



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

GOVERNANCE AND AUDIT COMMITTEE

Date and Time

10.00 am, THURSDAY, 5TH SEPTEMBER, 2024

Location

Virtual Meeting

*** NOTE ***

*** For public access to the meeting, please contact us***

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(DISTRIBUTED 29/08/24)

GOVERNANCE AND AUDIT COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (8)

Councillors

Ioan Thomas
Menna Baines
Huw Rowlands

Edgar Wyn Owen
Elfed Wyn ap Elwyn
Vacant seat

Arwyn Herald Roberts
Meryl Roberts

Independent (4)

Councillors

Angela Russell
Rob Triggs

Richard Glyn Roberts
Elwyn Jones

Lay Members (6)

Clare Hitchcock
Elwyn Rhys Parry
Carys Edwards
Sharon Warnes
H Eifion Jones
Vacant seat

Ex-officio Members

Chair and Vice-Chair of the Council

A G E N D A

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so they may be considered.

4. MINUTES

5 - 20

The Chairman shall propose that the minutes of the meeting of this committee, held on 23rd May 2024, be signed as a true record.

5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

21 - 26

To consider the report and offer comments.

6. STATEMENT OF ACCOUNTS 2023/24

27 - 122

To consider the Statutory Statement of Accounts (subject to audit draft) for information

7. CYNGOR GWYNEDD'S ANNUAL GOVERNANCE STATEMENT FOR 2023/24

123 - 147

To consider and approve the Statement so that it can be signed by the Council Leader and the Chief Executive

8. TREASURY MANAGEMENT 2023/24

148 - 156

To consider the report for information

9. AUDIT WALES - QUARTER 1 UPDATE

157 - 173

To consider the report

10. AUDIT WALES - CYNGOR GWYNEDD ANNUAL AUDIT SUMMARY 2023 AND DETAILED AUDIT PLAN 2024

174 - 199

To consider the report

11. REPORT ON THE INSPECTION OF GWYNEDD AND YNYS MÔN YOUTH JUSTICE

200 - 251

To consider the report in relation to the conclusions and recommendations from the Youth Justice Service's inspection.

12. ANNUAL PERFORMANCE REPORT AND SELF ASSESSMENT REPORT 2023-24 252 - 305

To consider the contents of the draft document for 2023/24 and propose any comments and recommendations.

13. FORWARD WORK PROGRAMME 306 - 307

To consider the work programme

GOVERNANCE AND AUDIT COMMITTEE 23 MAY 2024

Attendance:

Councillors: Elwyn Jones, Edgar Wyn Owen, Meryl Roberts, Richard Glyn Roberts, Huw Rowlands, Angela Russell, Ioan Thomas and Elfed Wyn ap Elwyn

Lay Members: Sharon Warnes, Hywel Eifion Jones, Clare Hitchcock, Carys Edwards and Rhys Parry

Officers: Dewi Morgan (Head of Finance Department), Ffion Madog Evans (Assistant Head of Finance Department – Accountancy and Pensions), Luned Fôn Thomas (Audit Manager), Delyth Thomas Jones (Investment Manager), Caren Rees Jones (Group Accountant – Capital and Management), Caleb Lewis (Cynllun Yfory – Finance and Accountancy Professional Trainee), Iwan Evans (Monitoring Officer) and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Councillor Paul Rowlinson (Cabinet Member – Finance) and Geraint Owen (Corporate Director)

Item 14 and 15: Dafydd Gibbard (Chief Executive)

Item 18: Alan Hughes (Audit Wales) and Dewi Jones (Council's Business Support Service Manager).

Item 19: Alan Hughes (Audit Wales), Dewi Jones (Council's Business Support Service Manager) and Gareth Jones (Assistant Head of Environment Department)

Item 20: Alan Hughes (Audit Wales) and Dewi Jones (Council's Business Support Service Manager)

Item 21: Dewi Jones (Council's Business Support Service Manager)

1. ELECTION OF CHAIR

RESOLVED to elect Carys Edwards as Chair of this Committee for 2024 /25

2. ELECTION OF VICE-CHAIR

RESOLVED to elect Rhys Parry as Vice-chair of this Committee for 2024/25.

Sharon Warnes thanked the members and the officers for their support over her period as Chair of the Committee.

Councillor Paul Rowlinson was congratulated on his appointment to the Cabinet as Cabinet Member for Finance

3. APOLOGIES

Apologies were received from Councillors Rob Triggs, Menna Baines and Arwyn Herald Roberts; Councillor Dyfrig Siencyn (for item 15)

4. DECLARATION OF PERSONAL INTEREST

- Councillor Richard Glyn Roberts – Item 9 – Financial Support for Byw'n Iach. He noted that he was on the Byw'n Iach Board. Following guidance from the Monitoring Officer, it was not a prejudicial interest as the subject was part of a broader report. He did not have to leave the meeting.
- Carys Edwards – Lay Member, Item 13 – Smallholdings. She noted that she was a tenant of one of the Council's smallholdings. Following guidance from the Monitoring Officer it was not a prejudicial interest as the subject was part of a broader report. She did not have to leave the meeting.

5. URGENT ITEMS

A request had been received to discuss the terms of reference of the Education Department's internal procedures following the court case of the former headteacher of Ysgol Friars, Bangor, and challenge the outcome of the Estyn inspection (June 2023) of Cyngor Gwynedd's Education Services. In response to the request, the Monitoring Officer stated that the matter was the subject of an external formal investigation at present, and that the role of the Education and Economy Scrutiny Committee would be to scrutinise the internal arrangements of the Education Department. Although premature, it was noted that the Governance and Audit committee had a role to keep oversight of the information, data and robustness of processes and therefore the matter could be considered after the findings of the investigation had been completed.

6. MINUTES

The Chair signed the minutes of the previous meetings of this committee, held on 18 January 2024 and 8 February 2024 as a true record.

In response to an observation that the Implementation of Committee Decisions item was not on the agenda and the concern that this item would be lost, it was noted with the high number of items on the agenda, that items had had to be cut from this meeting. The item was to be included, with a full update for members at the next meetings.

7. ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2023-24

The annual report was submitted by the Committee Chair. It was highlighted that the report was being submitted in response to a strong recommendation from CIPFA, which noted that the Committee should provide an annual report which gave assurances to everyone charged with governance that it was achieving its purpose and could show impact. The purpose of the report was to encompass the work of the Committee over the 2023-24 year and to highlight how the Committee had achieved its statutory duties and added value to the governance arrangements of Cyngor Gwynedd.

The Chair welcomed observations from Members before submitting it for the Full Council's approval. The Head of Finance Department was thanked for his work of preparing the report along with Mr Hywel Eifion Jones (former Vice-chair of the Committee) for his valuable support.

The Head of Finance added that the report responded to the statutory requirements of Welsh Government and had been set out in accordance with the Committee's functions (some mandatory functions and others as functions set by the Cyngor Gwynedd

Constitution). Attention was drawn to the effectiveness of the Committee and the number of items discussed which reflected the work of the committee and feedback regarding the Council's arrangements. After holding a self-evaluation workshop, it was proposed to include the output of that workshop as an attachment to the final report.

During the ensuing discussion, the following observations were noted:

- That the report was a good one – welcomed the report and thanked the Chair for her work and guidance over the year.
- That the sentence regarding changes to the Committee's constitution and consequently more inexperienced members becoming members of the committee 'taking two years to settle down' seemed patronizing. Members had developed over the past two years and had offered new observations.

In response to a comment that the Estyn report (June 2023) was insufficient and defective and that this was a serious issue, how therefore would receiving additional information change the situation, it was noted that the Committee's role was to accept reports, and that it was reflections / impressions that had been submitted to the Committee, along with the Department's response. In response, it was noted for the future that there was a need to consider a procedure which challenged information instead of accepting it only.

RESOLVED:

To accept and approve the draft Annual Report for 2023/24 and to recommend to the Full Council for final acceptance.

8. SELF-ASSESSMENT OF THE COMMITTEE'S GOOD PRACTICE

The Audit Manager presented a report which outlined the outcomes and action plan of the good practice self-assessment workshop. As a Committee charged as 'those responsible for governance' it was required to conduct a periodical self-assessment of its effectiveness, and the Committee resolved at the meeting in December 2023, to hold a workshop to address and conduct a face-to-face self-assessment with all members of the Committee, guided by an external facilitator.

When submitting information on the need to conduct a self-assessment, it was highlighted in the Welsh Government's Statutory Guidance made under the Local Government Measure 2011 (June 2012), that the Government had already approved the CIPFA publication, "Audit Committees: Practical Guidance for Local Authorities", and were advising local authorities to look at these documents as supplementary ones to the statutory guidelines. It was added that the CIPFA guidelines included tools to help audit committee members hold a self-evaluation and that the outcome of this assessment was evidence for the Council's risk register (risk L18, Unsuitable internal control arrangements that entail that we either do not protect ourselves from risks or waste resources on over-control) and for the Annual Governance Statement.

It was highlighted that the workshops had been an opportunity for members to get to know each other and discuss the committee's expectations. It was reiterated that the action plan set a direction for the committee and identified matters to be considered in the future.

The members gave thanks for the report and thanked the Audit Manager for organising the day. It was highlighted that the format of the workshop was professional and the work that needed to be achieved gave confidence in the future of the committee.

Matters arising from the ensuing discussion;

- That there was a need to organise for the Committee to meet internal audit and external audit separately so that the relationship could be reinforced – it would also be an opportunity to review the procedure and receive feedback.
- That the committee's role was 'advisory' – in future it should be considered that there was a need for a right to offer observations and not just accept the information. A suggestion to revisit expectations and offer observations, instead of decisions.

In response to a question about how the arrangements in relation to reports from external regulators can be improved, the need for the committee to receive an update from the regulators on progress with the recommended improvements was noted.

RESOLVED

- **To accept the report**
- **To approve the contents of the self-assessment.**
- **To support the actions.**

Note;

Need to identify opportunities to reinforce the relationship between external regulators and Internal Audit.

9. FINAL ACCOUNTS 2022/23 – REVENUE OUT-TURN

The Cabinet Member for Finance highlighted that the report had been submitted to the Cabinet on 14 May 2024 where the virements had been approved. The Committee was asked to scrutinise and offer observations on the decision.

It was noted that the report detailed the Council's expenditure in 2023/24, the out-turn underspend or overspend position of individual departments, and the reasons for that. References were made to a summary of the final position of all departments which highlighted the amounts to be carried forward at the end of the financial year, as well as the main matters and fields where there were substantial differences. The following was highlighted,

- **Adults, Health and Well-being Department:** A reduction was seen in the overspend to £3.9 million compared to the end of November review, as the department had received grants and income since the last review, which had assisted the situation. It was noted that there was £1.8 million overspend due to increasing and costly supported accommodation costs in the Learning Disabilities Service. In the field of Domiciliary Care, staffing costs and sickness levels and non-contact hours are high, whilst there are pressures on the budget for private domiciliary care providers. It was noted that a bid of £1.6 million to increase the budget to deal with the Learning Disability Services had been made, as well as work being in the pipeline to seek better control of the budgets – the overspend was excessive and therefore this had to be addressed.
- **Children's Department:** Since the November review, the Department's overspend has increased by £1.3 million to £2.6 million, because of an increase in the costs of out-of-county placements due to the complexity of packages and the recent increased use of non-registered placements, which were more costly. It was hoped to seek a procedure to internalise the service so that the overspend could be addressed. Pressures could also be seen on the Derwen Service budget.
- **Education Department:** A trend of increasing pressure on the school taxi and bus budget continued with an overspend of £1.5 million at the end of the year. There was a strategic review for the situation planned, with a designated officer appointed to deal with this. Staff turnover, income and grant receipts, and less pressure on

other budgets reduced the overspend to £95,000. The department was using £95,000 from its departmental underspend fund to balance the overspend.

- Economy Department / Byw'n Iach. In 2022/23, the Council had provided £550k financial support to Byw'n Iach above the contracted payment of the provision contract, to enable it to maintain its services and remain viable as a company. The financial support continued this year, and the required amount had reduced to £308,000. Anticipate that there will be no need for support in the future.
- Highways and Municipal Department: An overspend of £687k due to pressures on the road maintenance and lighting budget and a reduction in the work being commissioned by external agencies. In municipal, additional pressure can be seen on staff budgets and a loss of income. Nevertheless, Gwynedd Consultancy exceeded the budget.
- Environment Department: The trend of overspend in the field of waste and recycling collection continued and was £1.2 million by the end of the year. The Department was implementing the WRAP Cymru recommendations in an attempt to address the overspend. Also, a deficit of £601,000 in parking income.
- Housing and Property Department: The trend of significant pressure on temporary accommodation in homelessness services continued to be very intense with an overspend of £2m (despite an additional budget of £3m from council tax premium and a grant of £597k from the Government having been allocated to the field). Homelessness was a significant problem and was creating substantial overspending pressures. Using a one-off allocation of £1.4m from the corporate Covid provision and the departmental underspend fund reduces the overspend reported for the department to £255k.
- Schools: The total county school balances had reduced by £3.4 million, namely £11.9m in 2022/23 to £8.5 million in 2023/24. It was noted that there had been a significant increase in school balances in recent years due to the receipt of significant grants, but it was anticipated that they would be back to usual levels by the end of 2024/25.
- There had been a sufficiency review of the Council's specific funds when closing the accounts and it had been possible to harvest £2.8 million of resources.

In terms of the next steps, it was noted that work was in the pipeline to complete the statutory financial statements for 2023/24 to be submitted to Audit Wales for audit.

Members expressed their thanks for the report and noted that the period was very challenging for services.

During the ensuing discussion, the following observations were made by Members:

- That receiving continuous reports on the situation was beneficial, but the Council had substantial overspend – fortunate of its reserves.
- That there was a risk for the overspend to worsen in the longer term with problems anticipated with the increase in the number of older people leading to an increase in the use of services and therefore increasing the budgetary risk in the future – a suggestion to externalise services.
- That overspending in some areas was the result of underfunding – high expectations with little investment.
- Including the sums of those schools that were in deficit at the end of the financial year would provide a better understanding of the situation.
- That the cuts had reached a critical and difficult point.
- In the context of homelessness, there is a need to understand the situation and receive information regarding numbers. A suggestion to consider holding an information session for committee members to understand the field better and to understand the reasons why the cost is so high.

In response to these observations, the Cabinet Member noted that the main reason for the overspend was that there is an insufficient budget and cuts were becoming more difficult every year, which was reflected in new overspend fields. He reiterated that work was in the pipeline to deal with the overspend with steps to manage it by means of an early warning procedure added to reports. He also noted that financial pressures placed pressures on services which in turn led to loss of service and therefore impacted the residents of Gwynedd, as a result of underfunding from Central Government.

RESOLVED

- **To accept the report**
- **To note the relevant risks.**
- **To support the Cabinet's decision (14 May 2024) to approve the amounts to be carried forward; to approve all recommendations and financial virements.**

Note:

- Provide information about those schools with a deficit at the end of the financial year and the relevant sums.
- Consider holding an information session for committee members to understand the field better and to understand the reasons why the cost is so high.

10. CAPITAL PROGRAMME 2023/24 – END OF YEAR REVIEW (POSITION AS AT 31 MARCH 2024)

The Cabinet Member highlighted that the main purpose of the report was to submit the revised capital programme at the end of the financial year (position as at 31 March 2024), and approve the relevant funding sources. The report had been submitted to the Cabinet on 14 May 2024 where all the recommendations had been approved. The Committee was asked to accept the information and consider the risks relating to the capital programme.

Reference was made to a Department-by-Department analysis of the £189 million capital programme for the 3 years 2023/24 – 2025/26 together with the sources available to fund the net increase which was approximately £3 million since the last review.

The main findings of the review were that the Council had managed to spend £57 million in 2023/24 on capital schemes, and £33 million (58%) of it funded through specific grants.

It was explained that the effect of recent financial challenges remained on the capital programme. It was noted that an additional £34 million of proposed expenditure had been re-profiled from 2023/24 to 2024/25 and 2025/26, and the main schemes that had slipped since the original budget included:

- £16 million Housing Strategy Plans
- £14.6 million Schools Schemes (Sustainable Learning Communities and Others)
- £6.4 million Shared Prosperity Fund Schemes
- £5.7 million Renewal of Vehicles and Equipment
- £4.1 million Carbon Management and Solar Panels Schemes
- £3.8 million Levelling Up Fund schemes

In addition, the Council had managed to attract further grants since the last review, which included:

- £1.755 million – A grant towards the plan to De-carbonise Heat within the Council.
- £1.1 million – Flying Start and Childcare Capital Grant from the Welsh Government.
- £659,000 – Welsh Government grant towards the purchase of a property to meet needs in the Homelessness field.
- £392,000 – Litter Infrastructure Grant from the Welsh Government.

- £358,000 – Schools' Maintenance Grant 2023/24 from the Welsh Government.

Reference was made to the information about the Council's Capital Prudential Indicators which was a new reporting requirement in 2023-24 and it was highlighted that the Council had complied with the policy on borrowing for capital purposes.

The members thanked the officer for the report

RESOLVED

- **To accept the report**
- **To note the relevant risks.**
- **To support the Cabinet's decision (14 May 2024) to approve the revised financing.**

11. FINAL ACCOUNTS OF GWYNEDD HARBOURS FOR THE YEAR ENDING 31 MARCH 2024

The report was submitted by the Assistant Head of Finance – Accountancy and Pensions. It was explained, in accordance with the statutory requirements under the Harbours Act 1964, as a harbour authority, that Cyngor Gwynedd was required to provide an annual accounts statement relating to the activities of Barmouth, Aberdyfi, Pwllheli and Porthmadog harbours. As the turnover of the harbours was below £2.5m, it was deemed to be a smaller local government body, and therefore an annual return provided by Audit Wales must be prepared in accordance with statutory requirements.

Reference was made to the income and expenditure account, and it was highlighted that there was a £31,000 underspend at the end of the year. Of this amount, it was reported that an underspend on staffing and building maintenance was underspending £4,000 each, whilst there was an overspend of £35,000 on supplies and services and specifically on equipment including safety equipment, but which was funded from a reserve. In terms of the income, it was reported that the fees level was £9,000 above the income target.

Attention was drawn to the external auditors' standard form together with the Annual Governance Statement, which gave assurance of a robust internal control system. It was highlighted that the accounts had already been the subject of internal Audit and had now been sent to the external Auditor, Audit Wales, for audit. It was added that only if changes were required following the audit would an amended version be presented to the Committee in November.

The Governance and Audit Committee was asked to accept and approve the Accounts for 2023/24 and for the Chair to sign the form electronically on page 104.

The members expressed their thanks for the report.

RESOLVED

To accept the report and approve:

- **The Revenue Income and Expenditure Account 2023/24.**
- **The Annual Return for the Year ending 31 March 2024, subject to audit by Audit Wales.**
- **The Chair to sign the form electronically**

12. INTERNAL AUDIT OUTPUT

Submitted – for information, the report of the Audit Manager updating the Committee on the internal audit work for the period up to 31 March 2024. It was highlighted that 12 of the

audits in the existing plan had been completed and given an assurance level of high; satisfactory or limited.

Each audit was referred to in turn.

Matters arising from the subsequent discussion:

Commercial Income

- Concern regarding businesses with owed amounts continuing to receive a service – assurance needed that this does not happen again following an internal audit.
- Request for acknowledgement / a figure that would place an amount on the debts to seek a comprehensive picture. The Department was overspending, but yet they were not following debt recovery procedures.

In response to the comments, the Audit Manager noted that the audit had received a limited assurance level due to the situation with the arrears and that the Waste and Recycling Manager had committed to implement steps to mitigate the risks highlighted. A follow-up review would be implemented, and the actions would be revisited. It was reiterated that there were some situations where businesses were seen to be moving properties from Council Tax to business rates and that there were potential income losses here – certainly, there was a need for a better system.

Safeguarding Arrangements – Organisations

Concern that the essence of responsibility was being lost in the bulk of information being submitted to raise awareness.

In response to the observation, the Audit Manager emphasised that every member of staff had a responsibility to complete a statutory training module in the safeguarding field – the matter was being discussed as a priority field at the cross-departmental safeguarding panel.

Cefn Rodyn Residential Home

In response to a question regarding in what form would evidence of achieving the actions be reported back to the Service / Committee, it was noted that Internal Audit would hold a follow-up audit where evidence will need to be submitted – if there is no response, then a report will be submitted to the Committee. With the audit receiving a 'satisfactory' assurance level, the matter was not seen to be a very high risk, but a report on the steps will be included in the Annual Report.

Follow-up Deprivation of Liberty Safeguards – Limited assurance level.

Concern that the Council was being punished because of a lack of compliance with the Legal Acts relating to DoLS (Deprivation of Liberty Safeguards Arrangements). A request for information on the numbers on the list in Gwynedd as well as a training session on the situation.

The members thanked the officer for the report

RESOLVED:

- **To accept the report**
- **To support the actions that had already been agreed with the relevant services.**

Note: In the context of the Follow-Up Deprivation of Liberty Safeguards (DoLS) – this to be highlighted as a risk.

13. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2023 / 24

A report was submitted by the Audit Manager, expressing Internal Audit's opinion of the overall control environment within the Authority during 2023/24 providing the said annual internal audit opinion to the Authority. It was noted that assurance could never be absolute, and the most that the internal audit service could provide to the Council was a reasonable assurance that there were no major weaknesses in the whole system of internal control. It was explained that the annual opinion of the Head of Internal Audit was based on three aspects of the Authority's arrangements – Governance, Risk Management and Internal Control.

Based on Internal Audit work completed during 2023/2024, Cyngor Gwynedd's internal control framework during the financial year 2023/2024 was deemed to operate at a reasonable level of assurance on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.

A total of 30 pieces of work were included in the final revised audit plan for 2023/2024. 29 assignments had been completed by 31 March 2023, representing 96.67% of the plan. Of the relevant reports from the 2023/2024 audit plan that had received an assurance level, 88.46% had received a 'Satisfactory' or 'High' assurance level. Three audits had received a 'limited level' and no audits had received 'no assurance' level.

In the context of follow-up work, it was reported that of 104 agreed actions set in 2022/23, three were now irrelevant. For the remaining 101, there had been acceptable action on 95% of them by 31 March 2024.

In the context of the Quality Assurance and Improvement Programme, it was noted that the outcomes of the self-assessment of compliance with the Public Sector Internal Audit Standards (PSIAS) as well as the Quality Assurance and Improvement Programme, had been submitted to the Committee in July 2017. The results of the self-assessment against the standards and the amended Note to Local Government (2019) would be submitted to the Committee during 2024/25 as well as the outcomes of the external assessment.

The members expressed their thanks for the clear and encouraging report.

Matters arising from the subsequent discussion

- Need to re-establish the Controls Improvement Working Group
- Three limited fields identified – Communication Arrangements, Deprivation of Liberty Safeguards Measures and Smallholdings. The timetable had slipped therefore they needed to be revisited or the matter called before the Improvement Working Group.
- Where significant internal control weaknesses had occurred – it was noted in Welsh that these matters had been addressed by the Committee – in the English version it noted that these matters had been resolved by the Committee – the sentence should read 'drawn attention'.

In response to a question regarding a reduction in the number of productive days and whether this had led to the cancellation of audits, and should there be an improvement in the future, it was noted that there had been a reduction in the days due to long-term sickness, maternity, sickness and extension to a secondment in another organisation (which brought an income source to the service), but there was a need to be cautious of

the situation in the future. It was reiterated that there were pressures to increase the income with a savings target of £42,000, which was substantial for a small team.

RESOLVED

- **To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2023/24 financial year.**

14. MEDIUM TERM FINANCIAL PLAN

The report was submitted by the Cabinet Member for Finance in response to the financial challenges facing the Council. The purpose of the plan is to set out projections for the Council's position over the next three financial years, and offer assumptions as well as proposals to address the financial deficit faced by the Council. It was highlighted that the plan had been approved by the Cabinet (14 May 2024).

The Chief Executive explained that finding cuts in the Council's budget and services was not a new process since cuts had been introduced annually for 18 years. It was commended that the Council had managed to maintain services despite the reduction in the departments' budgets but the need to bring some services to an end in the future was acknowledged.

It was confirmed that the budget for this year had been set and a significant shortfall in Council income by 2027/38 was anticipated, therefore work was underway to try and fill the gap through a factual plan. It was emphasised that the projections were based on the information in the past years and that it was an initial plan to address the medium-term budget.

Reference was made to the summary of the plan by noting that it elaborated on the known factors that impacted the Council's financial situation during the medium term (between 2025/26 until the end of 2027/28). It was detailed that inflation was anticipated on the salaries of Council staff in addition to the prices of goods, as well as the increase of levies impacting the Council's budget within this period. However, it was emphasised that there was no agreement to increase salaries with the unions at present. It was also emphasised that no detailed consideration had been given to adjusting Council tax levels, and that any adjustment would require Full Council approval.

It was explained that the rate of inflation that was used in the Plan was based on the outlook of the Bank of England and advice by Arlingclose company, which were the Council's treasury advisers. It was noted that the officers had based the anticipated inflation rate at 2% for the number of years in the medium term to plan to address that gap. It was acknowledged that there was an annual demand for an additional budget above inflation in some fields and it was anticipated that £3 million a year would be required to deal with this demand. It was emphasised that this was a prudent provision, not an expenditure target, and any financial bid would receive careful consideration.

It was reported that the Plan suggested a financial deficit of £36.2m (before considering any Council Tax increase and savings that had already been identified) during the medium term based on assumptions and estimates. It was confirmed that the hope was to present various options on the next steps in the future, and the need to find a balance between maintaining services and adapting the levels of Council tax was noted.

The Cabinet had resolved to commission the Chief Executive to establish and lead on a range of measures and work packages, to prepare in advance for dealing with the significant gap in our budget over the next three years. The work will also consider the named methods of funding services, providing a clear picture of the Council's sustainability

over the next three years and assisting to make decisions at a difficult time. It was reiterated that the Plan was a live plan that would be updated as information came to hand.

Members gave thanks for the report – it was a key plan which set a picture of the situation for the future.

In response to a question regarding whether it was possible to hold specific sessions with the Members of the Committee on medium-term plans as a basis to discussions, the Chief Executive noted, following the success of the briefing sessions during 2023/24, that a new series of sessions would be arranged – these sessions would highlight the challenges facing the Council. It was reiterated that clear communication was a core part of the process.

Matters arising from the ensuing discussion:

- That the report was timely
- That they agreed with the recommendations and the commission brief for the Chief Executive
- That it was essential to consider new ways of providing services (statutory and essential) – private sector and the third sector

In response to the comment regarding the commission, the Chief Executive noted that various fields were being addressed. Despite their experience of considering ways to change services, £17 million had to be found through alternative means. The Government was unlikely to fund the financial deficit and therefore the Local Authorities were required to deliver and offer the services. The hope is that this plan will offer options to members.

RESOLVED:

- **To accept the report**
- **To note the relevant risks that derive from the Medium Term Financial Plan.**
- **To support the Cabinet's decision (14 May 2024).**

15. ASSET MANAGEMENT PLAN 2024-2034

The Chief Executive submitted a report asking the members to scrutinise the information and offer observations that the facts being submitted were based on robust information and that the propriety of the process of establishing the priorities had been considered in full, before the Cabinet considered the Plan at its meeting on 11 June 2024.

It was explained that the Council received a capital grant from Welsh Government annually, to be used for asset management priorities. When the Asset Management Plan was adopted in 2019, it was reported at the time that the Council was receiving £6.6 million in capital resources every year, and it had not increased since the previous Plan had been established in 2009. Between 2018 and 2023, we also received amounts above this (approximately £2M per annum on average), in the form of grants for a specific purpose.

However, concern was highlighted that the additional grants would come to an end, and that the core capital grant would remain on the same level – £6.6 million per annum. This would mean that it will not be possible to achieve as much with the core resource – considering the levels of inflation over the past 5 years, £6.6 million's worth in 2009 was equivalent to £4.3 million today, which was a 34% reduction.

When setting our new 10-year plan, we presumed that £47.7 million of capital funding was available for us to extend the plan for an additional 5 years. This conclusion was reached having considered our annual capital grant amount as well as capital and funds that have not been allocated in the current Asset Management Plan. It was reiterated, in order to

respond to new plans emerging that could not be projected when setting this plan, the intention was to continue to maintain a provision of £0.5 million per annum to address those requirements. It was noted that this brought the additional amount available to extend the Asset Management Plan until 2034 to £45.2 million.

When establishing the 10-year Plan, it was reported that bid invitations had been made to the Departments to identify their capital needs over the next 10 years – 70 bids had been received with a total expenditure of £129.3 million. The Chief Executive had assessed all plans and had placed them in high, moderate and low risk categories. Information had been submitted to Elected Members to gather views on the risk assessment on each of the plans.

The members thanked the officer for the report.

In response to a question regarding feasibility studies and whether any improvement would be subject to a feasibility study, it was noted that a vast majority of the process would involve applying for grants through other sources and the need to consider that cuts would not cause excessive disruption.

Matters arising from the ensuing discussion:

- Gave thanks for the invitation to the briefing session.
- Welcomed the procedure to address the gap.
- Welcomed the contribution of the housing premium to fund urgent investment to deal with health and safety risks in smallholdings.
- Considered additional capital by selling property – was every building used in full? Had a review been carried out post-Covid to review the use of buildings? Was reasonable use being made of buildings?

In response to the comment regarding selling buildings to generate extra capital, it was noted that the list of unused properties was under review and that every building was currently being used, except for those earmarked for housing developments. If the property was not appropriate for housing, the intention was to sell. In the context of offices, with the cuts scheme and a reduction in revenue expenditure, staff would be squeezed into fewer buildings, and empty assets would be used to deliver services.

In response to a question about why flood prevention on the A499 was not considered a priority field, it was noted that the department was in discussions with Natural Resources Wales since NRW would fund such schemes.

RESOLVED

- **To accept the report**
- **To approve the propriety of the process of establishing the Plan's priorities.**
- **To support the recommendation to the Cabinet (11 June 2024) to approve the Plan.**

16. INTERNAL AUDIT CHARTER 2023/2024

In accordance with the Public Sector Internal Audit Standards 2013 (revised 2017) an Internal Audit Charter needed to be set out and the contents of the Charter needed to address the Local Government Application Note (2019) published by CIPFA. The Gwynedd Internal Audit Charter was presented by the Audit Manager and it was noted that it was the Committee's responsibility to approve the charter annually.

Attention was drawn to the need during the next year to update the Audit Charter to reflect the new Global Internal Audit Standards as published by the Institute of Internal Auditors (IIA). The adaptations would need to be operational by 2025.

Reference was also made to one other change since the 2023/24 charter had been approved, namely that the Internal Audit Service's purpose had expanded.

The members thanked the officer for the report

RESOLVED

To accept the report and approve the Internal Audit Charter

17. INTERNAL AUDIT STRATEGY AND THE ANNUAL AUDIT PLAN

In accordance with the requirements of the Public Sector Internal Audit Standards, a risk-based plan was submitted to determine the priorities of the Internal Audit activity, consistent with the Council's goals. It was explained that the plan was sufficiently flexible to give attention to any matters that emerged, and that any adaptations / amendments would be approved by the Committee. Reference was made to the use of the AGILE methodology that provided a flexible and dynamic Internal Audit Planning approach as a result of continuous risk monitoring.

It was projected that approximately 660 days of audit resources would be available to complete the 2024/25 audit plan. This would be based on analysing the staffing resources available, including reasonable budgets for "non-productive" activities such as annual leave, sickness, training, management and meetings and reasonable provisions for responsive and follow-up work.

Attention was drawn to the work being done with the Council's Whistleblowing Policy, noting concern that very few formal matters are referred – it was noted that a feedback questionnaire was being considered. Reference was made to the individual audits, drawing attention to the Absence Management and Referral Arrangements to check the appropriate controls of the new sickness module, as well as give assurance that managers have suitable support to support their teams: Breakfast Club Audits that will ensure Health and Safety arrangements such as food allergies, and that there are appropriate arrangements to record this; Bin Distribution Arrangements – this request from the Head of Department to identify potential savings. Smallholdings follow-up audit to ensure that sufficient progress has been made since the audit was conducted in 2022/23.

The members thanked the officer for the report

RESOLVED

To accept the report and approve the Internal Audit Strategy and Annual Audit Plan.

18. AUDIT WALES – Quarter 4 Update

Alan Hughes (Audit Wales Office) was welcomed to the meeting to present the following reports.

An update was presented on the Audit Wales work programme and timetable up to the end of March 2024.

It was highlighted that work on providing an opinion on the accuracy and fairness of the financial statements for the year ending March 2024 would begin soon, with a final audit to be completed between September and November 2024. It was also noted that Endorsing Housing Benefit Subsidy Grant Forms 2022/23 had also been endorsed in May 2024.

In the context of the Digital Thematic Review (submitted to the Committee in December 2023), it was reported that it was intended to share messages from the review completed across the Welsh authorities, at the end of the summer.

RESOLVED:

To accept the report

19. AUDIT WALES – SUSTAINABLE DEVELOPMENT? – MAKING THE BEST USE OF BROWNFIELD LAND AND EMPTY BUILDINGS

A national report by Audit Wales was submitted, referring to the audit conducted in January 2024, to ascertain whether Local Authorities were doing everything within their ability to provide support and encouragement to re-purpose empty properties, non-domestic properties and empty brownfield sites into homes or for other uses. It was noted that Welsh Government were promoting the practice of using developed used land and re-purposing empty buildings, wherever possible.

The Council was asked to consider the findings and three recommendations of Audit Wales. The organisation's response to the recommendations and for the Committee to consider was submitted by Gareth Jones (Assistant Head of Environment Department). He highlighted that identifying and assessing potential sites was a part of the process of creating a new Local Development Plan for the Gwynedd Local Planning Authority Area. The process will call for thorough evidence of identifying sites that could be available to meet the development needs for housing and employment uses. The process will also include engagement and consultation to ensure the contribution of stakeholders and the public. It was reiterated that the Council had developed a Regeneration Framework for the County, which included 13 regeneration plans for local catchment areas which had been steered by the needs of local communities. The work of embedding these plans will happen in the coming months.

Gratitude was expressed for the response.

Matters arising from the ensuing discussion:

- The original document presumes the need for large-scale developments – not convinced that the bulk of the County's residents would welcome this.
- A tendency to use green land. If using brownfield and green land, will this edge towards over-development?
- That there was a shortage of houses in the County – there was a need to use every resource, every building and every empty house to meet the need – see the use of the report.
- The High Street was declining – empty shops – must consider different uses.
- Consider increasing the empty house premium.
- That there were good examples of how the planning system was collaborating with heritage and culture by bringing listed buildings back into use.

In response to the observations, it was noted that town / city centre regeneration was a national challenge, but locally, the change was something that needed to be addressed in the new Local Development Plan and in the Economic Strategy. It was reiterated that the Empty Homes Premium, Article 4 Direction and imposing holiday accommodation

conditions were all interventions which could address the housing needs of Gwynedd. In the context of converting listed buildings, care was needed not to undermine the historical character of any property, but support was available to facilitate the process.

RESOLVED:

- **To accept the report for information**
- **To welcome Managers' response**

20. AUDIT WALES – SETTING WELL-BEING OBJECTIVES – CYNGOR GWYNEDD

A report was submitted by Audit Wales, referring to an audit carried out in Cyngor Gwynedd which established how the Council applied the sustainable development principle throughout the process of setting its well-being objectives. It was highlighted that Cyngor Gwynedd had commenced the work of setting new well-being objectives during 2022, publishing seven new objectives in March 2023 as a part of the Council Plan for 2023 - 2028.

The Council was asked to consider the findings and four recommendations of Audit Wales. The organisation's response to the recommendations and for the Committee to consider was submitted by Dewi Jones (Council Business Service Support Manager). It was noted that it was proposed to identify suitable measures to measure progress against the well-being objectives as part of the review of the performance reporting arrangements. He reiterated that the work on mapping partners' well-being objectives had been completed to ensure that the objectives aligned and added value. He reiterated that work was also being done to extend the stakeholder networks when seeking to include people to reflect the full diversity of the County – an example of this was attempting to get members who were more representative of the County's population on the Citizens Panel.

DECISION

- **To accept the report, for information**
- **To welcome Managers' response**

21. LOCAL GOVERNMENT AND ELECTIONS (WALES) ACT 2021 – PANEL PERFORMANCE ASSESSMENT

An update was provided on the work of conducting a Panel Performance Assessment within the Council, giving the Committee an opportunity to provide input to the summary document, as well as identifying potential fields for the Panel to look at. The intention with the assessment is to look specifically at the degree to which the Council effectively discharges its functions, uses its resources prudently, efficiently, effectively and that there are effective governance arrangements to ensure this.

Members were reminded that the Local Government and Elections (Wales) Act (2021) placed a responsibility on the Councils to hold a Panel Performance Assessment once within the electoral cycle. At a meeting of the Full Council in September 2023, the function of organising and appointing a panel was placed with the Cabinet, but the response to the report on recommendations was retained for the Full Council. The Cabinet would also be responsible for establishing the terms of reference for the assessment and deciding the nominations for the Panel.

It was reported that the Council's Governance Group had already identified fields where the Panel's considerations would be welcomed and that any observations /suggestions by the Committee regarding potential fields for the Panel to consider would be considered by the Cabinet, before reaching an agreement on a final summary document.

It was reiterated that it was intended to finalise the summary document during July and subsequently, identify and confirm the Panel members over the summer before conducting a review in the Autumn. Subsequently, a report with recommendations was expected in December, with a report to the Governance and Audit Committee in 2025.

The members thanked the officer for the report.

Matters arising from the ensuing discussion:

- That conducting the assessment was a statutory requirement, therefore there was a need to accept the expertise available
- That there were managerial follow-up shortcomings within departments across the Council
- That there was a need to ensure that the correct skills were in the correct place in the Council – better planning was needed

RESOLVED:

- **To accept the report and update on the work of holding a Panel Performance Assessment within the Council.**

Note:

To consider workforce planning, succession planning and managerial follow-up as potential fields for the Panel to look at

22. TREASURY MANAGEMENT QUARTERLY UPDATE

The Investment Manager presented a report on the actual results of the Council's treasury management during 2023/24 to December 2023, against the Treasury Management Strategy for 2023/24 as approved by the Full Council in March 2023. It was noted that the strategy required the Investment Manager to report on prudent treasury management indicators every quarter with a review of the full financial year also to be submitted to the Committee when timely to do so.

It was reported that it had been a very busy and prosperous year for the Council's treasury management activity as the activity had remained within the limits originally set. It was confirmed that there had been no defaults by organisations with whom the Council had invested money and that the interest rates had been high and had generated substantial interest income.

On 31 December 2023, the Council was in a very strong position with net investments, which had resulted from a high level of investments and operational capital. This included Ambition Board and Pension Fund funding.

Reference was made to the Prudential Indicators, drawing specific attention to the Liabilities Benchmark, noting that it was an important tool to consider whether the Council was likely to be a long-term borrower or a long-term investor in the future, and therefore shaped the strategic focus and honed decisions. It was explained that the Council expected to continue to borrow above its Liabilities Benchmark up to 2027 because the Council held reserve funds, with the cash flow to date having been lower than the projections made when the money had been borrowed.

It was noted that all activities had complied in full with the CIPFA code of practice, except for one indicator (Interest Rates disclosure). It was explained that this indicator had been set during the low interest rates of February 2023 and therefore it was reasonable that the sums were so different. It was reiterated that this had been discussed at the last Committee and the matter was to be discussed further with Arlingclose to set a different indicator for 2024/25.

The members expressed their thanks for the report.

During the ensuing discussion, the following observations were made by members:

- That Gwynedd was very fortunate that there were sufficient reserves and that the situation was being monitored regularly
- Section 114 concerns were increasing within Councils – need to monitor the situation

RESOLVED:

To accept the report for information

23. THE GOVERNANCE AND AUDIT COMMITTEE'S FORWARD WORK PROGRAMME UP TO FEBRUARY 2025

A forward work programme of items were submitted for the Committee meetings up to February 2025.

RESOLVED:

To accept the forward programme for 2024/25

The meeting commenced at 10:00 and concluded at 13:30

CHAIR

Agenda Item 5

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	5 SEPTEMBER 2024
TITLE	IMPELEMENTING THE DECISIONS OF THE COMMITTEE
PURPOSE OF REPORT	TO PRESENT AN UPDATE ON IMPLEMENTING THE COMMITTEE'S PREVIOUS DECISIONS
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	FOR INFORMATION

1. INTRODUCTION

- 1.1 The purpose of this report is to outline how Council departments have responded to the decisions of the Government and Audit Committee, so that members can receive assurance that their decisions are being addressed.
- 1.2 This contributes to reassuring members that the Council's governance is operating effectively.
- 1.3 This item is an opportunity for all members of the Governance and Audit Committee to consider the decisions made. Where the action has been completed, or where further action was not necessary, the line is removed from the table after the Committee has considered the matter.

2. DECISIONS SINCE ESTABLISHING THE NEW COUNCIL (MAY 2022)

Meeting of 9 February 2023

Item	Decision	Update
UPDATE ON THE REPORTS RECENTLY PUBLISHED BY AUDIT WALES	<ul style="list-style-type: none">• To accept the report and the managers' response to the recommendations in 'Arrangements for Responding to the Local Government and Elections (Wales) Act 2021'• To present a report in six months' time to update the Committee with regard to transferring the functions of the North Wales Economic Ambition Board to an empowered sub-committee of the North Wales Corporate Joint Committee, to streamline governance and avoid duplication between both bodies• To accept the report and the managers' response to the recommendations in 'Update on Decarbonisation Progress'	In respect of transferring the functions of the North Wales Economic Ambition Board to an empowered sub-committee of the North Wales Corporate Joint Committee, the project is progressing at a regional level. The target date of transfer is now 1 November 2024.

Item	Decision	Update
<p>OUTPUT OF THE INTERNAL AUDIT SECTION</p>	<ul style="list-style-type: none"> • To accept the report. • To support the actions that have already been agreed with the relevant services. • To refer the 3 limited fields to the Improvement Working Group. <ol style="list-style-type: none"> 1. Planning – Communication Arrangements 2. Deprivation of Liberty Safeguards Measures 3. Smallholdings 	<p>Due to staff capacity reasons it was not possible to set up a meeting of the Working Group following the 25 May 2023 meeting. Subsequently, follow-up reports have already been presented to the Committee on Planning Communication Arrangements and Deprivation of Liberty Safeguards Measures, and a full audit of Smallholdings has been included in audit plan 2024/25.</p>
<p>ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT</p>	<ul style="list-style-type: none"> • To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2022/23 financial year. • To re-establish the Controls Improvement Working Group. 	<p>The Controls Improvement Working Group will be established when areas are identified.</p>

Meeting of 8 February 2024

Item	Decision	Update
IMPLEMENTING DECISIONS OF THE COMMITTEE	<ul style="list-style-type: none"> To accept the report To welcome feedback from the responses received by the Cabinet (23/01/24) to observations presented by the Committee on the Revenue Budget 2023/24 item. 	<p>Verbal comments were presented at the Committee meeting.</p>
RECOMMENDATIONS AND IMPROVEMENT PROPOSALS OF EXTERNAL AUDIT REPORTS	<ul style="list-style-type: none"> To accept and note that the arrangements and processes were in place to ensure that the improvement proposals were being implemented. <p>Note:</p> <ul style="list-style-type: none"> Response to Recommendation 5 'Time for Change - Poverty in Wales' - To provide a number of those the Council had engaged with. To adapt the report's format in the future so that the recommendations are consistently included. 	<p>Further information on Recommendation 5 'Time for Change – Poverty in Wales' has been provided.</p> <p>The format of future reports is being considered at the moment.</p>
2024/25 SAVINGS PLAN	<p>Reasonable steps, under challenging circumstances, had been taken to draw up the Savings Plan</p> <ul style="list-style-type: none"> That the savings proposed are reasonable and achievable That the risks and implications of the decision are clear That the report was adequate to enable the Cabinet to make a decision on the Savings Plan To present observations from the discussion on the report to the Cabinet for their consideration when discussing the 2023/24 Savings at its meeting on 20/2/24 <p>Note: That a clear communication plan is in place.</p>	<p>The Committee's observations were noted in the presentation to the Cabinet.</p>
BUDGET 2024/25	<ul style="list-style-type: none"> To accept the report and note the content. To accept the financial propriety of the proposals and the relevant risks. To present observations from the discussion on the report to the Cabinet for their consideration when discussing the 2023/24 Budget at its meeting on 20/2/24. 	<p>The Committee's observations were noted in the presentations to the Cabinet and the Full Council.</p>

Meeting of 23 May 2024

Item	Decision	Update
TO ELECT A CHAIR FOR 2024/25	<ul style="list-style-type: none"> To elect Carys Edwards as Chair of this Committee for 2024/25. 	No further action
TO ELECT A VICE CHAIR FOR 2024/25	<ul style="list-style-type: none"> To elect Elwyn Rhys Parry as Vice-Chair of this Committee for 2024/25. 	No further action
ANNUAL REPORT OF THE GOVERNANCE AND AUDIT SCRUTINY COMMITTEE 2023/24	<ul style="list-style-type: none"> To accept and approve the draft Annual Report for 2023/24 and to recommend to the Full Council for final acceptance. 	No further action
SELF-ASSESSMENT OF THE COMMITTEE'S GOOD PRACTICE	<ul style="list-style-type: none"> To accept the report approve the contents Support the actions. <p>Note: Need to identify the opportunities to reinforce the relationship of external regulators and Internal Audit.</p>	Such opportunities will be identified when developing Internal Audit's working strategies.
FINAL ACCOUNTS 2023/24 – REVENUE OUT-TURN	<ul style="list-style-type: none"> To accept the report. To note the relevant risks. To support the Cabinet's decision (14 May 2024) to approve the amounts to be carried forward; to approve all recommendations and financial virements. <p>Note: Provide information about those schools with a deficit at the end of the financial year and the relevant sums.</p>	Information relating to schools in deficit has been provided
CAPITAL PROGRAMME 2022/23 - END OF YEAR REVIEW (AS AT 31 MARCH 2024)	<ul style="list-style-type: none"> To accept the report. To note the relevant risks. To support the Cabinet's decision (14 May 2024) to approve the revised financing. 	No further action
FINAL ACCOUNTS OF GWYNEDD HARBOURS FOR THE YEAR ENDING 31 MARCH 2024	<ul style="list-style-type: none"> To Approve: The Revenue Income and Expenditure Account 2023/24. Annual Return for the Year ending 31 March 2024, subject to audit by Audit Wales. The Chair to sign the form electronically. 	No further action
INTERNAL AUDIT OUTPUT (1 DECEMBER TO 31 MARCH 2024)	<ul style="list-style-type: none"> To accept the report. To support the actions that had already been agreed with the relevant services. 	No further action

Item	Decision	Update
ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2023/2024	<ul style="list-style-type: none"> To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2023/24 financial year. 	No further action
THE COUNCIL'S MEDIUM TERM FINANCIAL PLAN FOR 2025/26 - 2027/28	<ul style="list-style-type: none"> To accept the report. To note the relevant risks that derive from the Medium Term Financial Plan. To support the Cabinet's decision (14 May 2024). 	No further action
ASSET MANAGEMENT PLAN 2024-2034	<ul style="list-style-type: none"> To accept the report. To approve the propriety of the process of establishing the Plan's priorities. To support the recommendation to the Cabinet (11 June 2024) to approve the Plan. 	No further action
INTERNAL AUDIT CHARTER	<ul style="list-style-type: none"> To accept the report and approve the Internal Audit Charter 	No further action
INTERNAL AUDIT STRATEGY AND THE ANNUAL AUDIT PLAN 2024/25	<ul style="list-style-type: none"> To accept the report and approve the Internal Audit Strategy and Annual Audit Plan. 	No further action
AUDIT WALES – QUARTER 4 UPDATE	<ul style="list-style-type: none"> To accept the report. 	No further action
AUDIT WALES - SUSTAINABLE DEVELOPMENT? - MAKING THE BEST USE OF BROWNFIELD LAND AND EMPTY BUILDINGS	<ul style="list-style-type: none"> To accept the report, for information. To welcome Managers' response. 	No further action
AUDIT WALES - CYNGOR GWYNEDD SETTING WELL-BEING OBJECTIVES	<ul style="list-style-type: none"> To accept the report, for information. To welcome Managers' response. 	No further action
LOCAL GOVERNMENT AND ELECTIONS (WALES) ACT 2021 – PANEL PERFORMANCE ASSESSMENT	<ul style="list-style-type: none"> To accept the report and the update on the work of undertaking the Panel Performance Assessment within the Council. <p>Note: To consider workforce planning, succession planning and managerial progression as possible areas for the Panel to look at.</p>	These issues have been included in the documents that will be presented to the Statutory Panel Performance Assessment in the autumn.

Item	Decision	Update
TREASURY MANAGEMENT QUARTERLY UPDATE	<ul style="list-style-type: none"> • To accept the report for information. 	No further action
THE GOVERNANCE AND AUDIT SCRUTINY COMMITTEE'S FORWARD WORK PROGRAMME UP TO FEBRUARY 2025	<ul style="list-style-type: none"> • To accept the forward programme for 2024/25. 	No further action

3. RECOMMENDATION

3.1 The Governance and Audit Committee is asked to consider the contents of the tables above and to offer comments.

Agenda Item 6

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	5 SEPTEMBER 2024
TITLE:	STATEMENT OF ACCOUNTS 2023/24
PURPOSE / RECOMMENDATION:	TO RECEIVE THE STATUTORY STATEMENT OF ACCOUNTS (SUBJECT TO AUDIT DRAFT) FOR INFORMATION
AUTHOR:	DEWI MORGAN, HEAD OF FINANCE
CABINET MEMBER:	COUNCILLOR PAUL ROWLINSON

1. INTRODUCTION

- 1.1 This report introduces the statutory Statement of Accounts for the 2023/24 financial year, which provides details of the Council's financial activities during the year which ended on 31 March 2024.
- 1.2 The following document is the draft Statement of Accounts in its statutory format, 94 pages long in each language.
- 1.3 The draft accounts presented here are currently subject to audit and a final version following audit will be submitted for approval at the 28 November 2024 meeting of the Governance and Audit Committee.
- 1.4 The basic form and content of these Statements is prescribed under the Accounts and Audit (Wales) Regulations 2014 (as amended), as well as other regulations and standards. Requirements under the Code of Practice on Local Authority Accounting are based on IFRS (International Financial Reporting Standards) and apply to the Council's Statement of Accounts for 2023/24. As the regulations require statements in a standard format, comparisons with other bodies' accounts is facilitated, but the statements have now become technically complex and difficult to understand.
- 1.5 A simple summary "outturn" report relating to the 2023/24 accounts was presented to the Cabinet meeting on 14 May 2024 and to the Governance and Audit Committee on 23 May 2024. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external / governance purposes.

2. ACTION REQUIRED

- 2.1 The Governance and Audit Committee are “those charged with governance” on behalf of the Council. However, the Statutory Finance Officer (the Head of Finance in Gwynedd Council) is responsible for approving and certifying the draft accounts.
- 2.2 There is no statutory requirement for elected members to approve the Council’s draft Statement of Accounts, but we consider that the submission of the draft statement to the Governance and Audit Committee for information is good practice to follow.
- 2.3 The Governance and Audit Committee members will need to approve the final version on 28 November 2024 following receipt of the Audit Wales report. The submission of the draft now is an opportunity for committee members to consider the content and ask financial officers about the content. This is an opportunity for members to equip themselves with relevant information to consider relevant risks, and other issues that will be subject to audit, in their context.

3. SUBSEQUENT STEPS

- 3.1 Further to certification by the Head of Finance and consideration by the Governance and Audit Committee, the 2023/24 Statement of Accounts, with all other relevant statements are the subject of the annual audit process by Audit Wales, Gwynedd Council’s external auditors, who were appointed by the Auditor General for Wales.
- 3.2 As noted in paragraph 1.3 (above), the final (audited) version of the Council’s 2023/24 Statement of Accounts will be submitted to the meeting of the Governance and Audit Committee on 28 November 2024 FOR APPROVAL, along with a report on behalf of the Auditor General for Wales.
- 3.3 Subsequently, it is the Finance Department’s intention to provide a link to the final Statement to all elected members and all chief officers of the Council, as well as to other interested parties.

4. RECOMMENDATION

- 4.1 The Governance and Audit Committee is asked to receive and note the Council’s Statement of Accounts (subject to audit) for 2023/24.

Cyngor Gwynedd

STATEMENT OF ACCOUNTS 2023/24

Subject to Audit

Finance Department
www.gwynedd.llyw.cymru



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NARRATIVE REPORT

Introduction

Cyngor Gwynedd's accounts for the year 2023/24 are presented here on pages 9 to 93.

The Statement of Accounts consist of:

- **Expenditure and Funding Analysis** – Whilst this is not a statutory statement, it shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.
- **Comprehensive Income and Expenditure Statement** - This is the Council's main revenue account. This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
- **Movement in Reserves Statement** - This statement shows the movement in year on the different reserves held by the Council, analysed into 'usable reserves' and 'unusable reserves'. The taxation position is reflected in the Movement in Reserves Statement.
- **Balance Sheet** - Sets out the financial position of the Council on 31 March 2024.
- **Cash Flow Statement** - This statement summarises the flow of cash to and from the Council during 2023/24 for revenue and capital purposes.
- **The Welsh Church Fund and FMG Morgan Trust Fund Accounts.**

These accounts have been prepared on a going concern basis and are supported by this Narrative Report, the Accounting Policies and various notes to the accounts.

Cyngor Gwynedd's Vision and Priorities

Cyngor Gwynedd's vision and priorities are included in the Cyngor Gwynedd Plan for the period 2023 – 2028, purpose of the Plan is to set out the Council's vision and priorities for the period between April 2023 and the end of March 2028. The Plan explains why we are focusing our energy and resources in certain areas.

The Plan includes a series of project for the next five years under seven priority fields:

- Tomorrow's Gwynedd - Giving our children and young people the best possible start in life,
- A Prosperous Gwynedd - Strengthening the economy and supporting the people of Gwynedd to earn a decent salary,
- A Homely Gwynedd - Supporting the people of Gwynedd to live in suitable and affordable homes in their communities,
- A Caring Gwynedd - Supporting the residents of Gwynedd to live full and safe lives in our communities,
- A Welsh Gwynedd - Ensuring that we give residents every possible opportunity to use the Welsh language in the community,
- A Green Gwynedd - Protecting the county's natural beauty, and responding positively to the climate change crisis,
- An Efficient Gwynedd - Putting the residents of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently.

The Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies in Wales to improve economic, social, environmental and cultural well-being. We have reviewed our well-being objectives as part of the process of forming the Council Plan for 2023-28.

The Cyngor Gwynedd Plan 2023 – 2028 is available at [The-Council-Plan-2023-28.pdf \(llyw.cymru\)](#)

Financial Strategy

The Council's Financial Strategy and 2023/24 Budget adopted by the Council at its meeting on 2 March 2023 sets out the foundation for us to achieve the priorities fields, whilst also trying to meet the continuous increase in demand for our services. The Financial Strategy is unavoidably dependent upon these priorities. The strategy is available at: <https://www.gwynedd.llyw.cymru/en/Council/Strategies-and-policies/Finance/Financial-strategy.aspx>

2023/24 saw an increase in Cyngor Gwynedd's grant from the Welsh Government. Despite the slightly higher than expected settlement, there were several factors that created additional spending pressures on our services in setting the 2023/24 Budget. Demand pressures on services as well as inflationary pressures meant that it was necessary to introduce a new programme of savings and cuts and raise the Council Tax in order to set a balanced budget. Additionally, on the 1st of December 2022, the Full Council decided to further increase the premium on second homes. And so we envisaged an additional Council Tax yield of £3m, which would be used to increase the budget within the homelessness field.

In setting the budget, we have tried to minimise the impact of the savings on the residents of Gwynedd. Therefore, the financial situation will continue to pose a significant challenge to us in planning our services for the future. We will therefore continue with the task of ensuring that we achieve those efficiency savings already approved and ensure that we plan for the future to minimise any cuts to services.

The worldwide economic situation and higher inflation rates has affected the value of the Council's assets and liabilities and more assets than anticipated needed revaluation due to the increase in costs. These assumptions will need to be reviewed regularly.

Performance Measuring

The Council's Performance Management Framework is a cycle which supports the planning, management and reporting on the performance of our services to ensure the best for the people of Gwynedd today and tomorrow. The Cyngor Gwynedd Annual Performance Report describes our success in achieving our improvement priorities and also provides information on the performance of Council departments and how they assist the people of Gwynedd. The report is available at:

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Council-performance/Performance-Measuring.aspx>

Financial Performance 2023/24

- Despite the pressure on Council services, with overspending of £9m mainly in adult and children care, homelessness and the waste field, under-spending on corporate budgets coupled with harvesting funds and using the covid fund meant that the overspend position was funded at year end. The financial out-turn position for 2023/24 was reported to Cabinet at its meeting on 14 May 2024. Members of the Cabinet approved the net services overspend of £472k for the year.
- A shortfall of £8.1m was forecasted in the last budget revenue review, undertaken at the end of November 2023. Since then, the overspend position in the fields of children care and waste has worsened, with improvements in the adults' care field following receipts of additional grants. The favourable position of many corporate budgets has helped to alleviate the financial position of the Council by the end of the financial year.
- At the end of the 2023/24 financial year, overspend position is reported by 5 departments because of the many factors. The trend continues and is worsening with substantial pressures in the fields of adult and children care and waste.
- The 2023/24 financial position was taken into consideration in the process of establishing the 2024/25 budget with bids being allocated to some of the overspending fields.
- The Comprehensive Income and Expenditure Statement on page 10 shows that the Council's gross revenue expenditure on 'Cost of Services' level was £534m during 2023/24, with the net position as £326m.

TABLE I – Budget and Actual Comparison Summary (Net)

The Council's net budget is mainly financed through council tax, general government grants and national non-domestic rates and totals £340m for 2023/24.

Table I provides a budgetary performance comparison at a summary level, and which is detailed further in Table 2.

	Budget	Actual	Variance
	£'000	£'000	£'000
Net Expenditure on Operations	339,870	340,657	787
Departmental Carry Forward at year-end	0	(472)	(472)
	<hr/>	<hr/>	<hr/>
	339,870	340,185	315
Financed by -			
Council Tax Income	(111,834)	(112,149)	(315)
Share of National Non-Domestic Rate	(39,172)	(39,172)	0
General Government Grants	(188,864)	(188,864)	0
Contribution from the General Fund Balance	0	0	0
	<hr/>	<hr/>	<hr/>
	0	0	0

The Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement on pages 10 and 11 detail the movements for the year.

TABLE 2 – Transposition movement between ‘Budget and Actual Comparison Summary (Net)’ (Table 1) to the Income and Expenditure format reflecting Departmental Management Structure.

Department	Performance Report (Outturn)	Transposition Adjustment	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000
Education	105,694	3,457	109,151	6,244	115,395
Corporate Support	8,068	31	8,099	28	8,127
Finance	7,383	(129)	7,254	1,612	8,866
Economy and Community	4,887	(1,084)	3,803	3,951	7,754
Adults, Health and Well-being	76,614	(115)	76,499	289	76,788
Children and Family Support	24,358	65	24,423	146	24,569
Highways, Engineering and YGC (including Trunk Roads)	17,552	(145)	17,407	5,211	22,618
Environment	19,229	(346)	18,883	4,046	22,929
Housing and Property	10,344	491	10,835	4,793	15,628
Corporate Management Team and Legal	2,716	(5)	2,711	(10)	2,701
Corporate	14,041	2,883	16,924	3,656	20,580
Cost of Services	290,886	5,103	295,989	29,966	325,955
Other (Contains Centralised and Corporate Adjustment)	49,299	(5,103)	44,196	(29,966)	14,230
Total	340,185	0	340,185	0	340,185

Transposition Adjustment - Adjustments in the transposition column relate to the net contribution to and from reserves.

- **Material Items of Income and Expenditure**

Related items include:

- (£6m) on pensions, being the annual remeasurement of the net pension defined benefit liability relating to pensions, in line with Gwynedd Pension Fund’s Actuary’s assessment (Note 23.5).
- Following a revaluation of part of the Council’s land and buildings portfolio (which is now carried out on a rolling programme basis), a net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £14m (Note 23.1) and the revaluation and impairment cost to the Services is £5m (Note 15).

- **Other Issues**

- The economic instability and financial risks continue in the UK and globally. Whilst inflation rates have fallen and an expectation that interest rate will reduce, the Office for Budget Responsibility (OBR) recognises that the UK’s medium-term fiscal outlook remains challenging. The Council has taken these circumstances into account in its financial plans, and keep a prudent level of reserves.
- The Council like all other public bodies continue to face significant funding challenges, specifically uncertainty about the level of Revenue Support Grant to be received by the Government. There is no certainty of any increase in the grant in the medium term. Also, the 2024/25 Budget saw the impact

of the 2021 Census (where there was a significant decline in Gwynedd's population) on Gwynedd Council's grant allocation compared with other authorities, it's anticipated to impact on future years.

- As a result of Central Government schemes including the Levelling Up Funds, significant grants have been received during 2023/24, which has contributed to the significant increase in revenue expenditure funded from Capital under statute, which is £20m (Note 34), whilst the associated grant income to fund such expenditure is £17m (Note 32).
- The depreciation value of the Council's assets is £20m (Note 15).

Capital Expenditure in 2023/24

Capital expenditure for 2023/24 amounted to £56.9m. The following table gives an analysis of this expenditure and the way it was financed.

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

2022/23		2023/24
£'000		£'000
7,573	Education	12,972
8,254	Environment *	5,084
7	Corporate Support	0
948	Finance	716
2,232	Economy and Community	18,551
6,798	Housing and Property	10,319
428	Adults, Health and Wellbeing	382
1,213	Children and Family Support	1,131
9,678	Highways, Engineering and Gwynedd Consultancy *	7,717
0	Chief Executive	39
37,131		56,911
	FINANCED BY -	
8,243	Borrowing	8,108
19,942	Grants and Contributions	37,224
695	Capital Receipts	250
8,251	Revenue and Other Funds	11,329
37,131		56,911

* The 2022/23 figures for the Environment Department and the Highways, Engineering and Gwynedd Consultancy Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.

- Revenue Expenditure Funded from Capital Under Statute of £19.9m is included in the above table. This has been charged to the Income and Expenditure Statement in the year. Total expenditure on Non-current Assets and Assets Held for Sale was £37.3m as shown in Notes 15 and 20.
- The Council's Loan Debt at 31 March 2024 was £100m – a decrease of £2.5m (from £102.5m) during the year. Repayments of £2.5m were made in accordance with the terms of individual loans.

Provisions and Reserves

In addition to the unearmarked element of General Balances of £7.9m, the Council had other provisions of £9m, earmarked reserves of £101.8m and school balances of £8.5m. In total, these amounted to £127.2m. These are detailed in the Balance Sheet, Movement in Reserves Statement and in Note 10 and 22.

The adequacy of the Council's specific reserves and provisions was reviewed by the Head of Finance in closing the accounts this year, in accordance with the approved policy. This review was successful in harvesting £1,703k of resources, which Cabinet (at its meeting on 14 May 2024) approved that it is all used to assist with the 2023/24 financial situation.

Pension Fund

The Council (as an employer) has a nil net liability from its share of the assets and liabilities of the Gwynedd Pension Fund as recognised on its Balance Sheet at 31 March 2024. This has been calculated by the Fund's Actuary, Hymans Robertson, in compliance with International Accounting Standard 19. Refer to Note 38 for further information.

The net pension liability is a position at one point in time. Market prices can move substantially up or down in the short term, and it is therefore not possible to quantify the long-term effect such movements in market prices will have on the Pension Fund. The last valuation was at 31 March 2022, with the next to be held 31 March 2025.

Governance

Cyngor Gwynedd is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Further information is included within the Annual Governance Statement.

Accounting Policies

The Council's existing accounting policies are amended only insofar as to reflect the guidance in the 2023/24 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

Changes in Accounting Policies and to the Accounts

The Council's existing accounting policies have been amended to reflect only the changes required in accordance with proper accounting practices, following adjustments for the 2023/24 financial year to the Code of Practice on Local Authority Accounting in the United Kingdom.

Further Information

The Statement of Accounts is available on Cyngor Gwynedd's website www.gwynedd.llyw.cymru.

Further information relating to the accounts is available from:

Ffion Madog Evans
Assistant Head of Finance
Accounting and Pensions
01286 679133

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

This is part of the Council's policy of providing full information relating to the Council's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Council's website at the appropriate time.

CYNGOR GWYNEDD

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

Cyngor Gwynedd is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In Cyngor Gwynedd, that "Section 151 Officer" is the Head of Finance. It is also the Council's responsibility to manage its affairs to secure economic, efficient and effective use of its resources, to safeguard its assets, and to approve the Statement of Accounts.

THE HEAD OF FINANCE'S RESPONSIBILITIES

The Head of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code").

In preparing the Statement of Accounts, the Head of Finance has selected suitable accounting policies and then applied them consistently; has made judgements and estimates that were reasonable and prudent and complied with the Code.

The Head of Finance has also kept proper accounting records which were up to date, and has taken reasonable steps for the prevention and detection of fraud and other irregularities.

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of Cyngor Gwynedd at 31 March 2024 and the Council's income and expenditure for the year then ended.



Dewi Aeron Morgan CIPFA
Head of Finance, Cyngor Gwynedd

21 June 2024

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

EXPENDITURE AND FUNDING ANALYSIS						
2022/23				2023/24		
Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis (see Note 8 & 9)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis (see Note 8 & 9)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
111,136	13,136	124,272	Education *	109,151	6,244	115,395
8,121	1,583	9,704	Corporate Support	8,099	28	8,127
7,204	3,026	10,230	Finance	7,254	1,612	8,866
4,446	4,433	8,879	Economy and Community	3,803	3,951	7,754
70,351	7,217	77,568	Adults, Health and Well-being	76,499	289	76,788
12,418	2,625	15,043	Children and Family Support *	24,423	146	24,569
15,916	10,513	26,429	Highways, Engineering and YGC (including Trunk Roads **) ***	17,407	5,211	22,618
16,982	7,326	24,308	Environment ***	18,883	4,046	22,929
10,022	5,042	15,064	Housing and Property	10,835	4,793	15,628
2,396	297	2,693	Corporate Management Team and Legal	2,711	(10)	2,701
18,525	1,777	20,302	Corporate	16,924	3,656	20,580
277,517	56,975	334,492	Cost of Services	295,989	29,966	325,955
27,931	(123)	27,808	Other Operating Expenditure	30,830	4	30,834
19,724	(8,637)	11,087	Financing and Investment Income and Expenditure	18,468	(16,768)	1,700
(317,925)	(16,075)	(334,000)	Taxation and Non-specific Grant Income	(340,184)	(20,629)	(360,813)
7,247	32,140	39,387	(Surplus)/Deficit on Provision of Services	5,103	(7,427)	(2,324)
(130,647)			Opening General Fund Balance	(123,400)		
7,247			(Surplus)/Deficit on General Fund in year	5,103		
(123,400)			Closing General Fund Balance	(118,297)		

* The 2022/23 figures for the Education Department and the Children and Family Support Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.

** Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.

*** The 2022/23 figures for the Environment Department and the Highways, Engineering and Gwynedd Consultancy Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and in the Movement in Reserves Statement.

2022/23				2023/24		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	Note	£'000	£'000	£'000
158,705	(34,433)	124,272	Education *	147,388	(31,993)	115,395
10,696	(992)	9,704	Corporate Support	9,035	(908)	8,127
14,060	(3,830)	10,230	Finance	12,766	(3,900)	8,866
19,313	(10,434)	8,879	Economy and Community	60,662	(52,908)	7,754
105,391	(27,823)	77,568	Adults, Health and Well-being	107,514	(30,726)	76,788
31,655	(16,612)	15,043	Children and Family Support *	37,184	(12,615)	24,569
41,959	(15,530)	26,429	Highways, Engineering and YGC (including Trunk Roads **) ***	40,775	(18,157)	22,618
41,986	(17,678)	24,308	Environment ***	40,431	(17,502)	22,929
26,314	(11,250)	15,064	Housing and Property	29,455	(13,827)	15,628
3,283	(590)	2,693	Corporate Management Team and Legal	3,615	(914)	2,701
44,483	(24,181)	20,302	Corporate	44,871	(24,291)	20,580
497,845	(163,353)	334,492	Cost of Services	533,696	(207,741)	325,955
27,931	(123)	27,808	Other Operating Expenditure	30,834	0	30,834
12,928	(1,841)	11,087	Financing and Investment Income and Expenditure	5,774	(4,074)	1,700
0	(334,000)	(334,000)	Taxation and Non-specific Grant Income	0	(360,813)	(360,813)
538,704	(499,317)	39,387	(Surplus)/Deficit on Provision of Services	570,304	(572,628)	(2,324)
		(28,694)	(Surplus)/Deficit on revaluation of Fixed Assets			(13,652)
		1,190	(Surplus)/Deficit on revaluation of Financial Instruments			69
		(284,950)	Remeasurements of the net pension defined benefit liability/(asset)			6,243
		(312,454)	Other Comprehensive (Income) and Expenditure			(7,340)
		(273,067)	Total Comprehensive (Income) and Expenditure			(9,664)

* The 2022/23 figures for the Education Department and the Children and Family Support Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.
 ** Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.
 *** The 2022/23 figures for the Environment Department and the Highways, Engineering and Gwynedd Consultancy Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.

MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in the year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	Additional Information			Statement of Movement in Reserves					
	Unearmarked General Fund Balance	Earmarked General Fund Reserves	Total Reserves held by Schools	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 31 March 2022 carried forward	(7,912)	(106,040)	(16,695)	(130,647)	(2,579)	(9,367)	(142,593)	(117,332)	(259,925)
Movement in reserves during 2022/23									
Total Comprehensive Income and Expenditure	39,387	0	0	39,387	0	0	39,387	(312,454)	(273,067)
Adjustments between accounting basis and funding basis under regulations	(32,140)	0	0	(32,140)	327	1,326	(30,487)	30,487	0
(Increase)/Decrease in 2022/23	7,247	0	0	7,247	327	1,326	8,900	(281,967)	(273,067)
Transfers to/from Earmarked Reserves	(7,247)	2,469	4,778	0	0	0	0	0	0
<i>(Increase)/Decrease in 2022/23 (showing transfers to Earmarked Reserves)</i>	0	2,469	4,778	7,247	327	1,326	8,900	(281,967)	(273,067)
Balance 31 March 2023 carried forward	(7,912)	(103,571)	(11,917)	(123,400)	(2,252)	(8,041)	(133,693)	(399,299)	(532,992)
Movement in reserves during 2023/24									
Total Comprehensive Income and Expenditure	(2,324)	0	0	(2,324)	0	0	(2,324)	(7,340)	(9,664)
Adjustments between accounting basis and funding basis under regulations	7,427	0	0	7,427	(68)	302	7,661	(7,661)	0
(Increase)/Decrease in 2023/24	5,103	0	0	5,103	(68)	302	5,337	(15,001)	(9,664)
Transfers to/from Earmarked Reserves	(5,103)	1,728	3,375	0	0	0	0	0	0
<i>(Increase)/Decrease in 2023/24 (showing transfers to Earmarked Reserves)</i>	0	1,728	3,375	5,103	(68)	302	5,337	(15,001)	(9,664)
Balance 31 March 2024 carried forward	(7,912)	(101,843)	(8,542)	(118,297)	(2,320)	(7,739)	(128,356)	(414,300)	(542,656)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2023		Note	31 March 2024
£'000			£'000
570,819	Property, Plant and Equipment	15	596,761
59	Heritage Assets		60
165	Investment Property	16	165
2,193	Surplus Assets	15	2,133
17	Long-Term Investments	17	17
4,335	Long-Term Debtors	17	5,930
577,588	Long-Term Assets		605,066
89,851	Short-Term Investments	17	97,568
47	Assets Held for Sale	20	0
1,686	Inventories		1,589
85,878	Short-Term Debtors	18	121,201
62,880	Cash and Cash Equivalents	19	43,939
240,342	Current Assets		264,297
(16,886)	Bank Overdraft	19	(8,591)
(2,907)	Short-Term Borrowing	17	(6,033)
(134,845)	Short-Term Creditors	21	(177,868)
(362)	Short-Term Provisions	22	(346)
(17,894)	Capital and Revenue Grants Receipts in Advance	32	(25,437)
(172,894)	Current Liabilities		(218,275)
(9,111)	Long-Term Provisions	22	(8,703)
(99,595)	Long-Term Borrowing	17	(94,006)
4,482	Pension Liability	38	0
(997)	Finance Leases Liability	35	(793)
(6,823)	Capital and Revenue Grants Receipts in Advance	32	(4,930)
(112,044)	Long-Term Liabilities		(108,432)
532,992	Net Assets		542,656
(133,693)	Usable Reserves		(128,356)
(399,299)	Unusable Reserves	23	(414,300)
(532,992)	Total Reserves		(542,656)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from Financing Activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2022/23	Note	2023/24
£'000		£'000
39,387	Net (Surplus)/Deficit on Provision of Services	(2,324)
(133,520)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	24a (32,816)
278	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24b 285
(93,855)	Net cash flows from Operating Activities	(34,855)
42,688	Investing Activities	25 44,136
1,541	Financing Activities	26a 1,365
(49,626)	Net (increase)/decrease in cash and cash equivalents	10,646
3,632	Cash and cash equivalents at the beginning of the reporting period	(45,994)
(45,994)	Cash and cash equivalents at the end of the reporting period	19 (35,348)

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24* supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounts have been prepared on a going concern basis.

In relation to a policy regarding capitalisation of expenditure, our practice is to operate on the basis of the nature of expenditure rather than a prescribed level of expenditure.

I.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received.

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

I.3 Cash and Cash Equivalents

Where the Council has short-term investments readily convertible into known amounts of cash and subject to insignificant risk of changes in value, these are classified as cash equivalents and included in Cash and Cash Equivalents on the Balance Sheet. The investments included in this definition are short-term deposits with financial institutions which are immediately available at the Balance Sheet date.

I.4 Contingent Assets / Contingent Liabilities

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet, but disclosed in the Contingent Liabilities and Contingent Assets notes in the accounts.

NOTE I – ACCOUNTING POLICIES (continued)

1.5 Corporate

The Corporate heading includes items relating to corporate policy-making and member activities, and costs that relate to the general running of the Council.

1.6 Employee Benefits

1.6.1 Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.6.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept redundancy voluntarily and are charged on an accruals basis to the appropriate service or, where applicable, to the Corporate Services line in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.6.3 Post-Employment Benefits

Employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by the Capita Teachers' Pensions on behalf of the UK Government's Department for Education.
- The Local Government Pension Scheme, administered by the Gwynedd Pension Fund at Cyngor Gwynedd.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Education and Children and Family Support line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme in the year.

1.6.4 The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme. The pension costs charged to the Council's accounts in respect of this group of employees are determined by the fund administrators and represent a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme.

The liabilities of the Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projected earnings for current employees.

NOTE I – ACCOUNTING POLICIES (continued)

Liabilities are discounted to their value at current prices, using a discount rate of 4.85% calculated as a weighted average of 'spot yields' on AA rated corporate bonds.

The assets of the Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet at their fair value as determined by the Fund's Actuary.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate costs.
- Net interest on the net defined benefit liability/(asset), i.e. the net interest expense for the Council – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net pension defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Asset ceiling adjustment – reduces to the calculated asset ceiling if this is lower than the asset position.
- Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Council to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

International Accounting Standard (IAS) 19 governs how the long-term liabilities which exist in relation to pension costs should be reported. Local councils in England and Wales are required to produce their financial statements in accordance with IAS19.

NOTE 1 – ACCOUNTING POLICIES (continued)

1.6.5 Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.8 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change, and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.9 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Council holds financial assets measured at:

- amortised cost, and

NOTE I – ACCOUNTING POLICIES (continued)

- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI). A separate accounting policy is required where an Authority holds financial instruments at fair value through other comprehensive income.

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised costs, either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables held by the Council. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations.

Financial Assets Measured at Fair Value Through Other Comprehensive Income

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

Financial Assets Measured at Fair Value through Profit and Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

Fair Value Measurements of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

NOTE I – ACCOUNTING POLICIES (continued)

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The measurement of our assets held at FVOCI is unit bid price at the measurement date.

1.10 Government Grants and Other Contributions

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis, and recognised immediately in the relevant service line in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition that the Council has not satisfied.

Grants and contributions funding capital expenditure that have been credited to the Comprehensive Income and Expenditure Statement are not proper income charges due to the capital control regime requirements to finance capital expenditure as part of the Capital Financing Requirement. Therefore, the Council accounts for these amounts as follows:

- Where a capital grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant is recognised as a Capital Grant Receipt in Advance on the Balance Sheet. Once the condition has been met, the grant or contribution is transferred to the Comprehensive Income and Expenditure Statement.
- Where a capital grant or contribution has been recognised as income in the Comprehensive Income and Expenditure Statement, and the expenditure to be financed from that grant or contribution has been incurred at the Balance Sheet date, the grant or contribution is transferred from the General Fund to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

1.11 Heritage Assets

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held by the Council principally for their contribution to knowledge or culture. The Council has identified the following categories of heritage assets:

- Pictures and Paintings
- Civic Regalia
- Library Collections/Archives
- Museums and Art Gallery Collections
- Historic Buildings and Scheduled Monuments
- Parks and Local Nature Reserves

The Council used an external valuer (Bonhams) to provide estimated valuations of its civic regalia and paintings and pictures. For consistency, the Council has applied the same de minimis levels for valuation purposes to Heritage Assets as its other long-term assets – see policy 1.17.

The Council considers that Heritage Assets held by the Council will have indeterminate life and high residual value; hence, the Council does not consider it appropriate to charge depreciation for the assets. Heritage Assets recognised in the accounts will be assessed annually for any impairment – see policy 1.17.

1.12 Inventories and Long-Term Contracts

Stocks and work in progress should be shown in the Balance Sheet at the lower of cost and net realisable value, in accordance with the provisions of the Code of Practice. Due to the practicalities of the Council's main stock systems, the majority of stock is shown in the accounts at average cost. The difference from the basis of valuation is not material.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

NOTE I – ACCOUNTING POLICIES (continued)

1.13 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. These properties are valued on a fair value basis. Values are based on specific techniques, and the inputs to these measurement techniques are categorised in accordance with three levels. All the Council's inputs are level 3 (unobservable inputs for the asset). This is due to the level of adjustment required to all evidence due to the uniqueness of the assets, and the dearth of relevant market transactions.

1.14 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership of the property, plant or equipment to the lessee. All other leases are classified as operating leases.

The Council as Lessee:

Amounts held under finance leases are initially recognised, at the commencement of the lease, at fair value (or, if lower, the present value of the minimum lease payments), with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between a finance charge (charged directly to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement) and a charge is applied to write down the lease liability. The related asset is treated in accordance with the policies applied generally to such assets and is subject to depreciation charges as appropriate.

Operating lease payments are charged to the Comprehensive Income and Expenditure Statement as an expense of the relevant service on a straight-line basis over the lease term.

The Council as Lessor:

Where the Council grants a finance lease over a property, the relevant asset is written out of the Balance Sheet as a disposal, to be included in the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Rental income from property granted under an operating lease is recognised on a straight-line basis in the Comprehensive Income and Expenditure Statement, and the asset is retained in the Balance Sheet.

1.15 Surplus Assets

The Council classifies Surplus Assets separately on the Balance Sheet. These assets are shown at their fair value based on market value. Values are based on specific techniques, and the inputs to these measurement techniques are categorised in accordance with three levels. All the Council's inputs are level 3 (unobservable inputs for the asset). This is due to the level of adjustment required to all evidence due to the uniqueness of the assets, and the dearth of relevant market transactions.

1.16 Overheads and Support Services

Some overheads and support services costs are apportioned to the appropriate services in accordance with the Council's arrangements for accountability and financial performance.

1.17 Long-Term Assets

The Council's assets as recorded on the Property Services database are revalued at least every five years. Since the 2015/16 financial year, the Council has established a rolling programme for re-valuing different categories of these assets annually, with valuation usually effective on 31 March each year. This is in accordance with the Code and the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

Land and Buildings are shown at fair value or Depreciated Replacement Cost (DRC) for specialised properties.

Investment Properties are shown at fair value.

Vehicles, Plant, Furniture and Equipment are shown at depreciated historical cost.

Infrastructure and community assets are shown at depreciated historical cost.

NOTE I – ACCOUNTING POLICIES (continued)

Assets in the course of construction are included at historical cost until such time as they are completed, when they are valued in accordance with the accounting policies and transferred to the appropriate category of asset.

A de minimis limit for valuation purposes of £20,000 is used for the Council's operational Land and Buildings and £5,000 for single items of Vehicles, Plant, Furniture and Equipment.

Expenditure in year on new and existing assets is added annually, and then consideration is given as to whether this expenditure has increased the value of the asset. If there has been an increase, this is reflected through the Revaluation Reserve; if there is no increase it follows that there has been an impairment to the value of the asset (see below for the method for accounting for impairment). Specifically for assets categorised as Land and Buildings, and Community Assets where expenditure in year of over £100,000 has been incurred on a single asset, the Council's Estates Manager (M.R.I.C.S.) reviews the assets and revalues any one as appropriate.

Impairment and Depreciation

Impairment

An impairment is the consumption of economic benefit that is specific to an asset. In line with International Accounting Standard 36 the Council reviews its assets each year in order to recognise any impairment or reduction in value due to the consumption of economic benefits. In addition, the residual values and useful lives of assets are reviewed annually and adjusted where appropriate.

Where impairment losses are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve for an asset or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Depreciation

The main element of IAS 16 is that buildings must be depreciated if they are not valued each year. In addition, each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. A de minimis threshold, below which assets are disregarded for componentisation purposes, needs to be established, which is based on potential material impacts on the financial statements. For the 2023/24 financial year this has been set at 1% of the total value of the buildings at the beginning of the year. The apportionment to be considered for the non-land element of assets above the de minimis threshold is:

- a) plant and equipment and engineering services, and
- b) structure

The majority of the Council's buildings (over 75%) are valued using the DRC (Depreciated Replacement Cost) method, which is developed on a component approach, and the identification of the components is reflected in the details of the calculations. However, identified within the above are buildings which include material items of plant and equipment which are deemed to have shorter useful lives, e.g. boilers and heating equipment within swimming pools and leisure centres. These components are recognised by adjusting the useful life of the building to take account of the shorter life components.

For the remaining buildings, based on a review of the nature and type of buildings which the Council owns, these are deemed to have no significant items of plant and equipment or engineering services that need to be componentised separately.

Depreciation is generally charged on the Balance Sheet value of assets to write them off as follows:

- (i) Vehicles, Plant, Furniture and Equipment are depreciated over their estimated useful life (3–15 years, or more with supporting evidence)
- (ii) Infrastructure is depreciated over 40 years
- (iii) Revenue Expenditure funded from Capital under Statute is written down in the period in which it arises
- (iv) Land is not depreciated
- (v) Buildings are depreciated over their estimated remaining useful life (5–80 years)
- (vi) Investment Properties, Assets under Construction and Assets Held for Sale are not depreciated

Depreciation is not charged in the year of acquisition.

NOTE 1 – ACCOUNTING POLICIES (continued)

Minimum Revenue Provision

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2018 places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Welsh Ministers and local authorities are required to “have regard” to such Guidance under section 21(1B) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: Capital Financing Requirement Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

MRP in 2023/24: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Council chooses).

The MRP Statement was submitted to Council before the start of the 2023/24 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

The Council applied Option 3 in respect of supported capital expenditure funded from borrowing assessing that a prudent measure would be over 50 years, and also Option 3 in respect of unsupported capital expenditure funded from borrowing.

MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the IFRS-based Accounting Code of Practice matches the annual principal repayment for the associated deferred liability.

The Council reviews this policy annually in light of the Asset Management Plan.

In accordance with the Code of Practice, revenue financing of capital expenditure on Council Fund Services is appropriated to the Capital Adjustment Account.

1.18 Council Tax and National Non-Domestic Rates

Council Tax and National Non-Domestic Rates income for the year is treated as accrued income, and is included within the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement.

Cyngor Gwynedd is a Council Tax and Non-Domestic Rates billing Authority. It collects Council Tax on behalf of itself and other authorities, and collects Non-Domestic Rates as an agent on behalf of the Welsh Government.

1.19 Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the Council a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has take place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

NOTE I – ACCOUNTING POLICIES (continued)

1.20 Reserves (and Balances)

In accordance with the requirements of the Local Government Act 1992, the Council maintains a –

- General Fund which represents the general reserves (“balances”) of the Council, namely a working balance to help cushion the impact of uneven cash flows and as a contingency to cushion the impact of unexpected events or emergencies.
- Number of capital and revenue specific reserves earmarked for specific purposes, namely, money accumulated to meet anticipated commitments. The Council undertakes a continuous review of the adequacy and use of specific reserves.
- The Council takes a risk-based approach to maintaining an adequate level of balances and reserves to meet future spending needs. When considering the annual budget and medium-term financial strategy, the Council will set out its intention regarding the level of general balances and reserves, in the context of all relevant risks. Refer to the approval of the full policy in respect of reserves by the Council Cabinet on 23 June 2015.
- Certain reserves, namely “unusable reserves”, are kept for the technical purpose of managing the accounting processes for non-current assets, financial instruments and employee benefits. These do not represent the usable resources of the Council.

1.21 Revenue Expenditure Funded from Capital Under Statute

Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as an asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund and impact on that year’s Council Tax. This type of expenditure is valued at historical cost and written down over a year.

1.22 Value Added Tax

Only in a situation when VAT is irrecoverable will VAT be included or charged as ‘irrecoverable VAT’ in capital and revenue expenditure.

1.23 Debtors and Creditors

The Council’s accounts are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts reflect actual expenditure and income relating to the year in question irrespective of whether the payments or receipts have actually been paid or received in the year.

An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years, and certain annual payments such as insurance. This policy is consistently applied each year and therefore does not have a material effect on the year’s accounts.

1.24 Allocation of Interest and Receivable Dividends

The Council invests surplus funds for periods varying from overnight to 13 months (with the exception of investments in pooled funds) and the interest is credited to the General Fund, Gwynedd Pension Fund, Welsh Church Fund and other trust funds and joint committees based on the level of their daily balances and the rate of interest earned. The dividends from the pooled funds are paid into the General Fund.

1.25 Borrowing Costs

The Council does not capitalise borrowing costs attributable to the acquisition, construction or production of a qualifying asset as permitted by the Code.

Interest payable on external loans is included in the accounts in the period to which it relates on a basis which reflects the overall economic effect of the borrowings.

1.26 Interest in Companies and Other Entities

The Council has interests in companies and other entities which are required to be included in the financial statement. In line with materiality considerations, the North Wales Economic Ambition Board Joint Committee has been included within the Council’s financial statement. The consolidation was conducted on a line-by-line basis and apportioned to each authority on actual transactions in the first instance with the remaining transactions and balances split in

NOTE I – ACCOUNTING POLICIES (continued)

accordance with their Governance Agreement. The transactions for the Bus Emergency Scheme has also been consolidated into the Council's financial statement.

Based on materiality, the following joint committees have not been consolidated into the Council's financial statement:-

- GwE
- North Wales Residual Waste Treatment Project

Based on materiality, group accounts have not been produced to include Cwmni Byw'n Iach.

1.27 Current Assets Held for Sale

In order for an asset to be recognised as Held for Sale, the asset must be available for immediate sale in its present condition, the sale must be highly probable, the asset must be actively marketed and the sale completed within one year from the date of classification. The asset is recognised at fair value (market value) less costs to sell on reclassification. Values are based on specific techniques, and the inputs to these measurement techniques are categorised in accordance with three levels. All the Council's inputs are level 3 (unobservable inputs for the asset). This is due to the level of adjustment required to all evidence due to the uniqueness of the assets, and the dearth of relevant market transactions.

1.28 Disposal of Assets

When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

1.29 Capital Receipts

When the Council sells an asset, legislation prescribes the use of the proceeds received.

All capital receipts that belong to the Council's Fund are 100% usable and it is no longer necessary to set aside a percentage of the receipt. The receipts are held in the Usable Capital Receipts Reserve until such time as they are used to finance capital expenditure.

1.30 Service Concession Arrangements

Service Concession Arrangements, otherwise known as Private Finance Initiative (PFI) schemes, are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor for the duration of the contract but where the assets transfer to the Council at the end of the period without any additional cost. The Council controls the service that is provided and is able to control who else is able to use the facility. The cost of using the facility is agreed with the Company before setting the agreement through a competitive dialogue process.

1.31 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangements. The activities undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Council as a joint operator recognises its share of assets, liabilities, revenue and expenses.

1.32 Schools

The *Code of Practice on Local Authority Accounting in the United Kingdom* confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority accounts (and not the Group Accounts). Therefore schools'

NOTE 1 – ACCOUNTING POLICIES (continued)

transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

1.33 Fair Value Measurement of Non-Financial Assets

The Council's accounting policy for fair value measurement of financial asset is set out in note 1.9. The Council also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a. in the principal market for the asset, or
- b. in the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; or
- Level 3 – unobservable inputs for the asset.

1.34 Other Policies

Cyngor Gwynedd has policies in respect of the following, but they are not considered material for the 2023/24 financial year:

- Intangible Assets
- Foreign Currency Conversion.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

The Council's existing accounting policies are amended only insofar as to reflect the guidance in the 2023/24 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

NOTE 3 – PRIOR PERIOD ADJUSTMENTS

The following items have been adjusted in 2022/23 for the prior period to reflect changes within the Council's structure. One of the changes includes the relocation of the Youth Service from the Children and Family Support Department to the Education Department. Other changes relate to the Highways and Municipal Department, where the Waste and Recycling units have been transferred to the Environment Department and Gwynedd Consultancy combined to create the Highways, Engineering and YGC Department.

EXPENDITURE AND FUNDING ANALYSIS

	2022/23 As previously stated			Restatement			2022/23 Restated		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education	101,997	13,062	115,059	9,139	74	9,213	111,136	13,136	124,272
Corporate Support	8,121	1,583	9,704	0	0	0	8,121	1,583	9,704
Finance	7,204	3,026	10,230	0	0	0	7,204	3,026	10,230
Economy and Community	4,446	4,433	8,879	0	0	0	4,446	4,433	8,879
Adults, Health and Well-being	70,351	7,217	77,568	0	0	0	70,351	7,217	77,568
Children and Family Support	21,557	2,699	24,256	(9,139)	(74)	(9,213)	12,418	2,625	15,043
Highways and Municipal (including Trunk Roads*)	29,601	10,809	40,410	(29,601)	(10,809)	(40,410)	0	0	0
Highways, Engineering and YGC (including Trunk Roads*)	0	0	0	15,916	10,513	26,429	15,916	10,513	26,429
Environment	3,177	5,472	8,649	13,805	1,854	15,659	16,982	7,326	24,308
Housing and Property	10,022	5,042	15,064	0	0	0	10,022	5,042	15,064
Corporate Management Team and Legal	2,396	297	2,693	0	0	0	2,396	297	2,693
Gwynedd Consultancy	120	1,558	1,678	(120)	(1,558)	(1,678)	0	0	0
Corporate	18,525	1,777	20,302	0	0	0	18,525	1,777	20,302
Cost of Services	277,517	56,975	334,492	0	0	0	277,517	56,975	334,492
Other Operating Expenditure	27,931	(123)	27,808	0	0	0	27,931	(123)	27,808
Financing and Investment Income and Expenditure	19,724	(8,637)	11,087	0	0	0	19,724	(8,637)	11,087
Taxation and Non-specific Grant Income	(317,925)	(16,075)	(334,000)	0	0	0	(317,925)	(16,075)	(334,000)
(Surplus)/Deficit on Provision of Services	7,247	32,140	39,387	0	0	0	7,247	32,140	39,387
Opening General Fund Balance	(130,647)			0			(130,647)		
(Surplus)/Deficit on General Fund in year	7,247			(0)			7,247		
Closing General Fund Balance	(123,400)			(0)			(123,400)		

* Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	Note	2022/23 As previously stated			Restatement			2022/23 Restated		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education		148,925	(33,866)	115,059	9,780	(567)	9,213	158,705	(34,433)	124,272
Corporate Support		10,696	(992)	9,704	0	0	0	10,696	(992)	9,704
Finance		14,060	(3,830)	10,230	0	0	0	14,060	(3,830)	10,230
Economy and Community		19,313	(10,434)	8,879	0	0	0	19,313	(10,434)	8,879
Adults, Health and Well-being		105,391	(27,823)	77,568	0	0	0	105,391	(27,823)	77,568
Children and Family Support		41,435	(17,179)	24,256	(9,780)	567	(9,213)	31,655	(16,612)	15,043
Highways and Municipal (including Trunk Roads*)		57,250	(16,840)	40,410	(57,250)	16,840	(40,410)	0	0	0
Highways, Engineering and YGC (including Trunk Roads*)		0	0	0	41,959	(15,530)	26,429	41,959	(15,530)	26,429
Environment		19,100	(10,451)	8,649	22,886	(7,227)	15,659	41,986	(17,678)	24,308
Housing and Property		26,314	(11,250)	15,064	0	0	0	26,314	(11,250)	15,064
Corporate Management and Legal Team		3,283	(590)	2,693	0	0	0	3,283	(590)	2,693
Gwynedd Consultancy		7,595	(5,917)	1,678	(7,595)	5,917	(1,678)	0	0	0
Corporate		44,483	(24,181)	20,302	0	0	0	44,483	(24,181)	20,302
Cost of Services		497,845	(163,353)	334,492	(0)	(0)	(0)	497,845	(163,353)	334,492
Other Operating Expenditure	11	27,931	(123)	27,808	0	0	0	27,931	(123)	27,808
Financing and Investment Income and Expenditure	12	12,928	(1,841)	11,087	0	0	0	12,928	(1,841)	11,087
Taxation and non-specific grant income	13	0	(334,000)	(334,000)	0	0	0	0	(334,000)	(334,000)
(Surplus)/Deficit on Provision of Services		538,704	(499,317)	39,387	(0)	(0)	(0)	538,704	(499,317)	39,387
(Surplus)/Deficit on revaluation of Fixed Assets	23			(28,694)			0			(28,694)
(Surplus)/Deficit on revaluation of Financial Instruments	23			1,190			0			1,190
Remeasurements of the net pension defined benefit liability/(assets)	23			(284,950)			0			(284,950)
Other Comprehensive Income and Expenditure				(312,454)			0			(312,454)
Total Comprehensive Income and Expenditure				(273,067)			(0)			(273,067)

* Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.

ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	2022/23 As previously stated						Restatement						2022/23 Restated											
	Adjustments for Capital Purposes (i)		Net change for the Pensions Adjustments (ii)		Other differences (iii)		Total Statutory Adjustments		Other (Non-statutory) Adjustments (iv)		Total Adjustments		Adjustments for Capital Purposes (i)		Net change for the Pensions Adjustments (ii)		Other differences (iii)		Total Statutory Adjustments		Other (Non-statutory) Adjustments (iv)		Total Adjustments	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education	6,821	6,241	0	13,062	0	13,062	0	74	0	74	0	74	6,821	6,315	0	13,136	0	13,136	0	13,136	0	13,136	0	13,136
Corporate Support	0	1,583	0	1,583	0	1,583	0	0	0	0	0	0	0	1,583	0	1,583	0	1,583	0	1,583	0	1,583	0	1,583
Finance	1,341	1,685	0	3,026	0	3,026	0	0	0	0	0	0	1,341	1,685	0	3,026	0	3,026	0	3,026	0	3,026	0	3,026
Economy and Community	3,418	1,015	0	4,433	0	4,433	0	0	0	0	0	0	3,418	1,015	0	4,433	0	4,433	0	4,433	0	4,433	0	4,433
Adults, Health and Well-being	547	6,883	0	7,430	(213)	7,217	0	0	0	0	0	0	547	6,883	0	7,430	(213)	7,217	0	7,217	(213)	7,217	0	7,217
Children and Family Support	69	2,630	0	2,699	0	2,699	0	(74)	0	(74)	0	(74)	69	2,556	0	2,625	0	2,625	0	2,625	0	2,625	0	2,625
Highways and Municipal (including Trunk Roads*)	4,457	6,352	0	10,809	0	10,809	(4,457)	(6,352)	0	(10,809)	0	(10,809)	0	0	0	0	0	0	0	0	0	0	0	0
Highways, Engineering and YGC (including Trunk Roads*)	0	0	0	0	0	0	4,701	5,812	0	10,513	0	10,513	4,701	5,812	0	10,513	0	10,513	0	10,513	0	10,513	0	10,513
Environment	4,044	1,428	0	5,472	0	5,472	213	1,641	0	1,854	0	1,854	4,257	3,069	0	7,326	0	7,326	0	7,326	0	7,326	0	7,326
Housing and Property	3,750	1,292	0	5,042	0	5,042	0	0	0	0	0	0	3,750	1,292	0	5,042	0	5,042	0	5,042	0	5,042	0	5,042
Corporate Management Team and Legal	1	296	0	297	0	297	0	0	0	0	0	0	1	296	0	297	0	297	0	297	0	297	0	297
Gwynedd Consultancy	457	1,101	0	1,558	0	1,558	(457)	(1,101)	0	(1,558)	0	(1,558)	0	0	0	0	0	0	0	0	0	0	0	0
Corporate	1	843	1,042	1,886	(109)	1,777	0	0	0	0	0	0	1	843	1,042	1,886	(109)	1,777	0	1,777	(109)	1,777	0	1,777
Cost of Services	24,906	31,349	1,042	57,297	(322)	56,975	0	0	0	0	0	0	24,906	31,349	1,042	57,297	(322)	56,975	0	56,975	(322)	56,975	0	56,975
Other Operating Expenditure	(123)	0	0	(123)	0	(123)	0	0	0	0	0	0	(123)	0	0	(123)	0	(123)	0	(123)	0	(123)	0	(123)
Financing and Investment Income and Expenditure	(15,769)	6,954	(144)	(8,959)	322	(8,637)	0	0	0	0	0	0	(15,769)	6,954	(144)	(8,959)	322	(8,637)	0	(8,637)	322	(8,637)	0	(8,637)
Taxation and non-specific grant income	(16,075)	0	0	(16,075)	0	(16,075)	0	0	0	0	0	0	(16,075)	0	0	(16,075)	0	(16,075)	0	(16,075)	0	(16,075)	0	(16,075)
(Surplus)/Deficit on Provision of Services	(7,061)	38,303	898	32,140	0	32,140	0	0	0	0	0	0	(7,061)	38,303	898	32,140	0	32,140	0	32,140	0	32,140	0	32,140

*Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.

NOTE 4 – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires the expected impact of any accounting standards that have been issued but not yet adopted to be disclosed. This applies to the following new or amended standards within the 2024/25 Code:

- IFRS 16 Leases issued in January 2016.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

The Code requires implementation from 1 April 2024 and therefore there is no impact on the 2023/24 Statement of Accounts. With the exception of IFRS 16, it is not anticipated that the other items above will have a significant impact on the information provided in the 2024/25 financial statements.

NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make judgements, estimates and assumptions relating to complex transactions, those involving uncertainty about future events and also the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions applied are based on current proper practices, historical experience, and other factors that include historical and current assumptions and projections, and actual future projections, professional assessments, current trends, and local factors that are considered to be relevant.

In recent years there has been some uncertainty about future levels of funding from Welsh Government relating to revenue and capital grants. This issue forms an important part of the Council's continually revised financial strategy, and where all known and forecasted factors are given due consideration. Continued economic uncertainty remains, and high level of inflation and interest rates, whilst the impact of Covid remains in some areas of the Council. However, the Council has determined that this uncertainty is not sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and significantly reduce levels of service provision.

All available and related information is sourced and applied in assessing and determining the position, which is particularly critical when considering such matters as the revaluation, depreciation and impairment of assets, actuarial valuation of pension fund assets and commitments, earmarked reserves, provisions and contingent liability. However, because these issues cannot be determined with certainty, actual results may subsequently differ from those estimates. The estimates and underlying assumptions are continually reviewed.

NOTE 6 – ASSUMPTIONS MADE ABOUT FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because certain balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The following items in the Council's Balance Sheet at 31 March 2024 may be considered to be a significant risk (in terms of certainty in estimation of value), with the possibility of material adjustment in the forthcoming financial year:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment	Assets are depreciated over their useful life in accordance with standard accounting and associated practices. The current economic climate brings with it uncertainties for councils in their ability to sustain the necessary spending on repair and maintenance. This obviously would have implications on asset life. Land and buildings are revalued at least every five years, and since 2015/16 a rolling programme of revaluation has been introduced. Judgements often need to be reached as part of the revaluation and impairment assessment process. This brings with it uncertainties, and assumptions have to be made and responded to accordingly.	Any difference between the depreciation applied and actual deterioration to assets will be naturally reflected in future spending patterns. Where necessary, any resultant long-term implications will be incorporated into our financial strategy. Information relating to Property, Plant and Equipment is included in Note 15.
Provisions	There are provisions included within these accounts, the basis of which have been individually assessed from the latest information available, as detailed in Note 22, and include provisions for Waste Sites. The accuracy of the provisions cannot be confirmed until such matters are concluded.	If the provisions are inadequate, the additional costs will be funded from revenue or reserves.
Pension Liability	Estimating the net liability to pay pensions depends on a number of complex judgments relating to the discount rate used, the rate at which wages are expected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries are involved in giving expert advice to the Council about the assumptions to be used. Brexit and Covid had negative effects on the UK economy and pension asset values, and currently there are high inflation and interest rates, but the market seems to be improving and stabilizing. However, a pandemic or other global crisis could have a detrimental effect on asset returns, as well as an increase in interest rates to curb the rise of inflation as a result of the recovery.	The effects on the net pension liability of changes in individual assumptions are set out in Notes 37 and 38.
Impairment Loss Allowance	There is a level of doubtful debt impairment built into the accounts that is based on a specific policy. A specific impairment level policy in respect of doubtful debts is contained within the accounts. The impairment level is reviewed regularly in order to respond to any changes in the economic climate and necessary action taken as appropriate within the accounts to respond accordingly. At 31 March 2024, the Council had a net short-term debtors balance of £121m (Note 18a), and this balance is net of the doubtful debts impairment of £9m.	If the impairment loss allowance is inadequate, the additional funding will come from revenue or reserves.

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:

- (£6m) on pensions, being the annual remeasurement of the net pension defined benefit liability relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 23.5).
- Following a revaluation of part of the Council's land and buildings portfolio (which is now carried out on a rolling programme basis), a net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £14m (Note 23.1) and the revaluation and impairment cost to the Services is £5m (Note 15).
- As a result of Central Government schemes including the Levelling Up Funds, significant grants have been received during 2023/24, which has contributed to the significant increase in revenue expenditure funded from Capital under statute, which is £20m (Note 34), whilst the associated grant income to fund such expenditure is £17m (Note 32).
- The depreciation value of the Council's assets is £20m (Note 15).

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

<u>2023/24</u>	<u>ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</u>					<u>Total Adjustments</u>
	<u>Adjustments for Capital Purposes (i)</u>	<u>Net change for the Pensions Adjustments (ii)</u>	<u>Other Differences (iii)</u>	<u>Total Statutory Adjustments</u>	<u>Other (Non-statutory) Adjustments (iv)</u>	
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Education	7,602	(1,358)	0	6,244	0	6,244
Corporate Support	15	13	0	28	0	28
Finance	1,628	(16)	0	1,612	0	1,612
Economy and Community	4,011	(60)	0	3,951	0	3,951
Adults, Health and Well-being	548	36	0	584	(295)	289
Children and Family Support	127	19	0	146	0	146
Highways, Engineering and YGC (including Trunk Roads *)	5,254	(43)	0	5,211	0	5,211
Environment	4,020	26	0	4,046	0	4,046
Housing and Property	4,796	(3)	0	4,793	0	4,793
Corporate Management Team and Legal	1	(11)	0	(10)	0	(10)
Corporate	4	(132)	3,735	3,607	49	3,656
Cost of Services	28,006	(1,529)	3,735	30,212	(246)	29,966
Other Operating Expenditure	4	0	0	4	0	4
Financing and Investment Income and Expenditure	(16,581)	(231)	(202)	(17,014)	246	(16,768)
Taxation and non-specific grant income	(20,629)	0	0	(20,629)	0	(20,629)
(Surplus)/Deficit on Provision of Services	(9,200)	(1,760)	3,533	(7,427)	0	(7,427)

* Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

<u>2022/23</u>	<u>ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</u>					
	<u>Adjustments for Capital Purposes (i)</u>	<u>Net change for the Pensions Adjustments (ii)</u>	<u>Other Differences (iii)</u>	<u>Total Statutory Adjustments</u>	<u>Other (Non-statutory) Adjustments (iv)</u>	<u>Total Adjustments</u>
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	£'000	£'000	£'000	£'000	£'000	£'000
Education *	6,821	6,315	0	13,136	0	13,136
Corporate Support	0	1,583	0	1,583	0	1,583
Finance	1,341	1,685	0	3,026	0	3,026
Economy and Community	3,418	1,015	0	4,433	0	4,433
Adults, Health and Well-being	547	6,883	0	7,430	(213)	7,217
Children and Family Support *	69	2,556	0	2,625	0	2,625
Highways, Engineering and YGC (including Trunk Roads **) ***	4,701	5,812	0	10,513	0	10,513
Environment ***	4,257	3,069	0	7,326	0	7,326
Housing and Property	3,750	1,292	0	5,042	0	5,042
Corporate Management Team and Legal	1	296	0	297	0	297
Corporate	1	843	1,042	1,886	(109)	1,777
Cost of Services	24,906	31,349	1,042	57,297	(322)	56,975
Other Operating Expenditure	(123)	0	0	(123)	0	(123)
Financing and Investment Income and Expenditure	(15,769)	6,954	(144)	(8,959)	322	(8,637)
Taxation and non-specific grant income	(16,075)	0	0	(16,075)	0	(16,075)
(Surplus)/Deficit on Provision of Services	(7,061)	38,303	898	32,140	0	32,140

* The 2022/23 figures for the Education Department and the Children and Family Support Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.

** Trunk Roads - Adjustments relating to the North and Mid Wales Trunk Road Agency.

*** The 2022/23 figures for the Environment Department and the Highways, Engineering and Gwynedd Consultancy Department have been re-stated to reflect the change to the structure of the departments to enable a comparison with 2023/24.

(i) Adjustments for Capital Purposes

- For **Services**, this column adds in depreciation, impairment and revaluation gains and losses.
- **Other Operating Expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and Investment Income and Expenditure** – the statutory charges for capital financing, i.e. revenue provision for the financing of capital investment and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **Taxation and Non-specific Grant Income** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-specific Grant Income line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS (continued)

(ii) Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* for pension-related expenditure and income:

- For **Services**, this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For **Financing and Investment Income and Expenditure**, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(iii) Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For **Services**, this represents an adjustment for accumulated absences earned but not taken during the year.
- For **Financing and Investment Income and Expenditure**, the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

(iv) Other (Non-statutory) Adjustments

- **Services** - the impairment loss allowance on Trade Debtors is deducted and transferred to financing and investment income and expenditure.
- **Financing and Investment Income and Expenditure** – adjusted to include the transfer of the impairment loss allowance on Trade Debtors from services.

NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

2023/24	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS				
Adjustments to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	1,760	0	0	(1,760)
Financial instruments (transferred to the Financial Instruments Adjustments Account)	(67)	0	0	67
Holiday pay (transferred to (or from) the Accumulated Absences Reserve)	(3,515)	0	0	3,515
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(7,377)	0	0	7,377
Total Adjustments to Revenue Resources	(9,199)	0	0	9,199
Adjustments between Revenue and Capital Resources				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	45	(318)	0	273
Revenue provision for the financing of supported capital investment	2,756	0	0	(2,756)
Revenue provision for the financing of unsupported capital investment	2,496	0	0	(2,496)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	11,329	0	0	(11,329)
Total Adjustments between Revenue and Capital Resources	16,626	(318)	0	(16,308)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	250	0	(250)
Application of capital grants to finance capital expenditure	0	0	302	(302)
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	0	250	302	(552)
TOTAL ADJUSTMENTS	7,427	(68)	302	(7,661)

NOTE 9 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS (continued)

2022/23	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000
ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS				
Adjustments to the Revenue Resources				
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements</i>				
Pensions costs (transferred to (or from) the Pensions Reserve)	(38,303)	0	0	38,303
Financial instruments (transferred to the Financial Instruments Adjustments Account)	(29)	0	0	29
Holiday pay (transferred to (or from) the Accumulated Absences Reserve)	(948)	0	0	948
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(8,707)	0	0	8,707
Total Adjustments to Revenue Resources	(47,987)	0	0	47,987
Adjustments between Revenue and Capital Resources				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	79	(368)	0	289
Revenue provision for the financing of supported capital investment	5,352	0	0	(5,352)
Revenue provision for the financing of unsupported capital investment	2,165	0	0	(2,165)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	8,251	0	0	(8,251)
Total Adjustments between Revenue and Capital Resources	15,847	(368)	0	(15,479)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	695	0	(695)
Application of capital grants to finance capital expenditure	0	0	1,326	(1,326)
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	0	695	1,326	(2,021)
TOTAL ADJUSTMENTS	(32,140)	327	1,326	30,487

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES

School Balances

This sum is represented by the element of balances released under the delegation of budgets directly to schools which remained unspent at the end of the financial year, and is a net decrease of £3.4m as compared to the balance on 31 March 2023:

2023/24	Balance	Transfers		Balance	
	31 March 2023 £'000	between reserves £'000	in £'000	out £'000	31 March 2024 £'000
School Balances	11,917	(26)	436	(3,785)	8,542
Total	11,917	(26)*	436	(3,785)	8,542

* Transfer to Other Earmarked Reserves (refer to page 38).

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES (continued)

Earmarked Reserves

The note below sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans, and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24, with a net decrease of £1.7m since the position at 31 March 2023.

2023/24	Balance	Transfers			Balance	
		31 March	between reserves	in out		31 March
Note	2023				2024	
	£'000	£'000	£'000	£'000	£'000	
10.1	Renewals Reserves	6,242	0	2,968	(3,535)	5,675
10.2	Schools Digital Strategy Renewal Reserve	2,000	0	0	0	2,000
10.3	Capital Reserves	28,566	0	247	(2,349)	26,464
10.4	Insurance Reserves	2,047	0	929	(1,550)	1,426
10.5	Service Fund	4,439	386	608	(1,715)	3,718
10.6	Convergence Programme Fund	668	0	16	(255)	429
10.7	Redundancy Costs to Realise Savings Reserve	3,176	0	0	(1,075)	2,101
10.8	Central Training	1,028	450	0	(557)	921
10.9	Education Services Reserves	4,124	224	577	(683)	4,242
10.10	Economy and Community Reserves	657	0	39	(18)	678
10.11	Highways, Engineering and YGC	499	(36)	0	(179)	284
10.12	Environment Reserves	479	99	125	(89)	614
10.13	Housing and Property Reserves	728	0	462	(825)	365
10.14	Care Reserves	1,303	(548)	305	(292)	768
10.15	Business Transformation Funds	941	0	0	0	941
10.16	Invest to Save Fund – Carbon Reduction Plan	564	0	0	0	564
10.17	Transformation / Council Plan	11,207	1,412	45	(1,511)	11,153
10.18	Committed Revenue Grant Fund	1,751	0	178	(397)	1,532
10.19	Housing Water and Sewerage Service Fund	79	0	0	(52)	27
10.20	Housing Environmental Warranty	480	0	0	0	480
10.21	Information Technology Reserve	921	0	0	0	921
10.22	Supporting the Financial Strategy Reserve	9,024	(1,862)	8,013	(27)	15,148
10.23	Welfare Fund	100	0	0	(100)	0
10.24	Partnering Arrangements	339	(99)	0	(104)	136
10.25	North Wales Economic Ambition Board	301	0	385	(34)	652
10.26	Council Tax Premium Reserve	15,058	0	6,000	(3,857)	17,201
10.27	Covid-19 Recovery Arrangements Reserve	4,949	0	0	(4,949)	0
10.28	Digital Strategy Fund	852	0	0	(66)	786
10.29	Shared Prosperity Scheme Fund	102	0	1,620	0	1,722
10.30	Various Other Reserves	947	0	39	(91)	895
Total		103,571	26*	22,556	(24,310)	101,843

* Transfer from School Balances (refer to page 37).

The earmarked reserves closing balance as at 31 March 2024 does not reflect the level of commitments against them. Details are given below of the Council's main specific reserves.

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES (continued)

- 10.1 The Renewals Reserves are used by the various departments of the Council to replace vehicles and equipment.
- 10.2 School's Digital Strategy Renewal Reserve in order to finance the renewal of the school's IT equipment.
- 10.3 The Capital Reserves represents resources already committed to assist in financing the Council's Capital Programme and other requirements.
- 10.4 Cyngor Gwynedd does not insure all risks with external insurers but instead it has established an internal reserve to meet those uninsured risks. The balance on the Insurance Reserve also includes an element relating to the relevant insurance requirements of the former Gwynedd County Council (pre-1996) and which is administered by Cyngor Gwynedd.
- 10.5 The Services Fund represents the element of slippages and underspend that service departments have the right to carry forward for use in the subsequent financial year, other relevant specific budgets and one-off budgets that extend over more than one year.
- 10.6 Convergence Programme Fund – fund was created for additional capital or revenue costs which arise from the requirements to develop plans under the convergence programme.
- 10.7 Redundancy Costs to Realise Savings Reserve – provision for financing redundancy costs to realise budgetary savings.
- 10.8 Central Training – relates to the Council's staff training programme, including a contribution towards the cost of funding the Apprenticeship scheme and the 'Cynllun Yfory' Management Scheme.
- 10.9 Education Service Reserves – includes sums set aside to respond to related financial problems with 'Integration' requirements, changeable demands in 'Out of County – Special Educational Needs', 'Supporting Schools' and the 'Schools Loans Scheme'.
- 10.10 The Economy and Community Reserves include a number of balances relating to schemes operating on a partnership basis mainly, where the scheme balances must be accounted for separately.
- 10.11 The Highways, Engineering and Gwynedd Consultancy Reserves include sums set aside to protect situations of uneven income and expenditure of certain areas of work.
- 10.12 Environment Reserves – include a number of balances relating to Transport, schemes operating mainly on a partnership basis, and where the scheme balances must be accounted for separately, together with specific requirements relating to the Unitary Development Plan, and amounts for uneven expenditure situation.
- 10.13 Housing and Property Reserves – includes amounts set aside to protect against possible situations of uneven expenditure together with various other reserves for the Council's housing and property needs.
- 10.14 Care Reserves – includes amounts set aside to protect against possible situations of uneven expenditure due to contract requirements.
- 10.15 Business Transformation Fund – to aid the business transformation process, realise savings and assist the Council to achieve "Ffordd Gwynedd" aims and objectives.
- 10.16 Invest to Save Fund – Carbon Reduction Plan – partly funding the Carbon Reduction Plan programme of works to reduce carbon emissions whilst generating monetary revenue savings for the Council.
- 10.17 Transformation / Council Plan – for the Council's priorities and to transform internal procedures to be more effective and efficient, and to invest in various schemes to realise permanent financial savings.

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES (continued)

- 10.18 Committed Revenue Grants Fund – includes revenue grants received and committed for future use.
- 10.19 Housing Water and Sewerage Services Fund – amounts reserved for requirements relating to sewerage procedures, water piping and sewage treatment work on old council housing estates, which were not adopted by Welsh Water.
- 10.20 Housing Environmental Warranty – reserved for possible implications as a result of giving environmental warranties to Adra, in connection with specific and special circumstances that relate to environmental plans on the land of former council housing estates.
- 10.21 Information Technology Reserve – for responding to the demands in the information technology field, including a renewals fund and to respond to uneven patterns of expenditure.
- 10.22 Supporting the Financial Strategy Reserve – a fund established to assist and support the Council’s financial strategy.
- 10.23 Welfare Fund - provision to respond to uneven patterns in the related requirements.
- 10.24 Partnering Arrangements – includes amounts allocated in relation to various requirements of partnerships and joint working.
- 10.25 North Wales Economic Ambition Board – for the requirements and commitments of the economic promotion plan relevant to the North Wales Economic Ambition Board (Cyngor Gwynedd’s share only).
- 10.26 Council Tax Premium Reserve – provision from the Council Tax Premium for achieving the Council’s priorities which includes the Housing Strategy.
- 10.27 Covid-19 Recovery Arrangements Reserve – provision for the recovery of services following the pandemic.
- 10.28 Digital Strategy Fund – Provision to ensure that the Council’s digital needs enable departments to provide an effective and efficient service to the residents of Gwynedd.
- 10.29 Fund for interest received on the United Kingdom Shared Prosperity Scheme money held in Cyngor Gwynedd’s bank account on behalf of the North region.
- 10.30 Various Other Reserves – includes amounts set aside to meet a variety of other commitments.

NOTE 11 – OTHER OPERATING EXPENDITURE

2022/23 £'000		2023/24 £'000
	Precepts	
17,017	North Wales Police & Crime Commissioner	18,714
2,654	Community Councils	2,895
19,671		21,609
	Levies	
7,018	North Wales Fire Authority	7,914
1,059	Snowdonia National Park Authority	1,059
121	Local Drainage Boards	122
62	North Wales Corporate Joint Committee	126
8,260		9,221
(123)	(Gains)/losses on the disposal and de-recognition of non-current assets	4
27,808	Total	30,834

NOTE 12 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23 £'000		2023/24 £'000
5,642	Interest payable and similar charges	5,528
6,954	Net interest on the net pension defined benefit liability (asset)	(231)
(1,841)	Interest receivable and similar income	(3,831)
332	Adjustments to provisions and the fair value of financial instruments	234
11,087	Total	1,700

NOTE 13 – TAXATION AND NON-SPECIFIC GRANT INCOME

2022/23 £'000		Note	2023/24 £'000
(104,710)	Council Tax Income	13a	(112,148)
(45,519)	Non-Domestic Rates	13b	(39,172)
(167,695)	Non-ring-fenced Government Grants	32	(188,864)
(16,076)	Capital Grants and Contributions	32	(20,629)
(334,000)	Total		(360,813)

NOTE 13a - COUNCIL TAX

The Council determines its expenditure requirement for the year and converts it to a Band D Council Tax by dividing this sum by a calculation of the number of properties in each Council Tax band converted into the equivalent number of properties in Band D (The Council Tax Base). The North Wales Police and Crime Commissioner's requirement is then added to this amount to establish the County's Council Tax.

The Council Tax Base for 2023/24 was calculated as follows:

CALCULATION OF THE COUNCIL TAX BASE FOR 2023/24			
Valuation Bands	Number of Properties following discounts and premiums	Statutory Multiplier	Equivalent Band D properties
A*	9	5/9	4.72
A	8,122	6/9	5,414.88
B	14,244	7/9	11,078.30
C	11,802	8/9	10,490.54
D	10,518	1	10,517.97
E	8,259	11/9	10,094.14
F	4,243	13/9	6,129.14
G	1,390	15/9	2,316.25
H	251	18/9	502.50
I	87	21/9	201.83
		Total	<u>56,750.27</u>
		Council Tax base after allowing for losses on collection	56,182.77

An analysis of the net income accruing to the Council is given below:

2022/23		2023/24
£'000		£'000
(105,392)	Council Tax raised	(112,870)
682	Less Increase in the impairment allowance for non-collection	722
<u>(104,710)</u>		<u>(112,148)</u>

NOTE 13b - NATIONAL NON-DOMESTIC RATES

National Non-Domestic Rates (“Business Rates”) are managed by the Government but local authorities are responsible for their collection and for paying them to a central pool run by the Welsh Government. They subsequently allocate amounts from the pool to local authorities, on a population basis.

The Government sets the National Non-Domestic rate for the year (53.5p in 2023/24) which is then multiplied by the rateable value of the property. Subject to the effects of transitional arrangements and some other reductions, this is the amount payable by the ratepayer.

At the end of the 2023/24 financial year there were 9,479 properties on the local valuation list in Gwynedd, representing a rateable value of £116,280,666.

An analysis of the net income accruing to the Council from National Non-Domestic Rates is as follows:

2022/23		2023/24
£'000		£'000
(42,248)	National Non-domestic Rate raised	(38,662)
445	Cost of Collection allowance	482
4	Provision for Bad Debts	441
0	Interest	28
<u>41,799</u>	Sum paid to the National Pool	<u>37,711</u>
0		0
<u>(45,519)</u>	Receipts from the National Pool	<u>(39,172)</u>
(45,519)	Net Income from Non-Domestic Rates	(39,172)

NOTE 14 – BUILDING CONTROL INCOME AND EXPENDITURE ACCOUNT

This account shows the expenditure and income which relate to the building regulations checking and supervision function, including consideration of any enforcement action but not the service of notices under the provisions of the Building Act 1984.

The account is expected to break-even over a three-year rolling period, and this requirement is reviewed annually. There was a loss in 2023/24, therefore an accumulated loss over a period of three years is reported.

2023/24	£'000
Total charges income received (excluding VAT)	(329)
Total charges expenditure incurred	<u>365</u>
(Surplus)/Deficit for 2023/24	36
(Surplus)/Deficit for 2022/23	135
(Surplus)/Deficit for 2021/22	<u>68</u>
(Surplus)/Deficit for the last three years	239

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Movements on Property, Plant and Equipment Balances

Movements in 2023/24:

	Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets under Construction £'000	Total Property, Plant and Equipment £'000
Value						
Balance at 1.04.23	384,250	44,976	687	2,197	19	432,129
Additions	16,675	5,052	0	2	4,756	26,485
Sales	0	(2,120)	(253)	(28)	0	(2,401)
Transfers	(98)	0	0	0	98	0
Revaluation - to Revaluation Reserve	4,194	0	173	(9)	0	4,358
Revaluation - to Services	(2,659)	0	(223)	(30)	0	(2,912)
Balance at 31.03.24	402,362	47,908	384	2,132	4,873	457,659
Depreciation						
Balance at 1.04.23	1,588	21,418	10	(1)	0	23,015
Depreciation in year	7,508	5,412	2	13	0	12,935
Sales	0	(2,078)	0	0	0	(2,078)
Transfers	0	0	0	0	0	0
Revaluation	(7,240)	0	(13)	(13)	0	(7,266)
Balance at 31.03.24	1,856	24,752	(1)	(1)	0	26,606
Impairment						
Balance at 1.04.23	12,726	20	97	5	0	12,848
Impairment in year - to Revaluation Reserve	527	0	0	0	0	527
Impairment in year - to Services	2,396	0	0	0	0	2,396
Sales	0	0	(94)	0	0	(94)
Transfers	(98)	0	0	0	98	0
Revaluation	(2,548)	0	(2)	(5)	0	(2,555)
Balance at 31.03.24	13,003	20	1	0	98	13,122
Net Book Value	387,503	23,136	384	2,133	4,775	417,931
31 March 2024						
Net Book Value	369,936	23,538	580	2,193	19	396,266
31 March 2023						

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Comparative Movements in 2022/23:

	Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets under Construction £'000	Total Property, Plant and Equipment £'000
Value						
Balance at 1.04.22	353,238	40,654	687	2,261	19	396,859
Additions	11,840	6,107	0	26	0	17,973
Sales	(166)	(1,785)	0	0	0	(1,951)
Transfers	0	0	0	(47)	0	(47)
Revaluation - to Revaluation Reserve	20,946	0	0	(44)	0	20,902
Revaluation - to Services	(1,608)	0	0	1	0	(1,607)
Balance at 31.03.23	384,250	44,976	687	2,197	19	432,129
Depreciation						
Balance at 1.04.22	1,897	18,147	8	(1)	0	20,051
Depreciation in year	6,805	5,056	2	12	0	11,875
Sales	0	(1,785)	0	0	0	(1,785)
Transfers	0	0	0	0	0	0
Revaluation	(7,114)	0	0	(12)	0	(7,126)
Balance at 31.03.23	1,588	21,418	10	(1)	0	23,015
Impairment						
Balance at 1.04.22	11,196	20	97	5	0	11,318
Impairment in year - to Revaluation Reserve	383	0	0	0	0	383
Impairment in year - to Services	2,196	0	0	0	0	2,196
Sales	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Revaluation	(1,049)	0	0	0	0	(1,049)
Balance at 31.03.23	12,726	20	97	5	0	12,848
Net Book Value	369,936	23,538	580	2,193	19	396,266
31 March 2023						
Net Book Value	340,145	22,487	582	2,257	19	365,490
31 March 2022						

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

The Council's operational Land and Buildings were revalued by the Council's Estates Manager (M.R.I.C.S) in accordance with the policies noted in section 1.17 of Note 1 of the Accounting Policies and non-operational assets (Surplus) in accordance with 1.15. Note that the Council has established a rolling programme for revaluing different categories of these assets annually.

Refer to note 1.17 also for the basis of depreciation on various categories of assets.

11 schools under church governance are used by the Education Department, with 9 of the buildings not included in the table above because they are not owned by the Council. The Council is responsible for their repair and maintenance, but the amounts are not significant. Ysgol Cae Top, Bangor and Ysgol Pont y Gof, Botwnnog are currently regarded as Council-owned assets in the accounts as the properties' titles (deeds) have not been formally transferred to the Church. The intention is to hold discussions with the Church in Wales to realise this and as a result the treatment of the assets in the accounts may change in the future.

The sources of finance for the assets acquired during the year are shown with the information on capital expenditure in the narrative report.

Infrastructure

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

Infrastructure assets are shown on the balance sheet at depreciated historical cost. Additions were made in year and in accordance with the Local Authorities (Capital Finance and Accounting)(Wales)(Amendment) Regulations 2022 the value of any replaced component of infrastructure assets has been treated as nil thus the value of the derecognition is nil.

	2022/23	2023/24
	£'000	£'000
Net Book Value at 1 April	168,610	176,746
Additions	14,411	10,852
Derecognition	0	0
Depreciation	(6,275)	(6,635)
Net Book Value at 31 March	176,746	180,963

Net Book Value - Property, Plant and Equipment Assets

	2022/23	2023/24
	£'000	£'000
Property, Plant and Equipment Assets		
Infrastructure	176,746	180,963
Other PPE Assets	396,266	417,931
Total Net at 31 March	573,012	598,894

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Capital Commitments

Significant commitments under capital contracts at 31 March 2024 were as follows:

	Sum	Payments	Balance
	£'000	to date	£'000
	£'000	£'000	£'000
All Weather Pitch – Plas Silyn	579	269	310
Ysgol Treferythyr, Criccieth	6,724	4,708	2,016
Hirael Flood Alleviation Scheme	4,448	4,164	284

NOTE 16 – INVESTMENT PROPERTIES

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	2022/23	2023/24
	£'000	£'000
Rental income from investment property	7	7
Net gain/(loss)	7	7

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property nor for its repair, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

	2022/23	2023/24
	£'000	£'000
Balance 1 April	165	165
Disposals	0	0
Net gains/(losses) from fair value adjustments	0	0
<u>Transfers:</u>		
(to)/from Property, Plant and Equipment	0	0
Balance 31 March	165	165

NOTE 17a – FINANCIAL INSTRUMENTS

(i) Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders
- Service Concession Arrangements (Private Finance Initiative (PFI)) contracts detailed in Note 41
- overdraft with Barclays Bank plc
- finance leases detailed in Note 35
- trade payables for goods and services received

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or another financial asset or a right to exchange financial assets and liabilities with another entity that is favourable to the Council. The financial assets held by the Council during the year are accounted for under the following three classifications:

Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows) comprising:

- cash
- bank and deposit accounts
- fixed term deposits with UK Government, banks and building societies
- loans to other local authorities
- loans to small companies
- trade receivables for goods and services delivered

Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category) comprising:

- pooled bond, equity and property funds held as strategic investments

Fair value through profit and loss (all other financial assets) comprising:

- money market funds

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(ii) Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long-Term		Short-Term	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£'000	£'000	£'000	£'000
<i>Loans at amortised cost:</i>				
Principal sum borrowed	99,595	94,006	2,451	5,589
Accrued interest	0	0	456	444
Total Borrowing	99,595	94,006	2,907	6,033
<i>Loans at amortised cost:</i>				
Bank overdraft	0	0	16,886	8,591
Total Cash Overdrawn	0	0	16,886	8,591
<i>Liabilities at amortised cost:</i>				
Finance leases	997	793	0	0
Total Other Long-Term Liabilities	997	793	0	0
<i>Liabilities at amortised cost:</i>				
Trade payables	0	0	27,876	48,118
Finance leases	0	0	192	204
Included in Creditors *	0	0	28,068	48,322
Total Financial Liabilities	100,592	94,799	47,861	62,946

* The short-term creditors line on the Balance Sheet includes £129,546,000 (2022/23: £106,969,000) creditors (Note 21) that do not meet the definition of a financial liability.

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

Financial Assets	Long-Term		Short-Term	
	31 March	31 March	31 March	31 March
	2023	2024	2023	2024
	£'000	£'000	£'000	£'000
<i>At amortised cost:</i>				
Principal	17	17	81,000	85,000
Accrued interest	0	0	208	984
Loss allowance	0	0	(12)	(2)
<i>At fair value through other comprehensive income:</i>				
Equity investments elected FVOCI	0	0	8,655	11,586
Total Investments	17	17	89,851	97,568
<i>At amortised cost:</i>				
Principal	0	0	2,035	921
Accrued interest	0	0	11	18
Loss allowance	0	0	(1)	0
<i>At fair value through profit and loss:</i>				
Fair value	0	0	60,835	43,000
Total Cash and Cash Equivalents	0	0	62,880	43,939
<i>At amortised cost:</i>				
Trade receivables	4,335	5,930	19,648	21,531
Included in Debtors *	4,335	5,930	19,648	21,531
Total Financial Assets	4,352	5,947	172,379	163,038

* The short-term debtors line on the Balance Sheet includes £99,670,000 (2022/23: £66,229,000) debtors (Note 18) that do not meet the definition of a financial asset.

Material Soft Loans

Local Authorities are allowed to make loans for policy reasons rather than as financial instruments and these loans may be interest-free or at rates below prevailing market rates. Where loans are advanced at below market rates, they are classed as “Soft Loans”.

The fair values of such a soft loan are less than the amount of the cash lent. The fair value of a loan at nil interest rate or below the prevailing market rate is estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. The sum by which the amount lent exceeds the fair value of the loan is charged to the Income and Expenditure Statement. The 2023/24 Code of Practice sets out specific accounting and disclosure requirements for soft loans. During 2023/24 Cyngor Gwynedd identified the following “soft loans”:

- Deferred Payments on charges due from people under care (amount outstanding at 31.03.24 £3,134,453, 31.03.23 £2,002,934)
- Car and Bike Loans to employees (amount outstanding at 31.03.24 £992,361, 31.03.23 £817,204)

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

Equity instruments elected to fair value through other comprehensive income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performances.

	Fair Value		Dividends	
	31 March	31 March	2022/23	2023/24
	2023	2024	2022/23	2023/24
	£'000	£'000	£'000	£'000
CCLA LAMIT Property Fund	4,326	4,157	188	215
Ninety One Diversified Income Fund	1,119	1,114	47	52
Schroder Income Maximiser Fund	2,109	3,144	159	195
Aegon Diversified Monthly Income Fund	1,101	1,161	64	78
Payden Absolute Return Bond Fund	0	2,010	0	68
TOTAL	8,655	11,586	458	608

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The table below shows those instruments that have been offset on the Balance Sheet. The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

	31 March 2023			31 March 2024		
	Gross assets (liabilities)	(Liabilities) assets set off	Net position on Balance Sheet	Gross assets (liabilities)	(Liabilities) assets set off	Net position on Balance Sheet
	£'000	£'000	£'000	£'000	£'000	£'000
Bank accounts in credit	131,644	(131,644)	0	55,542	(55,542)	0
Total Financial Assets	131,644	(131,644)	0	55,542	(55,542)	0
Bank overdraft	(148,530)	131,644	(16,886)	(64,133)	55,542	(8,591)
Total Financial Liabilities	(148,530)	131,644	(16,886)	(64,133)	55,542	(8,591)

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(iii) Financial Instruments - Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities		Financial Assets			
	Amortised Cost	Amortised Cost	Elected to Fair Value through OCI	Fair Value through Profit & Loss	2023/24	2022/23
	£'000	£'000	£'000	£'000	Total £'000	Total £'000
Interest expense	5,528	0	0	0	5,528	5,642
Interest payable and similar charges	5,528	0	0	0	5,528	5,642
Interest income	0	(2,210)	0	0	(2,210)	(832)
Dividend income	0	0	(608)	(1,013)	(1,621)	(1,009)
Interest and investment income	0	(2,210)	(608)	(1,013)	(3,831)	(1,841)
Loss allowance	0	234	0	0	234	332
Adjustments to provisions and the fair value of financial instruments	0	234	0	0	234	332
Net impact on surplus/deficit on provision of services	5,528	(1,976)	(608)	(1,013)	1,931	4,133
Gains on revaluation	0	0	(105)	0	(105)	0
Losses on revaluation	0	0	174	0	174	1,190
Impact on other comprehensive income	0	0	69	0	69	1,190
Net (gain)/loss for the year	5,528	(1,976)	(539)	(1,013)	2,000	5,323

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(iv) Financial Instruments - Fair Values

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arm's-length transaction. Where liabilities are held as an asset by another party, such as the council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of financial guarantees have been estimated based on the likelihood of the guarantees being called and the likely payments to be made.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

	Fair Value Level	Balance Sheet 31 March 2023 £'000	Fair Value 31 March 2023 £'000	Balance Sheet 31 March 2024 £'000	Fair Value 31 March 2024 £'000
<i>Financial liabilities held at amortised cost:</i>					
Loans from PWLB	2	(84,639)	(92,940)	(82,449)	(91,256)
Other loans	2	(17,863)	(16,117)	(17,590)	(16,048)
Lease payables	2	(1,189)	(1,230)	(997)	(1,038)
TOTAL		(103,691)	(110,287)	(101,036)	(108,342)
Liabilities for which fair value is not disclosed *		(44,762)		(56,709)	
TOTAL FINANCIAL LIABILITIES		(148,453)		(157,745)	
<i>Recorded on Balance Sheet as:</i>					
Short-term creditors		(27,876)		(48,118)	
Short-term borrowing		(2,907)		(6,033)	
Short-term cash overdrawn		(16,886)		(8,591)	
Short-term finance lease liability		(192)		(204)	
Long-term borrowing		(99,595)		(94,006)	
Long-term finance lease liability		(997)		(793)	
TOTAL FINANCIAL LIABILITIES		(148,453)		(157,745)	

* The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of loans from PWLB is higher than its Balance Sheet carrying amount because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date. The fair value of other loans is lower than its Balance Sheet carrying amount as the interest payable is lower than the current rates available for similar loans as at the Balance Sheet date.

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

	Fair Value Level	Balance Sheet 31 March 2023 £'000	Fair Value 31 March 2023 £'000	Balance Sheet 31 March 2024 £'000	Fair Value 31 March 2024 £'000
<i>Financial assets held at fair value:</i>					
Money market funds	1	60,835	60,835	43,000	43,000
Bond, equity and diversified funds	1	4,329	4,329	7,429	7,429
Property funds	2	4,326	4,326	4,157	4,157
<i>Financial assets held at amortised cost:</i>					
Treasury Stock	1	17	17	17	17
TOTAL		69,507	69,507	54,603	54,603
Assets for which fair values are not disclosed *		107,224		114,382	
TOTAL FINANCIAL ASSETS		176,731		168,985	
<i>Recorded on Balance Sheet as:</i>					
Long-term debtors		4,335		5,930	
Long-term investments		17		17	
Short-term debtors		19,648		21,531	
Short-term investments		89,851		97,568	
Cash and cash equivalents		62,880		43,939	
TOTAL FINANCIAL ASSETS		176,731		168,985	

* The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Welsh Government's Investment Guidance for local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices, is based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The main risks covered are:

- *Credit Risk*: The possibility that one party to a financial instrument will fail to meet its contractual obligations, causing a loss to the Council.
- *Liquidity Risk*: The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK Government, and other local authorities without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial organisations for investment.

During 2023/24 a limit of £5m of the total portfolio was placed on the amount that can be invested with a single counterparty (other than UK government). For local authorities, secured investments, money market funds, strategic pooled funds and real estate investment trusts, a limit of £10m per counterparty was applied. No more than £40m in total can be invested for a period longer than one year.

The Council does not hold collateral security against any investments.

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The table below summarises the credit risk exposures of the Council’s investment portfolio by credit rating:

Credit Rating	Short-Term	
	31 March	31 March
	2023	2024
	£'000	£'000
AAA (Money Market Funds)	60,835	43,000
AA+	0	0
AA	0	0
AA-	0	0
A+	10,000	910
A	19,005	5,000
A-	0	0
UK Government	34,000	0
Local authorities	20,000	80,000
Total (Principal)	143,840	128,910
Pooled funds *	8,655	11,586
Total Investments	152,495	140,496

* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments and cash and cash equivalents have been calculated by reference to historic default data published by credit rating agencies, multiplied by 86% (2022/23: 112%) to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a “D” credit rating or equivalent. At 31 March 2024, £2,008 (£13,845 at 31 March 2023) of loss allowances related to treasury investments.

In addition to treasury investments already made, the Council is exposed to the risk of loss on an undrawn housing association revolving credit facility of £5m (credit rating A). At 31 March 2024, the loss allowance was £1,159.

Credit Risk: Trade Receivables

The age profile of the trade balance in our debtor system at 31 March can be analysed as follows:-

31 March		31 March	
2023		2024	
£'000		£'000	
9,123	Less than a year	8,879	
2,424	Over a year	2,743	
11,547		11,622	

Historical experience of default and current and forecast economic conditions are considered in calculating our impairment loss allowance.

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Credit Risk: Loans, Financial Guarantees and Loan Commitments

The Council manages the credit risk inherent in its loans for service purposes, financial guarantees and loan commitments in line with its published Investment Strategy.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is, however, exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourable interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 25% of the Council's borrowing matures in any one financial year.

The Council holds £43.9m (2022/23: £62.8m) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

The maturity analysis of the financial liabilities is as follows, as shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payment figures):

Time to maturity (years)	Discounted (principal plus accrued interest)	Undiscounted (principal plus future interest)	Discounted (principal plus accrued interest)	Undiscounted (principal plus future interest)
	31 March 2023 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2024 £'000
Less than 1 year	2,949	7,947	6,048	10,877
Over 1 but not over 2	1,167	6,455	4,018	8,995
Over 2 but not over 5	14,128	28,473	5,836	19,728
Over 5 but not over 10	6,125	28,155	25,136	46,496
Over 10 but not over 20	34,595	65,376	15,464	45,002
Over 20 but not over 40	27,352	68,216	27,352	66,289
Over 40	16,200	26,797	16,200	26,113
Total	102,516	231,419	100,054	223,500

Market Risk: Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense will rise.
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- Investments at variable rates – the interest income credited will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

NOTE 17b – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of the 12 month-revenue impact of a 1% fall and rise in interest rates.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31 March 2023 £'000	31 March 2024 £'000
Increase in interest receivable on variable rate investments	(631)	(444)
Decrease in fair value of investments held at FVPL	57	57
Impact on Surplus or Deficit on the Provision of Services	(574)	(387)
Decrease in fair value of investments held at FVOCI	39	52
Impact on Other Comprehensive Income and Expenditure	39	52
Decrease in fair value of loans and investments at amortised cost *	126	123
Decrease in fair value of fixed rate borrowing *	(11,307)	(10,999)

* No impact on the Surplus or Deficit on the Provision of Services, or Other Comprehensive Income and Expenditure.

Market Risk: Price Risk

The market prices of the Council's fixed rate bond investments and its units in collective investment schemes are governed by prevailing interest rates, and the market risk associated with these instruments is managed alongside interest rate risk as described above.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to pooled investments of £50m. A 5% fall in commercial property prices at 31 March 2024 would result in a £0.18m (£0.21m at 31 March 2024) charge to Other Comprehensive Income and Expenditure.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. This risk is limited by the Council's maximum exposure to pooled investments of £50m. A 5% fall in share prices at 31 March 2024 would result in a £0.19m (£0.13m at 31 March 2023) charge to Other Comprehensive Income and Expenditure.

Market Risk: Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

NOTE 18a – SHORT-TERM DEBTORS

31 March 2023		31 March 2024
£'000		£'000
17,925	Trade receivables	19,667
2,993	Prepayments	5,235
64,960	Other receivable amounts	96,299
85,878	Total	121,201

The above debtors' figures are net of impairment losses.

NOTE 18b - COUNCIL TAX DEBTORS

The past due date but not impaired amount for Council Tax can be analysed by age as follows:

31 March 2023		31 March 2024
£'000		£'000
4,320	Less than one year	4,826
2,151	More than one year	3,809
6,471	Total	8,635

The analysis above only shows those balances where assessment has indicated that, by exception, no impairment is required.

NOTE 19 – CASH AND CASH EQUIVALENTS

	31 March 2023	31 March 2024
	£'000	£'000
Cash in Hand	12	7
Bank Current Accounts	18	4
Call Accounts	62,850	43,928
Cash and Cash Equivalents	62,880	43,939
Bank Overdraft	(16,886)	(8,591)
Total	45,994	35,348

In order to maximise the returns from short-term investments and cash deposits, the Council invests any surplus funds in its bank accounts along with any surplus funds from the North Wales Economic Ambition Board (NWEAB), GwE Joint Committee and the Gwynedd Pension Fund. As the short-term investments and cash deposits are made in the name of Cyngor Gwynedd, they are shown in full on the Balance Sheet with a corresponding creditor at 31 March 2024 of £58.9m to the NWEAB (£57m at 31 March 2023), £2.1m to the GwE Joint Committee (£2.6m at 31 March 2023) and £31.2m to the Gwynedd Pension Fund (£18.3m at 31 March 2023).

NOTE 20 – ASSETS HELD FOR SALE

	2022/23	2023/24
	£'000	£'000
Balance 1 April	0	47
<u>Assets newly classified as held for sale:</u>		
Property, Plant and Equipment	47	0
Expenditure in year	0	0
Revaluation Losses	0	0
Impairment Losses	0	0
<u>Assets declassified as held for sale:</u>		
Property, Plant and Equipment	0	0
Assets sold	0	(47)
Balance 31 March	47	0

NOTE 21 – SHORT-TERM CREDITORS

	31 March 2023	31 March 2024
	£'000	£'000
Trade payables	27,876	48,322
Other payables	106,969	129,546
Total	134,845	177,868

NOTE 22 – PROVISIONS

The Council sets aside provisions for specific obligations, the amount or timing of which cannot be determined accurately. It is not permitted, under accounting conventions, to make provisions for uneven patterns of expenditure. However, earmarked reserves may be established and these are disclosed in Note 10.

The details below are analysed into short-term provisions (within 12 months) and long-term provisions (over 12 months). However, the provision level on all related items is reviewed periodically.

	Balance at 31 March 2023 £'000	(Addition) / Reduction / Transfer £'000	Used during the year £'000	Balance at 31 March 2024 £'000
<u>Short-term Provisions</u>				
Waste Sites Provision	(362)	(283)	300	(345)
Loan Commitments	0	(1)	0	(1)
	(362)	(284)	300	(346)
<u>Long-term Provisions</u>				
Waste Sites Provision	(7,928)	293	0	(7,635)
Insurance Claims Provision	(872)	144	0	(728)
Salary Provision	(311)	(29)	0	(340)
	(9,111)	408	0	(8,703)
Total	(9,473)	124	300	(9,049)

Waste Sites Provision – relates to the capping and aftercare requirements of all of the Council's waste disposal sites.

Insurance Claims Provision – to meet potential insurance claims settlements.

Salary Provision – in accordance with the relevant requirements.

Loan Commitments – recognising the loss allowance of an undrawn revolving credit facility.

NOTE 23 – UNUSABLE RESERVES

31 March 2023		31 March 2024
£'000		£'000
167,073	Revaluation Reserve	177,504
235,399	Capital Adjustment Account	248,102
(1,345)	Financial Instruments Revaluation Reserve	(1,414)
(558)	Financial Instruments Adjustment Account	(625)
4,482	Pensions Reserve	0
(5,752)	Accumulated Absences Account	(9,267)
399,299	Total Unusable Reserves	414,300

23.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2022/23		2023/24
£'000		£'000
141,054	Balance 1 April	167,073
33,015	Upward revaluation of assets	25,641
(4,321)	Downward revaluation of assets and impairment losses	(11,989)
28,694	Surplus/(deficit) on revaluation of assets	13,652
(2,509)	Difference between fair value depreciation and historical cost depreciation	(3,146)
(166)	Accumulated gains on assets sold	(75)
(2,675)	Amount written off to the Capital Adjustment Account	(3,221)
167,073	Balance 31 March	177,504

23.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation; impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

NOTE 23 – UNUSABLE RESERVES (continued)

Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2022/23		2023/24
£'000		£'000
223,932	Balance 1 April	235,399
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>	
(21,953)	Charges for depreciation and impairment of non-current assets	(24,878)
(6,001)	Revenue Expenditure funded from Capital under Statute	(19,923)
0	Adjustment to non-current balance on the sale of assets	(201)
2,509	Transfer from Capital Revaluation Reserve	3,146
	<u>Capital financing applied in the year:</u>	
695	Capital Receipts	250
20,449	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	37,729
5,352	Revenue provision for the financing of supported capital investment	2,755
8,251	Capital expenditure charged in year against the General Fund	11,329
2,165	Capital receipts set aside / Revenue provision for the financing of unsupported capital investment	2,496
235,399	Balance 31 March	248,102

23.3 Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Disposed of and the gains are realised.

2022/23		2023/24
£'000		£'000
(155)	Balance 1 April	(1,345)
(1,190)	Fair Value Adjustment	(69)
0	Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	0
(1,345)	Balance 31 March	(1,414)

23.4 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account at the end of the financial year represents the amount that should have been charged to the Comprehensive Income and Expenditure Statement in accordance with proper accounting practices under the Code of Practice, but which Statutory Provisions allow or require them to be deferred over future years.

There is a requirement for all premiums and discounts arising from loan extinguishments to be charged to Income and Expenditure in full. Where transactions meet the definition of a modification any premiums or discounts are added to the carrying value of the loan and are then amortised to the Comprehensive Income and Expenditure Statement over the life of the new loan. A modification exists where the terms of the new debt are not “substantially different” from those of the old debt.

NOTE 23 – UNUSABLE RESERVES (continued)

Premiums amortised under statutory provisions can be charged to the General Fund over either the remaining life of the original loan or the life of the replacement loan, whichever is the greater period. Discounts must be credited to the General Fund over 10 years or the life of the original loan, whichever is the shorter period.

The transactions reflected in the Financial Instruments Adjustment Account are as follows:

2022/23		2023/24
£'000		£'000
(529)	Balance 1 April	(558)
60	Proportion of premiums incurred in previous years charged to General Fund in accordance with statute	61
(89)	Deferred credit for receipt of charges due from people under care	(128)
(558)	Balance 31 March	(625)

23.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible, with funding requirements set aside by the time the benefits are to be paid.

2022/23			2023/24		
Gwynedd	NWEAB*	Total	Gwynedd	NWEAB*	Total
£000	£000	£000	£000	£000	£000
(242,047)	(118)	(242,165)	4,482	0	4,482
		Balance 1 April			
284,906	44	284,950	(6,238)	(5)	(6,243)
					Re-measurements of the net pension defined benefit (liabilities) / assets
(64,682)	50	(64,632)	(25,610)	(18)	(25,628)
					Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement
26,305	24	26,329	27,366	23	27,389
					Employer's pensions contributions and direct payments to pensioners payable in the year
4,482	0	4,482	0	0	0
		Balance 31 March			

* Cyngor Gwynedd's 12.5% share of the NWEAB's pension reserve is included in the accounts.

NOTE 23 – UNUSABLE RESERVES (continued)

23.6 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2022/23		2023/24
£'000		£'000
(4,805)	Balance 1 April	(5,752)
(947)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3,515)
(5,752)	Balance 31 March	(9,267)*

* £4k applies to Gwynedd's share of the NWEAB (£4k in 2022/23).

NOTE 24a – CASH FLOW STATEMENT: ADJUSTMENTS TO NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH MOVEMENTS

2022/23		2023/24
£'000		£'000
(18,150)	Depreciation	(19,570)
(3,803)	Impairment and downward valuations	(5,308)
(50,793)	(Increase)/Decrease in Creditors	(42,370)
(20,951)	Increase/(Decrease) in Debtors	36,099
(607)	Increase/(Decrease) in Stock	(97)
(38,303)	Pension Liability	1,760
(166)	Carrying amount of non-current assets sold or de-recognised	(276)
(747)	Other non-cash items charged to net surplus/deficit on the provision of services	(3,054)
(133,520)		(32,816)

NOTE 24b – CASH FLOW STATEMENT – ADJUST FOR ITEMS INCLUDED IN THE NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICES THAT ARE INVESTING AND FINANCING ACTIVITIES

2022/23		2023/24
£'000		£'000
(12)	Purchase of short-term and long-term investments	12
290	Proceeds from sale of property, plant, equipment, investment property and intangible assets	273
278		285

NOTE 24c – CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2022/23		2023/24
£'000		£'000
(2,393)	Dividends and Interest received	(5,673)
5,667	Interest paid	5,539

NOTE 25 – CASH FLOW STATEMENT – INVESTING ACTIVITIES

2022/23		2023/24
£'000		£'000
31,730	Purchase of property, plant and equipment, investment property and intangible assets	35,860
521,046	Purchase of short-term and long-term investments	825,325
324	Other payments/receipts for investing activities	1,595
(368)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(319)
(510,044)	Proceeds from short-term and long-term investments	(818,325)
42,688	Net cash flows from investing activities	44,136

NOTE 26a – CASH FLOW STATEMENT – FINANCING ACTIVITIES

2022/23		2023/24
£'000		£'000
181	Cash payments for the reduction of the outstanding liability relating to a finance lease	192
1,360	Repayments of short-term and long-term borrowing	1,173
1,541	Net cash flows from financing activities	1,365

NOTE 26b – CASH FLOW STATEMENT – RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 March 2023	Financing cash flows	Non-cash changes	31 March 2024
	£'000	£'000	£'000	£'000
Long-term borrowings	(99,595)	5,589	0	(94,006)
Short-term borrowings	(2,907)	(4,416)	1,290	(6,033)
On balance sheet PFI liabilities	(1,189)	192	0	(997)
Total liabilities from financing activities	(103,691)	1,365	1,290	(101,036)

NOTE 27 – EXPENDITURE AND INCOME ANALYSED BY NATURE

The Council's expenditure and income is analysed as follows:

2022/23		2023/24
£'000	<u>Expenditure / Income</u>	£'000
	Expenditure	
250,752	Employee benefits expenses	236,255
218,529	Other Services expenses	252,076
609	Support Services recharges	560
27,955	Depreciation, amortisation and impairment	44,805
12,928	Interest Payments	5,774
27,931	Precepts and Levies	30,830
0	Loss on the disposal of assets	4
538,704	Total Expenditure	570,304
	Income	
(63,185)	Fees, charges and other service income	(71,247)
(1,841)	Interest and investment income	(4,074)
(150,229)	Income from council tax and non-domestic rates	(151,320)
(283,939)	Government grants and contributions	(345,987)
(123)	(Gain) on the disposal of assets	0
(499,317)	Total Income	(572,628)
39,387	(Surplus) / Deficit on the Provision of Services	(2,324)

NOTE 28 – AGENCY SERVICES

Cyngor Gwynedd acts as an agent for various schemes on behalf of the Welsh Government:

- Houses into Homes – closing balance £195k (£258k in 2022/23).
- Houses into Homes2 – closing balance £465k (£465k in 2022/23).
- Home Improvement Loans – closing balance £615k (£615k in 2022/23).
- Supporting Town Centre Regeneration in Caernarfon – closing balance £615k (£591k in 2022/23).
- Caernarfon and Bangor Town Centre Scheme – closing balance £633k (£619k in 2022/23).
- Bangor and Bethesda Town Centre Scheme – closing balance £500k (£500k in 2022/23).
- Transforming Towns Scheme – closing balance -£187k (£77k in 2022/23).
- Gwynedd Town Regeneration Fund – closing balance £348k (£371k in 2022/23).

The Council administers one main education grant on behalf of the Welsh Government. The work involves receiving and distributing the grant to the North Wales Local Authorities and GwE. The grant total received for 2023/24 is as follows:

- Regional Consortia School Improvement Grant - £35.3m (£37.2m in 2022/23).

The Council also administers the North and Mid Wales Trunk Road Agency on behalf of the Welsh Government. The principal area of work is managing and maintaining the trunk road network in the North and Mid Wales Councils' Partnership region that extends to 1,080 kilometres. The income transactions recovered during 2023/24 were £92.9m (£71.3m in 2022/23).

NOTE 28 – AGENCY SERVICES (continued)

In recent years Cyngor Gwynedd have acted as an agent on behalf of Welsh Government for a number of grants and areas of financial support, during 2023/24 the Council has administered the following:

- National Non-Domestic Rates Relief Grant – payments of £4.8m made by the Council (£5.5m in 2022/23); (£1.6m) due to Welsh Government.
- Energy Bills Support Scheme Alternative Funding – payments of £114k made by the Council (nil in 2022/23).
- Alternative Fuel Payment – payments of £96k made by the Council (nil in 2022/23).

During 2023/24 Cyngor Gwynedd have acted as an agent on behalf of Welsh Government, to distribute payments related to hosting Ukraine refugees including:

- Ukraine Refugee Host Payments – payments of £287k made by the Council (£216k in 2022/23).
- Ukraine Cash Payments – payments of £8k made by the Council (£65k in 2022/23).

NOTE 29 – MEMBERS' ALLOWANCES

The Council paid the following allowances and expenses to members of the Council during the year:

2022/23		2023/24
£'000		£'000
1,414	Allowances	1,507
19	Expenses	23
1,433		1,530

NOTE 30 – OFFICERS’ REMUNERATION

30a. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Council to disclose the following information relating to employees appointed as Senior Officers, and whose salary is between £60,000 and £150,000. In compliance with the defined requirements, the pensionable pay, employer’s pension contributions and other employer costs are included below (including termination benefits), but the employer’s national insurance contributions are excluded.

2022/23			Chief Officers			2023/24		
Salary	Employer’s Pension Contributions	Total		Salary	Employer’s Pension Contributions	Total		
£	£	£		£	£	£		£
115,348	23,531	138,879	Chief Executive	121,595	23,033	144,628		
64,893	13,238	78,132	Corporate Director	103,347	19,843	123,190		
48,670	9,929	58,599	Corporate Director	103,347	19,843	123,190		
103,064	21,025	124,089	Head of Education ¹	78,879	9,476	88,356		
0	0	0	Head of Education ²	22,383	4,298	26,681		
80,252	16,371	96,624	Head of Finance	85,819	16,477	102,296		
79,965	16,290	96,255	Head of Highways, Engineering and YGC	88,627	16,995	105,622		
81,253	16,576	97,829	Head of Adults, Health and Wellbeing	88,072	16,910	104,982		
81,253	16,576	97,829	Head of Economy and Community	88,072	16,910	104,982		
81,253	15,611	96,864	Head of Children and Family Support	88,072	16,078	104,150		
81,253	16,576	97,829	Head of Environment	88,072	16,910	104,982		
29,329	5,983	35,312	Head of Corporate Support	81,709	15,688	97,397		
76,116	15,505	91,621	Head of Housing and Property	83,968	16,122	100,090		
73,101	14,913	88,014	Head of Legal Service	79,443	14,527	93,970		

1. Holder in role until 29 September 2023.

2. Holder in role since 1 January 2024.

NOTE 30 – OFFICERS’ REMUNERATION (continued)

30b. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Council to include a ratio of remuneration. The ratio of the Chief Executive’s remuneration to the median remuneration of all the Council’s employees for 2023/24 is 5.09:1 (5.25:1 in 2022/23).

30c. Other Council employees receiving more than £60,000 remuneration for the year (excluding employer’s pension and national insurance contributions) were paid the following amounts but which include termination benefits paid in five cases in 2023/24 (no cases in 2022/23). Four of these posts would not appear below except for the termination benefits paid in the individual year.

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:						
Number in 2022/23				Number in 2023/24		
Schools	Other	Total		Schools	Other	Total
44	14	58	£60,000 - 64,999	60	19	79
18	14	32	£65,000 - 69,999	30	22	52
14	1	15	£70,000 - 74,999	13	4	17
5	2	7	£75,000 - 79,999	11	2	13
3	1	4	£80,000 - 84,999	6	2	8
1	1	2	£85,000 - 89,999	2	0	2
1	0	1	£90,000 - 94,999	2	0	2
0	0	0	£95,000 - 99,999	2	0	2
1	0	1	£100,000 - 104,999	1	0	1
0	0	0	£105,000 - 109,999	1	0	1
0	0	0	£110,000 - 114,999	0	0	0
1	0	1	£115,000 – 119,999	1	0	1

A voluntary aided school employee is included in the £60,000 - £64,999 band above.

NOTE 31 – EXTERNAL AUDIT COSTS

The Council has incurred the following costs relating to external audit:

2022/23		2023/24
£'000		£'000
216	Fees payable to auditors appointed by the Auditor General for Wales with regard to external audit services	230
103	Fees payable to auditors appointed by the Auditor General for Wales in respect of statutory inspections	107
41	Fees payable to auditors appointed by the Auditor General for Wales for the certification of grant claims and returns for the year	45
360		382
(1)	Less: Fees payable to auditors appointed by the Auditor General for Wales in respect of Joint Committees and Harbour Accounts	(1)
0	Previous years’ adjustment for audit fees	(1)
359	Cyngor Gwynedd Net Fees	380

NOTE 32 – GRANT INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	Note	2022/23 £'000	2023/24 £'000
Credited to Taxation and Non-specific Grant Income			
Revenue Support Grant (Non-ring-fenced Government Grants)	13	167,695	188,864
Government Capital Grants and Contributions -			
21st Century Schools		5,549	6,991
General Capital Grant		2,807	4,172
Local Transport Fund		2,920	2,888
Other		3,317	4,178
	13	14,593	18,229
Other Capital Grants and Contributions	13	1,483	2,400
Total		183,771	209,493
Grants and Contributions Credited to Services			
Welsh Government -			
Improvement and Deprivation Grants (Education)		8,036	7,245
Childcare Offer Grant		7,612	2,858
Local Authority Education Grants		6,727	8,327
Housing Support Grant		6,428	7,148
Children and Communities Grant		4,764	4,771
Post 16 Grant (Education)		4,439	4,449
ARFOR Programme Grant *		10	3,656
Capital Grants		2,736	2,317
Social Care Workforce and Sustainability Pressures Grant		1,732	1,722
Local Transport Fund Grant *		461	1,263
Concessionary Fares Grant		1,108	1,213
Sustainable Waste Management Grant		1,002	999
Covid-19 Hardship Fund		1,274	0
Other *		8,035	7,808
		54,364	53,776
Other Government Grants and Contributions -			
Department for Work and Pensions		22,241	22,285
Levelling Up Funds *		2,094	39,320
Other *		22,952	23,512
		47,287	85,117
Other Grants and Contributions		6,400	6,570
Total		108,051	145,463

* 2022/23 figures have been re-categorised to ensure comparison with 2023/24.

NOTE 32 – GRANT INCOME (continued)

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that could require the monies or property to be returned to the giver. The balances at the year-end are as follows:

	31 March 2023 £'000	31 March 2024 £'000
Grants Received in Advance		
<u>Long-term</u>		
Capital Grants and Contributions		
Highways and Municipal Capital Contributions	644	498
Environment (Planning, Transport and Public Protection) Grants	778	807
North Wales Growth Deal	5,401	3,625
	6,823	4,930
Total Long-term	6,823	4,930
<u>Short-term</u>		
Revenue Grants and Contributions		
Economy and Community Grants	9,737	20,233
Environment (Planning, Transport and Public Protection) Grants	1	0
Adults, Health and Well-being Grants	557	0
Housing Grants	341	1,405
Education Grants	1	2
Children and Supporting Families Grants	126	150
Other Grants	0	306
	10,763	22,096
Capital Grants and Contributions		
North Wales Growth Deal	1,425	2,990
Other	5,706	351
	7,131	3,341
Total Short-term	17,894	25,437
Total	24,717	30,367

NOTE 33 – RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council. To conform to the requirements, this is done by Members and Senior Officers completing a personal declaration, as defined in the CIPFA Code of Practice.

Welsh and Central Government

Welsh Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework; it provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from the Welsh Government and other Government departments are set out in the subjective analysis in Note 27 which analyses expenditure and income by nature. The position as at 31 March is detailed in Note 32.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2023/24 is shown in Note 29.

The Council appoints members to some external charitable or voluntary bodies or the members have disclosed a link to organisations, public bodies and authorities. A breakdown of the payments made to these bodies under this heading during 2023/24 and balances at 31 March 2024 is as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
37,198	4,868	(17,556)	(6,558)

Members have declared an interest or relationship (as defined) in companies or businesses which may have dealings with the Council. A breakdown of the payments made to these companies under this heading during 2023/24 and balances at 31 March 2024 is as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
3,002	154	(740)	(505)

Officers

Senior Officers (as defined) have declared as required and where appropriate an interest or relationship (as defined) in companies, voluntary, charitable, or public bodies which receive payments from the Council. A breakdown of the payments made to these bodies under this heading during 2023/24 and balances at 31 March 2024 is as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
19,661	981	(8,496)	(3,086)

Other Public Bodies

The Council is the administering authority for the Pension Fund. Details of transactions with the Pension Fund are shown in Note 38.

The Council has a pooled budget arrangement with all local authorities in North Wales and Betsi Cadwaladr University Health Board, hosted by Denbighshire County Council for the function of care home accommodation for older people. The relevant transactions and balances are detailed in Note 42 of the accounts.

NOTE 33 – RELATED PARTIES (continued)

North Wales Corporate Joint Committee

The North Wales Corporate Joint Committee (CJC) was formally constituted on 14 January 2022, and this was a result of the Local Government and Elections (Wales) Act 2021 creating a framework to have a consistent mechanism for regional collaboration between local government. The North Wales CJC's duties are strategic development planning, regional transport planning and may also include economic well-being. The CJC comprises six constituent councils: Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Cyngor Gwynedd, Isle of Anglesey County Council and Wrexham County Borough Council. Snowdonia National Park Authority is also a member of the CJC in relation to the exercise of strategic planning functions. Payments to the CJC during 2023/24 and the balances at 31 March 2024 are as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
126	13	(42)	(42)

Welsh Joint Education Committee (WJEC)

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
0	0	0	0

Subsidiary

Byw'n lach Ltd was established on 27 June 2018 to provide a leisure service for the residents of Gwynedd. The company is limited by guarantee and the Council's liability is limited to £1, with Cyngor Gwynedd being the sole proprietor. Management responsibilities were transferred to the Leisure Company on 1 April 2019 with a service contract in place which sets out the actual services and outcomes that the company is required to deliver for its fee. The Board of Directors is made up of 7 elected members of Cyngor Gwynedd. The payments to Byw'n lach Ltd for Leisure Services during 2023/24 and the balances at 31 March 2024 are as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
1,960	0	(513)	(92)

NOTE 34 – CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

31 March		31 March
2023		2024
£'000		£'000
573,284	Non-current Assets and Assets Held for Sale	599,119
(167,073)	Revaluation Reserve	(177,504)
(235,399)	Capital Adjustment Account	(248,102)
170,812	Capital Financing Requirement	173,513

The movement in the year is explained as follows:

2022/23		2023/24
£'000		£'000
169,339	Capital Financing Requirement 1 April	170,812
11,840	Land and Buildings	16,675
14,411	Infrastructure	10,852
6,107	Vehicles, Plant and Equipment	5,052
26	Surplus Assets	2
0	Assets under construction	4,756
6,001	Funded from capital under statute	19,923
(695)	Capital Receipts used	(250)
(20,449)	Government Grants and other contributions	(37,729)
(8,251)	Capital expenditure charged to revenue	(11,329)
(5,352)	Revenue provision for the financing of supported capital investment	(2,755)
	Additional voluntary sums set aside:	
(2,165)	Capital receipts set aside / Revenue provision for the financing of unsupported capital investment	(2,496)
170,812	Capital Financing Requirement 31 March	173,513

NOTE 35 – LEASES

Council as Lessee

Finance Leases

The Council has property under finance leases which are carried as Property, Plant and Equipment in the Balance Sheet. Included here is the GwyriAD Service Concession Arrangement (Note 41) at the following net amount:

31 March		31 March
2023		2024
£'000		£'000
2,245	Property, Plant and Equipment	2,190
2,245		2,190

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31 March		31 March
2023		2024
£'000		£'000
Finance Lease Liabilities		
(net present value of minimum lease payments):		
192	Current	204
997	Non-current	793
1,189	Minimum lease payments	997

The remaining asset shown above has been funded by a deferred credit (refer to Note 41).

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March	31 March	31 March	31 March
	2023	2024	2023	2024
	£'000	£'000	£'000	£'000
No later than one year	192	204	192	204
Later than one year and not later than five years	893	793	893	793
More than five years	104	0	104	0
	1,189	997	1,189	997

In 2023/24, minimum lease payments were made by the Council of £191,794 (£180,656 in 2022/23) in respect of those assets held as a finance lease.

NOTE 35 – LEASES (continued)

Operating Leases

	31 March	31 March
	2023	2024
	£'000	£'000
No later than one year	297	441
Later than one year and not later than five years	143	445
Later than five years	133	295
	573	1,181

The expenditure charged to the services within the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2022/23	2023/24
	£'000	£'000
Minimum lease payments	573	583
	573	583

Council as Lessor

Finance Leases

The Council has leased out property on a finance lease, including:

- The Sailing Academy in Pwllheli,
- Rhyd Ddu Outdoor Centre.

These leases are on a peppercorn rent basis and for a term that equates to the economic life of the assets. No premium has been received for these leases.

Operating Leases

The Council leases out property under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres,
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March	31 March
	2023	2024
	£'000	£'000
No later than one year	367	555
Later than one year and not later than five years	657	1,002
Later than five years	4,041	4,818
	5,065	6,375

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 £1,033,783 minimum lease payments were received by the Council (£955,502 in 2022/23).

NOTE 36 – EXIT PACKAGES

The number of exit packages with total cost per band, and total cost of the compulsory and other redundancies are set out in the table below. The cost in the table below reflects the related package cost to the employer, rather than the actual value of the payments to the individuals. In accordance with the requirements the related commitments as known to the Council as at 31 March 2024 are included. Included below are the related gross costs but not the financial savings to the Council, where appropriate.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £'000	2023/24 £'000
£								
0 - 20,000	5	17	3	7	8	24	44	161
20,001 - 40,000	0	1	2	8	2	9	61	283
40,001 - 60,000	0	0	0	2	0	2	0	99
60,001 - 80,000	1	1	0	0	1	1	74	66
80,001 - 100,000	0	0	1	0	1	0	85	0
100,001 - 150,000	1	0	0	2	1	2	117	240
Adjustment to previous year's estimate							(21)	0
Total	7	19	6	19	13	38	360	849

NOTE 37 – PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the Government's Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Financial Statement, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24 the Council paid £12.42m (£11.73m in 2022/23) in respect of teachers' pension costs, which represented 23.84% (22.92% in 2022/23) of teachers' pensionable pay. In addition the Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms for the teachers' scheme. In 2023/24 these amounted to £1.13m (£0.93m in 2022/23) representing 2.17% (1.81% in 2022/23) of teachers' pensionable pay. These costs are accounted for on a defined benefits basis and are included in Note 38.

NOTE 38 – PENSION COSTS

As part of the terms and conditions of employment of its officers and other employees, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments. These need to be disclosed at the time that employees earn their future entitlement.

Cyngor Gwynedd participates in two post-employment benefit schemes:

- a) **The Local Government Pension Scheme** administered locally by Cyngor Gwynedd. This is a funded defined benefit scheme based on final salary for service up to 31 March 2014, and based on a career average salary from 1 April 2014. The Council and the employees pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Cyngor Gwynedd's proportion of the total contributions to the Gwynedd Pension Fund in 2023/24 was 36% (36% in 2022/23).
- b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Gwynedd Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Cyngor Gwynedd. Policy is determined in accordance with the Local Government Pensions Scheme Regulations.

The principal risks to the Council from the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the amounts required by statute as described in the accounting policies note to the General Fund.

Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge it is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

NOTE 38 – PENSION COSTS (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability				
Period ended 31 March 2024	Assets	Liabilities	Impact of Asset Ceiling Adjustment	Net (Liability) / Asset
	£'000	£'000	£'000	£'000
Fair value of plan assets	976,244	0	0	976,244
Present value of funded liabilities	0	(822,438)	0	(822,438)
Present value of unfunded liabilities	0	(18,052)	0	(18,052)
Effect of the asset ceiling	0	0	(131,272)	(131,272)
Opening Position at 1 April	976,244	(840,490)	(131,272)	4,482
Service cost -				
Current service cost ¹	0	(25,614)	0	(25,614)
Past service costs (including curtailments)	0	(228)	0	(228)
Total Service Cost	0	(25,842)	0	(25,842)
Net interest -				
Interest income on plan assets	46,494	0	0	46,494
Interest cost on defined benefit obligation	0	(40,028)	0	(40,028)
Interest on the effect of the asset ceiling	0	0	(6,235)	(6,235)
Total Net Interest	46,494	(40,028)	(6,235)	231
Total Defined Benefit Cost Recognised in Profit / (Loss)	46,494	(65,870)	(6,235)	(25,611)
Cash flows -				
Participants' contributions	8,157	(8,157)	0	0
Employer contributions	24,969	0	0	24,969
Benefits paid	(27,918)	27,918	0	0
Unfunded benefits paid	(1,637)	1,637	0	0
Contributions in respect of unfunded benefits paid	1,637	0	0	1,637
Expected Closing Position	1,027,946	(884,962)	(137,507)	5,477
Remeasurements -				
Changes in financial assumptions	0	54,434	0	54,434
Changes in demographic assumptions	0	5,037	0	5,037
Other experience ²	0	(25,314)	0	(25,314)
Return on assets excluding amounts included in net interest	59,068	0	0	59,068
Changes in effect of the asset ceiling	0	0	137,507	137,507
Total remeasurements recognised in Other Comprehensive Income (OCI)	59,068	34,157	137,507	230,732
Fair value of plan assets	1,087,014	0	0	1,087,014
Present value of funded liabilities	0	(833,557)	0	(833,557)
Present value of unfunded liabilities ³	0	(17,248)	0	(17,248)
Closing Position at 31 March ⁴	1,087,014	(850,805)	0	236,209

¹ The current service cost includes an allowance for administration expenses of 0.6% of payroll.

² The other experience on obligations includes an allowance of £25,029,000 for the April 2024 pension increase order impact.

³ The unfunded obligations comprise of £6,401,000 in respect of LGPS unfunded pensions and £10,847,000 in respect of Teachers' unfunded pensions.

⁴ This is inclusive of the liability relating to both Byw'n lach and the North and Mid Wales Trunk Road Agency (NMWTRA) employees who are under the responsibility of the council.

NOTE 38 – PENSION COSTS (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability			
Period ended 31 March 2023	Assets	Liabilities	Net (Liability) / Asset
	£'000	£'000	£'000
Fair value of plan assets	985,907	0	985,907
Present value of funded liabilities	0	(1,206,012)	(1,206,012)
Present value of unfunded liabilities	0	(21,942)	(21,942)
Opening Position at 1 April	985,907	(1,227,954)	(242,047)
Service cost -			
Current service cost ¹	0	(57,340)	(57,340)
Past service costs (including curtailments)	0	(390)	(390)
Total Service Cost	0	(57,730)	(57,730)
Net interest -			
Interest income on plan assets	26,726	0	26,726
Interest cost on defined benefit obligation	0	(33,678)	(33,678)
Total Net Interest	26,726	(33,678)	(6,952)
Total Defined Benefit Cost Recognised in Profit / (Loss)	26,726	(91,408)	(64,682)
Cash flows -			
Participants' contributions	7,470	(7,470)	0
Employer contributions	24,700	0	24,700
Contributions in respect of unfunded benefits	0	0	0
Benefits paid	(22,872)	22,872	0
Unfunded benefits paid	(1,571)	1,571	0
Contributions in respect of unfunded benefits paid	1,571	0	1,571
Expected Closing Position	1,021,931	(1,302,389)	(280,458)
Remeasurements -			
Changes in demographic assumptions	0	36,220	36,220
Changes in financial assumptions	0	502,848	502,848
Other experience ²	(10,033)	(77,169)	(87,202)
Return on assets excluding amounts included in net interest	(35,654)	0	(35,654)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(45,687)	461,899	416,212
Fair value of plan assets	976,244	0	976,244
Present value of funded liabilities	0	(822,438)	(822,438)
Present value of unfunded liabilities ³	0	(18,052)	(18,052)
Closing Position at 31 March ⁴	976,244	(840,490)	135,754

¹ The current service cost includes an allowance for administration expenses of 0.5% of payroll.

² The other experience on obligations includes an allowance for the pension increase order applied to the funded obligations at April 2023 being different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period. Within this other experience item, the funded obligations have increased by £64,541,000 as a result of the pension increase order being different to the previous assumption.

³ This liability comprises approximately £6,757,000 in respect of LGPS unfunded pensions and £11,295,000 in respect of Teachers' unfunded pensions.

⁴ This is inclusive of the liability relating to both Byw'n Iach and the North and Mid Wales Trunk Road Agency (NMWTRA) employees who are under the responsibility of the council.

Pensions assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plan is as follows:

	31 March 2023	31 March 2024
Fair value of plan assets	976,244	1,087,014
Present value of obligations	(840,490)	(850,805)
Subtotal	135,754	236,209
Effect of IAS 19/ IFRIC 14	(131,272)	(236,209)
Net Asset/ (Liability) arising from Defined Benefit Obligation	4,482	0

NOTE 38 – PENSION COSTS (continued)

The actuarial valuation of the Council's pension scheme liabilities and pension reserve shown on the Balance Sheet reports a net asset or liability of zero. The Council's Actuary, Hymans Robertson LLP, determined that the fair value of the council's pension plan assets outweighed the present value of the plan obligations at 31 March 2024 resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling, which is capped at £0

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary calculated the asset ceiling as the net present value of future service costs less net present value of future contributions. The calculated asset ceiling for 2023/24 results in greater future service contributions than future service costs so the economic benefit is limited to zero. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation.

The Major Categories of Plan Assets as a Percentage of Total Plan Assets

The actuary has provided a detailed breakdown of Fund assets in accordance with the requirements of IAS19. This analysis distinguishes between the nature and risk of those assets, and to further break them down between those with a quoted price in an active market, and those that are not quoted. The asset split for Cyngor Gwynedd is assumed to be in the same proportion to the Fund's asset allocation as at 31 December 2023. The split is shown in the table below. The actuary estimates the bid value of the Fund's assets as at 31 March 2024 to be £3.05bn based on information provided by the Administering Authority and allowing for index returns where necessary.

Fair Value of Employer Assets

The asset values below are at bid value as required under IAS19.

Asset Category	At 31 March 2023				At 31 March 2024			
	Quoted Prices in Active Markets £'000	Prices not quoted in Active Markets £'000	Total £'000	%	Quoted Prices in Active Markets £'000	Prices not quoted in Active Markets £'000	Total £'000	%
Equity Securities								
Consumer	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0
Energy and Utilities	0	0	0	0	0	0	0	0
Financial Institutions	0	0	0	0	0	0	0	0
Health and Care	0	0	0	0	0	0	0	0
Information Technology	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Private Equity								
All	0	61,460	61,460	6	0	56,520	56,520	5
Debt Securities								
Other	0	0	0	0	0	0	0	0
Real Estate								
UK Property	0	80,458	80,458	8	0	75,708	75,708	7
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds and Unit Trusts								
Equities	0	607,742	607,742	62	0	604,921	604,921	56
Bonds	0	0	0	0	0	0	0	0
Infrastructure	0	27,717	27,717	3	0	0	0	0
Other	0	195,820	195,820	20	0	309,044	309,044	28
Derivatives								
Inflation	0	0	0	0	0	26,811	26,811	3
Cash and Cash Equivalents								
All	3,047	0	3,047	1	0	14,010	14,010	1
Total	3,047	973,197	976,244	100	0	1,087,014	1,087,014	100

NOTE 38 – PENSION COSTS (continued)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, life expectancy and salary levels. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females.

Both the Gwynedd Pension Scheme and Discretionary Benefits liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. Estimates for the Gwynedd Pension Fund were based on the latest full valuation of the scheme as at 31 March 2022. The significant assumptions used by the actuary in the following table have had a significant impact on the values of the assets and liabilities as follows:

	31 March 2023	31 March 2024
Financial Assumptions	% p.a.	% p.a.
Pensions Increase Rate	2.95	2.75
Salary Increase Rate	3.45	3.25
Inflation Rate	2.95	2.75
Discount Rate	4.75	4.85
Long-term expected rate of return on all categories of assets	4.75	4.85
Take-up option to convert annual pension into retirement lump sum		
for pre-April 2008 service	65	65
for post-April 2008 service	65	65
Mortality assumptions	Years	Years
Longevity at 65 for current pensioners		
Men	20.8	20.7
Women	23.8	23.6
Longevity at 65 for future pensioners		
Men	21.9	21.7
Women	25.5	25.3

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme commitments as at 31 March 2024 on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures provided in this note.

To quantify the uncertainty around life expectancy, the actuary has calculated the difference in cost to the Council of a one-year increase in life expectancy. For sensitivity purposes this is assumed to be an increase in the cost of benefits of broadly 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

The figures in the table below have been derived based on the membership profile of the Council as at 31 March 2022, the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

NOTE 38 – PENSION COSTS (continued)

Impact on the Defined Benefit Obligation in the Scheme		
Change in assumption	Approximate increase to Defined Benefit Commitment 31 March 2024	Approximate monetary amount 31 March 2024
	%	£'000
0.1% decrease in real discount rate	2	17,153
1 year increase in member life expectancy	4	34,032
0.1% increase in the salary increase rate	0	2,286
0.1% increase in the pension increase rate	2	15,168

Impact on the Council's Cash Flows

One of the objectives of the scheme is that employer contributions should be kept at as constant a rate as possible. Cyngor Gwynedd has agreed a strategy with the fund's actuary to achieve a funding level of 100% over the next 17 years. Funding levels are monitored on an annual basis.

The contributions paid by the Council are set by the Fund Actuary at each triennial valuation, or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2024 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Council, please refer to the 2022 actuarial report dated 28 March 2023.

Information about the Defined Benefit Obligation

	Liability Split 31 March 2024	
	£'000	%
Active Members	414,007	50
Deferred Members	124,324	15
Pensioner Members	295,226	35
Total	833,557	100

The above figures are for the funded obligations only and do not include any unfunded pensioner liabilities. The durations are effective at the previous formal valuation as at 31 March 2022. As at the date of the most recent valuation, the duration of the Employer's funded obligations in 2023/24 is 20 years.

Impact in Future Years

The total contributions expected to be made to the Local Government Pensions Scheme by the Council in the year to 31 March 2025 is £24.838m.

As the Actuary's report is based on estimates and due to timing issues, an initial adjustment of £761,058 has been made in 2023/24 (£34,331 in 2022/23) to bring the position of the Scheme based on the Actuarial figures in line with the closing position at 31 March 2024 (before applying any asset ceiling adjustments). This variance has been treated as Actuarial Gains and Losses on Pension Assets and Liabilities.

NOTE 39 – CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

The position below relates to circumstances involving two specific contingent liabilities:

- The capping and aftercare requirements for the Council's landfill sites – the provision contained in the accounts is based on existing and known circumstances, in addition to relevant forecasts. However, the actual final cost may differ from the current estimated future cost.
- This Council is exposed to a potential insurance liability relating to the insurance arrangements of its predecessor authorities, being Gwynedd County Council, Arfon Borough Council, Dwyfor District Council, and Meirionnydd District Council, and the closure of the Municipal Mutual Insurance (MMI) Fund on 30 September 1992.

MMI made a scheme of arrangement with its creditors, by which, if MMI had insufficient funds to meet future claims, a claw-back clause would be triggered (i.e. Scheme of Arrangements) which could affect claims paid since 1992/93. On 13 November 2012, the directors of the Company concluded that the terms of the Scheme of Arrangement should be triggered and served notice on the Scheme Administrator and the Company to that effect. The decision is irrevocable. An initial levy of 15% of the payments made since 30 September 1992 was paid during 2013/14, and a further 10% was paid in 2016/17.

However, in accordance with the scheme, a further levy may be raised should the original levy be insufficient to meet MMI's liabilities in the longer term. Cyngor Gwynedd is of the opinion that it would be prudent to hold a fund in the expectation that the original levy will be inadequate. The maximum potential liability to this Council based on the latest published figures available at the end of the financial year is £1.3m.

NOTE 40 – TRUSTS

The Council acts as sole trustee for 176 bequests such as school prize funds, and comforts and improvements funds for numerous Council Establishments. The largest fund, the Welsh Church Fund, has a completely separate accounting ledger, whereas the Council holds the property for 175 of these bequests but makes no decision on the funds use. In every case, the funds do not represent the assets of the Council and therefore they have not been included in the Balance Sheet.

The total balance of the 175 bequests derecognised from the Council's Balance Sheet at 31 March 2024 was £1,738,131 (£1,634,434 on 31 March 2023). The funds are fully invested to generate income.

The largest bequests, the Welsh Church Fund and FMG Morgan Trust Fund, are detailed in appendices A and B of these accounts.

NOTE 41 – SERVICE CONCESSION ARRANGEMENTS

GwyrAD is a Service Concession Arrangement, otherwise known as a ‘Private Finance Initiative’ (PFI) scheme. The construction commenced in 2012/13 and the plant became operational in September 2013. It is a treatment plant for source-segregated food waste from Gwynedd residents and businesses (mainly) using Anaerobic Digestion (AD) technology. The enterprise is assisting the Council to meet its recycling targets, and to work within its allowances for landfilling of Biodegradable Municipal Waste for a period of 15 years.

The assets used to provide the service are recognised on the Council’s Balance Sheet. The value of the related assets was £2.2m as at 31 March 2024 (£2.2m as at 31 March 2023). The Council makes an agreed payment (gate fee) each year based on a minimum amount of tonnage which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year. The Council has the right to increase the amount of tons over the agreed 7,500 tons to a maximum of 11,000 tons, and will pay a reduced gate fee for anything over 7,500 tons.

	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total
	£'000	£'000	£'000	£'000
Paid in 2023/24	498	192	73	763
Payable in 2024/25	498	204	61	763
Payable within 2 to 5 years	1,700	793	113	2,606
Total	2,696	1,189	247	4,132

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable.

The contractor receives income from energy that is generated from the waste which has enabled it to keep the unitary payment low for the Council. If the income is higher than that which is in the contract, there is an arrangement for it to be shared between the contractor and Cyngor Gwynedd.

The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

	2023/24	
	Lease Liability	Deferred Income
	£'000	£'000
Balance outstanding at 1 April 2023	(1,189)	(790)
Repayment of principal during the year	192	0
Release of deferred income	0	146
Balance outstanding at 31 March 2024	(997)	(644)

Either party can terminate the agreement at any time should there be deficiencies, subject to giving notice in accordance with the terms of the agreement. Equally, the Council can unilaterally terminate the agreement in accordance with the terms therein. There would be compensation payments linked to any termination arrangement. At the expiry of the agreement, the Council has the right to re-tender for a contractor to provide the service.

NOTE 42 – POOLED BUDGET

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Health Board in relation to the provision of care home accommodation for older people. The arrangement came into effect on 1 April 2019. Denbighshire County Council is acting as host authority during the initial term of the agreement.

The Council's transactions are included under Adults, Health and Well-being in the Comprehensive Income and Expenditure Statement. The income and expenditure for this pooled budget arrangement are included in the table below:

Care Homes for the Elderly		
2022/23		2023/24
£'000		£'000
	Expenditure	
111,032	Care Home costs	126,922
111,032	Total Expenditure	126,922
	Funding	
(10,236)	Denbighshire County Council	(11,914)
(15,864)	Conwy County Borough Council	(18,182)
(10,556)	Flintshire County Council	(13,578)
(14,434)	Wrexham County Borough Council	(14,957)
(11,214)	Cyngor Gwynedd	(12,044)
(5,708)	Isle of Anglesey County Council	(7,214)
(43,020)	Betsi Cadwaladr University Health Board	(49,033)
(111,032)	Total Funding	(126,922)
0	(Surplus) / Deficit transferred to Reserve	0

NOTE 43 – JOINT OPERATIONS AND JOINT COMMITTEES

The Council currently participates in a number of joint operations with neighbouring North Wales authorities.

During 2023/24, Cyngor Gwynedd participated in three joint committees and two joint operations, collaborating in particular areas between local authorities. Separate accounts are required for joint committees. The three joint committees relating to Gwynedd in 2023/24 are:

- GwE
- North Wales Residual Waste Treatment Project (NWRWTP)
- North Wales Economic Ambition Board (NWEAB)

The two joint operations relating to Gwynedd in 2023/24 are:

- Bus Emergency Scheme (as a result of the Covid-19 crisis)
- Actif North Wales

The Joint Committee accounts follow the same timetable in terms of the statutory dates for the completion of the accounts. In the circumstances, Cyngor Gwynedd's accounts reflect the related actual net liability, although the subjective analysis position varies subject to the circumstances, and the reporting arrangements, of the various joint committees (except for the NWEAB). The figures and the share relating to Gwynedd have been included in the table below:

Joint Committee / Joint Operation	Host Authority for Finance	Councils and Organisations participating in the Joint Committee / Joint Operation	Cyngor Gwynedd's Share %	Value of Gwynedd's Share (Income and Expenditure Account) £'000
Joint Committee				
GwE	Cyngor Gwynedd	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle Anglesey County Council Wrexham County Borough Council	17.53	770
North Wales Residual Waste Treatment Project	Flintshire County Council	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle of Anglesey County Council	24.45	0
North Wales Economic Ambition Board *	Cyngor Gwynedd	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle Anglesey County Council Wrexham County Borough Council Bangor University Grŵp Llandrillo Menai Wrexham Glyndŵr University Coleg Cambria	Refer to note below	

Joint Operation				
Bus Emergency Scheme	Flintshire County Council	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle of Anglesey County Council Wrexham County Borough Council	24.04	1,664
Actif North Wales **	Cyngor Gwynedd	Conwy County Borough Council Denbighshire County Council Flintshire County Council Cyngor Gwynedd Isle of Anglesey County Council Wrexham County Borough Council	16.67	0

* Cyngor Gwynedd's accounts include their actual transactions and balances in respect of the NWEAB'S business as well as their share of the remaining transactions and balances, which have been distributed as 12.5% (Local Authority) and 6.25% (Further/Higher Education) in accordance with the allocations in the Governance Agreement 2.

** Actif North Wales is grant funded.

The individual joint committees' accounts are available on the website of the councils which are host authorities for finance.

NOTE 44 – EVENTS AFTER THE REPORTING PERIOD

The Statement of Accounts was authorised by the Head of Finance on 21 June 2024. Events taking place after this date are not reflected in the financial statements or related notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

THE WELSH CHURCH FUND

2022/23 £'000		2023/24 £'000
970	Amount of Fund at 1 April	976
	Add - Income during the year	
47	Interest on Investments	49
	Less - Expenditure during the year	
(41)	Grants and expenses	(47)
976	Amount of Fund at 31 March	978
	Represented by the following Assets	
2	Debtors	7
900	Investments	900
75	Cash in Hand	71
977		978
(1)	Less - Creditors	0
976	Total	978

NOTES TO THE ACCOUNTS

1. The Scheme for the administration of the Fund provides that the income be applied for charitable purposes - educational, recreational and social, at the discretion of the Council.

2. The Charities Act 1993 requires that an independent examination of the statement of accounts of the Welsh Church Fund be carried out annually.

3. The investments are shown in the accounts at cost. The market value of the investments at 31 March 2024 was £896,210.

FMG MORGAN TRUST FUND

2022/23 £'000		2023/24 £'000
184	Amount of Fund at 1 April	167
	Add - Income during the year	
16	Interest on assets	17
	Less - Expenditure during the year	
(33)	Grants	(18)
167	Amount of Fund at 31 March	166
	Assets	
144	Investments	144
23	Cash in Hand	22
167		166

NOTES TO THE ACCOUNTS

1. This Fund was set up from the residuary estate of the late Mrs. Florence Merthyr Guest Morgan. The income from the Fund was to be applied to aid residents of certain areas of Llŷn for specified purposes.
2. The investments are shown in the accounts at cost. The market value of the investments at 31 March 2024 was £369,850 (£363,635 at 31 March 2023).
3. The FMG Morgan Fund is outside the provision of the Charities Act 1993. No independent examination or audit is therefore required in respect of this Trust Fund.

Glossary

Actuarial Gains and Losses – For a defined benefit pension scheme, the changes in actuarial surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.

Amortisation – The gradual elimination of a liability, such as a loan, with regular payments over a specified period of time. Such payments must be sufficient to cover both principal and interest.

Asset – Items of worth that are measurable in terms of value.

- A current asset will be consumed or will cease to have material value within the next financial year.
- A non-current asset provides benefit to the Council and to the services it provides for a period of more than one year.

Balances (or Reserves) – These represent accumulated funds available to the Council. Some balances (reserve) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities.

Capital Adjustment Account – A reserve set aside from revenue resources or capital receipts to fund capital expenditure or the repayment of external loans and certain other capital financing transactions.

Capital Expenditure – Expenditure on the procurement of a non-current asset, which will be used in providing services beyond the current accounting period or expenditure that adds to, and not merely maintains, value of an existing non-current asset.

Capital Financing – Funds obtained 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 Receipt – Income received from the sale of land or other capital assets.

CIPFA (Chartered Institute of Public Finance and Accounting) – The professional institute for accountants working in the public sector.

Community Assets – These are non-current assets that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples are parks and historical buildings.

Creditors – Amounts owed by the Council for work done, goods received or services rendered, for which payments have not been made by the end of that accounting period.

Current Service Cost – The increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period.

Debtors – Amount owed to the Council for work done, goods received or service rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Scheme – A pension or other retirement benefit scheme other than a defined contribution scheme.

Defined Contribution Scheme – A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to the employee Service in the current and prior periods.

Depreciated Replacement Cost (DRC) – A method of valuation that provides a proxy for the market value of specialist assets.

Depreciation – A measure of the cost of the economic benefits of the tangible fixed assets consumed during the period.

Fair Value – The price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Finance Lease – A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

Financial Instruments – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund – This is the main revenue fund of the Council and it includes the net cost of all services financed by local taxpayers and Government grants.

Heritage Assets – An asset with Historical, Artistic, Scientific, Technological, Geophysical or Environmental qualities that is held and maintained principally for its contributions to knowledge and culture.

Impairment – A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

Intangible Asset – An intangible asset is an identifiable non-monetary asset without physical substance. An example includes computer software.

International Financial Reporting Standards (IFRS) – A suite of accounting standards used across the world. They must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Inventories – Amounts of unused or unconsumed stocks held in expectation of future use. They are categorised as goods or other assets purchased for resale, consumable stores, raw materials and Components, Products and Services in intermediate stages of completion and finished goods.

Investment Property – Property that is held solely to earn rentals or for capital appreciation, or both.

Liability – Amounts due to individuals or organisations which will have to be paid at some time in the future.

Minimum Revenue Provision (MRP) – This is the minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for credit liabilities.

Net Book Value – The amounts in which fixed assets are included in the Balance Sheet, i.e their historical cost or current value, less the cumulative amount provided for depreciation.

Operating Lease – A type of lease, usually on computer equipment, office equipment, furniture etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Council.

Precepts – The levy made by precepting authorities on billing authorities, requiring the latter to collect income from Council taxpayers on their behalf.

Private Finance Initiative (PFI) – A central government initiative which aims to increase the level of funding available for public services by attracting private sources of finance.

Provision – A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

Related Parties – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Trust Funds – Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

Agenda Item 7

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	5 SEPTEMBER 2024
TITLE	CYNGOR GWYNEDD'S ANNUAL GOVERNANCE STATEMENT FOR 2023/24
PURPOSE OF REPORT	TO PRESENT THE ANNUAL GOVERNANCE STATEMENT (INCORPORATING THE STATUTORY STATEMENT ON INTERNAL CONTROL) FOR 2023/24 TO THE GOVERNANCE AND AUDIT COMMITTEE FOR APPROVAL
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	TO APPROVE THE STATEMENT SO THAT IT CAN BE SIGNED BY THE COUNCIL LEADER AND THE CHIEF EXECUTIVE

1. BACKGROUND

1.1 There is a statutory requirement for an Annual Governance Statement as a result of:

- The Accounts and Audit (Wales) Regulations 2014, which state:

The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk, and adequate and effective financial management.

The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control. The findings of the review must be considered by the members of the body meeting as a whole or by a committee.

Following the review, the body or committee must approve a statement on internal control prepared in accordance with proper practices. The relevant body must ensure that the statement accompanies any statement of accounts which it is obliged to prepare.

- CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the "SORP").
- CIPFA / SOLACE Framework *Delivering Good Governance in Local Government (2016)*.

2. SELF-ASSESSMENT OF THE EFFECTIVENESS OF THE GOVERNANCE ARRANGEMENTS

2.1 The Governance and Audit Committee has a key function in challenging the preparation procedures and the contents of the draft Annual Governance Statement. When signing the Governance Statement, the Chief Executive and Council Leader confirm:

"We have been advised on the implications of the result of **the review of the effectiveness of the governance framework** by the Governance and Audit Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**. The areas already addressed and those to be specifically addressed with new actions planned are outlined below".

2.2 The Annual Governance Statement summarises the results of the governance self-assessment, as updated by the Governance Group, in a statement that tells the People of Gwynedd what our governance framework is, and how well it is working. The members of the Group are the Chief Executive, the Monitoring Officer, the Section 151 Officer, the Head of Corporate Support, Assistant Head of Finance, the Risk & Insurance Manager and the Council Business Service Support Manager.

2.3 The Governance and Audit Committee needs to satisfy itself that the narrative justifying the scores is a fair reflection of the Council as far as it is aware, based on the information that it has received over the year.

3. IDENTIFYING GOVERNANCE RISKS

3.1 The Annual Governance Statement is based on the CIPFA/Solace Framework that was published in 2016.

3.2 The new Framework identifies 7 Core Principles for Good Governance:

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

B. Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

F. Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Source: CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*

3.3 The Principles are then divided further into several sub-principles.

3.4 In response to the Framework, the Governance Group has considered the Framework's Core Principles and Sub-principles and has created a Governance Risk Register, which is part of the Council's Corporate Risk Register. The Governance Risk Register identifies risks in 24 areas of governance, noting the controls that the Council has in place to mitigate these risks.

3.5 Specific responsibility for these risks have been distributed across the Council as follows

Department	Number of risks
Corporate Support	5
Finance	4
Housing and Property	1
Leadership Team and Legal	14
Total	24

3.6 The relevant department is responsible for assessing these risks continuously, with the Governance Arrangements Assessment Group keeping an overview of them.

3.7 As is usual in risk management arrangements, consideration is given to two factors when scoring the size of these risks:

- The **Impact** of the event if the risk were realised
- The **Likelihood** of the risk being realised.

3.8 The Impact and Likelihood are given a score of 1 to 5, using the following scoring guidelines.

Impact

Score	Impact	Definition
5	Catastrophic	A catastrophic effect on any resident (e.g. loss of life) or a destructive effect on the life or well-being of many residents
4	Destructive	A destructive effect on the life or well-being of several residents (e.g. where the quality of life or the well-being of someone has been effected to the degree that they have an intense need for assistance to allow them to live their lives) or a very substantial effect on many residents
3	Very Substantial	A very substantial effect on the life or well-being of several residents (e.g. the effect means that their quality of life or well-being is substantially lower than would otherwise be expected for a Gwynedd resident) or a significant effect on a many residents
2	Significant	A significant effect on the life or well-being of several residents (e.g. an effect on life or well-being, but falling within the expected range of day-to-day life) or a visible effect on many residents
1	Visible	A visible effect on the life or well-being of some residents (e.g. the effect is visible but not significant to their well-being) or a marginal effect on many residents

- Several = 10s to 100s of residents
- Many = 1,000s to 10,000s of residents

Likelihood

Score	Likelihood	Definition
5	Happening now	The effect is to be seen now (i.e. it is happening)
4	Very likely	Very likely that it will be seen in the foreseeable future
3	Likely	A chance it may happen, but may not
2	Unlikely	The likelihood of it happening is low – but is still there
1	Very Unlikely	Very unlikely to happen

3.9 The Impact Score and Likelihood Scores are multiplied together to give a **Current Risk Score**, which are the risk scores based on the controls that are currently in place. The Risk Score is defined from very high to low as follows:

Score 20-25	Very High Risk
Score 12-16	High Risk
Score 6-10	Medium Risk
Score 1-5	Low Risk

3.10 The Governance Statement notes the risk scores for the 24 risk areas. The assessment by departments and the Governance Arrangements Assessment Group concluded:

- Number of very high risks: 1
- Number of high risks: 4
- Number of medium risks: 10
- Number of low risks: 9

3.11 Where the current risk scores continue to be higher than the Council is willing to accept, further implementation steps have been identified and outlined in the Statement. However, it is emphasised that the majority of matters that have been highlighted in this systematic analysis have already been identified by the Council.

4. CHANGES SINCE THE 2022/23 STATEMENT

4.1 Each of the governance risks have been reviewed during the year. This is done by the responsible department as a first step, with the Governance Group undertaking a quality assurance role.

4.2 The score of five of the risks has changed during the year:

Risk	Previous score	Impact Score	Likelihood Score	Current Score	Comments
<u>Finance</u> Weaknesses in the management of public finances	10 (Medium)	Keep at 5	Increased from 2 to 4	20 (Very High)	Failure to manage the budget would be catastrophic, so the impact score was already 5. While the Council remains convinced that strong budget management arrangements are in place, the national financial situation means that the likelihood of failure is becoming greater, with the likelihood score therefore increasing from 2 to 4.
<u>Health, Safety and Well-being</u> Inadequate arrangements and action by Council Services to manage health and safety risks effectively	15 (High)	Reduced from 5 to 4	Increased from 3 to 4	16 (High)	As part of the ongoing review, the impact score has increased back to 5 (having reduced during the previous year) because some activities within the Council are potentially life-threatening without having the appropriate arrangements in place. That said, the mitigation arrangements continue to be refined, so the probability score can be reduced from 4 to 3.

5. RECOMMENDATION

5.1 The Governance and Audit Committee is requested to:

- Consider the Draft Annual Governance Statement that appears in the appendix.
- Challenge the Head of Finance on the risk scores that have been identified, and the narrative that explains the justification for the score.
- Consider the action plan contained in the draft Annual Governance Statement.
- Approve the Statement and recommend that the Council Leader and Chief Executive sign it.

ANNUAL GOVERNANCE STATEMENT

This statement meets with the requirement to produce an Internal Control Statement in accordance with Regulation 5 of the Accounts and Audit Regulations (Wales) 2014.

Part 1: SCOPE OF RESPONSIBILITY

Cyngor Gwynedd is responsible for ensuring that it conducts its business in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Cyngor Gwynedd also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the exercise of its functions, having regard in particular to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.

In discharging these overall responsibilities, Cyngor Gwynedd is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

Cyngor Gwynedd has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework, *Delivering Good Governance in Local Government*. A copy of the code is available on our website, or may be obtained by writing to Cyngor Gwynedd, County Offices, Shirehall Street, Caernarfon, Gwynedd LL55 1SH. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 5(5) Accounts and Audit (Wales) Regulations 2014 in relation to publishing a statement on internal control.

Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to enable the Council to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks that are relevant to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at Cyngor Gwynedd for the year ending 31 March 2024 and remains applicable up to the date of the approval of the Statement of Accounts.

Part 3: GOVERNANCE ARRANGEMENTS AND THEIR EFFECTIVENESS

- 3.1 The **Governance Arrangements Assessment Group** monitors matters of governance continuously in a disciplined manner, raising a wider awareness of these, and promoting a wider ownership of the Annual Governance Statement. The Group comprises the Corporate Director, the Monitoring Officer, the Section 151 Officer, Head of Corporate Support, Assistant Head of Corporate Support, Assistant Head of Finance, the Risk and Insurance Manager and the Council Business Service Support Manager.
- 3.2 To reflect the CIPFA/SOLACE Framework - *Delivering Good Governance in Local Government*, the local framework is set out in the form of a Governance Risk Register that is part of the Corporate Risk Register, identifying 24 areas of governance risks.
- 3.3 An outline is given of the Governance Areas, the relevant risks and the Council's arrangements to deal with these, and the effectiveness of these arrangements, in the remainder of this section of the Annual Governance Statement.
- 3.4 For each Governance Risk, a current score is shown, which is the score following an objective assessment of the control arrangements that are currently in place. Consideration is given to two factors:
 - The **Impact** of the risk in the event of it being realised
 - The **Likelihood** that it will occur.
- 3.5 Impact scores vary from 1 (Visible impact) to 5 (Catastrophic impact), and the Likelihood scores from 1 (very unlikely) to 5 (occurring now). The risk score is calculated by multiplying the impact score and the likelihood score.
- 3.6 The comparative level of the risks is calculated as follows:

Score 20-25	Very High Risk
Score 12-16	High Risk
Score 6-10	Medium Risk
Score 1-5	Low Risk

Culture

Risk: Inappropriate culture within the Council can hinder our ability to do the right things in the correct manner

Assessment:

We have assessed that this is currently a **High** risk, because:

- The six-day training programme for Service Managers on the principles of Ffordd Gwynedd (including robust performance management principles) has been delivered since the summer of 2017. All service managers have now followed this training with a programme to ensure all new managers receive the training into the future.
- The Managers Network has been re-established and held its first series of meetings in March 2019. The early signs are encouraging with the encouragement for managers and their teams to undertake reviews within their own services rather than the previous focus on intensive reviews.
- A new job description was circulated to each manager/senior manager outlining the behaviours expected of them and agreed generic content to a new job description for heads and assistant heads. A final version of a revised job description for team leaders and the remainder of Council staff, which confirms the expected behaviours, has been agreed.
- A review of Ffordd Gwynedd's progress across the Council has been carried out in collaboration with Cabinet members and a Task and Finish Group from members of the Governance and Audit Committee. That resulted in a new 5-year Work Programme to 2028 which was approved by Cabinet on 7 March 2023. The Plan identifies nine areas we will focus on to further embed the "way of working".

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Conduct

Risk: Lack of integrity, ethics and respect in the conduct of members and officers, undermining the public's confidence in the Council

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council has adopted codes of conduct for its members and officers, based on national regulations (codes such as the Member/Officer Relationship Code, Members' Code of Conduct, Officers' Code of Conduct, Anti-fraud and Anti-corruption Policy and the Whistle-blowing Code of Practice) and these together set the foundation to ensure integrity and ethics. There is evidence of action when it appears that these codes of conduct have been breached.
- There is clear evidence that the Council gives due consideration to the Ombudsman's reports as part of the work of the Standards Committee, which works effectively.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Lawfulness

Risk: Ignoring the rule of law, which means that the Council is open to challenges from the courts

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Statutory Officers (the Monitoring Officer and the Head of Finance) have to offer comments on any formal decision, as part of a comprehensive constitution that is regularly reviewed.
- The role of the statutory officers is a core part of the Council's governance and working closely with them on key issues is fundamental. The previous Protocol needs updating and work on creating a template is taking place through the LGA.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Being open

Risk: A Council that is not open, meaning that it is not possible to hold it accountable for its decisions

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Only the minimum of Committee reports are exempt
- Publicity is given to the decision notices of individual members, with procedures to ensure that this occurs.
- Background papers are published with committee reports in order to ensure that the decisions are made with full information.
- Many committee meetings that make decisions are web-broadcast.
- The Cabinet regularly considers performance reports as part of its meetings that are open and the Council publishes its Corporate Plan, Annual Performance Report and Self-Assessment and the Statement of Accounts to seek to give as much information as the residents need for us to be accountable.
- Various other methods are also used such as the website, 'Newyddion Gwynedd' and social media to try to ensure that Gwynedd residents are aware of what is happening within the Council.

Current Risk Score:

Impact	Likelihood	Risk score
2	1	2

Stakeholders

Risk: Weak relationship with institutional stakeholders, ending with sub-optimal services

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The willingness of public sector bodies, including Cyngor Gwynedd, other neighbouring unitary councils, the Police, the Health Board, the third sector and others to co-operate for the joint delivery of public services can have a significant, visible impact for the People of Gwynedd.
- Work has been undertaken to create a Well-being Plan and the relationship between organisations has matured.
- The Council is committed to the Public Services Board.
- The Public Services Board is not the only vehicle for working with other agencies and there is a risk that the wide range of joint working structures can hinder the whole objective of working together, creating confusion.
- The Council has had Partnership Criteria in place for several years, so that Cyngor Gwynedd only enters partnerships where it is in the interests of the people of Gwynedd.
- Collaboration also occurs at a regional level which is not always as effective as it could be due to the footprint size and the difficulty of building a relationship with such a large number of people. There are some examples of success (e.g. North Wales Economic Ambition Board).

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Engagement

Risk: Failure to engage effectively with service users and individual citizens leads to prioritisation and poor decision making

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- A range of corporate engagement procedures have been put in place to ensure that we receive opinion from the public and other stakeholders as appropriate. These include arrangements to ensure that the Council's corporate engagement exercises reach groups and cohorts such as young people, LGBT+ people, ethnic minorities, refugees, adults with learning disabilities and Gwynedd businesses.
- Recently, the engagement exercise for the Council's Regeneration Framework was used to:
 - undertake an engagement exercise which benefited several Departments, Services and key projects including the Gwynedd and Anglesey Public Services Board Wellbeing Survey, Population Needs Assessment (Adults Department), Local Housing Need Survey (Housing and Department), Clean and Tidy Communities (Highways and Municipal), Sustainable Tourism Principles (Economy and Community);
 - piloting the use of new engagement software ("Bang The Table" software);
 - develop a new brand for the engagement area ("Ardal Ni" brand);
 - trialling a new way of engaging at 13 local area level rather than the whole of Gwynedd.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Direction and vision

Risk: Direction and vision that is not rooted in the outcomes for individuals and therefore does not realise the needs of the People of Gwynedd

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council is effective in setting its priorities and managing expectations because of the culture of concentrating on what is important to the people of Gwynedd, with the performance measures that are used across all services derived from this.
- The Council Plan 2023-28 was approved by the full Council on 2 March 2023. The plan includes a series of projects for the next five years under seven priority areas.

Current Risk Score:

Impact	Likelihood	Risk score
3	2	6

Sustainability

Risk: Failing to comply with the five principles of the Well-being of Future Generations Act

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council has acknowledged the importance of acting in accordance with the Well-being of Future Generations Act and, jointly with its partners on the Public Services Board, has done initial work to identify what needs to be done to operate in accordance with the five principles - Long term, Prevention, Integration, Collaboration and Involvement.
- The Council is already complying with all the principles but to different degrees. The Management Group decided that the best way would be for Departmental Management Teams to pay attention to the principles when planning ahead. It is recognised that an assessment is needed if this way is successful or not. Reports coming before Cabinet are submitted in advance to the Corporate Support Department for review to keep track of situations where perhaps appropriate attention has not been given to the principles. By doing this we hope that we will embed the principles naturally rather than ticking boxes but time will tell if we will be successful.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Decisions

Risk: Unwillingness to make decisions on action, which means a delay in achieving the outcomes for the people of Gwynedd

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Over the last few years there is evidence that Cyngor Gwynedd is willing to take difficult or unpopular decisions, e.g. schools, externalising Council houses, acting on the difficult results of the Gwynedd Challenge, changing the Youths arrangements and taking steps to ensure implementation principles within Education.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Planning Operations

Risk: Intervention without sufficient planning

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council strives to maintain a suitable balance between Project Management procedures and working efficiently. As such, the Council is already maintaining robust project management arrangements for the largest projects, and uses a less comprehensive version for other projects, but based on the same principles.
- To ensure that the right things are measured each service's delivery measures are based on achieving a purpose and trying to ensure that any action improves our ability to achieve that.
- The Council tries to strike a balance between the need for order and the need to deliver as soon as possible by doing as little paperwork as is consistent with this, encouraging simple, brief reports that set out the main key points.
- The Council has a Medium Term Financial Strategy, with annual budgets based on this. The Council's work on financial planning is regularly praised by the external auditors, and the Governance and Audit Committee takes a leading role with financial scrutiny.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Reviewing Outcomes

Risk: Failure to review the outcomes of our actions, which means that we do not learn lessons by continuing to do the same things incorrectly

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council's arrangements for risk assessment, formulating a Corporate Plan and project management will ensure that the intended outcomes to be achieved are clear at the start of any project.
- The annual performance report will try to focus on assessing to what extent these outcomes have been achieved. There are good examples of where this has occurred and the situation is improving.
- Discussions continue to seek to ensure that the Improvement Priorities in our Corporate Plan are more clear in terms of outcomes, with the Self-Assessment assessing the extent to which those outcomes have been achieved.

Current Risk Score:

Impact	Likelihood	Risk score
3	2	6

Property Assets

Risk: The Council's property assets not used to their full potential

Assessment:

We have assessed that this is currently a **Low** risk, because:

- A new Asset Strategy for the 10 year period 2024 – 2034 has been developed and was approved by the full Council on 11 July 2024.
- The result is that a number of buildings that were no longer needed have been disposed of.
- In terms of vehicles, a plan has been implemented to try and make better use of the Council's fleet that has already presented some financial savings and is likely to achieve more.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information Technology Assets

Risk: The Council's Information Technology assets not used to their full potential

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- A new Digital Plan for the period 2023-28 has been adopted; it was scrutinised by the Education and Economy Scrutiny Committee in September 2023 and formally approved by Cabinet in November 2023.
- The digital channel is an ongoing development and new services are constantly being released. There are several internal developments to improve internal administration, including a lengthy list of staff self-service developments and significant improvements to training arrangements. The self-service channels (internal and external) are not the only developments. Around fifty new systems are developed annually and these are tailored around the requirements of the services rather than having to adapt a service to meet the needs of a particular system. While there are many examples of where we have used technology to improve how we deliver services to the residents of Gwynedd, it is not happening at the pace that we would like it to happen and several applications remain for resources to develop them.
- In extending the use of technology we face further risks in terms of security and cyber resilience, with this element being an essential assessment of any new development or review of an inherent solution.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Workforce Planning

Risk: Failure to plan the workforce in terms of attracting, developing and retaining staff

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- To ensure that the Council is in a position to deliver services that always put the People of Gwynedd at the centre, we must ensure that we have the right staff in the right place with the right skills. A Project Group has been established and short-term and longer-term objectives are in place. The Human Resources Team has attended training on the relevant skills needed to plan the workforce effectively. The main focus at the moment is on solving the short-term recruitment problems the Council is experiencing, but the most important and longer-term objective is to improve how we attract and retain staff, planning our staffing needs some years in advance while reducing the risk of having problems in attracting staff in the future.
- A new exit interview arrangement and job website are in place.
- The Project Board has agreed long-term objectives and a list of subprojects for the period leading up to March 2028.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Leadership

Risk: Deficiencies in the Council's leadership means that we are not doing the right things

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There is an element of evidence (through self-assessment) that leadership within the Council is improving with numerous examples of transformational leadership on display rather than transactional leadership. The increased emphasis placed on "leading" rather than "managing" within the Ffordd Gwynedd culture is another firm indication of the great strides being made with Cabinet members taking a leading role in promoting good leadership by committing to their development as leaders.
- The definition of leadership within Cyngor Gwynedd was agreed upon and that definition is reflected in revised job descriptions for each headteacher and manager in the Council. The commitment at a political and operational level demonstrates that these positive actions have come to fruition and that the need and ability to lead is taking root as the norm within the Council.
- The re-establishment of the Management Network, with the emphasis on developing leadership skills, is another key step in the shift in emphasis from a "management" to "leadership" culture within the Council while the Managerial Review and revised job descriptions have also contributed to clarity around the expectation of leadership. In light of all this, this work is seen as remaining key but recognising that it is not as much of a risk as it has been in the past.
- To reflect that, this work has been incorporated within the Ffordd Gwynedd Plan's programme of work rather than standing as a stand-alone project although a specific project continues to have a high improvement priority in relation to Women in Leadership within the Council. The Council recognises that the number of women performing a managerial function within the Council is disproportionate with the ratio of the whole workforce and therefore seeks to boost the number of women applying and reaching senior positions within the Council.
- The Corporate Management Team is committed to its development, with each team member having completed a personal profile and also attending an initial workshop as an activity to strengthen the team for the future.

Current Risk Score:

Impact	Likelihood	Risk score
4	2	8

Risk Management

Risk: Weaknesses in our risk management arrangements that increase the threat of something going wrong or failure to take an opportunity to improve

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There are strong arrangements for monitoring our compliance with certain types of operational risks.
- Each risk in the Corporate Risk Register has been considered from the perspective of the risk to the people of Gwynedd, not from the Council's introverted point of view.
- A new Corporate Risk Register was launched on 6 March 2021. The new system has proven to be a convenient facility for users in every department as they consider their priorities and identify what needs to be done, and to assist members in challenging performance and ensuring that the expected action has been taken.
- Lessons have been learnt from the Covid-19 pandemic which have been valuable in subsequent crises, e.g. the war in Ukraine.

Current Risk Score:

Impact	Likelihood	Risk score
5	2	10

Performance

Risk: Weaknesses in our performance management arrangements mean that we cannot take appropriate steps to achieve our purpose

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council's Performance Management system focusses on ensuring that business units achieve their purpose and this is done by continuously reviewing if we are measuring the right things.
- There are regular meetings with Cabinet Members and managers to assess the latest performance with members of the relevant Scrutiny Committee also present to issue a challenge. Regular performance reports are submitted by Cabinet members on their areas of responsibility to Cabinet meetings. Clear arrangements have been put in place.
- The Auditor General also observes our performance in different areas by publishing various reports and the Governance and Audit Committee takes an overview that any recommendations receive attention.
- The new Corporate Complaints Procedure continues to work well. The Services Improvement Officer ensures that we learn lessons from any complaints, and try to avoid repeating mistakes.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Internal Control

Risk: Unsuitable internal control arrangements which means that we either do not protect ourselves from risks, or waste resources on over-control

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Audit Manager's annual report confirms that the Council's internal controls can be relied upon.
- Reviewing and adapting internal controls so that they are proportionate to what is necessary is central to the goal of placing the people of Gwynedd at the centre of to everything we do, by removing overly bureaucratic tasks. The removal of barriers is part of everyone's work, leading to a suitable level of internal control.
- The efficiency of the Internal Audit system is under continuous review and self-assessment indicates that the service satisfies professional standards in accordance with expectation.
- Cyngor Gwynedd's Governance and Audit Committee has an agreed terms of reference. There is evidence that the Governance and Audit Committee is very effective in delivering its functions.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information

Risk: Failure to maximise the potential of information in supporting Council business and failure to meet statutory requirements

Assessment:

We have assessed that this is currently a **High** risk, because:

- The 2021-2026 Information Plan includes a number of plans for addressing the risks of information management and data use. Twenty three of the 45 projects within the scheme have already been completed with the rest in the pipeline.
- The cross-departmental Information Group takes a corporate overview of this area.

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Finance

Risk: Weaknesses when controlling public finance

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- We have consistently reported that the Council has effective financial planning and management arrangements, including accountants and internal auditors, led by the chief finance officer. Internal auditors have a focus on effective arrangements and controls in financial systems, while accountants work closely with the departments and encourage management's ownership of their systems, performance, and financial propriety.
- We believe that the governance of the Council's financial arrangements remains robust, with the review of expenditure against budgets, and monitoring that savings have been achieved by all Council departments, ensuring that the services operate efficiently. However, for the first time in 2023/24 the majority of council departments showed an overspend. This has been reported to the Governance and Audit Committee and Cabinet but as the need to discover savings continues, and demand for services increases, a scenario where there are not adequate funds can be envisaged in the future to address the budget deficit.
- We therefore believe that this has increased the likelihood of catastrophic financial problems and without decisive action it is highly likely that this would manifest itself in the foreseeable future.

Current Risk Score:

Impact	Likelihood	Risk score
5	4	20

Accountability

Risk: Poor reporting, without transparency and unsuitable for the audience

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council has provided guidelines on preparing reports and on making good decisions, in order to ensure that the reports available to the public are clear.
- As well as formal reports for making decisions, the reports produced also include the Annual Performance Report, the Council's Plan (which includes departmental business plans) and the Annual Governance Statement produced in accordance with the CIPFA/Solace framework.
- The Council produces regular reports on its financial position.
- Monitoring of Cabinet reports will continue naturally with the Chief Executive taking a look at each one.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Assurance

Risk: Lack of assurance and accountability that raises suspicion amongst the public regarding what the Council is doing

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There are many ways available within the Council to provide independent assurance that the Council's governance arrangements are working as they should. Statutory officers ensure that matters comply with the law and the procedures in the Constitution, whilst the Chief Executive and the Director continually challenge whether or not the departments are doing the right things. Cabinet members also meet often to challenge each other regarding developments.
- The Governance and Audit Committee keeps an overview of the governance arrangements as well as the implementation of the external auditor's recommendations.
- Supporting this is the Internal Audit Service that operates in accordance with the statutory professional standards, namely the Public Sector Internal Audit Standards.
- However, formally it is the scrutiny procedure that should continue to hold the Cabinet to account. There is transparent and objective scrutiny and challenging of decisions and policies; however, there is uncertainty regarding how effective this is.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

Health, Safety and Well-being

Risk: Inadequate arrangements and action by Council Services to manage health and safety risks effectively

Assessment:

We have assessed that this is currently a **High** risk, because:

- A detailed programme of work has been prepared starting with competencies and training on the Health and Safety Policy adopted by the Council which is reviewed annually.
- Specialist consultants available for advice.
- Mandatory Training for all Council staff provided.
- Safe Management IOSH training provided to Managers and relevant staff.
- Miscellaneous other training in place depending nature of responsibilities.
- Communication arrangements with Corporate Forum and Advisory Panel including a dedicated intranet site with a host of guidelines and procedures.
- Accident reporting and investigation procedure.
- Corporate Management Team training replaced and annual meeting to review progress.
- Training for Members in terms of their responsibilities on factors to consider when taking decisions.

Current Risk Score:

Impact	Likelihood	Risk Score
5	3	15

Customer Contact

Risk: Lack of timely response to queries

Assessment:

We have assessed that this is currently **High** risk, because:

- Detailed analysis completed and presented to Members in October 2022 with a programme of work identified and the risk added to the corporate governance risks.
- Calls related to planning matters are received directly by the Planning Service since the 1 April 2023 and a short training module has been trialled for all staff who deal with enquiries.

Current Risk Score:

Impact	Likelihood	Risk Score
3	4	12

We have been advised on the implications of the result of **the review of the effectiveness of the governance framework** by the Governance and Audit Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**. The areas that have already been addressed and those which the Council will address specifically have new ongoing action plans and are outlined below.

Part 4: SIGNIFICANT GOVERNANCE ISSUES

4.1 The above scores indicate that none of the 24 areas of governance presents a very high risk. There are 4 high risk and 11 medium risks.

4.2 Actions for the areas that are a high or medium risk are noted below.

VERY HIGH RISK

Governance Area	Response Arrangements	Department Responsible
Finance	<p>After a long period of discovering and delivering savings, around £40m in the period since 2015/16, the plans are now so much harder to realise with efficiency projects far more work than cutting services.</p> <p>A series of new savings worth £6.4m, mainly to be realised over 2023/24 and 2024/25, were approved by Cabinet in February 2023. There is an additional set of savings, worth £4.8m to consider for 2024/25 and 2025/26 to enable a balanced budget to be set.</p> <p>A new Medium Term Financial Plan was adopted by the Cabinet on 14 May 2024.</p> <p>The likelihood of failure to spend within available resources increases. In response to the situation, departments that continue to overspend will need to report to members with clarifications and steps to be taken.</p>	Finance

HIGH RISK

Governance Area	Response Arrangements	Department Responsible
The Council's Culture	<p>A Lead Group (with the entire Corporate Management Team as members) has been formed and met for the first time in June 2023. The Group will retain an overview of the implementation of the Work Programme and provide guidance on embedding the culture within the Council.</p> <p>An annual report will be submitted to Cabinet on the progress of the work into the future with the content partly based on self-assessments carried out by each Department.</p> <p>A dedicated officer has been identified for driving each of the nine work streams within the Five Year Plan.</p>	Corporate Support

Governance Area	Response Arrangements	Department Responsible
Information	Continue with the action plan contained in the Information Plan.	Corporate Support
Health, Safety and Well-being	<p>Develop an electronic system to facilitate accident reporting and reporting, conduct risk assessments and conduct audits.</p> <p>Analyse gaps in the existing system to set up a programme of work to greet any shortfall. This to include training aspects specific to each position.</p> <p>Review our reporting and accountability arrangements on audit results and/or significant concerns.</p>	Corporate Support
Customer Contact	The Council's new Digital Plan includes a plan to update the stick system that will be integrated with <i>Microsoft Teams</i> . Work to implement this plan starts in 2024/25.	Leadership Team and Legal

MEDIUM RISKS

Governance Area	Response Arrangements	Department Responsible
Stakeholders	There are ongoing efforts in various areas to try to simplify a complex working relationship. However it must be acknowledged that there is only so much that can be done and there is room to question that the solution now is to try to find ways to work around the legislative barriers that have been set by the Government. We are already doing so quite successfully.	Leadership Team and Legal

Governance Area	Response Arrangements	Department Responsible
Engagement	<p>During 2024/25, we will continue to develop and strengthen engagement across the Council through:</p> <ul style="list-style-type: none"> • developing the role of the Cross Departmental Engagement Group and Forward Engagement Programme; • undertaking detailed work to ensure that the membership of the Gwynedd Residents' Panel is representative of the county's population; • continue to support individual services to proactively engage with the people of Gwynedd; • continue to develop our arrangements for ensuring that we engage effectively with groups that we as a Council are struggling to reach. 	Corporate Support
Direction and vision	The risk is accepted at its present level.	Corporate Support
Sustainability	<p>We will look at our planning arrangements (including the Council's Plan, Annual Performance Reports and the corporate self-assessment that needs to be undertaken) to try to ensure that we have more regard to the principles of the Act while also reporting on progress.</p> <p>We will consider how awareness of the principles can be raised by relating them to the operating principles of Ffordd Gwynedd.</p>	Corporate Support
Reviewing Outcomes	The risk is accepted at its present level.	Leadership Team and Legal
Information Technology Assets	Set specific milestones to implement the individual projects within the Digital Plan.	Finance
Planning the Workforce	Set detailed work programmes for each of the subprojects listed in the work plan, and act on those programmes.	Corporate Support

Governance Area	Response Arrangements	Department Responsible
Leadership	<p>A specific Potential Development Programme has been developed for women as part of the Women in Leadership Project. A Mentoring Scheme women girls has also been approved and specific training for the first cohort of "mentors" has been undertaken. We will continue to hold "break-time talks" for leaders and potential leaders across the Council and also for female councillors in the new Council.</p> <p>We will also develop the leadership behaviours expected of managers generally primarily through a combination of training relating to the "way of working" and by challenging the behaviours as part of the ongoing evaluation being promoted as part of establishing the culture.</p> <p>We will continue to experiment with an alternative approach to the management network sessions by establishing groups of 12 managers who will be able to host and support each other.</p>	Corporate Support
Risk Management	<p>Work still needs to be done to ensure that all Council departments maintain the routine of recording their main risks and reviewing them regularly.</p> <p>The Insurance and Risk Service will support all departments to ensure that the use of the Corporate Risk Register is consistent across the Council, and that risks are continually updated. The procedure of considering the inclusion of risk registers in monitoring the performance of departments will develop further.</p> <p>The Risk Register to be regularly submitted to the Governance Group to carry out quality checks, before regularly submitting information to the Governance and Audit Committee.</p>	Finance
Assurance	<p>The Scrutiny Team will continue to work closely through the Scrutiny Forum with the Chairs to take forward the scrutiny programmes over the coming year.</p>	Corporate Support

Part 5: OPINION

We are of the opinion that the governance arrangements described above offer assurance that our governance arrangements work well overall. However, we intend to take measures to deal with the matters noted in Part 4 above during next year in order to improve our governance arrangements. We are satisfied that these measures will deal with the need to improve as identified in the effectiveness review, and we will monitor their operation as part of the next annual review.

DAFYDD GIBBARD
CHIEF EXECUTIVE, CYNGOR GWYNEDD

Cllr. DYFRIG SIENCYN
LEADER, CYNGOR GWYNEDD

DATE:

DATE:

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	5 SEPTEMBER 2024
TITLE:	TREASURY MANAGEMENT 2023/24
PURPOSE:	CIPFA's Code of Practice requires that a report on the results of the Council's actual treasury management is produced.
RECOMMENDATION:	RECEIVE THE REPORT FOR INFORMATION
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

Executive Summary

During the 2023/24 financial year the Council's treasury management activity remained within the limits originally set and total interest received on deposits was £3.5m which was above the budgeted level of £3.2m. There were no defaults by institutions in which the Council had deposited money.

1. Introduction

The Council's Treasury Management Strategy for 2023/24 was approved at Full Council on 2nd March 2023.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

This report compares the actual performance against the strategy for the financial year 2023/24 and fulfils the Council's legal obligation under the Local Government Act 2003 to have regard for both the CIPFA Code and the Welsh Government's Investment Guidance.

2. External Context

Economic Background: UK inflation continued to decline from the 8.7% rate seen at the start of 2023/24. By the last quarter of the financial year headline consumer price inflation (CPI) had fallen to 3.4% in February, but was still above the Bank of England's 2% target at the end of the period. The core measure of CPI, i.e. excluding food and energy, also slowed in February to 4.5% from 5.1% in January, a rate that had stubbornly persisted for three consecutive months.

The UK economy entered a technical recession in the second half of 2023, as growth rates of -0.1% and -0.3% respectively were recorded for Q3 and Q4. Over the 2023 calendar year GDP growth only expanded by 0.1% compared to 2022. Of the recent monthly data, the Office for National Statistics reported a rebound in activity with economy expanding 0.2% in January 2024. While the economy may somewhat recover in Q1 2024, the data suggests that prior increases in interest rates and higher

price levels are depressing growth, which will continue to bear down on inflation throughout 2024.

Labour market data provided a mixed message for policymakers. Employment and vacancies declined, and unemployment rose to 4.3% (3mth/year) in July 2023. The same month saw the highest annual growth rate of 8.5% for total pay (i.e. including bonuses) and 7.8% for regular pay growth (i.e. excluding bonuses). Thereafter, unemployment began to decline, falling to 3.9% (3mth/year) in January and pay growth also edged lower to 5.6% for total pay and 6.1% for regular pay, but remained above the Bank of England's forecast.

Having begun the financial year at 4.25%, the Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate to 5.25% in August 2023 with a 3-way split in the Committee's voting as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. The Bank Rate was maintained at 5.25% through to March 2024. The vote in March was 8-1 in favour of maintaining rates at this level, with the single dissenter preferring to cut rates immediately by 0.25%. Although financial markets shifted their interest rate expectations downwards with expectations of a cut in June, the MPC's focus remained on assessing how long interest rates would need to be restrictive in order to control inflation over the medium term.

In the Bank's quarterly Monetary Policy Report (MPR) released in August 2023 the near-term projection for services price inflation was revised upwards, goods price inflation widespread across products, indicating stronger domestic inflationary pressure with second-round effects in domestic prices and wages likely taking longer to unwind than they did to emerge. In the February 2024 MPR the Bank's expectations for the UK economy were positive for the first half of 2024, with a recovery from the mild recession in calendar H2 2023 being gradual. Headline CPI was forecast to dip below the 2% target quicker than previously thought due to declining energy prices. These effects would hold inflation slightly above target for much of the forecast horizon.

Following this MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% remains the peak in Bank Rate and that interest rates will most likely start to be cut later in H2 2024. The risks in the short term are deemed to be to the downside as a rate cut may come sooner than expected, but then more broadly balanced over the medium term.

The US Federal Reserve also pushed up rates over the period, reaching a peak range of between 5.25-5.50% in August 2023, where it has stayed since. US policymakers have maintained the relatively dovish stance from the December meeting and at the meeting in March, economic projections pointed to interest rates being cut by a total of 0.75% in 2024.

Following a similarly sharp upward trajectory, the European Central Bank hiked rates to historically high levels over the period, pushing its main refinancing rate to 4.5% in September 2023, where it has remained. Economic growth in the region remains weak, with a potential recession on the cards, but inflation remains sticky and above the ECB's target, putting pressure on policymakers on how to balance these factors.

Financial Markets: Sentiment in financial markets remained uncertain and bond yields continued to be volatile over the year. During the first half of the year, yields rose as interest rates continued to be pushed up in response to rising inflation. From October they started declining again before falling sharply in December as falling

inflation and dovish central bank attitudes caused financial markets to expect cuts in interest rates in 2024.

Over the financial year, the 10-year UK benchmark gilt yield rose from 3.44% to peak at 4.75% in August, before then dropping to 3.44% in late December 2023 and rising again to 3.92% (28th March 2024). The Sterling Overnight Rate (SONIA) averaged 4.96% over the period to 31st March.

Credit review: In response to an improving outlook for credit markets, in January 2024 Arlingclose moved away from its previous temporary stance of a 35-day maximum duration and increased its advised recommended maximum unsecured duration limit on all banks on its counterparty list to 100 days.

Earlier in the period, S&P revised the UK sovereign outlook to stable and upgraded Barclays Bank to A+. Moody's also revised the UK outlook to stable, Handelsbanken's outlook to negative, downgraded five local authorities, and affirmed HSBC's outlook at stable while upgrading its Baseline Credit Assessment. Fitch revised UOB's and BMO's outlooks to stable.

In the final quarter of the financial year, Fitch revised the outlook on the UK sovereign rating to stable from negative based on their assessment that the risks to the UK's public finances had decreased since its previous review in October 2022, the time of the mini- budget.

Moody's, meanwhile, upgraded the long-term ratings of German lenders Helaba, Bayern LB and LBBW on better solvency and capital positions, despite challenges from a slowing German economy and exposure to the commercial real estate sector. Moody's also upgraded or placed on review for an upgrade, Australian banks including ANZ, CBA NAB and Westpac on the back of the introduction of a new bank resolution regime.

Credit default swap prices began the financial year at elevated levels following the fallout from Silicon Valley Bank and collapse/takeover of other lenders. From then the general trend was one of falling prices and UK lenders' CDS ended the period at similar levels to those seen in early 2023. Earlier in the year some Canadian lenders saw their CDS prices rise due to concerns over a slowing domestic economy and housing market, while some German lenders were impacted by similar economic concerns and exposure to commercial real estate towards the end of the period, with LBBW remaining the most elevated.

Heightened market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

3. Year End Position

Balance Sheet Summary

At 31 March 2024 the Council had net investments of £41m arising from its revenue and capital activities. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The movements are summarised in the following table:

	31.3.23 Actual £m	2023/24 Movement £m	31.3.24 Actual £m
CFR	171	3	174
Less: Other debt liabilities	(1)	0	(1)
Borrowing CFR	170	3	173
Less: Usable reserves	(134)	6	(128)
Less: Working capital	(86)	0	(86)
Net borrowing/ (investment)	(50)	9	(41)

The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

Treasury Management Summary

	31.3.23 Balance £m	Movement £m	31.3.24 Balance £m
Long- term borrowing	100.9	(6.9)	94.0
Short-term borrowing	1.1	4.5	5.6
PFI	1.2	(0.2)	1.0
Total borrowing	103.2	(2.6)	100.6
Short-term investments	(89.9)	(7.7)	(97.6)
Cash and cash equivalents	(62.8)	18.9	(43.9)
Total investments	(152.7)	11.2	(141.5)
Net borrowing/ (investment)	(49.5)	8.6	(40.9)

4. Borrowing Activity

At 31st March 2024, the Council held £99.6m of loans, a decrease of £2.4m on the previous year, as part of its strategy for funding previous years' capital programmes.

The debt interest paid in 2023/24 was £5.4 million on an average debt portfolio of £100.2 million at an average interest rate of 5.44%.

The year-end borrowing position and the year-on-year change is summarised in the following table:

	31.3.23 Balance £m	2023/24 Movement £m	31.3.24 Balance £m	31.3.24 Rate %	31.3.24 WAM* years
PWLB	84.3	(2.2)	82.1	5.7	16.9
Bank (Fixed term)	16.2	0.0	16.2	4.2	54.4
Other	1.5	(0.2)	1.3	0.0	3.0
Total borrowing	102.0	(2.4)	99.6		

*Weighted average maturity

The Council's main objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with a secondary objective of flexibility to renegotiate loans should the Council's long-term plans change. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

Interest rates have seen substantial rises over the last two years, although these rises have now begun to plateau. Gilt yields fell in late 2023, reaching April 2023 lows in December 2023 before rebounding to an extent in the first three months of 2024. Gilt yields have remained volatile, seeing upward pressure from inflation at times and downward pressure from falling inflation and a struggling economy at other times.

On 31st December, the PWLB certainty rates for maturity loans were 4.74% for 10-year loans, 5.18% for 20-year loans and 5.01% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

The cost of short-term borrowing from other local authorities has generally risen with Base Rate over the year. Interest rates peaked at around 7% towards the later part of March 2024 as many authorities required cash at the same time. These rates are expected to fall back to more normal market levels in April 2024.

No new long-term borrowing was undertaken in 2023/24, with existing loans maturing without replacement. This strategy enabled the Council to reduce net borrowing costs (despite foregoing investment income) and reduce overall treasury risk.

5. Treasury Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances have ranged between £139.5 million and £270.2

million.

Treasury Investment Position

	31.3.23 Balance £m	2023/24 Movement £m	31.3.24 Balance £m	31.3.24 Rate %	31.3.24 WAM* days
Banks & building societies (unsecured)	29.1	(23.2)	5.9	5.27	29.8
Local Authorities	20.1	60.9	81.0	5.84	134.2
Money Market Funds	60.8	(17.8)	43.0	5.27	1.0
Debt Management Office	34.0	(34.0)	0.0	0.0	0.0
Pooled Funds	8.7	2.9	11.6	5.78	365+
Total investments	152.7	(11.2)	141.5		

*Weighted average maturity

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The Bank Rate increased by 1% over the period, from 4.25% at the beginning of April 2023 to 5.25% by the end March 2024. Short- term rates peaked at 5.7% for 3-month rates and 6.7% for 12-month rates during the period, although these rates subsequently began to decline towards the end of the period. Money Market Rates also rose and were between 5.2% and 5.3% by the end of March 2024.

£11.6m of the Council's investments are held in externally managed strategic pooled equity, bond and property funds where short-term liquidity is a lesser consideration, and the objectives instead are regular revenue income and long- term price stability. These funds generated an income return of 5.8% which is used to support services in year, and an unrealised capital loss of £0.07m in this financial year. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued stability in meeting the Council's medium to long term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years but with the confidence that over a three-to five year period total returns will exceed cash interest.

Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Income Rate of Return
31.03.2023	4.63	A+	62%	33	4.04%
31.03.2024	5.30	A+	38%	36	5.59%
Similar LAs	4.06	AA-	21%	174	5.29%
All LAs	4.82	A+	61%	9	5.03%

*Weighted average maturity

6. Compliance Report

The section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in the following tables:

Debt Limits

	2023/24 Maximum	31.3.24 Actual	2023/24 Operational Boundary	2023/24 Authorised Limit	Complied
Borrowing	102.0m	99.6m	£190m	£200m	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Investment Limits

	2023/24 Maximum	31.3.24 Actual	2023/24 Limit	Complied
The UK Government	£102m	£0m	Unlimited	✓
Local authorities & other government entities	£5m	£5m	£10m	✓
Secured investments	£0m	£0m	£10m	✓
Banks (unsecured)	£5m	£5m	£5m	✓
Building societies (unsecured)	£5m	£5m	£5m	✓
Registered providers (unsecured)	£5m	£0m	£5m	✓
Money Market Funds	£10m	£10m	£10m	✓
Strategic pooled funds	£5m	£5m	£10m	✓
Real estate investment trusts	£0m	£0m	£10m	✓
Other investments	£0m	£0m	£5m	✓

7. Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators:

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the time-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment and taking the arithmetic average, weighted by the length of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.24 Actual	2023/24 Target	Complied
Portfolio average credit score	5.3	A score of 6 or lower	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	31.3.24 Actual	2023/24 Target	Complied
Total cash available within 3 months	£115.9m	£10m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

	31.3.24 Actual	2023/24 Limit	Complied
Upper limit on one year revenue impact of a 1% rise in interest rates	£1,122,112	£1,039,420	x
Upper limit on one year revenue impact of a 1% fall in interest rates	£1,122,122	£1,039,420	x

This indicator has not been complied with because the indicator was set when interest rates were low, but interest levels have risen significantly in the year without warning and therefore it is reasonable that the amounts are above the limit.

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.24 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	5.6%	25%	0%	✓
12 months and within 24 months	4.0%	25%	0%	✓
24 months and within 5 years	5.9%	50%	0%	✓
5 years and within 10 years	25.2%	75%	0%	✓
10 years and above	59.3%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2023/24	2024/25	2025/26
Actual principal invested beyond year end	£13m	£0	£0
Limit on principal invested beyond year end	£20m	£20m	£20m
Complied	✓	✓	✓

Agenda Item 9

MEETING	Audit and Governance Committee
DATE	5 th September 2024
TITLE	Audit Wales Reports
AMCAN	Provide an update to the Committee on the Audit Wales work programme for Quarter 1
RECOMMENDATION	Members are asked to accept the report.
AUTHOR	Dewi W. Jones, Council Business Support Service Manager/Alan Hughes, Audit Lead, Audit Wales

1. BACKGROUND

- 1.1. The Audit and Governance Committee has a role to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council and as part of this role there is an expectation to consider the reports of external review bodies such as Audit Wales, Estyn and Care Inspectorate Wales (CIW).
- 1.2. As well as actively considering reports the committee are expected to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them. To facilitate this work Audit Wales has prepared a quarterly update on the work of the review bodies and a copy of this document for Quarter 1 2024/25 is included as **Appendix 1**.
- 1.3. A report on the current studies of Audit Wales, Estyn and Care Inspectorate Wales (CSSIW) and the progress made by the Council in response to proposals or recommendations was presented to the meeting of this Committee on the 8th of February 2024. The next report will be presented in the Autumn.

Audit Wales Work Programme and Timetable – Cyngor Gwynedd

Quarterly Update: 30 June 2024

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in May 2024.	December 2024	Drafting will commence on completion of the Audit of the Council's 2023-24 statement of accounts.

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2023-24 Statement of Accounts	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2024.	November 2024.	The Statement of Accounts were received on 21 June 2024 and audit fieldwork is underway.
Audit of Cyngor Gwynedd Harbours Annual Return for 2023-24	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2024.	November 2024.	The accounts were received on 17 May 2024. Work is ongoing.

Description	Scope	Timetable	Status
<p>Certification of Grant returns:</p> <p>Teachers' Pension Contributions for the financial year 2023-24</p>	<p>Certification that the end of year certificate is:</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>Council deadline 31 May 2024 (TP online).</p> <p>Submission to Audit Wales 28 June 2024.</p> <p>Certification deadline 29 November 2024.</p>	<p>The return was received 31 July 2024.</p>
<p>Certification of Grant returns:</p> <p>Housing Benefit Subsidy 2023-24</p>	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> • not fairly stated; • is not in accordance with the relevant terms and conditions. 	<p>Council deadline 30 April 2024.</p> <p>Certification deadline 30 November 2024</p>	<p>The return was received on 29 April 2024.</p>
<p>Certification of Grant returns:</p> <p>Non-Domestic Rates 2023-24</p>	<p>Certification that the end of year certificate is:</p> <ul style="list-style-type: none"> • not fairly stated • is not in accordance with the relevant terms and conditions 	<p>Council deadline 27 May 2024.</p> <p>Certification deadline 18 November 2024.</p>	<p>The return received on 28 June 2024</p>

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> Setting of well-being objectives 	<p>February 2023 – March 2024</p>	<p>Final report issued in March 2024 and presented to Governance and Audit Committee in May 2024</p>
Thematic Review – Unscheduled Care	<p>A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.</p>	<p>August 2022 – October 2023</p>	<p>Reporting from July 2024 onward.</p>

2023-24 Performance Audit work	Scope	Timetable	Status
Thematic review – commissioning	A review focusing on how councils' arrangements for commissioning, apply value for money considerations and the sustainable development principle.	March – December 2024	Scoping
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – July 2024	Fieldwork undertaken in May 2024, report being drafted.
Local Project – Waste and Recycling	We will review the Council's arrangements to improve its waste management service and meet statutory recycling targets.	To be confirmed	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Cyngor Gwynedd
Governance of Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – August 2024	Fieldwork complete. Publication due August 2024	No
Homelessness	Examining how services are working together to progress the response to homelessness.	tbc	Scoping	tbc
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	tbc	Not started	tbc

Study	Scope	Timetable	Status	Fieldwork planned at Cyngor Gwynedd
Financial constraints / discretionary local government services	Examining the potential impacts and councils' decision making processes in the context of the sustainable development principle.	tbc	Not started	tbc

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern.

We inspected two local government education services during the summer term, which were Ceredigion and Caerphilly. The reports will be published in late August and early September respectively.

During the summer term piloted our enhanced link visits in Pembrokeshire and Neath Port Talbot. The visits were carried out by three link inspectors visiting the local authorities for two days focusing on two specific aspects of the local authority's work. In Pembrokeshire we looked at the asymmetric timetabling arrangements in 24 of their schools and their approaches to improving attendance. In Neath Port Talbot, the focus was on their support for curriculum development and attendance. We carried out field work in nearly all local authorities on the Implementation of the Additional Learning Needs and Education Tribunal [Wales] Act 2018 in non-maintained settings, primary and secondary schools and all age schools. This review follows on from the year 1 review of the implementation of the ALNET Act in schools, which was published in September 2023. We also carried out field work focusing on 'the impact of poverty in educational attainment, support, provision and transition for early education' in nearly all local authorities.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews Community Learning Disability Team (CLDT)	Working jointly with HIW we completed an assurance check inspection in Rhondda Cynon Taff focusing on Community Learning Disability Teams (CLDT). RCT CLDT Joint inspection	2024-25	Published April 2024

CIW planned work 2023-25	Scope	Timetable	Status
	<p>A second single agency assurance check inspection in Blaenau Gwent</p> <p>We will continue an annual programme of joint work focusing on CLDT and Community Mental Health Team (CMHT)</p>	March 2024	Published May 2024
<p>Joint Inspection Child Protection Arrangements (JICPA)</p>	<p>We will complete a further two multi-agency joint inspections in total.</p> <p>The findings from Bridgend County Borough Council - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023 Care Inspectorate Wales</p> <p>Our findings from the Cardiff County Council Cardiff Joint Inspection Report</p> <p>The findings from Denbighshire County Council Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023 Care Inspectorate Wales</p> <p>The findings from Powys County Council - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Powys 2023 Care Inspectorate Wales</p>	<p>April 2023 – April 2024</p> <p>June 2024</p> <p>7 May 2024</p> <p>Feb 2024</p> <p>October 2023</p>	<p>National report due to be published September 2024</p> <p>Published</p> <p>Published</p> <p>Published</p> <p>Published</p>

CIW planned work 2023-25	Scope	Timetable	Status
Performance review of Local Authorities	<p><u>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales</u></p> <p><u>How we inspect local authority services and CAFCASS Cymru</u></p> <p><u>We are currently reviewing our Code of Practice and will be publishing shortly.</u></p> <p>Inspection of Flintshire County Council children and adult services in February 2024 - <u>Inspection report for Flintshire County Council’s adults and children’s services published Care Inspectorate Wales</u></p> <p>We published <u>Monmouthshire County Council children’s services Inspection report PEI Care Inspectorate Wales</u></p> <p>We published Pembrokeshire - Improvement check inspection <u>Improvement-check Pembrokeshire-county-council-adult services</u></p> <p>We undertook a PEI in Swansea adult service in May 2024</p>	<p>Ongoing</p> <p>22 Feb 2024</p> <p>2 May 2024</p> <p>13 June 2024</p> <p>11 July 2024</p>	<p>Ongoing</p> <p>Review</p> <p>Published</p> <p>Published</p> <p>Published</p> <p>Publication due</p>
Her Majesty’s Inspectorate of Probation – Youth Offending Inspection	<p>We supported the delivery of HMIP’s Youth Offending Services Inspection in Denbighshire and Conwy. <u>A joint inspection of youth justice services in Conwy & Denbighshire (justiceinspectors.gov.uk)</u></p>	<p>8 May 2024</p>	<p>Published</p>

Audit Wales national reports and other outputs published since June 2023

Report title	Publication date and link to report
A465 Section 2 – update	June 2024
Community Pharmacy data matching pilot	May 2024
Governance of National Park Authorities	April 2024
Supporting Ukrainians in Wales	March 2024
From firefighting to future-proofing – the challenge for Welsh public services	February 2024
Betsi Cadwaladr University Health Board – board effectiveness follow up	February 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2022-23 accounts	January 2024
Planning for sustainable development – Brownfield regeneration	January 2024
Corporate Joint Committees – commentary on their progress	November 2023
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	November 2023
Failures in financial management and governance and losses incurred – Harlech Community Council	November 2023

Report title	Publication date and link to report
Putting out the false alarms: Fire and Rescue Authorities' responses to Unwanted Fire Signals	October 2023
Covering teachers' absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS workforce – data briefing	September 2023
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023

Audit Wales national reports and other outputs (work in progress / planned)^{1, 2}

Title	Indicative publication date
Local government digital strategy review – national summary	July 2024
Local government use of performance information, outcomes and service user perspective – national summary	July 2024
NHS finances data tool – to 31 March 2024	July 2024
Affordable housing	August 2024
Active travel (report and data tool)	August / September 2024
Findings from GP registration data matching pilot	September / October 2024
National Fraud Initiative – bi-ennial report	October 2024
Cancer services	October 2024
NHS workforce planning (national messages)	Autumn 2024

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

² Our [Annual Plan 2024-25](#) also lists work in progress, some of which has since been published, or work planned to start during 2024-25. [Our work programme for 2023-2026](#) – also provides some additional detail about certain topics and will continue to inform our work programme planning for 2025-26.

Title	Indicative publication date
Unscheduled care (national messages – patient flow in hospital and delayed discharge)	Autumn 2024
Financial management and governance in town and community councils	Autumn 2024
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – autumn 2024 NRW to be confirmed (scoping)
Welsh Government capital and infrastructure investment	Late autumn 2024
Challenges for the cultural sector	By end of 2024 (local reporting)
New Velindre Cancer Centre	Early 2025
Findings from sustainable development examinations (statutory report under the WFG Act)	By early May 2025
The senior public service	Scoping underway, delivery planned early summer
Rebalancing care and support	To be confirmed (scoping)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (local work at each Health Board started in May 2024)
Access to education for children with Additional Learning Needs	To be confirmed (scoping)

Title	Indicative publication date
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
Support for business	To be confirmed (starting in 2024-25)
Support for bus and rail services	To be confirmed (starting in 2024-25)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (starting in 2024-25)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (starting in 2024-25)

Good Practice Exchange events and resources

Title	Link to resource
Sgwrs a Paned with Alex Swift: Re-Defining Our Lives: Towards a Social Understanding of Neurodiversity	You can book a place here .
<p>Audit Committees: Effective practices and a positive impact</p> <p>Good governance arrangements are a critical part of how public service organisations function effectively and deliver value for money services for the citizens and communities of Wales. Audit Committees are one of the foundation stones that support good governance. With significant current and future pressures on public sector finances, there is an increasing need for effective practices and a positive impact. Audit Committees play a vital role in this. This event provides an opportunity to share experiences, learn, and network with peers across the public sector in Wales.</p>	<p>9th October 2024, 10:30 – 15:30 Conwy Business Centre</p> <p>You can book a place here.</p> <p>The resources from our event in Cardiff on 22 May are available here.</p>

MEETING	Governance and Audit Committee
DATE	5 th September 2024
TITLE	Audit Wales - Cyngor Gwynedd Annual Audit Summary 2023 and Detailed Audit Plan 2024
AMCAN	Introducing the Audit Wales Annual Audit Summary 2023 and Detailed Audit Plan for the Council in 2024
RECOMMENDATION	Members are asked to comment on and accept the documents.
AUTHOR	Dewi W. Jones, Council Business Support Service Manager/Alan Hughes, Audit Lead, Audit Wales

1. BACKGROUND

- 1.1. The Audit and Governance Committee has a role to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council. As part of this role there is an expectation to consider the reports of external review bodies such as Audit Wales, Estyn and Care Inspectorate Wales (CIW) in the context of the Council's work .

2. DETAILED AUDIT PLAN 2024

- 2.1. To fulfil the Auditor General's duties Audit Wales completes work each year associated with the following duties – Audit of Accounts, ensuring Value for Money, ensuring Continuous Improvement and complying with the Sustainable Development Principles.
- 2.2. Specific projects are completed whilst also using information gathered from other regulators such as Care Inspectorate Wales and Estyn. A summary of the findings and conclusions for the work completed in the last year can be found in the Annual Audit Summary 2023 (**Appendix 1**).
- 2.3. The Detailed Audit Plan for 2024 is also attached as **Appendix 2**. It describes the outline programme of work for the year in accordance with the duties set out in 2.1 above. It is anticipated that the final plan for the year will be published during the summer.
- 2.4. Officers from Audit Wales present the item to the Members and there will be an opportunity ask questions in relation to the content.

Cyngor Gwynedd

Annual Audit Summary 2023

This is our audit summary for Cyngor Gwynedd. It shows the work completed since the last Annual Audit Summary, which was issued in April 2023. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 69 councillors who represent the following political parties:

- Plaid Cymru 44
- Independent 23
- Liberal – Labour 2

The Council spent £311.1 million on providing services¹ during 2022-23².

As at 31 March 2023, the Council had £123.4 million of useable financial reserves³. This is equivalent to 39.7% of the Council's annual spending on services⁴.

¹ We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

² Source: 2022-23 Statement of Accounts

³ We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

⁴ Source: 2022-23 Statement of Accounts

Key facts

Cyngor Gwynedd has 2.7% of its 73 areas within of the most-deprived 10% of areas in Wales, this is the fifth lowest of the 22 unitary councils in Wales⁵.

The population of Gwynedd is projected to increase by 5% between 2023 and 2043 from 125,500 to 132,200, including a 3% increase in the number of children, a 1% increase in the number of the working-age population and a 17% increase in the number of people aged 65 and over⁶.

The Auditor General's duties

We completed work during 2022-23 to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

⁵ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

⁶ Source: [Stats Wales, Population Projections](#)

What we found

Audit of Cyngor Gwynedd's 2022-23 Accounts



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

Each year we audit the Council's financial statements.

For 2022-23:

- the draft statements were presented for audit on 30 June 2023. This was before the deadline of 31 July 2023 set by the Welsh Government. The Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 22 January 2024. This was after the deadline agreed with the Welsh Government of 30 November 2023 mainly due to the impact of new auditing standard requirements. Further information on the impact of new auditing standards was set out in our Detailed Audit Plan considered by the Governance and Audit Committee on 14 December 2023.
- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- a number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Governance and Audit Committee in our Audit of Financial Statements Report in January 2024.
- in addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.
- the Auditor General issued the certificate confirming that the audit of accounts for 2022-23 has been completed.

Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. We produced the following reports from our assurance and risk assessment work:

- Setting of well-being objectives – we looked at the Council's approach to setting its well-being objectives. We found that the Council has applied the sustainable development principle when setting its well-being objectives and there are

opportunities to strengthen aspects of this, as well as the arrangements to support delivery and monitoring.

- Use of performance information –service user perspective and outcomes – we looked at the service user perspective and outcome data provided to members and senior officers, and how this information is used. We found that the Council provides senior leaders with a significant amount of performance information to help them understand the service users' perspective but information about outcomes is limited.

Digital Strategy

During 2022-23, we examined the Council's strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources. We found that the Council does not have a strategic approach to digital and has not demonstrated that its next digital strategy will be developed in accordance with the sustainable development principle.

Review of the effectiveness of scrutiny

During 2023, we reviewed if the Council's has effective arrangements in place for scrutiny through the public committees. We found that the Council creates a generally supportive environment to enable scrutiny to operate effectively but there are opportunities to strengthen training that equips members to hold Cabinet to account.

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

Planned work for 2023-24

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our planned work for 2023-24 includes:

- Assurance and risk assessment
- Assurance and risk assessment – the Setting of Well-being Objectives
- Regional project – Review of Unscheduled Care
- Thematic review – Financial Sustainability
- Thematic review – Commissioning
- Local project – Waste and Recycling

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This document is also available in Welsh.

Cyngor Gwynedd – Detailed Audit Plan 2024

Audit year: 2023-24

Date issued: July 2024

Document reference: 4339A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton

Auditor General for
Wales

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and the proper preparation in accordance with accounting requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

In addition to my responsibilities for auditing Cyngor Gwynedd's (the Council) financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the audit of Gwynedd Harbours Authority where a separate plan is not produced;
- the audit of GwE and the North Wales Economic Ambition Board joint committees where separate plans will be prepared; and
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I must satisfy myself that the Council:

- has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. I do this by undertaking an appropriate programme of performance audit work each year.
- is acting in accordance with the sustainable development principle when setting and taking steps to meet their well-being objectives.

My work programme is informed by specific issues and risks facing the Council and wider local government in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

My performance audit work is designed to comply with auditing standards set out by the International Organisation of Supreme Audit Institutions (INTOSAI). This is a global

umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

Your audit at a glance



My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk

- Management Override

Other areas of audit focus

- Valuation of land and buildings
- Valuations of pension fund net liability



My performance audit will include:

- Assurance and Risk Assessment
- Local work – Responding to the current demand in domiciliary care
- Local work – Strategy for the use of reserves



Materiality

Materiality	£5.703 million
Reporting threshold	£285,000

Financial statements' materiality



Materiality £5.703 million

My aim is to identify and correct material misstatements, that is, those that might otherwise mislead the user of the accounts.

Materiality is calculated using:

- 2023-24 gross expenditure of £570.3 million
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Senior Officer Remuneration £1,000
- Related party disclosures (individuals) £10,000

Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for bias; and• evaluate the rationale for any significant transactions outside the normal course of business.

The audit team is yet to conclude all areas of the risk assessment. Should any further significant financial risks arise on completion of this work, we will update the Head of Finance and the Governance and Audit Committee via its Chair and re-issue my Detailed Audit Plan if required.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>Valuation of pension fund net liability</p> <p>The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements are material estimates.</p> <p>The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p> <p>The impact of economic conditions, particularly interest rate levels also have a significant impact on the liability for example, the liability was in fact a surplus, primarily due to higher interest rates.</p> <p>There are also several LGPS legal cases potentially impacting on the valuation of the fund.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary’s work; • assess the competence, capabilities and objectivity of the actuary who carried out the valuations; • assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; • test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; • assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor’s expert) and undertaking any additional procedures required; and • assess whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.

Audit risk	Our planned response
<p>Valuation of land and buildings</p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.</p> <p>Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.</p> <p>Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2024, particularly in the current economic environment.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • review the information provided to the valuer to assess for completeness; • evaluate the competence, capabilities and objectivity of the professional valuer; • test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and • test the reconciliation between the financial ledger and the asset register.

Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	May to July 2024	July 2024
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	September to November 2024	November 2024

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

Title	Description	Work undertaken
Assurance and risk assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	Ongoing
Local project work – Responding to the current demand in domiciliary care	A review of the arrangements that the Council has in place to respond to the current unmet demand in domiciliary care support.	Timescales for the project will be discussed with the Council and detailed within the specific project brief produced for the audit.
Local project work – Strategy for the use of reserves	A review of the arrangements that the Council has in place to strategically manage its reserves and balances.	Timescales for the project will be discussed with the Council and detailed within the specific project brief produced for the audit.

Certification of grant claims and returns, and statutory audit functions

Certification of grant claims and returns

I have also been requested to undertake certification work on Gwynedd Council's grant claims, which I anticipate will include Housing Benefits, Teachers' Pensions and NDR.

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, I will discuss potential audit fees at the time.

Fee and Audit Team

In January 2024, we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4%, as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £381,244.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Head of Finance.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2024 (£) ¹	Actual fee for 2023 (£)
Audit of financial statements ²	228,859	215,093
Performance audit work ³	114,215	107,345
Grant certification work ⁴	35,000-40,000	32,749
Other financial audit work ⁵	670	1,259
Total fee	381,244	356,446

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Council.

¹ The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2023 to October 2024.

³ Payable April 2024 to March 2025.

⁴ Payable as work is undertaken.

⁵ Payable November 2023 to October 2024 for work undertaken on Gwynedd Council Harbours.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	Contact details
Matthew Edwards	Engagement Director	matthew.edwards@audit.wales
Gary Emery	Engagement Director/Audit Director (Performance Audit)	gary.emery@audit.wales
Yvonne Thomas	Audit Manager (Financial Audit)	yvonne.thomas@audit.wales
Carwyn Rees	Audit Manager (Performance Audit)	carwyn.rees@audit.wales
Sioned Owen	Audit Lead (Financial Audit)	sioned.owen@audit.wales
Alan Hughes	Audit Lead (Performance Audit)	alan.hughes@audit.wales

There are some threats to independence that I need to bring to your attention relating the Audit Manager (Financial Audit) and the Audit Leads (Financial Audit and Performance Audit). All three have acquaintances and/or family employed by the Council. As a result, they will either not be involved in any work in relation to the relevant services, or appropriate steps will be implemented to ensure that any potential conflicts are managed.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies, and to support those bodies in continuing to improve the services they provide to the people of Wales.

Visit our website to find:

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
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You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Meeting	Governance and Inspection Scrutiny Committee
Date	September 5th, 2024
Title	Report on the inspection of Gwynedd and Ynys Môn Youth Justice
Purpose of report	To share information in relation to the above inspection
Author	Marian Parry Hughes, Head of Service, Children and Family Support.

1. The decision for the committee

- 1.1** It is requested that the Committee receives the report in relation to the conclusions and recommendations from the Youth Justice Service’s inspection.

2. Introduction

- 2.1** The Youth Justice Service is hosted by Cyngor Gwynedd and operates across Gwynedd and Ynys Môn. The team is located at Felinheli and it is a multi-agency team working with children and young people who are at risk of offending or who have offended.
- 2.2** During November 2023 an inspection of the service was undertaken by His Majesty’s Inspectorate of Probation/HMIP. The inspection had initially been planned for the end of the previous year, but HMIP did not have any bilingual inspectors available, and both Local Authorities refused to accept a non-Welsh speaking inspection team. HMIP accepted our stance, and the inspection was postponed until such time that HMIP were able to provide at least one inspector who was bilingual. Two of the five inspectors who were part of the team in November were bilingual.
- 2.3** The Gwynedd and Ynys Môn Strategic Management Board for the service are extremely pleased with the final grading of ‘Good’ because of the inspection. We would like to thank our partners in both Local Authorities, the local Youth Justice network and the Voluntary Sector for their support during the preparation for the inspection and during the inspection itself. The inspection recognised several areas of good practice, including strong partnership arrangements that drive and provide resources to work effectively with children, young people and their families; a well-supported staff group who are well supervised, and evidence that children and parents play an active role in planning and supporting the work of the service.
- 2.4** We have areas of improvement that we need to focus on, but those were not surprising. We are now responsible for working on these areas to ensure that we can provide a high standard of support to children and communities in Gwynedd and Ynys Môn.

2.5 The Management Board and senior officers have already commenced the process of improving areas of work, and a meeting was held on January 31st to review our report and the draft recommendations to respond effectively to those recommendations. An Improvement Plan was presented to HMIP on April 5th detailing the improvement journey. The Plan was accepted by HMIP mid-April and the plan has been shared and received by the Management Board on April 24th and is regularly reviewed at meetings of the Board.

3 Relevant considerations

3.1 We are pleased that the high standard of intervention and support offered by staff of the service to children, young people and their families. We are grateful to the young people and families who gave their time to meet with inspectors to share their thoughts and provide feedback. It is not an easy task as some individual circumstances are difficult and challenging for families..

3.2 Due to the terms of the inspection the service was graded across three main areas – the organisational arrangements of managing the service; standard of work with young people who have been sentenced, and standard of out of court disposal work.

3.3 The Service overall received a grading of ‘Good’, whilst the standard of the resettlement provision and policy was graded as ‘needing improvement’.

3.4 There was a conclusion that the service was child focused and committed to prevent further offending. A person centered approach helped to identify and meet individual children’s needs, and resources were offered in order to help them develop to make positive decisions.

3.5 Staff and volunteers were recognised as a strength, with a recognition that they are kind, thoughtful, working well together as one team, and that they were positive advocates for young people under their supervision. There was evidence that the service listened to children, young people and families’ voices in order to develop and improve services.

3.6 Inspectors were of the view that staff had access to a range of resources to help children and their parents/carers. In particular they made a comment that the service offered by Tim Emrallt (problematic and harmful sexual behaviour) was excellent and innovative, and that it made a true difference to support practitioners to improve the attitude and behaviours of children. Additionally, ‘Be di’r Sgôr’ (substance misuse service) were reported to provide interventions of a high standard.

3.7 A comment was made that the Management Board had some members who were committed and worked well to ensure that the service had sufficient financial support. However, since the pandemic, there has been a disconnection between the Board and front line practitioners, and as a result some staff do not have a full understanding of the work of the Board. It was also noted that there had been noticeable absences from the

Health Board and both Local Authorities' Education Departments at meetings of the Board.

3.8 A comment was made that the service had identified disproportionately negative educational outcomes for their cohort of children and young people, and that there was a dire need for a speech and language resource in the service. The inspectors were of the view that this needed urgent strategic support in order to ensure that the best provision was available to support the service to undertake high standard interventions.

3.9 The quality of relationships between practitioners and staff was identified as a strength, but work related to supporting the safeguarding and welfare of some children and their potential to harm others was variable, and needed to be improved. The inspectors found that not all members of staff understood the processes and systems in a consistent manner in order to keep children safe, and this is addressed in the Improvement Plan.

4 Next Steps

4.1 The Youth Justice Service should be proud of the way that they interact with children with compassion, helping them to live their best lives.

4.2 The next step is to focus on the conclusions of this inspection as a trigger to make further improvements.

4.3 Seven recommendations are included in the final report, and the Improvement Plan and Inspection Report are attached to this report. The Improvement Plan has been agreed between the Management Board members, the Operational Board and staff from within the service so that there is ownership for its' success throughout the service and with our partners.



HM Inspectorate
of Probation

An inspection of youth offending services in

Gwynedd & Ynys Môn

HM Inspectorate of Probation, March 2024

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Acknowledgements

This inspection was led by HM Inspector Avtar Singh, supported by a team of inspectors and colleagues from across the inspectorate. We would like to thank all those who helped plan and took part in the inspection; without their help and cooperation, the inspection would not have been possible.

The role of HM Inspectorate of Probation

HM Inspectorate of Probation is the independent inspector of youth offending and probation services in England and Wales. We report on the effectiveness of probation and youth offending service work with adults and children.

We inspect these services and publish inspection reports. We highlight good and poor practice and use our data and information to encourage high-quality services. We are independent of government and speak independently.

Please note that, throughout the report, the names in the practice examples have been changed, to protect the individual's identity.

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Published by:

HM Inspectorate of Probation
1st Floor Civil Justice Centre
1 Bridge Street West
Manchester
M3 3FX

Follow us on Twitter
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ISBN: 978-1-916621-10-7

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Foreword

This inspection is part of our programme of youth justice service (YJS) inspections. We have inspected and rated Gwynedd & Ynys Môn YJS across three broad areas: the arrangements for organisational delivery of the service, the quality of work done with children sentenced by the courts, and the quality of out-of-court disposal work.

Overall, Gwynedd & Ynys Môn YJS was rated as 'Good'. We also inspected the quality of resettlement policy and provision, which was separately rated as 'Requires improvement'.

The service is child focused, committed to helping children to desist from further offending. An individualised approach helps to ensure that children's diversity needs are recognised, and support put in place to help them thrive and achieve positive decision-making. Staff and volunteers are a strength. They are kind, thoughtful, work well together as one team, and are positive advocates for the children they supervise. The service collects the voices of children and their parents or carers effectively. This informs the development of services and service improvements. Staff have access to a range of interventions to help children and their parents or carers. In particular, the Tim Emrallt (problematic and harmful sexual behaviour) offer is excellent and making a real difference in supporting practitioners to improving children's attitudes and behaviours. The Be di'r Sgôr (substance misuse service) provides high-quality interventions.

The strategic management board has some committed members who work well to mobilise financial resources for the YJS. Since the pandemic, however, there has been a disconnect with frontline practitioners. This has left some staff not fully understanding the work of the board. Furthermore, there has been a notable absence from health and education partners at board meetings. The YJS has identified disproportionately in poorer education outcomes for its cohort of children, and the need for a speech and language resource. These findings need a more urgent focus at a strategic level. There also needs to be a greater drive and focus at a strategic level to ensure that YJS children are receiving the best possible service and the YJS is supported to deliver high quality interventions.

Engagement and the quality of the relationships that practitioners have with children are a strength, but work associated with supporting children's safety and wellbeing and their potential to cause harm to others is variable. This needs to improve. Our inspection found that, across court and out-of-court work, not all staff understood and applied the systems and processes consistently to keep children safe and prevent them from causing harm to others.

The YJS can be rightly proud of the way it reaches out to children with compassion to help them live out their best lives. It must now focus on using the findings from this inspection as a springboard to bring about further change. In this report, we make seven recommendations to improve further the work of the Gwynedd & Ynys Môn YJS. We trust that they will assist the service as it continues its improvement journey.



Martin Jones

Chief Inspector of Probation

Ratings

Gwynedd & Ynys Môn Youth Justice Service
Fieldwork started November 2023

Score 19/36

Overall rating

Good



1. Organisational delivery

1.1	Governance and leadership	Requires improvement	
1.2	Staff	Good	
1.3	Partnerships and services	Good	
1.4	Information and facilities	Good	

2. Court disposals

2.1	Assessment	Requires improvement	
2.2	Planning	Outstanding	
2.3	Implementation and delivery	Good	
2.4	Reviewing	Requires improvement	

3. Out-of-court disposals

3.1	Assessment	Requires improvement	
3.2	Planning	Requires improvement	
3.3	Implementation and delivery	Good	
3.4	Out-of-court disposal policy and provision	Requires improvement	

4. Resettlement¹

4.1	Resettlement policy and provision	Requires improvement	
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¹ The rating for Resettlement does not influence the overall YOS rating.

Recommendations

As a result of our inspection findings, we have made seven recommendations that we believe, if implemented, will have a positive impact on the quality of youth offending services in Gwynedd & Ynys Môn YJS. This will improve the lives of the children in contact with youth offending services, and better protect the public.

The Gwynedd & Ynys Môn Youth Justice Service should:

1. improve the quality of assessment and planning work to keep children safe and manage the risk of harm they present to others
2. ensure that management oversight is consistently effective in reviewing Asset Plus activity and contingency planning, so that practitioners are clear about what they need to improve
3. provide practitioners with comprehensive guidance that supports the completion of effective out-of-court assessment and planning work
4. improve the knowledge and understanding of practitioners to identify when children are being exploited so that timely action is taken to keep children safe.

The Gwynedd & Ynys Môn Youth Justice Strategic Management Board should:

5. ensure consistent attendance at the management board from senior education and health leaders, to achieve positive education and health outcomes for all children
6. address the disconnect between the strategic management board and frontline practitioners
7. address the gap in speech, language, and communication provision for children and ensure that services are provided which assess and respond to children's communication needs.

Background

We conducted fieldwork in Gwynedd & Ynys Môn YJS over a period of a week, beginning 20 November 2023. We inspected cases where the sentence or licence began between Monday 21 November 2022 and Friday 15 September 2023; out-of-court disposals that were delivered between Monday 21 November 2022 and Friday 15 September 2023; and resettlement cases that were sentenced or released between Monday 21 November 2022 and Friday 15 September 2023. We also conducted 20 interviews with case managers.

The Gwynedd & Ynys Môn YJS is commissioned jointly by the Isle of Anglesey County Council and Gwynedd County Council (GCC). GCC is the host authority, covering a large geographical area. The YJS is governed by the senior management board (SMB) and supported by the operational management group. The service also hosts the young person's substance misuse service (Be di'r Sgôr) and Gwynedd's harmful sexual behaviour team (Tim Emrall). The service is integrated into local partnerships through a range of forums, covering children's and criminal justice service delivery. These include the community safety partnership, local safeguarding delivery group, regional criminal justice board, regional out-of-court disposals scrutiny panel, organised criminal gangs/serious organised crime groups, child exploitation panels, and integrated offender management.

The Gwynedd & Ynys Môn YJS office is based in Y Felinheli. This location is not linked to particularly good community networks or easy access for children and their parents and carers.

Gwynedd & Ynys Môn has an estimated population of 186,016 and a youth population (10-17) of 16,450 (8.8 per cent). The Black, Asian and Minority Ethnic groups in the total population for Gwynedd & Ynys Môn constitute less than four per cent (ONS, 2022). Black, Asian and minority ethnic figures for service referrals 2020-2023 was less than three per cent (YDS 113,114 & 115)².

In the 2021 census, 59.3 per cent of the population of Gwynedd & Ynys Môn identified themselves as white Welsh rather than white British or white Welsh/British. Gwynedd & Ynys Môn has the highest percentage of Welsh language speakers per head of population in Wales: Gwynedd 65 per cent and Ynys Môn 57 per cent. Of the 32 staff (across the three services), 29 (91 per cent) are first-language Welsh speakers.

The number of first-time entrants to the YJS remains high when compared to the average in Wales. Between 2020 and 2022, although actual numbers were lower as a result of the pandemic, it rose by almost 40 per cent. Between the 01 October 2022 and 30 September 2023, the YJS provided out-of-court services to 183 children. This represented 73 per cent of its caseload.

Scheduled youth courts take place fortnightly and at Crown Court when required. There is one police custody suite in the service area, based in Caernarfon. The YJS as its vision, seeks to 'support children to reach their full potential by living crime-free lives'. Children supervised by the YJS have produced the strapline, 'supporting us to do the best we can by staying away from crime' to explain what they see as the role of the YJS.

² Information supplied by Gwynedd & Ynys Môn YJS

Domain one: Organisational delivery

To inspect organisational delivery, we reviewed written evidence submitted in advance by the YJS and conducted 12 meetings, including with staff, volunteers, managers, board members, and partnership staff and their managers.

Key findings about organisational delivery were as follows.

1.1. Governance and leadership



The governance and leadership of the YOT supports and promotes the delivery of a high-quality, personalised, and responsive service for all children.

Requires improvement

Strengths:

- The strategic management board (SMB) has set a clear vision and strategy through its effective engagement with partners and stakeholders.
- Board members feel that the chair drives a clear commitment to service improvement and putting children first.
- Non-statutory partners bring added value to the SMB.
- Most YJS partnership arrangements support the delivery of effective work with YJS children.
- The YJS leadership team promotes openness and constructive challenge, creating a safe space for all to contribute to.
- Information-sharing protocols enable effective communication exchanges.
- Business risks to the YJS are understood well by leaders and there are appropriate controls in place to mitigate risk.
- There is an objective within the YJS plan which incorporates listening to the voices of children and their parents or carers. Audit mechanisms and tools to measure how well views are gathered, and used to develop practice, are a notable strength.

Areas for improvement:

- The frequency of attendance and representation at the SMB needs to be regular across all statutory partners. Currently, there is a notable absence or inconsistent engagement from education and health partners.
- The SMB needs to be more proactive and urgent in its response to identified need – for example, providing a speech and language resource.
- Volunteers and YJS staff should be given more opportunities to contribute to the youth justice plan.
- Not all staff are aware of the activities of the SMB. This has led to a disconnect between the SMB and frontline practitioners in the partnership.

- The YJS business plan (2023–2025) is not explicit in identifying or addressing disproportionality and the needs of children with different protected characteristics. There is very limited evidence of robust conversations about protected characteristics and diversity at SMB meetings.
- The induction experience of board members is variable.

1.2. Staff



Staff within the YOT are empowered to deliver a high-quality, personalised, and responsive service for all children.

Good

Strengths:

- Gwynedd & Ynys Môn YJS provides good pastoral care and support for its staff.
- The workforce is diverse and able to work with children in the Welsh or English language.
- Staffing resources are planned, used effectively, and appropriately reviewed to respond to the changing needs and profile of children supervised by the YJS.
- The workloads of staff and managers, including volunteers, are realistic.
- There are comprehensive arrangements in place to ensure that the quality of work during planned and unplanned absences is maintained.
- Cases are correctly allocated to practitioners with suitable skills and qualifications. Joint working of cases provides additional accountability, learning, and development.
- Staff are supported well in their professional development.
- Staff receive regular case management supervision and staff are resolute to deliver high-quality services.
- Practitioners have access to a range of learning and training opportunities.
- The partnership champions and values a culture of learning and continuous improvement.
- Employment opportunities are advertised openly.

Areas for improvement:

- Learning, development, and training are not yet leading to effective and consistent work to address safety and wellbeing, and risk of harm to others.
- Clinical supervision is not available to most staff.
- Management oversight addressing safety and well-being, and risk of harm work is not consistent.
- Reward and recognition arrangements are minimal and could be strengthened or enhanced.
- Not all managers have received the appropriate level of training, for their role or responsibilities, in the last 12 months.
- Not all staff have had a formal appraisal.
- Not all volunteers receive formal supervision.

1.3. Partnerships and services



A comprehensive range of high-quality services is in place, enabling personalised and responsive provision for all children.

Good

Strengths:

- There is a comprehensive and up-to-date analysis of the desistance needs of YJS children. The analysis considers safety and wellbeing, and risk of harm factors as well as diversity needs. This is informed by management information extracted from Asset Plus, audits, thematic reports and quality assurance processes.
- Children and their parents or carers are actively invited to provide feedback to support service development – this is a notable strength.
- Access to mainstream and specialist services which help children to desist from offending, and keep them and others safe, is strong. These services include emotional wellbeing, substance misuse (Be di'r Sgôr), and 'Tim Emrallt', a service providing advice, guidance, assessment, and practitioner support to children involved in problematic harmful sexual behaviour.
- The co-location of some partner agencies allows good collaboration.
- There are established links and relationships with various statutory partners, providers, and agencies providing desistance, safeguarding (multi-agency safeguarding hub, early help hub, and exploitation team), and public protection interventions (risk management panels). Oversight is provided through various memorandums of understanding, service level agreements, and terms of reference for different service providers.
- The YJS has good links with local sentencers, which helps ensure that courts are aware of the services available to support sentencing.
- The focus on building resilience (as informed by research from Bangor University) is evident in interactions with children.

Areas for improvement:

- The YJS could do more to identify interventions specifically for girls.
- The YJS could consider how reparation projects could be accredited to provide a qualification.
- Education, training, and employment, and speech, language, and communication outcomes for children are not high enough.
- The statutory requirement of a probation officer in the YJS is absent.
- Multi-agency public protection arrangements (MAPPA) training is not delivered to all staff, to provide a more robust understanding of the breadth and depth of the work needed for effective risk management.
- Caernarfon Crown & Youth Court is the only court supported by the service in the area, this creates problems for families who live at distance from the court.

1.4. Information and facilities



Timely and relevant information is available and appropriate facilities are in place to support a high-quality, personalised, and responsive approach for all children.

Good

Strengths:

- The YJS has relevant policies, procedures, and guidance in place that enable staff to undertake their responsibilities. All staff in the HM Inspectorate of Probation staff survey reported that they understood 'quite well, or 'very well' the policies and procedures that applied to their roles.
- Services for children are delivered in accessible and safe environments and locations.
- Children and their parents or carers are provided with travel vouchers, when required, to help them to meet the extra costs of travelling to the Menai Office (Swyddfa Menai) in Gwynedd.
- There is good information and communications technology access, enabling staff to carry out assessments, planning, service delivery, and reviewing.
- Staff can complete their work effectively from office and remote locations.
- There is a range of quality assurance and auditing processes, helping the YJS to have a better understanding of performance.
- There are effective processes in place to ensure that the service learns from things that go wrong. These include reviews and audits across the partnership. Learning is disseminated well.
- Information sharing, memorandums of understanding, and governance arrangements are robust.
- At an operational level, the YJS gathers and hears the voice of children innovatively.

Areas for improvement:

- Quality assurance of casework is not consistent.
- Additional deep-dive analyses are needed to gain a more comprehensive understanding of the needs of children and determine activity.
- Benchmarking of performance against HM Inspectorate of Probation thematic reports and other research findings is needed.
- Not all policies and procedures are dated or include review dates.
- There is a need to be more explicit about diversity needs in policies.
- Not all staff know how to access services from partners and providers.
- More activity is needed to embrace fully the range of protected characteristics that children possess.
- The office space used for meetings with children and their parents or carers is in need of refurbishment.

Involvement of children and their parents or carers

The YJS contacted, on our behalf, children who had open cases at the time of the inspection, to gain their consent for a text survey. We delivered the survey independently to the 13 children who consented, and two children replied. We also spoke to six children who had accessed the service and four parents or carers.

The service values, collects, and considers proactively the views of children and their parents or carers. It captures their feedback in different ways, including regular consultation events, surveys, audits, 'your voice' questionnaires, and end-of-intervention feedback. Children are invited to attend the YJS staff conference, which is held annually, and their voices are heard creatively. For example, in July 2023, a practitioner used a 'carpool'-style video recording showing what a child thought about the service.

Many children reported that practitioners had communicated with them in ways that were meaningful – for example, adapting materials and using pictorial images, including drawings, to build understanding and resilience. Additionally, a number of children and their parents or carers spoke about referral orders being returned to panel for early revocation for good progress. This reinforced positive change and acted as an encouragement from which children were able to take the next step in establishing themselves in the community.

In our telephone and face-to-face interviews, all 10 children and their parents or carers reported that they understood what the YJS is trying to achieve. When asked if they thought the staff had the right skills, they all responded 'yes'. Comments from children included:

"They (YJS practitioners) listen to me and make sure I keep on track. It's my responsibility to make sure I don't get into trouble again. I'll be going to probation soon and they've helped me understand what will be different."

"They (YJS practitioners) don't talk down to me and they listen to my side. Working with them has helped me calm down and be more mature."

"Staff are polite, courteous, kind, and professional"

"My worker is 'very cool', and I get on with him well, he's not 'old or anything' and understands what it's like to be young"

"Youth Justice has helped me and I think I want to do a health and social care course in the future, to help other young people."

"I want to grow up and be like my case manager"

Parents or carers stated:

"I am very happy with the staff – one sees my son every week without fail at school and will come to the house 'every so often' to talk to me and update me on how things are going. They're easy to talk to but also professional in the way they work."

"My lad was referred to the health panel – this was a useful service which helped him get help with issues unrelated to offending but important to him"

"They (YJS practitioners) see my son as a whole person and not just about his offending"

Diversity

The information below highlights some of the YJS's data on the diversity of its staff and children.

- 27 per cent of children on the current caseload are girls.
- 69 per cent of staff working in the YJS are female.
- Black, Asian, or minority ethnic children make up less than four per cent of children in the area covered by the YJS, and 2.7 per cent of children on the current caseload.
- 18 per cent of children on the current caseload have a learning disability, a learning difficulty, or an education, health, and care plan.
- 40 per cent of children who make up the current caseload aged 16 and under are in a pupil referral unit or alternative education or school with a reduced timetable.
- 26 per cent of the current caseload aged 17 and over are not in education, training, or employment.

There is a clear ambition from the SMB to address diversity and disproportionate outcomes for children. There is access to some disproportionality data, but it is not always clear how this is being used at a strategic level. Additionally, conversations about broader protected characteristics are required. The YJS 2023–2025 plan needs to be more explicit about diversity and embed all protected characteristics, as identified in the *Equality Act 2010*.

Services delivered to children are individualised and evidenced well in the casework that inspectors reviewed. We found some excellent examples where the learning needs (attention-deficit hyperactivity disorder or autism spectrum disorder) of children were managed sensitively and effectively. In addition, the 'racism work pack' was helping practitioners to work with children who were showing discriminatory attitudes. The level of staff understanding, awareness, and confidence in dealing with diversity issues is impressive. Our case findings showed that diversity issues in out-of-court disposal cases had been analysed well in 10 out of the 12 inspected cases, and services had been delivered with a central focus on diversity in 11 out of 12 cases.

The diversity of operational and strategic staff is reflective of the local population. Gwynedd & Ynys Môn has the highest percentage of Welsh language speakers per head of population in Wales: Gwynedd 65 per cent and Ynys Môn 57 per cent. Currently, of the 32 staff (across the three services), 29 (91 per cent) are first-language Welsh speakers, two are Welsh learners (intermediate), and one has limited Welsh language ability (basic). All children are offered services in their preferred language of Welsh or English.

There is a comprehensive and up-to-date analysis of the desistance needs of YJS children. The analysis considers safety and wellbeing, risk of harm factors, and diversity needs. This is informed by management information extracted from Asset Plus, audits, thematic reports, and quality assurance processes. However, within the resettlement and out-of-court disposal policies, the focus on diversity is limited and linked primarily to tailoring interventions. There is no signposting to the consideration of broader protected characteristics. Reference to understanding the lived experience of the child and trauma is much better.

Domain two: Court disposals

We took a detailed look at eight community sentences managed by the YJS.

2.1. Assessment



Assessment is well-informed, analytical, and personalised, actively involving the child and their parents or carers.

Requires improvement

Our rating³ for assessment is based on the following key questions:

	% 'Yes'
Does assessment sufficiently analyse how to support the child's desistance?	100%
Does assessment sufficiently analyse how to keep the child safe?	63%
Does assessment sufficiently analyse how to keep other people safe?	63%

Assessment work to support children in desisting from further offending was a strength. Practitioners took an analytical approach to understanding the reasons for a child's offending and made good use of historical and current information. They understood diversity needs and personal circumstances well. We found that practitioners had made good use of information held by other agencies in their assessment enquiries. Additionally, they had reviewed the child's strengths and protective factors robustly. Engagement with the child's parents or carers was impressive. However, victims' needs were not addressed sufficiently consistently.

Assessment activity did not always identify all the risks to the child's safety and wellbeing. Additionally, practitioners did not consistently gather relevant information from other agencies and analyse controls and interventions to promote the safety and wellbeing of the child. When information was collected (education and social services), it was used well to get a better understanding of the child's safety and wellbeing needs.

Assessments to identify all relevant factors linked to keeping other people safe were weaker. In some cases, it was unclear to whom the child presented a risk, and the nature of this risk. Where necessary, practitioners collected information from other agencies, but this was not always integrated into their assessments. This included intelligence from the police and social services about the child's new reported offending. We found evidence of under-recording in several cases, especially in the assessment of safety and wellbeing, and risk of harm. However, during interviews with inspectors, most case managers were able to articulate a broader understanding of these aspects of casework.

³ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

2.2. Planning



Planning is well-informed, holistic, and personalised, actively involving the child and their parents or carers.

Outstanding

Our rating⁴ for planning is based on the following key questions:

	% 'Yes'
Does planning focus sufficiently on supporting the child's desistance?	88%
Does planning focus sufficiently on keeping the child safe?	88%
Does planning focus sufficiently on keeping other people safe?	88%

Planning to support children to stop offending was consistently sufficient. We found timely plans in place that identified suitably the work that needed to be carried out to achieve positive outcomes for children. The plans included a detailed account of the child's personal circumstances, including their broader familial situation. In addition, plans were informed by the trauma and adverse childhood experiences that many children had experienced. This meant that practitioners identified appropriate services in most cases. We found good examples of plans that included statutory and voluntary interventions (arts and crafts, and photography projects).

Planning to keep the child safe was mostly done well. We found that practitioners had carefully considered how to keep children safe. For instance, they had considered the most appropriate locations for meeting them, and thoroughly risk-assessed reparation projects. Plans with other agencies were largely aligned, and each service provider was clear about the actions needed to keep the child safe. Practitioners were aware of tailored interventions and identified these appropriately in planning. They had made referrals to, and liaised with, services such as the emotional wellbeing practitioner, the child and adolescent mental health services nurse, and the substance misuse service (Be di'r Sgôr). Controls to maximise safety and wellbeing had been examined well but contingency planning was particularly weak and required further attention.

Planning to keep other people safe was detailed. The responsibilities of other service providers in managing risk were clear. For example, there were effective information-sharing protocols, supported by attendance at a range of multi-agency meetings, including risk management and health panel meetings. Practitioners had identified external controls to mitigate risks in most of the inspected cases. Interventions to address concerns about harmful behaviours, involving 'Tim Emrallt', were evident, including peer associations and individualised interventions to protect harm being caused to others. Practitioners had considered actual and potential victims in most of the required cases, and there was a clear emphasis on victims' safety. However, contingency planning was not consistent. Arrangements needed to be much more precise about the actions required if the level of risk increased.

⁴ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

2.3. Implementation and delivery



High-quality, well-focused, personalised, and coordinated services are delivered, engaging and assisting the child.

Good

Our rating⁵ for implementation and delivery is based on the following key questions:

	% 'Yes'
Does the implementation and delivery of services effectively support the child's desistance?	100%
Does the implementation and delivery of services effectively support the safety of the child?	88%
Does the implementation and delivery of services effectively support the safety of other people?	75%

Practitioners were competent at developing meaningful and effective working relationships with children and their parents or carers. They were creative and imaginative, and personalised interventions to the children's strengths and protective factors to encourage them to participate. For example, they helped children to access Be di'r Sgôr, complete 'Harmful Sexual Behaviour: Change for Good' sessions and set up personalised reparation projects. Delivery was strengths based, with a focus on making the best use of community resources (such as gym membership or boxing clubs). Practitioners were aware of the services available and used them well. Work to meet diversity needs was done well, especially in responding to the needs of children with autism and other additional needs.

There were well-established multi-agency arrangements in place to support children's safety and wellbeing. However, operational relationships with children's social care services were often challenging and did not always lead to positive outcomes for all children. Services were largely well organised, and partners shared the responsibility for managing risk. Practitioners were responsive when risks to the child changed, and adjusted plans and interventions to keep the child safe, such as providing emotional wellbeing support following a crisis.

Inspectors found that the partnership did not always monitor risks to others. While there were positive relationships with partners and information-sharing protocols in place, practitioner's coordination of services was variable. Generally, case managers worked well with children and their parents or carers to help them to understand external controls and encourage them to see how these were supporting victim safety. Practitioners delivered a range of interventions creatively, covering dangerous driving, harm resulting from accessing pornography, and victim empathy work. Inspectors found appropriate referrals to the police public protection unit resulting in home visiting to check mobile and laptop devices kept by children.

⁵ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

2.4. Reviewing



Reviewing of progress is well-informed, analytical, and personalised, actively involving the child and their parents or carers.

Requires improvement

Our rating⁶ for reviewing is based on the following key questions:

	% 'Yes'
Does reviewing focus sufficiently on supporting the child's desistance?	88%
Does reviewing focus sufficiently on keeping the child safe?	75%
Does reviewing focus sufficiently on keeping other people safe?	63%

The reviewing of work to assess the impact of interventions on reducing reoffending was done well in most cases. Practitioners generally carried out formal, informal, and dynamic reviews as personal circumstances changed. Consideration of a child's strengths and diversity needs, where relevant, as well as an analysis of personal and familial circumstances, were visibly consistent in most casework inspected.

When required practitioners reviewed children's motivation in most of the inspected cases and considered appropriately any barriers that they identified whether individual or structural. Regular engagement with children and their parents or carers was evidenced well in almost all the inspected cases. This helped practitioners gain a fuller understanding of the children's general day-to-day lived experiences and allowed parents or carers to become actively involved in their children's supervision.

The quality of reviewing activity in keeping children safe was not done well in all the cases inspected. Generally, where required, reviewing responded appropriately to changes linked to safety and wellbeing, as evidenced by one enhanced case management consultation completed by a clinical psychologist. This had led to a professionals meeting creating an action plan to support the child. Disappointingly, information was not always sought from other agencies that were involved, and this meant that plans remained unchanged.

Practitioners did not always respond effectively to changes in factors related to risk of harm, which meant that plans to protect others from harm were not adjusted. In a number of medium risk of harm cases, we found delays in case managers' responses to new information from children, such as being arrested for further offences. Additionally, decisions taken at risk management panels to keep others safe were not always actioned in a timely manner. However, written reviews were completed efficiently in all the inspected cases. This ensured that other practitioners involved in delivering risk of harm work had access to the most current information.

⁶ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

Domain three: Out-of-court disposals

We inspected 12 cases managed by the YJS that had received an out-of-court disposal. These consisted of two youth conditional cautions, no youth cautions, 10 community resolutions, and no other disposals. We interviewed the case managers in 11 cases.

3.1. Assessment



Assessment is well-informed, analytical, and personalised, actively involving the child and their parents or carers.

Requires improvement

Our rating⁷ for assessment is based on the following key questions:

	% 'Yes'
Does assessment sufficiently analyse how to support the child's desistance?	92%
Does assessment sufficiently analyse how to keep the child safe?	50%
Does assessment sufficiently analyse how to keep other people safe?	75%

Overall, analysis of desistance was completed well, and practitioners had sought to understand how much responsibility the child took for their behaviour, their attitude towards their offending, and their explanations for becoming involved. This approach enabled practitioners to dive deeper into how children's lived experiences may have contributed to their offending. Practitioners' attention to the role that diversity factors had played in the children's offending was strong overall. Additionally, they actively sought information from other agencies. This helped them to consider trends in previous behaviour and any barriers to engagement.

Assessment work to identify and analyse risks to the child's safety and wellbeing was much weaker. Practitioners, while generally accessing information well, did not use the information from other agencies regularly. We identified failures to appropriately consider or respond to exploitation concerns and suggest this is an area that requires additional training, understanding and focus by the service. Inspectors did not agree with almost half of the risk classifications made by case managers.

Assessment activity, analysing the risk of harm to others posed by the child, was better but not consistently completed well in all the inspected cases. We found several examples where case holders had underestimated the risk of harm to others. This included a failure to identify who was at risk and the nature of that risk. Some assessments lacked a forensic analysis, and the context of risk of harm in these cases was not recognised well enough. Information gathering from other agencies about the potential risk of harm to known victims was mostly done well.

⁷ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

3.2. Planning



Planning is well-informed, analytical, and personalised, actively involving the child and their parents or carers.

Requires improvement

Our rating⁸ for planning is based on the following key questions:

	% 'Yes'
Does planning focus on supporting the child's desistance?	100%
Does planning focus sufficiently on keeping the child safe?	58%
Does planning focus sufficiently on keeping other people safe?	83%

Planning was associated appropriately with work to support the child's desistance. Plans mostly included key services or identified which agencies would deliver these interventions, and within what timescales. Attention to the child's personal circumstances, including the broader familial and social context, was impressive. The wishes and needs of victims were well integrated into planning, and children's parents or carers were invited to contribute to identify the interventions that would help their children avoid becoming involved in further offending. This had been helped by the large amount of time that practitioners spent with the children's parents or carers.

However, planning did not promote the safety and wellbeing needs of children consistently in just under half the inspected cases. This area of work needs to improve. In these cases, there was insufficient evidence to reassure inspectors that all staff recognised fully the need for comprehensive plans that would help to keep children safe. The information included in planning frequently lacked detail. Furthermore, practitioners had not always aligned their plans with those prepared by children's social care services to support safeguarding. Additionally, contingency planning was not completed sufficiently well in six of the 11 cases.

Planning activity to promote other people's safety was better. Practitioners generally liaised effectively with other agencies, including the police, and risks to actual and potential victims were included in plans.

Contingency planning was too generic in a number of the inspected cases and did not always include the timings of when action might be needed. The absence of robust arrangements had the potential to result in further harm being caused to others, often those known to the child or in the home. Encouragingly, inspectors found that practitioners engaged well with the victim worker who had been identified to deliver victim awareness and restorative justice work. More comprehensive plans that considered the safety of all actual and potential victims were needed, helping practitioners to ensure that, in their supervision of children, they remained focused on reducing harm to others.

⁸ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

3.3. Implementation and delivery



High-quality, well-focused, personalised, and coordinated services are delivered, engaging and assisting the child.

Good

Our rating⁹ for implementation and delivery is based on the following key questions:

	% 'Yes'
Does service delivery effectively support the child's desistance?	100%
Does service delivery effectively support the safety of the child?	75%
Does service delivery effectively support the safety of other people?	92%

The quality of delivered services to help children avoid committing further offences was much better. Examples include practitioners supporting a child to sit examinations after failing to attend a lesson in which the examination timetable had been distributed. Additionally, several children were able to access enrichment activities and were given help to set up a gym membership. These initiatives were improving children's emotional wellbeing and supporting desistance. Reparation work was personalised to the individual child and focused on using the activity to engage in conversations that led them to have a better understanding of their offending behaviours.

Practitioners maintained regular contact with children and their parents or carers, with high levels of engagement. This was not limited to 'checking in' and information gathering, but also involved delivering a range of interventions that supported the child's development and progress. It was encouraging to find that the care and sensitivity with which interventions had been delivered showed how well practitioners understood the individual learning needs of children.

Services delivered to keep children safe were mostly carried out well. Practitioners made good use of specialist services, such as Be di'r Sgôr (substance misuse) and Tim Emrallt (problematic and harmful sexual behaviour). In several cases, practitioners used the learning they had acquired about the impact of trauma to support work on safety.

Work with partners to keep children safe was not consistent, and collaboration in this work was variable. There had been insufficient attention to resolving this variability in practice. In some cases, inspectors found that when YJS practitioners became involved in a case where there was active social services involvement, social workers often reduced their level of contact or closed cases. This issue needed to be escalated to managerial level to ensure that the needs of vulnerable children would be met fully. In most inspected cases, enough services were delivered to keep other people safe. There was evidence of risk management and health panel meetings taking place. Attention was clearly paid to the needs of potential and actual victims, and this was combined well with victim empathy work and the preparation of letters of apology.

⁹ The rating for the standard is driven by the lowest score on each of the key questions, which is placed in a rating band, indicated in bold in the table. [A more detailed explanation is available on our website.](#)

3.4. Out-of-court disposal policy and provision



There is a high-quality, evidence-based out-of-court disposal service in place that promotes diversion and supports sustainable desistance.

Requires improvement

We also inspected the quality of policy and provision in place for out-of-court disposals, using evidence from documents, meetings, and interviews. Our key findings were as follows:

Strengths:

- There was a clear joint protocol between the Gwynedd & Ynys Môn YJS and the North Wales Police, explaining how prevention (early and targeted) and out-of-court work was to be carried out in the region. The out-of-court policy ('the Bureau') covered pre-panel, at-panel, and post-panel information gathering, eligibility criteria, enforcement, escalation arrangements, decision-making in cases where children had previous offending histories, and liaison procedures with partners to support diversion.
- Arrangements were in place to ensure that the voice of victims, and also that of the children and their parents or carers, was included in the decision-making process. Children received effective out-of-court services, and the provision and delivery of interventions were strong.
- The YJS had an out-of-court joint decision-making process which allowed access to information from a range of agencies, including the police, social services, and education providers. External scrutiny arrangements of the joint decision-making process worked well. Compliance mechanisms were clear, with the use of warnings, engagement with partners, and, as a last resort, final warnings and charges to court.
- Children receiving an out-of-court disposal had access to the same range of interventions that were available for post-court cases. Interventions were delivered using a strengths-based approach.

Areas for improvement:

- Areas relating to the safety and wellbeing of children were not explicitly covered in the policy. There was limited attention to wellbeing needs, vulnerability, and the perception of the child about her/his safety concerns.
- There were no guidelines to support practitioners better to assess, analyse, and plan for work to keep children safe and protect others from harm.
- The regional assessment tool was not providing sufficient detail to help practitioners gather and analyse the information they needed for effective assessments to keep children safe and protect others from harm.
- There were no internal scrutiny processes or procedures to assure decision-making. Arrangements, including social services and education staff representation at the Bureau, were not yet embedded.

- Children and their parents or carers had not been directly involved in any evaluation of the out-of-court disposal policy.
- Insufficient consideration had been given to the introduction of Outcome 22.

4.1. Resettlement

4.1. Resettlement policy and provision



There is a high-quality, evidence-based resettlement service for children leaving custody.

Requires improvement

We inspected the quality of policy and provision in place for resettlement work, using evidence from documents, meetings, and interviews. To illustrate that work, we inspected one case managed by the YJS who had received a custodial sentence. Our key findings were as follows.

Strengths:

- Gwynedd & Ynys Môn YJS had a resettlement policy dated September 2022. Guidance on what practitioners needed to do was described well. Pathways, including suitable accommodation, health and education, training, and employment, all featured well in the policy. The five principles of constructive resettlement were embedded appropriately.
- The policy emphasised the significance of the principles of constructive resettlement, including well-coordinated services with partners. The need for effective communication and information exchange with service providers and other key stake holders was communicated clearly in the document.
- The importance of developing a positive identity (building resilience) and providing individualised services was integrated well into the arrangements.
- The importance of maintaining engagement with family members and home visiting was strongly emphasised.

Areas for improvement:

- Insufficient attention was given to supporting practitioners in promoting children's safety and wellbeing (safeguarding) and risk of harm to others.
- Meeting the needs of actual and potential victims was not explicit in the policy.
- There was no mention of MAPPA in the policy.
- The recommended reading list had not been updated to include more current information about diversity and other resettlement areas of practice.
- Insufficient attention was given to broader protected characteristics.

Further information

The following can be found on our website:

- [inspection data, including methodology and contextual facts about the YJS](#)
- [A glossary of terms used in this report.](#)

**Gwynedd and Ynys Mon YJS
HMIP Inspection Nov 2023
Improvement Plan**

1. Introduction

1.1 The Gwynedd Mon YJS Management Board and Staff are very pleased with an overall **‘Good’** rating from our recent HMIP Youth Justice Inspection. We want to send our thanks to our partners in both Local Authorities, the Local Criminal Justice System, and the Voluntary Sector for their support during preparation and the Inspection week.

The inspectorate identified; strong senior partnership arrangements that were driving and resourcing effective work with children and families, a staffing group that were well supported and supervised, and that children and parents were actively involved in planning and delivery of support.

We have areas for improvement most of which were not a great surprise to us, and our responsibility now is to act on these to ensure we are providing high quality support for the children and communities of Gwynedd and Ynys Mon.

The YJS Management Board and senior managers have already started the process of improvement, a meeting was held on the 31st January to review our draft report and findings for the purpose of effective and efficient response, we have until the 5th April to submit our Improvement Plan.

We are particularly pleased and proud that YJS staff were specifically highlighted in the report for the high quality of engagement and support they provide to children and their families. And we should not forget the children many of whom gave their time to speak with and provide feedback to the inspectors, we are very thankful for this.

2. Findings (HMIP Report)

2.1 This inspection is part of our programme of youth justice service (YJS) inspections. We have inspected and rated Gwynedd & Ynys Môn YJS across three broad areas: the arrangements for organisational delivery of the service, the quality of work done with children sentenced by the courts, and the quality of out-of-court disposal work.

Overall, Gwynedd & Ynys Môn YJS was rated as ‘Good’. We also inspected the quality of resettlement policy and provision, which was separately rated as ‘Requires improvement’.

The service is child focused, committed to helping children to desist from further offending. An individualised approach helps to ensure that children's diversity needs are recognised, and support put in place to help them thrive and achieve positive decision-making. Staff and volunteers are a strength. They are kind, thoughtful, work well together as one team, and are positive advocates for the children they supervise. The service collects the voices of children and their parents or carers effectively. This informs the development of services and service improvements. Staff have access to a range of interventions to help children and their parents or carers. In particular, the Tim Emrallt (problematic and harmful sexual behaviour) offer is excellent and making a real difference in supporting practitioners to improving children's attitudes and behaviours. The Be di'r Sgôr (substance misuse service) provides high-quality interventions.

The strategic management board has some committed members who work well to mobilise financial resources for the YJS. Since the pandemic, however, there has been a disconnect with frontline practitioners. This has left some staff not fully understanding the work of the board. Furthermore, there has been a notable absence from health and education partners at board meetings. The YJS has identified disproportionately in poorer education outcomes for its cohort of children, and the need for a speech and language resource. These findings need a more urgent focus at a strategic level. There also needs to be a greater drive and focus at a strategic level to ensure that YJS children are receiving the best possible service and the YJS is supported to deliver high quality interventions.

Engagement and the quality of the relationships that practitioners have with children are a strength, but work associated with supporting children's safety and wellbeing and their potential to cause harm to others is variable. This needs to improve. Our inspection found that, across court and out-of-court work, not all staff understood and applied the systems and processes consistently to keep children safe and prevent them from causing harm to others.

The YJS can be rightly proud of the way it reaches out to children with compassion to help them live out their best lives. It must now focus on using the findings from this inspection as a springboard to bring about further change. In this report, we make seven recommendations to improve further the work of the Gwynedd & Ynys Môn YJS. We trust that they will assist the service as it continues its improvement journey.

2.2 Local Preparation

At the Strategic Management Board (SMB) in January 2024, the Board invited members of the Operational Management Group (OMG) and management staff to join them to review the Inspection draft report and to begin the response process. The following Improvement Plan has been informed by the discussions and contributions made by the group.

In addition the OMG had a further meeting on the 23rd March where additional contributions were made to response planning.

3. Domain 1 (Organisational delivery)

3.1

<u>Recommendations</u>
<p>1. Ensure consistent attendance at the management board from senior education and health leaders, to achieve positive education and health outcomes for all children.</p> <p>2. Address the disconnect between the strategic management board and frontline practitioners.</p> <p>3. Address the gap in speech, language, and communication provision for children and ensure that services are provided which assess and respond to children’s communication needs.</p>

Area for Improvement (R1)	Action	Who	When
<p>a) <i>The frequency of attendance and representation at the SMB needs to be regular across all statutory partners.</i></p>	<p>SMB Chair will reinforce the importance of consistent attendance at YJS Board Meetings</p> <p>YJS Admin will keep an attendance log and provide a report to the SMB chair twice yearly.</p> <p>Representatives will be required to report to the SMB on representation and attendance when issues occur.</p> <p>New requirements will be added to the MB Terms of Reference.</p>	<p>SMB Chair</p> <p>YJS Manager and Administration</p> <p>All SMB members</p>	<p>Ongoing from the 1st April 2024.</p>
<p>b) <i>There has been a notable absence from health and education partners at board meetings.</i></p>	<p>SMB Chair and Service Manager will write to Directors of Education and of Health outlining the findings of the Inspection and request full cooperation in the actions outlined in R1a.</p>	<p>SMB Chair, Service manager</p>	<p>April 2024</p>

<p>c) <i>The YJS business plan (2023–2025) is not explicit in identifying or addressing disproportionality and the needs of children with different protected characteristics.</i></p>	<p>The G&YM YJ Plan for 2024-25 will have a section on Disproportionality and protected cha, this will include;</p> <ul style="list-style-type: none"> • <i>Gender</i> • <i>Additional Learning Needs</i> • <i>Mental Health and Neuro-Developmental</i> • <i>Ethnicity</i> • <i>Speech and Language</i> • <i>Care Experienced Children</i> 	<p>SMB Chair YJS Manager</p>	<p>July 2024</p>
<p>d) <i>The statutory requirement of a probation officer in the YJS is absent.</i></p>	<p>The MB Chair and members (supported by the service manager) will continue their representation and communications with Local NPS and National HMPPS to secure a Probation Officer secondment within the service.</p> <p>In addition, the service will support the actions of Yot Managers Cymru and YJB Wales in their negotiations with HMPPS in order to address the national issues around Probation secondments to YJ.</p> <p>The Board/Chair will write to Local NPS Lead and Wales HMPPS to notify them of HMIP findings G&M YJS inspection.</p>	<p>Management Board Members Management Board Chair Service Manager</p>	<p>May 2024</p>

<p>c) <i>There is very limited evidence of robust conversations about protected characteristics and diversity at SMB meetings.</i></p>	<p>Quarterly reports will be provided to the SMB on protected characteristics and diversity levels within the cohort of children known to the justice system, this will include;</p> <ul style="list-style-type: none"> • <i>Gender</i> • <i>Additional Learning Needs</i> • <i>Mental Health and Neuro-Developmental</i> • <i>Ethnicity</i> • <i>Speech and Language</i> • <i>Care Experienced Children</i> <p>Quarterly reports and responses from the SMB and Service will be included in the annual YJ Plan.</p>	<p>MB Chair</p> <p>SMB Members and Service Manager.</p>	
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4. Domain 2 (Court Orders)

4.1

<p><u>Recommendations</u></p> <ol style="list-style-type: none"> 1. Improve the quality of assessment and planning work to keep children safe and manage the risk of harm they present to others. 2. Ensure that management oversight is consistently effective in reviewing Asset Plus activity and contingency planning, so that practitioners are clear about what they need to improve. 3. Provide practitioners with comprehensive guidance that supports the completion of effective out-of-court assessment and planning work. 4. Improve the knowledge and understanding of practitioners to identify when children are being exploited so that timely action is taken to keep children safe.
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<p>e) Where necessary, practitioners collected information from other agencies but, this was not always integrated into their assessments.</p>	<ul style="list-style-type: none"> The Forum will be chaired by the Operational Manager with responsibility for Quality Assurance. <p>The forum will also review the quality of information requested from other agencies in the assessment and planning stages.</p> <p>The service will commission Analytical Skills training for the Case Management staff, to ensure that the information gathered from assessments and from partners is used to improve Safety and Wellbeing and Risk of Harm Assessment, Planning and Review.</p> <p>Analysis and shared risk</p>	<p>Operational Managers and Senior Practitioners</p>	<p>Commission Training by Aug 2024</p> <p>Review improvement through QA Audit Oct 2024, report to MB Dec 2024.</p>
<p>f) Multi-agency public protection arrangements (MAPPA) training is not delivered to all staff, to provide a more robust understanding of the breadth and depth of the work needed for effective risk management.</p>	<p>MAPPA training for all case management staff has taken place on the 23rd Jan 2024 (Provider: Regional MAPPA coordinator for North Wales)</p> <p>Reinstate mandatory annual MAPPA training for the service as part of Service Training Plan. This to be reviewed by OMG annually.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p> <p>OMG Chair</p>	<p>Ongoing from the 1st of Jan 2024</p>

4.2

Area for Improvement (R2)	Action	Who	When
<p>a) Contingency planning was not consistent. Arrangements needed to be much more precise about the actions required if the level of risk increased.</p> <p>b) Controls to maximise safety and wellbeing had been examined well but contingency planning was particularly weak and required further attention.</p> <p>c) Practitioners did not always respond effectively to changes in factors related to risk of harm, which meant that plans to protect others from harm were not adjusted.</p>	<p>As part of the training commissioning arrangements outlined in R1 (a,b,c) actions the service will require the training provider to ensure contingency planning around safety and wellbeing and Risk of Harm are included.</p> <p>Contingency planning will be included in development of the new case management quality assurance processes to be developed (R2 e) ensuring consistency and effective monitoring.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p>	<p>Oct-Nov 2024</p>
<p>d) Additionally, decisions taken at risk management panels to keep others safe were not always actioned in a timely manner.</p>	<p>The service will review the operation and function of the 'Risk Panel' with a view to improve decisions and actions are recorded and the panel contributes to improved safety and wellbeing and Risk of Harm management.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p>	<p>May 2024</p>
<p>e) Management oversight addressing safety and well-being, and risk of harm work is not consistent.</p>	<p>The service will develop a New Quality Assurance process and policy in-line with both YJB Case Management Guidance and HMIP Inspection findings;</p> <ul style="list-style-type: none"> • <i>Desistance</i> • <i>Child First/Strengths</i> 	<p>Service Manager</p>	

	<ul style="list-style-type: none"> • <i>Safety and Wellbeing</i> • <i>Risk of Harm</i> • <i>Contingency Planning</i> • <i>Recording</i> • <i>Analysis</i> • <i>Outcomes</i> 	Operational Managers and Senior Practitioners	Sept 2024
<p>f) Not all managers have received the appropriate level of training, for their role or responsibilities, in the last 12 months.</p> <p>g) Not all staff have had a formal appraisal.</p>	<p>The service will update Staff Training Plan and appraise the management training for Operational Managers and Senior Practitioners.</p> <p>The service will update the Supervision and Appraisal Policy (Included in the Service Induction Guidance Manual, Domain 1 R2a)</p> <p><i>Need to refer to GC Guidance</i></p> <p>The Service will report annually to the SMB on staff Supervision and Appraisal</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p> <p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p>	<p>Oct 2024</p> <p>Feb 2025</p>
<p>h) Interventions specifically for girls</p>	<p>The Service will audit resources within the service that specifically target support for girls.</p> <p>The service will enquire with colleagues in Wales and the YJB and the Regional Practice Forum, best practice with regards to developing resources with Girls</p> <p>The service will consult with girls known to the service what type of resources and support would address their needs</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p> <p>Case managers and supporting staff.</p> <p>Participation worker</p>	<p>Sept 2024.</p>

4.3

Area for Improvement (R4) Shared with Domain 3 (OofCD)	Action	Who	When
a) Learning, development, and training are not yet leading to effective and consistent work to address safety and wellbeing, and risk of harm to others.	The service will review the Service Training Plan and ensure training on Safety and Wellbeing and Risk are key elements of the Plan. Refer to Domain 2 R1 a,b,c	Service Manager Operational Managers and Senior Practitioners	June-July 2024
b) More activity is needed to embrace fully the range of protected characteristics that children possess.	Training will be provided to staff and managers on Protected Characteristic and diversity/disproportionality. Decision making consideration on protected characteristics and diversity will be factored into a review of the Health and Education Panels – data collected for reporting to OMG and SMB.	Service Manager Operational Managers and Senior Practitioners	Aug 2024
c) We identified failures to appropriately consider or respond to exploitation concerns and suggest this is an area that requires additional training, understanding and focus by the service.	The service will request Child Exploitation Leads from both Counties and North Wales Police provide Exploitation and Extra Familial Harm briefings/Training for YJS staff and managers, this will include; <ul style="list-style-type: none"> • Awareness and Identification • Child Exploitation Panel Process and Practice. 	Service Manager Operational Managers and Senior Practitioners	June 2024

	<ul style="list-style-type: none"> • Modern Day Slavery and National Referral Mechanism. 		
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5. Domain 3 (Out of Court Disposals)

5.1

Area for Improvement (R3)	Action	Who	When
a) Areas relating to the safety and wellbeing of children were not explicitly covered in the policy. There was limited attention to wellbeing needs, vulnerability, and the perception of the child about her/his safety concerns.	<p>The Service has already introduced the new;</p> <ul style="list-style-type: none"> • <i>Principles and Guidance for Prevention and Diversion (PaD) (Welsh Government)</i> • <i>Case Management Standards for Prevention and Diversion (YJB)</i> <p>Practice will be fully embedded by May 2024.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p>	<p>May 2024</p>
b) There were no guidelines to support practitioners better to assess, analyse, and plan for work to keep children safe and protect others from harm.	<p>The service will review and update the Risk and Vulnerability Policy to reflect the adoption of the new PaD documents and ensure staff are fully aware of how safeguard and manage risk of children subject to Out of Court Disposals.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p>	<p>July 2024</p>

<p>c) The regional assessment tool was not providing sufficient detail to help practitioners gather and analyse the information they needed for effective assessments to keep children safe and protect others from harm.</p>	<p>New nationally mandated <i>Prevention and Diversion Assessment Tool</i> adopted by the service on the 1st April 2024.</p> <p>National Training not available until Sept-Oct 2024.</p> <p>All new cases</p> <p>In-house support and guidance provided by managers and senior staff who have experience with Asset+.</p> <p>The Operational Management Group will quality Assurance Audit.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p> <p>Members of the OMG (Audit)</p>	<p>Partly completed April 2024</p> <p>Oct-Nov 2024</p>
<p>d) There were no internal scrutiny processes or procedures to assure decision-making.</p>	<p>The service will reinstate Out of Court Disposal Scrutiny Panel;</p> <ul style="list-style-type: none"> • Service and Operational Managers • Chair of Magistrates Bench • Local Inspector (NWP) 	<p>Service and Operational Managers</p>	<p>Sept 2024</p>
<p>e) Arrangements, including social services and education staff representation at the Bureau, were not yet embedded.</p>	<p>Children’s Services and Education representatives are part of the Out of Court Disposal Allocation and Review Panels (Bureau), however too early to evaluate their contribution and experience, the service will review these arrangements and consult with the OMG and NWP on changes or further developments.</p>	<p>Service manager</p>	<p>Oct 2024</p>
<p>f) Insufficient consideration had been given to the introduction of Outcome 22</p>	<p>North Wales Police and Regional YJS launched ‘Second Chance’ practice arrangements in March 2024. This practice</p>		

	<p>introduced the inclusion of Outcome 22 to the options for an Out of Court Disposal.</p> <p>The practice is early ‘test’ stage, the service will keep the OMG and SMB briefed on progress and issues, and continue to collaborate with the NWP (Prevention Hub and the OPCC on development and roll-out.</p> <p>The service will provide some oversight and QA via the reinstatement of the OofCD Scrutiny Panel.</p>	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p>	<p>Ongoing (partly dictated by regional planning and NWP Prevention Hub)</p>
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6. Resettlement (Policy and Procedures)

6.1

Area for Improvement (Resettlement)	Action	Who	When
<p>a) Insufficient attention was given to supporting practitioners in promoting children’s safety and wellbeing (safeguarding) and risk of harm to others.</p> <p>b) Meeting the needs of actual and potential victims was not explicit in the policy.</p> <p>c) There was no mention of MAPPA in the policy.</p> <p>d) The recommended reading list had not been updated to include more current</p>	<p>The service will create a new Resettlement Practice Document, we will;</p> <ul style="list-style-type: none"> • Seek best practice within Wales. • Re-affirm with OMG Chair and Members of their responsibility to form a Resettlement Panel when required. • Consult with YJB Cymru on relevant reading and policy documentation. 	<p>Service Manager</p> <p>Operational Managers and Senior Practitioners</p> <p>Operational Management Group (Chair)</p>	<p>May 2024</p>

<p>information about diversity and other resettlement areas of practice. e) Insufficient attention was given to broader protected characteristics.</p>	<ul style="list-style-type: none"> Ensure Diversity and Protected Characteristics are included in the document. 		
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7. Improvement Plan Journey


7.2 Approved by SMB Members and submitted to HMIP and YJB 5th April 2024. Feedback from HMIP and response by end of April 2024.

7.3 HMIP Improvement Plan paper to be presented at SMB meeting 23rd April 2024.

7.4 HMIP Improvement Plan to be presented at Council Cabinet Committees April 2024.

7.5 HMIP Improvement Plan will be incorporated into the Gwynedd and Mon Youth Justice Plan (2024-25) in June 2024. The Implementation of actions will be monitored at SMB (YJB in attendance) and OMG quarterly meetings.

8. Sign-off

Name Designation	Signature	Date
<p>Fôn Roberts Chair of the Gwynedd Mon YJS Management Board.</p>		<p>08.04.2024</p>
<p>Stephen Wood Service manager Gwynedd Mon YJS.</p>		

rMEETING	Governance and Audit Committee
DATE	5 September 2024
TITLE	Gwynedd Council's Annual Performance Report and Self-Assessment
PURPOSE	Submit a draft of Gwynedd Council's Annual Performance Report and Self-Assessment document for 2023/24 for committee consideration.
RECOMMENDATION	Members are asked to consider the contents of the draft document for 2023/24 and propose any comments and recommendations.
CABINET MEMBER	Councillor Dyfrig Siencyn, Council Leader
AUTHOR	Dewi W. Jones, Council Business Support Service Manager

1. BACKGROUND

- 1.1. This is a report to present the Council's Annual Performance Report and Self-Assessment looking back at 2022/23. Note that the Self-Assessment is as a statutory request under the Local Government and Elections (Wales) Act 2021.
- 1.2. Like last year, the Council's self-assessment has been incorporated within the Annual Performance Report. Gwynedd Council's Performance and Self-Assessment Report 2023/24 (Appendix 1) has been structured to reflect the format of Gwynedd Council's Plan 2023-28.
- 1.3. The document has been presented as text only as there is further work to be done to complete the format and design. This work will be completed in time to present to the Cabinet and to the Full Council during the month of September.
- 1.4. The Statutory Guidance sets out the need to involve the Governance and Audit Committee in the self assessment process to give them the opportunity to submit any comments and recommendations. With this in mind, Committee members are asked to focus on **Part 2** of the report, (which is the Self-Assessment) and offer any comments or recommendations.

2. SELF-ASSESSMENT OF THE COUNCIL'S PERFORMANCE

- 2.1. The Local Government and Elections (Wales) Act 2021 provides for a new and revised legislative framework for local government elections, democracy, governance and performance. It replaces the duty set out in the Local Government (Wales) Measure 2009.

- 2.2. The Act requires that a council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements. The performance requirements are the extent to which:
- i. it exercises its functions effectively;
 - ii. it uses its resources economically, efficiently and effectively;
 - iii. whose governance is effective to achieve the above.
- 2.3. At its simplest level, a self-assessment relates to how the council meets the performance requirements and responds to the following questions:
- How well are we doing?
 - How do we know that?
 - What can we do better and how?
- 2.4. As already mentioned there is a duty to publish a report setting out the conclusions of the self-assessment once in relation to each financial year and to complete the work "as soon as reasonably practicable after the end of the financial year in which it relates."
- 2.5. A duty to consult at least once in a financial year with local people, local businesses, council staff and trade unions is also stated. These consultations should be used to obtain feedback on the extent to which the authority is fulfilling the performance requirements.
- 2.6. The Council already collects much of the evidence and publishes documents containing the type of information that we're expected to include within the self-assessment. This includes documents such as (but not limited to) annual reports for Performance, Equality, Director of Social Services, Annual Statement of Accounts and Governance Statement. As a result, we have tried to keep the self-assessment document relatively concise with reference towards a number of the documents where further information can be obtained to try to avoid duplication.
- 2.7. The Governance Group has led/taken an overview of the process within the Council to ensure that the work is owned and led at a strategic level. It is also noted that the Chair and Vice-chair of the Governance and Scrutiny Committee had the opportunity to provide comments on a draft version over the past few weeks.
- 2.8. As stated above it is necessary to include the Governance and Scrutiny Committee in the process in order to give them the opportunity to submit any comments and recommendations as outlined in the box below (which has been taken directly from the document).

Involving the council's governance and audit committee

Para 2.40 The council must make a draft of its self-assessment report available to its governance and audit committee. The committee must review the draft report and may make recommendations for changes to the conclusions or action the council intends to take.

Para 2.41 If the council does not make a change recommended by the governance and audit committee, it must set out in the final self-assessment report the recommendation and the reasons why the council did not make the change.

- 2.9. Failure to publish a Self-Assessment would likely result in statutory recommendations from Audit Wales, which would have implications for the reputation of the Council.
- 2.10. As reported to this Committee at its meeting on 23rd May 2024 a Panel Performance Assessment (consisting of independent members) will take place within the Council in the Autumn. A Panel Assessment needs to be carried out at least **once** within an election cycle and is linked to the duty to carry out annual self-assessments on performance with these documents forming part of the evidence base.

3. NEXT STEPS

- 3.1. A draft of the Annual Performance Report and Self-Assessment, together with any comments or recommendations from the Governance and Audit Committee on the self-assessment will be submitted to Cabinet on the 17th of September and to the Full Council for approval on the 3rd of October, 2024.

4. RECOMMENDATION

- 4.1. The Governance and Audit Committee is requested to consider the Annual Performance Report and Self-Assessment draft for 2023/24 which appears in Appendix 1 and provide any recommendations for changes if there are any.

Appendix 1 – Gwynedd Council Annual Performance Report and Self-Assessment (Draft) 2023/24

Annual Report 2023-24



Leader's Foreword – Gwynedd Council's Annual Performance Report and Self-Assessment Report 2023-24

It is my pleasure to present the Annual Performance and Self-Assessment Report, which highlights the work of the Council over the past year. This is the first performance review of the Council's Plan 2023-28.

This year our focus has been on alleviating the financial burden on families, particularly those struggling with the high cost of living. We have successfully upgraded dining facilities and equipped kitchens in our schools, ensuring that we offer every primary pupil a free school lunch. Additionally, we adopted a Poverty Alleviation and Prevention Plan, leading to the establishment of the Gwynedd Poverty Group, and a food sharing network, all of which benefit from the support of organisations across the county.

We strived to support individuals and families who are homeless and further reduce our reliance on temporary accommodation, such as B&Bs and hotels. Supported housing developments have been opened in Bangor, Dolgellau and Pwllheli, and construction has also been completed on four new flats in Caernarfon to help young people at risk of homelessness move towards independent living. The Council has also worked with housing associations to build over 150 new social housing units and bring around 50 empty properties back into use to meet the growing demand for affordable and suitable housing for local people.

I am pleased that Cyngor Gwynedd continues to explore innovative ways of working with our partners. This year, we published the Gwynedd and Eryri Sustainable Visitor Economy Plan 2035 to ensure that communities benefit from tourism, whilst also protecting our unique environment, language and culture. We have already started implementing this work by opening the first Arosfan pilot site in Cricieth, offering an appropriate place to stay overnight for motorhomes, with further sites planned in 2024.

Further steps were taken to reduce the Council's carbon footprint during the year. Solar panels have been installed at 55 Council-owned sites, reducing energy costs and carbon emissions. We've also initiated the process of switching fleet vehicles for electric ones, installing more charging points in public places for residents as well as Council vehicles.

As we celebrate our achievements, however, it would be remiss of me not to emphasize the significant and very serious financial challenges facing local councils over the next few years. We simply don't have enough money to do everything we want to do. As a result, we had to prioritize our plans based on risk and seek additional sources of funding, such as grants, which are becoming increasingly scarce. At the same time, demand for local services continues to rise exponentially.

I am concerned about our ability to maintain quality services in the current climate, and we are having to look seriously at what we can provide for the future. As Leader, I will keep pushing for more investment in local government and emphasize the need for stable and adequate funding from both Westminster Government and the Welsh Government.

Councillor Dyfrig Siencyn
Cyngor Gwynedd Leader

Introduction

The Council published its 'Cyngor Gwynedd Plan for 2023-2028' in March 2023, in which our ambition and priorities are set for the five years in question. The 'Cyngor Gwynedd Plan 2023-28' includes a series of ambitious projects which will enable us to develop and improve our services for the residents of the county over a period of five years. The projects are covered under seven priority fields:

- **Gwynedd Yfory (Tomorrow's Gwynedd)**
Giving our children and young people the best possible start in life
- **Gwynedd Lewyrchus (A Prosperous Gwynedd)**
Strengthening the economy and supporting the people of Gwynedd to earn a decent salary
- **Gwynedd Glyd (A Homely Gwynedd)**
Supporting the people of Gwynedd to live in suitable and affordable homes in their communities
- **Gwynedd Ofalgar (A Caring Gwynedd)**
Supporting the residents of Gwynedd to live full and safe lives in our communities
- **Gwynedd Gymraeg (A Welsh Gwynedd)**
Ensuring that we give our residents every possible opportunity to use the Welsh language in the community.
- **Gwynedd Werdd (A Green Gwynedd)**
Protecting the county's natural beauty, and responding positively to the climate change crisis
- **Gwynedd Effeithlon (An Efficient Gwynedd)**
Putting the residents of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently

This is our first report which looks at the attainments of the Council Plan 2023-28. The report has been divided into headings which reflect the above priority areas, describing the progress made during the past year, as well as the main attainments in the day-to-day work of our departments, for example, care of children and adults, the environment, and primary and secondary education.

The Priority Areas within this document are our Well-being Objectives under the Well-being of Future Generations (Wales) Act 2015. The Objectives will directly contribute to achieving the seven national well-being goals. As we take action, we will also give appropriate consideration to the five ways of working within the Act by considering the long term, prevention, integration, collaborative working and being inclusive of people of all ages. We will do this by adopting a way of working which focuses on putting the people of Gwynedd at the centre of everything we do. See table on page 30 which shows the contribution of each priority project towards the five ways of working.

The final part of the performance report will incorporate our self-assessment for the year. This will be our third self-assessment. The Council is expected to present this annually under the Local Government and Elections (Wales) Act 2021.

To succeed in our plans, we need to work together and continue to foster a healthy relationship with a broad range of partners – the third sector, the private sector, other public services and of course, our enthusiastic communities.

A new savings programme has been introduced as one of the Council's top priorities in response to the financial situation, and the Council has agreed a £6.4 million savings programme when setting the 2023/24 budget, as well as further savings of £5.2 million when setting the 2024/25 budget. Despite the financial challenges, the Council is constantly innovating whilst trying to find better and more efficient ways of providing services.

As part of our performance arrangements we regularly host a series of performance challenge and support meetings which is a chance for us to see what kind of progress the departments have made with their day-to-day work as well as progress against the milestones that have been set for the projects within the seven priority fields in the Council Plan. This Annual Performance Report is based on the findings of these performance challenge and support meetings. The report not only intends to draw attention to the positives, but also provide a fair and honest reflection of our performance during the year. In doing so, we can celebrate our successes and see which aspects of our work needs further attention, in order to assist us in providing the best possible service for the residents of the county within the resources we have.

This annual Report is submitted to the Council Cabinet and to the meeting of the Full Council for approval.

TOMORROW'S GWYNEDD

Our ambition is to ensure that every child educated in Gwynedd gets:

- Treated equally, encouraged to treat others equally and that we give priority to their happiness and well-being.
- Education of the best possible standard including access to a broad range of academic and vocational subjects to fulfil the requirements of the new 'Curriculum for Wales'.
- Access to Welsh-medium education throughout their time in education.
- Educated in buildings that are in a good state of repair, and to the best of our ability are safe and fit for purpose.
- The opportunity to develop into rounded citizens, who are content and confident in the world.
- Tailored support from professional services to meet their additional learning needs.
- The opportunity to have a nutritious meal in school, free of charge to as many pupils as possible.
- Access to equipment and technology that promote modern and effective learning.
- An assurance of suitable facilities and playing fields that are available for children and young people in their leisure time.

Projects

- Transforming education for children in their early years
- Free school meals
- Modernising buildings and the learning environment
- Promoting the well-being of children and young people and reducing the cost of sending children to school
- Extending opportunities for play and socialising for the county's children and young people

Project updates

Transforming education for children in their early years

Achievements during the year include:

- We have presented a draft strategy for the early years that will respond to the principles, and we have established collaboration arrangements with our health partners.

Free school meals

Achievements during the year include:

- We have upgraded to electric equipment, installing less gas equipment in our kitchens, to reduce carbon emissions.
- It was ensured that there are enough kitchen staff / supervisors in our primary schools to cope with the increase in the numbers who have school dinners.
- We have managed to offer free school meals to all primary aged pupils, ensuring that the dining space is suitable and that our kitchens are adequately equipped to provide dinner and have tried to ensure that as many of the primary aged pupils as possible take advantage of the scheme, and as a result, this project has been completed this year.

Modernising buildings and the learning environment

Achievements during the year include:

- A business case was approved to fund a new school for Our Lady's School in Bangor, with capacity for 150 learners on the old Ysgol Glanadda site.
- A business case was approved to fund improvements for Ysgol Hirael in Bangor.
- Possible options were considered to improve the condition of the buildings and the learning environment at Ysgol Tryfan, Bangor, and the business case will be presented soon.
- The work of building a new Primary School in Cricieth continues, and the school will open in September 2024.
- Post-16 Education in Arfon - At the Cabinet meeting on 28 November 2023, it was decided not to move forward with the review of post-16 education arrangements in Arfon.

Promoting the well-being of children and young people and reducing the cost of sending children to school

Achievements during the year include:

- Project groups were established to draw up a work programme and detailed research specifications into the financial cost of sending children to school, and the emotional and psychological cost to some children of attending school.
- Research work was undertaken, and data was collected for the financial cost and the emotional cost of attending school.

Extending opportunities for play and socialising for the county's children and young people

Achievements during the year include:

- A work programme was drawn up to improve the playing fields, and opportunities to collaborate with local partners were explored.
- Grant requests were submitted to improve the provision for children and young people.
- Information was collected about the provision that is currently available and opinion surveys were undertaken.

Some of our key achievements

- A Draft Education Strategy has been drawn up and discussed at the Secondary Headteachers' Strategic Group and submitted to the Special and Primary Consultation Group, and the draft has also been submitted to the Education and Economy Scrutiny Committee.
- A Project Boards arrangement is in place to ensure that education capital project management is robust. Considerable work has been achieved during the year to meet the needs of the one-time capital grants expenditure during the year, such as the Additional Learning Needs grant and area schools, and the Band C Sustainable Learning Communities capital projects are moving forward as expected by now.
- Every school and Governing Body has a designated person who has completed the level 2 safeguarding training during the last three years.

- We have created a Training package jointly with Speech and Language Therapists to up-skill school staff to enable them to further support learners with speech and language difficulties.
- We have managed to attract grant funding from the Welsh Government to employ three additional welfare officers for a year. The additional officers have enabled us to achieve preventative work to respond quickly to concerns that are highlighted. These resources seem to be making a difference, and the schools are happy with the additional support.
- The visual impairment team has created resources and books adapted for specific pupils.
- The criteria to assess Early Years learners has been updated and proves to be an effective method of joint assessment with all stakeholders involved with the children.
- There was collaboration with the Early Development Team, Flying Start Service to establish a structure to open an electronic profile for very young children who receive support on a targeting at home level. This allows children to transfer to Early years settings with a profile in place. The settings have stated that this ensures continuum in the provision of the targeting level.

Designed statistics page to follow

Protecting the welfare of Gwynedd's children and young people. All schools that have received a monitoring visit during the year have complied with the requirements.
The number of waiting days for a counselling service has reduced from 51 to 23 since the beginning of the educational year.
Supporting children and young people with a medical/physical/sensory condition to have access to education - 91% of users are very satisfied with the service
Our young people have achieved 728 accreditations through Youth Service this year.

A PROSPEROUS GWYNEDD

The foundation for enabling the people of Gwynedd to prosper is ensuring that there are suitable jobs available in the county paying salaries that enable them to support themselves and their families. Our ambition is to ensure:

- High-quality jobs.
- Support for businesses to thrive.
- Sustainable tourism for the benefit of communities.
- Strong and resilient communities.
- Prosperous and vibrant town centres.

Projects

- Promoting our culture and a sustainable visitor economy
- Regenerating communities and town centres
- Creating the best possible circumstances in Gwynedd for businesses and community enterprises to thrive, and support the people of Gwynedd into work
- Keeping the Benefit Local

Project updates

Promoting our culture and a sustainable visitor economy

Achievements during the year include:

- The Gwynedd and Eryri Plan 2035 was launched and the Gwynedd and Eryri Sustainable Visitor Economy Partnership 2035 was established.
- Consultation began on the development of a Culture Plan for Gwynedd.
- The North West Wales World Heritage Coordinator was appointed jointly with Cadw.
- Overnight sites were developed across Gwynedd to provide motorhomes with suitable places to park overnight.
- A programme of activities was held during Eisteddfod week, and support was given to communities, businesses and the cultural sector to prepare for the Eisteddfod.
- Improvements were made to Neuadd Dwyfor in Pwllheli which is an important cultural centre for the Dwyfor area and more widely.

Regenerating communities and town centres

Achievements during the year include:

- Draft Local Regeneration Plans were drawn up for each of the 13 regeneration areas in the county.
- Workshops were held in each local regeneration area to discuss and adapt the draft Local Regeneration Plans; and to update local organisations on the new financial programmes.
- Key Funds were established to support projects within Local Regeneration Plans.
- Town Centre Plans were drawn up for Bangor, Caernarfon and Porthmadog.
- Information was gathered about empty properties in our main towns, and the current interventions of Council Departments dealing with empty properties were reviewed.
- An Empty Properties Project Manager (Economic Development Professional Trainee as part of the Yfory Scheme 2023 programme) was appointed.

Creating the best possible circumstances in Gwynedd for businesses and community enterprises to thrive, and support the people of Gwynedd into work

Achievements during the year include:

- Funding from the UK Government's Shared Prosperity Fund was targeted to strengthen the foundations of Gwynedd's economy
- We collaborated with partners across North Wales to ensure benefit for Gwynedd from the North Wales Growth Deal
- The second phase of the Arfor Programme was implemented, namely an £11 million Welsh Government programme, which works across Gwynedd, Anglesey, Ceredigion and Carmarthenshire to support communities that are Welsh language strongholds to thrive. The programme provides economic interventions that also contribute to increasing the opportunities to see and use the Welsh language on a daily basis.
- New arrangements were set up to engage with businesses to provide them with useful information
- A Business Support Fund was launched to provide additional financial support to the county's businesses.
- Planning permission was secured to develop 10 new work units
- An agreement was reached with the Welsh Government to provide a Support into Work programme

Keeping the Benefit Local

Achievements during the year include:

- Training was carried out amongst officers to explain how the council can support the local economy in the purchase of goods and services
- Workshops were held for local businesses
- Guidance was developed on the new arrangements
- Our procurement policies were updated

Some of our key achievements

Developing the economy and regenerating communities

Cyngor Gwynedd provided a wide range of support to maintain and support businesses to thrive in the past year.

The Council was responsible for:

- A £120 million proposal for 167 schemes across North Wales, which included £23 million for 40 projects in Gwynedd.
- Establishing teams and procedures to manage and administer the ARFOR programme across west Wales and in Gwynedd. We were successful in allocating 99% (£1.04M) of Gwynedd's Enterprising Communities budget to 23 local initiatives, and Gwynedd benefited more than other counties from all ARFOR work streams.
- Over £600,000 was shared to 27 local businesses during 2023/24 as a result of SPF funding, and a total of over £2m was committed to helping businesses develop.
- Providing practical advice and support to 149 businesses as part of schemes commissioned by the Council with SPF funding.
- Securing jobs for 166 local residents who were not working, following the support of the Gwaith Gwynedd team during the year – an increase of 25 compared to the previous year.

- Organising 13 job fairs throughout the county, with 218 employers attending and 1,075 individuals seeking work.
- Resources secured for the development of Placemaking Plans for the town centres of Pwllheli, Dolgellau and Bala during 2024/25.
- By working in partnership with the Betsi Cadwaladr Health Board, a Strategic Outline Case was prepared for the Bangor Health and Wellbeing Centre Plan.
- Establishing a project management and implementation structure for the Llewyrch o'r Llechi Programme with legal agreements set with external partners. 1 plan completed with the majority in the pipeline. The LleChi Scheme was implemented and completed with an application for the operational phase submitted to the Heritage Lottery Fund with an award date of June 2024.
- Establishing and launching the Regenerating Our Communities Fund, with £1.5m committed in projects due to be completed in 2024/25

Culture and Leisure

- The restoration work was completed and the Lloyd George Museum in Llanystumdwy was opened by July 2023. In addition, an SPF grant was received for investment in the second interpretation which will be completed for the 2025 season.
- A Netloan System and cloud printing was installed in all libraries to improve the service available for the public.
- The Welsh Government funded the capital element of the national digital library platform which will be led by Cyngor Gwynedd.
- Neuadd Dwyfor was fully opened in June 2023 and all improvements have been positively received by users. A diverse programme is being developed, with an emphasis on live music evenings by individuals and bands in Welsh.
- Grant applications were submitted to improve the infrastructure of leisure centres - new LED lighting for the Tennis Centre, resurfacing the Tennis Centre courts, improvements to MUGA Dolgellau.
- The Glyn Site was resurfaced and a parking order for the site was confirmed.
- Four Overnight (Arosfan) sites have been developed for motorhomes with funding from the Council and the Welsh Government's Brilliant Basics scheme in Cricieth, Pwllheli, Llanberis and Caernarfon.
- As a result of a grant of £80,000, 81,000 people attended 21 different events in the county. A benefit to the economy of £2,663,813 was calculated as a result.
- There were 844,000 visits to the Eryri Mountains and Coasts website in 2023/4 where emphasis was placed on providing information on the walking offer, buying locally, heritage and culture and the safe use of the coast and our designated areas.
- Navigation aids were positioned in Tywyn and Abersoch which means full compliance with Trinity House requirements. The fairway buoys of Aberdyfi and Barmouth harbours were refurbished and positioned in their respective sites.
- The work of upgrading the Dinas Dinlle beach car park was completed, with new management arrangements being trialled during the 2024 summer season.
- The Pwllheli Harbour Long-term Strategy Plan was drawn up, which identifies an investment framework for the harbour.

Designed statistics page to follow

Byw'n Iach Centres' customers satisfaction level is 85.69% (an increase of +2.15%)
Hafan Pwllheli's customer satisfaction is 91%
Percentage of participants who see progress in their well-being or are improving their skills following their arts experience is 100%
Percentage of Libraries customer satisfaction is 98.2%
Percentage of the Neuadd Dwyfor customer satisfaction is 93.5%
Investment in Town Centre Regeneration Programmes worth £8,336,970

A HOMELY GWYNEDD

Our ambition is to ensure that the people of Gwynedd can access a suitable home of a high standard, that is affordable and improves their quality of life. We will try to achieve this by setting an ambition to:

- Ensure that no-one is homeless in Gwynedd
- Help the residents of Gwynedd to own an affordable home in their community
- Ensure that houses in Gwynedd are environmentally friendly
- Ensure that houses in Gwynedd have a positive influence on the health and well-being of the county's residents.

Projects

- Increasing the supply of housing for local people
- Dealing with the energy cost crisis and fuel poverty
- Ensuring that no one is homeless in Gwynedd
- Managing second homes and short-term holiday accommodation

Project updates

Increasing the supply of housing for local people

Achievements during the year include:

- Over 200 additional homes were created for Gwynedd residents.
- Planning applications were submitted for a housing development site in Llanberis and we will soon be ready to build our first houses.
- 13 houses have been purchased (bringing the total to 23 houses) to let at affordable rent levels.
- Many sites were assessed, and 3 development sites were purchased (in Mynytho, Llanystumdwy and Caernarfon) for new development by negotiating and engaging with landowners.
- 53 empty properties have been brought back into use through grants for first time buyers to renovate empty homes.
- By working with our housing partners, over 170 new social houses have been built.

Dealing with the energy cost crisis and fuel poverty

Achievements during the year include:

- The county's residents were supported to make the most of schemes to reduce energy costs, such as ECO4 and Nyth.
- We collaborated with internal and external partners, including the third sector, to deal with calls from the public, and we ensured that Gwynedd residents are aware of all the benefits that are available to them.
- Expertise and useful information were shared on Cyngor Gwynedd's Costs of Living website which is available to everyone.
- People were referred to Citizens Advice to obtain advice on debts and Personal Independence Payments (PIP) applications, which is additional funding to help with day-to-day lives if someone has an illness, disability or mental health condition.
- Residents were referred to the Food Bank for additional support.
- Community clinics were held to refer people to the services and support available.

Ensuring that no one is homeless in Gwynedd

Achievements during the year include:

- The following developments were completed to help homeless individuals and families:
 - Caertref – Caernarfon pods
 - 35 College Road, Bangor
 - 20 Ala Road, Pwllheli
 - Dôl Sadler, Dolgellau
- The construction work for Lle Da, Caernarfon was completed, providing four additional flats which will also support vulnerable young people to make important steps towards independent living.
- 17 properties were attracted to the Leasing Scheme Wales, which allow more people to rent privately in Gwynedd, and make it a more affordable option, and we will continue to discuss with landlords and the Government to look at options to increase the opportunities over the plan period.

Managing second homes and short-term holiday accommodation

Achievements during the year include:

- A public consultation was held on the proposal to introduce the Article 4 Direction for the Gwynedd planning authority area, to manage the use of homes as second homes and holiday accommodation.

Some of our key achievements

- Over the last year, the vast majority of customers who were questioned were completely satisfied with the Maintenance service.
- A grant application presented to the Welsh Government for £1.7m for a pilot scheme to install heat pumps in three buildings was approved, and the Cabinet's seal of approval was received for a business case for a PV scheme worth £500k, and a pilot scheme to install LED lighting in six operational buildings.
- 546 ECO applications were approved during 23/24 which have helped to make houses more energy efficient and reduce the cost of heating them.
- There was continuous collaboration with the third sector and Registered Social Landlords to make the most of the support available to residents.
- The Council's carbon footprint has been considered in relation to each new development. The new Ysgol Trefarthyr in Cricieth has been developed as a non-gas school, being heated by an 'Air source heat pump' technology which uses electricity produced by on-site solar panels. The background work has begun to prepare plans to develop the new Ysgol Bontnewydd which goes a step further as it is a Zero-net School.
- A new supported housing development was completed in Dôl Sadler, Dolgellau, during the year. The building comprises five units that will accommodate vulnerable individuals to be able to live independently and offer support to prepare them to move to their own tenancies. The development also includes an office for staff on the site, to ensure support and continuous assistance for the tenants.
- 208 empty houses have come back into use through the Council's intervention and support.
- 178 Enable grants and Disabled Facilities Grants were provided to help people to live independently in their home.

- The percentage of all the social housing allocations allocated to a local person with a connection to Gwynedd is consistently high (97%) with the latest figure being 100%.
- Over 4800 people have received support to live locally since the beginning of the Housing Action Plan.
- 23 houses have been purchased under the Buy to Let Scheme, and another five are underway, which means that we have reached the target set for 23/24.
- 278 social houses have now been developed jointly with our Housing Partners.

Designed statistics page to follow

208 empty houses have come back into use through the Council's intervention and support.
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The number of days on a waiting list has reduced gradually since August 2023 and is at its lowest since a year (685 days).
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The percentage of all the social housing allocations allocated to a local person with a connection to Gwynedd is consistently high (97%)
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21 houses have been bought under the Buy to Let Scheme, and another 5 are underway.

A CARING GWYNEDD

Looking after vulnerable individuals is one of our main responsibilities, and our ambition is to support the residents of Gwynedd to live full and safe lives in our communities by:

- Safeguarding children, young people and vulnerable adults.
- Supporting residents to participate and engage with their communities, and to reduce poverty and its effects.
- Ensuring that children, young people and their families live happy lives and reach their potential in terms of their education, health and well-being.
- Ensuring there is information available for the residents of Gwynedd to assist them in making informed decisions about their health and physical and mental well-being.
- Enabling the residents of Gwynedd to live independently in suitable accommodation with dignity for as long as possible in their community.
- Supporting unpaid carers.
- Providing high-quality care and support in the right place at the right time.
- Supporting our communities to ensure accessibility and to develop into an Age-Friendly Gwynedd.

Projects

- Local Preventative Support
- Living Independently
- Specialist Quality Care
- Supporting People's Well-being
- Autism Plan
- Developing residential provision for children who are looked after in small group homes

Project updates

Local Preventative Support

Achievements during the year include:

- We contributed to the development of Bangor Well-being Centre as part of the Central Bangor Regeneration Plan.
- The preparation of detailed plans was carried out before tendering for the construction to adapt Canolfan Dolfeurig at Dolgellau. This will add to the network of community hubs that support and create opportunities for individuals with learning disabilities, and ensure we use our sites to their full potential for the wider community. It is expected that the building work will commence at the end of summer 2024.
- Plans for an integrated health and care hub have been developed in Penygroes with a focus on developing collaboration and integration between the local community, third sector and statutory bodies to make the best use of resources to meet what matters to the community.
- The Dewis Cymru Project was set up to tackle the challenge of making a programme of social activities and opportunities available for a wide range of individuals and carers across the county.
- We held extensive consultations with the workforce and the public to inform our work on developing a communication and engagement plan for the area of care. The scheme is due to be published at the end of summer 2024 and is designed

to ensure that we involve our communities effectively in the development of our services and improve the accessibility of information available to the public.

- Awareness of the Age Friendly agenda was raised amongst the Council and its partners and priorities were agreed for the next 5 years. An application was also submitted to the World Health Association for the Age Friendly county accreditation.

Living independently

Achievements during the year include:

- The Light Extra Care Housing provision has been opened in Pwllheli, with a view to creating similar developments in other parts of the county, with priority for the Dolgellau and Caernarfon areas.
- Suitable accommodation options for individuals with Learning Disabilities have been augmented by the development of new Housing and Support to encourage independent living rather than funding out-of-county placements. We are also looking at developing the Frondeg site, Caernarfon and are identifying and adapting a number of houses across the county to further increase Supported Housing provision.
- Implementing the programme to embed the new home care model ensuring that internal and external care providers become part of the Community Resource Teams and therefore collaborate effectively with the wider communities.
- We developed a Carers (Adults and Children) Plan to ensure we recognise, acknowledge and support the invaluable work unpaid carers across Gwynedd undertake.
- Begin reviewing our daycare and respite provisions to agree a new model to support the well-being of individuals and carers.
- We have started supporting our residents through the process of digital transformation by 2025 – this includes developing a framework for purchasing digital telecare equipment, and we are in the process of upgrading our residents' telecare equipment on an area-by-area basis. We are also trialling and researching new and innovative technology and systems to enable us to work in a more preventative way.
- We have revisited the way we support the process of receiving and delivering care through direct payments, by internalising the service. We are weighing-up different options and a decision is expected to be reached on how the direct payments support service will look like in the future by the end of summer 2024.

Specialist Quality Care

Achievements during the year include:

- We collaborated with residential and nursing providers to understand their costs. We used the 'CareCubed' system to benchmark care costs and ensure that the fees we pay are based on hard evidence. We continued to consider possible options for developing nursing beds in conjunction with the Health Board, with the aim of ensuring adequate nursing beds.
- Develop and implement the business case of the Penrhos site to develop nursing beds in conjunction with the Health Board, as well as a wide range of accommodation provision with care.
- Continue to look for options to further expand dementia provision in our homes.

- A project officer has been appointed to lead on the development of the integrated teams (teams comprising care staff as well as health staff). The intention is to enable them to achieve what matters to Gwynedd adults by removing any barriers.
- We undertook a review of our mental health service delivery model to ensure that we addressed our responsibilities under the Social Services and Well-being Act.
- Contributed to a corporate project, Workforce Planning, ensuring appropriate coverage of the specific challenges and career opportunities that exist in the care field.

Supporting People's Well-being

Achievements during the year include:

- A Poverty Alleviation and Prevention Plan was adopted (Gwynedd Poverty Group, Food Network and Food Charter was established).
- The existing network of Helping People Hubs has been evaluated with a view to expanding it to further areas.
- We reviewed collaboration and referral arrangements between our main front doors to identify potential improvements in the system.
- Working with the Department of Housing and Property to deliver the Homelessness Prevention Plan through the Housing Support Grant.

Autism Plan

Achievements during the year include:

- Continuing with the training programme for frontline staff.
- Collaborate with the third sector to develop services to support autistic children / young people.
- Establish the necessary jobs to develop a service to provide advice and support to autistic children and their parents.

Developing residential provision for children who are looked after in small group homes

Achievements during the year include:

- A Project Manager has been appointed who will work to develop the new scheme.
- A Business Case has been completed for the establishment of the Small Group Homes.
- A Capital Application was submitted for the purchase / conversion of property.
- A Statement of Purpose and policies have been developed for the development as they will be required to register the unit with Care Inspectorate Wales.

Some of our key achievements

- The first house was purchased for the Small Group Homes service for children. This will allow us to improve the experiences of looked-after children in the Council's care with intensive and complex needs, who currently have to leave the county or Wales in order to receive suitable provision. We will develop registered residential homes for small groups of up to two children, which will allow them to be looked-after in Gwynedd, attend local schools, and participate fully in the lives of their communities.
- Since January 2024, Canolfan Hafan y Sêr has been open 7 days a week offering respite care for disabled children.

- A new information page has been published on the Council's website to promote the free 12.5 hours per week care provision available where postcodes can be checked.
- Work continues in Deiniolen, an area that has joined the Flying Start service, to expand the provision and service available to families in the village. A new service building including an office for the team and a larger building for the childcare setting will continue to be developed during 2024-25 as we have received £590k capital from the Government. The work will be completed by March 2025.
- Despite a significant increase in the number of calls regarding child welfare, the Out of Hours Team was able to respond to them all.
- Children were offered 615 nights of short break care over the year. This allows the child to receive the best care and support, and to have opportunities and experiences to encourage their development and well-being, while parents are able to enjoy breaks and time to themselves from their caring role. These evenings help families by giving short breaks and prevent children with profound disabilities from entering care.
- The Community Resource Teams coped with a significant increase in demand by successfully carrying out 150 care needs assessments per month (on average) during 2023/24. This was a significant increase compared to 101 during 22/23.
- The Learning Disability service successfully met the accommodation needs of 16 individuals during the year.
- A tender was awarded to Agoriad company to provide practical support for individuals with learning disabilities to succeed in the world of work. The number of individuals with learning disabilities involved in the work opportunities scheme increased from 58 at the beginning of April 2023 to 99 by the end of March 2024.
- Co-developed a Carers Plan with a wide range of stakeholders and initial priority areas identified.
- Gwynedd Dementia Strategy co-produced by a group of stakeholders and priorities identified.
- There has been construction work to improve our residential home in Dolgellau which included replacing a lift and freeing up beds on the first floor. Improvements were also made to our homes in Barmouth, Bangor and Nefyn.
- We have now completely transferred the direct payments service from an external company into the hands of the Council, and while there is more work to be done to complete the transformation, we have more control of the standard of service as a result.
- Work has progressed in preparation for the establishment of a new Mental Health Social Service separate from the Health Board, effective from May 2024.
- 'Gwynedd Age Friendly' application submitted to WHO and work programme is in development.

Designed statistics page to follow

The average of case conferences where the voice/views of the child (5+ years old) were heard is 95%.
All young people in aftercare have had or have a personal adviser and it's therefore 100% over the past year
The percentage of DERWEN assessments completed within 42 days is 76%.
The percentage of reviews where the individual noted that they succeed to achieve what matters to them is 82%
The percentage of the reviews where we have achieved what matters (Learning Disabilities) is 90% of the cases
The number of face-to-face Dementia Actif classes increased from 13 to 16

A WELSH GWYNEDD

As a national leader we will promote the growth of the Welsh language in all parts of the county. Our ambition is to:

- Ensure that every child in Gwynedd can use Welsh confidently in school and in their social life.
- Promote the growth of the Welsh language in all parts of the county and ensuring there are sufficient opportunities for everyone to be able to use the Welsh language naturally in their communities.
- Work jointly with our partners to facilitate the ability for Gwynedd residents to have access to all public services through the medium of Welsh.
- Ensure that promoting the Welsh language is a key part of all the Council's work, and any plans that impact the people of Gwynedd.
- Support efforts to create new Welsh-speakers of all ages.
- Ensure access to facilities and information of a good quality in relation to leisure, culture and the arts.

Projects

- Modernising and extending the immersion provision to teach Welsh to children.
- Promoting the use of the Welsh Language by the residents of Gwynedd.

Project updates

Modernising and extending the immersion provision to teach Welsh to children.

Achievements during the year include:

- A £1.1m business case for modernising the learning environment of the 3 Primary Language Centres was approved by the Welsh Government.
- Receiving a late immersion grant from the Welsh Government led to the addition of more locations to the virtual village of Aberwla for Welsh learners. In 2023-24, the Museum, Caffi Puw Paned and the Leisure Centre were developed. The resource is now regularly used in the immersion units to support learning and is being trialled across the county. The feedback is very positive.

Promoting the use of the Welsh Language by the residents of Gwynedd

Achievements during the year include:

- The results of the latest census were analysed to establish language needs across the county. Areas were prioritised for community level intervention and support.
- A new Language Strategy for 2023-33 was developed and adopted by the Full Council in December 2023.
- The Prosiect 15 programme of work has been developed and implemented which addresses creating digital content in Welsh for different audiences, on different platforms and in different styles and creating new opportunities for people to use Welsh.
- The Project to Protect Place Names programme of work has been implemented to ensure that the Welsh names are protected and continue to be used.

Some of our key achievements

- Progress on the language strategy (2018-23) was reviewed in accordance with the Commissioner's requirements and the monitoring report was published in January 2024.
- Contributed to the work of the Services Board's Welsh Language subgroup which seeks to meet the challenges of recruiting a workforce with Welsh language skills.
- Continued the work to support the establishment of an independent language initiative – Menter Iaith Gwynedd, to ensure there is grassroots support to increase the use of Welsh.
- In 2023-24, 100% of Gwynedd latecomers achieved the level 1 requirements in the primary Welsh language immersion units.
- A digital support package in the form of Google Classroom which includes resources to support latecomers after they return to school after attending the Language Immersion Units, has been created and shared with school staff.
- Progress against the 7 outcomes of Gwynedd's Strategic Plan - Welsh Language in Education was reported to the Department's Language Forum, Language Committee, and the Welsh Government during the year. The Strategic Plan is the statutory document for Welsh language planning, and the main achievements of the year are:
 - 100% Nursery Provision in Welsh;
 - 100% specialist staff and Additional Learning Needs provision available in Welsh;
 - The activity of the language charter is evident across the county to promote the social use of Welsh;
 - 87.01% of all Gwynedd pupils sit the GCSE Welsh First Language exam.
- All schools in Gwynedd have identified their linguistic category in this year's annual census. With the exception of 3 transitional schools all schools are in category 3 Welsh medium. We are working with the transitional schools to support them as they plan their journey to increase Welsh medium provision.
- In 2023-24, 99% of whole school primary learners reported undertaking at least 70% of their school activities (curricular and extra-curricular) in Welsh (Category 3 schools).
- In 2023-24, 96% of whole school secondary learners reported undertaking at least 70% of their school activities (curricular and extra-curricular) in Welsh (Category 3 schools).
- New elements of the language policy were implemented and promoted including using Welsh names such as Cyngor Gwynedd.
- We collaborated with Bangor University to investigate residents' attitude and language use.

Designed statistics page to follow

100% of Gwynedd latecomers have achieved level 1 requirements in the primary immersion units
73% of Gwynedd latecomers succeeded to achieve level two requirements (one year average in the primary)
100% of Gwynedd latecomers have achieved level 1 requirements in the Primary/Secondary Transition immersion units
85% of Gwynedd latecomers succeeded to achieve level two requirements (one year average in the Primary/Secondary)

A GREEN GWYNEDD

Cyngor Gwynedd has declared a climate emergency, and our aim is to be a net zero carbon Council and ecologically positive by 2030. Our ambition is to ensure:

- Significant reduction in carbon emissions.
- Response to the effects of climate change.
- An increase in biodiversity and nature habitats.
- An excellent network of routes for residents to have the choice of active travel to their place of work, education or leisure.
- A public transport network that meets the needs of Gwynedd's communities.

Projects

- Acting on flood risks
- Waste and Recycling
- Climate and Nature Emergency Plan
- Active Travel
- Public Transport
- New Local Development Plan
- Clean and Tidy Communities

Comments on the progress of projects

Acting on flood risks

The achievements during the year were as follows:

- A Flood Strategy was drawn up and a consultation was held on the draft document. The observations received as part of the consultation will be considered before the final Strategy is adopted during the summer 2024.

Waste and Recycling

The achievements during the year were as follows:

- The waste collection arrangements and management were reviewed in order to adopt a series of improvements within the service, which included reducing sickness levels, strengthening health, safety and well-being and the general satisfaction of the workplace, reducing the level of complaints and tackling issues that were causing overspending.
- Particular attention was also given to strengthening Health, Safety and Well-being arrangements across the waste services, and a programme was commenced to improve infrastructure and the recycling treatment arrangements at our sites.
- The data and information was considered in order to provide a clear direction to facilitate the work of reaching the national recycling targets.

Climate and Nature Emergency Plan

The achievements during the year were as follows:

- Assessed the Council's future fleet needs and agreed to invest £1,048,400 over a period of two years in 2023/24 and 2024/25 to replace vehicles for electric ones, in line with the Green Fleet Plan 2023-2029.
- A total of 37 charging points were installed, which included some for the Council's fleet and some for residents' use in public places, with a programme of work to install more points over an additional 20 sites already underway during 2023/24.

- Agreed to invest £416,617 in a pilot scheme to upgrade lights to LED lights on 6 sites.
- Succeeded to attract a £1.75m grant from the Welsh Government to carry out a pilot project to install heat pumps on 3 sites. Agreed to invest £175,478 from the Council's budget in order to be able to claim the grant.
- Wild Landfill Project received the 'gold standard' from [Restor \(www.restor.eco\)](http://www.restor.eco), the international hub for nature recovery. This is a project which converts former waste landfill sites into nature habitats.
- Provided Carbon Literacy Project accredited training for Council staff and members.

Active Travel

The achievements during the year were as follows:

- Submitted grant applications to extend our network of active travel routes.
- Delivered the projects that were successful in attracting grant funding from the Government, including:
 - Ffordd Penrhos, Bangor - Phase 1.
 - Improving the infrastructure of Lôn Las Ogwen
 - Providing Bike Shelters at Ysgol Cymerau, Pwllheli.
 - Improving active travel paths and access to Ysgol Godre'r Berwyn, Bala.

Public Transport

The achievements during the year were as follows:

- Completed a review of the cross-county public bus network with the aim of:
 - improving the transport provision by amending the timetables to strengthen connections between buses and trains and create wider travel opportunities.
 - adapting our timetables to operate in a more sustainable way in an attempt to increase the possibilities of travelling to rural areas which currently have an insufficient provision.

The outputs of the review included:

- Introducing a new network for the areas of Dyffryn Nantlle, Caernarfon and Meirionnydd, with the timetables and standard ticket prices responding to feedback received from stakeholders and to optimise resources.
- Improved the frequency of the G23 between Barmouth and Porthmadog.
- Better integration between local and TrawsCymru services.
- Introduced two new flexi services at Dyffryn Dulas and Dolgellau which offers an important transport link in some of the county's rural areas.
- Introduced the T22 service (Caernarfon-Porthmadog-Blaenau Ffestiniog), which operates with electric buses, with a new charging depot located in Porthmadog.

New Local Development Plan

The achievements during the year were as follows:

- The new Planning Policy Service was established for the Gwynedd local planning authority area, after the collaboration arrangements with Anglesey came to an end in March 2023.
- New governance arrangements were established and implemented for planning policy work, which included holding meetings of the new Planning Policy Working Group.

- A public consultation was held on the Draft Delivery Agreement of the new Local Development Plan, which is the first statutory step of preparing the New Local Development Plan.
- The Full Council's approval was received to introduce the Draft Delivery Agreement to Welsh Government for their seal of approval.

Clean and Tidy Communities

The achievements during the year were as follows:

- There are now 5 Teams working across the County and are busy working to beautify our communities. Local councillors can submit a request for work in their areas, and the workers can update applications on their tablets whilst out working in our communities.
- Consultation sessions were held within our communities to share the principles of the Tidying-up Teams and to give local members an opportunity to express views on the type of work that needs to be targeted and the best way to deliver it.
- In an attempt to reach our aim of realising Clean and Tidy Communities in Gwynedd, we have now incorporated the following services within one new Service, namely the Street Scene Service, in order to be able to focus on the appearance and image of our streets and roads:
 - Street Cleaning
 - Street Enforcement
 - Ardal Ni Tidying-up Team

Since we established the Tidying-up Teams, their work has made a substantial contribution towards improving the appearance and image of our streets and environment and we are glad to report that they have received very positive feedback from Members, town and community councils and local residents.

Some of our key achievements

- The first Arosfan site, which offers a place for motorhomes to park overnight, has been opened by Cyngor Gwynedd in Cricieth. This is the first of four pilot sites under development by Cyngor Gwynedd in order to gain better control of motorhomes in the county. Work is also being completed on the Arosfan site in Llanberis at the moment, with work also progressing on the sites of North Quay, Pwllheli and the car park of Doc Fictoria, Caernarfon.
- The vast majority (99%) of food businesses which are being inspected continue to reach a score of 3+, and a re-visit is arranged within 3 months for those who receive a lower score.
- The time taken to make a decision on planning applications continues to improve and the Council's performance is exceeding the national average, with Gwynedd in the upper half of Welsh Councils.
- The Service's work to prepare for and implement the 20mph speed restriction arrangements has been praised in general, following extensive engagement with local communities and representatives.
- After securing Government funding, the first phase of the active travel scheme at Ffordd Penrhos, Bangor, was commenced, along with bike shelters at Ysgol Cymerau, Pwllheli, and a community safety scheme near Ysgol Godre'r Berwyn, Bala. Work has

also been carried out to upgrade bridges on Lôn Las Ogwen by means of the Llewyrch o'r Llechi scheme.

- During 2023/4, we managed to install 16 x 7kW charging points, and 7 x 50kW charging points, which are available for use by the public on Council sites, and work continues to commission more, early in 2024/5.
- Work to obtain the views of communities has been undertaken, which has fed into the work of drafting the new Nature Recovery Plan which commenced in 2023/24 - and we are aiming to complete the work in 2024/25.
- A new bus service (T22) was launched for the Blaenau Ffestiniog - Porthmadog - Caernarfon route in February.
- A new bus network was introduced in Dyffryn Nantlle and Caernarfon in the Arfon area and also in the Meirionnydd area.
- Our recycling levels are consistent across the period, and we have reached the current national target of 64%.
- We are collaborating with Wrap Cymru and Local Partnerships in the work of preparing a Waste Strategy for the Council, which will be in place in 2024/5.
- 8 Recycling Centres have received almost 14,800 tonnes of waste with 76.8% of this being recycled.
- Defective street lamps were repaired within 2.4 days on average per month. This is better than the target of 3 days.
- Our rate of HGV MOT passes was higher than the monthly national pass rates this year, which shows that we are maintaining our vehicles effectively.
- The results of Keep Wales Tidy's independent survey show that the percentage of clean streets in Gwynedd is 96%, which is higher than the 2023/24 national rate.
- The new Street Scene Services was established at the beginning of the year.

Designed statistics page to follow

Recycling levels reaching the national target of 64%
8 Recycling Centres have received almost 14,800 tonnes of waste with 76.8% recycled
99% of inspected food businesses continue to reach a score of 3+
100% of illegal parking complaints are addressed within three days
The average number of days to repair streetlamps - 2.4 days
The results of Keep Wales Tidy's independent survey show that the percentage of clean streets in Gwynedd is 96%, which is higher than the 2023/24 national rate
Fly tipping cases have increased 126% this year, following the appointment of new Wardens who have succeeded to record more cases
Feedback from YGC clients - no score lower than 9 out of 10

AN EFFICIENT GWYNEDD

In order to ensure that the residents of Gwynedd receive the best possible services, we have a responsibility to ensure that our internal operational arrangements are always of the highest standard. Our ambition is:

- To promote a culture of open and inclusive working which always puts the needs of the people of Gwynedd at the centre of everything we do.
- To provide adequate and suitable staffing resources for delivering services.
- To be an organisation that looks after our workforce's well-being and embeds the principles of equality naturally in all parts of the organisation.
- To make the best use of all financial resources.

Projects

- Workforce Planning
- Developing the Council's culture
- Ensuring fairness for all
- Women in leadership
- Managing the impact of national budgetary cuts
- Digital Scheme
- Strategic review of Health and Safety management
- Adopting the Property Assets Management Plan to ensure that our estate is fit for purpose for future working.

Comments on the progress of projects

Workforce Planning

The achievements during the year were as follows:

- Developed the Council's image as an employer, by highlighting the range of career opportunities and the competitive benefits available when working for Cyngor Gwynedd.
- A talent development scheme for the Council's staff was developed and expanded.
- Continued to recruit apprentices and professional trainees, focusing on priority fields.
- Worked with educational establishments to develop the Welsh-language provision that is offered to apprentices / trainees.

Developing the Council's Culture

The achievements during the year were as follows:

- A new Five-Year Plan for the development of the Council's culture was introduced through the "Ffordd Gwynedd" initiative. This is the way of working that we have adopted to put the people of Gwynedd at the centre of everything we do. Culture change, behaviours and mindsets are at the heart of the programme, and it is happening across all areas of Council activity.
- Managers were supported to adapt and apply 'flexible' working arrangements to confirm and strengthen the principles of Ffordd Gwynedd.
- Further small Ffordd Gwynedd reviews were carried out to support departments to improve and develop their performance.

Ensuring fairness for all

The achievements during the year were as follows:

- Expanded our equality training offer especially for front-line workers and in respect of particular characteristics.
- Our new impact assessment procedure was introduced.
- Obtained a level 2 Disability Confident accreditation and an 'Inclusive Employers' accreditation.
- Published the Council's new Equality Plan for the period 2024-28.

Women in Leadership

The achievements during the year were as follows:

- Held more activities that form the basis for the project's work, such as the Developing Potential Programme and the *Sgyrsiau dros Baned*.
- Promoted and raised awareness of unconscious bias and self-awareness amongst managers and staff.
- Held events to raise awareness amongst men.
- Considered the appointment process in terms of trialling anonymising job applicants when drawing up the short list.
- Considered what Services across the Council are doing to encourage women to apply for more senior posts in order to identify and share good practice.
- Addressed the composition of committees and groups to ensure that there is balance in terms of male and female representation.

Managing the impact of national budgetary cuts

The achievements during the year were as follows:

- Monitored that the £5.2m worth of savings for 2023/24, which were approved by the Full Council on 02/03/23, are being prioritised by the Departments to be realised during the financial year.
- Monitored that the Departments are prioritising the delivery of savings that have slipped from previous financial years.
- Conducted a phase 2 review of implementing savings to be realised in the 2024/25 budget onwards.

Digital Scheme

The achievements during the year were as follows:

- The Cabinet adopted a new digital strategy for the Council and the people of Gwynedd on 07/11/23. The Plan outlines improvement plans, risks and any financial implications, either through investment or savings.
- A detailed work programme is now operational, with governance arrangements operational in order to maintain an overview of the implementation of the digital strategy.

Strategic review of Health and Safety management

The achievements during the year were as follows:

- Reviewed the training situation of Managers and Assistant Heads across the Council.
- Introduced a draft detailed action plan to the Council's management team on how to reach an integrated model of managing health and safety.

Adopted the Property Assets Management Plan to ensure that our estate is fit for purpose for future working

The achievements during the year were as follows:

- Held discussions with every Department to assess whether their assets are fit for purpose for the provision of services.
- Reviewed all our policies in relation to property management and maintenance.
- Established what our office needs will be so that we can achieve our flexible working plan.

Some of our key achievements

- Replied to 138,597 requests from the public at our Galw Gwynedd call centre.
- 257,077 on-line requests were submitted through the Council's website during 2023/24, an increase of 30,734 from the previous year. The substantial project to improve the accessibility of the website continues.
- An analysis of the membership of the Residents' Panel was completed and steps to recruit new members commenced, with the support of elected Members in specific wards.
- The Research Team completed 10 projects in the Council's Information Plan and contributed research and evidence for a number of the Council's key projects, including transforming care services, sustainable visitor economy, and equality.
- A Staff Voice Survey was held during the year. The results will be used to identify the needs of employees in terms of well-being and to draw up the Cyngor Gwynedd Well-being Strategy.
- Succeeded to procure a new case management system for the Legal Service jointly with partners. The system has been installed and is operational. This will allow the Council to continue to maintain now essential electronic legal services and develop more integrated systems to support key work such as child protection.
- By the end of March, the collection rate for the year for Council Tax was 94.4% and Non-domestic Rates was 94.81%. We are working to increase this further during the year to come.
- The Finance Department is supporting the Council's departments to monitor the delivery of savings to the value of £5.2m in the 2023/24 budget, as well as further savings to the value of £5.6m in the 2024/25 budget.
- The new Digital Plan will enable us to take advantage of opportunities to innovate and to embed digital technology to improve our residents' living standards, collaborate better with partners, and strengthen and improve the accountability of our services for the needs and expectations of our customers.
- The Internal Audit Service has considered how it "adds value" and has adapted its purpose
- The collaboration with the Wales Pension Partnership has gone from strength to strength and the fund has started to pool our private equity and infrastructure investments and develop options to pool property assets. The pool has provided the investment options in order to implement the new asset allocation gradually, in line with the conditions of the market.
- The fund has invested in a Sustainable Equity Fund and has engaged with companies to continue to implement our responsible investment policy.

Designed statistics page to follow

Score for the website: 82% of those who used the satisfaction tool noted a satisfaction score of 5 out of 5
An equivalent of approximately £200k of social benefits have been offered from the pilot contracts
257,077 online requests were submitted through the Council's website, an increase of 30,734
77% of freedom of information requests were answered on time
40,985 tonnes of carbon from procurement activities compared with 54,584 in the previous year (based on the Welsh Government's formula)
Number of new devices introduced to the schools Ipads 2,066 Chromebooks 5,966 Laptops 5,904 Total 13,936
Average time taken to process a new benefit application reduced to 19.39 days compared with 20.29 days in 2022/23
Average time taken to process a notice of change in circumstances (benefits) reduced to 3 days compared with 4.27 days in 2022/23

Contribution to the five Ways of Working in the Well-being of Future Generations (Wales) Act 2015

	Long term	Prevention	Integration	Collaboration	Involvement
TOMORROW'S GWYNEDD - Giving our children and young people the best possible start in life					
Transforming education for children in their early years	✓	✓	✓	✓	✓
Free School meals	✓	✓	✓	✓	✓
Modernising buildings and the learning environment	✓	✓	✓	✓	✓
Promoting the well-being of children and young people and reducing the cost of sending children to school	✓	✓	✓	✓	✓
Extending opportunities for play and socialising for the county's children and young people	✓	✓	✓	✓	✓
A PROSPEROUS GWYNEDD - Strengthening the economy and supporting the people of Gwynedd to earn a decent salary					
Promoting our culture and a sustainable visitor economy	✓	✓	✓	✓	✓
Regenerating communities and town centres	✓	✓	✓	✓	✓
Creating the best possible circumstances in Gwynedd for businesses and community enterprises to thrive, and support the people of Gwynedd into work	✓	✓	✓	✓	✓
Keeping the Benefit Local	✓	✓	✓	✓	✓
A HOMELY GWYNEDD - Supporting the people of Gwynedd to live in suitable and affordable homes in their communities					
Increasing the supply of housing for local people	✓	✓	✓	✓	✓
Dealing with the energy cost crisis and fuel poverty	✓	✓	✓	✓	✓
Ensuring that no one is homeless in Gwynedd	✓	✓	✓	✓	✓
Managing second homes and short-term holiday accommodation	✓	✓	✓	✓	✓
A CARING GWYNEDD - Supporting the residents of Gwynedd to live full and safe lives in our communities					
Local Preventative Support	✓	✓	✓	✓	✓
Living independently	✓	✓	✓	✓	✓
Specialist Quality Care	✓	✓	✓	✓	✓
Supporting People's Well-being	✓	✓	✓	✓	✓
Autism Plan	✓	✓	✓	✓	✓
Developing residential provision for children who are looked after in small group homes	✓	✓	✓	✓	✓

	Long term	Prevention	Integration	Collaboration	Involvement
A WELSH GWYNEDD - Ensuring that we give our residents every possible opportunity to use the Welsh language in the community					
Modernising and extending the immersion provision to teach Welsh to children	✓	✓	✓	✓	✓
Promoting the use of the Welsh Language by the residents of Gwynedd	✓	✓	✓	✓	✓
A GREEN GWYNEDD - Protecting the county's natural beauty, and responding positively to the climate change crisis					
Acting on flood risks	✓	✓	✓	✓	✓
Waste and Recycling	✓	✓	✓	✓	✓
Climate and Nature Emergency Plan	✓	✓	✓	✓	✓
Active Travel	✓	✓	✓	✓	✓
Public Transport	✓	✓	✓	✓	✓
New Local Development Plan	✓	✓	✓	✓	✓
Clean and Tidy Communities	✓	✓	✓	✓	✓
AN EFFICIENT GWYNEDD - Putting the residents of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently					
Workforce Planning	✓	✓	✓	✓	✓
Developing the Council's Culture	✓	✓	✓	✓	✓
Ensuring fairness for all	✓	✓	✓	✓	✓
Women in Leadership	✓	✓	✓	✓	✓
Managing the impact of national budgetary cuts	✓	✓	✓	✓	✓
Digital Scheme	✓	✓	✓	✓	✓
Strategic review of Health and Safety management	✓	✓	✓	✓	✓
Adopting a Property Assets Management Plan to ensure that our estate is fit for purpose for future working	✓	✓	✓	✓	✓

www.gov.wales/well-being-of-future-generations-wales

Part 2

Local Government and Elections (Wales) Act 2021 - Cyngor Gwynedd's Self-assessment 2023/24

Background and Introduction

This is the third self-assessment conducted by Cyngor Gwynedd under the Local Government and Elections (Wales) Act 2021.

The Act requires each Council in Wales to keep under review the extent to which it is meeting the 'performance requirements', namely the extent to which:-

- i. it is exercising its functions effectively;
- ii. it is using its resources prudently, efficiently and effectively;
- iii. the Council has robust governance arrangements in place to ensure performance requirements i. and ii.

The intention of the self-assessment process is to encourage honesty, objectivity and transparency about the Council's performance and governance, including its key relationships between political leaders and officers and the way they are managed. An effective approach would be owned and led at a strategic level, but would also involve members and officers at all levels of the organisation and a variety of people across communities and partners.

Although this duty is fairly new, it should be noted that the Council is already preparing a number of documents that contain the type of information we are expected to include within the self-assessment. This includes documents such as Performance, Equality, Director of Social Services' annual reports, Annual Statement of Accounts and the Governance Statement. The Governance Group, which includes officers such as the Corporate Director, Head of Finance Department, Head of Corporate Support Department and the Head of Legal Services amongst others, has led/taken an overview of this process within the Council. In doing so, the intention is for the work to be owned and led on a strategic level.

In the past, our performance reporting arrangements have focused on the progress of projects under our improvement priorities together with the day-to-day work performance of Services and Departments within the Council. A copy of the Council's Annual Performance Report is available [here](#) on the Council's website.

This year, like the last, we have integrated the work with the Council's performance challenge arrangements including the self-assessment within the Annual Performance Report so that all information is within the same document.

This document is a high-level summary of a strategic self-assessment of the Council's performance during 2023/24 with results based on evidence from the documents listed above. Performance challenge and support meetings are held at a Departmental level every other month, looking at the progress of priority projects, service performance and the response to the main risks within the Corporate Risk Register. The information then informs

the regular performance reports submitted by each Cabinet Member during the year together with an Annual Performance Report at the end of the financial year.

The document includes an assessment of our governance arrangements using the seven corporate areas that are common to the corporate governance arrangements of public bodies, as suggested within the statutory guidance of the Local Government and Elections (Wales) Act 2021, responding to the 3 performance requirements to which Councils are expected to respond as part of the self-assessment. We have also considered the draft methodology published by the Welsh Local Government Association for Panel Assessments in preparing the self-assessment for 2022/23 and responded to the following questions:

- How well are we doing?
- How do we know that?
- What can we do to improve, and how?

The self-assessment for 2021-22 was our first assessment and steps have been put in place to act on the improvements that had been identified. It was seen that a number of those improvements continue in the 2022-23 assessment as they are long-term matters, however, a number of additional points were also reiterated. This year, we see the pattern continuing, with the long-term matters re-appearing but with new considerations also being added.

Performance Requirement One: The extent to which the Council operates its functions effectively.

How well are we doing?

Last year, the Council adopted a [new Plan for 2023-28](#). This Plan leads our aspirations and priorities for the period. As part of the development of the Plan we considered a wide range of issues to prioritise and engaged and consulted with local people, elected members, Town and Community Councils and partners. One part of the work that was instrumental in the development of the Council's Plan was the work of [Ardal Ni](#) which outlines what is good about the area, what is not as good as what needs to be done in order to create a better area by 2035.

In order to ensure that we deliver our functions effectively, we put performance measures in place to challenge performance across all services. Occasionally, we review these measures to ensure that they continue to be relevant, and we are aware of the need to continuously challenge ourselves and set meaningful measures to allow us to improve consistently. We acknowledge that we have room to improve in terms of the work to forward plan detailed work-flow over the period of the Council Plan 2023-28, and consequently, we have introduced a series of annual milestones to allow us to measure progress, as well as plan work for the future. Work to further improve this continues.

It is noted that the Council is involved in several local and regional partnerships such as the Gwynedd and Anglesey Public Services Board and the North Wales Economic Ambition Board. It would be fair to note that the effectiveness of these partnerships currently varies and we will continue to work to try to ensure that we benefit from these arrangements. Similarly, our relationship with the third sector continues to evolve and with the support of the Third Sector Liaison Group, we intend to look at this during 2023/24.

As set out in the last self-assessment our corporate plans are in line with statutory requirements/guidance or relevant legislation but there is scope to strengthen this link. In developing the Council's Plan for 2023-28, steps were put in place to address the specific statutory requirements of the Well-being of Future Generations (Wales) Act 2015 and the five ways of working. However, we have little evidence that it has permeated as a fundamental element of direction setting and mainstreamed.

The Council's ['Climate and Nature Emergency Plan 2022/23 - 2029/30'](#) sets an ambition which notes that "Cyngor Gwynedd will be net-zero carbon and ecologically positive by 2030". The Plan includes a broad range of projects to reduce carbon emissions and to absorb carbon across a number of areas: buildings and energy, movement and transportation, waste, procurement, governance, land use, ecology. We acknowledge that reaching net zero is a long-term task, but this plan sets several specific milestones for us to measure our annual progress up to 2030. There are so many policy, legislative and budgetary factors that are beyond the Council's control, and are having a huge impact on the Council's ability to deliver many of our projects, such as electricity grid network supplies

or investment in energy and heating buildings. Nevertheless, the Council has chosen to spend substantial funding from our coffers to deliver many of our projects in our Climate and Nature Emergency Plan, and £3m was earmarked for the work.

During 2023/24, £1,640,495 was invested to purchase a fleet of 67 electric vehicles, a lighting upgrade pilot scheme and heat pump scheme. It should be noted that this is a continuation of an annual pattern of trying to invest in carbon saving schemes that dates back to 2010. We will continue to consider where to invest our scarce funding in order to achieve the greatest benefit in terms of reducing our carbon emissions, and take full advantage of any opportunities to attract grants and funding.

Climate change is also a priority in the Council Plan for 2023-28, and progress against the project will be reported to the meetings of the Climate Change and Nature Board.

Work continues to ensure that the Well-being of Future Generations (Wales) Act 2015 and other statutory requirements fully integrate within our corporate planning frameworks, instead of doing so in a reactive and fragmented nature. To assist with this, a new template was introduced to plan reports to the Cabinet, which leads officers to refer to the various statutory requirements, including the Well-being of Future Generations (Wales) Act 2015, when preparing their reports.

To support this a new Impact Assessment will be introduced to ensure that attention is paid to issues such as Equality Characteristics, the Welsh language, Climate Change and Socio-Economic Impact. Unfortunately, we have encountered technical problems with the Impact Assessment which has led to a delay before its introduction, but we are in discussions with the app creators at the moment in an attempt to resolve this.

Cyngor Gwynedd is very keen to ensure that equality is deeply rooted within the Council's work to improve our services for all the people of Gwynedd. Consequently, a [Strategic Equality Plan was developed for 2024-28](#) in order to give us a framework to improve fairness within the Council, and ensure that we treat people according to their needs.

An important part of this Equality Plan are the Equality Objectives. We have been asking for the public's opinion over a period of some months, including various groups and individuals, to see what are the best objectives that we can achieve for the people of Gwynedd. These Objectives are based on what we have been told, but also on a number of other factors. These include data from various sources, Welsh Government's action plans and what is possible within the Council.

A broad training programme was provided for Elected Members during 2023/24, which included core training in seven specific areas:

- Safe Leadership and Personal Safety
- Code of Conduct
- The Well-being of Future Generations Act
- Safeguarding Children and Adults
- Your Responsibility for Equality
- Your Responsibility as a Corporate Parent
- Information about People: Your Responsibility

In addition, training was being offered in many other fields as well as an opportunity for every Councillor to receive a personal development interview in order to identify specific developmental fields. There is an offer for councillors to have specific sessions before they undertake roles on different committees, e.g. Cabinet Members, training for all scrutiny members as part of the workshops before the members begin their scrutiny work, and a number of other committees such as Planning, Licensing and Governance and Audit.

In recent years efforts have been made to improve and strengthen the role of Scrutiny Members in Corporate Planning ensuring that the Scrutiny programme is linked to the realisation of the Council's Plan priorities and also holding Cabinet to account over performance. Consideration is given to the priorities of the Council Plan when determining the scrutiny programme for the year and since the new performance challenge and support procedure was introduced, representation from the Scrutiny Committees have been nominated to attend departmental performance meetings twice a year.

It is also noted that the Governance and Audit Committee has struggled to attract suitable lay and elected members to be on the committee as required within the Local Government and Elections Act 2021 which means we did not have the expected number of lay and elected members during the year. There is further recognition that the traditional method of advertising did not offer a sufficient number of suitable applicants to meet the requirements. We will continue to engage with professional bodies, etc., in order to identify suitable individuals.

A new performance challenge and support procedure has been implemented since the first cycle of performance challenge and support meetings in 2022/23. In line with the new system all Council Departments hold an internal performance challenge and support meeting every other month, and report to Cabinet twice a year. The internal meetings are an opportunity to challenge the progress of the Department's improvement priorities projects and service performance measures (that is, the day-to-day work). As the new arrangements have now had some time to embed, work is progressing to review our performance arrangements with the intention of making further adjustments, and as part of that, we will report to the Scrutiny Committee instead of the Cabinet from 2025/26 onwards.

In line with the requirement to consult on performance, we held many consultations and opinion surveys during the year, including looking at customer satisfaction. We are also preparing an annual report on complaints and are continuously adjusting our services when observations or complaints suggest improvements.

Last year, it was seen that the number of Formal Complaints increased with a slight reduction in the number of complaints to the Ombudsman. We are working to reduce the time it takes to respond to complaints, and we are busy developing a new Customer Charter.

During May/June 2023 we undertook a consultation exercise with our Residents Panel, Town and Community Councils, Elected Members, Staff and Unions to establish their opinion on the Council's performance. The level of response was a little disappointing with only 221 respondents. However, several issues to act on were identified and steps have been taken to respond with many of them continuing as improvements outlined within this document.

We did not carry out a specific consultation on our performance when drawing up this document as we are looking at the most effective way of gathering the views of our population, and are considering the possibility of participating in a National Resident Survey led by the Welsh Local Government Association (WLGA) and Data Cymru. Participating in this work would enable us to gather information regarding residents' opinions about our performance by also enabling us to look at trends over time and allow for an element of benchmarking our performance against other councils. If there is an agreement it is foreseen to carry out consultations regularly so that they contribute towards self-assessments in the future.

We are aware of the need to be cautious to avoid 'consultation fatigue' as we are already seeking the views of our residents on a number of various subjects and schemes, and consequently, a cross-departmental Engagement Group has now been established, which meets every 2-3 months to gather information about proposed consultations and to share results and good practice. This helps to ensure that there is sufficient time to plan consultations and avoid duplication.

After a period of public consultation on the content of the draft Participation Strategy, the results of the consultation as well as the Draft Strategy were submitted to the Cabinet before being presented to the full Council in March 2023, where it was adopted. This Strategy outlines Cyngor Gwynedd's aim of encouraging people to participate in the decision-making process. In it we explain how our objectives in terms of participation will make a genuine difference to the way we engage with people in Gwynedd. Within every objective, we have identified clear outcomes and actions.

How do we know that?

The evidence outlined above includes a reference to some of the highlights of issues where we perform well or not as well. There is further evidence and detail within the documents/sources at the end of this report.

To summarise, the Council acknowledges that we have room to improve in terms of forward planning the work-flow over the Council Plan period and as a result, a series of annual milestones have been set. We are going to continue to collaborate with a number of our partnerships and we are looking for evidence of how our corporate plans permeate as a basic element and set a direction.

During the year, a new template was introduced to plan reports to the Cabinet, which leads officers to highlight how different statutory requirements, including the Well-being of Future Generations (Wales) Act 2015 and Equalities Act 2010, are greeted when preparing their reports.

Elected members have received a broad training programme and there is an opportunity for every councillor to have a developmental interview and sessions to support them in specific roles. The role of scrutiny members has also been strengthened.

There is a new performance challenge and support procedure in place and an intention to report to the Scrutiny Committees instead of the Cabinet from 2025/26 onwards. We are also preparing an annual report on complaints, and are continuously adjusting our services when observations or complaints point to improvements.

We are looking at the most effective way of gathering the views of our population and considering the possibility of participating in a national survey organised by the WLGA and a Participation Strategy has been published which explains how we are encouraging local people to participate in the Council's decision-making processes.

What needs to be improved?

Additional improvements have been identified this year
<ul style="list-style-type: none"> Improving our forward planning over the period of the Council Plan 2023-28, by setting a series of annual milestones for the various projects in the Council Plan. Participate in a national survey organised by the WLGA in order to obtain useful information by the county's residents on our performance. This will allow us to benchmark our performance and compare with other Authorities in Wales.

Improvement	
We will:	Our progress to date
Continue work to strengthen our internal arrangements to ensure that statutory requirements/guidance or legislation are a core element and better integrated with our corporate planning.	<p>Since the summer of 2023 a template has been introduced where reports submitted to the Cabinet need to refer to how the content of the report reflects the requirements of the Well-being of Future Generations (Wales) Act 2015. This arrangement has replaced the previous arrangements where the requirements were enforced through other governance processes.</p> <p>In addition, there is an expectation to report on the findings of any relevant assessments such as the Impact Assessment on Equality Characteristics, the Welsh Language and the Socio-Economic Impact.</p> <p>Over the coming months, it is intended to hold a session with the Leadership Team on the Future Generations Act which will be</p>

	led by the Office of the Future Generations Commissioner, as well as holding further training sessions for the rest of the members.
<ul style="list-style-type: none"> Continue with work to communicate service performance and the Council as a whole more effectively to residents. 	<p>The Communication and Engagement Service, at the request of departments, sends statements on the Council's performance, e.g. a communication Plan was created around the Council's annual report which included a statement and series of social media messages; departmental progress on key projects, e.g. increase the housing stock available for local people, and develop a car charging network across the county.</p> <p>In addition, Council committee agendas and papers are published on the corporate website and a series of messages are being published on social media to highlight individual reports to the Cabinet.</p> <p>As noted above, the Communication and Engagement Service are reliant on individual Departments to bring relevant matters to their attention, and maybe this does not happen consistently across the organisation.</p>
<ul style="list-style-type: none"> Improve understanding and raise awareness of the Council's areas of work amongst County residents. 	<p>Substantial communication work is being done on raising awareness of the Council's work fields, including press statements, items on our website, social media and the press. In addition, detailed responses are provided to enquiries from the press about the work of the Council and/or committee reports.</p>
<ul style="list-style-type: none"> Do work to ensure mutual understanding and ownership of the vision and priorities at different levels within the organisation. 	<p>Communication work taking place to raise awareness internally.</p>

Performance Requirement Two: The extent to which the council uses its resources prudently, effectively and efficiently

How well are we doing?

As has already been noted, the Cyngor Gwynedd Plan 2023-28 was adopted during 2023. The Plan is ambitious in an extremely challenging financial climate. Although consideration has been given to the capacity to achieve what is included in the Plan as it is developed, the financial situation has changed substantially since then, and if the financial squeeze continues, it could mean that the Council will need to adapt or reduce our vision and consequently the number of projects that we will be able to complete in full within the period.

There are many examples of good collaboration in partnership with external organisations across our services, including the care and education field, e.g. Estyn stated, " Gwynedd education department works closely and effectively with the north Wales regional school effectiveness and improvement service (GwE) to improve provision offered by the authority's schools.", in their report published in June 2023.

The Council has effective arrangements for financial planning and management to ensure service continuity. Internal auditors focus on effective arrangements and controls in financial systems, whilst the accountants work closely with the departments and encourage managers' ownership of their systems, performance and financial propriety.

The Finance Department, in close contact with the Chief Executive and Directors, undertakes ongoing reviews of the Council's financial forecasts over the next 3 years, updating the model regularly when new information is received reporting regularly to Cabinet members and to the Corporate Management Team (Chief Executive, Directors and Department Heads).

The corporate planning cycle coincides with the statutory cycle of budget planning and we aim to present the annual update of the Council Plan to the same meeting of the Full Council as the budget.

Every year the Council prepares its Financial Strategy which ensures a balanced Budget to ensure continuity of service. The Council also publishes a Statement of Accounts at the end of every financial year, which shows its annual expenditure. Reviewing spending against budgets, and monitoring that savings have been achieved by all Council departments, ensures that the services operate efficiently. In September 2021, Audit Wales published a report confirming that the Council's financial management is good. The report can be found [here](#). The report can be seen on the [Audit Wales website](#). Audit Wales is conducting a similar review again in 2024 as a part of a national review of the 22 unitary authorities. Interviews were held during May 2024 and it is expected that the reports of Audit Wales on the outcome of their work (with local reports to the councils and one report to provide the national picture) will be published during Autumn 2024.

A new savings programme was introduced as one of the Council's main priorities when responding to the latest financial situation, and the Council agreed to a savings programme to the value of £6.4 million when setting the budget for 2023/24, and further savings of £5.2

million when setting the 2024/25 budget. In addition, in May 2024, the Cabinet approved a 'Medium Term Financial Plan' for Cyngor Gwynedd up to the 2027/28 financial year. As a part of this Plan, the Chief Executive was asked to establish and lead on a range of measures and work packages in preparation to address the substantial gap in the Council's budget over the next three years.

The Council also needs to give further consideration to how it can involve residents in significant financial decisions. In the past the Council has consulted on its plans to achieve savings sporadically, for example, through the Her Gwynedd exercise in 2016 and the Financial Strategy consultation in 2019.

It also holds workshops with Members on the Council tax level and engages on Non-domestic Rates on an annual basis. The Council recognises the need to be more open about financial decisions and engage more frequently, or ensure that the people of Gwynedd have an input on decisions. The Cabinet approved the Medium Term Financial Plan 2025/26 - 2027/28 on 14 May 2024, however, this was only the beginning of the journey. The Plan has identified a substantial gap in the Council's budget over the next three years and the Council has committed to leave no stone unturned when filling this deficit as a matter of urgency. The Council will consider a number of steps, therefore, and we will include Gwynedd residents in the discussions as appropriate when implementing steps to fill the deficit.

The Head of Finance has undertaken a self-assessment of compliance with the CIPFA Financial Management Code, and updates it at least once a year and the current assessment shows high compliance across all standards.

Measuring value for money is an area currently being addressed, with a view to develop an efficient framework for measuring value for money within our performance challenge and support regime. It is subject to a working group of officers chaired by the Chief Executive. As this work develops, we have engaged with external experts (e.g. CIPFA) to support us with this task.

As a Council, we will take advantage of opportunities to innovate and embed digital technology to improve our residents' lives, to collaborate better with partners, and strengthen and improve the accountability of our services to meet the needs and expectations of our customers. To assist us with this, Cyngor Gwynedd's new Digital Plan for 2023-28 was approved during the year.

Recent years have seen increasing challenges in staff recruitment in a number of key work areas such as social care and education. This field is already a priority for the Council and the 'Workforce Planning' project has been included in the Council Plan for 2023-28. It is also noted that the Governance and Audit Committee suggested that consideration should be given to workforce planning, succession planning and managerial progression as potential fields for the Performance Assessment Panel (which will be held during October 2024) to consider.

The main aim of the Workforce Planning project is to ensure that the Council has an adequate supply of competent staff to enable it to provide services for the county's residents, and that we are able to ensure that this supply is in place for the long-term.

The Apprenticeship Scheme has given opportunities to 56 apprentices since 2019 (which is one of the highest numbers in Wales compared to the population and size of other Councils). There are also examples of the success of the Scheme, with individuals who have embarked on the Apprenticeship Scheme receiving promotions and permanent posts within the Council. Similarly the Graduate Scheme (Cynllun Yfory) has given 32 professional trainees opportunities since 2017 with a number of them being offered a position with the Council.

As part of the 'Women in Leadership' priority project, a specific Development Plan was established for women, as they have been identified as a cohort that is reluctant to apply for higher positions. This scheme continues as a priority in the Council Plan 2023-28.

While the workforce planning project brings several departments together to collaborate and tackle the problems of attracting and retaining staff, the Council tends to be responsive in nature rather than planning for the long-term. One weakness of Management (for the most part) is the failure to look forward 5-10 years taking into account the age of current staff and the expertise needed in the future, which has the potential to have a significant impact on the continuity of service.

The results of this year's Voice of the Staff Survey reflects the challenging period encountered over the past two years as we entered the post-pandemic period, at the same time as financial cuts, and a transitional period in terms of establishing our future working arrangements. To reflect this, a reduction was seen in the score for the statement 'the Council is a good place to work' in comparison with the results of the previous survey. There were four parts to the survey this year, and in general, across the Council, the score for the statements in the categories 'my post' and 'my service' were higher than the score for the statements 'my employer' and 'my well-being'. This is a reflection that teams have been working more in isolation over the pandemic period and that the same opportunities for cross-departmental collaboration did not arise. There is robust evidence of some of the main Ffordd Gwynedd principles embedding some of the most positive responses, e.g. 'I understand the contribution made by my service when serving the people of Gwynedd', whilst previous themes regarding being appreciated and receiving acknowledgement continue to be points for improvement.

The Procurement Team provides advice and support to services, and ensures that the organisation adheres to regulations and best practice in the procurement field. The team's aim is to enable the Council to achieve value for money, strengthen and develop procurement expertise, adopt best practice in the field and support the local market. There are also Category Management arrangements in place, where there are Three Categories (Environment, Corporate and People) responsible for purchasing in specific fields, looking at procurement strategically and putting more emphasis on collaboration, conducting a thorough analysis of the market in an attempt to ensure that we obtain value for money.

The Council has already adopted the [Sustainable Procurement Policy](#) which complies with the principles of the Well-being of Future Generations (Wales) Act 2015. By adopting the Policy,

the intention is to consider the possible social, economic and environmental impact that our procurement decisions can have and what steps can be taken to make the best possible use of the Council's expenditure, for the benefit of the county.

A project has reached a conclusion in 2023/24 to assess the feasibility of introducing a social benefits assessment methodology for Gwynedd, i.e. sharing the method of assessing tenders currently being undertaken by measuring Price and Quality to one that measures Local Price, Quality and Value. As part of the project, three further pilots were completed during the year using the social benefits-based tender assessment method. The three schemes have created over £100k in social benefits for the residents of Gwynedd.

During 2023/24, we will also be developing measures for the County's catering contract, it will be expected to report on the social, economic and environmental impact during 2024/25 as a result of including these measures.

Ongoing work is being undertaken to support businesses to respond to the tender requirements as a result of any developments in the field, such as gaining accreditations or responding to the requirements of the Well-being Act. Recently, we have been working with the supply chain to assess the environmental impact and attempting to reduce the carbon footprint.

The Council has a process to manage risks by having a Corporate Risk Register in place. In addition, arrangements for Internal Audit also exist and an annual workshop on assurance and risks is held with external auditors (Audit Wales, Care Inspectorate Wales and Estyn).

In order to ensure that arrangements are in place to respond to any recommendations from audit bodies, consideration is given to quarterly update reports from Audit Wales at the meetings of the Governance and Audit Committee. Also, there are appropriate arrangements in place to respond to any reports from the Health and Safety Executive (HSE).

Note that principal governance risks are scored corporately and on a Departmental level, since the risk level varies. There is an in-house Governance Group with an overview and responsibility for quality assurance within Cyngor Gwynedd.

A revamped Corporate Risk Register was launched in March 2021 and the system has proven to be a user-friendly facility in all Departments. It is now much easier to make a link between the risks as Departments consider their priorities and identify what needs to be done as a response, and it also assists Members to challenge performance and ensure that the expected steps have been taken to reduce the risk.

We are aware that there is a need to continue reviewing the procedure of identifying and scoring risks, particularly in order to ensure consistency across the organisation in terms of the assessment and scoring process. In addition, we are going to review the extent to which specific measures being introduced to address the risk manage to effectively reduce the risks. We will also consider whether we should add a record of the score which takes into account any mitigation, as well as the existing risk score (as a result of *impact x likelihood* only).

The Head of Finance will prepare and promote the authority's risk management policy statement and strategy. The risk management strategy is owned at a corporate level through the Governance Group as referred to above and the Governance and Audit Committee is responsible for challenging the governance risk scores.

As a part of its service continuity arrangements, the Council has categorised Services from 1 to 4 on the grounds of post-disaster recovery priorities. This enabled the organisation to prioritise during the Covid-19 period and ensured the continuity of 'essential' services. The lessons that have been learnt when dealing with the Covid-19 crisis has been valuable in subsequent emergencies, e.g. the Ukraine war.

While the future risk management regime and strategies are generally improving and strengthening, the Governance and Audit Committee needs to satisfy itself that arrangements are in place to deal with risks in an appropriate manner and this work has been included in the Committee's forward work programme.

Based on Internal Audit work completed during 2023/2024, which will be noted in the Audit Manager's Annual Report, it was considered that Cyngor Gwynedd's internal control framework during that financial year was deemed to operate at a reasonable level of assurance on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.

As a part of the 2023-28 Council Plan, we will adopt a new Property Assets Management Plan to ensure that our estate is fit for purpose for working in the future. This work has already commenced and it will ensure that our Property Assets are fit for purpose and cost effective, particularly following the changes made to working patterns and service delivery over the past years.

In terms of Council vehicles, a plan is in progress to make better use of the fleet, which has already led to some financial savings and is likely to achieve more in the future. The increased use of electric vehicles will also contribute towards reducing the Council's carbon emissions.

How do we know that?

The evidence outlined above includes a reference to some of the highlights of issues where we perform well or not as well. There is further evidence and detail within the documents/sources at the end of this report:

To summarise, the 2023-28 Council Plan is ambitious and in light of the challenging budgetary climate, consideration will be given to the capacity to deliver what is included in the Plan. The Council is collaborating with external organisations across our services and this is essential to ensure efficiency. The Council has effective arrangements to plan and manage money, with the Finance Department in close contact with the Chief Executive and Directors to carry out ongoing reviews of the financial projections. Annually, the Council prepares a Financial Strategy to secure a balance budget to ensure service continuity and publishes a Statement of Accounts at the end of every financial year. Work has been done to address the gap in the Council's budget over the next three years. The Council

acknowledges that consideration needs to be given to how residents can be included in financial decisions in the future.

Annually, the Head of Finance carries out a self-assessment of compliance with the CIPFA Code of Financial Management and work is in progress to develop an efficient framework to measure value for money within our performance challenge and support arrangements.

The Council has already adopted the [Sustainable Procurement Policy](#) which complies with the principles of the Well-being of Future Generations (Wales) Act 2015. By adopting the Policy, the intention is to consider the possible social, economic and environmental impact that our procurement decisions can have and what steps can be taken to make the best possible use of the Council's expenditure, for the benefit of the county.

The Council has a process to manage risks through its Corporate Risk Register and Internal Audit arrangements also exist.

What needs to be improved?

Additional improvements have been identified this year
<ul style="list-style-type: none"> Review the procedure of identifying and scoring risks, particularly to ensure consistency across the organisation in terms of the assessment and scoring process.

Improvement	
We will:	Our progress to date
<ul style="list-style-type: none"> Look to the future in order to anticipate the Council's long-term financial position by preparing a Medium-Term Financial Strategy. 	<ul style="list-style-type: none"> The Cabinet approved the Council's Medium Term Financial Plan 2025/26 - 2027/28 on 14 May 2024.
<ul style="list-style-type: none"> Consider the most suitable ways to engage and involve residents in significant financial decisions and implementation (preparing the 2024/25 budget) 	<ul style="list-style-type: none"> A series of press releases have already been shared to explain the financial context, and more will be released over the coming months.
<ul style="list-style-type: none"> Continue work to review the Council's Assets Plan to ensure priorities remain current in light of the experiences and developments of recent years. 	<ul style="list-style-type: none"> Drawing up a new Assets Management Plan is a project in the Council Plan for 2023-28. Some discussions and initial steps have already been taken and the next steps will include holding initial discussions with Council departments to identify whether their property assets are fit for purpose, and ensure that the Cabinet's authority to the Property Management Policies has been adjusted. When the Corporate Property Management Strategy is approved, it

	will be possible to proceed to prepare a Property Assets Action Plan (the timetable of which will be subject to the Corporate Strategy).
<ul style="list-style-type: none"> Looking to develop a way of measuring value for money (efficiency) at service level as part of our performance challenge arrangements. 	<ul style="list-style-type: none"> We will collaborate with peers in other councils and professional bodies such as CIPFA to develop a framework to be able to identify value for money. This work commenced in 2023/24 and it will continue in 2024/25.
<ul style="list-style-type: none"> Continue to implement a project to address the current staff recruitment problems the Council is experiencing. 	<ul style="list-style-type: none"> The 'Workforce Planning' Project, which is a part of the Council Plan for 2023-28, is addressing this. A number of initial steps have already been taken in line with the milestones for year 1 of the Project. The next steps will include the establishment of detailed work programmes for a series of up to seven sub-projects which contribute to the full project.
<ul style="list-style-type: none"> Continue to provide guidance and advice to services to establish long-term workforce planning practices, so that future recruitment and retention problems can be avoided. 	<ul style="list-style-type: none"> See above

Performance Requirement Three: The extent to which the Council has effective governance arrangements in practice to ensure performance requirements one and two.

How well are we doing?

The Council generally has a suitable governance system in place. The Council's Constitution is a public document which sets out the governance arrangements, and a Guidance to the Constitution is provided to reinforce this. The Governance Arrangements Assessment Group retains an overview of governance issues within the Council. The Group comprises the Corporate Director, Monitoring Officer, Section 151 Officer, Head of Corporate Support, Assistant Head of Corporate Support, the Risk and Insurance Manager and the Council's Business Support Service Manager.

In addition, the Council publishes an annual Governance Statement outlining our governance arrangements and their effectiveness following the principles of the CIPFA/Solace Delivering Good Governance in Local Government Framework.

In April 2024, a workshop of members from the Governance and Audit Committee was held to conduct a self-assessment of the committee's efficiency. The work programme deriving from this assessment was approved by the Committee, with the aim of further improving its way of working, and the matters it addresses.

Audit Wales conducted a 'Review of scrutiny effectiveness' during 2022/23 and the report was published in September 2023. The report received is encouraging, recognizing the changes that have been made over the past few years in order to strengthen our scrutiny arrangements and give scrutiny a higher status in Gwynedd. It was found that the Council had reviewed and introduced changes to overview and scrutiny arrangements, and that there was a higher status to scrutiny within the democratic process. Nevertheless, there are opportunities to further strengthen the contribution, status and impact of scrutiny. This includes recommendations such as training for elected members, strengthening the alignment between the annual scrutiny work programme and the Cabinet's work programme and the Council Plan and that formal arrangements is needed on tracking the impact of scrutiny. In response our scrutiny arrangements were reviewed and at the Full Council Meeting on 7 March 2024 they adopted an option to keep the current scrutiny committee arrangements and approved the actions to improve efficiency in response to the recommendations of the Wales Audit report.

The roles of Council, Cabinet, Individual Members and Chief Officers, together with a clear delegation plan, are set out in the Council Constitution. Cyngor Gwynedd has also prioritised the development of its Leadership Programme and that is part of the People's Plan adopted by the Cabinet. Cyngor Gwynedd has also prioritised the development of its Leadership Programme and this is a part of the People Plan adopted by the Cabinet.

The Council has a positive organisational culture which has been supported by "Ffordd Gwynedd" which is the name given to the "way of working" which we have adopted in order to put the people of Gwynedd at the centre of everything we do. Changing culture, behaviours and mindsets is at the heart of all this and the aim of realising the ambition across all parts of Council activity is a significant challenge and one that requires a comprehensive programme of support.

Progress has been made on the broadest part of the nine work-streams that make up the Ffordd Gwynedd Plan 2023-28. In brief, this is the most marked progress in the first year of the current Plan:

Leadership - The latest departmental self-assessments (March/April 2024) are very positive in terms of the shift to 'lead' instead of 'managing'. Every Department, without exception, acknowledges that this is the aim and practice by the majority of managers but there is acknowledgement that this change has not been embedded as well in every service. In this respect, the need for further training is being considered as part of the further shift to ensure that leading is the norm and expectation when someone joins the Council.

The Cabinet members have continued to invest their time in personal development and as a team during the past year, with a clear intention to build further on this development during 2024/25. The Corporate Management Team has held three whole day sessions during the year in order to develop as a team of leaders in the Council (and the Corporate Management Team is now operating as a Ffordd Gwynedd Lead Group, and has committed as a team to promote the culture and develop the organisation in line with the principles of this way of working).

Furthermore, a series of developmental programmes has been published for the development of managers, senior managers and prospective managers across the Council, e.g. Manager Development Programme, Senior Leadership Development Programme. Details were shared about these programmes during the Autumn series of the Managers Network (Team Leaders now also receive an invitation) and the first cohort have already commenced the Manager Development Programme earlier on during 2024.

One gap was identified in the opportunities to develop prospective senior managers in the future during the year, namely among the cohort of assistant heads across the Council's departments. In response, the Assistant Heads Forum was established as an initial step with a view to offer further opportunities for those individuals by means of the Senior Leadership Programme in the future.

Learn, Experiment and Act to Improve - A Practitioners' Group was established to share best practice as well as lessons learnt, with a register of reviews being

maintained. The number of reviews held during the year was increased, with some of them already leading to an improved service, e.g. Tax Office's provision of advice over the phone has been re-established between 9am-5pm Monday to Friday since 11 September 2023. Furthermore, in order to improve the understanding of Cabinet Members of what derives from holding reviews, an arrangement was introduced where officers who lead on individual reviews attend the meetings of the Leadership Team during the year to share experiences, successes and lessons learnt.

Digital Transformation - the corporate Digital Plan for 2023-38 was approved by the Cabinet on 7 November. The period of this Plan coincides with the period of the Council Plan (in the same way as the period of the Ffordd Gwynedd Plan). Funding has already been secured to steer the work programme of the first two years of the Digital Plan with one of the main priorities, namely ensuring a new integrated phone system, to be realised during 2024/25.

There are promising developments in each of the other work streams but the work stream of disseminating the practice of "continuous appraisal" across the Council was identified as the main focus for the year to come. The leadership and support for doing this has been drawn up and there will be a need to launch and promote this over the first months of the second year of the current Plan.

The latest departmental self-evaluations identify matters such as formalising the practice of conducting ongoing appraisals and ensuring better collaboration about issues such as performance within teams and noting the need to offer follow-up to training for managers in the context of conducting reviews of systems and processes and developing the culture within teams. This feedback as well as the response received to the latest annual Voice of Staff Survey will direct what will be prioritised during the year to come. It is anticipated that the annual report, which will incorporate and detail all of this, will probably be submitted to the Cabinet in September.

In terms of the Council's internal activity, we have good engagement and communication arrangements in place with important messages being shared with staff in various ways. Similarly, it is important to gather the views of staff and that they have an opportunity to provide feedback on the kind of employer the organisation is. To this end, Voice of Staff Questionnaires have been in regular circulation asking about areas related to their job, service and also the Council as an organisation. The results are shared with the Heads of Services, so that they have an opportunity to respond to the main messages or any specific challenge, as well as the whole workforce via the intranet, the weekly bulletin and staff self-service. In addition to the corporate survey, some departments have undertaken further work to ascertain the views of staff on a regular basis.

We have effective arrangements to monitor the budget with the Finance Department employing officers with suitable skills, knowledge and experience in order to undertake

this duty. A formal review of the situation with the revenue expenditure will be held at the end of August and November and the results will be reported to the Governance and Audit Committee and to the Cabinet for approval. An update on the capital programme will also be presented at the same meetings.

The Council's Treasury Management arrangements have been in place for several years, and are under the supervision of independent teams within the Finance Department. Treasury Management activities are reported to the Governance Committee twice a year in June and November. Treasury Management activity will be reported to the Governance and Audit Committee on a quarterly basis.

The debate on whether overspending is due to failure to control spending, or due to an inadequate budget is an ongoing one. Work to review provisions in budgets will continue over the next year in the preparation for the 2025/26 budget.

There is a very constructive relationship between the Council and its Governance and Audit Committee, and the internal and external auditors. This can be seen from the minutes of the Committee meeting, and the committee's Annual Report also highlights this.

The Local Government and Elections (Wales) Act 2021 has created new duties for Political Group Leaders to take an element of responsibility over promoting good conduct and collaboration with the Standards Committee. Agreement was reached on a protocol and criteria to assess the discharge of the duty at a workshop between members of the Committee and Leaders. These were adopted by the Standards Committee and they will contribute towards preparing the Committee's annual report. This work has been supported by meetings and regular communication with the Monitoring Officer.

The improvements identified within the self-assessment will be addressed by specific Departments within the Council and will report back on progress to the relevant performance challenge and support meeting.

How do we know that?

The evidence outlined above includes a reference to some of the highlights of issues where we perform well or not as well. There is further evidence and detail within the documents/sources at the end of this report:

To summarise, the Council's Constitution is a public document which sets out governance arrangements and the Governance Arrangements Assessment Group keeps an overview of governance matters within the Council. The Council also publishes an annual Governance Statement which outlines our arrangements. Audit Wales carried out a review of our scrutiny efficiency and work is already being done to address a number of recommendations and others are ongoing work. The work coincides with the review of scrutiny arrangements.

The Council has a positive organisational culture by means of the Ffordd Gwynedd principle and progress has been made with the vast majority of the nine work-streams

that make up the plan. Internal engagement and communication activity is good and important messages are being shared with all staff. Also, there are effective arrangements to monitor the budget with the Council's Treasury Management arrangements that has been established for many years.

What needs to be improved?

Additional improvements have been identified this year

- Complete the actions to improve the efficiency of scrutiny in response to the recommendations of the Wales Audit report.

Improvement	
We will:	Our progress to date
<ul style="list-style-type: none"> • Conduct a staff voice survey (as has been the case in the past) to engage in constant discussion with the workforce and provide them with the opportunity to say what is working well and the barriers they face. 	<ul style="list-style-type: none"> • Staff Voice Survey held in September / October 2023 and detailed interpretation work has been carried out. • By now, the main findings have been shared with members of the Corporate Management Team, and are also in the process of being submitted to the management teams of every Department individually. The corporate work plan to implement the main findings will be monitored as part of the work of the Ffordd Gwynedd Officers' group.
<ul style="list-style-type: none"> • Conduct an appraisal of the work of the Governance and Audit Committee to establish whether it is effective. 	<ul style="list-style-type: none"> • The Committee has conducted a self-assessment in April 2024 and we will draw-up a work programme as a result of this assessment.
<ul style="list-style-type: none"> • Continue to act on the steps already put in place in response to an audit of performance challenge arrangements undertaken by Audit Wales during 2021/22 and continue to look at the success of those arrangements reviewing if necessary. 	<ul style="list-style-type: none"> • Have been acting on current performance challenge and support arrangements since April 2022 (which includes steps put in place to respond to recommendations made by Audit Wales during 2021/22). • Over the past year, further reviews have been held by Audit Wales relating to scrutiny arrangements and use of information on performance and we are currently in the process of reviewing the arrangements with the intention of

	<p>ensuring that members of the Scrutiny Committee play a more central role.</p>
<ul style="list-style-type: none"> • Implement the Ffordd Gwynedd Plan Work Programme 2023-28 to continue to improve performance and provide the best possible services for the County's residents. 	<ul style="list-style-type: none"> • Formal reviews are taking place or have been completed in many services, and these examples of good practice have been collated in a register. On 25 January 2024, the first meeting of the Ffordd Gwynedd Practitioners' Group was held to share and record experiences learnt when conducting service reviews or when implementing the Ffordd Gwynedd principles. • Draft packages of Ffordd Gwynedd training have been developed, with the intention of launching them during 2024. This includes a document on Ffordd Gwynedd behaviours for the purposes of ongoing evaluation. Here, the progress with the leadership sub-stream also applies: the Corporate Management Team has completed three team development sessions since November 2023; the Assistant Heads Forum was established last year, and; the first Manager Development Programme will run this year, as well as the Senior Leadership Development Programme from the Spring onwards. • Some of the sub-streams of the Ffordd Gwynedd Plan circulate around broader strategy planning in the Council. E.g. the digital sub-stream has made considerable progress since adopting the Digital Plan last year; similarly the workforce planning and talent development sub-stream due to the new Workforce Planning Plan. • In terms of the satisfied and healthy workforce sub-stream, one important aspect is ensuring the Absences Group continue to target intervention where there are high levels of sickness.

Useful Appendices

[Cyngor Gwynedd's Strategic Equality Plan 2020-24](#)

[Cyngor Gwynedd's Diversity Statement](#)

[Cyngor Gwynedd's Annual Equality Performance Report 2022-23](#)

[Cyngor Gwynedd's Annual Performance Report and Self-Assessment 2022-23](#)

[2021/2022 Governance Statement](#)

[Annual Report of the Head of Internal Audit 2023-24](#)

[Annual Report of the Gwynedd and Anglesey Public Services Board 2022-23](#)

[Annual Report of the Director of Social Services 2023-24](#)

[Participation Strategy 2023](#)

[Ffordd Gwynedd Plan 2023-28](#)

Corporate Risk Register

Annual Workshop with the Regulators and Cabinet Members

Performance Reports of individual Cabinet Members

[Annual Report on the Children and Supporting Families Department and the Adults, Health and Well-being Department's Complaints, Enquiries and Expressions of Gratitude Procedure for 2022-23](#)

[Sustainable Procurement Policy and Guidance](#)

[Employment Information 2022-23](#)

[Statement of the Accounts 2022-23](#)

[Cyngor Gwynedd's Assets Plan 2019/20 - 2028/29](#)

[2021/2022 Governance Statement](#)

[Audit Wales Annual Audit Summary 2023](#)

[Annual Report Cyngor Gwynedd Standards Committee 2023-24](#)

[Final Accounts 2023/24 – Revenue Out-turn](#)

[People Plan Strategy](#)

[Audit Wales Springing Forward Report 2021-2022](#)

[Cyngor Gwynedd - Financial Sustainability Assessment \(audit.wales\)](#)

[Internal Audit Updates reporting to the Governance and Audit Committee all year\)](#)

[Cyngor Gwynedd's Constitution](#)

Treasury Management Reports -

[September 2023 \(end 2022/23\) 2023 \(end 2022/23\) -](#)

[December 2023 - Mid Year Treasury Management Report 2023-24.pdf \(llyw.cymru\)](#)

IIP Assessment - Corporate Support Department and Gwynedd Consultancy Staff

Surveys

[Review of the effectiveness of scrutiny - Cyngor Gwynedd \(audit.wales\)](#)

Forward Programme of the Governance and Audit Committee to September 2025

10 October 2024

Implementing the Decisions of the Committee
Revenue Budget 2024/25 – End of August 2024 Review
Capital Programme 2024/25 – End of August 2024 Review
Savings Overview: Progress Report On Realising Savings Schemes
Treasury Management Quarterly Report
Internal Audit Output
Internal Audit Plan 2024/25
Review of Constitution
Audit Wales Reports:
Flow out of Hospital
The Committee's Forward Programme

28 November 2024

Implementing the Decisions of the Committee
Final Accounts for the Year Ended 31 March 2024 And Relevant Audit
Treasury Management 2024-25 Mid Year Review
Internal Audit Output
Internal Audit Plan 2024/25
Audit Wales Reports
Audit Wales Reports - Q2 Update
Recommendations And Improvement Proposals of External Audit Reports
The Committee's Forward Programme

16 January 2025

Implementing the Decisions of the Committee
Revenue Budget 2024/25 – End of November 2024 Review
Capital Programme 2024/25 – End of November 2024 Review
Savings Overview: Progress Report On Realising Savings Schemes
Audit Wales Reports
The Committee's Forward Programme

6 February 2025

Implementing the Decisions of the Committee
Savings 2025/26
Capital Strategy 2025/26 (including Investment And Borrowing Strategies)
Budget 2025/26
Governance Risks Mid-Year Update
Recommendations And Improvement Proposals of External Audit Reports
Audit Wales Reports - Q3 Update

The Committee's Forward Programme

22 May 2025

Elect Chair

Elect Deputy Chair

Implementing the Decisions of the Committee

Annual Report of the Governance and Audit Committee 2024-25

Gwynedd Harbours' Final Accounts for the Year Ended 31 March 2025

Final Accounts 2024/25 - Revenue Outturn

Capital Programme 2024-25 – End of Year Review (31 March 2025 Position)

Output of the Internal Audit Section

Head of Internal Audit Annual Report 2024/2025

Medium-Term Financial Plan

Internal Audit Charter

Internal Audit Strategy and Annual Internal Audit Plan 2025/26

Audit Wales - Quarter 4 Update

Audit Wales - Cyngor Gwynedd Annual Audit Summary 2024

Audit Wales Reports and Organisational Response

Treasury Management Quarterly Report

The Committee's Forward Programme

September 2025

Implementing the Decisions of the Committee

Statement of Accounts 2024/25 (Subject To Audit)

Gwynedd Council's Annual Governance Statement For 2024/25

Treasury Management 2024/25

Audit Wales - Cyngor Gwynedd Annual Audit Summary 2024

Audit Wales Reports - Q1 Update

Audit Wales Report - Detailed Audit Plan 2025

Annual Performance Report and Cyngor Gwynedd Self-Assessment 2024/25

Recommendations And Improvement Proposals of External Audit Reports

The Council's Arrangements for Dealing with Complaints

The Committee's Forward Programme