4 2020/21 was presented for the Executive's consideration.

Councillor Dafydd Rhys Thomas, Portfolio Member for Corporate Business introduced the report which portrays the end of year position in what has been an unprecedented year for the Council as regards managing the Covid 19 pandemic and continuing to meet its obligations in terms of duties. During Quarter 4 Wales continued to be in a national lockdown and the Isle of Anglesey saw its highest number of positive Covid 19 cases as well as an outbreak on Holy Island which was swiftly and successfully managed. Despite the impact which the Covid 19 pandemic and associated lockdowns have had and continue to have on the Council's services, 87% of the Corporate Health PIs continue to perform well against targets. The performance with regard to staff absence management has exceeded target and is one of the few areas where the impact of Covid-9 has led to improvements. Although all indicators under the digital services subheading have seen performances that have surpassed previous annual results during the pandemic the number of online payments made for the newly introduced charge for green waste collection was disappointing and in turn led to significant pressure on the Council's telephone system during periods in March, 2021 from which experience lessons have been learnt. Cyswllt Môn, the Council's customer facing reception area will re-open to the public on an appointment only basis from the 28 June, 2021. The Council's financial position is robust having ended the year in a position of underspend largely due to the financial support provided by Welsh Government to cover pandemic related costs and lost income.

The Portfolio Member for Corporate Business ended his presentation to the report by paying tribute to all the Council's staff who as well as helping the Council respond to the pandemic have maintained levels of performance in the Council's day to day business while having had to adapt quickly to a changed working environment in what has been an exceptionally challenging year. He proposed that the Executive's appreciation be formally recorded.

The Head of Profession (HR) and Transformation agreed that 2020/21 had been a difficult year but that staff had risen to the challenges which it brought; the Council will use its experiences from dealing with the pandemic and the challenges it has faced during the year to move forward into the new normality.

The Scrutiny Manager reported on the main points of discussion from the Corporate Scrutiny Committee's 7 June, 2021 meeting which had scrutinised the 2020/21 Quarter 4 scorecard report. The Scrutiny Committee acknowledged that the Council had performed well in the circumstances which was attributable to the efforts of staff and the guidance and leadership of Senior Management; the Committee noted that where performance had been below target, this was largely due to the impact of Covid 19 and that mitigating measures were in place to ensure improvement. Communicating with the Council was discussed, specifically the capacity of the telephone system as well as facilitating public access to the recycling centres with it being confirmed that visits without prior booking would be trialled at the Penhesgyn Household Waste Recycling Centre. The Council's financial performance was noted and while the year-end underspend on the revenue budget was welcomed, the Committee was mindful that the Council's budget may come under pressure in future if service demand increases as a result of the pandemic and if funding settlements fall below expectation.

The Executive's members expressed their thanks and gratitude to staff both within their specific portfolio areas and on a Council wide basis recognising that the Council would not have been able to deal with the pandemic and maintain the performance of the Council's services without their hard work and commitment.

It was resolved –

- **To accept the Scorecard monitoring report for Q4 2020/21, to note the areas which the Senior Leadership Team are managing to secure improvements into the future and to accept the mitigation measures as outlined in the report.**
- **To record the Executive's thanks and appreciation of the efforts and hard work of all the Council's workforce over the course of 2020/21 in maintaining performance while responding to the Covid 19 pandemic.**

6. REVENUE BUDGET MONITORING – QUARTER 4 2020/21

The report of the Director of Function (Resources) and Section 151 Officer setting out the Council's financial performance to date and expected outturn for 2020/21 was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance presented the report highlighting that due to the impact of the Covid 19 pandemic on the normal delivery of services and the financial support provided by Welsh Government to help councils deal with the pandemic, the Council's overall financial position for 2020/21 including Corporate Finance and the Council Tax fund is an underspend of £4.204m. This outcome is largely in keeping with the position in which the other North Wales councils find themselves who for the same reasons mainly confirmation of further late funding from Welsh Government, have reported underspends at the end of Quarter 4. The underspend takes the Council's general balances to £11.6m and although this is a very healthy position to be in it would be unwise to use it as an opportunity for a spending spree; the service review process will begin shortly and each service's requirements and aspirations will be considered as will the funding options. The outlook in terms of how long the Coronavirus pandemic will last and what its impact will be on the Council's budgets remains uncertain as does the continuation and level of Welsh Government funding support, hence the need to hold sufficient cash in reserve.

The Director of Function (Resources) and Section 151 Officer advised that the 2020/21 financial year has not been a normal year with Covid 19 having had a significant impact on the Council's finances. The support provided by Welsh Government - £6m to meet additional Covid related costs and £2.6m for loss of income – is very much welcomed for without this support the Council's financial position would have been much worse - in the region of a £4m overspend. The Council's general balances at the year-end stand at £11.6m which equates to 8% of its net revenue expenditure which exceeds the 5% minimum reserve level agreed by Council. How the balances may be used will be the subject of discussion but bearing in mind that there is still uncertainty regarding the impact of Covid 19 on budgets this year as well as regarding the level of demand on services as restrictions are lifted which may result in services overspending which would then have to be met from the general balances.

Referring to the reduction in Council Tax income for 2020/21 the Section 151 Officer highlighted the transfer of domestic properties to self-catering properties on the Business Rates register as a significant contributing factor – around 200 such properties switched from domestic Council Tax to business rates during the year. These transfers can be backdated a number of years meaning the Council not only loses the current year's Council Tax but must refund any payments made back to the applicable date of transfer leading to a significant loss of income in the year. Separately, Council Tax debt has risen from around £2.3m to £4m; Welsh Government has provided additional funding to cover this loss of income and this is being held in an earmarked reserve to be used as and when required.

The Council's draft accounts for 2020/21 have now been published and are subject to audit. The outcome of the audit process may result in amendments to the accounts which could in turn lead to the general fund balance total being adjusted.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel confirmed that the Panel in scrutinising the Quarter 4 revenue budget report had expressed concern about the erosion of the tax base as more domestic properties make the switch from Council Tax to Business Rates. The Panel will be looking in due course at the response to the planned consultation on increasing the Council Tax premium on second homes and empty properties.

The Executive's Members welcomed the budget surplus and the boost to the Council's general fund balance which this had provided and were appreciative of the support which Welsh Government had given councils throughout the pandemic period. They also acknowledged the need to be cautious in the use of the balances because of the uncertainty in respect of future demand on services and future levels of funding. Whilst recognising that utilising the balances to fund new facilities/provision/items carries much appeal, the Executive highlighted that the Council is facing a number of investment commitments with regard to its existing assets and that alternative means of funding capital expenditure are available and should also be explored.

The Director of Function (Resources) Section 151 Officer further advised that retaining a healthy level of balances is important given there are many uncertainties in the future not least the ongoing impact of Covid 19 on the Council's income streams as leisure centres continue to operate below capacity and reduced footfall in town centres as people continue to work and shop from home results in reduced parking income. Welsh Government support is not limitless and will not continue for ever and the Council will have to consider the long term impact of the pandemic on some of its budgets and plan accordingly. Having a good level of reserves to fall back on will allow the Council the leeway to make those adjustments and will mitigate any overspending should that be necessary. Also, there is added uncertainty regarding Welsh Government's funding settlement for local government next year and beyond with no indication having been given of its funding plans for local

government in the years to come which would help with any decisions the Council might make with regard to releasing balances.

In light of the discussion and the need for longer term certainty regarding Welsh Government funding the Chair proposed and it was supported, that a letter be sent on behalf of the Executive to the Welsh Government's Minister for Finance and Local Government to ask for guidance regarding Welsh Government's funding plans for local government for the next three years so that councils are better able to plan strategically.

It was resolved –

- **To note the position set out in Appendices A and B to the report in respect of the Authority's financial performance to date and expected outturn for 2020/21.**
- **To note the summary of Contingency budgets for 2020/21 detailed in Appendix C to the report.**
- **To note the position of the Invest to Save programmes in Appendix CH to the report.**
- **To note the position of efficiency savings for 2020/21 in Appendix D to the report.**
- **To note the monitoring of agency and consultancy costs for 2020/2 in Appendices DD, E and F to the report.**
- **That a letter be sent on behalf of the Executive to Welsh Government's Minister for Finance and Local Government to ask for an indication of Welsh Government's funding plans for local government for the next 3 years in order to help councils plan more strategically over the medium term.**

7. CAPITAL OUTTURN 2020/21

The report of the Director of Function (Resources) and Section 151 Officer setting out the financial performance of the Capital Budget for the 2020/21 financial year, subject to audit was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that as with previous years the Capital Budget for 2020/21 is underspent which is not unusual where large complex projects are involved. However, the level of underspend in 2020/21 is significant (43% of the funding available) and is attributable to the effects of the Covid 19 pandemic and the introduction of the national lockdown at the beginning of the 2020/21 financial year which led to delays on capital works and schemes. In all cases, the funding for projects has been secured and will be carried forward to 2021/22 with no loss of resources for the Council.

The Director of Function (Resources) and Section 151 Officer elaborated on the reasons for the underspend with reference to individual schemes as summarised in the table at paragraph 2.2 of the report which shows the amount of underspend on each scheme and comments on their status. The Coronavirus pandemic has affected progress especially with regard to housing development where social distancing requirements and other Covid related regulations have hampered construction and planned maintenance work. Although an element of catch-up was achieved in the final quarter of 2020/21, it was not enough to make up for the three months that were lost at the beginning of the year. A delay in finalising proposals for schools' modernisation in the Llangefni area has also contributed to the underspend as has a delay in the delivery of new waste vehicles which meant that the new waste fleet in its entirety was not purchased before year end. Many of the capital schemes are grant funded and despite the lack of progress on some of the schemes no grant funding has been lost but will instead carry forward into 2021/22. An update on the Authority's Treasury Management Strategy will in due course be presented to the Governance and

Audit Committee and thereafter to the Executive and will reflect the impact of the capital budget underspend on the Council's management of its cash and borrowing activity.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel reported that the Panel in scrutinising the capital budget outturn report had asked that in order to facilitate capital expenditure the possibility of bringing forward the capital budget setting timetable be looked at especially as much of the capital programme content is known beforehand; an earlier start would allow tenders to be agreed sooner and work to proceed at a different more favourable time of the year thereby improving the likelihood of projects keeping to schedule.

It was resolved –

- **To note the draft outturn position of the Capital Programme 2020/21 that is subject to audit, and**
- **To approve the carry-forward of £11.898m to 2021/22 for the underspend on the programme due to slippage. The funding for this will also carry forward to 2021/22 as per paragraph 4.3 of Appendix A to the report giving a revised capital budget for 2021/22 of £48.053m.**

8. HRA BUDGET MONITORING OUTTURN 2020/21

The report of the Director of Function (Resources) and Section 151 Officer setting out the financial performance of the Housing Revenue Account Budget for the period 1 April, 2020 to 31 March, 2021 was presented for the Executive's consideration.

Councillor Robin Williams, Portfolio Member for Finance reported that the revenue financial outturn shown an underspend of £557k and that capital expenditure is £6.410m below the original budget with the pandemic as previously reported having seriously affected the progress of capital projects.

The Director of Function (Resources) and Section 151 Officer advised that the overall outturn for income was £153k better than the budget due mainly to the reduction in the provision for bad debts. The Housing Maintenance Unit was underspent by £138k which is as a direct result of the Covid 19 situation where only essential repairs were being undertaken; non repairs and maintenance expenditure was £152k over budget as a result of the items detailed in paragraph 6 of the report. The revenue budget posted a surplus of £8.39m which is higher than the planned surplus of £7.8m when the budget was agreed. Capital expenditure was down by in the region of £7.6m; the reduced expenditure has allowed an additional £1.145m to be added to the HRA reserve taking the total to £9.742m. This balance is ring fenced so is available to fund future HRA expenditure only including new council housing development in the current and future years. The HRA is therefore in a robust position and the HRA reserve provides the scope for adding to the housing stock; once the reserve has been run down to the level of funds the Council needs to carry, the Council can then exercise its right to borrow against the HRA to continue with its housebuilding plans.

Councillor Alun Mummery, Portfolio Member for Housing and Supporting Communities commented that he was glad to see that despite the pandemic the figure for rent arrears is going in the right direction and that he was looking forward to the continued development of new housing into the future using innovative means to assist those in need and those just starting out.

Councillor Dafydd Roberts, Chair of the Finance Scrutiny Panel confirmed that although the Panel had not formally scrutinised the HRA budget, it had discussed collection rates and the implications for the revenue budget.

It was resolved to note the position set out in respect of the finance performance of the Housing Revenue Account (HRA) for the financial year ended 31 March, 2021.

9. PUBLIC SERVICE VEHICLE ACCESSIBILITY REGULATIONS 2000

The report of the Head of Service (Highways, Waste and Property) and the Director of Education Skills and Young People regarding the impact of the Public Service Vehicle Accessibility Regulations 2000 (PSVAR) on the sale of vacant seats on school and college transport was presented for the Executive's consideration. The report set out how the Authority proposes to address the impact of the regulations on its home to school transport provision.

Councillor R.G.Parry, OBE, FRAGS. Portfolio Member for Highways, Waste and Property reported that as from 1 January, 2020 PSVAR applies to all coaches with a capacity in excess of 22 seats and require vehicles to be accessible for disabled people. The Department of Transport offered an exemption certificate to exempt vehicles from those regulations until 1 January, 2022; the Authority holds an exemption certificate for its school buses that sell over 20% of available seats until the end of July and an exemption certificate until the end of 2021 for the remainder. On average the income that is generated through bus fares is estimated at around £66,000 annually (based on the years from 2014/15 through to 2019/20). Enquiries made with some of the school bus operators on Anglesey indicate that it would cost between £5,000 and £7,000 annually per contract to meet the regulations; these cost would have to be passed on to the Authority for every contract quoted. Based on these figures, tendering the 54 current contracts on Anglesey would create additional annual cost of between £270,000 and £378,000. However, not charging a fee would mean that the current arrangements with bus operators can be extended until October 2022 when due to the length of existing contracts, it would be necessary to re-render in any event. As a payment would not change hands, the regulations would not apply.

The Portfolio Member highlighted that not charging a fee could mean that additional students may wish to use the provision. The report provides a summary of the number of seats on buses and the number of pupils who attend high schools on Anglesey. The Authority proposes to regulate the situation by ensuring that every eligible pupil obtains a bus pass which they would be required to show in order to travel. To this end the Authority is exploring options for introducing a pass system.

The Head of Service (Highways, Waste and Property) advised that the thinking initially across England and Wales was that closed school bus contracts would not fall within the scope of the PSVAR but during the summer of 2019 the Department of Transport confirmed that the regulations would apply to any service where payment is made to travel whether that be directly to the driver or through the Local Authority – the Authority has an exemption certificate until January, 2022. For pupils with special needs the Authority does currently provide transport by taxi from the pupil's home to the yard of the educational establishment the pupil attends so their ability to access education should not be affected. The proposal will be effective for a year after which it will be reviewed; it is anticipated that the transport environment will by then have stabilised, prices will be more competitive and the market will be in better position to make the appropriate provision.

The Director of Education, Skills and Young People added that the options have been considered by a sub-group and the proposed arrangement was deemed the best option in the circumstances. The introduction of a bus pass system would have benefits in allowing

the Authority to know exactly which pupils are using the service from a health and safety point of view.

Councillor Robin Williams, Portfolio Member for Finance confirmed that having weighed up the options from a financial perspective the proposal as presented is the most practical way of dealing with the impact of the regulations on home to school transport until October 2022.

It was resolved –

- **That the Authority does not charge a travel fee on Anglesey’s non-statutory pupils and Further Education students for the 2021/22 academic year.**
- **That the Authority limits the right to the statutory distance for 2021/22.**
- **That the Council invest in an electronic system to manage which students qualify for travelling on a school bus as per section FF of the report; the Executive agrees to fund the cards in principle and for a plan to be then developed during the 2021/22 school year.**

10. EXCLUSION OF THE PRESS AND PUBLIC

It was considered and was resolved Under Section 100 (A) (4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test as presented.

11. REGENERATION SCHEME (FORMER SCHOOL AND LIBRARY SITE, HOLYHEAD)

The report of the Head of Regulation and Economic Development setting out the current position and progress with regard to re-developing the former school and library site, Holyhead was presented for the Executive’s consideration.

The Executive was advised that the former Ysgol Y Parc and Library site extends to 4.1 acres and sits on the edge of Holyhead Town Centre. The work of demolishing the former school and library buildings was completed in the summer 2020 with the site now derelict and secured with fencing. After securing Targeted Regeneration Investment funding from Welsh Government, external consultants were commissioned by the Regulation and Economic Development Service to prepare an initial masterplan for the site to identify potential options for its full redevelopment with a focus on creating jobs, opportunities, inward investment and regenerating an important town centre site. This process has been delayed by the Covid 19 pandemic; the report therefore provides a summary of progress to date and sets out the considerations involved in progressing the further additional development activities identified in the report.

The Executive considered the report and agreed with the recommendations for moving forwards.

It was resolved to proceed in accordance with the recommendations set out in the report.

**Councillor Llinos Medi
Chair**