



# Complete Agenda

Democracy Service  
Council Offices  
CAERNARFON  
Gwynedd  
LL55 1SH

Cymraeg

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

Meeting

**THE COUNCIL**

Date and Time

**1.30 pm, THURSDAY, 5TH MARCH, 2026**

**\* NOTE \***

**This meeting will be webcast**

[https://gwynedd.public-i.tv/core//en\\_GB/portal/home](https://gwynedd.public-i.tv/core//en_GB/portal/home)

Location

**Hybrid - Siambr Dafydd Orwig, Swyddfeydd y Cyngor, Caernarfon LL55 1SH**

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(DISTRIBUTED 25/02/26)

**Ian Jones**  
**Head of Democracy Service**

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**WEDNESDAY, 25 FEBRUARY 2026**

Dear Councillor,

**MEETING OF CYNGOR GWYNEDD – THURSDAY, 5 MARCH 2026**

**YOU ARE HEREBY SUMMONED** to attend a multi-location meeting of **CYNGOR GWYNEDD** which will be held at **1.30 pm** on **THURSDAY, 5TH MARCH, 2026** in **SIAMBR DAFYDD ORWIG, SWYDDFEYDD Y CYNGOR, CAERNARFON LL55 1SH / VIRTUALLY ON ZOOM**, to consider the matters mentioned in the following agenda.

Yours faithfully,



Head of Democracy Services

The following rooms will be available for the political groups during the morning: -

Plaid Cymru - Siambr Dafydd Orwig  
Independent – Siambr Hywel Dda  
Lib / Lab – Ystafell Ogwen

# AGENDA

## 1. APOLOGIES

To receive any apologies for absence.

## 2. MINUTES

6 - 37

The Chair shall propose that the minutes of the previous meetings of the Council held on 4 December 2025 and 5 February 2026 be signed as a true record.

## 3. DECLARATION OF PERSONAL INTEREST

To receive any declarations of personal interest.

## 4. THE CHAIRMAN'S ANNOUNCEMENTS

To receive any Chair's announcements.

## 5. URGENT ITEMS

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

## 6. QUESTIONS

*To consider any questions the appropriate notice for which have been given under Section 4.18 of the Constitution.*

## 7. BUDGET 2026/27

38 - 97

To submit the report of the Cabinet Member for Finance.

## 8. CAPITAL STRATEGY 2026/27 (INCLUDING INVESTMENT AND BORROWING STRATEGIES)

98 - 137

To submit the report of the Cabinet Member for Finance.

## 9. ANNUAL REPORT - PAY POLICY FOR THE WORKFORCE

138 - 148

To submit the report of the Chair of the Chief Officer Appointments Committee.

## 10. WALES PENSION PARTNERSHIP (WPP) - UPDATING THE INTER-AUTHORITY AGREEMENT (IAA)

149 - 218

To submit the report of the Chair Of The Pensions Committee.

**11. AMENDMENTS TO THE MEMBERS CODE OF CONDUCT AND THE COUNCILS WHISTLE BLOWING POLICY** 219 - 247

To submit the report of the Monitoring Officer.

**12. COMMITTEES CALENDAR 2026/27** 248 - 251

To submit the report of the Head of Democracy Services.

**13. NOTICES OF MOTION**

**(A) NOTICE OF MOTION BY COUNCILLOR GRUFFYDD WILLIAMS**

In accordance with the Notice of Motion received under Section 4.19 of the Constitution, Councillor Gruffydd Williams will propose as follows:-

In January 2026, the Westminster Government made a U-turn regarding their plans to make digital ID cards mandatory for proving the right to work, following a significant response from members of the public with a petition with over three thousand names being submitted to the Government stating their opposition to DI. While the mandatory requirement for employment has been dropped, the government plans to move verification processes online by 2029, leading to concerns that a digital identification system will still be introduced gradually through the back door, as it were.

That this Council is totally opposed to the Digital Identification system and that Cyngor Gwynedd calls on the Welsh Government to oppose DI in line with the Government in Scotland and also in line with several local authorities across the UK. Convenience should never come at the expense of personal liberty.

**(B) NOTICE OF MOTION BY COUNCILLOR ELIN HYWEL**

In accordance with the Notice of Motion received under Section 4.19 of the Constitution, Councillor Elin Hywel will propose as follows:-

This Council recognises that trust is the foundation of democracy. We know that recent events locally, nationally and internationally have undermined that relationship with the people of Gwynedd. Democracy cannot function well without public trust in those who represent them; that trust enables people to participate in local democracy and, in turn, ensures their voice in shaping their future.

This Council notes evidence from the Office for National Statistics indicating that trust in politics and politicians is at a very low level, with only one in five trusting political parties, and that there is a direct link between low trust and low participation.

In light of that, this Council notes the low participation in the 2022 Gwynedd Council election, in line with wider trends throughout Wales, with around 38-39% voting, and that 28 of the 69 seats were elected without opposition, meaning that a large number of Gwynedd's electors did not have a democratic choice.

The Council recognises that these figures highlight a serious challenge to the health of local democracy and to the relationship between electors and their representatives.

It is recognised that our behaviour as public leaders sets the standard for democratic discussion. That trust cannot be built, or participation increased, unless we model those values ourselves.

This Council welcomes the actions of the Senedd through the Elections and Elected Bodies (Wales) Act to strengthen the integrity of public life and place honesty and truth at the heart of our democratic culture.

In accordance with this, this Council clearly states that we, personally and collectively, have the duty to maintain and restore public trust.

We are committed to the truth, to transparency, to fairness, and to respect - the cornerstones of our right to represent the people of Gwynedd.

#### **14. RESPONSES / UPDATES TO PREVIOUS NOTICES OF MOTION** 252 - 253

Letter from the Welsh Government in response to Cllr. Jina Gwyrfaï Notice of Motion to the 3 July 2025 Council meeting regarding Inheritance Tax.

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## THE COUNCIL 4/12/2025

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### Attendance:

**Councillors:** Ioan Thomas (Chair)

Craig ab Iago, Menna Baines, Beca Brown, Wendy Cleaver, Glyn Daniels, Elwyn Edwards, Elfed Wyn ap Elwyn, Gwion Emyr, Alan Jones Evans, Gwilym Evans, Dylan Fernley, Delyth Lloyd Griffiths, Annwen Hughes, John Brynmor Hughes, Louise Hughes, Medwyn Hughes, Elin Hywel, Nia Wyn Jeffreys, Anne Lloyd Jones, Berwyn Parry Jones, Dawn Lynne Jones, Dewi Jones, Elin Walker Jones, Elwyn Jones, Gwilym Jones, Gareth Tudor Jones, Huw Wyn Jones, June Jones, Eryl Jones-Williams, Cai Larsen, Beth Lawton, Dafydd Meurig, Dilwyn Morgan, Dewi Owen, Edgar Wyn Owen, Llio Elenid Owen, Geraint Parry, Nigel Pickavance, Rheinallt Puw, Arwyn Herald Roberts, Beca Roberts, Elfed P Roberts, Gareth A Roberts, John Pughe Roberts, Meryl Roberts, Richard Glyn Roberts, Huw Llwyd Rowlands, Paul Rowlinson, Angela Russell, Dyfrig Siencyn, Peter Thomas, Menna Trenholme, Rhys Tudur, Hefin Underwood, Einir Wyn Williams, Elfed Williams, Gareth Williams, Gruffydd Williams, Sasha Williams and Sian Williams.

### Officers:

Dafydd Gibbard (Chief Executive), Dewi Morgan (Head of Finance), Iwan Evans (Monitoring Officer), Dylan Owen (Corporate Director), Catrin Thomas (Corporate Director), Carys Fôn Williams (Head of Housing and Property), Ian Jones (Head of Corporate Services), Aled Gibbard (Interim Head of Children's Department), Nia Grisdale (Legal Services Manager), Vera Jones (Democracy and Language Service Manager) and Annes Sion (Democracy Team Leader).

## 1. APOLOGIES

Apologies were received from Councillor Elfed Wyn ap Elwyn, Stephen Churchman, Linda Morgan, Dafydd Davies and Jina Gwyrfai.

## 2. MINUTES

The Chair signed the minutes of the previous Council meeting held on 2 October 2025 as a true record.

## 3. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received.

## 4. THE CHAIR'S ANNOUNCEMENTS

Condolences were expressed to Councillor Anne Lloyd Jones, Glyn Daniels and Delyth Lloyd Griffiths who had all experienced a recent bereavement. It was further noted that the Council wished to express condolences to everyone within the county's communities who had lost loved ones recently. The Council stood in silence as a mark of respect and remembrance.

Councillor Gwion Emyr, the new member for Bethel and Felinheli Ward, was welcomed to his first meeting of the Council.

Elfyn Evans from Dolgellau was congratulated on coming a very close second at the World Rally Championships in Saudi Arabia. As well as Ifan Dafydd from Meirionnydd Harriers who came second in the Eryri Marathon this year.

Congratulations were also expressed to the Magic Lantern Cinema, Tywyn, for winning the award for Cinema of the Year in the British Independent Film Awards recently. Congratulations to them on their success and important contribution to the economy and cultural scene of Tywyn and Meirionnydd.

## 5. URGENT ITEMS

None to note.

## 6. QUESTIONS

*(The Cabinet Members' written responses to the questions had been published in advance.)*

### 1. Question by Councillor John Pughe Roberts

Given the statutory obligations under the Education Act 2002 (s.175) and Keeping Learners Safe (Welsh Government, 2021), governing bodies must ensure effective safeguarding arrangements, provide robust challenge, and verify that procedures are followed. The Child Practice Review identified significant shortcomings, including:

- inadequate challenge and oversight from governors;
- over-reliance on assurances from senior leaders rather than verification;
- insufficient safeguarding training;
- unclear or delayed communication with the LADO and Local Authority.

In the interests of transparency, accountability and public confidence, I ask the Leader to confirm that no individual connected to these failures is currently serving in her Cabinet?

### **Response from the Leader of the Council, Councillor Nia Jeffreys**

One of the Cabinet Members serves as a governor at Ysgol Friars, and I know that the member wishes to apologise to the victims for the far-reaching impact of the Governing Body's failures, which have been highlighted in the Our Bravery Brought Justice report. As a Cabinet and Council, we fully accept the report. Our responsibility now is to act on all its recommendations and findings. The courage of the victims compels us to act swiftly and decisively.

Members will also be aware that we are currently drafting a new version of our Response Plan, and all recommendations from Our Bravery Brought Justice report relating to school governance will receive detailed attention as part of that work. In addition, I am pleased to hear that the Welsh Government has announced a review of the School Governance system, and as a Council we are very keen to play every possible part in that process. We will need to look at the Council's governance arrangements, and I will commission the Chief Executive to work with an external body such as the WLGA. We would welcome cross-party collaboration on the terms of reference for this work.

### **The Supplementary Question of Councillor John Pughe Roberts**

The response does not offer much credibility in the Cabinet, and I ask for an Extraordinary meeting of the Council to look into these matters only, and I ask whether this will happen.

### **Response from the Leader, Councillor Nia Jeffreys**

Before the Leader responded, the Monitoring Officer highlighted that this item was a question for the Leader, and it could not lead to any decision beyond these responses.

The Leader responded that the call for an extraordinary meeting was not a specific decision for her, but that she was happy to hold a discussion on the matters in the item on today's agenda. It was explained that this was not a decision for the Leader to make.

The Chief Executive added, in terms of the principle of holding the discussion, that three specific committees had been scheduled for January regarding this matter - i.e., two Scrutiny Committees and an item at the Governance and Audit Committee.

## **2. Question by Councillor Angela Russell**

In light of the publication of the Child Practice Review, 'Our Bravery Brought Justice', and the identification of over fifty missed opportunities to safeguard the children, what specific lessons have been learned, and what assurances can be provided that such systemic failures will not recur? It is of particular concern that many of these lessons should have been embedded following the Waterhouse Inquiry.

### **Response from the Leader of the Council, Councillor Nia Jeffreys**

Thank you for this extremely important and timely question, in our First Full Council meeting since the publication of 'Our Bravery Brought Justice' exactly a month ago today – a report which clearly highlights the Council's failures. I wish to acknowledge the courage of the victims and survivors; it is their bravery that drives me to act. Of course, we fully accept the findings of the review and recognise all the missed opportunities. These failures should never have happened. As Leader of the Council, I apologise to the victims and to everyone affected by these crimes.

Work to recover and respond to these events is underway to improve and strengthen the Council's arrangements. A Response Board has been established to provide scrutiny and challenge, and I am extremely grateful to the Independent Chair, Professor Sally Holland, for her consistent challenge and leadership.

I also wish to thank the many other agencies who act as observers on the Board – the Welsh Government, the Children's Commissioner, Estyn, Care Inspectorate Wales, and the Regional Safeguarding Board. Their contribution is invaluable.

Along with my Cabinet colleagues, I am also a member of the Board to ensure that progress is being made and to provide challenge, support, and resources to deliver.

Since the publication of the Our Bravery Brought Justice report, a new Response Plan is being developed. Every recommendation is being addressed in the action plan under seven themes, aligned with the themes of the report. Work has begun, but there is much more to do.

An Assurance Group has been established by Welsh Ministers, and in November, Care Inspectorate Wales and Estyn conducted a joint review, examining safeguarding arrangements, the voice of the child, how we collaborate with other agencies such as the police, and governance, training, and staff support across the Children and Education Departments.

In my view, the more eyes we have on this work, the better. The new Response Plan will be presented to the Governance and Audit Committee, as well as to the Care Scrutiny Committee and the Education and Economy Scrutiny Committee early in the new year, giving Councillors the opportunity to provide their valuable input.

It is a national shame that the recommendations of the Waterhouse report published in 2000, and the Clywch report in 2004, have not been implemented in full. This Council will work tirelessly and relentlessly to ensure that the recommendations and findings of 'Our Bravery Brought Justice' report are fully delivered, without excuses. I will not shy away from my responsibility as Leader; my priority is to restore trust and to do everything within our power to protect the children of Gwynedd. Nothing is more important to me, and to everyone in our county, than the safety of our children.

*Here are examples of some actions that have taken place or are underway over time – this is only a small sample, as there are over 200 actions within the detailed work programme behind the Response Plan:*

What has already happened?	<ul style="list-style-type: none"> <li>• An audit has been carried out of cases where there is more than one referral concerning individuals in positions of trust</li> <li>• Increased frequency of safeguarding quality visits to schools</li> <li>• ‘Grooming’ has been added to the safeguarding training pack for schools</li> <li>• Appointment of a new Safeguarding Champion to promote and raise awareness of safeguarding training across the Council</li> <li>• A social worker visits every child involved in a referral and listens to them</li> </ul>
What will be achieved in the next 3 months?	<ul style="list-style-type: none"> <li>• Training for staff to identify and record changes in children’s behaviour that may indicate ‘grooming’ or abuse</li> <li>• Development of a Voice of the Child Policy, with the next step being its formal adoption</li> <li>• Increasing resources (staff) within the Education Safeguarding and Well-being Team</li> <li>• Formal adoption of a new “Whistleblowing” policy</li> </ul>
What will happen in the next 3-12 months?	<ul style="list-style-type: none"> <li>• Roll-out of a new system for schools to report concerns</li> <li>• Implementation of any national changes during this period</li> <li>• A training programme embedded to ensure that Cyngor Gwynedd is a ‘Trauma-Informed’ organisation</li> <li>• Cyngor Gwynedd working towards a ‘Child-Friendly County’ status</li> </ul>

### **Supplementary Question by Councillor Angela Russell**

Thank you for the response; we must remember that after the Waterhouse Enquiry it was one, brave, lone social worker who brought the inquiry forward. But what is different here is that social workers did not lead on this, instead, the children’s bravery led to this investigation to bring down a big bully, not professional staff. Assurances are sought that everyone is safe in schools, as there is concern that the same people continue to make decisions at this point in time. Therefore, considering the seriousness of the failings noted and the ongoing concerns regarding transparency and accountability, I am not satisfied that the child practice review has been responded to in full, neither does it address the depth of the issue, nor has it restored public confidence. Will this Council now support my call, for the second time, for a public inquiry into the safeguarding failings in Cyngor Gwynedd, to ensure that every voice is heard, that all evidence is publicly considered and that robust and sustainable change is achieved?

### **Answer - Leader of the Council, Councillor Nia Jeffreys**

Thank you and I agree and the bravery of the victims drives everyone on to do this important work. I agree with the call for a public inquiry and my first act as Leader was to make the same call. The Cabinet has also made the same call and a letter has been sent to Eluned Morgan to make the same request.

### **3. Question by Councillor Louise Hughes**

Remembrance Sunday is a national day of solemn reflection, honouring those who served and paid the ultimate sacrifice for the Freedoms we enjoy today, it is a debt we can never repay. Will this council declare free parking on Remembrance Sunday in Gwynedd Council car parks for those wishing to pay their respects, in line with other Local Authorities?

### **Response from the Cabinet Member for the Environment, Councillor Craig ab Iago**

Cyngor Gwynedd fully recognises the significance and solemnity of Remembrance Sunday.

I would welcome a discussion with Cllr Louise Hughes and the relevant officers to consider this request further.

This would include how such an arrangement could be practicably implemented and the considerations and implications related to that.

### **Supplementary Question by Councillor Louise Hughes**

She noted her hope for a more determined and clear answer, but she proposed specific times for free parking on Remembrance Sunday.

#### **4. Question by Councillor Rhys Tudur**

Given that:

- Councillors on the scrutiny committees and other committees in the Council offer constructive and valuable comments on the items discussed.
- Findings and comments are formally minuted with a view to bringing them to the attention of Cabinet and Officers in full.
- Too often when those items come before Cabinet all that is noted on the Cabinet agenda is a few short sentences or no comment at all by councillors, e.g. on matters such as
  - Staff well-being report
  - Toilet Strategy
  - Housing Action Plan
  - Planning Policy Committee items.

Does this not show a lack of respect for the views/impressions of Councillors and ignores the voice of those members who are not Cabinet Members?

### **Response from the Cabinet Member for Corporate and Legal Services, Councillor Llio Elenid Owen**

Thank you for the comments and the question.

The submission of any report for a Cabinet decision requires thorough information. Cabinet must consider several factors when making all decisions (e.g. the Well-being of Future Generations Act, equality, the Welsh language, socio-economic impact, etc.) as well as the comments of any consultation, e.g. with a scrutiny committee or the public.

Where a committee or working group has considered a matter prior to submission for a decision by the Cabinet, it is expected that information will be included in the report. Rigorous guidelines and a specific template have been created for reporting to Cabinet, which clearly articulate the above.

It is pleasing to see your positive comments about scrutiny, and I am aware that considerable work has been done by the Scrutiny Committees to refine the recommendations submitted to Cabinet Members. It is important to remember that it is the comments of the committee, and not individuals, that are submitted.

In addition, work has taken place to develop a procedure whereby the Chair of the Scrutiny Committee receives an invitation to attend a Cabinet meeting when an item has been scrutinised in advance to elaborate on the discussion and grounds for the committee's decision. This development is still in its early days, but I am confident that it is a positive step in order to ensure the input of the scrutiny committees.

I acknowledge that there are inconsistencies in the content of reports to Cabinet at the moment, there are good examples of referring to the work of the scrutiny members and/or members of the Planning Policy Working Group in Cabinet reports, and poor examples too. There is scope for us as Cabinet Members to look at improving this in the future.

It is certainly not intended to ignore the voice of Members who are not Cabinet members or to disrespect the views and impressions of the relevant committees or working groups.

### **Supplementary Question from Councillor Rhys Tudur**

Given that I have referred to unacceptable cases where no comment or record of the recommendations of the scrutiny committees were on the cabinet's agenda, let alone the minutes of the scrutiny committee, is it too much to ask for a better system where the Cabinet at least sees the decisions of the scrutiny committees as well as the recommendations of individual members of the committee, as well as minutes of the discussion, so that members feel as if they are not wasting their time or speaking in a void when contributing and giving their time during long scrutiny discussions.

### **Response of the Cabinet Member for Corporate Support, Councillor Llio Elenid Owen**

I must disagree with the allegation that there is no comment on the recommendations of the scrutiny committees in the examples given. There is a very good example of the scrutiny committee's recommendation, as well as a summary of the discussion in the report of the Cabinet Member for Housing and Property on the Housing Action Plan, and a Procurement Strategy, which has been delayed to hold further discussions following the Scrutiny Committee.

It is not customary, or practically possible on every occasion, to include the Scrutiny Committees' full minutes, and this is because of the timings from scrutiny committees to the Cabinet. Of course, it is not possible to include the comments of individual members, as the Cabinet Members consider the committee's decisions as a body.

I acknowledge that there is room for improvement and I am happy to look again at our arrangements. I emphasise that scrutiny members are not wasting their time and that valuable discussions are being considered and appreciated by myself and every other Cabinet Member.

### **5. Question by Councillor Elin Walker Jones**

As we have just marked White Ribbon Day, and with violence against women continuing to be a national crisis, what progress has Cyngor Gwynedd made to become a trauma-informed authority?

### **Response of the Deputy Leader and Cabinet Member for Children and Supporting Families, Councillor Menna Trenholme**

Thank you for the question. The Council has already been a White Ribbon accredited organisation since 2022. This year, once again, the Council has been part of that campaign to eradicate violence against girls and women. This year's campaign focused on the theme of encouraging men and boys to raise their voices against violence against girls and women. I thank my colleague, Councillor Llio Elenid Owen, for leading on that campaign.

Beyond White Ribbon Day and in the context of the ongoing national crisis in relation to violence against girls and women, it is vital that we do everything we can as a Council to work in a way that protects and respects the experiences of those living with trauma. Becoming a trauma-informed authority is part of that.

Although we are only at the beginning of the journey as a Council, important work is already underway. Mapping work has recently been carried out across all departments to understand the current situation. The responses show that there is an interest and recognition of the need to develop a trauma-informed approach, and identify clear gaps, particularly in terms of staff confidence and understanding of trauma, and consistency of training in the field.

Nevertheless, we have strong foundations to build on. Excellent work is already taking place in services that work closely with people experiencing trauma such as the homelessness services, refugee support and some teams within adult and children's services. Gwynedd's education sector is also in a good position with over 1,000 school staff having received trauma-informed training at an all-staff level, and almost half of the county's schools now have staff who have completed specialist Diploma training.

As a member of the Gwynedd and Anglesey Public Services Board, I am pleased to note that the Board has identified trauma-informed practice as a key priority. This collaboration offers us a real opportunity to learn from our partners' experiences, share good practices, and collaborate and coordinate the next steps.

As a result of the recent mapping, it is clear that we need to support our staff to acquire the understanding, skills and confidence to be trauma-informed, across council departments. We therefore intend to develop a pack, supported by the Public Services Board, with a basic presentation for members and frontline workers, training for managers, and specialist training for frontline teams working with people who have experienced trauma. We want to develop a support and learning pack that will ensure a consistent approach across the organisation and reduce the need for departments to commission training individually.

We are also exploring formal accreditation options that could strengthen and support our commitment as an organisation. However, we are clear that what is most important is to foster a real trauma-informed culture in our day-to-day work and not just secure a badge or label.

Therefore, although we are in the early stages, we have a solid foundation, strong partnerships regionally, and clear planning work in the pipeline. The Council is committed to moving forward towards being a truly trauma-informed organisation in order to make our services safer, more compassionate and responsive for all, especially those who have experienced violence and trauma.

#### **Supplementary Question from Councillor Elin Walker Jones**

Thank you for the comprehensive answer, but what is the Council doing to ensure that we ask and listen to children and young people, to ensure that we meet the need more than ever so that we understand the long-term impact of trauma on children and to identify opportunities to support them, behaving with empathy and understanding at all times.

#### **Response of the Deputy Leader and Cabinet Member for Children and Supporting Families, Councillor Menna Trenholme**

These matters are all important and I am proud to have the opportunity to discuss them. The matters raised are ones that I am passionate about, and the Council is looking at many fields, and I see this through four streams. Firstly, we are looking at the possibilities of working towards a UNICEF Child Friendly County accreditation, which is based on the United Nations' convention on the rights of the child. I understand that staff have been discussing with the Children's Commissioner and I will meet with a Councillor from Cardiff Council next weekend, as they are already a Child Friendly county. Secondly, the incredible work of the Youth Forum and developments ensuring that engagement, discussion and listening to the voice of children is happening in our county. Thirdly, the development of a

comprehensive policy on the voice of the child to be adopted by the County as a whole, and last but not least is to ensure that we develop into a trauma-informed county.

Collectively, this involves a large amount of work that will develop over the coming months, and hopefully, in due course, there will be an invitation for you to be involved in the work of the Youth Forum to ensure that we listen, hear, and act, following their voice.

#### 6. **Question by Councillor Beca Roberts**

Can the Cabinet Member confirm how much funding has been generated through Section 106 agreements since May 2022, and how much of that total remains uncommitted or unallocated?

#### **Response from the Cabinet Member for the Environment, Councillor Craig ab Iago**

Since May 2022, £348,516 in total has been received by the Council as financial contributions through agreements completed in accordance with the provisions of Section 106 of the Town and Country Planning Act 1990 (as amended).

A Section 106 agreement is a legally binding contract between a developer (or a number of interested parties) and a Local Planning Authority that operates alongside a statutory planning permission. Such agreements require developers to carry out specified planning obligations when implementing planning permissions.

Therefore, all of the financial contributions received have been committed, as these types of agreements specifically state and allocate how the money has to be spent.

Contributions like these can be used for addressing needs such as education, road improvements, provision of play facilities in order to overcome impacts of a development on an area.

There are legal requirements that relate to the use of Section 106 Agreements, and they can only be used if they meet the statutory tests. Any planning obligation must be:

1. necessary to make the development acceptable in planning terms;
2. directly relevant to the development; and
3. fairly and reasonably related in scale and kind.

It can be confirmed therefore that all the money has been committed or allocated.

#### **Supplementary Question from Councillor Beca Roberts**

Freedom of information data from the Council in May 2024 has shown that over £60,000 106 contributions have remained unspent for long periods of time; bearing in mind that this funding is all earmarked, how does the Cabinet Member explain this situation and the steps that the Council is taking to ensure that the money reaches communities in a timely manner?

#### **Response from the Cabinet Member for the Environment, Councillor Craig ab Iago**

The Council is of course trying to spend money promptly and ensure that it helps communities, but maybe an offer of a meeting to discuss this with me and officers will assist you.

#### 7. **Question by Councillor Gruffydd Williams**

Following the fact that article 4 has been quashed by Judge Justice Eyre and because of what he said, "that there has been significant misleading by the Officers of this Council", will the Council apologise to campaigners who have fought so hard to enforce article 4?

### **Response from the Cabinet Member for the Environment, Councillor Craig ab Iago**

As a Council, we have been determined to do everything in our power to ensure that the people of Gwynedd have access to suitable homes in their communities. That is why we have taken a series of proactive steps - including introducing the Article 4 Direction - to manage the significant number of homes that are being lost, as they are converted into second homes or short-term holiday lets.

Research carried out before introducing the Article 4 Direction showed that 65% of Gwynedd households were being priced out of the housing market, with the problem even more acute in communities where there is a high proportion of holiday homes.

As the Member will be aware, this Council has led the way in this area and was the first Planning Authority in Wales to introduce an Article 4 Direction as a means of controlling the use of housing such as second homes and holiday accommodation. I'm proud that we are willing to innovate and do everything we can to ensure that the people of Gwynedd have access to suitable homes in their communities, I certainly won't apologise for that.

Of course, we are extremely disappointed with the Judge's decision to reject our verbal request for permission to appeal the judgement, and that Article 4 is quashed in the Gwynedd Local Planning Authority area. We will now be pressing ahead with a written appeal to protect the Council's decision to introduce Article 4 in Gwynedd.

This request will be submitted shortly. As we intend to appeal the decision, the related legal process is ongoing, and the legal case remains live. It would not be appropriate for me to comment further on the case at this point.

### **Supplementary question from Councillor Gruffydd Williams**

As one who has battled for several years to try and ensure that there are legislative and taxation changes to restrict the number of holiday homes and holiday units in our communities, this is not the answer that I had expected to the question regarding the judge's comment that the Council's officers had significantly misled when conveying information to the Cabinet members. I was asking for an apology on behalf of all the campaigners who had fought so hard, because of this significant misleading, I was not asking for an apology for the community housing. I ask for an apology in line with my original question.

### **Response from the Cabinet Member for the Environment, Councillor Craig ab Iago**

I have responded to the original question, and I cannot say more than that.

### **8. Question by Councillor Delyth Lloyd Griffiths**

The Council owns 39 smallholdings, several of which are in my ward of Rhyd-y-main. I have had many constituents contact me during this year. The dwelling houses and also farm buildings require considerable maintenance work.

I understand that the Council has appointed a private professional company to assess the work that needs to be carried out. I would like to know from the Cabinet Member what the timetable of the work programme is for spending the money earmarked by Cabinet for making significant improvements to the dwellings and also the farm buildings?

### **Response from the Cabinet Member for Housing and Property, Councillor Paul Rowlinson**

I would like to start by highlighting that the money earmarked towards addressing improvements to the Smallholdings Estate has been specifically allocated for upgrading

housing standards, as part of the Council's Housing Action Plan. Any maintenance elements relating to the farm buildings will be subject to further discussions between Council officers and tenants, varying according to the content of the tenancies.

The task of assessing the Work Programme to be undertaken as part of this financial investment was undertaken by internal officers, with the content of the programme based on the outcomes of internal condition surveys. No private company has been involved in the task of assessing the work to be carried out.

In terms of a timeframe for undertaking the Work Programme, it is intended to start the first phase of the Programme in the new year, with the Programme as a whole set over a two-year period.

All tenants have been informed of the financial commitment made as part of the Housing Action Plan, and further correspondence has been sent to those tenants who will have work undertaken on their holdings as part of the first phase of the programme.

Should any tenant have specific concerns, I would encourage them to contact the relevant officers in the Council as usual.

#### **Supplementary Question by Councillor Delyth Lloyd Griffiths**

I am happy to hear that every tenant received a letter in August, and that they know exactly what assessment has been carried out on their home and the nature of the work to be carried out on their home; I eagerly look forward to Ymgynghoriaeth Gwynedd commencing the work immediately in January 2026, and to the work being completed in two years. How much money is available to do this work?

#### **Response from the Cabinet Member for Housing and Property, Councillor Paul Rowlinson**

There is a budget of £2.1 million for the work; this money is part of the former Housing Action Plan which is funded through the premium on second homes and long-term empty properties.

### **7. COUNCIL TAX: DISCRETIONARY POWERS TO ALLOW DISCOUNTS AND/OR RAISE A PREMIUM ON SECOND HOMES AND LONG-TERM EMPTY DWELLINGS**

The report was submitted, noting in line with the Local Government Finance Act 1992 that an annual decision was needed on charging a council tax premium. It was explained that if no decision was made, then they would be forced to offer a discount of 50%. The current situation was noted, i.e. that a premium of 150% was payable on second homes, and 100% on long-term empty properties, and that this had been the case since April 2023. The officer stated that the money being raised through the premium had been used for housing schemes.

It was highlighted that the number of long-term empty properties had remained high, with around 1120 long-term empty properties in June 2025. It was expressed that the department had looked at the experiences of other counties and that it had strongly highlighted that a premium of 150% was most effective to get houses back into use, and as a result it was noted that this was one of the recommendations in the decision sought.

The Cabinet Member took the opportunity to respond to some of the comments he had received during the day, e.g. he emphasised that there was no council tax payable when working through probate, or for 6 months following the decision. Attention was also drawn to the exemption system that was now in place in the Council.

Members were given an opportunity to ask questions and offer observations.

An enquiry was made on taking an individual vote on each clause; however, it was explained that it was a single decision within the process and that the only way to adapt the clauses was by proposing an amendment to the whole proposal.

It was expressed that charging a premium on second homes was not intended to place an unfair financial burden on locals who let houses to visitors on a small-scale; however unintentional harm had been caused to these families from a decision that was made without fully considering them; and they faced huge, unexpected bills out of the blue. Assurances were sought that it would be possible to refine the exemption policy to incorporate these types of cases at pace, as some of these were a perfect example of sustainable tourism.

It was highlighted that two things were missing in terms of information about empty homes; the reasons why they were empty, as well as the Exemption Policy. The need for an exemption policy from the outset was expressed, as there were situations and circumstances where there was no reason to charge a tax, such as renting rooms within homes. It was noted in response that the Exemption Policy was now in place since the introduction of Council Tax, such as individuals going into care homes. It was expressed that the Revenues Service does not collect information on why properties are empty as there is no reasons to do so, but that the Housing Department was carrying out research into this and to see how people could be assisted to bring houses back into use.

Concern was expressed about charging 150% for empty properties as this affected individuals who were working to upgrade houses and that 12 months was not enough to complete the work. It was noted that having an exemption policy which allowed for an extension to the statutory 12-month period, would alleviate concerns.

Comments were raised about business rates and the impact that this would have on businesses such as hotels, but it was noted that this was a Government decision, not a Council decision.

It was emphasised that charging a premium on empty houses to 150% was not intended as a money-making scheme; rather it was an attempt to bring houses back into use. It was explained that the staff in the Finance department were available to discuss and to give a fair hearing for individuals to appeal.

## **RESOLVED**

The following was agreed for the 2026/27 financial year:

- That Cyngor Gwynedd allows NO discount on class A second homes, in accordance with Section 12 of the Local Government Finance Act 1992 (i.e. no change).
- That Cyngor Gwynedd allows NO discount and RAISES A PREMIUM OF 150% on class B second homes, under Section 12B of the Local Government Finance Act 1992 (i.e. no change).
- That Cyngor Gwynedd allows NO discount on homes that have been empty for 6 months or more and RAISES A PREMIUM OF 150% on homes that have been empty for 12 months or more, under Section 12A of the Local Government Finance Act 1992 (i.e. increase the premium from 100% to 150%).

## **8. COUNCIL TAX REDUCTIONS SCHEME 2026/27**

The item was submitted noting that there was a statutory requirement to present this item annually. It was explained that the purpose of the report was to make a decision on the arrangements to implement the council tax reduction scheme. It was explained that there was no change to this year's scheme, and that this needed to be submitted for a decision for 2026/27. It was emphasised that the report was specifically for a reduction where there was

a need to satisfy the benefits service's means testing and not for other exceptions such as a single person reduction.

The decision was noted.

## **RESOLVED**

Resolved:

1. That Cyngor Gwynedd's Local Scheme for the year commencing 1 April 2026 continues as it was during 2025/26. Therefore, the following conditions (a - c below) regarding the continuation of the discretionary elements would continue:
  - a) to apply a 100% disregard for war disablement pensions, war widows' pensions and war widowers' pensions, for both pensioners and working age claimants.
  - b) Not to increase the extended reduction periods for pensioners and working age claimants from the standard four weeks in the Prescribed Scheme.
  - c) Not to increase the backdated period for pensioners and working age claimants from the standard three months contained within the Prescribed Scheme.
2. Where appropriate, to delegate powers to the Head of Finance Department, in consultation with the Cabinet Member for Finance, to make minor amendments to the scheme for 2026/27, on condition that it will not change the substance of the scheme.

## **9. ANNUAL PERFORMANCE REPORT AND SELF-ASSESSMENT 2024/25**

The report, which summarised the Council's work over the past year, was submitted. It was expressed that the Our Bravery Brought Justice report had been submitted after this report had been formulated, but it was emphasised that the Council would fully implement the report's findings.

It was noted that it was miraculous that the Council had achieved so much, considering the financial gap, but that it was committed to protect the services used daily by residents. Upon reflection, it was expressed that there was so much to report and that the attention needed to be on people, not statistics. Attention was drawn to various plans, which included Supporting People. Attention was also drawn to the progress made to plans which addressed poverty and the cost-of-living, by supporting community hubs and food banks.

The work of Gwynedd Werdd was highlighted, noting that there were many examples of staff going above and beyond in all areas of Gwynedd. Attention was drawn to a high number of successful grants, and specifically £2m for Slate Communities with the LleChi LleNi scheme, which celebrated slate heritage.

It was emphasised that the Council was facing major challenges, and that the financial situation would force very difficult decisions, but it was ensured that they would lobby and voice discontent about the lack of investment in Local Government, specifically in rural areas.

Members were given an opportunity to ask questions and offer observations.

Members gave thanks for the report and attention was drawn to several aspects. In terms of travelling and national developments - enquiries were made about whether the developments would include rural areas such as Pen Llŷn. Gratitude was expressed for the developments happening in Penrhos, however, concern was expressed about flooding on the A499, which was serious at present. The response given stated that in terms of buses, yes, there were national changes, but it remained to be seen what would be offered in relation to rural paths. The need to carry out additional work on the A499 was highlighted, as it had been a problem for years, and it was explained that a request had been made for additional funding.

The members gave thanks for the balanced report, which was ready to highlight risks. Attention was drawn to the engagement with staff and residents, drawing attention to two questionnaires - Staff Questionnaire and Data Cymru Questionnaire. Concerns were expressed about the low number of staff who responded to the staff satisfaction questionnaire, and in terms of the Data Cymru Questionnaire, despite the encouraging responses, that a response was needed to all questions, and not just half of them. A response was given, noting that work needed to be done to obtain a higher number of responses from staff, and that a full version of Data Cymru responses would be circulated. It was also explained that consultation happened on several levels across the Council.

Looking at A Prosperous Gwynedd, it was asked whether it was possible to obtain confirmation on how a vibrant town centre could be obtained, as they were currently very bleak. The response noted that work was to be done and that there were definitive plans in place, but that work had also already been undertaken.

The Housing and Property Department was thanked for their work with Clwyd Alyn to build supported housing in Llan Ffestiniog, which were full of local people.

The Cabinet Member for the Environment was thanked for his work of bringing the last train on the Cambrian Line back into use.

Gratitude was expressed for the small grants submitted to Town and Community Councils last year for projects that would benefit the area, asking whether the same would be available this year. However, disappointment was also expressed that the costs of public toilets were increasing, and there was no time for Community Councils to respond. The response noted that community grants returned with more notice and money, hopefully, and in terms of public toilets, it was explained that correspondence with adjustments to the first letter, was on the way.

It was highlighted that there was no reference to the Ysgol Friars case until page 62 of the report, and it was explained that one would have expected it to be referenced earlier in the report. Similarly, it was noted in terms of strengths that the Estyn report highlighted that the Council promoted Child Welfare back in 2024 - should it be included in light of this case? In response, it was stated that seeing it appear so late in the report gave the wrong impression and that it should be more prominent.

It was noted that an e-mail had been received from Members of Cylch yr Iaith about the unwillingness to use Welsh place-names on maps. Assurances were sought that the Council's departments would only use Welsh place-names, in accordance with policy. In response, examples were sought of Council departments using the names, in order to address this, and to emphasise that political pressure was needed regarding the maps and that an update would be provided when more information was received.

It was noted that the future of two schools in Dyffryn Nantlle were at stake, and it was asked how this would improve the community and the use made of the language. It was explained that the future of schools was a sensitive issue, but that there was a need to be alert to the reduction in birth rates and it was the Council's duty to consider the future of schools to ensure that a specific level was attained.

Council staff were thanked and specifically care staff for their work in light of the difficult challenges facing both departments.

## **RESOLVED**

Cyngor Gwynedd's Annual Performance Report and Self-assessment 2024/25 was approved and adopted.

## 10. LOCAL RESOLUTION PROCEDURE

The report was submitted, noting that there was a local resolution procedure included within the Constitution. This was a system to deal with situations, with Members mainly, regarding low-level complaints where there was no justification to approach the Ombudsman. It was explained that the procedure had been in place since 2013 and it responded to complaints and sought reconciliation following allegations of lack of respect in the chambers or in discussions, in the main.

Last year, the Ombudsman had collated information on all local resolution procedures across Wales, and it was highlighted that on the whole it was well implemented in Gwynedd. The procedure in Gwynedd was highlighted as follows: the first step was the Investigation and seeking a simple resolution; the second step was mediation on a more formal level, and the third step was a discussion at the Standards Committee. It was noted that Counsel opinion noted that there was no role for the Standards Committee as there was no framework for the Committee in terms of mediation, and if the complaint went to the Ombudsman, there would be no role for the Standards Committee as it was already a part of the procedure. As a result, it was asked to agree to remove the role of the Standards Committee from the local resolution procedure.

It was noted that the Standards Committee had discussed a response back in November and had approved changing the procedure and to obtain more clarity on cases within the procedure.

Members were given an opportunity to ask questions and offer observations.

A request was made for a copy of the Ombudsman's views and Counsel's observations. The response stated that it had been shared in full with the Standards Committee and that a summary had been shared, but that anyone could contact the Monitoring Officer to view the document; however, it was explained that there was a need to be careful in terms of sharing it publicly, due to the legal implications.

Reference was made to the Equality Act, noting that translations of the definitions of "gender" and "gender identity" had been wrongly translated in the document, and that the High Court had noted "gender" and "gender identity" as an ideology, instead of fact. As a result, it was noted that it was not appropriate to be noted in the code of conduct, which could lead to members being accused and investigated for breaching it in reality when acting to safeguard women. A question was asked about who decided on the definition of when a Member breached the Code of Conduct, as the above statement could lead to prosecution if the Member did not agree with the views or beliefs of the Monitoring Officer. It was emphasised that the wording of the document corresponded with the Ombudsman's guidance, but that he was willing to change if it required. In terms of determining who breached the Code of Conduct, it was noted that it fell on the Code of Conduct, Standards Committee, Monitoring Officer, and the public could also note this. It was reiterated by explaining that the Tribunal being chaired by a Judge had the final say. It was expressed that the Code of Conduct was a very detailed document, and that the discussion and view of the Monitoring Officer was given on a professional level with legal principles central to this view.

An enquiry was made regarding the Ombudsman's arrangements in Wales, as there were adaptations to it, in comparison to England. It was explained that the Ombudsman's arrangements in Wales had a different procedure, highlighting that final decisions on cases and appeals were made by the Tribunal.

### **RESOLVED**

The amended Internal Resolution Procedure was adopted.

**11(a) NOTICE OF MOTION FROM COUNCILLOR BECA BROWN**

The following notice of motion was submitted by Councillor Beca Brown under Section 4.19 of the Constitution and it was seconded. The member set out the context to her motion, noting:-

- That it took a village to bring up a child, with the intention of protecting the children. She emphasised that everyone, both officers and Councillors, were a part of the village and had a responsibility to commit to be a voice for those without a voice and a shoulder for those who were most vulnerable.
- When adults abused the most vulnerable in society, i.e. children, it destroyed lives.
- It was emphasised that the young girls had been the brave ones here, not the adults.
- It was vowed that child protection was at the heart of this work, and if there was concern, "think the unthinkable", as noted by Jan Pickles.
- The proposal clearly noted that the publication of the report was only the beginning of the work, and that there was a need to work together to be a county where people who wished to turn to the Council were aware that their voice was heard and that action was taken, and to be the county that the children deserved.

The motion was supported, noting:-

- An apology to the children and they were thanked for their bravery. Unfortunately, and with a heavy heart, the council had seriously failed in several ways. It was noted that there were clear themes where children's voices had not been listened to. It was expressed that there was a need to be alert to and to know how to respond effectively to safeguarding matters.
- The need to carry out a self-assessment again was noted, since we as a Council had fallen short of our statutory duties.
- It was expressed that there was a need to revisit processes as well as the Council's attitude to processes as it had been highlighted as a clear failure in the Child Practice Review.
- The seriousness of the report was emphasised, and important themes running through the report were highlighted, such as consistent failures to follow the child protection guidelines correctly and a failure to identify transferrable risks.
- Further potential investigations were noted, which included investigations to see whether the Council's response was sufficient and prompt and investigate the roles of other agencies in the case.
- The need to look at the relationship between the Education Department, School Governors and the School, as this had failed in Friars, emphasising how it looked in the real world, and thus ensuring the correct culture.
- It was asked that Safeguarding training to be carried out by external specialists, and it was not done in-house.
- It was noted that the Cabinet would be looking at what investigations needed to be carried out and that they were done independently.
- It was emphasised that the Council had let families and children down and had broken the trust of parents sending their children to school.
- It was expressed that this had not started in 2027, but rather 44 years ago when he had started to work in the field. It was noted that several concerns had been highlighted and that nothing had been done, despite the complaints being raised.
- A request was made for Jan Pickles to come to the Council to assist with the way forward.
- Concern was expressed about having a single group serving on the Cabinet, and for one group chairing the majority of Scrutiny Committee as well as performance challenging, emphasising the need to listen on a cross-party basis.
- A duty on all the members to collaborate and move on from this awful chapter. But there was a long road ahead of the Council.
- Members were thanked for raising the matter today, noting concerns about being slow when dealing with an issue, as well as lack of clinical focus on the organisational

procedures. It was expressed that this raised concerns about confidence in the Council's leadership.

- A member asked whether there was a risk that Welsh Government would place the Council under special measures as a result of this and Article 4. It was explained that the Council was accountable to the Government's Assurance Board, which had been happy with the progress made, and that the Council had committed in full to ensure that this did not happen again.

**RESOLVED to adopt the motion, namely:-**

In line with the Notice of Motion received in accordance with Section 4.19 of the Constitution, a motion was received from Councillor Beca Brown proposing as follows:-

We would like to welcome the publication of the Child Practice Review on 4 November, noting our deep thanks to chair, Jan Pickles, for her careful work, and so too to the panel and to the North Wales Safeguarding Board.

We would like to note the title of the report, which is Our Bravery Brought Justice. It is important that we always acknowledge the title when discussing this report, as it pays a well-deserved tribute to the bravery of children – children who were supposed to be safe in their schools, and children who ended years of horrific offending by one of the most powerful men in this county. We owe them a great deal. Our thoughts are with them, and we thank them from the bottom of our hearts for their remarkable determination and resilience.

We as a council are committed to learning all the lessons that come from the report, but beyond that, we are committed to looking at any relevant issues that have fallen outside the remit of the CPR, which looked at the case of this offender in the period from 2017 to September 2023.

We therefore call on the Cabinet to consider what further independent investigations are needed to address matters outside the boundaries of the CPR. We are fully alert to the fact that further work needs to be done and ask the Cabinet to work tirelessly to identify what is yet to be achieved.

We once again express our sincere apologies to the children who have suffered harm, and we pledge to leave no stone unturned to ensure, to the best of our ability, that 'never again' means 'never again'.

**11(b) NOTICE OF MOTION FROM COUNCILLOR NIA JEFFREYS**

The following notice of motion was submitted by Councillor Nia Jeffreys under Section 4.19 of the Constitution, and it was seconded. The member set out the context to her motion, noting:-

- That it was a self-explanatory motion which had been drawn up skilfully by another member of the Council and support to it was sought.

The motion was supported, noting:-

- That the facts showed a concerning increase and that social factors such as loneliness played a prominent part.
- It was emphasised that there was a key role for the Council to empower people and the Council was encouraged to work with partners such as schools, charities, and community organisations, to strengthen the response and support for the residents of Gwynedd.
- Attention was drawn to two countryside bodies, which offered specific support to agriculture and local businesses.

**RESOLVED to adopt the motion, namely:-**

In line with the Notice of Motion received in accordance with Section 4.19 of the Constitution, Councillor Nia Jeffreys will propose as follows:-

Propose that the Council:

1. Notes: that suicide figures in Wales registered in 2024 were 15.7 per 100,000 people which was an increase on the figure for 2023, which was 14.0 per 100,000. There are several factors associated with suicide, including: poverty, unemployment, mental and physical health problems, grief, abuse, loneliness, relationship problems, alcohol and substance misuse etc.

We also note that suicide is the leading cause of death of young people up to the age of 35 according to the Papyrus charity, because young people rarely die from other causes.

Middle-aged men between the ages of 30-44 in Wales are most likely to commit suicide. 76% of deaths by suicide were men. There is a correlation between poverty and suicide, with 15.8 in 100,000 suicides occurring in deprived areas, and 8.6 in 100,000 in the least deprived areas. 126.7 in 100,000 are unemployed.

Suicide is preventable, and support is available.

2. Believe: That the people of Wales have a right to live in communities that are free of the fear and stigma that are associated with suicide and self-harm. We believe that the people of Wales have a right to be empowered and supported to access and offer support wherever they are needed (Welsh Government, 2025).

We all have a role, as individuals and organisations, to support those affected by suicide. We believe that the Council has a role to work with other stakeholders, to take action to prevent suicide, reduce stigma, and offer support. We believe that the Council has a role to play in taking concrete steps to protect our young people, empowering them to look after themselves and others.

*Principles - Welsh Government's Suicide Prevention Strategy (Understanding: suicide and self-harm prevention strategy)*

- 1. Self-harm and suicide are everyone's business, and everyone can make a difference with the right training and support.*
- 2. It must be clear who leads on and is responsible for every action in the strategy.*
- 3. The focus is on prevention, identifying risks early on and offering appropriate support to keep people safe.*
- 4. Services should be fair and accessible to all, removing barriers that affect different groups.*
- 5. There is a need to focus on higher risk groups, providing proportionate and appropriate support.*
- 6. Anyone should be able to get help immediately ('no wrong door') without having to repeat their story.*
- 7. The voices of people with lived experiences must be listened to and individual-centred services must be co-planned.*
- 8. The strategy should support the Welsh language, ensuring that people are cared for in their own language without having to ask.*
- 9. The actions must be evidence-based and their consequences clear.*
- 10. The work should be trauma-informed, providing compassionate and empathetic care.*
- 11. It is important to address stigma, promoting understanding and compassion.*
- 12. A rights-based approach should be adopted, protecting the rights of all individuals.*
- 13. The strategy must cover all ages, ensuring that support is available to everyone from babies to older people.*
- 14. The social and economic factors that influence health and well-being should be recognised.*
- 15. The role of digital technology should be considered, where it can improve outcomes or sustainability.*

*16. Funding and resources must be made available, testing what steps are realistic within the existing resources.*

4. I call on my fellow Members to support the motion.

(a) That this Council declares firm support for the principles of the Welsh Government's Suicide Prevention Strategy and supports the work of the Cabinet to establish a strategy for Cyngor Gwynedd.

(b) That members should do all they can to ensure that the Council implements policies that support individuals, prevent suicide, empowering the Council's structures,

(c) It supports opportunities in schools to discuss suicide as an aspect of mental health discussions, in the context of personal and social education, equipping our pupils to look after themselves and others in a sensitive way, by teachers who are given the appropriate support, supervision and training to provide such education.

The meeting commenced at 1.30 pm and concluded at 5.30 pm.

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**CHAIR**

**EXTRAORDINARY MEETING OF THE COUNCIL 05/02/2026**

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**Attendance:**

**Councillors:**

Ioan Thomas (Chair)

Elin Walker Jones (Vice-chair)

Craig ab Iago, Menna Baines, Beca Brown, Stephen Churchman, Robert Glyn Daniels, Dafydd Owen Davies, Elwyn Edwards, Elfed Wyn ap Elwyn, Alan Jones Evans, Gwilym Evans, Dylan Fernley, Delyth Lloyd Griffiths, Annwen Hughes, Louise Hughes, R. Medwyn Hughes, Elin Hywel, Nia Wyn Jeffreys, Anne Lloyd Jones, Berwyn Parry Jones, Dawn Lynne Jones, Dewi Jones, Elwyn Jones, Gwilym Jones, Gareth Tudor Jones, Huw Wyn Jones, June Jones, Eryl Jones-Williams, Cai Larsen, Beth Lawton, Dafydd Meurig, Dilwyn Morgan, Dewi Owen, Edgar Wyn Owen, Gwynfor Owen, Llio Elenid Owen, Gareth Coj Parry, Geraint Parry, John Pughe, Rheinallt Puw, Arwyn Herald Roberts, Beca Roberts, Elfed P Roberts, Gareth A Roberts, John Pughe Roberts, Meryl Roberts, Richard Glyn Roberts, Huw Llwyd Rowlands, Paul Rowlinson, Angela Russeull, Dyfrig Siencyn, Peter Thomas, Menna Trenholme, Rhys Tudur, Hefin Underwood, Einir Wyn Williams, Elfed Williams, Gareth Williams, Gruffydd Williams and Sian Williams.

**Officers:**

Dafydd Gibbard (Chief Executive), Dewi Morgan (Head of Finance), Iwan Evans (Monitoring Officer), Dylan Owen (Corporate Director), Catrin Thomas (Corporate Director), Gwern ap Rhisiart (Head of Education), Ian Jones (Head of Corporate Services), Aled Gibbard (Interim Head of Children's Department), Nia Gridale (Legal Service Manager), Sion Huws (Propriety and Elections Manager), Ffion Mai Jones (Senior Operational Officer), Alison Halliday (Assistant Head of Schools Support), Llion Williams (Quality Lead for Safeguarding and Well-being), Vera Jones (Democracy and Language Service Manager) and Rhodri Jones (Democracy Services Officer).

**1. APOLOGIES**

Apologies were received from Councillors Sasha Williams, John Brynmor Hughes, Jina Gwyrfa, Gwion Emyr, Wendy Cleaver and Anwen Davies.

**2. DECLARATION OF PERSONAL INTEREST**

No declarations of personal interest were received.

**3. THE CHAIR'S ANNOUNCEMENTS**

It was confirmed that this extraordinary meeting of the Full Council had been convened by the Chair in accordance with paragraph 4.12.1(b) of the Council's Constitution, to discuss the 'Response Plan to the Our Bravery Brought Justice report'. It was highlighted that an additional item had been programmed as an exception to the programme, namely 'Re-appointment of an Independent Member to the Standards Committee'. It was reported that a discussion on the Response Plan would be held first because of its importance, with the Members' permission.

Condolences were extended to the families of the late John Wynne Meredith, former councillor of Garth (Bangor) and Alwyn Elis Roberts, former Cyngor Gwynedd secretary following their recent bereavements. Condolences were expressed to everyone within

the County's communities who had recently lost loved ones. The Council stood in silence as a mark of respect and remembrance.

It was noted that several Council members had been ill recently, and they were wished a speedy recovery.

The following were congratulated:

- Councillor Elfed Wyn ap Elwyn and his wife, Anwen, on the recent birth of their daughter, Nanw Eluned.
- Councillor Craig ab Iago on winning an Enablement UK 2025 Award.
- Elfyn Evans on the achievement of coming second in the first World Rally Championship rally in Monte Carlo recently. He was wished well for the championship this year.
- Bangor City Football Club 1876 and Caernarfon Town Football Club on reaching the semi-final round of the Welsh Cup.
- Nick Thomas from Talysarn on winning a gold medal in the World Para-Archery Championship.

#### **4. URGENT ITEMS**

None to note.

#### **5. RE-APPOINTMENT OF AN INDEPENDENT MEMBER TO THE STANDARDS COMMITTEE**

The Monitoring Officer submitted a report noting that Mr Hywel Eifion Jones's term had come to an end but the Standards Committees Regulations (Wales) 2001 allowed independent members to be re-appointed for an additional term, not being longer than four years, as requested in the report.

It was reported that Mr Hywel Eifion Jones had been a member of the Standards Committee since 2019 and he had served as the Chair of the Committee since 2023. It was confirmed that his first term as a Committee Member had ended in July 2025 and that the vacant seat had not been filled in the meantime. It was assured that he could be re-appointed in accordance with the above Regulations, for a second membership term. It was highlighted that there was a gap in his membership, but legal advice had agreed that it was appropriate for him to be re-elected.

Many expressions of support were received from the Members, as Mr Hywel Eifion Jones had been a very hard-working Member of the Standards Committee. He was thanked for his thorough, knowledgeable, valuable and objective work throughout his first term.

**RESOLVED to re-appoint Hywel Eifion Jones as an independent member of the Standards Committee to serve for a further term of four years from 05 February 2026.**

#### **6. RESPONSE PLAN TO THE OUR BRAVERY BROUGHT JUSTICE REPORT**

**This item was submitted by the Chair noting the following main points:**

It was acknowledged that the 'Our Bravery Brought Justice' report was a difficult and emotional document to read and that it highlighted a number of missed opportunities by many bodies, including Cyngor Gwynedd, to try to stop Neil Foden: former Ysgol Friars Headteacher. The sincere apologies given to the victims were reiterated and emphasis was given on the responsibility of ensuring that everything was done to ensure that nobody suffered in the same way again.

It was reported that significant scrutiny work had been undertaken on the Response Plan during January 2026. It was elaborated that 12 hours had been spent scrutinising this matter between the Care Scrutiny Committee (13 January 2026), the Governance and Audit Committee (15 January 2026) and the Education and Economy Scrutiny Committee (19 January 2026). It was highlighted that the committees' observations had been included as part of the documentation for this meeting.

Members were taken through the order of the meeting, noting that priority was given to those Members who had not already had the opportunity to submit observations in the committees above, to ensure that all Members had an opportunity to provide input. It was explained, in fairness to everyone, that Members should refrain from repeating the same matters raised in the meetings above, and also note which of the 7 themes of the Response Plan they were referring to. Members were reminded of the usual procedure to try not to take more than 5 minutes of the meeting's time to contribute to the discussion.

It was emphasised that the Members and officers had no right to discuss any employment matters or possible investigations, as they were matters that the employer must address in accordance with the statutory employment rights and constitution. They were reminded that the Monitoring Officer had provided and circulated a briefing note to the members advising them on this matter.

It was explained that the observations made during the discussion would be submitted to the Cabinet, as well as the observations of the Scrutiny Committees and the Governance and Audit Committee, should the observations receive the Members' approval at the end of the discussion on this item.

**The report was submitted by the Council Leader. The following main matters were emphasised:**

A sincere apology was offered to the victims and all those affected by the heinous offences committed that had led to requiring this report. Furthermore, apologies were given that the voice of the children had not been heard, emphasising that acting to ensure change was the greatest tribute the Council could achieve.

It was confirmed that this Response Plan tried to ensure that these types of failures highlighted in the Review did not happen again. Input was welcomed by all Council members, noting that a healthy discussion and challenge was essential to the Council's success.

It was highlighted that the Response Plan was a live and public document, confirming that the minutes of the Response Plan Programme Board meetings would also be public. It was noted that transparency was necessary to restore confidence amongst the public, staff and Members.

The Members were thanked for their willingness to discuss this difficult matter in a sensitive and professional manner, as well as Members' preparedness to improve safeguarding arrangements to reduce the risk that children suffered in the same manner again. They were reminded that safeguarding and protecting children from harm was everyone's responsibility. It was noted that real and timely progress in this vital field can only be made by working with Members, partners and stakeholders.

Professor Sally Holland was also thanked for her specialist guidance in her role as Chair of the Response Plan Programme Board and to many Council Departments who had made progress to date, for their cross-departmental collaborative work to improve child safeguarding arrangements within Gwynedd schools.

It was emphasised that no one could make this change alone; whether a service, a Department, a political group or an individual. The need to work together across Council Departments and committees and political differences was reported, to see real change, hold the Council accountable and create a safer future for the children and young people of Gwynedd.

It was acknowledged that the Response Plan did not include all the answers, and the Scrutiny Committees and the Governance and Audit Committee were thanked for their valuable and constructive input. It was confirmed that the Council was on the right track, and welcomed the Members' constructive criticisms, suggestions and opinions to further strengthen the Response Plan.

**A presentation was given by the Chief Executive. Attention was drawn to the following main points:**

He agreed with the Leader and the Chair that this discussion was an important step to restore, improve and ensure that every action was implemented to respond effectively to the Report.

They were reminded that the Council's original Response Plan had been published before the publication of the 'Our Bravery Brought Justice' report. The need for the document to be live was acknowledged, in order to be able to respond to information that emerged as the Report was published, as well as fully adapting the plan to address the information included in it. It was confirmed that this second version of the Response Plan was the result of that work, which was being discussed in this meeting. Attention was drawn to the fact that many organisations had already considered the Response Plan, as well as the Committees already acknowledged, including the Response Plan Programme Board, the Children's Commissioner and the Safeguarding Board. It was explained that any observations submitted during the discussion on this item would be acknowledged and the live document would be adapted before being submitted to the Cabinet for further consideration and approval. It was explained that some amendments had already been made to the document following considerations and observations that had been submitted from the discussion that has already taken place.

It was reported that the Response Plan had been split into seven main work streams as follows:

1. **Voice of the Child and Supporting Victims** (Theme Leader: Gwern ap Rhisiart – Head of Education Department). This was the main theme raised in the Report. It was confirmed that there were four aims within this theme:
  - i. Do everything within our ability to ensure that the voice of the child is central in relation to matters involving children, and embedded throughout all our activities.
  - ii. Ensure that children are listened to, and that they are believed and taken seriously.
  - iii. Give a voice to children and young people in processes that have been designed to keep them safe.
  - iv. Do everything within our ability to support the victims and survivors and establish a caring relationship with them.
  
2. **Managing allegations and concerns about adults working with children** (Theme Leader: Dylan Owen – Corporate Director). The main aim of the theme was confirmed as follows:
  - i. Ensure that our safeguarding arrangements are robust and of the best possible standard.
  - ii. Protect children by ensuring that concerns are taken seriously and acted upon quickly.

- iii. Ensure that Part 5 arrangements support a consistent and robust multi-agency response to allegations and concerns about adults working with children.
3. **Training and Policies** (Theme Leader: Ian Jones – Head of Corporate Services Department). The main aim of the theme was confirmed as follows:
    - i. Ensure that training packs are appropriate and that staff have received training suitable to their roles.
    - ii. Do everything within our ability to ensure that the county's schools adopt and implement policies.
    - iii. Ensure that staff are trained to "think the unthinkable" and understand that "it could happen here".
  4. **School Governance** (Theme Leader: Alison Halliday – Assistant Head of School Support). The main aim of the theme was confirmed as follows:
    - i. Offer the best possible support to our school Governors to equip them to exercise their roles.
    - ii. Ensure that school governors understand their roles and responsibilities to keep children safe.
    - iii. Ensure that systems are in place which measure the wider culture of schools.
  5. **Reasonable Force** (Theme Leader: Llion Williams – Safeguarding and Well-being Quality Lead). The main aim of the theme was confirmed as follows:
    - i. Do everything possible to ensure that all schools implement the practices of the use of reasonable force appropriately.
  6. **Emergency Planning** (Theme Leader: Catrin Love – Assistant Head of Corporate Support). The main aim of the theme was confirmed as follows:
    - i. Ensure there are appropriate arrangements for planning and responding to crises and that all staff know how to respond in a safeguarding emergency situation.
  7. **Supporting and Stabilising Ysgol Friars** (Theme Leader: Margaret Davies – Ysgol Friars Headteacher). The main aim of the theme was confirmed as follows:
    - i. Ensure that current education standards continue to be maintained, that staff are confident and that the school's Governing Body and leadership are stable, firm and effective.

Margaret Davies was congratulated on her appointment as the school's permanent Headteacher following a period as the interim Headteacher recently. It was trusted that this appointment would ensure stability for the school in the future.

The Response Plan's work programme was shared for transparency. The Members were reminded that 26 recommendations derived from the Report, but it was explained that 74 work streams were operational on the work programme, as well as the delivery timescales and lead individuals, to ensure an effective response to the Review.

The Chairs of the committees that had already considered the Response Plan were invited to summarise the observations submitted within their meetings.

**The following observations were received from the Chair of the Care Scrutiny Committee, from the main considerations of the meeting held on 13 January 2026:**

Thanks were given for the opportunity to share the Committee's observations, thanking the Chair for conducting this meeting, following a request from the Committee Members for a Full Council meeting to ensure that every Member had an opportunity to share observations to develop the best possible Plan.

The Committee's decisions and recommendations were summarised as follows, confirming that the Committee would continuously monitor their development:

1. To note the work Programme
2. To request a progress report in 6 months on the work programme, including information on the whistleblowing policy and its implementation
3. To request a report on securing a Child Friendly County status and becoming a Trauma-Informed Council.
4. To ask the Cabinet to consider:
  - Adding the name of an external female contact to the poster on sharing information about concerns and ensure contact details are available on school websites and the Council website.
  - Addressing the voice of the family as well as the voice of the child in work stream 1.
  - Amending the text under the heading '2.3 – Estyn inspection of the Council's Education Department' on page 18 of the Response Plan to include a sentence reflecting the context that, despite the commendation by Estyn, a school headteacher was arrested a few months later.
  - Ensuring that grooming training is available to all who need it.
  - Providing external specialist safeguarding training for members and governors.
  - Adding the "well-being of children and young people" to the description of work stream 7 – Supporting and Stabilising Ysgol Friars.
  - Corresponding with the Welsh Government to express concern about the challenges and risks surrounding the role of school governors.

**The following observations were received from the Chair of the Education and Economy Scrutiny Committee, from the main considerations of the meeting held on 19 January 2026:**

He expressed pride in the Committee's recommendations, noting that they were attempting to consider what type of organisation Cyngor Gwynedd was when things went wrong and challenging situations arose.

A summary of the Committee's decisions was shared for the following main themes:

- Voice of the Child and Supporting Victims – It was emphasised that these recommendations confirmed that listening to the voice of the child and victims was not just a symbolic practice and that their voice permeated through the investigation process until decisions were made, even when what was said was uncomfortable and went against organisational aspects. It was reported that there was a need to change processes and change the collective mindset.
- Clarity, Consistency and Accountability in response to concerns – It was believed that a lack of assertiveness and delay in responding to safeguarding concerns created a real risk to children. It was noted that the committee's recommendations asked for clear and specific pathways when making decisions and escalating concerns. He elaborated that they emphasised the need to recognise patterns appearing over time and prevent privatising matters by considering them as individual matters rather than systemic ones.
- Ensure training that changes visual behaviour, not ensuring superficial compliance – It was emphasised that the Committee was not requesting more training to tick boxes, and they should be used to give staff the confidence to use professional judgement, so that they identified grooming, understood boundaries and acted appropriately when safeguarding risks were complex or related to influential people within the employment chain. It was confirmed that it was a matter of quality, depth and ethics to provide this key training. It was explained that it was

not the number or length of training sessions that were important, but the output seen from them.

- Governance that challenged, not avoiding conflict – Attention was drawn to a clear emphasis on the recommendations to tighten the role of Governors, school Leaders and scrutiny structures to ask difficult questions such as; 'Why was this decision made? What was known at the time? What was not seen or heard?'. It was explained that effective governance was about curiosity and bravery, highlighting that it was not always a comfortable responsibility.
- Call for a culture that can learn from its failures – It was reported that this was one of the most important themes raised within the Committee's discussions. It was explained that the Recommendations clearly highlighted the need for a culture where people felt safe to share concerns and also challenge and identify failures without having to face personal consequences. It was warned that no Response Plan would lead to a permanent change should this cultural change not happen.

It was reported that the Committee's recommendations did not blame individuals, instead it tried to ensure accountability, create a system where failures were acknowledged, explored and used to make things better.

It was emphasised that the response to the Report was not an individual event. It was a journey where we would need to continuously measure progress and show a willingness to adapt when things did not work as they should.

It was explained that the Education and Economy Scrutiny Committee regularly revisited these matters, confirming that this was to test whether lessons had been learned and that change was visible in real life, not to reopen old wounds. It was elaborated that success was measured based on whether children, staff, parents and governors felt that the Council's culture had changed.

It was noted that the Committee's decisions can be seen in full in this meeting's papers, the minutes of the Education and Economy Scrutiny Committee's meeting and on the Council's website.

**The following observations were received from the Chair of the Governance and Audit Committee, from the main considerations of the meeting held on 15 January 2026:**

It was reported that the Committee's main duty regarding the Report was to consider that the Response Plan was appropriate and comprehensive, that it ensured that the main priorities were being implemented and provided advice when dealing with dependencies. The following main considerations were confirmed:

- The report was lengthy and too wordy at times. However, praise was expressed to those who had coordinated the work as it was a professional and substantial document.
- They welcomed that the Response Plan was being discussed at several forums.
- They agreed that a simple and definite summary or front cover of the main action points was needed.
- The need to safeguard children in schools was accepted, but the need to safeguard children in every situation was emphasised.
- With regard to the grooming training in part 3.4 of Work Stream 3, the need to revise the emphasis of the training and its title to include acknowledgement of grooming prevention was noted.
- They welcomed the detail of the Response Plan of what was going to happen, but emphasised the need to reflect on what had happened. They stressed the need to declare staff failures on every level and conduct discussions with those who were integral to the failures. They highlighted the need to ensure that a process had been followed to understand the context of what had gone wrong.

- In the context of 'missed opportunities' and 'professional duty', it was accepted that it was not possible to discuss specific cases. However, they reported the need to ensure that disciplinary arrangements were in place, as well as a timetable for the disciplinary process and the ways of reporting on the action, in fairness to the affected families.
- It was welcomed that the plan put emphasis on safeguarding and whistleblowing arrangements. It was emphasised that it was essential for the Council to be at its best within these fields. The reviews to the policies were welcomed, emphasising the need for an update on that work, as well as a timetable and how they were being adopted.
- Emphasis was placed on the need for short, accurate and effective processes to embed into the culture's procedures, ensuring that they did not respond to tick-box practices.
- They were pleased that arrangements with the Police and the Health Board were being tightened.
- The Committee wished to receive regular updates on the steps that had been implemented or being considered as a suitable and appropriate response to the situation.

It was elaborated that the Committee's discussions included observations that there were many references to Estyn. Although the review, conducted in June 2023, had been misleading and defective regarding safeguarding arrangements, and there was no clear acknowledgement of those deficiencies in the report, it was agreed that the information could be added into the final report that would be presented to the Cabinet. The Head of Education added that he would raise the matter with Estyn and highlight that the Governance and Audit Committee required acknowledgement from Estyn that their review had been misleading. This would restore the public's confidence in future Estyn reports.

It was confirmed that the Committee's decisions at the end of the discussion were as follows:

- To accept the detail of the Response Plan
- To thank the Officers for their work and welcome that the Response Plan was being discussed at several forums
- That a simple and definite summary/front cover of the main action points was needed
- That the Committee receives regular updates on the actions that have been taken or are being considered as a suitable and appropriate response to the situation
- A request by the Committee for Estyn to acknowledge the weaknesses of their report on the Council's safeguarding arrangements, June 2023
- That the Whistleblowing Arrangements and Safeguarding Arrangements need to be among the best
  - welcome the reviews to these policies
  - need an update on the work, timetable and manner in which they are adopted

**The Chairs were thanked for summarising their meetings' discussions. It was explained that the request for this meeting came from observations made by the Leader of the Independent Group during the Care Scrutiny Committee's meeting. She was asked to formally open the discussion, where the following observations were shared:**

Everyone who had contributed to the discussions of this Response Plan at every meeting held to date was thanked. The children and victims were thanked for their bravery.

Disappointment was expressed that Jan Pickles, Chair of the Child Practice Review, was not present to facilitate the discussion during this meeting.

Frustration was expressed that a public inquiry had not been conducted by the Welsh Government to this matter to date. It was emphasised that it would help the Council to ensure cultural and organisational change in light of the fact that 52 opportunities had been missed to stop this headteacher's offences.

The need to 'leave no stone unturned' was emphasised to ensure that such a situation never occurred again.

Observations already submitted were reiterated, asking to ensure that safeguarding and whistleblowing policies and procedures were correct and effective.

**The Leader of the Independent Group was thanked for her observations, and other Members were given an opportunity to take part in the discussion, with priority given to those Members who were not members of the Committees discussed above.**

Reference was made to an extraordinary meeting of the Full Council held on 18 August 2022 to discuss the Relationships and Sexuality Education Code, reminding Members of the lively nature of that meeting. It was noted that the Head of Corporate Services Department had noted that a Risk Assessment had been developed following that meeting, including meetings held in the Council's Chambers and virtually. It was asked why risk assessments had been developed for these situations, but that defective processes were underway to protect children within Gwynedd schools, such as appointing an offender to be the headteacher for two schools in Gwynedd.

In response to the observations above regarding risk assessments, the Cabinet Member for Education confirmed that risk assessments were drawn up by individual schools and their governors, with support from the Education Department. It was noted that every school in Gwynedd now received an annual visit from the Safeguarding and Well-being Team. Pride was expressed that this Team was expanding from 3 members to 4 members to ensure that it was possible to check every procedure for every school in the County annually.

In response to the observations above regarding the Relationships and Sexuality Education Code, the Cabinet Member for Education emphasised that what had happened at Ysgol Friars highlighted its importance. Members were reminded that the Code was intended to highlight healthy and acceptable relationships to children and young people, as well as what was completely unacceptable. The Report recommended increasing awareness of what grooming was, explaining that this work was underway to ensure that children and young people were able to identify where inappropriate actions happened to them, and to understand how they could report them. The Cabinet Member for Education added that it was important that every child and young person was aware of this education and that it was embedded into the curriculum in its entirety.

It was asked which disciplinary steps were underway or had been completed against all the Local Authority staff who had been highlighted within the Report as individuals who failed to respond to concerns. In response to the enquiries, the Chief Executive confirmed that it was not possible to comment on individual cases. However, he acknowledged that things had gone wrong and reported that every effort was being made to ensure that legal and employment arrangements were processed effectively and thoroughly.

Members were reminded that concerns about the offender had been raised in 2019 and that he had been appointed as the headteacher of a second school in Gwynedd after this. In response to an enquiry about how that appointment process had come to this decision, the Chief Executive confirmed that the wrong decision had been made

with this appointment and that detailed information was available in the Report. It was acknowledged that no further comments could be made at present, because of the legal situation that had already been explained.

Further attention was drawn to the fact that the Council had called on the Welsh Government to conduct a Public Inquiry into all the circumstances surrounding these offences as they had the statutory power to establish it. In response to this comment, the Council Leader confirmed that she had received a response to the call from the First Minister and this response would be circulated to the Members.

It was noted that the report confirmed that every school received an exemplar Schools Safeguarding Policy with the encouragement to complete minor amendments (such as the name of the school, the name of the designated person for safeguarding) and adopt it in accordance with the requirements of recognised guidelines and standards. It was elaborated that the governors held the responsibility for ensuring that effective safeguarding policies had been adopted and were reviewed at least once a year with support from the Education Department. In considering these matters, the need to ensure that these arrangements were monitored consistently was emphasised, as well as the fact that school headteachers and governors were accountable for the decisions made. Members were reminded that this documentation contained confidential information and therefore it could not be shared with all the governors, emphasising the need for the governors to hold the designated person for safeguarding accountable, as well as the school headteacher. It was highlighted that this was very difficult as it was not possible to challenge them without the full information. In response to an enquiry whether anyone within the Education Department was responsible for ensuring that these procedures had been followed, the Cabinet Member for Education confirmed that the Safeguarding and Well-being Team monitored that this work was being completed by every school in Gwynedd.

It was acknowledged that there was a delay with the Welsh Government's review on governance arrangements in schools, but it was noted that it was likely that the former Ysgol Friars headteacher had been using this as an excuse to not secure change in the past. It was emphasised that there had been no change to school governance arrangements for many years and that a change in this field was key. In response to the observations, the Cabinet Member for Education confirmed that the current governance arrangement was broken and changes had to be made. It was confirmed that one officer within the Education Department was working to support governors, noting that a second officer had recently been appointed. Members were reminded that our schools' governors were volunteers and they needed full support. It was considered that too much was being asked of governors, with too much pressure placed on those individuals who wished to contribute to their local community – like being a line manager to a school Headteacher. It was hoped that this review from the Welsh Government would enable new decisions on what was suitable and appropriate to be governors' responsibilities. An update was given on the fact that the Education Department had received an initial revised terms of reference as part of this review from the Welsh Government, noting that the Council had highlighted additional considerations for them to note. It was added that the Council was pushing to have a representative from Gwynedd working with the Government on this review to ensure that everyone's voice was heard.

Acknowledgement was welcomed that Reasonable Force (work stream 5 of the Report) had been identified as a theme where there was room for improvement. However, it was considered that the necessary actions should be more developed by now, highlighting that amendments to this field should have commenced around two and a half years ago, when the offender was arrested.

Attention was drawn to the fact that referral forms had been added to the Council website, with an e-mail being sent to all Gwynedd school headteachers. It was

considered that a single individual should not be the only one made aware of allegations, and it was possible to continuously monitor information. The need to circulate the referral forms to the designated person for safeguarding, governor chairs and vice-chairs, as well as every other relevant individual was considered. It was emphasised that everyone should be aware of how to access the form. It was hoped that the Response Plan would lead to organisational attitude change to ensure processes were in place for effective scrutiny and clear communication and to prevent the failures from happening again. In response to the observations, the Cabinet Member for Education confirmed that the referral form had been shared with everyone who had attended Safeguarding training and every designated person for safeguarding. It was added that posters had been distributed to schools highlighting who was the designated person for safeguarding to staff and pupils, as well as their contact details, asking anyone to contact the Department if they were aware of any school that did not display posters, to ensure that they could be given more posters. It was noted that ensuring that these posters were visible in the schools was part of the Safeguarding and Well-being Team's responsibility during their annual visits.

An observation was made that the rates of staff turnover and school exclusions should be monitored, noting that high rates could mean the need to start safeguarding processes enquiries.

Shame was expressed that 52 opportunities had been missed to catch this offender by responding to requests from pupils, staff and parents, and they asked for further details on how this had happened.

Details were given on Work Stream 1 (Voice of the Child and Supporting Victims), reiterating the Council's genuine apologies on several occasions. Further information was requested on how much money was being spent on therapy sessions, counselling and other assistance that the victims had identified that they needed. The need to ensure that enough money was being spent to provide this support, of the best quality, for the sake of the victims, was emphasised. They wished for assurance that money was being allocated to ensure that this support would be available in the Council's future budget continuously. It was explained that the Council Leader had already confirmed that Ysgol Friars had received grant funding of £500,000 and the Welsh Government had offered £600,000 to the Council to improve services. In response to the observations, it was acknowledged that it was difficult to confirm the data on the spending on support for victims currently. However, it was confirmed that an additional investment had been made to the counselling service at Ysgol Friars. It was explained that there was a high level of support at Ysgol Friars since before the offences had emerged, compared with other schools in the county, because a well-being hub had been established in the school with two additional counsellors to the provision offered in other schools. It was confirmed that the funding was sent to the Education Department and distributed further to the schools. It was elaborated that specialist support had been provided to victims and school staff. It was assured that any additional support that the school requested would be approved. It was reported that work would be done to gather the financial information and share it with Members.

Observations were shared on Work Stream 2 (Managing allegations and concerns about adults working with children), explaining that many Members had attended a special conference to discuss what had been learned following the Our Bravery Brought Justice report, which was arranged by RASASC (Rape and Sexual Abuse Support Centre) North Wales. It was confirmed that Jan Pickles had spoken there about trauma and a healthy and effective working culture and the connection between these subjects. It was reported that sexual abuse against a child caused clear trauma. It was noted that if a child was abused by a person in a position of trust, that added an additional layer of trauma. It was explained that the psychological foundations that a child relied upon to feel safe was destroyed as a result of their abuse, and even more so from an individual in a position of trust. It was confirmed that this was defined as

'Betrayal trauma' and could mean that a child grew up to be an adult who has trouble trusting people and seeing the world as an unsafe and volatile place. It was elaborated that 'Organisational betrayal trauma' was added to this trauma when organisations that were meant to protect a child turned a blind eye to what was happening. It was explained that this type of trauma made victims feel small, negligible and that they had no voice as organisations prioritised reputation, power and convenience over their safety and care. It was mentioned that this led to a re-wiring in the victims' nervous system to live life in a fight or flight mode because society would not protect them. Disappointment was expressed that Cyngor Gwynedd had played a part in this triple trauma – Abuse trauma, betrayal trauma and organisational betrayal trauma in the case of Ysgol Friars' brave victims.

It was elaborated that Part 5 of the Report related to the procedure that dealt with concerns about people in a position of trust. It was noted that there was insufficient understanding in this Council of the arrangements or the 'Suitability to Work with Children' criterion. It was explained that this caused obvious concern and that it also made the Council consider whether there were other people working with children in Gwynedd that should not be doing so. Praise was expressed that an audit of historical concerns was being extended in case concerns had fallen through the net. It was hoped that conducting this audit, as well as the Response Plan and other policies, was some of the Council's first steps in confidently ensuring that this would not happen again by adapting its culture. It was acknowledged that measuring cultural weaknesses was challenging, as it was not easy to measure its development, but the need for it to permeate from the top to all aspects of the Council's services was confirmed. They asked for assurance of visible and operational leadership to ensure a long-term change in the Council's culture. In response to the observations, the Chief Executive confirmed that he agreed with all the observations submitted and he acknowledged that there was work to do in this field. A commitment was made to ensure that the work developed within the Response Plan embedded in the Council's new culture. The Council Leader added that she would lead by example, reiterating that everyone had a role to ensure that the culture changed long-term for the future.

In a further response, the Deputy Council Leader provided an update that there had been many changes to Part 5 of the Report, relating to the procedure that dealt with concerns about people in a position of trust. It was confirmed that if any concerns were raised under this procedure, a social worker visited those children who were named in an allegation, to ensure that the voice of the child was heard. The Corporate Director added that it was not just one individual or organisation who made decisions on thresholds, noting that it was a multi-organisational matter. It was reported that many recommendations in the Report had been implemented, acknowledging that there was more work to be done. It was emphasised that work had been done when conducting an audit on historical concerns being extended, explaining that if a concern was raised more than once relating to one individual, the Council re-visited those referrals to ensure that no matter had fallen through the net.

In considering Work Stream 3 (Training and Policies), attention was drawn to the fact that the lack of taking minutes effectively was a consistent theme within the Report, because at least two meetings had been held regarding the offender with Senior Officers present where minutes had not been written, with other cases where minutes were absent or defective. A member asked what the policy was for taking minutes in these situations and whether specific thresholds needed to be met before the need for minutes arose. In response, the Corporate Director confirmed that thorough minutes were essential and every effort was being made to ensure that minutes met the Wales Professional Standards set by Social Care Wales, and specific standards were also set for occupational therapists. He reported that these standards set national expectations for all employees. Attention was also drawn to the Council's Quality Assurance policies where Senior Quality Officers and Team Leaders observed the work of the workforce to ensure that they reached those standards.

In response to the Report, it was assured that a specific Quality Assurance document was being developed for effective minute-taking for the Children and Supporting Families Department's social service, noting that this document would be scrutinised and considered by the Response Plan Programme Board and CIW (Care Inspectorate Wales), to ensure future appropriateness and suitability. It was acknowledged that observations had been made that minutes were not necessarily being kept centrally with easy access to them, reporting that a 'mosaic' system was being developed that would replace the WCCIS system by Autumn and a 'magic notes' system which converted verbal messages received by staff into an electronic record on the mosaic system. It was emphasised that training would be provided to all employees to ensure that they understood how to use this new system, which would also address what must be recorded and when.

In response to these observations from the Corporate Director, it was noted that complying with the professional record standards described had not saved the victims in the circumstances discussed. It was considered that it would be valuable to appoint an officer within the Council to ensure that the minutes written were high-quality and were monitored consistently. In response, the Deputy Council Leader gave thanks for this suggestion of appointing a new officer, agreeing that it would be an important function to add to the Council's processes.

There was concern that a lot of focus was given to the Council's procedures and not the Council's culture. It was highlighted that many of the missed opportunities stemmed from individual failures to comply with specific procedures rather than the procedures themselves being defective. It was noted that there were not enough plans in place to adapt this mindset to ensure that it was not possible for Council staff to fail to comply in future, by achieving cultural adjustments. It was asked what role Members had to scrutinise, research and monitor the Council's internal processes relating to staff members, whether there was a role at all. There was concern that if the Members had no role to play in such processes, whether Council staff scrutinised their own faults. It was emphasised that this should not happen and it was wondered to what extent this could happen following existing processes. In response to the considerations, the Chief Executive confirmed that staff disciplinary arrangements can be seen on the Council's website and he assured that no staff member had the ability or the power to assess their own blame as it was not appropriate or transparent to do so. The Members and public were assured that the Council was receiving guidance from an independent legal company that appropriate employment processes were underway for all individuals involved with this matter. It was reported that there was no political aspect to employment processes and therefore there was no prominent role for the Members in the development processes. However, in specific cases, cases could be presented to the Chief Officers Appointment Committee that includes Elected Members, to make the decision on employment matters, in accordance with the Council's Constitution.

General observations were submitted that reviewed this discussion. It was emphasised that all the matters discussed were ineffective alone, and that there was a need to intertwine all aspects to ensure that the Response Plan was effective in the future. It was explained that this was essential as the Report highlighted failures on many different aspects. It was considered that the most important question to consider was 'What would be different today should the same concerns be raised?'. The need to create a culture where staff were ready to challenge and leaders were ready to listen and act was emphasised. It was reported that it would be key for the right decisions to be made more quickly and always favouring safeguarding matters, especially in those situations where it was difficult to do so.

A request was made to Council Members and the press to start moving on from what had happened, and to no longer use photos of the offender. Attention was drawn to the fact that his photo was constantly being used on the news and in newspapers and on

social media, even in a recent statement confirming Ms Margaret Davies' appointment as the headteacher of Ysgol Friars. It was emphasised that this recreated the victims' trauma and was completely inappropriate. Everyone was asked to focus on the developments underway and the progress seen for the future, from now on.

The Members' observations were reiterated by the Council Leader and the Chief Executive.

**The main points of the Meeting's discussion were confirmed as follows:**

- **To reiterate the request to the Welsh Government for a public inquiry, and share the Government's response to the request with the Members of the Full Council.**
- **To emphasise the importance of the efficiency of Whistleblowing, Safeguarding and Reasonable Force Policies.**
- **To ask for the wider distribution of Safeguarding Referral Forms rather than only to Headteachers and Chairs of Governing Bodies.**
- **To share information about expenditure on support, therapy and counselling for victims to give assurance that we are spending enough on this support.**
- **To emphasise the importance of the Reasonable Force Policy and that it is given due consideration in the response.**
- **To give consideration to how to ensure that the safeguarding policy is followed when the information is confidential and not known to all members of a school's governing body.**
- **To give consideration to ensuring that concerns are taken seriously and that this is reinforced in culture.**
- **To ensure that record keeping arrangements, and any relevant training, are reviewed and that a dedicated officer be considered to verify the quality of records.**
- **The need for reassurance of what would be different if someone was to raise concerns today.**
- **The need to publish a concise and easy-to-read version of the document.**

**RESOLVED:**

**To ask the Cabinet to consider the above observations, as well as those from an Extraordinary Meeting of the Care Scrutiny Committee (13 January 2026), an Extraordinary Meeting of the Education and Economy Scrutiny Committee (19 January 2026) and the Governance and Audit Committee (15 January 2026), in adopting the new Response Plan.**

The meeting commenced at 1:30pm and concluded at 3:45pm.

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**CHAIR**

**Meeting:** Full Council

**Date:** 5 March 2026

**Cabinet Member:** Councillor Huw Wyn Jones, Cabinet Member for Finance

**Subject:** 2026/27 Budget

**Contact Officer:** Dewi Morgan, Head of Finance

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## 2026/27 BUDGET

### Decision Sought

- 1. A budget of £379,701,110 should be set for 2026/27, to be funded by £264,009,390 of Government Grant and £115,691,720 of Council Tax income (which is an increase of 4.75% baseline plus a further 0.42% to meet the levy from the North Wales Fire and Rescue Authority, giving a total of 5.17%).**
- 2. A capital programme of £40,179,430 in 2026/27 should be established, to be funded from the sources set out in Appendix 4 of the report.**

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### Impact of the Decision

*A Council Tax increase of 5.17% would be a weekly increase of £1.90, or £98.62 annually, with a Band D tax of £2,006.11 for 2026/27.*

*The increase in the North Wales Fire and Rescue Authority levy represents 0.42% of the increase.*

*The detailed effect of this is set out in the formal decision which is found in Appendix 11.*

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## 1. INTRODUCTION

- 1.1 The Council must set a balanced budget for 2026/27.
- 1.2 This budget is set at a time when Welsh local authorities continue to face financial challenges, where the addition to the settlement does not meet the increase in demand for services.

- 1.3 Cyngor Gwynedd has received a grant increase for 2026/27 of 4.1%, equivalent to a £10.4m increase in external funding. In addition, a further £5.4m has been included to reflect the transfer of responsibilities to the settlement, which is also included in the grant.
- 1.4 By 2026/27, our spending would need to be increased by £23.1m to "stand still" (details are in part 3 below). This includes £9.9m to meet pressures on service budgets (details of the individual 'bids' are in Appendix 2).
- 1.5 It is seen in this report that there are demand pressures on services, as well as inflationary pressures. The 2026/27 budget seeks to protect the services the Council provides to the people of Gwynedd and recommends an 5.17% increase in Council Tax to achieve that objective this year. Forecasts suggest there will be further pressure in aiming to set a balanced budget for 2027/28.
- 1.6 The draft budget has been considered by a majority of Council members at a briefing session on the financial situation held on 27 January 2026 and scrutinised by the Governance and Audit Committee on 3 February, before presenting it to the Cabinet on 10 February to recommend a balanced and appropriate budget for 2026/27.
- 1.7 The 2026/27 budget includes savings identified when setting the 2024/25 and 2025/26 budget.
- 1.8 This year we propose to establish a capital programme worth £40.2m in 2026/27, as set out in Appendix 4.
- 1.9 The full Council are required to consider the budget and set Council Tax for 2026/27 based on the issues identified in the following report. This detailed report sets out the factors influencing the proposed revenue budget for 2026/27 and outlines the main changes since 2025/26.

## 2. WELSH GOVERNMENT GRANT

2.1 The Welsh Government has announced the final local authority funding settlement for 2026/27 as follows:

<b>Revenue Support Grant 2025/26 – 2026/27</b>	<b>Total Welsh Authorities £</b>	<b>Cyngor Gwynedd £</b>
2025/26 Government Grant	6,273,340,560	253,588,760
2026/27 Government Grant	6,555,644,540	264,009,390
Increase £	282,303,980	10,420,630
Increase %	4.5%	4.1%

Further details of the final settlement can be found here –

[Local government revenue and capital settlement: final 2026 to 2027 | GOV.WALES](#)

2.2 Official Welsh Government figures in the table above show that Cyngor Gwynedd is receiving a grant increase of £10.4m by next year (after adjusting the relative 2026/27 figure to reflect changes to the taxbase and transfers to the settlement), which is a 4.1% increase, while the average across Wales is 4.5%.

2.3 Several factors feed into the local government grant allocation formula, such as the county's population, the number of pupils in our schools, and the number of income support claimants.

### 3. COUNCIL REVENUE EXPENDITURE – 2026/27

3.1 The increase in expenditure required to "stand still" in 2026/27 is set out in the table below.

#### Additional Expenditure Requirements

	£	£
Base Budget		356,815,330
Staff Salary Inflation	8,298,980	
Reduction Employer Pension Contribution	(3,364,290)	
Other Inflation (suppliers)	6,075,390	
Levies (Fire, ENPA, NRW & CJC)	528,810	
Demography	(846,000)	
Bids – Pressures on Services	9,910,580	
Long Term Empty Dwellings Premium Increase	893,700	
Various Budget Adjustments	(493,400)	
Interest on Balances	(89,090)	
2025/26 Settlement Funding Floor	(1,571,530)	
Reversing 2025/26 NI Employer Grant	3,632,950	
Transfers to the Settlement	163,820	
Net total of increases		<u>23,139,920</u>
Total 2026/27 spending requirements before savings		<u><u>379,955,250</u></u>

### 3.2 Base Budget 2025/26

Although the net expenditure for 2025/26 was £357m, it is important to note that the Council's actual expenditure is £608m, because we receive a host of specific grants worth £167m and charge an overall income of £84m for services we provide.

### 3.3 Salary Inflation £8.3m

An agreement was reached on workforce pay (apart from teachers) for April 2025 to March 2026 by agreeing an increase 3.2%. In line with most other local authorities, we had budgeted prudently for a 3.5% increase, with the final agreement a little less than what had been budgeted for.

This budget sets aside the objective of an increase in the 2026/27 pay agreement of 4% for teachers and 3.4% for the remaining workforce (teachers from September 2026, remaining workforce from April 2026).

### 3.4 Reduction Employer Pension Contribution (£3.4m)

Reduction in employer pension contribution resulting from the three-annual re-valuation.

### 3.5 Other Inflation £6.1m

This is a 'net' amount which includes provision for a range of changes dependent on the rate of inflation in a number of specific areas. The main areas where increases are seen are:

- Independent Residential Care Homes £1.4m
- Non-residential Care £1.5m:
  - Supported Housing £916k,
  - Domiciliary Care £301k,
  - Other services £281k
- Energy (Electricity and Gas) £692k
- Increase in other prices:
  - Insurance £177k
  - Property rates £150k

### 3.6 Levies £529k

The levies paid to the relevant bodies will increase as follows between 2025/26 and 2026/27:

- |   |       |
|---|-------|
| • North Wales Fire and Rescue Authority       | £458k |
| • Eryri National Park Authority               | £44k  |
| • Natural Resources Wales (Special Levies)    | £7k   |
| • North Wales Corporate Joint Committee (CJC) | £20k  |

The net increase of £458k to the North Wales Fire and Rescue Authority levy is equivalent to an increase of 0.42% in council tax.

### **3.7 Demography (£846k)**

Due to a reduction in pupil numbers in schools within secondary (£659k) and primary (£637k), whilst there is an increase in pupil numbers within the special schools £450k.

### **3.8 Pressures on Services £9.9m**

Appendix 2 contains details of each individual request for additional expenditure arising from pressures on the services.

It is recommended that bids worth £9.9m for additional permanent resources submitted by Council departments to meet inevitable pressures on their services are approved.

All departments are asked to identify any expenditure the Council must deliver to ensure continuity of basic service. The procedure here is not for desirable new developments, but rather for the continuation of existing basic services.

An element of these applications of course manifests itself as we review the current year's spending patterns. Others are the result of issues arising where spending is necessary to protect outcomes for the public, or to meet statutory requirements. There is also an element of central government creating pressures and expectations, followed by the Council having to cope with the knock-on effects.

The items presented in Appendix 2 have been thoroughly challenged by the Leadership Team before being recommended for Cabinet approval. Furthermore, a summary of these spending requests were presented at the Budget Seminar held on 27 January 2026.

### **3.9 Increase in the Premium Rate for Long Term Empty Dwellings £894k**

At its meeting on 4 December 2025, the Full Council decided to raise a premium of 150% on homes that have been empty for 12 months or more. Based on the current data, an additional Council Tax yield of £894k is forecasted, with this income being earmarked for housing programmes, community schemes and to deal with the increased challenges of collecting the Premium.

### **3.10 2025/26 Settlement Funding Floor (£1.6m)**

Following the late final settlement for 2025/26, it was decided to use the budget to fund one-off service bids for 2025/26 and risk provision. This budget can be released when preparing the 2026/27 budget.

### **3.11 Reversing 2025/26 National Insurance Employer Grant £3.6m**

The 2025/26 Budget was set on the basis that the Government would partially fund the additional cost arising from increase to the National Insurance threshold and rate paid by the employer. Grant funding was received in 2025/26 and additional budget was provided as part of the 2026/27 settlement; therefore, the grant income target can be reversed.

### 3.12 Various Budget Adjustments (£582k)

A total reflecting a significant number of adjustments to different budgets across the Council. This includes the impact of an increase in interest receipts of (£90k) in returns in investing balances and the Council's cash flow, and reduced costs of (£493k) due to other budgetary considerations.

## 4. EXISTING SAVINGS THAT HAVE ALREADY BEEN APPROVED

### 4.1 Cyngor Gwynedd has delivered £47m of savings plans since 2015/16.

4.2 On 20 February 2024, the Cabinet approved a programme of savings worth £5.2m for the budget of 2024/25 onwards. The profile of this programme is seen in Appendix 3, which shows that £343,090 of these savings are profiled for 2025/26. £5.2m in its entirety was actioned in the 2024/25 budget, with subsequent year savings being bridged by funds/reserves. Therefore, the 2025/26 and 2026/27 savings do not assist in reducing the budgetary gap in those years.

4.3 Furthermore, there are savings plans worth £320k, arising from previous savings programmes to be removed from departmental budgets this year. As in previous years, savings provision has been earmarked to deal with situations where savings slip; the value of the provision this year is £66k, therefore £254k of savings is available to help reduce the 2026/27 gap.

4.4 The value of these savings by department is summarised in the following table.

<b>Savings that have already been programmed</b>	
	£
Adults, Health and Wellbeing Department	143,090
Environment Department	200,000
Highways, Engineering and YGC Department	91,000
Education Department	98,500
Corporate Services Department	50,000
Saving schemes approved in 2025/26 profiled in 2026/27	81,000
<b>Subtotal</b>	<b>663,590</b>
Less: Savings Provision	(66,360)
<b>Existing Planned Savings 2026/27</b>	<b>597,230</b>

## 5. FUNDING GAP 2026/27 AND COUNCIL TAX

- 5.1 Part 3 above shows that the Council's spending requirements (before savings and cuts are removed) for 2026/27 are £380m. Part 2 noted that the grant from the Welsh Government will be £264m.
- 5.2 As explained in part 4 above, there are a total of £254k of savings and cuts to be utilised to reduce the funding gap.

<b>Establishing the 2026/27 Budget</b>	
	£
2025/26 Base Budget	356,815,330
Additional Expenditure Requirements	<u>23,139,920</u>
2026/27 Expenditure Requirements before Savings	379,955,250
less Welsh Government Revenue Grant Income	<u>(264,009,390)</u>
Funding Gap from Council Tax and further savings	<u>115,945,860</u>

- 5.3 That means there is a residual gap of £116m that needs to be filled.
- 5.4 Furthermore, £254k of savings previously approved for 2026/27 (see Section 4 above), are available and will contribute towards addressing the budgetary deficit.

Funding Gap from Council Tax and Savings	115,845,860
Less Existing Savings already approved	(254,140)
Funding Gap from Council Tax	<u>115,691,720</u>

- 5.5 Further details on the savings and cuts are found in Appendix 3.
- 5.6 It is recommended that the remainder of the gap is to be greeted through Council Tax. Increasing the Tax on individual dwellings by 5.17% will generate £115,691,720 of income, and this would be sufficient to fill the gap.
- 5.7 This will be £7.3m of additional Council Tax income compared to the 2025/26 budget. That equates to a Council Tax increase of £98.62 for properties in Band D, or £1.90 a week. The tax levied by the Police and Crime Commissioner (an increase of 7.01% for 2026/27) and the community councils (various %) will of course be in addition to this.
- 5.8 Background information and the context for setting the Tax level is set out in Appendix 6.

- 5.9 If Council members wanted a less than 5.17% increase in the level of Tax, then fewer permanent resources would have to be committed to deal with the pressures on services, there would be a need to find savings and cuts, or a combination of both.
- 5.10 The choice between maintaining services and taxation is always a difficult one. For 2026/27 it is expected that the proposal to raise the tax by 5.17% to meet the pressures on services while setting a balanced budget will be a similar level to most authorities in north Wales.

## 6. CONCLUSIONS / BUDGET 2026/27

- 6.1 This report and the appendices set out the factors that should be considered when establishing the 2026/27 budget and historic savings will still have to be harvested and the level of tax will need to be raised to set a balanced budget.
- 6.2 It is recommended that revenues of £380m be spent, having added £23.1m, which includes the provision of £9.9m to address demand for services.
- 6.3 Having received a grant from Welsh Government of £264m, relying on £254k of savings. The level of Council Tax will need to increase by 5.17% to generate £115.7m of income to close the 2026/27 funding gap.

<b>Balanced budget for 2026/27</b>	
	£
2026/27 Expenditure Requirements before Savings	379,955,250
2026/27 Savings Total	<u>(254,140)</u>
2026/27 Budget	<u>379,701,110</u>
<b>To be funded from -</b>	
Grant Income	264,009,390
Council Tax (yield after raising 5.17%)	<u>115,691,720</u>
2026/27 Budget	<u>379,701,110</u>

- 6.4 This will involve setting a net budget of **£379,701,110**. A breakdown of the budget per service is given in Appendix 1.

## **7. CAPITAL**

- 7.1 The 2019/20 onwards asset strategy was established by the Council on 7 March 2019. On 11 July 2024 the strategy was revised and approved by the Council with the period extended to 2033/34. It is incorporated as part of the Capital Programme, and we are adding to that by 2026/27. Details of the current capital programme can be found in Appendix 4.
- 7.2 The two tables shown in Appendix 4 reflect the capital requirements, together with the funding, for setting the 2026/27 to 2028/29 capital budget, to establish a total programme worth £40,179,430 in 2026/27, to be funded from the sources analysed in Appendix 4.
- 7.3 The table in Appendix 4 states that £500k is available annually for the funding of capital bids. For 2026/27, there is £840k worth of capital bids to be funded, (as detailed in Appendix 2b), using uncommitted resources to fund the difference.

## **8. LONGER TERM STRATEGY**

- 8.1 Welsh Government has reached an agreement with Plaid Cymru to set a budget for 2026/27. The Senedd elections are in May 2026, and since we do not know who will form the government after that, we have no forecasts for a local government settlement for the following years.
- 8.2 In considering the increased demand for services on the Council, in the face of shrinking provision because of cuts, there will need to be an early, fundamental consideration of what the Council can provide and how. As can be seen in Appendix 3, savings and cuts plans have been programmed for 2026/27 but work will commence immediately after setting the budget for 2026/27 on updating a Medium-Term Financial Plan that recognises the situation as envisaged.

## **9. OTHER CONSIDERATIONS AND VARIOUS ASSESSMENTS**

- 9.1 The current level of the Council's general balances is £7.9m. Given the increased pressures expected on the Council's budgets over the next few years, it is considered that this level of balances will be appropriate to reserve for practical cash flow and unexpected expenditure. Information on the balances and reserves is presented in Appendix 7.
- 9.2 Appendix 5, 'Addressing the Schools Budget in 2026/27', explains the position of the Gwynedd schools' budget.
- 9.3 In determining a budget, Cabinet and Council must consider the impact of their decisions in terms of equality, in line with the statutory duties placed on the Council through the Equality Act 2010. Appendix 8 deals specifically with the duty, including the statutory finance officer's comments on the whole Budget in terms of equality. The assessment confirms that there will be a positive overall impact from the continuity of services that are considered a priority for protection and funding to the additional level of demand, and it is not believed that any negative impacts will be significant.
- 9.4 The Council complies with the requirements of the Well-being of Future Generations (Wales) Act 2015 and the recommendations in the report are based and developed in accordance with the statutory duty on the Council under Section 3 to undertake sustainable development in all its activities. As usual, more detailed information about the Well-being Act and relevant conclusions is provided at Appendix 9.
- 9.5 The statutory finance officer must express a view on the robustness of the estimates. An appropriate risk assessment and confirmation is presented at Appendix 10.
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## **Views of the local member**

Not a local issue

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## **Views of statutory officers**

### **Monitoring Officer:**

Although it is for the full Council to make a final decision on the Budget and Council Tax it is the responsibility of Cabinet to recommend this. It is important that Cabinet gives a clear recommendation on its spending plans and the draft budget and this report provides this. Once the Council has agreed the funding sources, then Cabinet will be responsible for the spending and prioritisation within that budget.

### **Head of Finance:**

I have worked with the Cabinet Member to prepare this report and confirm the contents. Having considered all the risks outlined in Appendix 10 to the report, and the mitigation, I consider that the Council's Budget for 2026/27 is robust, adequate, and achievable.

## APPENDICES

- 1 Proposed Budgets
- 2 Summary of Bids
- 2a Permanent Revenue Bids
- 2b Capital Bids
- 3 Savings and Cuts
- 4 Capital
- 5 Dealing with the Schools Budget in 2026/27
- 6 Council Tax
- 7 Balances
- 8 Assessing the Impact on Protected Characteristics, the Welsh Language and Socio-Economic Disadvantage
- 9 Well-being of Future Generations (Wales) Act 2015
- 10 The Statutory Finance Officer's Statement on the Robustness of Estimates
- 11 Formal Decision

APPENDIX 1 - BUDGET SUMMARY

PROPOSED BUDGETS BY DEPARTMENT 2026/27												
	Base Budget 2025/26	Pay, NI and Pension Inflation	Other Inflation	Demography	Transfer to the Settlement	NI Grant Income Target Adjustment	Pressure on Services	2025/26 Settlement Floor Funding	Present Savings	Long Term Empty Dwellings Premium Increase	Various Adjustments	Base Budget 2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>DEPARTMENTS</b>												
Central Education	20,908	103	293	0	0	0	2,114	0	(99)	0	(110)	23,209
Schools' Budget	100,846	3,158	612	(846)	0	0	0	0	0	0	50	103,820
Economy and Community	4,909	92	80	0	0	0	0	0	0	0	(6)	5,075
Adults, Health and Wellbeing	82,365	355	2,839	0	0	0	3,326	0	(143)	0	136	88,878
Business Service and Care Commissioning	3,133	30	14	0	0	0	0	0	0	0	(18)	3,159
Children and Supporting Families	25,984	300	370	0	0	0	791	0	0	0	0	27,445
Highways, Engineering and YGC	17,676	201	(82)	0	0	0	180	0	(91)	0	(100)	17,784
Environment	18,028	146	96	0	0	0	152	0	(200)	0	7	18,229
Housing and Property	9,727	105	279	0	0	0	2,000	0	0	0	(12)	12,099
Corporate Management Team and Legal	2,831	20	4	0	0	0	619	0	0	0	(5)	3,469
Corporate Services	8,085	167	(6)	0	0	0	439	0	(50)	0	21	8,656
Finance	9,167	96	19	0	0	0	221	0	0	0	(2)	9,501
<b>DEPARTMENTAL TOTAL</b>	<b>303,659</b>	<b>4,773</b>	<b>4,518</b>	<b>(846)</b>	<b>0</b>	<b>0</b>	<b>9,842</b>	<b>0</b>	<b>(583)</b>	<b>0</b>	<b>(39)</b>	<b>321,324</b>
Corporate and Capital Matters	56,944	162	2,086	0	164	3,633	68	(1,572)	(14)	894	(544)	61,821
<b>TOTAL GROSS</b>	<b>360,603</b>	<b>4,935</b>	<b>6,604</b>	<b>(846)</b>	<b>164</b>	<b>3,633</b>	<b>9,910</b>	<b>(1,572)</b>	<b>(597)</b>	<b>894</b>	<b>(583)</b>	<b>383,145</b>
Less Community Council Precepts	(3,444)	0	0	0	0	0	0	0	0	0	0	(3,444)
<b>TOTAL GROSS EXPENDITURE</b>	<b>357,159</b>	<b>4,935</b>	<b>6,604</b>	<b>(846)</b>	<b>164</b>	<b>3,633</b>	<b>9,910</b>	<b>(1,572)</b>	<b>(597)</b>	<b>894</b>	<b>(583)</b>	<b>379,701</b>
Balances and Specific Reserves	(343)	0	0	0	0	0	0	0	343	0	0	0
<b>NET EXPENDITURE TOTAL =</b>	<b>356,816</b>	<b>4,935</b>	<b>6,604</b>	<b>(846)</b>	<b>164</b>	<b>3,633</b>	<b>9,910</b>	<b>(1,572)</b>	<b>(254)</b>	<b>894</b>	<b>(583)</b>	<b>379,701</b>
<b>Financed By:-</b>												
Grant	248,390											264,009
Council Tax	108,426											115,692
<b>Total Income</b>	<b>356,816</b>											<b>379,701</b>

## APPENDIX 2 - SUMMARY OF BIDS

	Bids	Permanent (£)	Capital (£)
Group A	Additional resources to cover the true cost of providing existing services, dealing with historical overspend which is beyond the department's ability to resolve and/or additional pressures in 2026/27 due to increases in cost and demand	7,554,920	
Group B	Matters which the Cabinet have already decided to support during the year and has therefore pre-empted the bidding process	1,302,840	
Group C	New matters for 2026/27	1,052,820	
Capital 1	Ysgol y Faenol - funding to increase parking space for the use of the school and community centre		300,000
Capital 2	(Cist Gwynedd) Community Support Fund		150,000
Capital 3	Construction of a flood defence wall along the River Beuno, Bontnewydd. 15% contribution towards grant (£2.5m scheme)		70,000
Capital 4	Funding to fund adaptations to Council Headquarters to comply with well-being and equality requirements		90,000
Capital 5	Digital Transformation Board – digital accounts for the workforce - One-off spending on digital equipment/resources		230,010
		<b>9,910,580</b>	<b>840,010</b>

APPENDIX 2a - PERMANENT REVENUE BIDS 2026/27

Group	Title of Bid	Recommended permanent sum (£)
<b>A</b>	<b>Additional resources to cover the true cost of providing existing services, dealing with historical overspend which is beyond the department's ability to resolve and/or additional pressures in 2026/27 due to increases in cost and demand</b>	
1A	Increase in school transport charges (school buses)	664,000
2A	Free Breakfast Programme – Primary Schools	90,000
3A	Compensating for reductions in Youth Service Support Grant to protect existing provision	66,090
4A	Increased cost of IT Systems (Planning, cloud and specialist helpline)	112,430
5A	Funding for the role of the Assistant Head of Transport post as temporary funding has expired	101,810
6A	Increase in the costs of receiving income via card payments	191,450
7A	Funding for roles relating to filing systems on a permanent basis as temporary funding has expired	69,390
8A	Increase in volume of older people's cases (OT, Safeguarding, Risk Assessment)	161,060
9A	Increasing the budget for Mental Health residential care as a result of increased demand	1,126,850
10A	Increasing the budget for Supported Accommodation for Adults with Disabilities to live independently – increase in the number of individuals requiring support	1,092,350
11A	Supporting and caring for more individuals with learning disabilities as they turn 18	277,000
12A	Increased staff resources across all Care Homes to respond to national standards of care	464,000
13A	Reduction in income from Salary Sacrifice schemes	15,000
14A	Funding on a permanent basis for the role of an e-learning officer to lead on mandatory training modules as temporary funding has expired	53,370
15A	Continue to fund an Occupational Health post as temporary funding has expired	49,510
16A	Additional responsibilities in a number of roles due to new statutory requirements relating to children	70,790
17A	Funding for additional workers following the admission of Asylum Seekers without parents as part of the National Transfer Scheme	120,000
18A	Family Support – children in care who remain at home with their families (new statute)	320,000
19A	Funding an increase in contributions towards the costs of the North Wales Adoption Service	60,000
20A	Contributions to collaborative cases between Derwen and the Health Board and costs of specialist medical and legal services in cases within the Children's sector	250,000
21A	Land Maintenance – increased costs of opening graves due to new statutory health and safety requirements and reduced income due to the loss of external contracts over several years	180,000
22A	Increasing the Coroner's service to 3.5 days per week	19,820
23A	Essential Maintenance to Council buildings such as schools, care homes, libraries and leisure centres	2,000,000
		<b>7,554,920</b>
<b>B</b>	<b>Matters which the Cabinet have already decided to support during the year and has therefore pre-empted the bidding process</b>	
1B	Establishment of the Gwynedd Additional Learning Needs and Inclusion service and the Pupil Referral Units – Restructuring of the Additional Learning Needs and Inclusion	437,430
2B	Funding for Safeguarding Champion role	49,510
3B	Increase in care fees for third sector organisations to support individuals with Learning Disabilities	231,400
4B	Additional safeguarding costs relating to the Our Bravery Brought Justice response plan	584,500
		<b>1,302,840</b>

<b>C New matters for 2026/27</b>		
1C	Increase the Special Schools Budget to match our statutory duties	252,000
2C	Increasing the Additional Learning Needs budget of mainstream schools	563,000
3C	Gwynedd Schools Welsh Language Charter Co-ordinator - fund on a full-time basis rather than part-time as present	41,840
4C	Administering random testing (alcohol and drugs)	10,000
5C	Social Media Content Officer to promote key messages and share timely information with the public	56,990
6C	Scrutiny / Welsh Language Officer to address increased demand in work programmes	45,830
7C	Digital accounts for the frontline workforce out in the field	68,160
8C	Continue to fund contribution to Mantell Gwynedd after temporary funding has expired	15,000
		<b>1,052,820</b>
	<b>Total</b>	<b>9,910,580</b>

**APPENDIX 2b - CAPITAL BIDS**

<b>CAPITAL BIDS 2026/27</b>		
<b>Bid</b>	<b>Title of Bid</b>	<b>Recommended sum (£)</b>
Capital 1	Ysgol y Faenol - funding to increase parking space for school use and users of Canolfan Penrhosgarnedd to mitigate safety risks following increasing school capacity	300,000
Capital 2	Community Support Fund (Cist Gwynedd) within the Economy and Community Department which supports voluntary groups to develop projects in local communities	150,000
Capital 3	Funding for the Highways, Engineering and YGC Department to build a flood defence wall along the River Beuno, Bontnewydd. The funding is a 15% contribution towards a grant which is part of a £2.5m scheme. It will contribute directly to flood risk mitigation along Dol Beuno and surrounding estates.	70,000
Capital 4	Funding to fund adaptations to the Council Headquarters. The modifications will enable the Council to respond to requirements in the area of well-being and equality and to comply with the workplace regulations such as the Health, Safety and Well-being (1992) and the Equality Act (2010)	90,000
Capital 5	Digital Transformation Board – The one-off funding on digital equipment will address operational barriers that arise on a daily basis and ensure access to digital accounts such as digital systems and training for the Council's workforce and reduce reliance on 'paper' processes	230,010
		<b>840,010</b>

## APPENDIX 3

### SAVINGS AND CUTS

1. Cyngor Gwynedd has realised £47m of savings schemes since 2015/16.
2. Once again this year as in previous years the grant from the Welsh Government was not sufficient to meet inflation, and as the pressure continues in various areas such as adult care, waste and homelessness, substantial savings was required to be found.
3. Two savings scheme worth £91,000 from the Highways, Engineering and YGC Department, one scheme worth £98,500 from the Education Department and one scheme worth £50,000 from the Corporate Services Department, which derive from previous savings programmes which relate to 2026/27. In addition to this there are £81,000 worth of saving schemes that have been approved in 2025/26 but are profiled in 2026/27.

The schemes have already been approved by the Council, and is therefore not the subject of a decision this year. It has also followed a proper statutory process, see below for information.

Savings	Total £
Combine the sewerage and private drains work with another service within the Highways, Engineering and YGC Department	56,000
Reduce the Fleet Service resource within the Highways, Engineering and YGC Department	35,000
Reducing provision following GwE being dissolved	98,500
Reduce the resource within the Print Room	50,000
Saving schemes approved in 2025/26 profiled in 2026/27	81,000
<b>TOTAL</b>	<b>320,500</b>

4. On 20 February 2024, the Cabinet approved £5.2m worth of savings and cuts for the 2024/25 budget onwards, which came into effect in line with the profile below, with £343,090 profiled for 2026/27. The whole £5.2m was implemented in setting the 2024/25 budget and therefore the 2025/26 and 2026/27 savings do not help to reduce the financial gap in those years.

## SAVINGS AND CUTS SCHEMES PROFILE 2024/25 ONWARDS

	2024/25 £	2025/26 £	2026/27 £	Total £
Savings and Cuts profile	1,965,760	2,860,300	343,090	<b>5,169,000</b>

5. Due to the current economic climate, it is inevitable that Local Authorities must continue to look at savings and cuts to help the financial situation. Following the announcement of the financial settlement for 2026/27, the outlook is now less critical than originally anticipated. Although Gwynedd ranks 20 of the 22 Councils, the announcement of a floor of 4.1% means that there is no immediate need to implement savings for 2026/27, but savings for subsequent years will need to continue to be identified which are likely to be much more challenging. The savings will be subject to a report during 2026/27.

6. Therefore, in summary, the following savings and cuts have been profiled to be realised in 2026/27:

	£
25/26 savings profiled to 26/27	320,500
24/25 savings and cuts profiled to 25/26	343,090
<b>TOTAL</b>	<b>663,590</b>

**CAPITAL**

1. Whilst local authority revenue budgets face constraints, capital budgets are also under pressure, and there are revenue implications for capital expenditure which is not funded by specific grants.
2. A proposed programme for schemes for the next three years is set out below:

<b>CAPITAL PROGRAMME</b>			
	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Council Schemes :</b>			
Sustainable Communities for Learning Schemes	8,218	3,451	0
Industrial Units	1,407	122	0
Levelling Up and Shared Prosperity Fund Schemes	4,917	708	0
Maritime and Leisure Schemes	2,322	1,215	1,650
Adults' and Children's Homes/Centres	3,464	700	0
Highways, Bridges and Municipal	3,641	1,300	1,006
Coastal Flood Protection	760	2,998	0
Environment and Waste Schemes	1,911	60	60
Housing Schemes/Strategy	4,967	3,860	3,860
Property Schemes	244	194	194
Departmental Vehicles	6,532	1,879	244
Digital Equipment	785	1,249	976
Other Schemes	511	712	362
Capital Bids (Unallocated)	500	500	500
<b>PROGRAMME TOTAL</b>	<b>40,179</b>	<b>18,948</b>	<b>8,852</b>

3. The programme will be funded as follows:

<b>CAPITAL PROGRAMME FUNDING</b>			
	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Supported Borrowing	4,063	4,063	4,063
Other Borrowing	5,123	362	362
Grants and Contributions	14,410	4,878	2,547
Capital Receipts	0	0	0
Departmental and Corporate Revenue	0	0	0
Capital Fund	9,076	4,350	-670
Renewals and Other Funds	7,507	5,295	2,550
<b>PROGRAMME FUNDING TOTAL</b>	<b>40,179</b>	<b>18,948</b>	<b>8,852</b>

4. The asset strategy from 2019/20 was approved by the Council on 7 March 2019. On 11 July 2024 the strategy was revised and approved by the full Council with the period extended to 2033/34. It is incorporated as part of the Capital Programme.

5. The profiles for the schemes was established by the Chief Executive in consultation with the Heads of Department and is dependent on the scheme requirements and the resources available.
6. The above tables therefore reflect the general capital requirements and funding for setting the 2026/27 to 2028/29 budget, whilst the individual scheme details were established by the Council in the 10 year asset strategy, 2024/25 to 2033/34.
7. The 2026/27 Supported Borrowing and General Capital Grant figure in the financial settlement from Welsh Government is higher than anticipated when the asset strategy was established. I have adjusted the programme accordingly.
8. Therefore, the full Council is asked to establish a total programme worth £40,179,430 for 2026/27, to be funded from the sources noted in the table in part 3 above.

## APPENDIX 5

### DEALING WITH THE SCHOOLS' BUDGET IN 2026/27

- 1. Background:** There will be a normal increase in the Gwynedd schools' quantum this year, as the Council (unlike some local authorities) funds inflation, pay increments, and demography.
- 2. Pay Inflation:** The schools' budget will increase by **£3.4m** for inflationary pay increases. This will cover the cost of teachers' 4% pay increase for the 5 months April – August, which is the full year effect of the September 2025 pay agreement, and the cost of an estimated further increase of 3% for the September 2026 pay agreement (for the 7 months September 2026 – March 2027). The increase in non-teaching staff costs for April 2025 and an estimate of 3% for April 2026 is also included.
- 3. Other Inflation:** The schools' budget will increase by **£599k** for other inflationary increases, mainly increases in energy costs.
- 4. Non-teaching Staff Pension:** There will be a 3% decrease in employer pension contribution rate from April 2026, resulting in a decreased cost of (£455k).
- 5. Staff Pay Increments:** £562k will be added towards the budget for 2026/27 to deal with increments and a reduction of (£340k) for staff turnover.
- 6. Demography (pupil numbers):** The schools' budget will reduce this year due to the usual "demography" adjustments, resulting from changes in pupil numbers. The actual number of pupils in September 2025 will be used to calculate 2026/27 allocations. The situation varies from school to school, but overall, the impact of decreasing pupil numbers means that the schools' budget will reduce (£846k), which includes a reduction of (£637k) for the Primary sector, a reduction of (£659k) for the Secondary sector, and an increase of £450k for special schools. Individual schools will expect an increase / decrease in their allocations proportionate to the change in pupil numbers in the schools.
- 7. Bids Recommended for Approval:** The bids section (Appendix 2) of this report shows that there is a recommendation to agree to fund permanent 'bids' for the Education Department for 2026/27 totalling **£2,158k**, which includes funding school transport and additional learning needs and integration.
- 8. Savings and Cuts:** Following implementing cuts totalling £1.966m in 2023/24 and 2024/25, there are no plans to implement further savings on schools in 2026/27.

9. **Education Specific Grants:** It appears that specific grants from Welsh Government will continue in Education in 2026/27 following the same distribution method as 2025/26.
10. **Overall Conclusion:** Having taken all the above factors into account, the schools' budget will be higher in 2026/27 than in 2025/26.

## APPENDIX 6

### COUNCIL TAX

1. It is a key decision for Full Council members to make, in light of the considerations presented in this report, to establish the exact level of Council Tax increase for 2026/27. The key to this is achieving an appropriate balance between the need to spend on services for the most vulnerable in our society, and the tax increase that is suitable to be levied on the residents of Gwynedd.
2. In the historical assumptions made in our medium-term financial strategy, we used a figure of 5% as an estimate of the average increase in Wales. However, the level that has had to be raised has varied annually, largely to reflect the gap that existed as a result of the Welsh Government grant settlement.
3. The increase seen in Cyngor Gwynedd Tax, and the average increase across Wales, since 2016/17 is set out below:

Year	Cyngor Gwynedd	Wales
2025/26	8.66%	7.1%
2024/25	9.54%	7.8%
2023/24	4.95%	5.5%
2022/23	2.95%	2.2%
2021/22	3.7%	3.6%
2020/21	3.9%	4.6%
2019/20	5.8%	6.2%
2018/19	4.8%	4.9%
2017/18	2.8%	3.0%
2016/17	4.0%	3.6%

In 2025/26 Cyngor Gwynedd's Band D Council Tax level was £1,907 while the average tax level for Welsh counties was £1,747.

More information is found in this document: [Council Tax levels: April 2025 to March 2026 | GOV.WALES](#)

4. This year, it is recommended that the tax be raised by 5.17% for 2026/27. That would generate £116m of tax (compared to £108m in 2025/26), which includes £9.9m of Premium yield. That would equate to a Council Tax increase of £98.62 for a Band D property, or £1.90 a week. The tax charged by the Police and Crime Commissioner (an increase of 7.01% for 2026/27) and the community councils (% variable) will of course be in addition to this.

5. Over 8,335 homes in Gwynedd receive some element of support towards their Council Tax through the Council Tax Reduction Scheme, and over 61% of Gwynedd properties are in bands below band D. In addition, there are a wide range of statutory exemptions and discounts available, which are related to the status of the property.
6. We do not yet know exactly what the average increase will be across Wales in 2026/27, but the latest information is that there will be quite a wide range across Wales. The proposal to raise the tax by 5.17% is consistent with the situation across north Wales. Every additional 1% tax would adjust the financial gap we would need to find by around £1,100,040. Therefore, 3.5% would mean adjusting the financial gap by approximately £3,850,150 whilst 5% would involve adjusting the financial gap by approximately £5,500,210.
7. The choice between maintaining services and taxation remains a difficult one, of course, and it is up to all members to take stock and arrive at the balance that they consider appropriate. However, further to informal discussions at members' forums, **Council Tax increase of 5.17% is recommended, which would be a weekly increase of £1.90 or £98.62 annually, with a Band D tax of £2,006.11 for 2026/27.**

#### **COUNCIL TAX PREMIUM PRODUCTS ON EMPTY PROPERTIES AND SECOND HOMES**

8. At the Full Council meeting on 4 December 2025, it was decided to continue with the premium of 150% on second homes and increase the premium on properties that have been empty for 12 months or more from 100% to 150% for 2026/27. It is estimated that the Council will receive £9.9m of income in 2026/27 from the premium, which is an increase of £0.9m. £6.9m of the money has been allocated to a fund to implement the Housing Action Plan, which will aim to provide housing for young people in our communities, and £3m to the homelessness budget.
9. All income must be incorporated and related expenditure met in the 2026/27 budget.

## APPENDIX 7

### BALANCES

1. Local authorities need a prudent level of 'working capital' to maintain adequate cash flow and meet unforeseen expenditure. It is projected that the Council will have general balances of about £7.9m at the end of this financial year, representing around 1.3% of the Council's gross revenue expenditure.
2. We have noted, on more than one occasion, that due to the turbulent circumstances we will be facing in the years ahead, it is appropriate to keep sums in reserve in order to deal with problems that could arise.
3. Nothing has happened in the meantime to change this opinion, as the demand for care, homelessness and waste services continues, the risk also continues. Therefore, the need to ensure that we have appropriate balances to deal with any financial shock is still relevant.
4. **The Council has a number of specific reserves** established to meet specific expenditure needs. These are also part of the Council's budget, of course, and have been scrutinised annually. Attention was given to the specific reserves by the Cabinet on 13 May 2025 and the Governance and Audit Committee on 22 May 2025, when it was approved to transfer £3.775 million from various reserves to the Transformation Reserve, and also de-committed £375,000 from the Transformation Reserve to finance the Council's priorities and fund one-off bids for the future. I review the level of these reserves continually, and **the intention is to conduct another review by May 2026**, to consider how much scope there will be for the Council to change its priorities within these reserves.
5. In their report "Meeting the Financial Challenges facing Local Authorities in Wales" (2014), the **Wales Audit stated** (in paragraph 1.8):

*"Councils can use reserves to help them to balance their budgets where savings plans do not achieve the expected results or where income is less than anticipated. However, **financing recurrent expenditure from reserves would not normally be appropriate**. A prudent level of useable reserves is a key element of financial stability; the minimum appropriate level will vary dependent on an authority's known and potential liabilities and its spending plans. There are signs that a few councils are over-relying on general reserves to deal with budget shortfalls, rather than seeking more sustainable approaches, which often involve making unpopular decisions."*

6. This message was reinforced by Audit Wales, which reported in October 2020 on the financial sustainability of Welsh local authorities. While Gwynedd Council's usable

reserves are in the upper quartile of the range of Welsh local authorities (in terms of the size of their usable reserves), **Audit Wales' opinion is that:**

*“(9) some councils were much better placed than others to weather a financial challenge such as the pandemic. This is most clearly illustrated by the varying levels of usable revenue reserves held by councils” and (18) that “the level of usable reserves available to a council is one of the key indicators of financial resilience and sustainability”.*

A copy of the report can be found here:

[Financial Sustainability of Local Government as a Result of the COVID-19 Pandemic \(wao.gov.uk\)](https://wao.gov.uk)

More recently, in September 2025 in their report “Strategic Management of Balances and Reserves” on the strategic management of balances and reserves of the Council, Audit Wales' view was that the Council has clear and structured governance arrangements for managing its reserves. A key strength is the ongoing 'harvesting' process, which reviews reserves at several points throughout the year.

A copy of the report can be found here:

[Gwynedd Council – Strategic Management of Balances and Reserves](#)

7. I am convinced that the Council’s use of balances is a totally appropriate action.
8. The Council’s balances has been a key instrument. As the Council will have balances of about £7.9 million, we will have kept the bulk of the balances in reserve again, so they are available to 'bridge' the financial position if required.

## APPENDIX 8

# Assessing the Impact on Protected Characteristics, the Welsh Language and Socio-Economic Disadvantage

The Council is required (under the Equality Act 2010) to consider the effect any change in policy or procedure (or the creation of a new policy or procedure), has on people with protected equality characteristics. The Council also has a general duty to ensure fairness and foster good relations. A timely Equality Impact Assessment must be undertaken before making any decision on any relevant change (i.e. which has an effect on people with protected characteristics).

The Council is also required, under the requirements of the Welsh Language Standards (Section 44 of the Welsh Language (Wales) Measure 2011) to consider the effect of a change in any policy or procedure (or the creation of a new policy or procedure), in its opportunities for people to use Welsh and to ensure that Welsh is not treated less favourably than English. This document therefore ensures that these decisions protect and promote the use of the Welsh language.

From April 1st 2021 the Council has a duty to have due regard to tackling socio-economic disadvantage in strategic decisions.

### 1) Details

#### 1.1. What is the name of the policy / service in question?

The Council's Budget for 2026/27.

#### 1.2 What is the purpose of the policy / service that is being created or amended? What changes are being considered?

Setting an annual budget is a statutory requirement for the Council, as well as being a key step in maintaining good financial stewardship.

#### 1.3 Who is responsible for this assessment?

Dewi Morgan, Head of Finance.

#### **1.4 When did you commence the assessment? Which version is this?**

March 2025, when considering the Council's financial outlook for the period 2026/27 to 2028/29 immediately following the establishment of the 2025/26 Budget.

The Council's Medium Term Financial Plan was approved by Cabinet on 16 September 2025 – this plan identified a significant gap that would need to be filled by a combination of Council Tax increases and cuts if the settlement remained with little increase, as was being suggested at the time.

Detailed work commenced on 24 November 2025, the date of the announcement of the provisional local government revenue and capital settlement: 2026 to 2027.

Following the announcement of the financial settlement for 2026/27, the outlook is now less critical than originally anticipated. Although Gwynedd ranks 20 of the 22 Councils, the announcement of a floor of 4.1% means that there is no need to rush to implement savings for 2026/27, but savings for subsequent years will need to continue to be identified which are likely to be much more challenging. Each of the individual savings' schemes will be subject to an equality impact assessment.

## **2) Action**

### **2.1 Who are the stakeholders or partners you need to work with to undertake this assessment?**

A number of actions have been taken when preparing this budget:

- Discussions between service accountants and senior officers in the departments to consider bids and savings plans.
- All Council members invited to a budget seminar on 27 January 2026.
- Close collaboration between the Chief Executive, Corporate Directors, and finance officers in the consideration of bids.
- Cabinet Members have had the opportunity to express their views on the assessment of bids.
- Governance and Audit Committee has the opportunity to scrutinise the budget on 3 February.
- Cabinet to consider the draft budget on 10 February and make a recommendation to the Full Council.
- Full Council to set budget for 2026/27 and set Council Tax rate on 5 March.

### **2.2 What measures have you taken to engage with people with equality characteristics, regarding the Welsh language or with communities (either of place or of need) that live with socio-economic disadvantage?**

The budget outlined here seeks to continue to provide appropriate outcomes for all residents of the county. The increase in Government funding this year is not sufficient to meet demand

for services as well as inflation, therefore in order to set a balanced budget there is a need to raise council tax and look for financial savings.

Every savings plan that is in the programme for implementation has been subject to an Equality Impact Assessment at the time it was introduced. It is recognised that there is potential for an impact that would disproportionately affect those with protected characteristics, but where possible the departments that own the savings have proposed efficiency savings plans rather than cuts. In addition, the individual savings plans have been subject to appropriate impact assessments that support the financial decisions presented here.

### **2.3 What was the result of the engagement?**

There has not been a consultation process.

## 2.4 On the basis of what other evidence are you operating?

The 2026/27 budget is framed on an "incremental" principle. That is, the 2025/26 budget will be used as a base budget, making a number of adjustments before arriving at a draft budget for 2026/27:

- Staff Pay Inflation
- Other Inflation (suppliers)
- Increase in levies
- Adjustments to reflect changes in demography
- Financial bids to address service pressures
- Technical adjustments to the budget
- Increase or decrease in borrowing and interest costs on balances
- Realising savings that have already been agreed
- Additional savings that must be introduced

All of the financial bids and savings plans have been subject to equality impact assessments themselves.

In planning our budgets for the continuity of Council services, our accountants have taken account of equality at all levels, using data and evidence on demographics and trends when planning at a strategic level. Similarly (but more specifically) in reaching a decision on individual savings plans, the heads of Council departments have analysed the impact of plans on services and monitored the impact appropriately.

As well as meeting inflationary pressures, all services have the right to submit a request for resource if they consider that an additional budget is needed to ensure that services continue. The amounts shown under the heading "pressures on services" recognize that the Council provides adequate funding to ensure that our financial arrangements do not adversely affect the level of services provided. Full details can be found in Appendix 2 and shows that a significant part of the total permanent revenue bids go to social care.

## 2.5 Are there any gaps in the evidence that needs to be collected?

No

### 3) Identifying the Impact

3.1 The Council must give due regard to the effect any changes will have on people with the equality characteristics noted below. What impact will the new policy/service or the proposed changes in the policy or service have on people with these characteristics?

<b>Characteristics</b>	<b>What type of impact?*</b>	<b>In what way? What is the evidence?</b>
<b>Race (including nationality)</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.
<b>Disability</b>	Positive	The bidding process detailed in Appendix 2 includes additional expenditure on social services and delaying or eliminating savings in this area.
<b>Sex</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.
<b>Age</b>	Positive	The recommended budget includes a significant increase in the budget of the Adults, Health and Well-being Department.
<b>Sexual orientation</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.
<b>Religion or belief (or non-belief)</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.
<b>Gender reassignment</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.
<b>Pregnancy and maternity</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.
<b>Marriage and civil partnership</b>	Positive	The fundamentals of our budget, and the system that leads up to it, is to have a positive impact on the lives of the people of Gwynedd.

<p><b>The Welsh language</b></p>	<p>Positive</p>	<p>The Council's budget includes ensuring that resources have been put in place to support fully bilingual services.</p> <p>The Council's Corporate Plan is the Council's main policy document and includes a number of schemes that promote the Welsh language. The budget is being drawn up to implement that policy.</p> <p>In drawing up the budget, particular attention was given to the Well-being of Future Generations Act, including the seven well-being goals. That includes addressing the sixth aim, 'Culture and the Welsh Language'.</p>
<p><b>Socio-Economic Disadvantage</b></p>	<p>Positive</p>	<p>The nature of the Council's services means that the pressures on services address socio-economic inequality since the measures recommended to deal with pressures on services take this into account.</p> <p>The Council's budgets, and in particular the successful bids, are designed to ensure that the authority can continue to direct resources to reduce discrimination on the grounds of socio-economic disadvantage.</p> <p>Any increase in the Council Tax rate is a financial pressure on the people of Gwynedd, but over 8,100 receive some support towards their Council Tax through the Council Tax Reduction Scheme. Elected members will come to a decision on the appropriate balance to be found between council tax increases and the need to provide services to the people of Gwynedd.</p>

**3.2 The Council has a duty under the 2010 Equality Act to contribute positively to a fairer society by promoting equality and good relations in its activities regarding the following characteristics – age, gender, sexual orientation, religion, race, gender reassignment, disability and pregnancy and maternity. The Council must give due attention to the way any change affects these duties.**

<b>General Duties of the Equality Act</b>	<b>Does it have an impact?*</b>	<b>In what way? What is the evidence?</b>
<b>Abolishing illegal discrimination, harassment and victimisation</b>	No	It is believed that none of the effects mentioned in 3.1 will lead to discrimination, harassment, or victimisation.
<b>Promoting equal opportunities</b>	Positive	Setting the budget is based on considerable work over a number of years of ensuring that a budget is in place that reflects the needs and requirements of the people of Gwynedd.
<b>Encouraging good relationships</b>	Neutral	The budget is set within clear boundaries, and the balance of successful bids and savings responds to the real pressures on services.

**3.3 How does your proposal ensure that you work in accordance with the requirements of the Welsh Language Standards (Welsh Language (Wales) Measure 2011), to ensure that the Welsh language is not treated less favourably than English and that you seize every opportunity to promote the Welsh language (beyond providing services bilingually) and increase opportunities to use and learn the language in the community?**

The Council's Plan is the Council's main policy document and includes a number of schemes that promote the Welsh language. The Cyngor Gwynedd Plan for 2023-28 was adopted by the Full Council on 2 March 2023 and reviewed in March 2024 and in March 2025. The budget is being drawn up to implement that policy.

This year, in drawing up the 2026/27 Budget, the Council had to consider the practicality of savings that had previously been identified as savings to be removed from departmental budgets and had already been approved in previous years. The statutory processes included the completion of an equality assessment which includes a question about impact on the Welsh language. When decisions about savings were discussed in the 2020/21 Budget report, it was concluded that **no impact** had been identified on the Welsh language but that there is a need to monitor this on implementation.

When preparing the Budget reports annually since 2021/2022, consideration is given to the intended impact of these budgets on the Welsh language. In line with practice an equality assessment has been completed which includes a question about the impact on the Welsh language. This procedure continues for 2026/27.

**3.4 What other measures or changes could you include to strengthen or change the policy / practice in order to have a positive impact on people's opportunities to use the Welsh language, and to reduce or prevent any adverse effects that the policy / practice may have on the Welsh language?**

This is a financial policy, and we believe that the current policy achieves the best of our legal and statutory capacity in that regard in terms of having a positive impact on the language.

**3.5 How does the proposal show that you have had due regard to the need to address inequality caused by socio-economic disadvantage? (Note that this is about closing inequality gaps rather than just improving outcomes for everyone)?**

The establishment of the Council's budget is the result of specific actions that take account of the previous year's base budget and the steps that then need to be taken to reflect adjustments that need to be considered to deal with budget pressures for the following year. In addition, the budgetary position of all Council services is subject to detailed review three times a year, to identify any areas where action is needed to deal with underspends or overspends – particularly if budgets are not sufficient to deal with pressures on services. The nature of the Council's services means that the pressures on services reduce socio-economic inequality as the measures to deal with pressures on services take this into account.

Some of the bids recommended to be funded include several specifically designed to reduce inequality caused by socio-economic disadvantage. These are detailed in Appendix 2.

**3.6 What other measures or changes might you include to strengthen or change the policy / practice to show that you have had due regard to the need to reduce disproportionate outcomes as a result of socio-economic disadvantage, in accordance with the Socio-Economic Act?**

The requests for additional expenditure to deal with service pressures ("bids") have been the subject of detailed assessments by a number of officers and members and we are therefore confident that all steps that are practically possible to reduce socio-economic disadvantage in drawing up the budget have been taken.

#### 4) Analysing the Results

##### 4.1 Is the policy therefore likely to have a significant, positive impact on any of the above and what is the reason for this?

There will be an overall positive impact from the continuation of services that were seen as priorities to be protected and funded to meet the additional level of demand.

##### 4.2 Is the policy therefore likely to have a significant, negative impact on any of the above and what is the reason for this?

Any increase in Council Tax will have an impact on the financial position of the people of Gwynedd, and a higher increase than usual is recommended this year, which is necessary to ensure that the Council's financial position remains sustainable for the future.

##### 4.3 What should be done?

Choose one of the following:

Continue with the policy / service as it is robust	✓
Adapt the policy to delete any barriers	
Suspend and delete the policy as the detrimental impacts are too big	
Continue with the policy as any detrimental impact can be justified	
No further action at this time because it is too soon to decide, or there is insufficient evidence	

##### 4.4 If continuing with the project, what steps will you take to reduce or mitigate any negative impacts?

Departments will work to ensure that they mitigate any negative impacts.

**4.5 If you are not taking any further action to delete or reduce the negative impacts, explain why here.**

Elected members will come to a decision on the appropriate balance to be found between council tax increases and the need to provide services for the people of Gwynedd.

**5) Monitoring**

**5.1 What steps will you take to monitor the impact and effectiveness of the policy or service (action plan)?**

It will be necessary for the Full Council to decide annually on the setting of the budget and tax rate.

The savings will be challenged at the Performance Challenge Meetings three times a year and reported to the relevant Scrutiny Committee as part of individual Cabinet Members' performance reports. In addition, a Savings Overview report will be presented to Cabinet and to the Governance and Audit Committee three times a year.

## APPENDIX 9

### WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015

1. The work of planning and preparing the recommendations has taken place in the context of the above Act's requirements. Although the recommendations derive from difficult financial choices, the Council has acted on the basis of the principle of acting in a way that addresses the statutory duty in Section 3 to undertake sustainable development and achieve the Council's Well-being Objectives. This is addressed by identifying and evaluating options for savings, but also by making decisions and choices from the perspective of providing sufficient resources in order to support an appropriate level of services.
2. This budget reflects the following five ways of working the Council is required to consider when applying sustainable development.
  - Looking to the long term - The budget plans for the future, by identifying the needs and demand for services not only in 2026/27, but in the future, and takes a strategic approach to ensure services are sustainable.
  - Understanding issues and preventing them – The budget process facilitates an understanding of the financial position, so that issues can be tackled at the source. Also, the series of Members' Workshops have aided an understanding of the financial strategy.
  - Taking an integrated approach – Cyngor Gwynedd's policies and budgeting practices, and this year's budget proposals, have been considered from the perspective of all well-being goals.
  - Working in a collaborative way – Where better services can be provided by collaboration and working with partners, the budget process and savings strategy encourages this, internally and externally, where that is more sustainable.
  - Including the population in decisions – Part of the budget process included engagement with residents, customers, and partners.
3. Main conclusions for the 2026/27 budget regarding the 7 well-being goals:
  - Prosperous – Neutral (add to the resources of services that put an end to poverty)
  - Resilient - Positive (prudential long-term approach to funding services and enable the Council's Plan)
  - Healthier – Positive (funding additional 'care' service requirements)
  - More Equal - Positive (taxing in order to fund 'welfare' services)
  - Cohesive Communities – Neutral (continue to fund services that protect people)
  - Culture and Language – Positive (by funding bilingual services)
  - Globally Responsible – Neutral (continue to fund digital, environmental, and cooperative projects)

4. Regarding specific financial savings schemes, as part of the corporate and departmental savings regime in previous years when the savings schemes were approved, where appropriate there was a specific well-being assessment for each individual scheme.
5. Generally, coupled with the Council's Plan and Well-being Objectives, this budget supports the Council to realise strategic objectives

## **APPENDIX 10**

### **THE STATUTORY FINANCE OFFICER'S STATEMENT ON THE ROBUSTNESS OF ESTIMATES**

1. This statement is provided in accordance with Section 25 of the Local Government Act 2003, which requires the Council's Chief Financial Officer to report to Members on:
  - The robustness of the estimates made for the purposes of the Council's budget calculations.
  - The adequacy of the proposed financial reserves.
2. Members are required to have regard to this report when considering the budget and council tax for the forthcoming financial year.
3. Appendix 7 outlines the position of the balances and reserves, while this statement confirms the robustness of the budgetary estimates underpinning the budget.
4. The budget estimates are based on assumptions about future expenditure and income and inevitably include an element of risk from assumptions. The impact of this risk can be mitigated through contingency plans, contingency budgets, and financial reserves.

#### **Economic context**

5. A revised Medium-Term Financial Plan (MTFP) was adopted by the Cabinet on 16 September 2025, setting out the financial outlook for the 3-year period commencing on 1 April 2026. The estimates within the MTFP were based on the latest available forecasts on the change in income the Council will receive over the period (through Government Grant and Council Tax), and the additional expenditure requirements over the same period.
6. When adopting the revised MTFP, there was a lack of clarity regarding the increase of Aggregate External Finance ("settlement") for 2026/27. On the one hand, it was noted that an addition to the public sector budget from the Westminster government last year was a first step towards addressing the impact of underinvestment over a decade or more. On the other hand, a warning was issued that the Government in Cardiff cannot increase public spending under the current economic circumstances.

7. However, following a budget deal between the Welsh Government and Plaid Cymru, Cyngor Gwynedd has received a 4.1% increase in its settlement for 2026/27 after the base for 2025/26 was adjusted when drawing up the settlement. The Council is therefore in a stronger position in 2026/27 than originally envisaged, although the increase in settlement as a percentage is the second lowest in Wales before considering the funding floor that was put in place.
8. There are elections to the Senedd in May 2026 and there remains significant uncertainty in future Welsh Government funding beyond 2026/27.

### History of financial management

9. Over the past two financial years, the Council has been unable to keep within its budget. The revenue budget review at the end of November 2025 predicted that Council departments would overspend £5.3 million by the end of the 2025/26 financial year, as follows:

Departments	£'000
Adults, Health and Well-being	3,062
Children and Families	1,856
Highways, Engineering and YGC	492
Environment	685
Housing and Property	248
Other Departments	(1,012)
<b>Total 2025/26 Forecasted Overspend</b>	<b>5,331</b>

10. The Medium-Term Financial Plan included a detailed programme of work to address the financial situation faced by the Council.
11. The MTFP reflects the expected continuation of demand-led pressures, particularly in social care and homelessness prevention. These continue to be modelled using trend data.

12. In their report *Financial Sustainability Review – Cyngor Gwynedd*, Audit Wales noted "Overall we found that there was a significant increase in the number of Council departments overspending in the last two financial years, and it has developed arrangements to review its budgets. It is yet to set out how it will address future funding gaps."
13. Work has been carried out to look closely at the overspending in the areas of social care (which represent 76% of all overspending), and that work is ongoing.
14. This budget is therefore being presented in a context where the Council has been unable to provide services within its budget, particularly in the areas of high demand.

### **Compliance with the codes and standards**

15. Despite this, the Council has a proven track record of being able to demonstrate compliance with financial standards and codes, with prompt reporting and robust internal controls. However, independent work has been undertaken by CIPFA to review the Council's long-term financial resilience as well as compliance with the CIPFA Financial Management Code.

### **Robustness of estimates**

#### **Inflation**

16. Overall inflation has remained above the Bank of England's target of 2% during 2025/26 and independent forecasts received show that inflation rates are expected to remain that way in 2026/27. Based on the Bank of England's forecasts and the independent advice obtained from Arlingclose, our independent treasury management advisors who have reviewed the BoE's assumptions, we believe overall inflation will remain between 2% and 3% on average during the year.
17. The pay agreement outlook included in the budget reflects the latest forecasts. Based on recent trends and the economic outlook, a projected 2026/27 increase of a 4% pay deal for teachers and 3.4% for the remaining workforce have been included in the budget. I am satisfied that prudential estimates of inflation levels have been used.

### **Income assumptions**

18. The budget is based on achieving a specific increase in income from fees equivalent to the increase in applicable costs.
19. As usual, inflation has been added to the income targets from fees and charges for Council services and in the majority of cases it is expected that the individual fees will be increased in line with inflation in accordance with the Financial Procedure Rules. Where fees do not increase in line with inflation, I am satisfied that robust arrangements are in place to reach a conclusion at an appropriate level, including consultation with the Finance Department.
20. If demand for Council services falls, and income targets are not achieved, that can lead to overspending on departmental budgets. The actual budget situation will need to be closely monitored during the year and, if necessary, spending cut back to match the drop in income. That will not be possible with some large corporate budgets, where income estimates have to be set at a prudent level.

### **Grant assumptions**

21. The Council receives a range of individual grants and I am satisfied that there are generally appropriate arrangements within the authority to deal with grants, but a few areas have been addressed by the Council's internal auditors where there is room for improvement. Should the Council receive an additional settlement grant during the year, or after this budget has been passed, appropriate governance arrangements are in place within the Council Constitution to reach a decision on its use.
22. However, there are risks associated with the large number of specific grants from the Welsh Government and other bodies that support a proportion of the Council's spending. We have received significant specific grants in social care in recent financial years, with associated commitments, which makes fiscal planning difficult. Generally, the associated expenditure will have to finish when a grant expires, but the terms of a contract may mean that expenditure cannot be cut as quickly as the grant, or that there are redundancy costs to fund. Furthermore, funded activity may be so important to achieving the Council's own priorities, that the Council decides to continue with the expenditure.

## **Savings Risk**

23. On 20 February 2024, Cabinet approved £5.2m worth of savings for the 2024/25 budget onwards. The programme profile is shown in Appendix 3 of the budget report, which shows that £343,090 worth of savings have been profiled for 2026/27. The whole £5.2m was implemented in the 2024/25 budget, with subsequent years' savings being bridged from funds. Therefore, the savings of 2025/26 and 2026/27 do not help reduce the financial gap in those years.
24. Two savings scheme worth £91,000 from the Highways, Engineering and YGC Department, one scheme worth £98,500 from the Education Department and one scheme worth £50,000 from the Corporate Services Department, which derive from previous savings programmes which relate to 2026/27.
25. In addition to this there are £81,000 worth of saving schemes that have been approved in 2025/26 but are profiled in 2026/27.
26. Some Council departments have a history of inability to deliver on their savings plans and that presents a significant risk to long-term financial sustainability. I believe this is the biggest risk in setting this budget. In line with the usual procedure, we will mitigate the risk by ensuring that departments and Cabinet members have ownership of the savings schemes, and regularly monitor the relevant progress. The budget also includes a strategy of providing 10% of the value of new savings schemes over the lifespan of the programme to deal with situations where there is slippage in savings programmes.

## **Interest Rate Risks**

27. Interest rates can affect the revenue budget through interest earned – i.e. an increase in the interest rate would mean more income. In line with the Council's Investment Strategy, the budget does not depend on overly high returns. Interest rates are expected to continue to fall steadily in the 2026/27 financial year. However, due to a combination of changes in interest rates and cash available for investment, we anticipate receiving over £89k more interest in 2026/27 than in 2025/26.

## **Adequacy of reserves**

28. The latest audited Statement of Accounts for Cyngor Gwynedd showed that the overall level of earmarked reserves on the balance sheet date (31 March 2025) was £110.8 million, up from £101.8 million on 31 March 2024. The reserves include the Council's Financial Strategy Fund which is in place to be available to deal with overspending within departments. It is anticipated that there will be around £18 million in this fund on 1 April 2026 which I consider to be a sufficient level for 2026/27.
29. Further, Cyngor Gwynedd has £7.9 million of general funds which are reserved for true crisis situations. I deem this level to be adequate for the production of the 2026/27 budget but the level will be reviewed further early in the financial year.
30. Audit Wales published their report *Strategic Management of Balances and Reserves – Cyngor Gwynedd* in September 2025; the report was considered by the Council's Governance and Audit Committee on 11 September 2025.
31. The work had been completed during May and June 2025 detailing year-end figures for 2024/25. The report concluded that "Cyngor Gwynedd has clear and structured governance arrangements for managing its reserves. The Council Chief Finance Officer regularly advises members and officers on reserve levels and usage. A key strength is the Council's ongoing "harvesting" process, which reviews reserves at multiple points throughout the year. However, there is no formal strategy or framework to guide decisions on reserve levels, which could help ensure that reserves are used effectively and provide assurance that they're consistently aligned with the Council's objectives".
32. In response to the report, I have committed to develop a reserves strategy – to set a direction by adopting a strategy to ensure clarity on the use of reserves – by 31 March 2026.

## **Views of the Statutory Finance Officer**

**Having considered all the risks set out above and mitigations, I consider the budgets to be robust, adequate, and achievable.**

**(i) Penderfyniad drafft y Dreth Cyngor yn seiliedig ar argymhelliad y Cabinet i'r Cyngor ar gyfer ei gyfarfod ar 5 Mawrth 2026 (ar sail cynnydd o 5.17%)**

**(ii) Tablau yn dangos lefel y Dreth Cyngor a'r cynnydd fesul cymuned**

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**(i) Draft Council Tax resolution based on the Cabinet's recommendation to the Council for its meeting on 5 March 2026 (on the basis of a 5.17% increase)**

**(ii) Tables showing the level of Council Tax and increases by community**

## Penderfynwyd

1. Cymeradwyo'r argymhellion a gyflwynir gan y Cabinet fel y nodir yn yr adroddiad.
2. Nodi fod yr Aelod Cabinet dros Gyllid, drwy daflen benderfyniad dyddiedig 9 Chwefror 2026, wedi cymeradwyo cyfrifiad y symiau a ganlyn ar gyfer y flwyddyn 2026/27 yn unol â'r rheoliadau a luniwyd dan Adran 33 (5) o Ddeddf Cyllid Llywodraeth Leol 1992 ("Y Ddeddf"):-
  - (a) 57,669.68 yw'r swm a gyfrifwyd fel ei Sylfaen Dreth Cyngor am y flwyddyn yn unol â'r Rheoliadau Awdurdodau Lleol (Cyfrifo Sylfaen y Dreth Cyngor) (Cymru) 1995 fel y'i diwygiwyd.
  - (b) Rhan o ardal y Cyngor – Sylfaen Drethiannol Cymuned –

Aberdaron	670.17	Llanddeiniolen	1,888.60
Aberdyfi	1,336.17	Llandderfel	558.22
Abergwyngregyn	120.09	Llanegryn	169.30
Abermaw (Barmouth)	1,337.70	Llanelltyd	337.92
Arthog	706.13	Llanengan	2,861.00
Y Bala	806.79	Llanfair	379.49
Bangor	4,186.93	Llanfihangel y Pennant	268.21
Beddgelert	381.36	Llanfrothen	244.41
Betws Garmon	156.41	Llangelynnin	488.48
Bethesda	1,749.91	Llangywer	157.24
Bontnewydd	468.82	Llanllechid	363.31
Botwnnog	485.84	Llanllyfni	1,485.31
Brithdir a Llanfachreth	484.51	Llannor	963.95
Bryncrug	349.69	Llanrug	1,147.14
Buan	239.39	Llanuwchllyn	339.69
Caernarfon	3,685.95	Llanwnda	840.13
Clynnog Fawr	498.73	Llanycil	214.29
Corris	325.01	Llanystumdwy	981.04
Criccieth	1,038.04	Maentwrog	332.11
Dolbenmaen	670.19	Mawddwy	386.36
Dolgellau	1,363.11	Nefyn	1,740.58
Dyffryn Ardudwy	884.96	Pennal	245.57
Y Felinheli	1,192.33	Penrhyndeudraeth	862.97
Ffestiniog	1,858.53	Pentir	1,302.63
Y Ganllwyd	93.24	Pistyll	308.41
Harlech	904.83	Porthmadog	2,341.29
Trefor a Llanaelhaearn	481.86	Pwllheli	1,866.20
Llanbedr	385.11	Talsarnau	394.32
Llanbedrog	897.59	Trawsfynydd	535.08
Llanberis	812.92	Tudweiliog	532.10
Llandwrog	1,099.29	Tywyn	1,787.26
Llandygai	1,051.63	Waunfawr	623.84

sef y symiau a gyfrifwyd fel symiau Sylfaen y Dreth Cyngor ar gyfer y flwyddyn ar gyfer tai annedd yn y rhannau hynny o'i ardal lle bo un eitem arbennig neu fwy'n berthnasol.

3. Bod y symiau a ganlyn yn cael eu cyfrifo yn awr gan y Cyngor ar gyfer y flwyddyn 2026/27 yn unol ag Adrannau 32 i 36 o'r Ddeddf:-

(a)	£577,245,460	Sef cyfanswm y symiau y mae'r Cyngor yn eu hamcangyfrif ar gyfer yr eitemau a nodwyd yn Adran 32(2)(a) i (e) o'r Ddeddf (gwariant gros).
(b)	£194,325,420	Sef cyfanswm y symiau y mae'r Cyngor yn eu hamcangyfrif ar gyfer yr eitemau a nodwyd yn Adran 32(3)(a) i (c) o'r Ddeddf (incwm).
(c)	£382,920,040	Sef y swm sy'n cyfateb i'r gwahaniaeth rhwng cyfanswm 3(a) uchod a chyfanswm 3(b) uchod, a gyfrifwyd gan y Cyngor, yn unol ag Adran 32(4) o'r Ddeddf, fel ei ofynion cyllideb ar gyfer y flwyddyn (cyllideb net).
(ch)	£263,513,727	Sef cyfanswm y symiau y mae'r Cyngor yn amcangyfrif y byddant yn daladwy yn ystod y flwyddyn i'w gronfa ar gyfer cyfan o'r Dreth Annomestig Genedlaethol a Grant Cynnal Refeniw, llai amcangyfrif o'r gost i'r Cyngor o ryddhad dewisol o'r dreth annomestig a ganiateir.
(d)	£2,070.52	Sef y swm yn 3(c) uchod llai'r swm yn 3(ch) uchod, y cyfan wedi ei rannu gan y swm a nodir yn 2(a) uchod, a gyfrifwyd gan y Cyngor yn unol ag Adran 33(1) o'r Ddeddf, sef swm sylfaenol ei Dreth Cyngor am y flwyddyn (treth Cyngor Gwynedd a threth cyfartalog cynghorau cymuned).
(dd)	£3,714,588.48	Sef cyfanswm yr holl eitemau arbennig y cyfeirir atynt yn Adran 34(1) o'r Ddeddf (praeseptau'r cynghorau cymuned).
(e)	£2,006.11	Sef y swm yn 3(d) uchod llai'r canlyniad a geir wrth rannu'r swm yn 3(dd) uchod â'r swm yn 2(a) uchod, a gyfrifwyd gan y Cyngor, yn unol ag Adran 34(2) fel swm sylfaenol ei Dreth Cyngor am y flwyddyn ar gyfer tai annedd yn y rhannau hynny o'i ardal lle nad oes unrhyw eitem arbennig yn berthnasol (Band D ar gyfer treth Cyngor Gwynedd yn unig).

(f) Ar gyfer rhannau o ardal y Cyngor –

Aberdaron	2,033.71	Llanddeiniolen	2,035.76
Aberdyfi	2,044.41	Llandderfel	2,032.98
Abergwyngregyn	2,043.58	Llanegryn	2,052.48
Abermaw (Barmouth)	2,060.31	Llanelltyd	2,041.62
Arthog	2,031.60	Llanengan	2,031.63
Y Bala	2,043.29	Llanfair	2,055.65
Bangor	2,156.89	Llanfihangel y Pennant	2,056.82
Beddgelert	2,046.62	Llanfrothen	2,060.53
Betws Garmon	2,026.25	Llangelynnin	2,037.12
Bethesda	2,108.44	Llangywer	2,050.63
Bontnewydd	2,045.57	Llanllechid	2,054.45
Botwnnog	2,019.49	Llanllyfni	2,043.14
Brithdir a Llanfachreth	2,035.01	Llannor	2,028.41
Bryncrug	2,044.29	Llanrug	2,110.72
Buan	2,024.91	Llanuwchllyn	2,058.51
Caernarfon	2,128.21	Llanwnda	2,046.70
Clynnog Fawr	2,086.31	Llanycil	2,028.28
Corris	2,064.57	Llanystumdwy	2,027.52
Criccieth	2,072.58	Maentwrog	2,027.84
Dolbenmaen	2,032.97	Mawddwy	2,044.93
Dolgellau	2,064.80	Nefyn	2,063.56
Dyffryn Ardudwy	2,068.26	Pennal	2,079.41
Y Felinheli	2,052.01	Penrhyndeudraeth	2,113.78
Ffestiniog	2,146.01	Pentir	2,050.64
Y Ganllwyd	2,049.01	Pistyll	2,045.02
Harlech	2,100.05	Porthmadog	2,038.58
Trefor a Llanaelhaearn	2,089.12	Pwllheli	2,081.13
Llanbedr	2,081.41	Talsarnau	2,092.33
Llanbedrog	2,039.53	Trawsfynydd	2,047.23
Llanberis	2,059.85	Tudweiliog	2,024.90
Llandwrog	2,086.35	Tywyn	2,066.59
Llandygai	2,043.92	Waunfawr	2,025.35

sef y symiau a geir trwy ychwanegu symiau'r eitem neu eitemau arbennig sy'n berthnasol i dai annedd yn y rhannau hynny o ardal y Cyngor y cyfeiriwyd atynt uchod, at y swm a geir yn 3(e) uchod wedi'u rhannu ym mhob achos gan y swm yn 2(b) uchod, a gyfrifwyd gan y Cyngor yn unol ag Adran 34(3) o'r Ddeddf, fel symiau sylfaenol ei Dreth Cyngor am y flwyddyn ar gyfer tai annedd yn y rhannau hynny o'i ardal lle bo un eitem arbennig neu fwy'n berthnasol.

(ff) Ar gyfer rhannau o ardal y Cyngor, y ffigyrau a nodir yn **Atodiad 1**, sef y symiau a geir trwy luosi'r symiau yn 3(f) uchod â'r rhif sydd yn ôl y cyfrannau a nodir yn Adran 5 (1) o'r Ddeddf, yn berthnasol i dai annedd a restrir mewn band prasio arbennig wedi'i rannu â'r rhif sydd yn ôl y cyfrannau hynny'n berthnasol i dai a restrir ym mand prasio D, a gyfrifir gan y Cyngor, yn unol ag Adran 36(1) o'r Ddeddf, yn symiau sydd i'w hystyried ar gyfer y flwyddyn ar gyfer y categorïau o dai annedd a restrir yn y gwahanol fandiau prasio.

4. Nodi ar gyfer y flwyddyn 2026/27 fod Comisiynydd Heddlu a Throsedd Gogledd Cymru wedi nodi'r symiau a ganlyn mewn praesept a roddwyd i'r Cyngor, yn unol ag Adran 40 o'r Ddeddf ar gyfer pob un o'r categorïau o dai annedd a ddangosir isod:

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Band I</b>
265.50	309.75	354.00	398.25	486.75	575.25	663.75	796.50	929.25

5. Wedi pennu'r cyfanswm ym mhob achos o'r symiau 3(ff) a 4 uchod, bod y Cyngor, yn unol ag Adran 30(2) o'r Ddeddf trwy hyn, yn pennu'r symiau a nodir yn **Atodiad 2** ar gyfer y Dreth Cyngor yn y flwyddyn 2026/27 ar gyfer pob categori o dai annedd a ddangosir yn yr Atodiad.

## Resolved

1. To approve the recommendations of the Cabinet as noted in the report.
2. It be noted that the Cabinet Member for Finance, in a decision notice dated 9 February 2026, approved the calculation of the following amounts for 2026/27 in accordance with Regulations made under Section 33 (5) of the Local Government Finance Act 1992 ("The Act"):-
  - (a) 57,669.68 being the amount calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (Wales) Regulations 1995 as amended, as its Council Tax Base for the year.
  - (b) Parts of the Council's Area – Community Tax Base -

Aberdaron	670.17	Llanddeiniolen	1,888.60
Aberdyfi	1,336.17	Llandderfel	558.22
Abergwyngregyn	120.09	Llanegryn	169.30
Abermaw (Barmouth)	1,337.70	Llanelltyd	337.92
Arthog	706.13	Llanengan	2,861.00
Y Bala	806.79	Llanfair	379.49
Bangor	4,186.93	Llanfihangel y Pennant	268.21
Beddgelert	381.36	Llanfrothen	244.41
Betws Garmon	156.41	Llangelynnin	488.48
Bethesda	1,749.91	Llangywer	157.24
Bontnewydd	468.82	Llanllechid	363.31
Botwnnog	485.84	Llanllyfni	1,485.31
Brithdir & Llanfachreth	484.51	Llannor	963.95
Bryncrug	349.69	Llanrug	1,147.14
Buan	239.39	Llanuwchllyn	339.69
Caernarfon	3,685.95	Llanwnda	840.13
Clynnog Fawr	498.73	Llanycil	214.29
Corris	325.01	Llanystumdwy	981.04
Criccieth	1,038.04	Maentwrog	332.11
Dolbenmaen	670.19	Mawddwy	386.36
Dolgellau	1,363.11	Nefyn	1,740.58
Dyffryn Ardudwy	884.96	Pennal	245.57
Y Felinheli	1,192.33	Penrhyndeudraeth	862.97
Ffestiniog	1,858.53	Pentir	1,302.63
Y Ganllwyd	93.24	Pistyll	308.41
Harlech	904.83	Porthmadog	2,341.29
Trefor & Llanaelhaearn	481.86	Pwllheli	1,866.20
Llanbedr	385.11	Talsarnau	394.32
Llanbedrog	897.59	Trawsfynydd	535.08
Llanberis	812.92	Tudweiliog	532.10
Llandwrog	1,099.29	Tywyn	1,787.26
Llandygai	1,051.63	Waunfawr	623.84

being the amounts calculated as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

3. That the following amounts be now calculated by the Council for the year 2026/27 in accordance with Sections 32 to 36 of the Act:-

- |     |               |  |
|-----|---------------|--|
| (a) | £577,245,460  | Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act (gross expenditure).  |
| (b) | £194,325,420  | Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act (income).   |
| (c) | £382,920,040  | Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year (net budget).  |
| (d) | £263,513,727  | Being the aggregate of the sums which the Council estimates will be payable during the year into its fund in respect of the National Non-Domestic Rates and Revenue Support Grant, less the estimated cost to the Council of discretionary non-domestic rate relief granted.   |
| (e) | £2,070.52     | Being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year. (Cyngor Gwynedd tax and average community council tax).  |
| (f) | £3,714,588.48 | Being the aggregate amount of all special items referred to in Section 34(1) of the Act (community council precepts).  |
| (g) | £2,006.11     | Being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (Band D for Cyngor Gwynedd tax only). |

(h) Parts of the Council's Area – Community

Aberdaron	2,033.71	Llanddeiniolen	2,035.76
Aberdyfi	2,044.41	Llandderfel	2,032.98
Abergwyngregyn	2,043.58	Llanegryn	2,052.48
Abermaw (Barmouth)	2,060.31	Llanelltyd	2,041.62
Arthog	2,031.60	Llanengan	2,031.63
Y Bala	2,043.29	Llanfair	2,055.65
Bangor	2,156.89	Llanfihangel y Pennant	2,056.82
Beddgelert	2,046.62	Llanfrothen	2,060.53
Betws Garmon	2,026.25	Llangelynnin	2,037.12
Bethesda	2,108.44	Llangywer	2,050.63
Bontnewydd	2,045.57	Llanllechid	2,054.45
Botwnnog	2,019.49	Llanllyfni	2,043.14
Brithdir & Llanfachreth	2,035.01	Llannor	2,028.41
Bryncrug	2,044.29	Llanrug	2,110.72
Buan	2,024.91	Llanuwchllyn	2,058.51
Caernarfon	2,128.21	Llanwnda	2,046.70
Clynnog Fawr	2,086.31	Llanycil	2,028.28
Corris	2,064.57	Llanystumdwy	2,027.52
Criccieth	2,072.58	Maentwrog	2,027.84
Dolbenmaen	2,032.97	Mawddwy	2,044.93
Dolgellau	2,064.80	Nefyn	2,063.56
Dyffryn Ardudwy	2,068.26	Pennal	2,079.41
Y Felinheli	2,052.01	Penrhyndeudraeth	2,113.78
Ffestiniog	2,146.01	Pentir	2,050.64
Y Ganllwyd	2,049.01	Pistyll	2,045.02
Harlech	2,100.05	Porthmadog	2,038.58
Trefor & Llanaelhaearn	2,089.12	Pwllheli	2,081.13
Llanbedr	2,081.41	Talsarnau	2,092.33
Llanbedrog	2,039.53	Trawsfynydd	2,047.23
Llanberis	2,059.85	Tudweiliog	2,024.90
Llandwrog	2,086.35	Tywyn	2,066.59
Llandygai	2,043.92	Waunfawr	2,025.35

being the amounts given by adding to the amount at 3(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount of 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

- (i) In respect of parts of the Council's area, the figures noted in **Appendix 1**, being the amounts given by multiplying the sums specified in 3(h) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

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

<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Band I</b>
265.50	309.75	354.00	398.25	486.75	575.25	663.75	796.50	929.25

5. That, having calculated the aggregate in each case of the amounts at 3(i) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, hereby sets the amounts noted in **Appendix 2** as the amounts of Council Tax for the year 2026/27 for each of the categories of dwellings shown therein.

**Treth Cyngor: Cyngor Gwynedd + Cyngor Cymuned**  
**Council Tax : Cyngor Gwynedd + Community Council**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Band I</b>
Aberdaron	1,355.81	1,581.77	1,807.74	2,033.71	2,485.65	2,937.58	3,389.52	4,067.42	4,745.32
Aberdyfi	1,362.94	1,590.10	1,817.25	2,044.41	2,498.72	2,953.04	3,407.35	4,088.82	4,770.29
Abergwyngregyn	1,362.39	1,589.45	1,816.52	2,043.58	2,497.71	2,951.84	3,405.97	4,087.16	4,768.35
Abermaw (Barmouth)	1,373.54	1,602.46	1,831.39	2,060.31	2,518.16	2,976.00	3,433.85	4,120.62	4,807.39
Arthog	1,354.40	1,580.13	1,805.87	2,031.60	2,483.07	2,934.53	3,386.00	4,063.20	4,740.40
Y Bala	1,362.19	1,589.23	1,816.26	2,043.29	2,497.35	2,951.42	3,405.48	4,086.58	4,767.68
Bangor	1,437.93	1,677.58	1,917.24	2,156.89	2,636.20	3,115.51	3,594.82	4,313.78	5,032.74
Beddgelert	1,364.41	1,591.82	1,819.22	2,046.62	2,501.42	2,956.23	3,411.03	4,093.24	4,775.45
Betws Garmon	1,350.83	1,575.97	1,801.11	2,026.25	2,476.53	2,926.81	3,377.08	4,052.50	4,727.92
Bethesda	1,405.63	1,639.90	1,874.17	2,108.44	2,576.98	3,045.52	3,514.07	4,216.88	4,919.69
Bontnewydd	1,363.71	1,591.00	1,818.28	2,045.57	2,500.14	2,954.71	3,409.28	4,091.14	4,773.00
Botwnnog	1,346.33	1,570.71	1,795.10	2,019.49	2,468.27	2,917.04	3,365.82	4,038.98	4,712.14
Brithdir & Llanfachreth	1,356.67	1,582.79	1,808.90	2,035.01	2,487.23	2,939.46	3,391.68	4,070.02	4,748.36
Bryncrug	1,362.86	1,590.00	1,817.15	2,044.29	2,498.58	2,952.86	3,407.15	4,088.58	4,770.01
Buan	1,349.94	1,574.93	1,799.92	2,024.91	2,474.89	2,924.87	3,374.85	4,049.82	4,724.79
Caernarfon	1,418.81	1,655.27	1,891.74	2,128.21	2,601.15	3,074.08	3,547.02	4,256.42	4,965.82
Clynnog Fawr	1,390.87	1,622.69	1,854.50	2,086.31	2,549.93	3,013.56	3,477.18	4,172.62	4,868.06
Corris	1,376.38	1,605.78	1,835.17	2,064.57	2,523.36	2,982.16	3,440.95	4,129.14	4,817.33
Criccieth	1,381.72	1,612.01	1,842.29	2,072.58	2,533.15	2,993.73	3,454.30	4,145.16	4,836.02
Dolbenmaen	1,355.31	1,581.20	1,807.08	2,032.97	2,484.74	2,936.51	3,388.28	4,065.94	4,743.60
Dolgellau	1,376.53	1,605.96	1,835.38	2,064.80	2,523.64	2,982.49	3,441.33	4,129.60	4,817.87
Dyffryn Ardudwy	1,378.84	1,608.65	1,838.45	2,068.26	2,527.87	2,987.49	3,447.10	4,136.52	4,825.94
Y Felinheli	1,368.01	1,596.01	1,824.01	2,052.01	2,508.01	2,964.01	3,420.02	4,104.02	4,788.02
Ffestiniog	1,430.67	1,669.12	1,907.56	2,146.01	2,622.90	3,099.79	3,576.68	4,292.02	5,007.36
Y Ganllwyd	1,366.01	1,593.67	1,821.34	2,049.01	2,504.35	2,959.68	3,415.02	4,098.02	4,781.02
Harlech	1,400.03	1,633.37	1,866.71	2,100.05	2,566.73	3,033.41	3,500.08	4,200.10	4,900.12
Trefor & Llanaelhaearn	1,392.75	1,624.87	1,857.00	2,089.12	2,553.37	3,017.62	3,481.87	4,178.24	4,874.61
Llanbedr	1,387.61	1,618.87	1,850.14	2,081.41	2,543.95	3,006.48	3,469.02	4,162.82	4,856.62
Llanbedrog	1,359.69	1,586.30	1,812.92	2,039.53	2,492.76	2,945.99	3,399.22	4,079.06	4,758.90
Llanberis	1,373.23	1,602.11	1,830.98	2,059.85	2,517.59	2,975.34	3,433.08	4,119.70	4,806.32
Llandwrog	1,390.90	1,622.72	1,854.53	2,086.35	2,549.98	3,013.62	3,477.25	4,172.70	4,868.15
Llandygai	1,362.61	1,589.72	1,816.82	2,043.92	2,498.12	2,952.33	3,406.53	4,087.84	4,769.15
Llanddeiniolen	1,357.17	1,583.37	1,809.56	2,035.76	2,488.15	2,940.54	3,392.93	4,071.52	4,750.11
Llandderfel	1,355.32	1,581.21	1,807.09	2,032.98	2,484.75	2,936.53	3,388.30	4,065.96	4,743.62
Llanegryn	1,368.32	1,596.37	1,824.43	2,052.48	2,508.59	2,964.69	3,420.80	4,104.96	4,789.12
Llanelltyd	1,361.08	1,587.93	1,814.77	2,041.62	2,495.31	2,949.01	3,402.70	4,083.24	4,763.78
Llanengan	1,354.42	1,580.16	1,805.89	2,031.63	2,483.10	2,934.58	3,386.05	4,063.26	4,740.47
Llanfair	1,370.43	1,598.84	1,827.24	2,055.65	2,512.46	2,969.27	3,426.08	4,111.30	4,796.52
Llanfihangel y Pennant	1,371.21	1,599.75	1,828.28	2,056.82	2,513.89	2,970.96	3,428.03	4,113.64	4,799.25
Llanfrothen	1,373.69	1,602.63	1,831.58	2,060.53	2,518.43	2,976.32	3,434.22	4,121.06	4,807.90
Llangelynnin	1,358.08	1,584.43	1,810.77	2,037.12	2,489.81	2,942.51	3,395.20	4,074.24	4,753.28
Llangywer	1,367.09	1,594.93	1,822.78	2,050.63	2,506.33	2,962.02	3,417.72	4,101.26	4,784.80
Llanllechid	1,369.63	1,597.91	1,826.18	2,054.45	2,510.99	2,967.54	3,424.08	4,108.90	4,793.72
Llanllfni	1,362.09	1,589.11	1,816.12	2,043.14	2,497.17	2,951.20	3,405.23	4,086.28	4,767.33
Llanor	1,352.27	1,577.65	1,803.03	2,028.41	2,479.17	2,929.93	3,380.68	4,056.82	4,732.96
Llanrug	1,407.15	1,641.67	1,876.20	2,110.72	2,579.77	3,048.82	3,517.87	4,221.44	4,925.01
Llanuwchllyn	1,372.34	1,601.06	1,829.79	2,058.51	2,515.96	2,973.40	3,430.85	4,117.02	4,803.19
Llanwnda	1,364.47	1,591.88	1,819.29	2,046.70	2,501.52	2,956.34	3,411.17	4,093.40	4,775.63
Llanycil	1,352.19	1,577.55	1,802.92	2,028.28	2,479.01	2,929.74	3,380.47	4,056.56	4,732.65
Llanystumdwy	1,351.68	1,576.96	1,802.24	2,027.52	2,478.08	2,928.64	3,379.20	4,055.04	4,730.88
Maentwrog	1,351.89	1,577.21	1,802.52	2,027.84	2,478.47	2,929.10	3,379.73	4,055.68	4,731.63
Mawddwy	1,363.29	1,590.50	1,817.72	2,044.93	2,499.36	2,953.79	3,408.22	4,089.86	4,771.50
Nefyn	1,375.71	1,604.99	1,834.28	2,063.56	2,522.13	2,980.70	3,439.27	4,127.12	4,814.97
Pennal	1,386.27	1,617.32	1,848.36	2,079.41	2,541.50	3,003.59	3,465.68	4,158.82	4,851.96
Penrhyndeudraeth	1,409.19	1,644.05	1,878.92	2,113.78	2,583.51	3,053.24	3,522.97	4,227.56	4,932.15
Pentir	1,367.09	1,594.94	1,822.79	2,050.64	2,506.34	2,962.04	3,417.73	4,101.28	4,784.83
Pistyll	1,363.35	1,590.57	1,817.80	2,045.02	2,499.47	2,953.92	3,408.37	4,090.04	4,771.71
Porthmadog	1,359.05	1,585.56	1,812.07	2,038.58	2,491.60	2,944.62	3,397.63	4,077.16	4,756.69
Pwllheli	1,387.42	1,618.66	1,849.89	2,081.13	2,543.60	3,006.08	3,468.55	4,162.26	4,855.97
Talsarnau	1,394.89	1,627.37	1,859.85	2,092.33	2,557.29	3,022.25	3,487.22	4,184.66	4,882.10
Trawsfynydd	1,364.82	1,592.29	1,819.76	2,047.23	2,502.17	2,957.11	3,412.05	4,094.46	4,776.87
Tudweiliog	1,349.93	1,574.92	1,799.91	2,024.90	2,474.88	2,924.86	3,374.83	4,049.80	4,724.77
Tywyn	1,377.73	1,607.35	1,836.97	2,066.59	2,525.83	2,985.07	3,444.32	4,133.18	4,822.04
Waunfawr	1,350.23	1,575.27	1,800.31	2,025.35	2,475.43	2,925.51	3,375.58	4,050.70	4,725.82

**Treth Cyngor: Cyngor Gwynedd + Cyngor Cymuned + Comisiynydd Heddlu a Throsedd Gogledd Cymru**  
**Council Tax : Cyngor Gwynedd + Community Council + North Wales Police and Crime Commissioner**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Band I</b>
Aberdaron	1,621.31	1,891.52	2,161.74	2,431.96	2,972.40	3,512.83	4,053.27	4,863.92	5,674.57
Aberdyfi	1,628.44	1,899.85	2,171.25	2,442.66	2,985.47	3,528.29	4,071.10	4,885.32	5,699.54
Abergwyngregyn	1,627.89	1,899.20	2,170.52	2,441.83	2,984.46	3,527.09	4,069.72	4,883.66	5,697.60
Abermaw (Barmouth)	1,639.04	1,912.21	2,185.39	2,458.56	3,004.91	3,551.25	4,097.60	4,917.12	5,736.64
Arthog	1,619.90	1,889.88	2,159.87	2,429.85	2,969.82	3,509.78	4,049.75	4,859.70	5,669.65
Bala	1,627.69	1,898.98	2,170.26	2,441.54	2,984.10	3,526.67	4,069.23	4,883.08	5,696.93
Bangor	1,703.43	1,987.33	2,271.24	2,555.14	3,122.95	3,690.76	4,258.57	5,110.28	5,961.99
Beddgelert	1,629.91	1,901.57	2,173.22	2,444.87	2,988.17	3,531.48	4,074.78	4,889.74	5,704.70
Betws Garmon	1,616.33	1,885.72	2,155.11	2,424.50	2,963.28	3,502.06	4,040.83	4,849.00	5,657.17
Bethesda	1,671.13	1,949.65	2,228.17	2,506.69	3,063.73	3,620.77	4,177.82	5,013.38	5,848.94
Bontnewydd	1,629.21	1,900.75	2,172.28	2,443.82	2,986.89	3,529.96	4,073.03	4,887.64	5,702.25
Botwnnog	1,611.83	1,880.46	2,149.10	2,417.74	2,955.02	3,492.29	4,029.57	4,835.48	5,641.39
Brithdir & Llanfachreth	1,622.17	1,892.54	2,162.90	2,433.26	2,973.98	3,514.71	4,055.43	4,866.52	5,677.61
Bryncrug	1,628.36	1,899.75	2,171.15	2,442.54	2,985.33	3,528.11	4,070.90	4,885.08	5,699.26
Buan	1,615.44	1,884.68	2,153.92	2,423.16	2,961.64	3,500.12	4,038.60	4,846.32	5,654.04
Caernarfon	1,684.31	1,965.02	2,245.74	2,526.46	3,087.90	3,649.33	4,210.77	5,052.92	5,895.07
Clynnog Fawr	1,656.37	1,932.44	2,208.50	2,484.56	3,036.68	3,588.81	4,140.93	4,969.12	5,797.31
Corris	1,641.88	1,915.53	2,189.17	2,462.82	3,010.11	3,557.41	4,104.70	4,925.64	5,746.58
Criccieth	1,647.22	1,921.76	2,196.29	2,470.83	3,019.90	3,568.98	4,118.05	4,941.66	5,765.27
Dolbenmaen	1,620.81	1,890.95	2,161.08	2,431.22	2,971.49	3,511.76	4,052.03	4,862.44	5,672.85
Dolgellau	1,642.03	1,915.71	2,189.38	2,463.05	3,010.39	3,557.74	4,105.08	4,926.10	5,747.12
Dyffryn Ardudwy	1,644.34	1,918.40	2,192.45	2,466.51	3,014.62	3,562.74	4,110.85	4,933.02	5,755.19
Y Felinheli	1,633.51	1,905.76	2,178.01	2,450.26	2,994.76	3,539.26	4,083.77	4,900.52	5,717.27
Ffestiniog	1,696.17	1,978.87	2,261.56	2,544.26	3,109.65	3,675.04	4,240.43	5,088.52	5,936.61
Y Ganllwyd	1,631.51	1,903.42	2,175.34	2,447.26	2,991.10	3,534.93	4,078.77	4,894.52	5,710.27
Harlech	1,665.53	1,943.12	2,220.71	2,498.30	3,053.48	3,608.66	4,163.83	4,996.60	5,829.37
Trefor & Llanaelhaearn	1,658.25	1,934.62	2,211.00	2,487.37	3,040.12	3,592.87	4,145.62	4,974.74	5,803.86
Llanbedr	1,653.11	1,928.62	2,204.14	2,479.66	3,030.70	3,581.73	4,132.77	4,959.32	5,785.87
Llanbedrog	1,625.19	1,896.05	2,166.92	2,437.78	2,979.51	3,521.24	4,062.97	4,875.56	5,688.15
Llanberis	1,638.73	1,911.86	2,184.98	2,458.10	3,004.34	3,550.59	4,096.83	4,916.20	5,735.57
Llandwrog	1,656.40	1,932.47	2,208.53	2,484.60	3,036.73	3,588.87	4,141.00	4,969.20	5,797.40
Llandygai	1,628.11	1,899.47	2,170.82	2,442.17	2,984.87	3,527.58	4,070.28	4,884.34	5,698.40
Llanddeiniolen	1,622.67	1,893.12	2,163.56	2,434.01	2,974.90	3,515.79	4,056.68	4,868.02	5,679.36
Llandderfel	1,620.82	1,890.96	2,161.09	2,431.23	2,971.50	3,511.78	4,052.05	4,862.46	5,672.87
Llanegryn	1,633.82	1,906.12	2,178.43	2,450.73	2,995.34	3,539.94	4,084.55	4,901.46	5,718.37
Llanelltyd	1,626.58	1,897.68	2,168.77	2,439.87	2,982.06	3,524.26	4,066.45	4,879.74	5,693.03
Llanengan	1,619.92	1,889.91	2,159.89	2,429.88	2,969.85	3,509.83	4,049.80	4,859.76	5,669.72
Llanfair	1,635.93	1,908.59	2,181.24	2,453.90	2,999.21	3,544.52	4,089.83	4,907.80	5,725.77
Llanfihangel y Pennant	1,636.71	1,909.50	2,182.28	2,455.07	3,000.64	3,546.21	4,091.78	4,910.14	5,728.50
Llanfrolen	1,639.19	1,912.38	2,185.58	2,458.78	3,005.18	3,551.57	4,097.97	4,917.56	5,737.15
Llangelynnin	1,623.58	1,894.18	2,164.77	2,435.37	2,976.56	3,517.76	4,058.95	4,870.74	5,682.53
Llangywer	1,632.59	1,904.68	2,176.78	2,448.88	2,993.08	3,537.27	4,081.47	4,897.76	5,714.05
Llanllechid	1,635.13	1,907.66	2,180.18	2,452.70	2,997.74	3,542.79	4,087.83	4,905.40	5,722.97
Llanllfni	1,627.59	1,898.86	2,170.12	2,441.39	2,983.92	3,526.45	4,068.98	4,882.78	5,696.58
Llanmor	1,617.77	1,887.40	2,157.03	2,426.66	2,965.92	3,505.18	4,044.43	4,853.32	5,662.21
Llanrug	1,672.65	1,951.42	2,230.20	2,508.97	3,066.52	3,624.07	4,181.62	5,017.94	5,854.26
Llanuwchllyn	1,637.84	1,910.81	2,183.79	2,456.76	3,002.71	3,548.65	4,094.60	4,913.52	5,732.44
Llanwnda	1,629.97	1,901.63	2,173.29	2,444.95	2,988.27	3,531.59	4,074.92	4,889.90	5,704.88
Llanycil	1,617.69	1,887.30	2,156.92	2,426.53	2,965.76	3,504.99	4,044.22	4,853.06	5,661.90
Llanystumdwy	1,617.18	1,886.71	2,156.24	2,425.77	2,964.83	3,503.89	4,042.95	4,851.54	5,660.13
Maentwrog	1,617.39	1,886.96	2,156.52	2,426.09	2,965.22	3,504.35	4,043.48	4,852.18	5,660.88
Mawddwy	1,628.79	1,900.25	2,171.72	2,443.18	2,986.11	3,529.04	4,071.97	4,886.36	5,700.75
Nefyn	1,641.21	1,914.74	2,188.28	2,461.81	3,008.88	3,555.95	4,103.02	4,923.62	5,744.22
Pennal	1,651.77	1,927.07	2,202.36	2,477.66	3,028.25	3,578.84	4,129.43	4,955.32	5,781.21
Penrhyndeudraeth	1,674.69	1,953.80	2,232.92	2,512.03	3,070.26	3,628.49	4,186.72	5,024.06	5,861.40
Pentir	1,632.59	1,904.69	2,176.79	2,448.89	2,993.09	3,537.29	4,081.48	4,897.78	5,714.08
Pistyll	1,628.85	1,900.32	2,171.80	2,443.27	2,986.22	3,529.17	4,072.12	4,886.54	5,700.96
Porthmadog	1,624.55	1,895.31	2,166.07	2,436.83	2,978.35	3,519.87	4,061.38	4,873.66	5,685.94
Pwllheli	1,652.92	1,928.41	2,203.89	2,479.38	3,030.35	3,581.33	4,132.30	4,958.76	5,785.22
Talsarnau	1,660.39	1,937.12	2,213.85	2,490.58	3,044.04	3,597.50	4,150.97	4,981.16	5,811.35
Trawsfynydd	1,630.32	1,902.04	2,173.76	2,445.48	2,988.92	3,532.36	4,075.80	4,890.96	5,706.12
Tudweiliog	1,615.43	1,884.67	2,153.91	2,423.15	2,961.63	3,500.11	4,038.58	4,846.30	5,654.02
Tywyn	1,643.23	1,917.10	2,190.97	2,464.84	3,012.58	3,560.32	4,108.07	4,929.68	5,751.29
Waunfawr	1,615.73	1,885.02	2,154.31	2,423.60	2,962.18	3,500.76	4,039.33	4,847.20	5,655.07

## Cynnydd yn y Dreth Cyngor fesul Cymuned / Increase in Council Tax by Community

Cymuned/ Community	Sylfaen Drethiannol / Taxbase (Band D)	Praesept / Precept £	Treth Cymuned / Community Tax	Treth Gwynedd / Gwynedd Tax	Treth Heddlu / Police Tax	Cyfanswm / Total (Band D) 2026/27	Band D 2025/26 £	Cynnydd / Increase 25/26 - 26/27	Cynnydd / Increase %
Aberdaron	670.17	18,500	27.60	2,006.11	398.25	2,431.96	2,307.78	124.18	5.4%
Aberdyfi	1,336.17	51,181	38.30	2,006.11	398.25	2,442.66	2,317.76	124.90	5.4%
Abergwyngregyn	120.09	4,500	37.47	2,006.11	398.25	2,441.83	2,316.56	125.27	5.4%
Abermaw (Barmouth)	1,337.70	72,500	54.20	2,006.11	398.25	2,458.56	2,332.31	126.25	5.4%
Arthog	706.13	18,000	25.49	2,006.11	398.25	2,429.85	2,301.20	128.65	5.6%
Y Bala	806.79	30,000	37.18	2,006.11	398.25	2,441.54	2,314.45	127.09	5.5%
Bangor	4,186.93	631,302	150.78	2,006.11	398.25	2,555.14	2,421.30	133.84	5.5%
Beddgelert	381.36	15,450	40.51	2,006.11	398.25	2,444.87	2,320.17	124.70	5.4%
Betws Garmon	156.41	3,150	20.14	2,006.11	398.25	2,424.50	2,301.18	123.32	5.4%
Bethesda	1,749.91	179,060	102.33	2,006.11	398.25	2,506.69	2,343.29	163.40	7.0%
Bontnewydd	468.82	18,500	39.46	2,006.11	398.25	2,443.82	2,319.58	124.24	5.4%
Botwnnog	485.84	6,500	13.38	2,006.11	398.25	2,417.74	2,293.07	124.67	5.4%
Brithdir & Llanfachreth	484.51	14,000	28.90	2,006.11	398.25	2,433.26	2,304.94	128.32	5.6%
Bryncrug	349.69	13,350	38.18	2,006.11	398.25	2,442.54	2,317.20	125.34	5.4%
Buan	239.39	4,500	18.80	2,006.11	398.25	2,423.16	2,298.01	125.15	5.4%
Caernarfon	3,685.95	450,055	122.10	2,006.11	398.25	2,526.46	2,395.09	131.37	5.5%
Clynnog Fawr	498.73	40,000	80.20	2,006.11	398.25	2,484.56	2,351.09	133.47	5.7%
Corris	325.01	19,000	58.46	2,006.11	398.25	2,462.82	2,339.08	123.74	5.3%
Criccieth	1,038.04	69,000	66.47	2,006.11	398.25	2,470.83	2,338.64	132.19	5.7%
Dolbenmaen	670.19	18,000	26.86	2,006.11	398.25	2,431.22	2,307.21	124.01	5.4%
Dolgellau	1,363.11	80,000	58.69	2,006.11	398.25	2,463.05	2,338.19	124.86	5.3%
Dyffryn Ardudwy	884.96	55,000	62.15	2,006.11	398.25	2,466.51	2,342.57	123.94	5.3%
Y Felinheii	1,192.33	54,729	45.90	2,006.11	398.25	2,450.26	2,323.42	126.84	5.5%
Ffestiniog	1,858.53	260,000	139.90	2,006.11	398.25	2,544.26	2,415.34	128.92	5.3%
Y Ganllwyd	93.24	4,000	42.90	2,006.11	398.25	2,447.26	2,316.57	130.69	5.6%
Harlech	904.83	85,000	93.94	2,006.11	398.25	2,498.30	2,377.25	121.05	5.1%
Trefor & Llanaelhaearn	481.86	40,000	83.01	2,006.11	398.25	2,487.37	2,332.19	155.18	6.7%
Llanbedr	385.11	29,000	75.30	2,006.11	398.25	2,479.66	2,360.22	119.44	5.1%
Llanbedrog	897.59	30,000	33.42	2,006.11	398.25	2,437.78	2,313.64	124.14	5.4%
Llanberis	812.92	43,684	53.74	2,006.11	398.25	2,458.10	2,330.22	127.88	5.5%
Llandwrog	1,099.29	88,210	80.24	2,006.11	398.25	2,484.60	2,355.88	128.72	5.5%
Llandygai	1,051.63	39,760	37.81	2,006.11	398.25	2,442.17	2,317.11	125.06	5.4%
Llanddeiniolen	1,888.60	56,000	29.65	2,006.11	398.25	2,434.01	2,295.91	138.10	6.0%
Llannerfel	558.22	15,000	26.87	2,006.11	398.25	2,431.23	2,308.00	123.23	5.3%
Llanegryn	169.30	7,850	46.37	2,006.11	398.25	2,450.73	2,324.55	126.18	5.4%
Llanelltyd	337.92	12,000	35.51	2,006.11	398.25	2,439.87	2,318.33	121.54	5.2%
Llanengan	2,861.00	73,000	25.52	2,006.11	398.25	2,429.88	2,303.26	126.62	5.5%
Llanfair	379.49	18,800	49.54	2,006.11	398.25	2,453.90	2,329.27	124.63	5.4%
Llanfihangel y Pennant	268.21	13,600	50.71	2,006.11	398.25	2,455.07	2,329.69	125.38	5.4%
Llanfrothen	244.41	13,300	54.42	2,006.11	398.25	2,458.78	2,333.57	125.21	5.4%
Llangelynnin	488.48	15,150	31.01	2,006.11	398.25	2,435.37	2,309.35	126.02	5.5%
Llangywer	157.24	7,000	44.52	2,006.11	398.25	2,448.88	2,311.05	137.83	6.0%
Llanllechid	363.31	17,563	48.34	2,006.11	398.25	2,452.70	2,325.97	126.73	5.4%
Llanllyfni	1,485.31	55,000	37.03	2,006.11	398.25	2,441.39	2,315.66	125.73	5.4%
Llanor	963.95	21,500	22.30	2,006.11	398.25	2,426.66	2,301.71	124.95	5.4%
Llanrug	1,147.14	120,000	104.61	2,006.11	398.25	2,508.97	2,366.28	142.69	6.0%
Llanuwchllyn	339.69	17,800	52.40	2,006.11	398.25	2,456.76	2,329.84	126.92	5.4%
Llanwnda	840.13	34,100	40.59	2,006.11	398.25	2,444.95	2,318.25	126.70	5.5%
Llanycil	214.29	4,750	22.17	2,006.11	398.25	2,426.53	2,301.86	124.67	5.4%
Llanystumdwy	981.04	21,000	21.41	2,006.11	398.25	2,425.77	2,301.51	124.26	5.4%
Maentwrog	332.11	7,215	21.73	2,006.11	398.25	2,426.09	2,301.14	124.95	5.4%
Mawddwy	386.36	15,000	38.82	2,006.11	398.25	2,443.18	2,314.26	128.92	5.6%
Nefyn	1,740.58	100,000	57.45	2,006.11	398.25	2,461.81	2,335.65	126.16	5.4%
Pennal	245.57	18,000	73.30	2,006.11	398.25	2,477.66	2,355.10	122.56	5.2%
Penrhyndeudraeth	862.97	92,914	107.67	2,006.11	398.25	2,512.03	2,400.80	111.23	4.6%
Pentir	1,302.63	58,000	44.53	2,006.11	398.25	2,448.89	2,321.61	127.28	5.5%
Pistyll	308.41	12,000	38.91	2,006.11	398.25	2,443.27	2,319.84	123.43	5.3%
Porthmadog	2,341.29	76,015	32.47	2,006.11	398.25	2,436.83	2,311.61	125.22	5.4%
Pwllheli	1,866.20	140,000	75.02	2,006.11	398.25	2,479.38	2,349.29	130.09	5.5%
Talsarnau	394.32	34,000	86.22	2,006.11	398.25	2,490.58	2,372.68	117.90	5.0%
Trawsfynydd	535.08	22,000	41.12	2,006.11	398.25	2,445.48	2,317.45	128.03	5.5%
Tudweiliog	532.10	10,000	18.79	2,006.11	398.25	2,423.15	2,298.86	124.29	5.4%
Tywyn	1,787.26	108,100	60.48	2,006.11	398.25	2,464.84	2,338.72	126.12	5.4%
Waunfawr	623.84	12,000	19.24	2,006.11	398.25	2,423.60	2,299.80	123.80	5.4%
<b>Awdurdod</b>			<b>2026/27</b>	<b>2025/26</b>		<b>Authority</b>			
<b>Cyngor Gwynedd</b>			<b>2,006.11</b>	<b>1,907.49</b>	<b>5.17%</b>	<b>Gwynedd Council</b>			
<b>Comisiynydd Heddlu a Throsedd Gogledd Cymru</b>			<b>398.25</b>	<b>372.15</b>	<b>7.01%</b>	<b>North Wales Police &amp; Crime Commissioner</b>			
<b>Cyngorau Cymuned (Cyfartaledd)</b>			<b>64.41</b>	<b>60.58</b>	<b>6.32%</b>	<b>Community Councils (Average)</b>			
<b>Cyfanswm</b>			<b>2,468.77</b>	<b>2,340.22</b>	<b>5.5%</b>	<b>Total</b>			

MEETING:	<b>FULL COUNCIL</b>
DATE:	<b>5 MARCH 2026</b>
SUBJECT:	<b>CAPITAL STRATEGY 2026/27 (INCLUDES INVESTMENT AND BORROWING STRATEGIES)</b>
PURPOSE:	<b>TO ADOPT THE CAPITAL STRATEGY FOR 2026/27</b>
CONTACT OFFICER:	<b>DEWI MORGAN, HEAD OF FINANCE</b>
CABINET MEMBER:	<b>COUNCILLOR HUW WYN JONES, FINANCE CABINET MEMBER</b>

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## **RESOLUTION SOUGHT**

To accept the report and approve the Capital Strategy for 2026/27

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## **INTRODUCTION**

1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
2. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

## **CAPITAL EXPENDITURE AND FINANCING**

3. Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

4. In 2026/27, the Council is planning capital expenditure of £40.2m as summarised below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

	<b>2024/25*</b> <b>Actual</b> <b>£m</b>	<b>2025/26</b> <b>Forecast</b> <b>£m</b>	<b>2026/27</b> <b>Budget</b> <b>£m</b>	<b>2027/28</b> <b>Budget</b> <b>£m</b>	<b>2028/29</b> <b>Budget</b> <b>£m</b>
General Fund Services	85.0	94.1	40.2	18.9	8.9
General Fund Leasing *	5.3	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>90.3</b>	<b>94.1</b>	<b>40.2</b>	<b>18.9</b>	<b>8.9</b>

\* £5.3m of capital expenditure in 2024/25 arose from a change in the accounting for leases and does not represent cash expenditure.

5. The main General Fund capital projects in 2026/27 include:
- Sustainable Communities for Learning Schemes - £8.2m
  - Departmental Vehicles - £6.5m
  - Housing Schemes/Strategy - £5.0m
  - Levelling Up/Shared Prosperity Fund Schemes- £4.9m
  - Highways, Bridges and Municipal - £3.6m
  - Adults' and Children's Homes/ Centres - £3.5m
6. **Governance:** The Council has a 10 year Asset Strategy, a plan of the Council's capital spending priorities based on the requirements of departments. Part of the strategy includes an unallocated sum. From this amount departments are able to bid annually for funding for capital schemes. Bids are collated by the Finance Department. The Cabinet appraises all bids based on priorities and makes recommendations. The capital bids and asset strategy are presented to Cabinet and to full Council annually.
- For full details of the Council's capital programme, refer to **Appendix A**.
7. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative (PFI)). The planned financing of the above expenditure is as follows:

*Table 2: Capital Financing in £ millions*

	<b>2024/25 Actual £m</b>	<b>2025/26 Forecast £m</b>	<b>2026/27 Budget £m</b>	<b>2027/28 Budget £m</b>	<b>2028/29 Budget £m</b>
External Sources	66.5	53.3	14.4	4.9	2.5
Own Resources	11.5	26.4	16.6	9.6	2.0
Debt *	12.3	14.4	9.2	4.4	4.4
<b>TOTAL</b>	<b>90.3</b>	<b>94.1</b>	<b>40.2</b>	<b>18.9</b>	<b>8.9</b>

\* £5.3m of debt financing arose from a change in the accounting for leases and does not represent cash expenditure.

8. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

*Table 3: Replacement of Debt Finance in £ millions*

	<b>2024/25 Actual £m</b>	<b>2025/26 Forecast £m</b>	<b>2026/27 Budget £m</b>	<b>2027/28 Budget £m</b>	<b>2028/29 Budget £m</b>
Minimum Revenue Provision	5.9	6.9	6.8	7.0	6.9

- The Council's full Minimum Revenue Provision Statement is available in **Appendix B** to the Capital Strategy Statement. This statement has been revised for 2026/27.
9. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £2.4m during 2026/27. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	<b>31.3.2025</b> <b>Actual</b> <b>£m</b>	<b>31.3.2026</b> <b>Forecast</b> <b>£m</b>	<b>31.3.2027</b> <b>Budget</b> <b>£m</b>	<b>31.3.2028</b> <b>Budget</b> <b>£m</b>	<b>31.3.2029</b> <b>Budget</b> <b>£m</b>
General Fund Services *	179.9	187.4	189.8	187.2	184.7

\* £5.3m of the CFR increase in 2024/25 onwards arose from a change in the accounting for leases.

10. **Asset Management:** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy. The Asset Strategy was revised for the 10 year period from 2024/25 to 2033/34 and was approved by the full Council on 11/07/2024, see Item 7 on the agenda :

[Agenda for The Council on Thursday, 11th July, 2024, 2.00 pm](#)

11. **Asset Disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive capital receipts as indicated in the table below:

Table 5: Capital Receipts in £ millions

	<b>2024/25</b> <b>Actual</b> <b>£m</b>	<b>2025/26</b> <b>Forecast</b> <b>£m</b>	<b>2026/27</b> <b>Budget</b> <b>£m</b>	<b>2027/28</b> <b>Budget</b> <b>£m</b>	<b>2028/29</b> <b>Budget</b> <b>£m</b>
Asset Sales	0.3	0.1	0.0	0.1	0.0
Loans Repaid	0.0	0.1	0.1	0.0	0.1
<b>TOTAL</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

## TREASURY MANAGEMENT

12. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

13. Due to decisions taken in the past, the Council currently has £75.7m borrowing at an average interest rate of 5.49% and £130.7m treasury investments at an average rate of 4.13%.
14. **Borrowing Strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

15. Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the capital financing requirement (see above).

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

	<b>31.3.2025 Actual £m</b>	<b>31.3.2026 Forecast £m</b>	<b>31.3.2027 Budget £m</b>	<b>31.3.2028 Budget £m</b>	<b>31.3.2029 Budget £m</b>
Debt (incl. PFI and leases)	100.1	79.0	73.4	71.0	70.1
Capital Financing Requirement	179.9	187.4	189.8	187.2	184.7

16. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.
17. **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £21.5m at each year-end.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2025 Actual £m	31.3.2026 Forecast £m	31.3.2027 Budget £m	31.3.2028 Budget £m	31.3.2029 Budget £m
Borrowing	94.2	73.9	69.4	68.0	67.8
Liability Benchmark	-31.4	59.1	84.4	81.8	79.3

18. The table shows that the Council expects to remain borrowed above its liability benchmark up until 2026. This is because the Council holds reserves, and cash outflows to date have been below the assumptions made when the loans were borrowed.
19. **Affordable Borrowing Limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt in £m

	2025/26 Limit £m	2026/27 Limit £m	2027/28 Limit £m	2028/29 Limit £m
Authorised Limit – total external debt	200	200	200	200
Operational Boundary – total external debt	190	190	190	190

- Further details on borrowing are in the Treasury Management Strategy in **Appendix C**.
20. **Treasury Investment Strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
21. The Council’s policy on treasury investments is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss

against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

*Table 9: Treasury Management Investments in £millions*

	<b>31.3.2025</b> <b>Actual</b> <b>£m</b>	<b>31.3.2026</b> <b>Forecast</b> <b>£m</b>	<b>31.3.2027</b> <b>Budget</b> <b>£m</b>	<b>31.3.2028</b> <b>Budget</b> <b>£m</b>	<b>31.3.2029</b> <b>Budget</b> <b>£m</b>
Near-Term Investments	141.0	83.5	55.0	45.0	35.0
Longer-Term Investments	11.9	13.0	13.0	13.0	13.0
<b>TOTAL</b>	<b>152.9</b>	<b>96.5</b>	<b>68.0</b>	<b>58.0</b>	<b>48.0</b>

- Further details on treasury investments are in the Treasury Management Strategy in **Appendix C**.
22. **Risk management:** The effective management and control of risk are prime objectives of the Council’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- The treasury management prudential indicators are on pages 5 and 14 to 16 of the Treasury Management Strategy in **Appendix C**.
23. **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the Treasury Management Strategy approved by full Council. Quarterly reports on treasury management activity are presented to the Governance and Audit Committee. The Governance and Audit Committee is responsible for scrutinising treasury management decisions. An annual seminar is held for the members of the Governance and Audit Committee and full Council by Arlingclose, our investment advisors and was held on 30<sup>th</sup> January and 26<sup>th</sup> February 2026 respectively for the 2026/27 financial year.

## **INVESTMENTS FOR SERVICE PURPOSES**

24. The Council can make investments to assist local public services, including making loans to local small businesses to promote economic growth and to support the housing strategy. In light of the public service objective, the Council

is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

25. **Governance:** Decisions on service investments are made by the relevant Head of Service in consultation with the Head of Finance. Most loans are capital expenditure and would therefore also be approved as part of the capital programme. The relevant Head of Service is responsible for ensuring that adequate due diligence is carried out before investment is made.

## LIABILITIES

26. In addition to debt detailed above, the Council is committed to making future payments to cover its pension fund deficit as it occurs (currently valued at £0m). It has also set aside £7.5m to cover risks of provisions, of which relates to Waste Sites. The Council is also at risk of having to pay for contingent liabilities relating to the capping and aftercare requirements for the Council's Landfill Sites, and also a potential insurance liability relating to the insurance arrangements of its predecessor authorities and the closure of the Municipal Mutual Insurance (MMI) Fund. In accordance with the accounting requirements, no money has been set aside for such contingent liabilities.
27. **Governance:** Decisions on incurring new discretionary liabilities are taken by Heads of Services in consultation with the Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by the Finance Department. New material liabilities are reported to the Governance and Audit Committee.
- Further details on reserves to cover liabilities are on page 11 of the 2024/25 Statement of Accounts

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Performance-and-spending/Statement-of-accounts-2024-25/Statement-of-Accounts-2024-25.pdf>

## REVENUE BUDGET IMPLICATIONS

28. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, National Non-Domestic Rates and general government grants.

Table 10: Prudential Indicator: Proportion of Financing Costs to Net Revenue Stream

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Financing Costs * (£m)	8.5	10.2	9.9	9.7	9.6
Proportion of Net Revenue Stream (%)	2.5%	2.9%	2.6%	2.5%	2.4%

\* Financing costs for 2024/25 includes a £0.9m increase due to a change in the accounting for leases. Subsequent years will also reflect this change.

- Further details on the revenue implications of capital expenditure are included in the 2026/27 Budget:

<https://democracy.gwynedd.llyw.cymru/ielistmeetings.aspx?cid=136&year=0>

29. **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for 50 years and over into the future. The Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable in the long term.

## KNOWLEDGE AND SKILLS

30. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Finance is a qualified accountant with a number of years' experience, and the Assistant Head of Housing and Property is a chartered surveyor and member of the Royal Institute of Chartered Surveyors. The Council has qualified staff and pays for junior staff to study towards relevant professional qualifications including CIPFA, ACCA and AAT.
31. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
32. The relevant staff attend CIPFA and Arlingclose training events to ensure that we are aware of the latest developments, and that knowledge and skills are kept up to date.

## **RECOMMENDATION**

33. The Council is asked to adopt the Capital Strategy for 2026/27.

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### **Opinion of the Statutory Officers**

#### **Monitoring Officer:**

No comments to add in relation to propriety.

#### **Head of Finance:**

I've worked with the Cabinet Member to prepare this report and confirm the contents.

**CAPITAL**

1. Whilst local authority revenue budgets face constraints, capital budgets are also under pressure, and there are revenue implications for capital expenditure which is not funded by specific grants.
2. A proposed programme for schemes for the next three years is set out below:

<b>CAPITAL PROGRAMME</b>			
	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Council Schemes :</b>			
Sustainable Communities for Learning Schemes	8,218	3,451	0
Industrial Units	1,407	122	0
Levelling Up and Shared Prosperity Fund Schemes	4,917	708	0
Maritime and Leisure Schemes	2,322	1,215	1,650
Adults' and Children's Homes/Centres	3,464	700	0
Highways, Bridges and Municipal	3,641	1,300	1,006
Coastal Flood Protection	760	2,998	0
Environment and Waste Schemes	1,911	60	60
Housing Schemes/Strategy	4,967	3,860	3,860
Property Schemes	244	194	194
Departmental Vehicles	6,532	1,879	244
Digital Equipment	785	1,249	976
Other Schemes	511	712	362
Capital Bids (Unallocated)	500	500	500
<b>PROGRAMME TOTAL</b>	<b>40,179</b>	<b>18,948</b>	<b>8,852</b>

3. The programme will be funded as follows:

<b>CAPITAL PROGRAMME FUNDING</b>			
	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Supported Borrowing	4,063	4,063	4,063
Other Borrowing	5,123	362	362
Grants and Contributions	14,410	4,878	2,547
Capital Receipts	0	0	0
Departmental and Corporate Revenue	0	0	0
Capital Fund	9,076	4,350	-670
Renewals and Other Funds	7,507	5,295	2,550
<b>PROGRAMME FUNDING TOTAL</b>	<b>40,179</b>	<b>18,948</b>	<b>8,852</b>

4. The asset strategy from 2019/20 was approved by the Council on 7 March 2019. On 11 July 2024 the strategy was revised and approved by the full Council with the period extended to 2033/34. It is incorporated as part of the Capital Programme.

5. The profiles for the schemes was established by the Chief Executive in consultation with the Heads of Department and is dependent on the scheme requirements and the resources available.
6. The above table therefore reflects the general capital requirements (together with the funding) for setting the 2026/27 to 2028/29 budget, whilst the individual scheme details were established by the Council in the 10 year asset strategy, 2024/25 to 2033/34.
7. The 2026/27 Supported Borrowing and General Capital Grant figure in the financial settlement from Welsh Government is higher than anticipated when the asset strategy was established. I have adjusted the programme accordingly.
8. Therefore, the full Council is asked to establish a total programme worth £40,179,430 for 2026/27, to be funded from the sources noted in the table under part 3 above.

**ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2026/27**

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Welsh Government's *Guidance on Minimum Revenue Provision* (the WG Guidance) most recently issued in 2018.
2. The broad aim of the WG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The WG Guidance requires the Council to approve an Annual MRP Statement each year, and provides a number of options for calculating a prudent amount of MRP, but does not preclude the use of other appropriate methods. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
4. MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Council's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.
  - For capital expenditure incurred before 1<sup>st</sup> April 2008 and for supported capital expenditure incurred on or after that date, MRP will be determined by charging the expenditure over the expected useful life of the assets in equal instalments, starting in the year after the capital expenditure was incurred. A prudent measure of the useful life of a variable range of assets is 50 years and in accordance with the former regulations that applied on 31<sup>st</sup> March 2008, incorporating an "Adjustment A" of £1.9m.
  - For unsupported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be

charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

- For assets acquired by leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
  - Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
  - For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the Capital Financing Requirement (CFR) instead.
5. Capital expenditure incurred during 2026/27 will not be subject to a MRP charge until 2027/28 or later.
6. Based on the Council's latest estimate of its Capital Financing Requirement (CFR) on 31<sup>st</sup> March 2026, the budget for MRP has been set as follows:

	<b>31.03.2026 Estimated CFR £m</b>	<b>2026/27 Estimated MRP £m</b>
Capital expenditure before 01.04.2008 and supported capital expenditure after 31.03.2008	134.3	2.8
Unsupported capital expenditure after 31.03.2008	48.1	3.0
Leases and Private Finance Initiative	5.0	1.0
<b>Total General Fund</b>	<b>187.4</b>	<b>6.8</b>

7. Capital Receipts - Proceeds from the sale of capital assets are classed as capital receipts, and are typically used to finance new capital expenditure. Where the

Council decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Council's MRP calculations will be used to reduce the MRP charge in respect of the same assets over a period up to their remaining useful lives, starting in the year after the receipt is applied.
- Any other capital receipts applied to repay debt will be used to reduce MRP in up to 10 equal instalments starting in the year after receipt is applied.

## Treasury Management Strategy Statement 2026/27

### 1. Introduction

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. 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 financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Council to approve an investment strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.
- 1.3 In accordance with the WG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, change in the Council's capital programme or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process.

### 2. External Context

#### 2.1 Economic background

The most significant impacts on the Council's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.

The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that

disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.

Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.

The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.

The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.

The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.

## **2.2 Credit outlook**

Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly during October and November, the overall credit outlook

remains stable, and credit conditions are expected to remain close to the range seen over the past two years.

While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the Council's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

### **2.3 Interest rate forecast (December 2025)**

Arlingclose currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.

Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

A more detailed economic and interest rate forecast provided by Arlingclose is attached in **Appendix 1**.

- 2.4** For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 3.0% and that the Council will not need any new long-term loans in 2026/27.

### **3. Local Context**

- 3.1** On 31<sup>st</sup> December 2025, the Council held £75.7m of borrowing and £130.7m of investments. This is set out in further detail at **Appendix 2**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

**Table 1: Balance sheet summary and forecast**

	<b>31.3.25 Actual £m</b>	<b>31.3.26 Estimate £m</b>	<b>31.3.27 Forecast £m</b>	<b>31.3.28 Forecast £m</b>	<b>31.3.29 Forecast £m</b>
<b>Capital Finance Requirement</b>	<b>179.9</b>	<b>187.4</b>	<b>189.8</b>	<b>187.2</b>	<b>184.7</b>
Less: Other debt liabilities *	-6.0	-5.0	-4.1	-3.1	-2.3
<b>Loans CFR</b>	<b>173.9</b>	<b>182.4</b>	<b>185.7</b>	<b>184.1</b>	<b>182.4</b>
Less: External borrowing **	-94.2	-73.9	-69.4	-68.0	-67.8
<b>Internal borrowing</b>	<b>79.8</b>	<b>108.4</b>	<b>116.4</b>	<b>116.2</b>	<b>114.6</b>
Less: Balance sheet resources	-232.8	-149.8	-126.9	-126.9	-126.9
<b>Treasury Investments (or new borrowing)</b>	<b>153.0</b>	<b>41.4</b>	<b>10.5</b>	<b>10.7</b>	<b>12.3</b>

\*PFI liabilities

\*\*shows only loans to which the Council is committed and excludes optional refinancing

**3.2** The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

**3.3** Table 1 shows that the Council does not need to borrow long term in the near future. If there is a requirement, short term borrowing will be used to reduce the interest rate.

**3.4** CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2026/27.

#### **4. Liability benchmark**

**4.1** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £21.5m at each year-end to maintain sufficient liquidity but minimise credit risk.

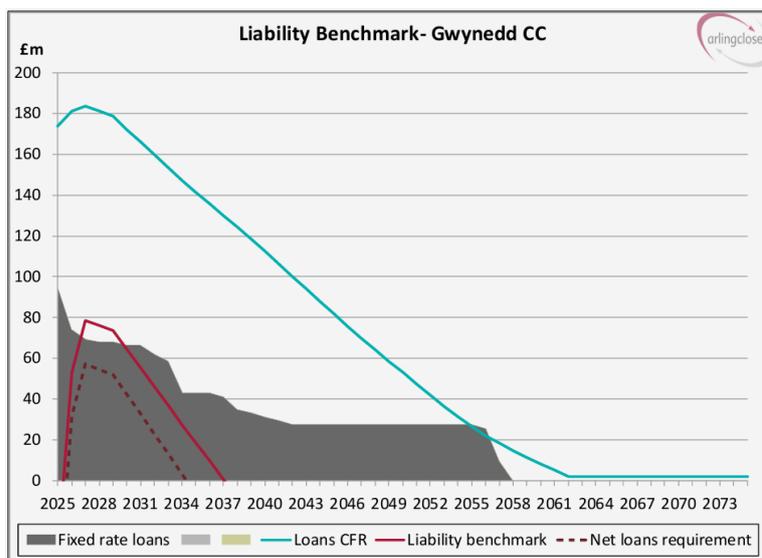
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold

to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

**Table 2: Prudential Indicator: Liability Benchmark**

	<b>31.3.25 Actual £m</b>	<b>31.3.26 Estimate £m</b>	<b>31.3.27 Forecast £m</b>	<b>31.3.28 Forecast £m</b>	<b>31.3.29 Forecast £m</b>
<b>CFR</b>	<b>179.9</b>	<b>187.4</b>	<b>189.8</b>	<b>187.2</b>	<b>184.7</b>
Less: Balance sheet resources	-232.8	-149.8	-126.9	-126.9	-126.9
<b>Net loans requirement</b>	<b>-52.9</b>	<b>37.6</b>	<b>62.9</b>	<b>60.3</b>	<b>57.8</b>
Plus: Liquidity allowance	21.5	21.5	21.5	21.5	21.5
<b>Liability Benchmark</b>	<b>-31.4</b>	<b>59.1</b>	<b>84.4</b>	<b>81.8</b>	<b>79.3</b>

**4.2** Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes no further debt funded capital expenditure, minimum revenue provision on new capital expenditure based on a 50 year straight line method. This is shown in the following chart together with the maturity profile of the Council's existing borrowing:



The chart shows that there is no need to borrow long-term based on current projections, but there might be a short-term requirement across the year end.

## 5. Borrowing Strategy

**5.1** The Council currently holds £75.7 million of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council does not expect to need to borrow long term in 2026/27 but may

need to borrow short term for cash flow reasons. In the future, the Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

## **5.2 Objectives**

The Council's main objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

## **5.3 Strategy**

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short- term interest rates have fallen over the past year, and are expected to fall a little further, and it is likely to be more cost effective over the medium term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators, see below.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and/or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable

certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

#### **5.4 Sources of borrowing**

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB Lending facility (formerly the Public Works Loan Board)
- National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
- any institution approved for investments (see below)
- any bank, building society or insurance company authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Gwynedd Pension Fund)
- Capital market bond investors
- Retail investors via a regulated peer-to-peer platform
- Special purpose companies created to enable local authority bond issues

#### **5.5 Other sources of debt finance**

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback
- Similar asset based finance

#### **5.6 Short-term and variable rate loans**

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

#### **5.7 Debt rescheduling**

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest

rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

## **6. Treasury Investment Strategy**

**6.1** The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held on behalf of the Council, Gwynedd Pension Fund and UKSPF grant. In the past 12 months, the Council's investment balance has ranged between £74.3 and £194.8 million, and similar levels are expected to be maintained in the forthcoming year.

### **6.2 Objectives**

Both the CIPFA Code and the WG Guidance require the Council to invest its treasury 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. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

### **6.3 Strategy**

As demonstrated by the liability benchmark above, the Council expects to be a long-term investor and treasury investments will therefore include both short-term low-risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

### **6.4 Environmental, social and governance (ESG) considerations**

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, and the Council is committed to being a responsible investor. The Council will actively seek to invest in organisations that minimise their impact on the world in consideration of environmental, social and

governance factors when placing any investments with current or new counterparties. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

## 6.5 Business models

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

## 6.6 Approved counterparties

The Council may invest its surplus funds with any of the counterparty in table 3 below subject to the cash limits (by counterparty) and the time limits shown.

**Table 3: Approved investment counterparties and limits**

<b>Sector</b>	<b>Time limit**</b>	<b>Counterparty limit</b>	<b>Sector limit</b>
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£10m	Unlimited
Secured investments – government collateral	25 years	£10m	Unlimited
Secured investments – other collateral	10 years	£5m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£25m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£10m	£50m

Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£10m

This table must be read in conjunction with the notes below.

\* **Minimum Credit rating**-Treasury investments in the sectors marked with a \* will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

\*\* **Time limit** – These start on the earlier of the date that the Council is committed to make the investments and the date that cash is transferred to the counterparty.

## 6.7 UK Government

Sterling denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

## 6.8 Local authorities and other government entities

Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

## 6.9 Secured investments

Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments. A higher limit applies for investments fully secured on UK or other government collateral.

## **6.10 Banks and Building Societies (unsecured)**

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

## **6.11 Registered providers (unsecured)**

Loans to, and bonds issued or guaranteed by, registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

## **6.12 Money Market Funds**

Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

## **6.13 Strategic Pooled funds**

Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

## **6.14 Real Estate Investment Trusts**

Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

## **6.15 Other investments**

This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

## **6.16 Operational bank accounts**

The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £900,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

## **6.17 Risk assessment and credit ratings**

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

## **6.18 Reputational aspects**

The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

## 6.19 Other information on the security of investments

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall, but will protect the principal sum invested.

## 6.20 Investment limits

The Council's revenue reserves available to cover investment losses are forecast to be £109 million on 31<sup>st</sup> March 2026. In order that no more than 9.2% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £500,000 in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Table 4: Additional limits**

	<b>Cash limit</b>
Any group of pooled funds under the same management	£20m per manager
Investments held in a broker's nominee account	£20m per broker
Foreign countries	£8m per country

## 6.21 Liquidity management

The Council uses prudent cash flow forecasting techniques to determine the maximum period for which funds may prudently be committed. The forecast is compiled on the basis that short-term borrowing is used to cover its financial commitments if required. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds), of which at least two will be UK domiciled, to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

## 7. Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

### 7.1 Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit score	6.0

### 7.2 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.

<b>Liquidity risk indicator</b>	<b>Target</b>
Total cash available within 3 months	£10m

### 7.3 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 will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1,105,508
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1,105,508

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

### 7.4 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 borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	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.

### 7.5 Long- term treasury management investments

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 prudential limits on the long- term treasury management investments will be:

Price risk indicator	2026/27	2027/28	2028/29	No fixed date
Limit on principal invested beyond year end	£40m	£20m	£20m	£20m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

## **8. Related Matters**

**8.1** The CIPFA Code requires the Council to include the following in its Treasury Management Strategy.

### **8.2 Financial Derivatives**

Local authorities could have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 24 of the Local Government and Elections (Wales) Act 2021 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

### 8.3 External Funds

Included within the Council balances are the balances for Gwynedd Pension Fund and Welsh Church Fund. The interest income is allocated to each institution based on daily balances.

### 8.4 Markets in Financial Instruments Directive

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Head of Finance believes this to be the most appropriate status.

## 9. Welsh Government Guidance

Further matter required by the Welsh Government Guidance are included in **Appendix 3**.

## 10. Financial Implications

**10.1** The budget for investment income in 2026/27 is £1.0 million based on an average investment portfolio of £32.6 million at an interest rate of 3.0% for deposits and £13 million of pooled funds at a return of 3.7%. The budget for debt interest paid in 2026/27 is £4.4 million, based on an average debt portfolio of £73 million at an average interest rate of 5.7%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

## 11. Other Options Considered

**11.1** The CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater

Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

## **Appendix 1 – Arlingclose Economic & Interest Rate Forecast December 2025**

### **Underlying assumptions:**

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While, the Bank's measure of household expectations ticked lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

### **Forecast:**

- In line with our long-held forecast, Bank Rate was cut to 3.75% in December.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.

- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher.

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.82	3.55	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>5yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.96	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
<b>10yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.52	4.40	4.35	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
<b>20yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.95	4.95	4.95
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
<b>50yr gilt yield</b>													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.74	4.65	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%  
PWLB Certainty Rate = Gilt yield + 0.80%  
PWLB HRA Rate = Gilt yield + 0.40%  
National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

## Appendix 2- Existing Investment & Debt Portfolio Position

	31.12.2025 Actual Portfolio £m	31.12.2025 Average Rate %
<b>External Borrowing:</b>		
Public Works Loan Board	75.7	5.49
<b>Total external borrowing</b>	<b>75.7</b>	<b>5.49</b>
<b>Other long- term liabilities:</b>		
Leases	1.6	0.00
<b>Total other long-term liabilities</b>	<b>1.6</b>	<b>0.00</b>
<b>Total gross external debt</b>	<b>77.3</b>	<b>5.49</b>
<b>Treasury investments:</b>		
Bank and Building Societies (unsecured)	1.2	3.15
The UK Government	39.0	3.80
Local Authorities	36.5	4.18
Money Market Funds	41.0	3.91
Pooled funds	13.0	5.69
<b>Total treasury investments</b>	<b>130.7</b>	<b>4.13</b>
<b>Net investments</b>	<b>-53.4</b>	

### **Appendix 3 – Additional requirements of Welsh Government Investment Guidance**

The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local authorities that are not integral to this Council's treasury management processes. The guidance also covers investments that are not part of treasury management, for example investment property and loans to local organisations.

**Contribution:** The Council's investments contribute to its service delivery objectives and/or to promote wellbeing as follows:

- treasury management investments support effective treasury management activities,
- loans to local organisations provide financial support to those organisations to enable them to deliver local public services that would otherwise be provided directly by the Council, and
- investment property provides a net financial surplus that is reinvested into local public services.

**Climate change:** The Council's investment decisions consider long-term climate risks to support a low carbon economy to the extent that if a low carbon investment equivalent is available with the same return, then the low carbon investment would be preferred by the Council.

**Specified investments:** The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement unless the counterparty is a local authority,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of "high credit quality".

The Council defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

**Loans:** The WG Guidance defines a loan as a written or oral agreement where the Council temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority.

The Council can demonstrate that its financial exposure to loans to local enterprises, local charities, wholly owned companies and joint ventures is proportionate by setting the limits in table 3a. These ensure that the total exposure is no more than 20% of the Council's usable reserves. The Council's loan book is currently within these self-assessed limits.

*Table 3a: Loan limits*

<b>Borrower</b>	<b>Cash limit</b>
Local enterprises and local charities	£3m
Wholly owned companies and joint ventures	£3m
Car and bike loans to employees	£3m
Treasury management investments meeting the definition of a loan	Unlimited

The Council uses an allowed 'expected credit loss' model for loans and receivables as set out in International Financial Reporting Standard 9: Financial Instruments as adopted by proper practices to measure the credit risk of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Council has appropriate credit control arrangements to recover overdue repayments in place.

**Non-specified investments:** Any financial investment not meeting the definition of a specified investment or a loan is classed as non-specified. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies. Limits on non-specified investments are shown in table 3b; the Council confirms that its current non-specified investments remain within these limits.

*Table 3b: Non-specified investment limits*

	<b>Cash limit</b>
Units in pooled funds without credit ratings or rated below A-	£20m
Shares in real estate investment trusts	£10m
Total non-specified investments	£30m

**Non-financial investments:** This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. Security is determined by comparing each asset's purchase price to its fair value using the model in International Accounting Standard 40: Investment Property as adapted by proper practices. On an assessment as at 31<sup>st</sup> March 2025, the Council considers that the scale of its non-financial investments as not significant.

**Liquidity:** For financial investments that are not treasury management investments, or loans, the Council has procedures in place to ensure that the funds are prudently committed for a maximum period of time.

**Investment advisers:** The Council has appointed Arlingclose as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The

quality of this service is monitored by the Head of Finance and the Investment Manager on a regular basis.

**Borrow in advance of need:** Welsh Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council, after having regard the guidance, has decided to depart from explicit provision.

**Commercial deals:** In the event of a commercial deal, the individuals making the deal are aware of the core principles of the prudential framework and of the regulatory regime within which the Council operates.

**Capacity, skills and corporate governance:** Elected members and officers were invited to a presentation by Arlingclose in February and March 2025. The information and discussion at the presentation ensures that the members have the appropriate skills and information to enable them to:

- Take informed decisions as to whether to enter into a specific investment.
- To assess individual assessments in the context of the strategic objectives and risk profile of the Council
- Understand how the quantum of these decisions have changed the overall risk exposure of the local authority

Officers also regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, ACA and other appropriate organisations.

<b>Meeting</b>	<b>FULL COUNCIL</b>
<b>Date:</b>	<b>5 March, 2026</b>
<b>Title:</b>	<b>Annual Report – Pay Policy for the Workforce</b>
<b>Purpose:</b>	<b>Approve the Pay Policy for 2026/2027</b>
<b>Author:</b>	<b>Dafydd Gibbard, Chief Executive</b>
<b>Chair of Chief Officer’s Appointment Committee</b>	<b>Cllr. Ioan Thomas</b>

### Decision sought

- a) That the Chief Officer Appointment Committee submits the Draft Pay Policy Statement 2026/27 to the full Council for approval.

### Background

1. Since 2012 there is a statutory responsibility on all Councils to adopt a pay Policy on an annual basis. This statutory requirement states that the responsibility for approving a pay Policy rests with the full Council.
2. When adopting the pay Policy for 2012/13, the full Council decided to ask the Chief Officers’ Appointments Committee to conduct an annual review of the pay Policy’s future sustainability and to submit recommendations to a meeting of the full Council in March each year.
3. The Committee was therefore asked in its meeting on the 11<sup>th</sup> February, 2026 to consider the content of the draft Policy for 2026/27 and to submit a recommendation to the meeting of the full Council.

### Chief Officers

4. All Chief Officers have the contractual right to the annual pay increases that are agreed upon by the National Joint Council for Chief Officers. These are contractual terms that each employer must implement and therefore all officers are entitled to the pay rises that are determined. The draft Pay Policy states that *“Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual requirements”*. This means that Council approves those pay increases through approving the pay policy. In July 2025 confirmation was received that the employers and the unions that represent chief officers had agreed on a pay increase for 2025/26, that being an increase of 3.2% on the pay of each chief officer. It's early days on the negotiations for 2026/27, with the negotiation process between the employer and the unions at the UK level currently taking place.

## **Roles below Chief Officer level**

5. Pay increases for staff working in roles below those of chief officer level are agreed upon by the National Joint Council for Local Government Workforce. As with chief officers, staff have the contractual right to the increases that are determined. During the Summer of 2025 the unions and employers came to an agreement on a pay increase of 3.2% for all staff for 2025/26. It was also agreed to eliminate point 2 of the pay structure which will become effective from April 2026. As with Chief Officers pay discussions on any possible rise for 2026/27 are yet to begin.

## **Recommendation**

6. That the Committee proposes the draft of a Pay Policy Statement to the Council, to be approved for 2026/27.

## **ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION STATUTORY OFFICERS**

### **Deputy Monitoring Officer:**

The Localism Act 2011 places a statutory duty on the Council to adopt an annual Pay Policy which meets the requirements in the Act. This is a decision of the Full Council. I am satisfied that the Policy recommended for adoption by the Chief Officers Appointments Committee meets the statutory requirements.

### **Deputy Statutory Finance Officer (s151):**

Resources to finance the implications of this Pay Policy are provided for in the Budget for 2026/27, which is a separate item on the agenda of this meeting



# Pay Policy – 2026 / 2027

## 1. INTRODUCTION

Cyngor Gwynedd is required by Section 38(1) of the Localism Act 2011 to prepare a pay policy statement on an annual basis. This statement must articulate the Authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees. Pay policy statements must be prepared for each financial year and they must be approved by full Council.

Cyngor Gwynedd recognises the importance of managing pay in a fair, consistent, and transparent manner, and the decisions taken in this regard are crucial to ensure equal pay and equality within the organisation.

## 2. PAY POLICY FOR CHIEF OFFICERS

The Council defines its chief officers as being its Chief Executive, the Corporate Directors, and Heads of Department. The Council is also the host authority on employment for the North and Mid Wales Trunk Road Agent, and as a result the relevant chief officers within those organisations also fall within the scope of this policy.

The Council employs its chief executive under the terms and conditions of the Joint National Committee (JNC) for Local Authority Chief Executives, whilst Chief Officers are employed under the terms and conditions as set out by the Joint National Committee (JNC) for Chief Officers. Both sets of terms and conditions are incorporated into the respective employment contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group. Chief Officers employed under JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with contractual requirements.

## 3. SALARIES

The policy concerning the salaries of Heads of Department and Corporate Directors was originally adopted by the full Council in October 2009 and subsequently in June 2012, as part of the overall Policy's annual review. A further partial review was conducted in March 2015 to reflect further structural changes within the Council. At that time, chief officer salaries were based on a report produced by *Korn Ferry* (formerly the *Hay Group*), and on their job evaluation scheme.

A review of the Council's chief officer salaries was undertaken in February 2021. The review was based on comparing jobs with similar roles in the regional market, so that the assessment reflects the real and relevant situation to northern and central Wales. The situation was further reviewed in October 2022.

The Chief Executive's salary has been set in accordance with the scale of £123,945 - £133,306.

The Council does not pay any bonus payments or performance related pay to its Chief Officers. The Council's local terms and conditions of service are relevant to Chief Officers, as for all other staff, unless otherwise noted within individual policies.

The salaries of the Council's Chief Officers are available on the Council's website (See Appendix 1).

The Welsh Government has formed an Independent Remuneration Panel. This Panel has the authority to issue advice and recommendations to local authorities who are considering amending employment terms for Chief Executives. When authorities intend to amend the salary level for a Chief Executive, and when this change is not consistent with changes in salaries for all of that authority's employees, then the matter must be discussed with the Panel prior to taking any final decision.

#### **4. POSTS BELOW CHIEF OFFICER LEVEL**

The Council's pay policy for its remaining staff is based on the Council's equal pay policy and its collective agreement with the recognised trade unions as introduced on the 1<sup>st</sup> April 2008. The Council's pay structures are subject to equal pay audits.

The Council has adopted the GLPC Job Evaluation Scheme criteria as the basis for setting salary grades for all posts employed under the Local Government Workers' Conditions of Service. The Council is committed to pay salaries in accordance with equal pay legislation and the "single status" agreement that was set between local government employers and the recognised trade unions in 1997.

The Council does not pay any bonus payments nor pay which is based on workers' performance.

The relationship between the remunerations of its Chief Officers and its other employees is designed to secure the ability of the Council to be able to recruit and retain the best suitable candidates to its various posts, whilst maintaining the differentials as defined by the job's evaluation scheme.

The Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of no more than 1:20 between the highest and the lowest paid (full time equivalent). This ratio within the Council is currently **1: 5.4 (five point four)**.

This ratio is based on the scale of the difference between the highest salary in the organisation (namely the Chief Executive's salary scale, in the case of Cyngor Gwynedd) and the lowest salary in the organisation for a full-time post (namely salary point SCP2 on the NJC pay scale). At present, one is 5.4 times higher than the other; this is the basis of the ratio, which is 1: 5.4.

#### **5. SALARY ON COMMENCEMENT IN POST**

The number of increments within each grade reflects the possible period of development in post that could be relevant to individuals on that grade. Members of staff will be appointed to the salary point within the grade which reflects the time required for development in order that they are able to undertake the full responsibilities and duties of the post.

Normally, each employee is appointed to the lowest pay point within the appropriate pay grade. If an employee is already being paid above the lowest pay point or if there is sufficient evidence to demonstrate that the employee is already fully competent to fulfil several aspects relating to the post, a manager can, in consultation with the Head of Corporate Services or deputy, appoint on a higher pay point within the appropriate pay grade.

If there is a capacity within the job grade, all members of staff will receive an annual pay increment on the 1<sup>st</sup> April, on condition that they have been appointed to their current post for more than six months prior to that date.

## 6. RELOCATION EXPENSES

In circumstances when it is essential for staff to relocate to undertake their role, the Council can in certain circumstances contribute to the cost of relocating. The scheme is relevant to staff appointed because of an advertisement or following an internal re-organisation where they must move house.

The employee's present home must be more than 20 miles from his/her administrative centre to consider an application to reimburse costs.

In such circumstances, the cost of the removal of furniture and belongings will be reimbursed subject to accepting the lowest of three estimates as well as the full cost of storing furniture for up to three months. A contribution of up to £3,270 to cover legal expenses, estate agent fees, change of carpets and curtains and other incidental costs of removal will be paid subject to the receipt of supporting invoices.

## 7. MARKET SUPPLEMENT

The grading of posts is based on the Council's job evaluation scheme as this ensures that the pay system is based on equality as defined in the Equal Pay Act 1970 and ensures consistency in pay decisions. For these reasons any deviation from this system may create a risk to the Council that must be robustly regulated. There must be clear reasons to justify any deviation from this arrangement.

However, there may be occasions when market forces lead to recruitment and/or retention problems in relation to a specific post. The Council therefore may in exceptional circumstances, and to attract and/or retain an individual to a particular post, offer an additional temporary supplement to the substantive salary grade.

In this respect a market supplement will only be used when there is adequate documented evidence of a failure to attract and/or retain an employee to a post. A market supplement is not a permanent addition to the salary. Should circumstances related to the market rate of the post change, or where a member of staff is transferred by the Council to a different post that does not attract a market supplement, then their entitlement to the payment will cease and the supplement will be withdrawn in line with agreed notice.

The Council, at its meeting on the 9 October 2014, approved a market supplement provision of up to £3,000 for Chief Officers where it can be justified by a business case. There is no ceiling set in respect of market supplement levels for other posts.

## 8. HONORARIA (UNDERTAKING ADDITIONAL RESPONSIBILITIES)

An additional payment can be approved when an employee agrees to temporarily undertake some specific additional duties and responsibilities which are beyond the normal duties and responsibilities of their substantive post. The proportion of higher level of duties and responsibilities must be significant, evaluated at a higher salary level and over an extended period before temporary additional pay can be offered.

## 9. ON-DUTY, STANDBY AND CALL OUT PAYMENTS

The Council is committed to providing services according to the needs of the people of Gwynedd. This means that at times it will be necessary for staff to be called upon to carry out work outside their normal working pattern and at unsociable times. The Council responds to these requirements by:

- having suitably trained staff on duty to take calls and to decide upon the relevant course of action.
- having a suitably trained workforce on standby, to be able to be called out at short notice to respond to emergency work.

- issue payments to staff at suitable rates that recognise the inconvenience and disruption that this work causes.

**On duty** is defined as a period when an officer is on duty outside of their normal hours of work for a specific period and is **available** to respond to calls from residents, emergency services, etc.

**Standby** is defined as a specific period when an officer is **available** to be called out, outside of their normal hours of work.

In some cases, on duty or being on standby will form a part of officers' basic salary and their contract of employment will specifically state this. They will not be entitled to any extra payment whilst on duty or on standby. Payment for other officers will be by way of an additional, separately identified payment that will reflect the level of inconvenience and disruption to the officers' normal home life that is incurred. Officers will receive a minimum of two hours at the appropriate rate of pay for each time they are called out (including travelling time).

On-duty/standby payments will be updated annually in line with the annual salary increase agreed by the National Joint Council for Local Government Services.

## 10. PROFESSIONAL FEES

One fee per annum will be reimbursed to officers in respect of membership of recognised bodies which are relevant to their professional function and where that membership is a requirement by the Council.

## 11. CAR USERS

All staff are denoted as casual car users and reimbursements are paid for business travel on HMRC rates.

## 12. SUBSISTENCE PAYMENTS

Subsistence repayments will be made when travelling out of County for breakfast, dinner, tea and supper, up to the maximum of the Council's subsistence allowances. For those individuals whose normal work covers more than one County, e.g., Gwynedd and Môn, "Out of County" is defined as outside that normal area of work.

## 13. WORKING ADDITIONAL HOURS

Employees, in receipt of basic pay at or below point 22 who are required to work additional hours beyond the 37-hour working week are entitled to receive enhancements at the rate of basic pay at time and a half (alternative arrangements in place for those workers with work patterns where those hours worked are on a fortnightly/monthly or annual basis). Employees paid above point 22 who work beyond the 37-hour week will be paid at their basic rate of pay for those additional hours or will be entitled to time off in lieu, or if the Head of Department has specifically given prior approval to planned work, then it is possible to pay at the rate of time and a half.

## 14. WORKING UNSOCIABLE HOURS

Salary is paid at the basic rate on weekends, for work that is undertaken within the 37-hour standard week. Enhanced pay of basic pay and a third is paid to those employees who work between the hours of 10pm and 6am.

Salary is paid in accordance with the national agreement for work conducted on bank holidays and additional statutory days.

## 15. FIRST AID ALLOWANCE

An annual allowance is paid to employees who act as designated First Aiders.

## **16. LOCAL ELECTION DUTIES**

The Council's fees for payments to its Returning Officer and Deputy Returning Officer for local election duties are included in Appendix 2.

## **17. SEVERANCE AND RETIREMENT**

The Council's severance and retirement schemes are applied equally and fairly to all staff regardless of grade, age or gender and are implemented in accordance with the regulations of the relevant pension schemes. There are no exceptions for Chief Officers. The relevant policies are available on the Council's website.

## **18. FINANCIAL DETRIMENT SCHEME**

Financial detriment is defined as a loss due to a change in salary grade and contractual terms and conditions. The Council provides financial assistance to staff who face financial loss (due to restructuring or re-designation of responsibilities) for a period of two years, based on one year on 100% protection and one year on 50% protection from the date that the change in the employment package becomes operational. That financial assistance will cease after two years unless the individual member of staff has in the meantime been appointed to another post where he/she is not facing financial detriment.

## **19. RE-EMPLOYMENT**

The Council will consider each candidate on their own merit and will appoint with a view to achieving the best efficiency for the service and best value for its ratepayers. Such an appointment, if made, would be subject to any abatements stipulated in the Local Government Pension Scheme Regulations.

In accordance with tax law, managers must ensure that any proposed arrangement to pay an individual through a 'contract for services' will be assessed through the HMRC's online tool for confirming employment status. This assessment is to be taken objectively.

## **20. APPOINTMENT OF NEW CHIEF OFFICER (SALARY OF £100,000 AND ABOVE)**

The Full Council will approve any amendment to the salary package of any such post prior to its recruitment. Any amendment would have to be referred to the Independent Remuneration Panel, as stipulated in part 3 of this policy.

Recruitment to any such post will be advertised externally.



**Chief Officer Pay 2026/27**

**There is no pay rise agreement in place for 2026/27 yet.**

1	Chief Executive	£123,945 - £133,306
2	Corporate Director	£101,074 - £112,070
3	Head of Education	£94,709 - £104,999
4	Head of Finance	£86,115 - £95,446
5	Heads of Economy and Community, Corporate Services, Adults, Health and Wellbeing, Children and Supporting Families, Highways, Engineering and YGC, Environment, Housing and Property,	£84,480 - £93,163
6	Head of Legal Services / Monitoring Officer	£76,575 - £84,005

Cyngor Gwynedd operates as the host authority and employer for the following role:

7	Head of North and Mid Wales Trunk Road Agency	£84,480 - £93,163
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**ELECTION PAYMENT SCHEME AS APPROVED BY GWYNEDD COUNCIL**

<b>Fees for the general conduct of the election and performance of all duties which a Returning Officer is required to perform under any order or other enactment relating to the election of Councillors</b>		
<b>Returning Officer and Deputy Returning officer Fees</b>	<b>Contested</b>	<b>Uncontested</b>
Returning Officer	125.00	
For the general conduct of the election and performance of all duties which a Returning Officer is required to perform under any order or other enactment relating to the election of Councillors.		)
		)
For each Electoral Division, Community/Town Council, Community/Town Council Ward		) 75.00
		)
Deputy Returning Officer	85.00	
		)
Specific duties to include attending to receive nomination papers, examining them and adjudicating on their validity; dealing with candidates; notifying candidates of decisions on nominations, publishing statements of persons nominated and attending to receive withdrawals and conducting the counts.		)
		)
For each Electoral Division, Community/Town Council, Community/Town Council Ward		
By-Elections		
In any by-election where a Deputy Returning Officer is employed to manage the count:		

For each Electoral Division, Community/Town Council,  
Community/Town Council Ward

34.00

MEETING: **FULL COUNCIL**

DATE: **5 MARCH 2026**

TITLE: **WALES PENSION PARTNERSHIP (WPP) – UPDATING THE INTER-AUTHORITY AGREEMENT (IAA)**

RELEVANT OFFICER: **DEWI MORGAN, HEAD OF FINANCE**

MEMBER: **COUNCILLOR ELIN HYWEL, CHAIR OF THE PENSIONS COMMITTEE**

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## **Decision Sought**

**The Council is asked to:**

**Accept the amendments to the Inter Authority Agreement (IAA) for the Wales Pension Partnership**

Authorise the Head of Legal in consultation with the Head of Finance to take the necessary steps to complete the agreement

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## **1. Introduction**

- 1.1 The Inter-Authority Agreement (IAA) is the formal legal and governance framework that binds together the eight Welsh Local Government Pension Scheme (LGPS) administering authorities into the Wales Pension Partnership. This is not a new agreement but it has been reviewed in light of the newly-formed Shareholder Agreement (SHA) and Client Services Agreement (CSA) to ensure that it remains appropriate and fit for purpose.
- 1.2 The WPP's existing arrangements and forums, including the Joint Governance Committee (JGC) and Officer Working Group (OWG) will continue to a) play a pivotal role in terms of promoting effective governance across the Welsh administering authorities, and b) comprise of the same representatives as they do today.
- 1.3 Given the requirements of the *Fit for the Future* consultation and the imminent change in law including forthcoming Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026, the existing IAA needs to be updated to reflect the new legal pooling structure.

In summary, the new structure would be such that:

- I. Wales Pension Partnership Investment Management Company (WPP IM Co) is responsible for management of the pool assets and will be responsible for the appointment of any third-party providers to deliver that management and the implementation of investment strategies for administering authorities.
  - II. The shareholder governance of WPP IM Co is governed by the Shareholder Agreement (SHA).
  - III. The Client Services Agreement (CSA) provides the client services between IM Co and each individual administering authority; and
  - IV. The existing IAA will be adjusted such that the Joint Governance Committee's remit focusses on client governance and common client issues, whilst documenting the liaison between the Joint Governance Committee and administering authorities on shareholder matters through the Shareholder Board forum.
- 1.4 Approval of the IAA is a reserved matter for the Full Council, and the Pensions Committee in its meeting on 26 February have resolve to recommend these amendments to the IAA to the Full Council.

Consideration and approval of the SHA and CSA have been delegated to the Pensions Committee by Full Council on 3 July 2025. These were formally approved by the Pensions Committee in their meeting on 26 February 2026.

- 1.5 The WPP's oversight and governance advisor, Hymans Robertson, has prepared an assurance note to all administering authorities following their input and oversight into this re-drafting exercise. The assurance note summarises the key changes and amendments proposed as part of this recommendation. A copy of this note is available within Appendix 1 of the report.
- 1.6 Appendix 2 to this report is a note prepared by Burges Salmon, WPP's legal advisor, that captures a summary of all proposed amendments to the existing IAA. A clean version of the proposed revised IAA is then attached within Appendix 3.

## 2. Background and Context

- 2.1 First established in 2017, the IAA is the formal legal and governance framework that binds together the eight Welsh Local Government Pension Scheme (LGPS) administering authorities into the Wales Pension Partnership. Each underlying administering authority is represented on the decision making WPP Joint Governance Committee (JGC) by its respective Pension Fund Committee Chairs, supported and advised by an Officer Working Group (OWG) comprised of Section 151 (S151) Officers and Fund Practitioners.
- 2.2 The existing structure was approved by the then Department for Communities and Local Government (now Ministry for Housing, Communities and Local Government (“MHCLG”)) in a letter dated 23rd November 2016. Since being established, there have been minor refinements to the IAA which have historically required formal approval by the Pension Committee.
- 2.3 In practical terms, at a high level the existing IAA:
- Legally commits the eight Welsh LGPS funds to collaborate
  - Establishes how investment pooling operates in Wales
  - Sets out the WPP Governance structure, including:
    - I. The Joint Governance Committee (JGC)
    - II. The Officer Working Group (OWG)
  - Defines roles, voting arrangements, decision making and reporting responsibilities.
- 2.4 Considering the Fit for the Future consultation, the WPP has had to evolve significantly to ensure that it can become compliant with the UK Government’s requirements and future legislation in respect of asset pooling, local investment and governance. To ensure compliance, WPP IM Co was established and incorporated in August 2025, and its key governance arrangements are documented in the Shareholder Agreement and Client Services Agreement.
- 2.5 It has been necessary to undertake a comprehensive review of the IAA to ensure it remains appropriate and aligned with the changes introduced by the SHA and CSA, and this review has been led by Burges Salmon acting on behalf of all administering authorities. As a result of introducing the two new governance documents, and changes imposed by the UK Government as part of the *Fit for the Future* consultation, some of the responsibilities previously detailed within the IAA now exist elsewhere in one of the new agreements.

### **3. Summary of key changes**

3.1 A series of amendments have been made to the IAA, as summarised in Appendix 1 and 2, with the most pertinent changes including:

- Updates to reflect the revised legal framework, removing outdated terminology that no longer applies
- Updated Terms of Reference (ToR) for the OWG and JGC, and respective details associated with each body
- Schedules updated to reflect removal of Operator-related functions, new client-governance scope, revised reserved matters, amended OWG remit, meeting arrangements, and updated policy responsibilities
- Clarity on the role of Host Authority going forward
- Approval of the WPP Business Plan (including the budget described in the Business Plan)
- A review point to ensure the IAA remains fit for purpose (proposed timeframe of 12-18 months post agreement for detailed review)
- Several factual updates and minor amendments following the broader review.

3.2 A detailed summary of all amendments made to the IAA can be found in the note prepared by Burges Salmon, the WPP's legal advisor, within Appendix 2. A clean version of the revised IAA can be found within Appendix 3.

### **4. Recommendation**

4.1 The Council is asked to approve the revised Inter Authority Agreement as outlined in Appendix 3.

### **Opinion of the Statutory Officers**

#### **Monitoring Officer:**

The agreement and recommendation have been the subject of specialist legal advice. As the agreement modifies the Terms of Reference of the Joint Committee as a matter of law, this is a decision for Full Council in accordance with Sections 101 and 102 of the Local Government Act 1972. I am satisfied with the propriety of the recommendation

#### **Head of Finance:**

I can confirm that the recommended modifications to the Inter-Authority Agreement have been the subject of detailed work which has included input from external solicitors, pensions specialists, monitoring officers and statutory finance officers. The content of the report is appropriate and appropriate and protects the interests of Cyngor Gwynedd and the members of the Gwynedd Pension Fund.



## **APPENDICES**

Appendix 1 – WPP Investment Pooling: Governance Overview (Hymans Robertson Assurance Note)

Appendix 2 – Summary of IAA changes by Burges Salmon

Appendix 3 – Revised IAA

# WPP Investment Pooling: Governance Overview

## Purpose of this paper

This paper is addressed to the Constituent Authorities (CAs) participating in the Wales Pensions Partnership (WPP). We have been asked to give an overview of changes to WPP’s investment pooling governance arrangements, including changes to the Inter-Authority Agreement (IAA) which must be approved by all CAs.

The governance arrangements considered in this overview are primarily the governance arrangements for CAs as shareholders and clients of the new WPP Investment Management Company (IM Co). IM Co’s internal governance is not in the scope of this overview.

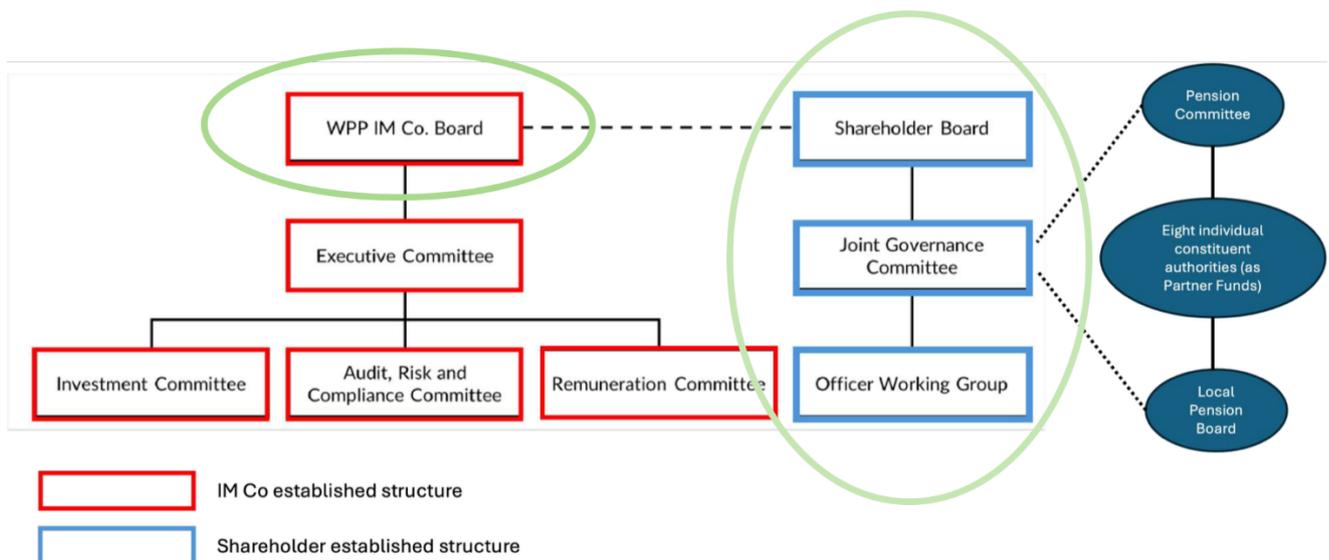
## Introduction

WPP is currently establishing an FCA regulated Investment Management Company (IM Co) to meet the requirements of the government’s “Fit for the Future” changes to LGPS Investment Pooling. In line with these requirements, the IM Co will:

- implement all aspects of the CAs’ investment strategies (those in WPP’s current pooling arrangements and all “legacy” assets which are not yet in WPP pooled vehicles)
- provide investment advice to the CAs including strategic asset allocation
- have sole control of investment decision making and investment strategy implementation
- contract with providers of services e.g. Waystone who provide fund operator services for WPP’s Authorised Contractual Scheme (ACS)
- be wholly owned by the WPP CAs.

## Overview of New WPP Governance Structure

The diagram below illustrates the WPP governance structure from 1<sup>st</sup> April 2026.



The shareholder/client-side Shareholder Board (Shareholder Forum) is new. It exists to consider the rights of the CAs **as owners** of the IM Co (e.g. appointment and removal of senior IM Co Directors, approval of IM Co budget, approval of remuneration policy, etc). Its members (S151s, senior LGPS officers or their nominated representatives) will make decisions individually on behalf of their own Constituent Authority (in its capacity as

administering authority of their LGPS Fund) as a Shareholder. The members of the Shareholder Forum may take account of the collective view of the JGC but are not bound by the views of the JGC.

Under current arrangements the OWG represents the views of CAs **as clients** of WPP's service providers including Waystone (ACS operator), Investment Managers (Russell, GCM, Schroders, etc) and advisors. The OWG's future role is similar, representing the collective views of CAs **as clients** of the IM Co. It will scrutinise and oversee the performance of the IM Co in delivering services to the CAs and will be the forum for discussing client needs with the IM Co, including implementation of RI policy.

Currently the JGC considers matters such as the appointment of the ACS operator and other service providers, the WPP budget and RI policy, making recommendations for approval by their respective pensions committees.

In the future, the IM Co will be responsible for appointment of ACS operator and other service providers such as Investment Managers. The JGC will continue to consider appointment of its own advisors (including legal and oversight advisors) and common policies for the CAs as clients (importantly, RI policy).

An additional new responsibility of the JGC will be providing views on shareholder "reserved matters" (IM Co senior appointments, IM Co remuneration policy, IM Co budget) to the Shareholder Board (Shareholder Forum) so that the Shareholder Forum representatives may have regard to the collective view of the CAs. However, it is important to say again that the JGC views on "reserved matters" are not binding on any CA and members of the Shareholder Forum will make decisions on behalf of their own CA.

An outline of Roles and Responsibilities in WPP investment pooling from 1<sup>st</sup> April 2026 is shown below. This is not an exhaustive statement of roles and responsibilities but is intended to give a sense of the respective roles of:

- the IM Co Board (new);
- the Shareholder Board / Forum (new);
- the Joint Governance Committee (JGC); and
- Officer Working Group (OWG).

IM Co Board	OWG (Client Group)	JGC (Client / Shareholder Oversight)	Shareholder Forum (Shareholder Oversight)
<ul style="list-style-type: none"> <li>• Governance of the IMCo</li> </ul>	<ul style="list-style-type: none"> <li>• Collective oversight of IM Co as clients. Provide technical input/challenge/oversight</li> <li>• OWG ToR set out in the IAA</li> </ul>	<ul style="list-style-type: none"> <li>• JGC is political/public facing forum overseeing client service delivery and forming collective views on shareholder matters</li> <li>• JGC matters set out in the IAA</li> </ul>	<ul style="list-style-type: none"> <li>• Oversee IM Co as shareholders</li> <li>• Formal body in respect of shareholder "reserved matters"</li> <li>• SHB ToR set out in the IAA</li> </ul>
<p>Responsibilities include:</p> <ol style="list-style-type: none"> <li>1) IM Co strategy</li> <li>2) IM Co Business Plan*</li> <li>3) Regulatory compliance</li> <li>4) Risk management</li> <li>5) Operations</li> <li>6) Service delivery to clients</li> <li>7) Senior appointments*</li> </ol> <p>*Proposals to shareholders on reserved matters requiring shareholder approval, including:</p> <ul style="list-style-type: none"> <li>• Annual Budget</li> <li>• Appointment of CEO / Chair</li> <li>• Remuneration Policy</li> </ul>	<p><b>As clients ..</b></p> <ol style="list-style-type: none"> <li>1) Meet IM Co representatives to discuss service delivery, risk management, performance, budget, resources, policy development and aspiration in line with fiduciary duty</li> <li>2) To ensure CA service demands are delivered in line with expectations. Escalate client concerns to IM Co.</li> <li>3) Escalate any material issues in service delivery to Shareholder Board or JGC and support accordingly</li> <li>4) Report to the JGC on IM Co performance (investment, cost, etc) and implementation of common policies</li> <li>5) Make recommendations to JGC on common policies</li> </ol>	<p><b>As clients ..</b></p> <ol style="list-style-type: none"> <li>1) Consider CA common policies e.g. Responsible and Local Investment</li> <li>2) Share client feedback with IM Co representatives and escalate CA client matters as appropriate</li> </ol> <p><b>As shareholders ..</b></p> <ol style="list-style-type: none"> <li>1) Make recommendations to the Shareholder Board in relation on shareholder matters</li> <li>2) To ensure all shareholder matters are addressed consistently with CA expectations and within delegated powers</li> </ol>	<p><b>As shareholders ..</b></p> <p>To exercise the rights of shareholders including:</p> <ol style="list-style-type: none"> <li>1) Agreeing IM Co strategy</li> <li>2) Consult JGC / CAs before making decisions on behalf of CAs</li> <li>3) Formally approving shareholder "reserved matters" defined in the SHA, including: <ul style="list-style-type: none"> <li>-IM Co Business Plan / budget</li> <li>-appointment of CEO and Chair</li> <li>-removal of any IMCo director</li> <li>-senior remuneration policy</li> </ul> </li> </ol>
<ul style="list-style-type: none"> <li>• Independent Chair, IM Co exec, external Directors (shareholder reps and industry experts)</li> </ul>	<ul style="list-style-type: none"> <li>• Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Elected Members (Chairs of I01 Pensions Committees)</li> <li>• Member representative</li> </ul>	<ul style="list-style-type: none"> <li>• S151s, Senior LGPS Officers or their nominated representatives</li> </ul>

### Role and responsibilities of individual CA S101 Pension Committees under investment pooling

In respect of fund investments, responsibilities of individual CAs include deciding the Strategic Asset Allocation (SAA) and risk tolerance for their Fund (having taken principal advice from the IM Co). The CAs will also decide their Fund's allocation to local investment.

Individual CAs will also make decisions on “reserved matters” under the Shareholder Agreement. They exercise these rights via their own representative on the Shareholder Forum.

Individual CAs have a role in agreeing common policies (including Responsible Investment) via their S101 Pensions Committee Chair as a member of the JGC; collective oversight of IM Co service delivery via their officer reps on OWG; and contributing to the formation of collective views on other matters via their Chair on the JGC.

Other responsibilities that remain with CA S101 Pension Committees include preparation of Investment Strategy Statement (ISS), Funding Strategy Statement (FSS), setting employer contribution rates, member administration and Fund governance requirements under Regulation and guidance.

### Governance elements that are unchanged

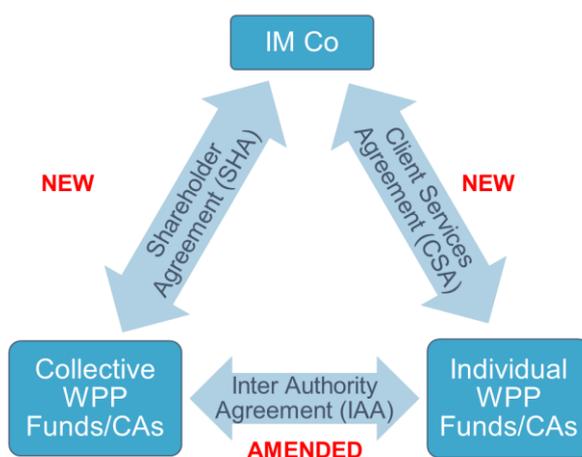
Some aspects of current WPP investment pooling governance will evolve but remain largely as they are, including:

- An Officer Working Group (OWG)
- The Joint Governance Committee (JGC)
- An Inter-Authority Agreement (IAA), albeit with changes required to reflect the post-April 2026 investment pooling arrangements and the addition of a Shareholder Forum.

### Changes to WPP investment pooling governance

The changes required to WPP investment pooling governance including:

- Creation of a Shareholder Agreement (SHA), between the IM Co and Shareholders (the eight CAs)
- Creation of a Shareholder Forum, made up of CA officers who formally approve shareholder “reserved matters”
- Amendment of the Inter-Authority Agreement (IAA)
- Creation of a Client Services Agreement (CSA) – each CA will have a CSA with the IM Co



## Inter-Authority Agreement (IAA)

It has been necessary to amend the IAA to:

- remove responsibilities no longer applicable (e.g. responsibilities in respect of matters that move to the IM Co such as appointment of Waystone as the “operator” of the ACS and other service providers);
- add new responsibilities (such as collective consideration of IM Co service delivery and shareholder reserved matters and any recommendations to the new Shareholder Forum);
- set out revised Terms of Reference for JGC and OWG and add ToR for the new Shareholder Forum.

The JGC’s role and responsibilities cover client and shareholder related aspects of WPP’s investment pooling arrangements. Some responsibilities of the JGC remain unchanged, including consideration of common policies (Responsible Investment, etc) and appointment of advisors to the JGC.

Matters covered by the revised IAA include:

- membership and remit of the JGC (including matters not within its remit such as investment strategy for CAs and formal decision making in respect of shareholder reserved matters, although it must be consulted on the latter)
- business plan and budget for WPP CAs (“client-side” governance budget, not the IM Co budget)
- host authority arrangements (Carmarthenshire County Council will continue to facilitate client-side governance)
- agreement to share costs
- delegations to the JGC (see “JGC Matters”)
- addition of new or exit of existing Constituent Authorities
- FOIA (acknowledgement that FOIA applies to the JGC and protocols for consideration of FOIA matters)

Schedules include:

- Schedule 1. Contact List (will include the current Contact List as at the date of the IAA)
- Schedule 2. Matters reserved for CAs (appointment or replacement of IM Co, approval of expenditure in excess of 30% of agreed WPP Annual Budget, investment strategy for own LGPS Fund, amendment and termination of the IAA, nomination of JGC rep)
- Schedule 3. JGC Matters (recommendations to IM Co on common client matters, recommendations to the Chair of the Shareholder Forum on shareholder reserved matters, agreeing common policies listed in Schedule 5, appointment of advisors to the JGC, delegation of tasks to the OWG, liaison with Pension Boards, approval of WPP’s Business Plan and Annual Budget – not the IM Co Business Plan and Budget)
- Schedule 4 JGC - Terms of Reference (details)
- Schedule 5 Policies (common policies will be agreed by JGC and include policies the IM Co will implement on behalf of CAs as clients e.g. Responsible Investment, Climate, Voting, etc)
- Schedule 6 JGC Procedure (meeting arrangements and protocols)

- Schedule 8 OWG Remit (revised to reflect new pooling arrangements with IM Co)
- Schedule 9 Shareholder Forum - Terms of Reference (including membership, obligation to use reasonable endeavours to consult JGC on shareholder reserved matters)

JGC collective views on shareholder reserved matters are not binding on the CA representatives on the Shareholder Forum since the officer representatives on the Shareholder Forum are delegates of their own CA and must vote in accordance with their own CA's views and preferences on shareholder reserved matters.

However, the Shareholder Forum ToR makes clear the obligation that the Shareholder Forum must use reasonable endeavours to undertake “meaningful consultation” with the JGC on reserved matters and to “have regard to” the recommendations of the JGC.

### Summary

The IAA has been amended to:

- remove responsibilities no longer applicable (e.g. responsibilities in respect of matters that move to the IM Co such as appointment of Waystone as the “operator” of the ACS and other service providers);
- add new responsibilities (such as collective consideration of IM Co service delivery and consideration of shareholder reserved matters and any recommendations to the Shareholder Forum);
- set out revised Terms of Reference for JGC and OWG and add ToR for the new Shareholder Forum.

JGC collective views on shareholder reserved matters are not binding on the CA representatives on the Shareholder Forum since the officer representatives on the Shareholder Forum are delegates of their own CA and must vote in accordance with their own CA's views and preferences on shareholder reserved matters.

A review of new governance arrangements and the associated legal documents (IAA, SHA and CSA) will be undertaken in 12-18 months' time. This should be sufficient time to see how the arrangements are working in practice, any learnings and whether changes should be made. A requirement for this review has been embedded in the final versions of the IAA, SHA and CSA.

John Wright, Partner

For and on behalf of Hymans Robertson LLP

16<sup>th</sup> February 2026

## Reliances and limitations

This paper is addressed to the eight LGPS administering authorities (the Constituent Authorities, CAs) participating in the Wales Pensions Partnership (WPP) including the Constituent Authorities' S101 Pension Committees, Joint Governance Committee (JGC), Monitoring Officers, Officers Working Group (OWG) and Steering Group (SG).

We have relied on the following documents drafted by Burges Salmon in their capacity as legal advisors to all WPP CAs (all latest versions as at 13<sup>th</sup> February 2026):

- 1) Inter-Authority Agreement (IAA)
- 2) Client Services Agreement (CSA)
- 3) Shareholder Agreement (SHA)

The purpose of our report is to give an overview of changes to WPP's investment pooling governance arrangements. Our report cannot be used for any other purpose.

Please note that Hymans Robertson LLP is not qualified to give legal advice. Burges Salmon act for all WPP CAs in the drafting of the IAA, CSA and SHA (as well as IM Co also in the case of the SHA).

Matters not in the scope of this overview include:

- The governance arrangements of the IM Co and IM Co Board.
- The readiness of IM Co to deliver services from 31<sup>st</sup> March 2026. The FCA will assess operational readiness before granting approval to IM Co to deliver the services set out in the Regulatory Business Plan.
- An opinion on the legal drafting of the various documents (SHA, CSA and IAA)

We accept no liability where the paper is used by, or released or otherwise disclosed to, a third party unless we have expressly accepted such liability in writing. Where this is permitted, the paper may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

# Updated IAA summary note



## 1 BACKGROUND

- 1.1 The existing inter-authority agreement was entered into in 2017 between the eight Welsh administering authorities (the “**Constituent Authorities**” and the “**Existing IAA**”).
- 1.2 The Existing IAA established a joint committee between the Constituent Authorities further to the Local Government Act 1972 (the “**Joint Governance Committee**”).
- 1.3 The Joint Governance Committee was established for the purposes of overseeing and reporting on the performance of the “Investment Pool” (“Investment Pool” being defined broadly as “*the pooled investments (whether held in single funds, multiple sub-funds or held in alternative structures outside of a collective investment vehicle) derived from assets held by the Constituent Authorities in their capacity as administering authorities within the LGPS for the purpose of the Pooling Collaboration...*”).
- 1.4 The “Wales Pension Partnership” is the name given to the current pooling arrangements between the Constituent Authorities. The existing structure was approved by the then Department for Communities and Local Government (now Ministry for Housing, Communities and Local Government (“**MHCLG**”)) in a letter dated 23 November 2016.
- 1.5 On 14 November 2024 the Government launched its consultation on proposals to reform the LGPS, titled Local Government Pension Scheme (England and Wales): Fit for the future (“**FFtF Consultation**”), with an objective of putting the LGPS “*on a clearer, firmer trajectory to scale and consolidation*”. The main policy objectives of FFtF Consultation in the context of pooling included:
  - (a) a requirement on the Constituent Authorities to delegate the implementation of their investment strategies to their asset pool;
  - (b) a requirement for the Constituent Authorities to take their principal advice on their investment strategies from their pool;
  - (c) a requirement on asset pools to be investment management companies authorised and regulated by the Financial Conduct Authority (“**FCA**”) with the expertise and capacity to implement investment strategies;
  - (d) a requirement for all the Constituent Authorities to transfer all investments to the management of their pool;
  - (e) a requirement for pools to develop the capability to carry out due diligence on local investments and to manage such investments.
- 1.6 In February 2025, and further to the requirements of the FFtF Consultation, the Constituent Authorities submitted a business case to Government to make a case for continuing with the Wales Pension Partnership on the revised structure outlined by the FFtF Consultation. This business case was approved by MHCLG in April 2025.
- 1.7 The policy requirements of the FFtF Consultation have been laid out in the Pension Schemes Bill 2026 which is working its way through the parliamentary process. In addition, MHCLG has been undertaking a consultation on the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 (the “**PMIF Regulations**”).
- 1.8 As can be seen from paragraph 1.5(c) above, one of the requirements of the FFtF Consultation (and which appears in the PMIF Regulations) is that the Constituent Authorities must pool all of their LGPS assets via an FCA authorised and regulated investment management company. Furthermore, the investment management company is responsible for the implementation of each Constituent Authority’s investment strategy and must be the principal source of investment advice to each Constituent Authority (as it relates to LGPS assets).

- 1.9 In readiness for these requirements, the Constituent Authorities have incorporated Wales Pension Partnership Investment Management Company Limited (“**IMCo**”) as the FCA authorised investment management company to deliver the Constituent Authorities’ requirements pursuant to the Pension Schemes Bill 2026 and the PMIF Regulations.
- 1.10 The eight shareholders of IMCo are the Constituent Authorities and shareholder governance matters will be documented and managed through the terms of a shareholder agreement between the Constituent Authorities and IMCo (the “**Shareholder Agreement**”).
- 1.11 Each Constituent Authority will also enter into a client services agreement (“**CSA**”) with IMCo which will govern the direct client services provided by IMCo at an individual fund level.

## **2 REVISED GOVERNANCE STRUCTURE**

- 2.1 Given the requirements of the FFtF Consultation and the change in law (to be found in the Pension Schemes Bill 2026 and the PMIF Regulations), the Existing IAA needs to be updated to reflect the new legal pooling structure. In summary, the new structure would be:
- (a) IMCo is responsible for management of the pool assets, and will be responsible for the appointment of any third-party providers to deliver that management and the implementation of investment strategies for Constituent Authorities;
  - (b) the shareholder governance of IMCo is governed by the Shareholder Agreement;
  - (c) the CSA provides for the client services between IMCo and each individual Constituent Authority; and
  - (d) (it is proposed), the Joint Governance Committee terms (and therefore the Existing IAA) will be adjusted such that the Joint Governance Committee’s remit focusses on client governance and common client issues (whilst documenting the liaison between the Joint Governance Committee and Constituent Authorities on shareholder matters through the Shareholder Forum (see below)).
- 2.2 There is no legal requirement for there to be a joint committee of the Constituent Authorities, or for client governance to be managed through the Joint Governance Committee. However, we understand that the view is there will be a benefit in maintaining the structure of the Joint Governance Committee as the public face of client governance and this is a working structure which has successfully progressed the Wales Pension Partnership to date.

## **3 PROPOSED AMENDMENTS TO THE EXISTING IAA**

- 3.1 With this summary note we have appended a “redline” of the Existing IAA which shows the proposed amendments to it having regard to the revised governance structure.
- 3.2 The key amendments can be summarised as (clause references are to the old clause numbers shown in the “redline”):
- (a) the correct name for Cyngor Gwynedd has been updated throughout;
  - (b) updated recitals to refer to the change in requirements for the Wales Pension Partnership and the FFtF Consultation;
  - (c) updated definitions to refer to the change in legal framework (such as the PMIF Regulations (which revoke the existing investment regulations), define IMCo and the Shareholder Agreement, and remove definitions which will no longer apply (such as the “*Operator*” and the “*Allocator*”);
  - (d) clause 3.2 has been added to reflect that the Constituent Authorities will review the terms of the IAA after 12-18 months and may propose reasonable amendments for the other Constituent Authorities’ consideration (and engage in meaningful consultation in relation to any proposed changes).

- (e) clauses 4 and 5 have been updated to reflect the change in nature of the Existing IAA and the new focus of the Joint Governance Committee to oversee and report on the pool “*from the perspective of the Constituent Authorities as clients of IMCo*”. Clause 4.1(b) has been introduced to clarify that the Joint Governance Committee shall “*not be responsible for any matters to be determined under the Shareholder Agreement*” although its terms of reference have been expanded to include consultation with the Shareholder Forum (see paragraph (s) below) and the provision of feedback and recommendations to the Shareholder Forum on shareholder matters brought to the Joint Governance Committee. In clause 4.7 we refer to the increased knowledge and understanding requirements for pension committee members to be introduced by the Local Government Pension Scheme (Amendment) Regulations 2026 (which will therefore be relevant to those elected members who form the Joint Governance Committee);
- (f) clause 5 has again been updated to reflect that the Officers’ Working Group (“**OWG**”) terms of reference is accordingly adjusted to reflect the revised nature of the Joint Governance Committee (which the OWG supports);
- (g) clause 6.1(b) has been updated to reflect that the pension committee of each Constituent Authority would ordinarily deal with matters reserved to the Constituent Authorities (subject to that Constituent Authority’s constitutional requirements);
- (h) clause 7 has been updated to reflect that the business plan to be approved by the Joint Governance Committee is the business plan of the operation of the Joint Governance Committee (with a new focus on client governance) as opposed to the wider business plan of IMCo (which will be approved through the terms of the Shareholder Agreement);
- (i) clause 8 has been amended to reflect that the “Host Authority” (currently Carmarthenshire) will be the host authority for the operation of the Joint Governance Committee, the OWG and the “Shareholder Forum” (see below). The suggested date on which this will be in effect is 1 April 2026. It will not be operating as a support function to IMCo. We have proposed wording which recognises that it may be for the Host Authority to liaise with IMCo on behalf of the Constituent Authorities in relation to common client related matters (reference to liaison with the Operator has been removed as that would be for IMCo to manage in the future). Clause 8.1(g) has been amended to relate to the Joint Governance Committee. Clause 8.5 has been amended (alongside clauses 21 and 22) such that where a Constituent Authority ceases to be a shareholder in IMCo (under the terms of the Shareholder Agreement) it will automatically withdraw from the Joint Governance Committee (clauses 8.5, 21 and 22 can be simplified accordingly);
- (j) clause 8 has been deleted as matters related to the “Operator” will fall to IMCo, and will no longer be a responsibility of the Joint Governance Committee;
- (k) as noted above, clauses 21 (Voluntary Exit) and 22 (Compulsory Exit) (together with clause 23) have been adjusted to be linked to a Constituent Authority ceasing to be a shareholder in IMCo;
- (l) clause 25 (New Constituent Authority) would be linked to an incoming shareholder of IMCo pursuant to the Shareholder Agreement. We would anticipate that any new constituent authority would be invited by the Constituent Authorities (acting in their discretion) to join the Joint Governance Committee (although each Constituent Authority would need to consent to this);
- (m) Schedule 2 (Matters Reserved to the Constituent Authorities) is adjusted to remove reference to the “Operator”. We have amended item 1 in that Schedule to replace reference to the “Operator” with reference to IMCo. References to “Business Plan” are instead to the business plan of the Joint Governance Committee (as opposed to IMCo). We have removed item 7 as the approval for any evaluation or scoring criteria for the procurement of a provider or advisor now sits with the Joint Governance Committee only. We have included the approval of a new administering authority becoming a “Constituent Authority” or a shareholder in IMCo (noting the voting thresholds are provided for in the Shareholder Agreement) as being a matter reserved to the Constituent Authorities;

- (n) Schedule 3 (Joint Governance Committee Matters) has been adjusted to remove reference to the Operator, to reflect the updated role of the Joint Governance Committee to focus on client governance and to remove reference to approval of new pooled vehicles and funds (as this will be a matter solely for IMCo further to the PMIF Regulations). Item 6 has been updated so that approval of the Business Plan now sits with the Joint Governance Committee;
- (o) Schedule 4 (Joint Governance Committee – Terms of Reference) has been adjusted again to remove reference to the Operator, to reflect the updated role of the Joint Governance Committee to focus on client governance and to remove reference to approval of new pooled vehicles and funds (as this will be a matter solely for IMCo further to the PMIF Regulations). Performance reporting will instead focus on the performance (from a client perspective) of IMCo. References to the appointment and removal of an “Allocator” have also been removed as that will be a matter for IMCo. Paragraph 13 has removed the requirement for the evaluation of bids or tenders for any procurement of advisers to the Joint Governance Committee to be sent to the Constituent Authorities for approval (in accordance with the comments at para 3.2(m) above);
- (p) Schedule 5 (Policies and Procedures) has been retained, other than to remove reference to a “Rebalancing and Alteration Policy” which will instead be an operational matter for IMCo. We note that the underlying policies and procedures will need to be updated to reflect the new governance model;
- (q) Schedule 6 (Joint Governance Committee Procedure) is amended to reflect the minimum number of meetings required and include new wording relating to hybrid attendance at meetings;
- (r) Schedule 8 (Officer Working Group Remit) again has been adjusted to reflect the revised remit of the Joint Governance Committee (and so the remit of the OWG will need to be adjusted accordingly); and
- (s) a new Schedule 9 (Shareholder Forum – Terms of Reference) has been introduced. There is not standard wording for these terms and so wording has been suggested which is consistent with Schedule 4 (Joint Governance Committee – Terms of Reference). It is, however, acknowledged that these serve different purposes and the drafting is intended to reflect this. Paragraph 1 provides that the representatives of the Constituent Authorities will be officers employed by the relevant Constituent Authority. Paragraph 2 outlines that the purpose of the shareholder forum is to be the principal forum for consultation and decision-making in respect of shareholder reserved matters and related governance matters under the Shareholder Agreement. The role and function of the shareholder forum is provided at Paragraph 3 which sets out the matters expected to be dealt with by the shareholder forum (Paragraph 3.1), what information the shareholder forum might request from IMCo (Paragraphs 3.2 and 3.3), and the interaction of the shareholder forum with the Joint Governance Committee (Paragraph 3.4). Details of the operation of the shareholder forum, e.g. the quorum, frequency of meetings, and voting requirements, are to be discussed. The reason that the shareholder forum terms of reference does not form part of the Shareholder Agreement is that the terms of reference are a matter for the Constituent Authorities (as shareholders) and not IMCo. This updated inter-authority agreement is the suggested document to set out these terms of reference (as only the Constituent Authorities are a party to it – IMCo will not be a party to it).

**BURGES SALMON LLP**

**16 February 2026**

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Dated

2026

## INTER-AUTHORITY AGREEMENT

between

CARMARTHENSHIRE COUNTY COUNCIL	(1)
THE COUNCIL OF THE CITY & COUNTY OF SWANSEA	(2)
CARDIFF COUNCIL	(3)
FLINTSHIRE COUNTY COUNCIL	(4)
CYNGOR GWYNEDD	(5)
POWYS COUNTY COUNCIL	(6)
RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL	(7)
TORFAEN COUNTY BOROUGH COUNCIL	(8)

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**THIS DEED** is made on

2026

BY

- (1) **CARMARTHENSHIRE COUNTY COUNCIL** of County Hall, Carmarthen, Carmarthenshire, SA31 1JP ("**Carmarthenshire Council**")
- (2) **THE COUNCIL OF THE CITY & COUNTY OF SWANSEA** of The Guildhall, Swansea, SA1 4PE ("**Swansea Council**")
- (3) **CARDIFF COUNCIL** of County Hall, Atlantic Wharf, Cardiff, CF10 4UW ("**Cardiff Council**")
- (4) **FLINTSHIRE COUNTY COUNCIL** of St. Davids Park, Ewloe, CH5 3FF ("**Flintshire Council**")
- (5) **CYNGOR GWYNEDD** of Shirehall Street, Caernarfon, Gwynedd LL55 1SH ("**Cyngor Gwynedd**")
- (6) **POWYS COUNTY COUNCIL** of County Hall, Llandrindod Wells, Powys, LD1 5LG ("**Powys Council**")
- (7) **RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL** of The Pavilions, Clydach Vale, Tonypany, CF40 2XX ("**Rhondda Council**")
- (8) **TORFAEN COUNTY BOROUGH COUNCIL** of Civic Centre Pontypool Torfaen NP46YB ("**Torfaen Council**")

(together referred to as the "**Constituent Authorities**" and individually as a "**Constituent Authority**")

## **BACKGROUND**

- (A) The Constituent Authorities are all councils responsible for the administration of local government within their areas as set out in the Local Government Act 1972.
- (B) In 2017 the Constituent Authorities committed to the development of a formal joint committee pursuant to section 101 and section 102 of the Local Government Act 1972 to ensure the effective operation of the arrangements for asset pooling within the LGPS under a framework of strong internal governance to achieve economies of scale and improved investment infrastructure.
- (C) The then Department for Communities and Local Government (now the Ministry for Housing, Communities and Local Government ("**MHCLG**")) in a letter dated 23 November 2016 confirmed that the Constituent Authorities had been granted permission for each Constituent Authority to continue to collaborate with every other

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Constituent Authority to form a pool of assets in respect of each of their respective funds under the LGPS.

- (D) Since **[original commencement date to be inserted]**, the Constituent Authorities have carried on the Pooling Collaboration (as defined below) under the terms of this Agreement to oversee its governance.
- (E) On 14 November 2024 the Government launched its consultation on proposals to reform the LGPS, titled Local Government Pension Scheme (England and Wales): Fit for the future ("**FFtF Consultation**"), with an objective of putting the LGPS "*on a clearer, firmer trajectory to scale and consolidation*". The main policy objectives of FFtF Consultation in the context of pooling included:
- (i) a requirement on the Constituent Authorities to delegate the implementation of their investment strategy to their asset pool;
  - (ii) a requirement for the Constituent Authorities to take their principal advice on their investment strategy from their asset pool;
  - (iii) a requirement on asset pools to be investment management companies authorised and regulated by the Financial Conduct Authority ("**FCA**") with the expertise and capacity to implement investment strategies;
  - (iv) a requirement for all the Constituent Authorities to transfer all investments to the management of their asset pool;
  - (v) a requirement for asset pools to develop the capability to carry out due diligence on local investments and to manage such investments.
- (F) In February 2025, and further to the requirements of the FFtF Consultation, the Constituent Authorities submitted a business case to Government to make a case for continuing with the Pooling Collaboration. This business case was approved by MHCLG in April 2025.
- (G) The policy requirements of the FFtF Consultation have [now been] introduced into law through the Pension Schemes Act [2026] (the "**2026 Act**") and the [Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026] (the "**PMIF Regulations**").
- (H) The Constituent Authorities have incorporated IMCo as the FCA authorised investment management company to deliver the Constituent Authorities' requirements pursuant to the 2026 Act and the PMIF Regulations.

## **AGREED TERMS**

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## 2 INTERPRETATION

2.1 The following definitions and rules of interpretation apply in this Agreement.

"**Business Day**" means a day other than a Saturday, a Sunday or a public holiday in England when banks in London are open for business.

"**Business Plan**" has the meaning given by clause 7.

"**Client Governance Contribution**" means as defined in clause 10.1.

"**Commencement Date**" means [ ] 2017

"**Constituent Authorities**" means the parties to this Agreement, and all other administering authorities within the LGPS who are or become parties to this Agreement at any time.

"**Contact List**" means the document set out in Schedule 1 and updated periodically by the Host Authority setting out relevant contact details for each of the Constituent Authorities.

"**Co-opted Member**" means a person (who is not an elected member of a Constituent Authority but is a Pension Member Representative of a Constituent Authority), nominated by a Constituent Authority or the Pension Board of a Constituent Authority, and appointed as a Co-opted Member of the Joint Governance Committee by the Members.

"**Financial Year**" means in the case of the first Financial Year, the period from the Commencement Date to (and including) the following 31 March. For subsequent Financial Years the period between 1 April and 31 March (inclusive) and for the last Financial Year any lesser period necessary.

"**Host Authority**" means the Constituent Authority appointed in accordance with clause 8 and whose duties are described within that clause.

"**IMCo**" means Wales Pension Partnership Investment Management Company Limited (company number 16645479).

"**Investment Pool**" means the pooled investments managed by IMCo (in accordance with the PMIF Regulations) derived from assets held by the Constituent Authorities in their capacity as administering authorities within the LGPS for the purpose of the Pooling Collaboration described by this Agreement.

"**Joint Governance Committee**" means the joint committee formed by this Agreement.

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**“LGPS”** means the Local Government Pension Scheme established pursuant to regulations made by the Secretary of State in exercise of powers under section 7 and 12 of the Superannuation Act 1972 and the provisions of the PSPA 2013.

**“LGPS Regulations”** means the Local Government Pension Scheme Regulations 2013 (SI 2013/2356).

**"Member"** means each of the elected members of the Constituent Authorities nominated to be Members of the Joint Governance Committee in accordance with clause 4.3(a).

**"Monitoring Officer"** means the person designated by each Constituent Authority for the purposes of section 5 of the Local Government and Housing Act 1989.

**"OWG"** means the Officers Working Group described in clause 5.

**"Pension Board"** means a local pension board or a joint local pension board within the meaning given to each phrase by regulation 106 of the LGPS Regulations and section 5 of the PSPA 2013.

**"Pension Member Representative"** means a person appointed to a Pension Board as a member representative further to regulation 107(2)(b) of the Local Government Pension Scheme Regulations 2013.

**“PMIF Regulations”** means [Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026] [(SI 2026/XXXX)]

**"Pooling Collaboration"** means the arrangements for asset pooling under the Investment Pool within a framework of strong internal governance to achieve economies of scale and improved investment in infrastructure carried on by the Constituent Authorities as described by this Agreement.

**"PSPA 2013"** means the Public Service Pensions Act 2013.

**"S151 officer"** means the person appointed by each Constituent Authority for the purposes of section 151 of the Local Government Act 1972.

**"Secretary of State"** means the Ministry for Housing, Communities and Local Government or such replacement department which has responsibility for the LGPS.

**“Senior LGPS Officer”** has the meaning given to that phrase by regulation 53A of the LGPS Regulations.

**“Shareholder Agreement”** means the agreement between the Constituent Authorities and IMCo in respect of the Constituent Authorities acting as shareholders in IMCo.

**“Shareholder Forum”** means the forum described in Schedule 9.

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**"Submission"** means the business case submitted to MHCLG as described in Recital (F) in response to the FFtF Consultation.

**"Terms of Reference"** means the governing framework document concerning the functions and operations of the Joint Governance Committee as set out in Schedule 4.

**"TUPE"** means the Transfer of Undertakings (Protection of Employment) Regulations 2006.

**"Withdrawing Authority"** means a Constituent Authority who has withdrawn from this Agreement in accordance with clause 21.

- 2.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 2.3 A person includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality).
- 2.4 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the schedules.
- 2.5 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 2.6 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 2.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 2.8 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and includes any subordinate legislation made from time to time under it.
- 2.9 A reference to writing or written includes faxes and email.
- 2.10 Documents in agreed form are documents in the form agreed by the parties and initialled by them or on their behalf for identification.
- 2.11 References to clauses and schedules are to the clauses and schedules of this Agreement; references to paragraphs are to paragraphs of the relevant schedule.
- 2.12 Any words following the terms include, including, in particular or for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding them.

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- 2.13 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 2.14 Any reference to the title of an officer or any of the Constituent Authorities shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Constituent Authority as that Constituent Authority may from time to time appoint to carry out the duties of the officer referred to.

### **3 COMMENCEMENT AND CESSATION OF THE AGREEMENT**

- 3.1 The Agreement shall continue on its terms until the earlier of the following:
- (a) all Constituent Authorities agree in writing to its termination; or
  - (b) there is only one remaining Constituent Authority who has not exited this Agreement in accordance with clauses 21 or 22.
- 3.2 Following the first anniversary of the date of this Agreement and no later than 18 months from the date of this Agreement, the Constituent Authorities shall each review the terms of this Agreement and may propose reasonable amendments to this Agreement for the other Constituent Authorities' consideration. The parties agree to act reasonably and engage in meaningful consultation in relation to any changes that are proposed as part of this review process provided that any proposed amendment to this Agreement shall remain subject to the provisions of clause 35 (Amendments).

### **4 JOINT GOVERNANCE COMMITTEE**

- 4.1 The Constituent Authorities formed the Joint Governance Committee pursuant to section 101(5) and 102(1) of the Local Government Act 1972 for the purposes of overseeing and reporting to the Constituent Authorities on the performance of the Investment Pool and, in addition from [1 April 2026], from the perspective of the Constituent Authorities as clients of IMCo. For the avoidance of doubt:
- (a) the Joint Governance Committee shall not be responsible for formulating or revising the investment strategy described by regulation 10 of the PMIF Regulations in respect of each or any of the Constituent Authorities; and
  - (b) the Joint Governance Committee shall not be responsible for any matters to be determined under the Shareholder Agreement although it shall be responsible for the provision of feedback and making recommendations on matters brought to it by the Shareholder Forum (further to Schedule 9).
- 4.2 Meetings of the Joint Governance Committee are subject to the provisions of the Local Government Act 1972 including the provisions on access to information and meetings held in public.

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- 4.3 The membership of the Joint Governance Committee shall be:
- (a) one elected member nominated by each of the Constituent Authorities, provided that the nominated person is an elected member of that Constituent Authority and a member of that Constituent Authority's pensions committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013; and
  - (b) one Co-opted Member appointed by decision of the Members (or a sub-group of the Members where such a sub-group is formed to consider the candidates), and which Co-opted Member shall be selected from a pool of candidates nominated by each of the Constituent Authorities or their Pension Boards.
- 4.4 For the purposes of clause 4.3, each Constituent Authority may appoint a named deputy for each Member, which deputy must be an elected member of the same Constituent Authority and the same Constituent Authority's pension committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013 as the Member for whom they are acting as deputy.
- 4.4A In the case of the Co-opted Member, a deputy shall be appointed by decision of the Members (or a sub-group of the Members where such a sub-group is formed to consider the candidates), and which deputy for the Co-opted Member shall be selected from a pool of candidates nominated by each of the Constituent Authorities or their Pension Boards.
- 4.5 The Joint Governance Committee shall undertake its role and act in accordance with the Terms of Reference set out in Schedule 4 and undertake the matters set out in Schedule 3 and shall seek and have regard to the advice of the OWG and any professional advisors appointed in carrying out its functions under this Agreement.
- 4.6 Every meeting shall be governed by the procedure and requirements set out in Schedule 6.
- 4.7 A programme of training will be provided to Members (and their deputies) and Co-opted Members having regard to the requirements for knowledge and understanding within the LGPS Regulations, and the training provided to: (i) Members in their roles on their respective Constituent Authority pension committees; and (ii) Co-opted Members in their role as a member of a Pension Board. In order to be eligible to participate in the Joint Governance Committee Members are required to attend and complete this training within the period specified by the LGPS Regulations or statutory guidance (and in any event no later than 9 months) of being appointed to the Joint Governance Committee and must thereafter attend update and refresher sessions provided at intervals deemed appropriate by the Joint Governance Committee. Any failure to undertake the required training shall be a matter for consideration of the relevant Member's Constituent Authority.
- 4.8 The Co-opted Member shall be invited to and is expected, where possible, to attend all training provided to Members under clause 4.7

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## 5 OFFICERS WORKING GROUP

- 5.1 The Joint Governance Committee shall appoint the OWG on the following terms:
- (a) **“Purpose”**: the OWG shall support and advise the Joint Governance Committee on such matters as the Joint Governance Committee may reasonably request within the Joint Governance Committee’s Terms of Reference or any matters relating to the client aspects of the Pooling Collaboration which are raised by any Constituent Authority’s Section 151 Officer, Monitoring Officer or Senior LGPS Officer;
  - (b) **“Membership”**: each Constituent Authority shall nominate a minimum of one officer, and a maximum of two officers, employed by that Constituent Authority as its representatives on the OWG;
  - (c) **“Remit”**: the remit of the OWG shall be as set out in Schedule 8.
- 5.2 The OWG shall undertake its role and have regard to the Joint Governance Committee Terms of Reference.
- 5.3 Each Constituent Authority’s Section 151 Officer and Monitoring Officer (or in their absence their deputies) shall, where they are not members of the OWG, have the right to attend meetings of the OWG and receive copies of any papers.

## 6 DECISION MAKING

- 6.1 The Constituent Authorities have identified the following two categories of decisions together with the means by which they will be taken:
- (a) **“Joint Governance Committee Matter”**: means a matter, identified in Schedule 3 which is to be decided upon at a quorate meeting of the Joint Governance Committee by those present and entitled to vote and any such decision will be binding on all of the Constituent Authorities;
  - (b) **“Matters Reserved to the Constituent Authorities”**: means a matter identified in Schedule 2, which will have to be referred to each Constituent Authority for decision (having regard to any recommendation to be made thereon by the Joint Governance Committee). Subject to each Constituent Authority’s constitutional requirements, such Matters Reserved to the Constituent Authorities, together with other decisions by a Constituent Authority under this Agreement, will ordinarily be dealt with and decided by the pension committee for each Constituent Authority. Such Matters Reserved to the Constituent Authorities requiring a decision shall not be dealt with by the Joint Governance Committee until the matter has been determined by all of the Constituent Authorities. If the Constituent Authorities fail to reach a unanimous

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decision in respect of such matter then the matter shall be referred under clause 37 (*Alternative Dispute Resolution*) as a dispute for resolution.

## **7 BUSINESS PLAN**

- 7.1 The Joint Governance Committee shall, with the support of the OWG, produce a draft Business Plan to cover the medium term (being up to three years) having regard to the electoral cycle and the operational requirements of the Constituent Authorities for consultation with the Constituent Authorities. The draft Business Plan shall have regard to:
- (a) the objectives of the Joint Governance Committee over the relevant Business Plan period;
  - (b) the financial budget for the relevant Business Plan period and/or any annual budget set;
  - (c) the requirements on each of the Constituent Authorities in their individual capacity as an administering authority pursuant to the PMIF Regulations;
  - (d) the requirements of each Constituent Authority's investment strategy;
  - (e) the advice of appropriately qualified and authorised and regulated professional advisors;
  - (f) the guidance issued from time to time by the Secretary of State as referred to in regulation 7(1) of the PMIF Regulations;
  - (g) such other matters that the Constituent Authorities may consider necessary to the furtherance of the Pooling Collaboration including (subject to clause 10.2), the proposal and development of ad hoc projects.
- 7.2 Consultation on the draft Business Plan shall be carried out by the OWG (with IMCo (where appropriate) and such other parties as it may deem necessary) who shall report on the outcome of that consultation. The Joint Governance Committee shall hold a meeting to discuss and, having had due regard to the outcome of that consultation and the advice of the appropriately qualified and regulated professional advisors, agree a final Business Plan which may include such revisions to the draft as the Joint Governance Committee considers appropriate.
- 7.3 Following approval by the Joint Governance Committee the Business Plan shall be sent to all Constituent Authorities for their written approval.
- 7.4 The Business Plan will be reviewed by the Joint Governance Committee and the Constituent Authorities annually. Where any revisions are agreed by the Joint Governance Committee the revised Business Plan shall be sent to all Constituent Authorities for their written approval.

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7.5 For the avoidance of doubt, final approval of the Business Plan shall be treated as a Matter Reserved to the Constituent Authorities (as defined in clause 6(b)).

## **8 HOST AUTHORITY**

8.1 Carmarthenshire County Council consents to act as the Host Authority for the operation of the Joint Governance Committee, the OWG and the Shareholder Forum which shall be carried out for and on behalf of itself and the Constituent Authorities and Carmarthenshire County Council agrees to act in that capacity subject to and in accordance with and to the extent provided for by the terms of this Agreement. For the avoidance of doubt the role of Host Authority includes:-

- (a) to act as the employing authority for any staff engaged in the discharge of the Pooling Collaboration's functions (appointing, employing or accepting the secondment of staff) in accordance with this Agreement;
- (b) being the point of contact for the purposes of managing the Pooling Collaboration;
- (c) providing such administrative resources and facilities that may be necessary for the purpose of discharging the Pooling Collaboration and hold all Client Governance Contributions;
- (d) providing such governance and administrative services that may be necessary for the purpose of supporting the Pooling Collaboration including arranging and clerking of meetings;
- (e) providing training for Members and Co-opted Members to support their role on the Joint Governance Committee in line with the training plan and in accordance with clause 4.7;
- (f) providing appropriately qualified and experienced officers (and external professional advisers) who will act as the primary legal and financial advisers to the Pooling Collaboration;
- (g) for the purposes of the Joint Governance Committee requiring their Section 151 Officer and Monitoring Officer (or in their absence their deputies) to undertake oversight and review of the operation of the matters described within this Agreement and the decisions of the Joint Governance Committee on behalf of all of the Constituent Authorities;
- (h) power to enter into contracts for supplies and services as required for the purposes of the Pooling Collaboration;

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- (i) liaising with IMCo on behalf of the Constituent Authorities in relation to common client related matters (which for the avoidance of doubt shall not include matters covered by the Shareholder Agreement).
- 8.2 For the avoidance of doubt the duties and responsibilities of the Host Authority pursuant to this Agreement shall only bind the Host Authority to the extent that they have been resourced by the Constituent Authorities through this Agreement.
- 8.3 Save and except where otherwise required by law all staff employed by the Host Authority pursuant to this Agreement shall be employed on the Host Authority's relevant terms and conditions of employment and related staff policies including salary structures.
- 8.4 A replacement Host Authority may be appointed by a majority decision of the Constituent Authorities provided that the replacement Host Authority agrees.
- 8.5 If the Host Authority withdraws from this Agreement pursuant to clause 21 or clause 22 then a replacement Host Authority will be appointed by a majority decision of the Constituent Authorities provided that the replacement Host Authority agrees. The withdrawing Host Authority will not have the right to vote in regard to any such appointment.
- 8.6 Where a replacement Host Authority is appointed pursuant to Clause 8.4 or 8.5 above, any reference to Carmarthenshire County Council (in its capacity as the initial Host Authority) shall be read with reference to the replacement Host Authority from the effective date of the replacement.
- 8.7 Where TUPE applies in connection with the appointment of any replacement Host Authority, then the Constituent Authorities shall comply with the provisions of Schedule 7.
- 8.8 For the duration of this Agreement, the Host Authority shall act diligently and in good faith in all its dealings with the other Constituent Authorities.
- 8.9 For the duration of this Agreement, the Constituent Authorities shall act diligently and in good faith in all their dealings with the Host Authority and shall use their reasonable endeavours to assist the Host Authority to support the Pooling Collaboration.

## **9 LIABILITIES AND INDEMNITIES FOR THE HOST AUTHORITY**

- 9.1 Nothing in this Agreement will make the Host Authority liable in respect of anything done or omitted to be done by any other Constituent Authority up to the Commencement Date.
- 9.2 The Host Authority shall be indemnified from and against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential loss, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable costs and expenses) arising from the performance of its functions authorised pursuant to clause 8 save in the case of its wilful default or fraud.

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## 10 COMMITMENT OF THE CONSTITUENT AUTHORITIES AND CONTRIBUTIONS

- 10.1 Subject to clause 10.2, the Constituent Authorities agree to pay the contributions, which shall be calculated equally, of the estimated governance, procurement and administration costs included within the Business Plan or additional expenditure later required as part of any revised estimated governance, procurement and administration costs contemplated by the Business Plan (the "**Client Governance Contributions**") except where the Business Plan provides otherwise. Alternatively, the Host Authority may calculate Client Governance Contributions in arrears in accordance with the principles of this clause 10.1.
- 10.2 The Constituent Authorities shall meet the costs of ad hoc projects to which they are a party equally between the Constituent Authorities who are parties only and any non-participating Constituent Authorities shall not be liable for any proportion of such costs.
- 10.3 The Constituent Authorities agree to pay the Client Governance Contributions to the Host Authority on such dates, and at such frequency, as is determined by the Business Plan, or further to an invoice issued by the Host Authority where such Client Governance Contributions are collected in arrears. Any costs incurred prior to the approval of the Business Plan shall be payable on being invoiced by the Host Authority.
- 10.4 All Client Governance Contributions shall be made by way of payment to the bank account notified to the Constituent Authorities by the Host Authority for the purposes of the Pooling Collaboration. The Host Authority shall maintain records for all monies received or expended in connection with the Pooling Collaboration in a manner which complies with their accounting arrangements.
- 10.5 Following the termination of this Agreement, once the costs of the Host Authority have been met, the sum standing to the credit of the account or accounts in which Pooling Collaboration funds are held shall be returned to the then remaining Constituent Authorities in the proportions in which they were originally contributed.
- 10.6 Following the termination of this Agreement, where any further contribution is required, or repayments are to be made, the Constituent Authorities shall decide the following:
- (a) the total amount;
  - (b) the apportionment of such contribution or repayment between the Constituent Authorities;
  - (c) the form of such contribution or repayment.

In the absence of any agreement to the contrary, such contributions or repayments shall be by or to all of the Constituent Authorities equally.

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10.7 For the avoidance of doubt, the liability of each Constituent Authority to meet the fees of IMCo shall be determined by each Constituent Authority's client services agreement with IMCo and not this Agreement.

## **11 ACCOUNTS**

11.1 The Host Authority shall keep proper books of account (which expression shall include any computerised accounting system for the time being used by the Pooling Collaboration) and shall be responsible for ensuring that full and proper entries of all receipts and payments are promptly recorded in them. The books of account shall be kept at the premises of the Host Authority and be made available for inspection by all of the Constituent Authorities (who may also take copies). The Host Authority shall make available on reasonable request such information as is required by any Constituent Authority to prepare their own accounts or respond to any internal or external audit.

11.2 The Host Authority shall ensure that the contributions and payments made by each Constituent Authority shall be held in an account in the name of the Host Authority.

11.3 The Host Authority shall prepare annual accounts in relation to each Financial Year for the Pooling Collaboration in accordance with the appropriate code of practice on accounting and the regulations which relate to accounting and audit as applicable to local authorities by no later than 31 May in the following Financial Year.

11.4 The Host Authority shall be responsible for ensuring that the accounts relating to the Pooling Collaboration are audited where and when required by law or other competent authority and shall make copies of the audited accounts available to all of the Constituent Authorities.

## **12 INVESTMENT MANAGEMENT COSTS**

In accordance with clause 10.7, each Constituent Authority shall bear its own costs in respect of investment management they incur or expect to incur in the Pooling Collaboration which shall include all transition costs for the investment and disinvestment of assets.

## **13 INTELLECTUAL PROPERTY**

Any intellectual property developed by any Constituent Authority for the purposes of the Pooling Collaboration shall be retained by the Constituent Authorities and each Constituent Authority will grant all of the other Constituent Authorities a non-exclusive, perpetual, non-transferable and royalty free licence to use, modify amend and develop it for the purpose of the Pooling Collaboration whether or not the Constituent Authority granting the licence remains a party to this Agreement. All costs and expenses relating to such intellectual property shall be borne by the Constituent Authorities and the other Constituent Authorities shall indemnify the Constituent Authority or Constituent Authorities in whom such property is vested against all liabilities that may arise directly or indirectly in respect of the use of it.

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## **14 REPORTS**

- 14.1 The Joint Governance Committee shall oversee the Pooling Collaboration and ensure that it is provided in accordance with the Business Plan.
- 14.2 To ensure that the Constituent Authorities are kept up-to-date with the performance of the Pooling Collaboration, the Joint Governance Committee shall report quarterly and annually in writing to the Constituent Authorities with progress measured against the Business Plan and the objectives of the Investment Pool.

## **15 INSURANCE**

Where the operation of the Pooling Collaboration is not covered by any existing insurance of the Constituent Authorities, the Host Authority shall effect and at all times keep in force (for the benefit of the Members of the Joint Governance Committee and the officers appointed to the OWG) such policies of insurance for such amounts as it shall decide. Such policies shall be maintained at the expense of the Constituent Authorities and shall be an administration cost of this Pooling Collaboration for the purposes of clause 10.1.

## **16 DUTIES AND POWER**

Each Constituent Authority shall at all times:

- (a) use its reasonable skills and endeavours to promote and carry on the Pooling Collaboration for the benefit of the Constituent Authorities, and conduct itself in a proper and responsible manner;
- (b) devote such time and attention as the Constituent Authorities may decide in writing to be necessary and appropriate to the Pooling Collaboration;
- (c) comply with all legislation, regulations, professional standards and other provisions as may govern the conduct of the Pooling Collaboration, or be determined by the Constituent Authorities as standards to be voluntarily applied to the Pooling Collaboration;
- (d) show the utmost good faith to the other Constituent Authorities in all transactions relating to the Pooling Collaboration and give them a true account of, and full information about, all things affecting the Pooling Collaboration;
- (e) inform the Constituent Authorities without delay on becoming party to any legal proceedings in connection with the Pooling Collaboration;
- (f) punctually pay and discharge its present and future debts and financial obligations;
- (g) shall not do or fail to do anything which shall bring any of the other Constituent Authorities, or itself, into disrepute;

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- (h) obtain all necessary consents sufficient to carry on their duties to the Pooling Collaboration.

16.2 No action which would otherwise be a breach of this clause shall constitute a breach where the Constituent Authority was required to carry out that action in compliance with a statutory duty or order of any court, tribunal or ombudsman.

## **17 DELEGATION**

17.1 The Constituent Authorities have put in place such authorisations as are required within their internal governance arrangements to:

- (a) delegate the making of the decisions set out in Schedule 3 (*Joint Governance Committee Matters*) to the Joint Governance Committee;
- (b) delegate any other matter which is required to comply with the obligations of this Agreement, including delegations to its own officers and to the Host Authority where required;

provided that paragraph 2 of Schedule 9 shall apply delegations relevant to the Shareholder Forum.

17.2 The Constituent Authorities shall review and where necessary amend their delegations throughout the duration of the Pooling Collaboration to ensure that they can comply with the provisions of this Agreement.

17.3 The Joint Governance Committee, and the officers participating in the Shareholder Forum, may appoint contractors or agents to undertake tasks, advise on or support the implementation of their functions.

## **18 OBLIGATIONS ON CONSTITUENT AUTHORITIES**

18.1 Without prejudice to the terms of this Agreement, the Constituent Authorities, on an individual basis, commit to the implementation of the Pooling Collaboration consistently with the Submission (subject to any variation agreed by the Constituent Authorities) and to use their reasonable endeavours to ensure the success of the Pooling Collaboration.

18.2 Nothing in this Agreement shall fetter the discretion of each Constituent Authority to formulate and revise an investment strategy appropriate for their fund within the LGPS pursuant to regulation 10 of the PMIF Regulations.

18.3 It is acknowledged and agreed that the obligations and liabilities of each Constituent Authority shall bind any successor authority in the event of any local government re-organisation.

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**19 INDEMNITY**

Any Constituent Authority who is in material breach of any of the provisions of this Agreement shall indemnify the other Constituent Authorities from and against all liabilities, costs, expenses, damages and losses, (including but not limited to any direct, indirect or consequential loss, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable costs and expenses) resulting from that breach, without prejudice to any other right or remedy of the other Constituent Authorities howsoever arising.

**20 POLICIES AND PROCEDURES**

20.1 The Joint Governance Committee shall prepare, maintain and adhere to the policies and procedures which are listed in Schedule 5 and any further policies and procedures which the Joint Governance Committee decides are appropriate, in accordance with applicable law and regulation, competent authority, and relevant guidance, and having had regard to applicable guidance specific to local government management of funds or accounting and auditing requirements. The Joint Governance Committee shall provide them to the Constituent Authorities, OWG, IMCo (where applicable to the role of IMCo) and provide them to sub-delegates and other necessary parties with the aim of achieving uniformity and efficiency in operating practices.

20.2 Where any policy or procedure provided for under this Agreement requires the Constituent Authorities to address or copy any communication or similar to any contract management or co-ordination function the Joint Governance Committee will advise the Constituent Authorities of that requirement in writing. As of the date of receipt of an advisory under this clause the Constituent Authorities shall address or copy any communication as advised.

**21 WITHDRAWAL FROM THIS AGREEMENT**

21.1 Any Constituent Authority (the "**Withdrawing Authority**") may withdraw from this Agreement by giving not less than 18 (eighteen) months' written notice to the Host Authority of its intention to do so. The date of expiration of that notice is the 31 March which next falls after or is coincident with the end of the 18 (eighteen) month notice period provided that the Constituent Authorities may agree with the Withdrawing Authority that a different notice period applies (the "**Exit Date**").

21.2 A Withdrawing Authority may withdraw from this Agreement and be released from its obligations under this Agreement (other than clause 23) provided that:

- (a) it has satisfied all of its obligations up to the Exit Date;

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- (b) it has satisfied its share of the costs and expenses under this Agreement up to the Exit Date, as well as any necessary costs and expenses to facilitate the exit whether or not incurred after the Exit Date;
  - (c) its representatives on the Joint Governance Committee and the OWG resign on or before the Exit Date.

21.3 With effect from the date of the notice given by the Withdrawing Authority pursuant to clause 21.1 the Member (and any nominated deputy for the purposes of clause 4.4) nominated by the Withdrawing Authority for the purposes of clause 4.3(b) shall cease to have any voting rights for the purposes of the Joint Governance Committee and the Withdrawing Authority shall cease to be a Constituent Authority on the Exit Date.

21.4 For the avoidance of doubt, the Withdrawing Authority shall remain liable to make the Client Governance Contributions which are due prior to the Exit Date.

## **22 COMPULSORY EXIT**

22.1 Should a Constituent Authority cease to be a shareholder in IMCo in accordance with the terms of the Shareholder Agreement then it shall be treated as having given notice of withdrawal under the provisions of clause 21.1 (and therefore treated as a Withdrawing Authority) save that such notice shall have immediate effect.

## **23 FURTHER PROVISIONS RELATING TO A WITHDRAWING AUTHORITY**

23.1 When any Constituent Authority ceases to be a Constituent Authority by virtue of being a Withdrawing Authority, the Host Authority shall publish notice of the change in the Joint Governance Committee on the website for the Pooling Collaboration (and in such other manner as may be required by law) and shall give notice in writing of the change in the Joint Governance Committee to all third parties who have in the last 12 (twelve) months had any dealings with the Joint Governance Committee (as determined as being required by the Host Authority).

23.2 The Withdrawing Authority irrevocably agree and undertake to execute and deliver within 5 working days of request all deeds and documents and to do all acts and things necessary to give effect to the terms of this Agreement and for vesting in the continuing Constituent Authorities the full benefit of the assets, rights and benefits to be transferred to the continuing Constituent Authorities under this Agreement.

## **24 CONTINUING LIABILITY**

24.1 Where any Constituent Authority withdraws from this Agreement in accordance with Clause 21 or 22 they shall remain liable to the extent they would have been were they still party to this Agreement for any acts, omissions, costs and expenses arising from acts taken or

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decisions made during the period in which that Constituent Authority was a party to this Agreement.

- 24.2 Any Constituent Authority who enters this Agreement after the Commencement Date shall have liability for any acts, omissions, costs and expenses arising from acts taken or decisions made from the date of their entry only.

## 25 NEW CONSTITUENT AUTHORITY

Where another administering authority of funds within the LGPS becomes a shareholder in IMCo under the terms of the Shareholder Agreement the Constituent Authorities may at their discretion invite that administering authority to become a "*Constituent Authority*" on the terms of this Agreement and to form part of the Joint Governance Committee.

## 26 CONFIDENTIALITY

- 26.1 For the purposes of this Agreement, Confidential Information means, any information which has been certified as exempt information in accordance with Section 100I of the Local Government Act 1972 and all confidential information (however recorded or preserved) disclosed by a Constituent Authority or its representatives or advisers to another Constituent Authority and his representatives or advisers (except where by law the information cannot be retained as confidential) concerning:

- (a) any information relating to the prospective business, technical processes, computer software or intellectual property rights of the Pooling Collaboration;
- (b) all documents, papers and property that may have been made or prepared by, or at the request of, any Constituent Authority and which are marked as being exempt information or confidential and which come into any Constituent Authority's possession or under its control in the course of the Pooling Collaboration; and
- (c) compilations of two or more items of such information and all information that has been, or may be, derived or obtained from any such information which, at any time, comes into any Constituent Authority's possession or under its control in the course of the Pooling Collaboration and which the Pooling Collaboration regards or could reasonably be expected to regard as confidential, whether or not such information is, in itself, confidential, marked as "**confidential**" or reduced to tangible form.

- 26.2 Save as provided otherwise in this agreement either expressly or by implication, each Constituent Authority undertakes that it shall not, at any time, disclose to any person any Confidential Information of the other Constituent Authorities and shall use its reasonable endeavours to keep all Confidential Information of the other Constituent Authorities confidential (whether it is marked as such or not) except as permitted by clause 26.3.

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26.3 Each Constituent Authority may disclose the other Constituent Authority's Confidential Information:

- (a) to its representatives or advisers who need to know such information for the purposes of carrying out the Constituent Authority's obligations under or in connection with this Agreement. Each Constituent Authority shall ensure that its representatives or advisers to whom it discloses the other Constituent Authority's Confidential Information comply with this clause.
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority including an ombudsman.

## 27 PENSIONS

The Constituent Authorities are scheduled employers in the LGPS. The employees employed by the Host Authority in the Pooling Collaboration will be eligible to be active members of the LGPS from the commencement of their employment subject to the LGPS Regulations.

## 28 FREEDOM OF INFORMATION

28.1 Each Constituent Authority acknowledges that the other Constituent Authorities and the Joint Governance Committee are subject to the requirements of the Freedom of Information Act 2000 ("**FoIA**") and each Constituent Authority shall where reasonable assist and co-operate with the other Constituent Authorities (at their own expense) to enable the other Constituent Authorities to comply with these information disclosure obligations.

28.2 Where a Constituent Authority receives a request for information under the FoIA in relation to information which it is holding on behalf of any of the other Constituent Authorities in relation to the Pooling Collaboration, it shall:

- (a) transfer the request for information to the other Constituent Authorities as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;
- (b) provide the other Constituent Authorities with a copy of all information in its possession or power in the form that the Constituent Authorities reasonably require within 10 (ten) Business Days (or such longer period as the Constituent Authorities may specify) of the Constituent Authority requesting that information; and
- (c) provide all necessary assistance as reasonably requested by the other Constituent Authorities to enable the Constituent Authority to respond to a request for information within the time for compliance set out in the FoIA.

28.3 Where a Constituent Authority receives a request for information under the FoIA which relates to this Agreement or the Pooling Collaboration it shall;

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- (a) advise the person making the request that the information is held by another public authority being the Joint Governance Committee and that the request has been passed to that public authority to respond;
  - (b) transfer the request for information to the Host Authority on behalf of the Joint Governance Committee as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;
  - (c) provide the Host Authority with a copy of all information in its possession or power in the form that the Host Authority reasonably require within 10 (ten) Business Days (or such longer period as the Constituent Authorities may specify) of the Constituent Authority requesting that information; and
  - (d) provide all necessary assistance as reasonably requested by the Host Authority to enable the Host Authority to respond to a request for information on behalf of the Joint Governance Committee within the time for compliance set out in the FoIA.

28.4 The Constituent Authorities or the Host Authority shall be responsible for determining in their absolute discretion whether any information requested under the FoIA:

- (a) is exempt from disclosure under the FoIA;
- (b) is to be disclosed in response to a request for information.

28.5 Each Constituent Authority acknowledges that the other Constituent Authorities and the Joint Governance Committee may be obliged under the FoIA to disclose information:

- (a) without consulting with the other Constituent Authorities where it has not been practicable to achieve such consultation; or
- (b) following consultation with the other Constituent Authorities and having taken their views into account.

## **29 DATA PROTECTION**

The Constituent Authorities shall comply with the Data Protection Act 1998.

## **30 DISSOLUTION**

30.1 No Constituent Authority shall be capable of dissolving the Pooling Collaboration unilaterally by means of a notice.

30.2 The Pooling Collaboration and this Agreement shall be terminated upon the unanimous agreement of all of the Constituent Authorities.

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30.3 Each Constituent Authority shall act in good faith in the wind up of the Pooling Collaboration following the unanimous decision to dissolve as soon as reasonably practicable thereafter, and all costs and expenses shall be borne equally by the Constituent Authorities.

### **31 ENTIRE AGREEMENT**

31.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

31.2 Each Constituent Authority acknowledges that, in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.

31.3 Each Constituent Authority agrees that it shall have no claim for innocent or negligent misrepresentation (or negligent misstatement) based on any statement in this agreement.

31.4 Nothing in this clause shall limit or exclude any liability for fraud.

### **32 NOTICES**

32.1 Any notice, demand or communication in connection with this Agreement will be in writing and may be delivered by hand, post, facsimile or email addressed to the recipient as set out in the Contact List or any other address notified to the other party in writing in accordance with this clause as an address to which notices, invoices and other documents may be sent. The notice, demand or communication will be deemed to have been duly served:

- (a) if delivered by hand during business hours, at the time of delivery;
- (b) if delivered by post, 48 hours after being posted (excluding Saturdays, Sundays and public holidays);
- (c) if delivered by facsimile during business hours, at the time of transmission, provided that a confirming copy is sent by first class post to the other party within 24 hours after transmission; or
- (d) if delivered by email or other electronic form of communication during business hours, at the time of transmission.

32.2 Where notice is served by hand, facsimile or email outside business hours, it will be deemed to have been served on the next business day.

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### **33 CONTRACTS (THIRD PARTY RIGHTS)**

33.1 The Constituent Authorities as parties to this Agreement do not wish that any of its terms to be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person not a party to this Agreement.

### **34 SEVERANCE**

34.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

34.2 If one Constituent Authority gives notice to the other Constituent Authorities of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the Constituent Authorities shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended result of the original provision.

### **35 AMENDMENTS**

No amendment to this Agreement shall be binding unless it is in writing and signed by a duly authorised representative of each of the Constituent Authorities and expressed to be for the purpose of such amendment.

### **36 GOVERNING LAW AND JURISDICTION**

36.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales as it applies in Wales.

36.2 Each party irrevocably agrees that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement, its subject matter or formation.

### **37 ALTERNATIVE DISPUTE RESOLUTION**

37.1 The Constituent Authorities agree:

- (a) to pursue a positive approach towards dispute resolution with an objective of reaching a consensus without formal dispute resolution and/or legal proceedings and maintaining a strong working relationship between the Constituent Authorities;

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- (b) that any dispute between the Constituent Authorities in relation to matters covered by this Agreement will be referred to in the first instance to the S151 officer (or equivalent representative with delegated responsibility) of each Constituent Authority;
  - (c) the S151 officer of each Constituent Authority will have 20 Business Days (or such other timeframe as is agreed between the Constituent Authorities) to meet and resolve the dispute as they determine appropriate;
  - (d) if the S151 officers of each of the Constituent Authorities do not resolve the dispute within 20 Business Date (or such other period agreed in sub-paragraph (c) above) the Constituent Authorities shall refer the dispute to an arbitrator who shall be of not less than 10 years standing or qualification;
  - (e) if the Constituent Authorities cannot agree on an arbitrator within 10 Business Days, then the Constituent Authorities shall appoint an arbitrator nominated by the President for the time being of the Chartered Institute of Arbitrators in England and Wales
  - (f) the arbitrator's decision shall be final and binding on the Constituent Authorities. The costs of the arbitration shall be paid as directed by the arbitrator;
  - (g) that where any dispute is agreed to be of a legal or technical nature the parties to the dispute may (but not must) jointly take the opinion of an appropriate expert including opinion of senior legal counsel where appropriate. Such expert opinion must be instructed through the OWG and be instructed within 10 days of referral to the S151 officers under sub-clause (b) following which the opinion should be delivered within a further 10 Business Days unless the nature and/or details of the dispute or opinion dictate that an alternative timeframe needs to be followed

## **38 COUNTERPARTS**

This Agreement may be executed in any number of counterparts by the Constituent Authorities, all of which taken together, shall constitute one and the same Agreement, and any Constituent Authority (including any duly authorised representative of a Constituent Authority) may execute this Agreement by executing a counterpart.

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**Schedule 1**

Contact List

The Host Authority maintains a list of the relevant contact details for each of the Constituent Authorities. This will be issued periodically by the Host Authority to the Constituent Authorities and is also available on request.

As at the date of this Agreement, this Contact List is as follows:

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## Schedule 2

### Matters Reserved to the Constituent Authorities

- 1 Appointment, termination or replacement of IMCo as the asset pool company for each Constituent Authority for the purposes of regulation 7 of the PMIF Regulations.
- 2 Approval of the Business Plan (including the budget described in the Business Plan).
- 3 Approval of additional expenditure not included within the Business Plan which exceeds 30% of the approved budget in the Business Plan in any one Financial Year.
- 4 Formulation, approval or revisions of each respective Constituent Authority's investment strategy for the purposes of regulation 10 of the PMIF Regulations.
- 5 Amendment of this Agreement (pursuant to clause 35).
- 6 Termination of this Agreement (pursuant to clause 3).
- 7 Nomination of a Co-opted Member to the Joint Governance Committee (except where that role is carried out by a Pension Board, in which case it is reserved to that Pension Board).
- 8 Approval of changes to the constitution or terms of the Joint Governance Committee as set out in Schedule 4.
- 9 Approval of an administering authority within the LGPS becoming a Constituent Authority under this Agreement (pursuant to clause 25) or becoming a shareholder in IMCo (with such approval of becoming a shareholder in IMCO being subject to the terms of the Shareholder Agreement).

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### **Schedule 3**

#### **Joint Governance Committee Matters**

Subject to the terms of the Agreement, the Joint Governance Committee shall undertake those matters which are not Matters Reserved to the Constituent Authorities which shall include (without prejudice to the generality of the foregoing):

- 1 Making a recommendation to IMCo in respect of common client matters relating to the performance and operation of IMCo.
- 2 Liaison with, provision of feedback, and the making of recommendations (as applicable), to the Chair of the Shareholder Forum in relation to matters on which the Shareholder Forum is to consult the Joint Governance Committee further to the terms of reference of the Shareholder Forum in Schedule 9.
- 3 Formulation, review and revision of those policies and procedures within Schedule 5 (Policies and procedures).
- 4 Appointing and replacing service providers and advisers to the Joint Governance Committee.
- 5 Undertaking its responsibilities as set out in Schedule 4 (Joint Governance Committee – Terms of Reference).
- 6 Delegation of tasks to the OWG, including the preparation of reports and draft documents and the undertaking of consultations relevant to the operation of the Joint Governance Committee.
- 7 Liaison with Pension Boards as appropriate in line with guidance issued by the Pensions Regulator and other applicable legislation or regulatory guidance relevant to the operation of the Joint Governance Committee.

Notwithstanding the above, for the avoidance of doubt, the Joint Governance Committee may not delegate its responsibilities.

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## Schedule 4

### Joint Governance Committee - Terms of Reference

The Joint Governance Committee responsibilities are:

- 1 Making recommendations to the Constituent Authorities on the performance, from a common client perspective, of IMCo against common or consistent key performance indicators across the Constituent Authorities;
- 2 Monitoring the performance of IMCo against common or consistent key performance indicators across the Constituent Authorities;
- 3 From time to time reviewing policies in respect of environmental, social and governance matters (including responsible investment), local investment, and conflicts of interest management, and where appropriate make recommendations to the Constituent Authorities as to any changes deemed necessary;
- 4 Applying any processes or policies that are assigned to it within this Agreement;
- 5 Ensuring that the OWG acts within its remit as set out in clause 5 and Schedule 8 of this Agreement;
- 6 Providing any analysis or commentary to the Constituent Authorities on annual accounts relevant to the Joint Governance Committee;
- 7 Monitoring the implementation and effectiveness of the policies described in Schedule 5 and initiating reviews of these where required;
- 8 Delivery and ongoing monitoring against the Pooling Collaboration objectives, Business Plan and budgets;
- 9 Approving responses from the Pooling Collaboration in relation to consultations or other matters considered appropriate;
- 10 Making recommendations and providing feedback (as applicable) to the Chair of the Shareholder Forum in relation to matters on which the Shareholder Forum consults the Joint Governance Committee further to the terms of reference of the Shareholder Forum in Schedule 9;
- 11 Seeking advice from professional and authorised and regulated advisers where necessary;
- 12 Agreeing the Business Plan to be put forward to the Constituent Authorities for approval;
- 13 Report to the Constituent Authorities quarterly (and at any other time when the Joint Governance Committee considers it to be necessary) on the matters within their remit including the ongoing monitoring of the Business Plan;

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- 14 Agreeing criteria for the evaluation of bids or tenders for any procurement of a provider or adviser to the Joint Governance Committee;
  - 15 Any reference in this schedule to the Joint Governance Committee taking any action including agreeing, approving or making recommendations, shall be determined subject to the voting provisions set out in Schedule 6.

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## **Schedule 5**

### **Policies and Procedures**

The Joint Governance Committee, with the support of the OWG, will formulate, review and revise on an ongoing basis policies and procedures as deemed appropriate to support robust and effective governance arrangements for the Pooling Collaboration, including the following (which for the avoidance of doubt, is non-exhaustive):

- (a) Responsible Investment Policy
- (b) Climate Policy
- (c) Stewardship Policy
- (d) Training Policy
- (e) Communication Policy
- (f) Governance Decision Matrix
- (g) Risk Policy & Risk Register
- (h) Conflicts of Interest and Procedure Policy
- (i) Complaints Policy
- (j) Whistleblowing Policy
- (k) Breaches and Errors Policy
- (l) Business Continuity Plan

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## **Schedule 6**

### **Joint Governance Committee Procedure**

#### **1 MEMBERSHIP**

- 1.1 The membership of the Joint Governance Committee shall consist of one Member per Constituent Authority and one Co-opted Member.
- 1.2 No substitutes other than deputies shall be allowed.

#### **1A ROLE OF THE CO-OPTED MEMBER**

- 1A.1 The primary role of the Co-opted Member is to provide scheme member representation on the Joint Governance Committee.
- 1A.2 The Co-opted Member is entitled to attend all meetings of the Joint Governance Committee, including exempt items, to be provided with copies of all papers, and to speak on any item during meetings of the Joint Governance Committee.
- 1A.3 The Co-opted Member may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

#### **2 MEETINGS**

- 2.1 Meetings shall be held a minimum of two times per municipal year (being May to May). The anticipated schedule of meetings and the locations in which they will be held will be agreed in advance of the commencement of the next Financial Year no later than the final meeting of the current Financial Year.
- 2.2 A meeting may be held at such time and place as the Chair of the Joint Governance Committee thinks fit. The Joint Governance Committee may decide to allow such meetings to be held remotely (in whole or in part) via video-conference or any similar medium subject to applicable law and having regard to any applicable guidance issued from time to time by the Welsh Government and, where permitted by applicable law, any Member or Co-opted Member attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule. The Constituent Authorities shall make available suitable accommodation for the holding of such meetings in public and remotely including the provision of Welsh Language translation, video-conferencing and webcasting services as appropriate.
- 2.3 All agendas, executive summaries of reports and minutes in relation to the Joint Governance Committee shall be in both Welsh and English, and simultaneous translation of proceedings will be available throughout all meetings of the Joint Governance Committee.

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- 2.4 A meeting of the Joint Governance Committee may be called by a proper officer of the Host Authority on the request of the Chair. Members, Co-opted Members, officers or those nominated by the OWG to present reports, must declare any conflict of interest in respect of any business being conducted at the meeting which would likely to be regarded to prejudice the exercise of a person's function as a participant in the meeting.
- 2.5 The Chair is responsible for the running of meetings. The Chair shall invite Members and the Co-opted Member expressing a desire to speak in turn. All discussion and debate shall be held through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member and the Co-opted Member has been given a fair opportunity to speak.
- 2.6 Minutes will be kept of all meetings. The Chair will sign the minutes of the proceedings at the next suitable meeting.
- 2.7 Notice of meetings
- (a) A notice of meeting specifying the place, date and time of the meeting and containing a statement of the matters to be discussed at the meeting, shall be served on all of the Members of the Joint Governance Committee and Co-opted Members by the appropriate governance officer of the Host Authority;
  - (b) Subject to clause 2.7(c), notice of each meeting, copies of the agenda and any reports to be presented at the meeting, shall be given to all Constituent Authorities by the Host Authority no later than 5 working days before the date of the meeting. The Constituent Authorities shall ensure that a minimum of five working days' notice of all meetings is given in accordance with their normal procedures for notification of Council meetings and all papers made available at all of the Constituent Authorities head offices for inspection for those five working days unless certified as confidential in which case agendas and any non-certified items are made available only.
  - (c) If a meeting is required to be held with less than 5 working days' notice, the Chair must agree it is required urgently, approve the shortened notice period and allow as much notice as possible to be given. Notice should be given in the same manner, and the documents should be made available to all of the Constituent Authorities for as many days as practicable before the meeting.
- 2.8 Exclusion of the public and press
- (a) Where any item to be discussed forms exempt information the Chair shall move that the public and press are excluded from the meeting for the duration of the discussion and voting on that item. The Co-opted Member is entitled to remain in the meeting and shall not be excluded. Motions to exclude the press and public do not require to

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be seconded and shall be determined by simple majority vote of the Members present.

(b) Where the press and public are excluded under (a) above the Chair may invite any person to remain in the meeting where they consider it to be necessary or appropriate to do so and any members of the OWG present shall be presumed to be invited to remain unless the Chair specifies otherwise.

(c) Any person may be excluded from a meeting or required to leave a meeting where in the opinion of the Chair they are causing a disturbance to the running of the meeting and have not desisted from doing following a request; or where any person is so disruptive that their conduct if allowed to remain would prevent the meeting from proceeding in a fair and acceptable manner.

2.9 The Joint Governance Committee may, through the Chair, invite any person to speak at a meeting.

2.10 Officers of the OWG, or those nominated by the OWG, who present reports to the Joint Governance Committee may be asked questions following such presentation.

2.11 Section 151 Officers and Monitoring Officers (and in their absence their deputies) of any Constituent Authority are entitled to attend all meetings including any part of any meeting which is closed to the public and press.

### **3 QUORUM**

3.1 The quorum shall be six Members.

3.2 Where a quorum is not present within 15 minutes of the start of the meeting and the Chair has not been notified that one or more Members have been delayed but will be attending, the meeting shall not be held and the Host Authority will be asked to schedule and give notice of a replacement meeting.

3.3 Where, during any meeting there is no quorum present, then the meeting will adjourn immediately. If the Chair has been unable to ascertain within 15 minutes that the quorum can be restored the remaining business will be considered at another time and date fixed by the Chair.

### **4 CHAIR AND VICE CHAIR**

4.1 The Chair and Vice-Chair shall be Members and shall be appointed by vote for a term of 12 calendar months.

4.2 In the absence of the Chair, the Vice-chair shall be entitled to exercise all of the functions of the Chair.

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4.3 The decision of the Chair of the meeting on all points of procedure and order and the Chair's interpretation of any rule in this schedule shall be final and no debate may ensue thereon. The Chair shall be entitled to take the advice of a governance officer in interpreting any rule or objection on procedure.

4.4 The Chair may be assisted during meetings by a governance officer, a monitoring officer or a S151 officer on procedural matters and such administrative officers as the Chair considers appropriate. Such governance and secretarial officers shall be entitled to remain in the meeting where the public and press are excluded.

## **5 AGENDA**

5.1 An agenda shall be produced in advance for each meeting by the Host Authority following consultation with the Chair.

5.2 The agenda for each meeting shall contain as the first substantive item the approval of the minutes of the previous meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the previous minutes that can be discussed is their accuracy and any matters arising from those previous minutes shall be regarded as new items on the agenda of the current meeting.

5.3 The OWG and the Constituent Authorities may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

5.4 The decision on whether to allow discussion on any other matter not on the agenda of a meeting at that meeting shall be made by the Chair.

## **6 MOTIONS**

6.1 Any Member may propose a motion. All motions must be seconded. Motions which are opposed shall be put to a vote in accordance with the voting provisions of this schedule.

6.2 A Member or the Co-opted Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the provisions of this Schedule, or the law or other competent authority. The Member or Co-opted Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the monitoring officer.

## **7 VOTING**

7.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this section shall apply.

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- 7.2 Each Member present will have one vote and voting will be by means of a show of hands or such other method as the Chair may decide is appropriate in the circumstances, including a roll call. The Co-opted Member may not vote. In the event of a tied vote, the Chair shall have a second or casting vote.
- 7.3 All decisions will be determined by simple majority of Members present.
- 7.4 In the event that a vote is taken, the voting positions and any abstentions of Members will be recorded in the minutes.

## **8 SUB-COMMITTEES AND WORKING GROUPS**

- 8.1 The Joint Governance Committee shall form such sub-committees and working groups as it considers expedient to performing its function. The Joint Governance Committee shall at the time of forming sub-committees or working groups set out the remit of the sub-committees or working groups, what the sub-committees or working groups are required to deliver and the timescale for that delivery. The Co-opted Member may be a member of any sub-committee or working group.
- 8.2 Sub-committees and working groups shall be entailed to request the input and support of the OWG in the same manner as the Joint Governance Committee.
- 8.3 Each sub-committee and working group shall appoint a chair for that sub-committee or working group, who is to be one of the Members of the sub-committee or working group.
- 8.4 Working groups may invite any person who is not a Member or Co-opted Member to join the group in order to assist in carrying out its function.
- 8.5 The Chairs of sub-committees and working groups shall report to Joint Governance Committee at each meeting of that committee on the process of the matters within their remit.
- 8.6 Sub-committees and working groups may be disbanded at any time on the vote of the Joint Governance Committee.
- 8.7 The provisions of paragraphs 5-7 (Agenda, Motions and Voting) of this Schedule shall apply to any sub-committee and working group meetings.

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## Schedule 7

### TUPE

#### 1 DEFINITIONS

1.1 The following definitions shall apply in this Schedule:

**"Data Protection Legislation"** means the Data Protection Act 1998, the Data Protection Directive (95/46/EC), the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000, the Electronic Communications Data Protection Directive (2002/58/EC), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to the processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

**"Expected Transferring Employees"** means those Host Authority Personnel who are reasonably expected by the Host Authority to be a Transferring Employee.

**"Future Host Authority"** means any relevant Constituent Authority who provides services which are identical or substantially similar to any of the Host Authority Services (directly or indirectly) following the termination or expiry of this Agreement or the termination of the provision of any of the Host Authority Services by the Host Authority.

**"Host Authority Personnel"** means the individuals employed or engaged by the Host Authority or any other person in the provision of the Host Authority Services under this Agreement from time to time.

**"Host Authority Services"** means the services to be provided by the Host Authority under this Agreement as more particularly described at clause 8.

**"Redundancy Costs"** means any notice pay (including payment in lieu of notice), holiday pay and statutory and/or contractual redundancy payments.

**"Sub-Contractor"** means any person to whom the provision of any of the Host Authority Services may be sub-contracted by the Host Authority.

**"Subsequent Transfer Date"** means the date on which responsibility for the provision of the Host Authority Services, or any part of the Host Authority Services, transfers from the Host Authority to the Future Host Authority.

**"Transferring Employee"** means an individual whose contract of employment has effect from and after the Subsequent Transfer Date, by virtue of the operation of TUPE, as if originally made between such person and the Future Host Authority.

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## **2 NO TRANSFER ON COMMENCEMENT**

- 2.1 The Constituent Authorities agree that the neither the commencement of this Agreement nor the implementation of any of the arrangements contemplated within it shall give rise to a "relevant transfer" within the meaning of TUPE on or around the Commencement Date.

## **3 EMPLOYEE INFORMATION ON TERMINATION**

- 3.1 Subject to the Data Protection Legislation, during the period of twelve months preceding the expiry of this Agreement, or at any time after the Host Authority has given notice to withdraw from the Pooling Collaboration or at any time after the Host Authority has actually ceased to provide any of the Host Authority Services:
- (a) the Host Authority shall within 28 days of the reasonable request by any Future Host Authority disclose to that Future Host Authority details of the number, age and terms and conditions of employment, in relation to any Host Authority Personnel assigned to the provision of the Host Authority Services or any relevant part of the Host Authority Services;
  - (b) the Host Authority shall not and, if relevant, shall procure that any Sub-Contractor shall not, save in the ordinary course of business, materially vary the terms and conditions of employment or engagement of any Host Authority Personnel or redeploy, replace or dismiss any Host Authority Personnel, or employ or engage any additional individual in the provision of the Host Authority Services, without the prior written consent of the Future Host Authority (such consent not to be unreasonably withheld or delayed).

## **4 EMOLUMENTS**

All wages, salaries, bonus and commission payments, contributions to pension schemes, entitlement to holiday pay and any other emoluments (whether monetary or otherwise), tax and national insurance contributions relating to the Transferring Employees shall be paid or borne by the Host Authority (or Sub-Contractor) in relation to the period before the Subsequent Transfer Date (and the Host Authority shall procure such payment by any Sub-Contractor) and by the relevant Future Host Authority thereafter (and the Constituent Authorities shall procure such payment by any Future Host Authority), and all necessary apportionments shall be made.

## **5 COMPLIANCE AND INDEMNITIES**

- 5.1 The Host Authority shall and/or, if relevant, shall procure that any Sub-Contractor shall:
- (a) comply with its or their obligations to inform and consult the Expected Transferring Employees pursuant to Regulation 13 of TUPE;

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- (b) use reasonable endeavours to agree with the Future Service Provider, and deliver to the Expected Transferring Employees prior to the Subsequent Transfer Date, a suitable joint statement regarding the proposed transfer of their employment to the Future Host Authority on the Subsequent Transfer Date; and
- (c) give employees of the Future Host Authority such access to the Expected Transferring Employees prior to the Subsequent Transfer Date as the Future Host Authority may reasonably require for the purposes of consultation or of effecting an efficient transfer of the Host Authority Services and Transferring Employees with effect from the Subsequent Transfer Date.
- 5.2 The Host Authority shall indemnify and keep indemnified the Future Host Authority against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought against the Future Host Authority in relation to:
- (a) the employment or termination of employment of any Transferring Employee during the period before the Subsequent Transfer Date; or
- (b) the Host Authority's failure or alleged failure to comply with its obligations under Regulation 13 of TUPE, save to the extent that any such failure or alleged failure is as a result of or in consequence of a failure by the Future Host Authority to comply with its obligations under Regulation 13(4) of TUPE.
- 5.3 If a claim or allegation is made by any person who is not a Transferring Employee (a "**Non-Disclosed Transferring Employee**") that his contract of employment has or should have effect as if originally made between himself and the Future Host Authority by virtue of the operation or alleged operation of TUPE:
- (a) the Future Host Authority shall notify the Host Authority in writing as soon as reasonably practicable of any such claim or allegation and the Future Host Authority shall then allow the Host Authority (or any relevant Sub-Contractor) a period of 10 working days to consult with any such Non-Disclosed Transferring Employee concerning his claim or allegation;
- (b) the Future Host Authority shall give to the Host Authority (or any relevant Sub-Contractor) such co-operation or assistance as the Host Authority (or relevant Sub-Contractor) may reasonably require;
- (c) if, following the period of 10 working days referred to in paragraph 4.3(a) above, any Non-Disclosed Transferring Employee continues to assert that his contract of employment has or should have effect as if originally made between himself and Future Host Authority, the Future Host Authority may, within a further period of 20 working days (or such other period as may be agreed in writing between the Host

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Authority and Future Host Authority), serve notice to terminate the employment or alleged employment of such Non-Disclosed Transferring Employee with immediate effect; and

- (d) subject to the Future Host Authority's compliance with this paragraph 5.3, the Host Authority shall indemnify and keep indemnified the Future Host Authority against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought by any such Non-Disclosed Transferring Employee in relation to any sums paid or payable to such Non-Disclosed Transferring Employee up to the date of the termination of such Non-Disclosed Transferring Employee's employment or alleged employment, and in relation to such termination.

5.4 The Future Host Authority shall indemnify and keep indemnified the Host Authority (for itself and any Sub-Contractor) against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought:

- (a) by any Transferring Employee in relation to any act or omission of the Future Host Authority on or after the Subsequent Transfer Date and/or in relation to any events or circumstances relating to the employment or termination of employment of any Transferring Employee occurring or arising on or after the Subsequent Transfer Date;
- (b) in relation to any failure or alleged failure of the Future Host Authority to comply with their obligations under Regulation 13 of TUPE; or
- (c) in relation to any substantial change made or proposed by the Future Host Authority in the working conditions of any of the Transferring Employees, or any individual who would have been a Transferring Employee but whose employment terminated prior to the Subsequent Transfer Date, where that change is to the detriment of such Transferring Employee(s) or such individual(s).

## **6 REDUNDANCY COSTS**

6.1 The Constituent Authorities shall indemnify and keep indemnified on a joint and several basis the Host Authority (for itself and any Sub-Contractor) against all and any Redundancy Costs arising out of or in connection with any claim, demand, action or proceeding which is made or brought against the Host Authority (or Sub-Contractor) arising out of or in connection with the termination or alleged termination of employment of any Host Authority Personnel by reason of redundancy within 6 months of the Subsequent Transfer Date, where the employment of such Host Authority Personnel does not transfer to a Future Host Authority (under TUPE or otherwise) on the cessation of the provision of any or all of the Host Authority

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Services, provided that the Host Authority shall, or shall procure that any Sub-Contractor shall, use reasonable endeavours to:

- (a) mitigate the amount of any such Redundancy Costs;
- (b) search for and, if available, offer alternative employment within the Host Authority's or the Constituent Authorities' (or, as the case may be, the Sub-Contractor's) organisation to any Host Authority Personnel at risk of redundancy and shall give that Host Authority Personnel a reasonable opportunity to accept any such offer of alternative employment before terminating that Host Authority Personnel's employment; and
- (c) comply with any applicable statutory obligations.

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## Schedule 8

### Officers Working Group Remit

The remit of the OWG shall include:

- 1 proposing to the Joint Governance Committee and procuring external support requirements (including legal, governance, tax and other financial support) relevant to the Pooling Collaboration;
- 2 proposals to the Joint Governance Committee on governance arrangements including how IMCo should be held to account by reference its performance for the Constituent Authorities as clients (on a common rather than individual basis);
- 3 challenging and contributing to the development of the common client aspects of the Pooling Collaboration to enable the Joint Governance Committee to achieve its objectives;
- 4 monitoring and reviewing the performance of IMCo in meeting its objectives, service levels and key performance indicators and reporting to the Joint Governance Committee within the quarterly reports and on other occasions as required;
- 5 receiving reports on performance of IMCo and reporting to the Joint Governance Committee;
- 6 considering and making recommendations to the Joint Governance Committee in relation to the Business Plan, prepare a draft Business Plan for consideration by the Joint Governance Committee, consulting upon the approved draft Business Plan and reporting on the outcomes of such consultation including proposing any revisions to the draft Business Plan to the Joint Governance Committee;
- 7 seeking advice from professional advisors that are authorised and regulated by competent authorities;
- 8 establishing sub-groups and/or working groups of the OWG if the OWG consider such sub-group or working group would assist the effectiveness of the OWG to progress a particular project or workstream;
- 9 reviewing, formulating or evaluating governance arrangements and policies for the Pooling Collaboration (including for the avoidance of doubt the policies and procedures described in Schedule 5);
- 10 liaison and engagement with the chairs or nominated representatives of the Pension Boards;
- 11 liaison and engagement with IMCo on matters within the remit of the Joint Governance Committee;

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- 12 proposing to the Joint Governance Committee suggested feedback or recommendations on matters on which the Shareholder Forum is to consult the Joint Governance Committee further to the terms of reference of the Shareholder Forum in Schedule 9;
  - 13 such other matters as the Joint Governance Committee shall request or delegate to the OWG.

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## Schedule 9 Shareholder Forum – Terms of Reference

### Shareholder Forum – Terms of Reference

#### **1 MEMBERSHIP**

- 1.1 The membership of the Shareholder Forum shall consist of up to two representatives from each Constituent Authority, who shall be officers employed by that Constituent Authority, determined by each Constituent Authority acting in accordance with their constitutional requirements and applicable delegation processes.
- 1.2 The officer representative(s) for each Constituent Authority may nominate one or more representative(s) to attend any meeting of the Shareholder Forum in place of or alongside the appointed representative(s) from a Constituent Authority.

#### **2 PURPOSE OF THE SHAREHOLDER FORUM**

- 2.1 The purpose of the Shareholder Forum is to be the principal forum for consultation and discussion in respect of matters reserved to the Constituent Authorities in their capacity as shareholders in IMCo and related governance matters under the Shareholder Agreement.
- 2.2 The Constituent Authorities are individual investors in IMCo. Each Constituent Authority will have in place local delegations to enable its Shareholder Forum representative(s) to vote at shareholder meetings of IMCo (separately from the Shareholder Forum) and to determine matters under the Shareholder Agreement.
- 2.3 Subject to each Constituent Authority's constitutional requirements, each Constituent Authority will also have in place local delegations to enable its Shareholder Forum representative(s) to vote at meetings of the Shareholder Forum.

#### **3 ROLE AND FUNCTION**

- 3.1 The Shareholder Forum shall debate, discuss and feedback to IMCo on matters relevant to shareholders as set out in this Schedule. Items of annual business will include but are not limited to:
- (a) reserved matters under the Shareholder Agreement;
  - (b) changes to the governance arrangements for IMCo;
  - (c) the appointment of directors to IMCo (including, for the avoidance of doubt, directors appointed as shareholder representatives to the board of IMCo);
  - (d) the business objectives and outcomes of IMCo including key performance measures;
- and

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- (e) consideration of matters requiring authorisation by the Constituent Authorities as shareholders in IMCo.
- 3.2 The Shareholder Forum shall request from IMCo such financial information as is necessary to keep each Constituent Authority informed about how the business of IMCo is performing. Such information may include:
- (a) quarterly management accounts;
  - (b) unaudited annual accounts;
  - (c) audited annual accounts;
  - (d) the budget for IMCo;
  - (e) the business plan for IMCo; and
  - (f) a report on IMCo's progress against objectives / milestones / key performance measures set out any business plan for IMCo.
- 3.3 The Shareholder Forum shall request from IMCo and consider other information relating to the operations and management of IMCo including but not limited to:
- (a) staffing structures;
  - (b) changes in key personnel;
  - (c) internal controls;
  - (d) compliance and regulatory matters;
  - (e) client feedback and complaints; and
  - (f) staff surveys.
- 3.4 The Shareholder Forum shall use reasonable endeavours to undertake meaningful consultation with the Joint Governance Committee, and have regard to the views and recommendations of the Joint Governance Committee, prior to the Constituent Authorities approving the business plan and budget for IMCo (or any subsequent revisions to the business plan and budget).
- 3.5 The Shareholder Forum shall use reasonable endeavours to undertake meaningful consultation with the Joint Governance Committee on "Reserved Matters" (within the definition set out in the Shareholder Agreement) and other material matters which the Shareholder Forum considers is relevant to the Terms of Reference for the Joint Committee, and have regard to the views and recommendations Joint Governance Committee where

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practicable prior to each Constituent Authority (in its capacity as a shareholder in IMCo) making a decision on the subject matter.

#### **4 CHAIR AND VICE CHAIR**

- 4.1 The Chair and Vice-Chair shall be nominated representatives of each Constituent Authority pursuant to paragraph 1.1 and each shall be appointed by vote for a term of 12 calendar months.
- 4.2 In the absence of the Chair, the Vice-chair shall be entitled to exercise all of the functions of the Chair.
- 4.3 The decision of the Chair of the meeting on all points of procedure and order and the Chair's interpretation of any provision in this Schedule shall be final and no debate may ensue thereon. The Chair shall be entitled to take the advice of a governance officer in interpreting any provision or objection on procedure.
- 4.4 The Chair may be assisted during meetings by a governance officer on procedural matters and such administrative officers as the Chair considers appropriate. Such governance and secretarial officers shall be entitled to remain in the meeting.

#### **5 QUORUM**

- 5.1 The quorum shall be five nominated representative(s) (pursuant to paragraph 1.1) of six separate Constituent Authorities.
- 5.2 Where a quorum is not present within 15 minutes of the start of the meeting and the Chair has not been notified that one or more Constituent Authorities have been delayed but will be attending, the meeting shall not be held.
- 5.3 Where, during any meeting there is no quorum present, then the meeting will adjourn immediately. If the Chair has been unable to ascertain within 15 minutes that the quorum can be restored the remaining business will be considered at another time and date fixed by the Chair.

#### **6 MEETINGS**

- 6.1 Meetings shall be held a minimum of two times per annum.
- 6.2 A meeting may be held at such time and place as the Chair thinks fit. Such meetings may be held remotely (in whole or in part) via video-conference or any similar medium. Any representative of a Constituent Authority attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule.
- 6.3 The Chair is responsible for the running of meetings. The Chair shall invite Constituent Authorities expressing a desire to speak in turn. All discussion and debate shall be held

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through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Constituent Authority has been given a fair opportunity to speak.

6.4 Minutes will be kept of all meetings. The Chair will sign the minutes of the proceedings at the next suitable meeting.

6.5 The meetings of the Shareholders' Forum are not constituted under sections 101 or 102 of the Local Government Act 1972 and are therefore not considered to be public meetings of the Constituent Authorities. The meetings are not decision-making other than in relation to the Chair of the Shareholder Forum, approval of the Shareholder Forum's terms of reference under this Schedule and in performing the Shareholder Forum's obligations under paragraphs 3.4 and 3.5 .

6.6 Notice of meetings

(a) A notice of meeting specifying the place, date and time of the meeting and containing a statement of the matters to be discussed at the meeting, shall be served on all of the Constituent Authorities by the Chair;

(b) Subject to paragraph 6.6(c), notice of each meeting, copies of the agenda and any reports to be presented at the meeting, shall be given to all Constituent Authorities by the Chair no later than 5 working days before the date of the meeting.

(c) If a meeting is required to be held with less than 5 working days' notice, the Chair must agree it is required urgently, approve the shortened notice period and allow as much notice as possible to be given. Notice should be given in the same manner, and the documents should be made available to all of the Constituent Authorities for as many days as practicable before the meeting.

## **7 VOTING**

7.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this paragraph 7 shall apply.

7.2 Each Constituent Authority present will have one vote and voting will be by means of a show of hands or such other method as the Chair may decide is appropriate in the circumstances, including a roll call. In the event of a tied vote, the Chair shall have a second or casting vote.

7.3 All decisions will be determined by simple majority of Constituent Authorities present.

7.4 In the event that a vote is taken, the voting positions and any abstentions of members will be recorded in the minutes.

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7.5 For the avoidance of doubt, the Shareholder Forum shall not make decisions on matters which the Constituent Authorities are required to decide further to the terms of the Shareholder Agreement.

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This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**THE COMMON SEAL** of )  
Carmarthenshire County Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

**THE COMMON SEAL** of )  
The Council of the City & County of Swansea )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

**THE COMMON SEAL** of )  
Cardiff Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

**THE COMMON SEAL** of )  
Flintshire County Council )  
was affixed hereto in the )  
presence of:- )

Chair / Legal Services Manager/Chief Officer  
Governance

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**THE COMMON SEAL** of )  
Cyngor Gwynedd )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

**THE COMMON SEAL** of )  
Powys County Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

**THE COMMON SEAL** of )  
Rhondda Cynon Taf County Borough Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

**THE COMMON SEAL** of )  
Torfaen County Borough Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

<b>Meeting:</b>	Council
<b>Date:</b>	5 March 2026
<b>Title:</b>	Amendments to the Members Code of Conduct and The Councils Whistle Blowing Policy
<b>Author:</b>	Iwan G D Evans – Head of Legal Services – Monitoring Officer
<b>Purpose:</b>	To recommend that the Council adopts the statutory revisions to the Members Principles of Conduct and the Members Code of Conduct  Accept Information about Amendments to the Constitution

## Background

### Revisions to the Principles of Conduct and Members Code of Conduct

The Local Government (Standards Committees and Member Conduct) (Miscellaneous Amendments) (Wales) Regulations 2025 which came into force on the 5<sup>th</sup> of January 2026 introduced a series of amendments to the arrangements in relation to who may be appointed as an Independent Member of the Standards Committee and also amended the provisions of the Principles of Conduct and the Members Code of Conduct .

Under Section 51 of the Local Government Act 2000 the Council is required to adopt a Code of Conduct for Members and to adopt any revisions within 6 months of the date on which they are made.:

- 2(2) It is the duty of a relevant authority, before the end of the period of six months beginning with the day on which any subsequent order under [section 50](#) which applies to them is made, to pass a resolution–
- (a) adopting a code of conduct in place of their existing code of conduct under this section, or
  - (b) revising their existing code of conduct under this section.”

The revisions are highlighted in Appendix 1. The Council is formally asked to adopt them in accordance with the statutory requirement. The Council is also asked to authorise the amendments in the Local Resolution Procedure to correspond with the Code of Conduct where reference is made to these provisions.

### Whistle Blowing Policy

At its meeting on the 20<sup>th</sup> of January 2026 the Cabinet formally adopted a revised Whistleblowing Policy. As the Whistleblowing Policy is included in the Constitution, I will be replacing the previous policy in the published Constitution in accordance in order to reflect this decision. As required, I am reporting on this change to the Full Council for information. The Policy is appended at Appendix 2.

**Decision Sought**

- 1. The Council is formally asked to adopt the amendments to the Principles of Conduct and the Members Code of Conduct in accordance with the statutory requirement. The Council is also asked to authorise the Monitoring Officer to amend the Local Resolution Procedure to correspond with the Code of Conduct where reference is made to these provisions.**
- 2. The notes the inclusion of the revised Whistle Blowing Policy in the Constitution.**

**Monitoring Officer**

Report author

**Chief Finance Officer**

No objections to the decision sought from the perspective of financial propriety.

**18. MEMBERS' CODE OF CONDUCT**

**18.1 THE PRINCIPLES**

The Conduct of Members (Principles)(Wales) Order 2001 sets out the principles which are to govern the conduct of members of a relevant authority in Wales. They are :

**18.1.1 SELFLESSNESS**

Members must act solely in the public interest. They must never use their position as members to improperly confer advantage on themselves or to improperly confer advantage or disadvantage on others.

**18.1.2 HONESTY**

Members must declare any private interests to their public duties and take steps to resolve any conflict in a way that protects the public interest.

**18.1.3 INTEGRITY AND PROPRIETY**

Members must not put themselves in a position where their integrity is called into question by any financial or other obligation to individuals or organisations that might seek to influence them in the performance of their duties. Members must on all occasions, avoid the appearances of such behaviour

**18.1.4 DUTY TO UPHOLD THE LAW**

Members must act to uphold the law and act on all occasions in accordance with the trust that the public has placed in them

**18.1.5 STEWARDSHIP**

In discharging their duties and responsibilities members must ensure that their authority's resources are used both lawfully and prudently

**18.1.6 OBJECTIVITY IN DECISION MAKING**

In carrying out their responsibilities including making appointments, awarding contracts, or recommending individuals for rewards and benefits, members must make decisions on merit. Whilst members must have regard to the professional advice of officers and may properly take account of the views of others, including their political groups, it is their responsibility to decide what view to take and if appropriate, how to vote on any issue.

### 18.1.7 **EQUALITY AND RESPECT**

Members must carry out their duties and responsibilities with due regard to the need to promote equality of opportunity for all people, regardless of their ~~gender, race, disability, sexual orientation, age or religion~~ **protected characteristics or socio-economic circumstances, and** show respect and consideration for others.

### 18.1.8 **OPENESS**

Members must be as open as possible about all their actions and those of their authority. They must seek to ensure that disclosure of information is restricted only in accordance with the law.

### 18.1.9 **ACCOUNTABILITY**

Members are accountable to the electorate and the public generally for their actions and for the way they carry out their responsibilities as a member. They must be prepared to submit themselves to such scrutiny as it appropriate to their responsibilities.

### 18.1.10 **LEADERSHIP**

Members must promote and support these principles by leadership and example so as to promote public confidence in their role and in the authority. They must respect the impartiality and integrity of the authority's statutory officers and its other employees.

## 18.2 **INTERPRETATION**

### 18.2.1 In this code

"**co-opted members**" in relation to a relevant authority, means a person who is not a member of the authority but who :

- (a) is a member of any committee or sub-committee of the authority, or
- (b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority

and who is entitled to vote on any question which falls to be decided at any meeting of that committee or sub-committee:

"**meeting**" means any meeting :

- (a) of the relevant authority;
- (b) of any executive or board of that relevant authority;
- (c) of any committee, sub-committee, joint committee or joint sub-committee of the relevant authority or of any such committee, joint committee or joint sub-committee of any executive or board of the authority, or

- (d) where members or officers of the relevant authority are present other than a meeting of a Political Group constituted in accordance with regulation 8 of the Local Government (Committee and Political Groups) Regulations 1990 and includes circumstances in which a member of an executive or board or an officer acting alone exercises a function of an authority;

**"Member"** includes, unless the context requires otherwise a co-opted member;

**““protected characteristics” (“nodweddion gwarchoddedig”) has the meaning given by section 4 of the Equality Act 2010**

**"Relevant authority"** means:

- (a) a county council;
- (b) a county borough council;
- (c) a community council
- (d) a fire and rescue authority constituted by a scheme under Section 2 of the Fire and Rescue Service Act 2004 or a scheme to which 4 of that Act applies;
- (e) a National Park Authority established under Section 63 of the Environment Act 1995;

**"you"** means you as a member or co-opted member of a relevant authority; and

**"your authority"** means the relevant authority of which you are a member or co-opted member.

18.2.2 In relation to a community Council, references to an authority's monitoring officer and an authority's Standard Committee are to be read, respectively, as references to the Monitoring Officer and the Standards Committee of the county or county borough council which has functions in relation to the community council for which it is responsible under Section 56(2) of the Local Government Act 2000.

### **18.3 GENERAL PROVISIONS**

18.3.1. Save where paragraph 18.3.3 applies, you must observe this code of conduct :

- (a) whenever you conduct the business, or are present at a meeting, of your authority;
- (b) whenever you act, claim to act or give the impression you are acting in the role of member to which you were elected or appointed;

- (c) whenever you act; claim to act or give the impression you are acting as a representative of your authority; or
  - (d) at all times and in any capacity, in respect of conduct identified in paragraphs 18.3.6(a) and 18.3.8
- 18.3.2 You should read this code together with the general principles prescribed under Section 49(2) of the Local Government Act 2000 in relation to Wales.
- 18.3.3 When you are elected, appointed or nominated by your authority to serve
- (a) on another relevant authority, or any other body, which includes a police authority or Local Health Board you must, when acting for that other authority or body, comply with the code of conduct of that other authority or body; or
  - (b) on any other body which does not have a code relating to the conduct of its members, you must, when acting for that other body, comply with this code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.
- 18.3.4 You must :
- (a) carry out your duties and responsibilities with due regard to the principle that there should be equality of opportunity for all people, regardless of their ~~protected characteristics or socio-economic circumstances gender, race, disability, sexual orientation, age or religion;~~
  - (b) show respect and consideration for others,
  - (c) not use bullying behaviour or harass any person; and
  - (d) not do anything which compromises, or which is likely to compromise, the impartiality of those who work for, or on behalf of, your authority.
- 18.3.5 You must not :
- (a) disclose confidential information or information which should reasonably be regarded as being of a confidential nature, without the express consent of a person authorised to give such consent, or unless required by law to do so.
  - (b) prevent any person from gaining access to information to which that person is entitled by law.
- 18.3.6 You must :
- (a) not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute;
  - (b) report, whether through your authority's confidential reporting procedure or direct to the proper authority, any conduct by a member or anyone who works for, or on behalf of, your authority

which you reasonably believe involves or is likely to involve criminal behaviour (which for the purposes of this paragraph does not include offences or behaviour capable of punishment by way of a fixed penalty);

- (c) report to the Public Services Ombudsman for Wales and to your authority's Monitoring Officer any conduct by another member which you reasonably believe breaches this code of conduct;
- (d) not make vexatious, malicious or frivolous complaints against other members or anyone who works for or on behalf of your authority.

18.3.7 You must comply with any request of your authority's Monitoring Officer or the Public Services Ombudsman for Wales, in connection with an investigation conducted in accordance with their respective statutory powers.

18.3.8 You must not :

- (a) in your official capacity or otherwise, use or attempt to use your position improperly to confer on or secure for yourself, or any other person, an advantage or create or avoid for yourself, or any other person, a disadvantage;
- (b) use, or authorise others to use, the resources of your authority :
  - (i) imprudently;
  - (ii) in breach of your authority's requirements;
  - (iii) unlawfully;
  - (iv) other than in a manner which is calculated to facilitate, or to be conducive to, the discharge of the functions of the authority or of the office to which you have been elected or appointed;
  - (v) improperly for political purposes; or
  - (vi) improperly for private purposes.

18.3.9 You must :

- (a) when participating in meetings or reaching decisions regarding the business of your authority, do so on the basis of the merits of the circumstances involved and in the public interest having regard to any relevant advice provided by your authority's officers, in particular by :
  - (i) the authority's chief executive;
  - (ii) the authority's Head of Finance;
  - (iii) the authority's Monitoring Officer;
  - (iv) the authority's chief legal officer (who should be consulted when there is any doubt as to the authority's power to act, as to whether the action proposed lies within the policy framework agreed by the authority or where the legal

consequences of action or failure to act by the authority might have important repercussions);

- (b) give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

18.3.10 You must :

- (a) observe the law and your authority's rules governing the claiming of expenses and allowances in connection with your duties as a member;
- (b) avoid accepting from anyone gifts, hospitality (other than official hospitality, such as a civic reception or a working lunch duly authorised by your authority), material benefits or services for yourself or any person which might place you, or reasonably appear to place you, under an improper obligation.

## **18.4 INTERESTS**

### **18.4.1 Personal Interests**

- (a) You must in all matters consider whether you have a personal interest, and whether this code of conduct requires you to disclose that interest.
- (b) You must regard yourself as having a personal interest in any business of your authority if
  - (i) it relates to, or is likely to affect :
    - (A) any employment or business carried on by you;
    - (B) any person who employs or has appointed you, any firm in which you are a partner or any company for which you are a remunerated director;
    - (C) any person, other than your authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties as a member;
    - (D) any corporate body which has a place of business or land in your authority's area, and in which you have a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;
    - (E) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a body of the description specified in sub-paragraph (D) above;
    - (F) any land in which you have a beneficial interest which is in the area of your authority;

- (G) any land where the landlord is your authority and the tenant is a firm in which you are a partner, a company of which you are a remunerated director, or a body of the description specified in sub-paragraph (D) above.
  - (H) any body to which you have been elected, appointed or nominated by the authority;
  - (I) any:
    1. public authority or body exercising functions of a public nature;
    2. company, industrial and provident society, charity or body directed to charitable purposes;
    3. body whose principal purposes include the influence of public opinion or policy;
    4. trade union or professional association; or
    5. private club, society or association operating within your authority's area

in which you have membership or hold a position of general control or management.
  - (J) any land in your authority's area in which you have a licence (alone or jointly with others) to occupy for 28 days or longer).
- (ii) a member of the public might reasonably perceive a conflict between your role in taking a decision upon that business, on behalf of your authority as a whole and your role in representing the interests of constituents in your ward or electoral division; or
  - (iii) a decision upon it might reasonably be regarded as affecting :
    - (A) your well-being or financial position, or that of a person with whom you live, or any person with whom you have a close personal association;
    - (B) any employment or business carried on by persons as described in (A).
    - (C) any person who employs or has appointed such persons described in (A), any firm in which they are a partner, or any company of which they are directors;
    - (D) any corporate body in which persons as described in (A) have a beneficial interest in a class of securities exceeding the nominal value of £5,000, or
    - (E) any body listed in paragraphs 18.4.1(b)(i)(l)1 to 18.4.1(b)(i)(l)5 in which persons described in (A) hold

position of general control or management to a greater extent than the majority of:

1. in the case of an authority with electoral divisions or wards, other council tax payers, rate payers or inhabitants of the electoral division or ward, as the case may be, affected by the decision; or
2. in all other cases, other council tax payers, ratepayers or inhabitants of the authority's area.

#### 18.4.2 **Disclosure of Personal Interests**

- (a) Where you have a personal interest in any business of your authority and you attend a meeting at which that business is considered, you must disclose orally to that meeting the existence and nature of that interest before or at the commencement of that consideration, or when the interest becomes apparent.
- (b) Where you have a personal interest in any business of your authority and you make :
  - (i) written representations (whether by letter, facsimile or some other form of electronic communication) to a member or officer of your authority regarding that business, you should include details of that interest in the written communication; or
  - (ii) oral representations (whether in person or some form of electronic communication) to a member or officer of your authority you should disclose the interest at the commencement of such representations, or when it becomes apparent to you that you have such an interest, and confirm the representations and interest in writing within 14 days of the representation.
- (c) Subject to paragraph 18.4.5(a)(ii) below, where you have a personal interest in any business of your authority and you have made a decision in exercising a function of an executive or board, you must in relation to that business ensure that any written statement of that decision records the existence and nature of your interest.
- (d) You must, in respect of a personal interest not previously disclosed before or immediately after the close of a meeting where the disclosure is made pursuant to sub-paragraph 18.4.2(a) submit a written notice to the authority in accordance with any requirements identified by your authority's Monitoring Officer from time to time, but as a minimum containing:
  - (i) details of the personal interest;
  - (ii) details of the business to which the personal interests relates; and
  - (iii) your signature.
- (e) Where you have agreement from your monitoring officer that the information relating to your personal interest is sensitive

information, pursuant to paragraph 18.5.2(a), your obligations under paragraph 18.4.2 to disclose such information, whether orally or in writing, are to be replaced with an obligation to disclose the existence of a personal interest and to confirm that your Monitoring Officer has agreed that the nature of such personal interest is sensitive information.

- (f) For the purpose of paragraph (d), a personal interest will only be deemed to have been previously disclosed if written notification has been provided in accordance with this code since the last date on which you were elected, appointed or nominated as a member of your authority.
- (g) For the purposes of sub-paragraph (c) where no written notice is provided in accordance with the paragraph you will be deemed as not to have declared a personal interest in accordance with this code.

#### 18.4.3 **Prejudicial Interests**

- (a) Subject to sub-paragraph (b) below, where you have a personal interest in any business of your authority, you also have a prejudicial interest in that business if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (b) Subject to paragraph (c), you will not be regarded as having a prejudicial interest in any business where that business :-
  - (i) relates to:
    - (A) another relevant authority of which you are also a member;
    - (B) another public authority or body exercising functions of a public nature in which you hold a position of general control or management;
    - (C) a body to which you have been elected, appointed or nominated by your authority;
    - (D) your role as a school governor (where not appointed or nominated by your authority) unless it relates particularly to the school of which you are a governor;
    - (E) your role as a member of the Local Health Board where you have not been appointed or nominated by your authority;
  - (ii) relates to
    - (A) the housing functions of your authority where you hold a tenancy or lease with your authority, provided that you do not have arrears of rent with your authority of more

than two months and provided that those functions do not relate particularly to your tenancy or lease;

- (B) the functions of your authority in respect of school meals, transport and travelling expenses, where you are a guardian, parent, grandparent or have parental responsibility (as defined in section 3 of the Children Act 1989) of a child in full time education, unless it relates particularly to the school which the child attends;
  - (C) the functions of your authority in respect of statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are receipt of, or are entitled to the receipt of such pay from your authority;
  - (D) the functions of your authority in respect of an allowance or payment made under sections 22(5), 24(4) and 173 to 176 of the Local Government Act 1972 an allowance or pension under Section 18 of the Local Government and Housing Act 1989 or an allowance or payment under Section 100 of the Local Government Act 2000;
- (iii) your role as a community councillor in relation to a grant, loan or other form of financial assistance made by your community council to community or voluntary organisations up to a maximum of £500.
- (c) The exemptions in sub-paragraph 18.4.3.(b)(i) do not apply where the business relates to the determination of any approval, consent, licence, permission or registration.

#### 18.4.4 Overview and Scrutiny Committees

You also have a prejudicial interest in any business before an Overview and Scrutiny Committee of your authority (or of a sub-committee of such a committee) where :

- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive, board or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
- (b) at the time the decision was made or action was taken, you were a member of the executive, board, committee, sub-committee, joint-committee or joint sub-committee mentioned in sub-paragraph (a) and you were present when that decision was made or action was taken.

#### 18.4.5 Participation in relation to Disclosed Interests

- (a) Subject to paragraphs (b), (c) and (d), where you have a prejudicial interest in any business of your authority you must, unless you have obtained a dispensation from your authority's standard committee :
  - (i) withdraw from the room, chamber or place where a meeting considering the business is being held -

- (A) where sub-paragraph (b) applies, immediately after the period for making representations, answering questions or giving evidence relating to the business has ended and in any event before further consideration of the business begins, whether or not the public are allowed to remain in attendance for such consideration; or
  - (B) in any other case, whenever it becomes apparent that that business is being considered at that meeting;
- (ii) not exercise executive or board functions in relation to that business;
  - (iii) not seek to influence a decision about that business;
  - (iv) not make any written representations (whether by letter, facsimile or some other form of electronic communication) in relation to that business; and
  - (v) not make any oral representations (whether in person or some form of electronic communication) in respect of that business or immediately cease to make such oral representations when the prejudicial interest becomes apparent.
- (b) Where you have a prejudicial interest in any business of your authority you may attend a meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.
- (c) Sub-paragraph (a) does not prevent you attending and participating in a meeting if -
- (i) you are required to attend a meeting of an overview or scrutiny committee by such committee exercising its statutory powers; or
  - (ii) you have the benefit of a dispensation provided that you -
    - (A) state at the meeting that you are relying on the dispensation; and
    - (B) before or immediately after the close of the meeting give written notification to your authority containing -
      1. details of the prejudicial interest;
      2. details of the business to which the prejudicial interest relates;
      3. details of, and the date on which, the dispensation was granted; and
      4. your signature.

- (d) Where you have a prejudicial interest and are making written or oral representations to your authority in reliance upon a dispensation you must provide details of the dispensation within any such written or oral representation and, in the latter case, provide written notification to your authority within 24 days of making the representation.

## **18.5 THE REGISTER OF MEMBERS' INTERESTS**

### **18.5.1 Registration of Financial and Other Interests and Memberships and Management Positions**

- (a) Subject to sub-paragraph(c) you must within 28 days of
  - (i) your authority's code of conduct being adopted or the mandatory provisions of this model code being applied to your authority; or
  - (ii) your election or appointment to office (if that is later)

register your financial interests and other interests where they fall within a category mentioned in paragraph 18.4.1(b)(i) in your authority's register maintained under Section 81(1) of the Local Government Act 2000 by providing written notification to your authority's Monitoring Officer.

- (b) You must within 28 days of becoming aware of any new personal interest or change to any personal interest registered under sub-paragraph (a), register that new personal interest or change by providing written notification to your authority's Monitoring Officer.
- (c) Sub-paragraphs (a) and (b) do not apply to sensitive information determined in accordance with paragraph 18.5.2(a).
- (d) Sub-paragraph (a) will not apply if you are a member of a relevant authority which is a community council when you act in your capacity as a member of such an authority.

### **18.5.2 Sensitive Information**

- (a) When you consider that the information relating to any of your personal interests is sensitive information and your authority's monitoring officer agrees, you need not include that information when registering that interest, or as the case may be a change to the interest under paragraph 18.5.1.
- (b) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under sub-paragraph (a) is no longer sensitive information, notify your authority's monitoring officer asking that the information be included in your authority's register of members' interests.
- (c) In this code, 'sensitive information' means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

### 18.5.3 Registration of Gifts and Hospitality

You must within 28 days of being offered any gift, hospitality, material benefit or advantage above the value of £25, provide written notification to your authority's monitoring officer of the existence and nature of that gift, hospitality, material benefit or advantage. You must register any such offer whether you accept it or not.



**22. WHISTLEBLOWING POLICY****22.1 FREQUENTLY ASKED QUESTIONS****What is Whistleblowing?**

Whistleblowing is when an employee, contractor or supplier shares a serious concern about malpractice, inappropriate behaviour or illegal activity within the Council.

**Why does this policy exist?**

The policy gives people a safe way to speak out if they have serious concerns. It helps to protect the Council's standards and to ensure that inappropriate actions are prevented.

**What can I raise a concern about?**

A concern can be raised about anything of public interest, such as:

- fraud or misuse of public funds
- abuse or neglect towards customers or clients
- corruption or abuse of authority
- risk to health and safety
- concealment of important information or malpractice

**Who can Whistleblow?**

This can be done by any employee, contractor, supplier, volunteer or consultant working for the Council.

**Will my name be kept confidential?**

Yes, where possible. Your name will not be disclosed without your consent unless there is a legal need to do so (e.g. in a court case).

**What if I don't want to give my name?**

You can make an anonymous disclosure, but it can be harder to investigate the matter if you can't be contacted for further details.

**Will I be protected from retaliation or persecution?**

Yes. The law (the Public Interest Disclosure Act 1998) protects you from any form of punishment, harassment or unfair treatment if you raise a legitimate concern.

**Who should I contact to share a concern?**

There are several different avenues for sharing your concerns, see clause 22.6 in this document for more information.

**What will happen after I raise a concern?**

The Council will confirm receipt of your concern, take steps to respond to the disclosure including initiating formal investigations and inform

you of the outcome where possible. The nature of any investigation will vary depending on the disclosure.

### **I do not work for the Council; can I raise a concern?**

This policy is relevant to Council employees. Nevertheless, the Council acknowledges that people who do not work for the local authority may wish to raise a concern. A guidance note can be found at the end of the policy, which explains how individuals who are not Council employees can raise a concern and who they should contact.

## **22.2 Where can I get advice or support?**

Support is available through your Trade Union or through the Protect ([www.protect-advice.org.uk](http://www.protect-advice.org.uk)) charity, which offers confidential advice to whistleblowers

### **POLICY STATEMENT**

- 22.2.1 Cyngor Gwynedd is committed to providing high quality services to the people of Gwynedd and relies on the quality of staff and management throughout the authority to do this. In the event of malpractice or a serious crime, it is vital that these activities are brought to light and resolved as soon as possible in order to protect the Council's high standards and maintain public confidence. The Council therefore promotes the highest possible standards of openness, honesty and accountability.
- 22.2.2 The Disclosure Policy has been designed to open up a safe and reliable way for employees to raise concerns, without fear that someone will retaliate, discriminate against them or put them at a disadvantage as a result. Cyngor Gwynedd will not tolerate harassment or persecution of an individual who raises a genuine concern.
- 22.2.3 The policy encourages employees to act responsibly in order to protect the Council's reputation and maintain public confidence. Individuals are expected to come forward and mention serious concerns they have about malpractice.
- 22.2.4 The policy is intended to encourage and enable employees to share serious concerns within the Council rather than opting to try to resolve things externally.
- 22.2.5 Cyngor Gwynedd will respond quickly and thoroughly to concerns raised under this policy, and act responsibly and positively to ensure that malpractice does not continue.
- 22.2.6 This policy has been developed together with the leaflet which provides information and advice to employees, as well as guidance for managers on how to respond to concerns mentioned. Copies of these documents can be obtained from the Corporate Services Department.

## **22.3 PERSONS TO WHOM THE POLICY APPLIES**

22.3.1 This policy applies to all Council staff and contractors who carry out work for the Council on Council property such as agency employees or builders; suppliers and those who provide services under contract with the Council in premises such as care homes.

## **22.4 OBJECTIVES**

22.4.1 The policy seeks to

- encourage employees who are concerned about malpractice to feel confident enough to come forward and share their concerns
- ensure that employees understand what their responsibility is when it comes to reporting malpractice
- create reliable ways for them to report concerns and to receive full information on what happened next
- ensure that employees who share a concern are informed of the outcome of the issue, and also that they know how to take the matter further if they are not satisfied with the Council's response
- provide assurances that employees who mention a legitimate concern will be protected from any potential retaliation or persecution.

22.4.2 In order to do this the Council will:

- Promote this policy and the relevant guidelines for employees and managers as widely as possible to ensure that people are aware of its existence, scope and objectives.
- Include the Disclosure Policy as an essential part of the induction process for new employees.
- Promote the principles of openness and accountability in the workplace.
- Provide training to line managers on how to deal with concerns shared under this policy, support people involved in disclosure cases and the Public Interest Disclosure Act 1998 and the legal background of 'disclosure'.
- Ensure that all complaints are treated seriously and sensitively and are thoroughly investigated.
- Take steps to protect individuals who share concerns under this policy from any retaliation or persecution.
- Try to resolve the issue in the first place within the Council.

## **22.5 SCOPE**

22.5.1 The policy is primarily intended for concerns relating to situations where the interest of others or the interest of the Council itself is at risk. Employees should use this policy if they reasonably suspect that a malpractice or crime has taken place, is about to occur or may be about to occur.

22.5.2 For the purposes of this policy, 'qualified disclosure' means any information disclosed by an employee which he or she honestly and reasonably believes to indicate malpractice or misconduct of the kind listed in section. 22.4.2 'Secure disclosure' means a disclosure made in accordance with the legal requirements in the Public Interest Disclosure Act 1998, so that the individual has the statutory protections.

22.5.3 Complaints can be about something that is thought to be in the public interest including something

- that is illegal, fraudulent or corrupt;
- which amounts to maladministration as defined by the Local Government Ombudsman. Maladministration encompasses, for example, unjustified delay, failure to follow the authority's rules or the law, prejudice, using inappropriate considerations, providing inaccurate information and several similar matters which cause injustice.
- that is contrary to, or is not in accordance with, the Council's Standing Orders, Financial Regulations or policies, codes of practice or legal obligations;
- which does not meet the established standards of practice;
- which is in breach of any statutory code of practice;
- which amounts to inappropriate behaviour;
- which amounts to sexual, physical, or emotional abuse of clients;
- which endangers the health and safety of an individual;
- which causes, or is likely to cause, harm to the environment;
- which is a miscarriage of justice;
- which is an abuse of power or the use of the Council's power and authority for some unauthorised purpose;
- which fails to rectify or take reasonable steps to report an issue which is likely to result in a large avoidable cost or loss of consequence to the Council or which would otherwise jeopardise the Council, or
- which is an attempt to hide any of the above examples.

The list is not exhaustive; it is intended to give an indication of the type of behaviour that could be considered a crime or a malpractice.

22.5.4 This policy cannot be used in relation to potential breaches of employment agreements, e.g. personal complaints or to challenge decisions, practices or policies with which individuals may disagree.

The Disclosure Policy should therefore be regarded as being completely separate from processes that enable a member of staff to lodge a complaint in relation to their own employment.

## **22.6 HOW TO SHARE CONCERNS**

### **22.6.1 Sharing a concern**

22.6.1.1 Anyone who wants to whistleblow has a number of safe options to do so. The option that feels most appropriate should be chosen according to the nature of the concern and the circumstances.

Several avenues exist for sharing a concern. The different avenues are listed below:

- Line manager – for the line manager to refer the matter further (see below). All line managers need to be aware of the arrangements, so that they are at least in a position to be able to refer the matter to an appropriate officer.
- Head of Department / Corporate Directors / Chief Executive / Monitoring Officer. The exact avenue will depend on the nature of the concern.
- The Council's Whistleblowing Officers; namely the Council's Head of Corporate Services and Monitoring Officer. The Whistleblowing Officers are also responsible for organising a Response Group for any disclosure (see below).
- Any concern relating to the protection of children or adults will be referred immediately under the Council's safeguarding arrangements. Confidentiality should not prevent the sharing of information when there is a crime, risk of harm, or serious misconduct, and all practitioners are expected to act promptly to ensure safety.
- Any concerns about financial maladministration will be shared with the Internal Audit Service.
- If staff do not wish to use one of the above options directly, any concerns may be directed to an email address; [canurgloch@gwynedd.llyw.cymru](mailto:canurgloch@gwynedd.llyw.cymru)
- Whatever the method of sharing information, the information will be referred directly to the Response Group (see 22.6.2 below).
- Concerns can be shared in writing or verbally. If it is done verbally, the Executive Officer (namely the officer to whom the concern was originally addressed) will need to record as much detail as possible.
- While employees who share a concern will not be expected to provide evidence to show that the allegation is true, they will be expected to demonstrate to the Executive Officer that there are sufficient grounds to the allegation.

- Employees can seek confidential advice from a Trade Union on how to share a concern under this policy and can invite a representative to raise the issue on their behalf.
- The Council recognises that giving only one avenue for sharing concerns would not be suitable for all situations; that's why it gives people more than one option for sharing information. You will not be at a disadvantage for choosing one of the above options over others, as long as you have acted with sincerity.

## **22.6.2 Whistleblowing Response Group**

22.6.2.1 The Whistleblowing Response Group will act as a central forum to assess all concerns raised through the avenues referred to above, and then to determine the most appropriate way to deal with any concern or disclosure made under the Whistleblowing Policy. The role of the Response Group is to ensure that all disclosures are considered fairly, objectively and in accordance with the relevant legislation, before considering what action should be taken in order to respond.

22.6.2.2 The Council's Whistleblowing Officers, namely the Head of Corporate Services and the Monitoring Officer, are responsible for organising a Response Group for any disclosure that is made. If you therefore receive a relevant disclosure, the Officers who will arrange a meeting of the Group should be informed.

The Group will be responsible for:

- Reviewing the details of the initial disclosure;
- Deciding whether the matter falls within the scope of the Policy, or whether one of the Council's other policies should be used to address the concern;
- Deciding whether to carry out an initial assessment or a formal investigation;
- Allocating investigative responsibility to the relevant department or appropriate officer, keeping in mind the need to prioritise Whistleblowing issues;
- Ensuring that appropriate arrangements are in place to protect those who have raised the concern from any retaliation or disadvantage.
- Ensuring that contact arrangements are agreed with those who have raised the concern, and that this is implemented in accordance with the understanding.
- Confirming a designated point of contact for the individual who has made a disclosure.

22.6.2.3 The Group will consist of some or all of the following officers, depending on the exact nature of the concern.

- Chief Executive;

- Monitoring Officer;
- Corporate Directors;
- Relevant Head of Department;
- A representative from the Human Resources Advisory Service;
- A representative from the Legal Service;
- A representative from the Internal Audit Service.

22.6.2.4 No member of the Group will participate if they are directly involved in the matter in question.

## **22.7 How the Council will respond**

22.7.1 When a disclosure of concern is received, the Council will acknowledge receipt of the disclosure within 10 working days. This response will include:

- confirmation that the disclosure has been received; and
- a brief description of the next steps in the assessment or investigation process.

22.7.2 If additional information is needed to clarify the disclosure or to assist with the initial assessment, the relevant officer will contact the person who raised the concern as soon as reasonably possible.

22.7.3 The way in which the Council will operate depends on the nature of the concern. Where appropriate, the issues raised may be:-

- investigated internally by managers, internal auditors or through another policy or procedure held by the Council
- referred to statutory processes such as child protection arrangements
- referred to the police;
- referred to external enforcement agencies such as the HSE
- referred to the external auditor;
- go to an independent investigation.

22.7.4 In order to protect individuals and those who are accused of potential wrongdoing or malpractice, initial enquiries are made to determine whether it is appropriate to conduct an investigation, and if so, how to investigate.

22.7.5 Some concerns can be resolved by agreeing what action to take without the need for an investigation. If urgent action needs to be taken, this will be done before any investigation is carried out.

22.7.6 We will undertake to complete an initial assessment (i.e., an assessment by the Response Group) of the concern within 10 working days of receipt (where practicable), in order to determine:

- whether a formal investigation is required,
- which procedure is applicable, and
- who will be responsible for the investigation

22.7.7 Those who raised the concern will be informed when this assessment has been completed and what next steps will be taken recognising that the information that can be shared depends on the context and legal requirements. If possible, we will always commit to updating the person making the disclosure (subject to the limitations of the law).

22.7.8 If a meeting has been arranged, the employee raising the concern will have the right to bring a union representative with them, or a colleague who is not related to the field of work to which the concern relates. Albeit, it is not always possible to arrange a meeting, and the response and action can vary depending on the limitations of the law.

22.7.9 The Council will endeavour to provide regular progress updates to those who have raised the concern, in line with confidentiality requirements and data protection laws. However it cannot be guaranteed that progress can be provided on all occasions. Updates will usually be provided:

- when the investigation has formally commenced,
- when an important step has been completed (e.g. interviews or evidence gathering), and
- at the end of the investigation, when a decision or outcome has been made.

22.7.10 When the investigation is complete, the person who raised the concern will receive a final notice stating that the process has ended and, where appropriate, a general summary of the outcome (subject to the limitations of the law).

22.7.11 The Council will process any personal data collected during this process in accordance with the Data Protection Act 2018 and GDPR.

## **22.8 PREVENTING RETALIATION, PERSECUTION OR HARASSMENT**

22.8.1 It's understandable that whistleblowers sometimes worry about potential impacts. Our aim is to encourage the open sharing of information and will support staff who raise genuine concerns under this policy, even if they turn out to be wrong.

22.8.2 Employees who share legitimate concerns about instances of malpractice are protected from prosecution and dismissal under the Public Interest Disclosure Act 1998. The Council will not tolerate any attempt on the part of an employee, councillor, contractor or supplier to penalise or create a disadvantage for an individual who has shared a

concern under this policy. Such an attempt will be treated as a serious disciplinary offence.

22.8.3 Every whistleblower has the right to contact the Whistleblowing Officers or the designated Contact Point directly if they receive any negative reaction, adverse treatment, or any form of detriment as a result of their disclosure. Any such concerns must be considered confidential and in full fairness, without any prejudice to the individual raising the matter.

22.8.4 A confidential support and counselling helpline is available for whistleblowers who raise concerns under this policy. Their contact details are provided at the end of this policy.

## **22.9 CONFIDENTIALITY**

22.9.1 The Council encourages all employees who share a concern under this policy to put their name on the complaint as anonymous allegations are much weaker and can hinder the outcome of an investigation.

22.9.2 If a situation arises where it is not possible to resolve the matter without disclosing the name of the employee who shared the concern, e.g. if they are required to give evidence in court, the appropriate officers will discuss with the employee whether or not to proceed with the case and how that could be done.

22.9.3 We do not encourage staff to make disclosures anonymously, although we will make every effort to investigate anonymous disclosures. You should be aware that a proper investigation may be more difficult or impossible if we cannot obtain further information from you. It is also harder to establish whether any allegations are credible.

22.9.4 Confidentiality should not prevent the sharing of information where there is a known or probable risk to safety, crime, serious misconduct, or where there is a statutory requirement to do so. In such circumstances, practitioners are expected to share information appropriately and respond promptly in order to protect individuals and the public.

22.9.5 Practitioners, including employees, professionals and independent contractors, must be aware that they cannot be anonymous when making a referral to social services, except where that would mean they themselves will be at risk. In this case their concern for themselves should be discussed with social services.

22.9.6 Whistleblowers who are concerned about potential retaliation if their identity is revealed should come forward to the Whistleblowing Officers or your designated point of contact by the Response Group and appropriate measures can then be taken to maintain confidentiality. If in doubt, you can seek advice from Protect, the independent whistleblowing

charity, which offers a confidential helpline. Their contact details are at the end of this policy.

## **22.10 FALSE AND MALICIOUS CLAIMS**

22.10.1 If an employee shares a legitimate concern but the investigation does not confirm it, no action will be taken against them. However, if an employee intentionally makes false or malicious claims under this policy, the conduct will be considered as a serious disciplinary offence.

## **22.11 HOW TO TAKE THE MATTER FURTHER**

22.11.1 If the employee who shared the concern is still dissatisfied after completing the internal process or does not feel it is appropriate to raise the matter within the Council, the employee can make an external disclosure in a safe and legal way.

22.11.2 The Council will respect the right of any employee to make an external disclosure and ensure that the act of doing so, if done in accordance with the Public Interest Disclosure Act 1998, does not result in any retaliation, harassment or disadvantage to the individual concerned.

## **22.12 EXTERNAL DISCLOSURE**

22.12.1 Any concerns are expected to be shared within the Council in the first instance. But there may be cases where an employee feels they cannot discuss the issue internally or where they do not feel it is appropriate to do so. In such cases, provided that the employee is acting sincerely and can demonstrate that there are reasonable and sufficient grounds for their concerns, they can raise the matter externally by contacting the following bodies:

- Protect – [www.protect-advice.org.uk](http://www.protect-advice.org.uk)
- Local Government Ombudsman
- Trade Union
- Professional bodies or relevant management organisations
- The Police

22.12.2 An employee who decides to raise a concern externally should ensure that they do not disclose confidential information to someone who is not entitled to it.

## **22.13 RESPONSIBLE OFFICER**

22.13.1 The overall responsibility for maintaining and implementing this policy and providing assurance as to its implementation rests with the Chief Executive.

22.13.2 The Whistleblowing Officers have a day-to-day operational responsibility for this policy and any questions about this policy should

be directed to them in the first instance. Whistleblowing Officers must ensure that regular and appropriate training is provided to all other managers and staff who may deal with concerns or investigations under this policy.

### **RELEVANT LEGISLATION**

- **Public Interest Disclosure 1998**
- **Enterprise and Regulatory Reform Act 2013**
- **Employment Rights Act 1996**
- **The Data Protection Act 2018**
- **Health and Safety at Work Act 1974**
- **ACAS Code of Practice**
- 

### **COUNSELLING / SUPPORT**

To refer yourself for counselling:

Telephone Number: 01286 679329

E-mail: [iechydgalwedigaethol@gwynedd.llyw.cymru](mailto:iechydgalwedigaethol@gwynedd.llyw.cymru)

In an emergency where staff require urgent support/advice outside normal Council hours, MEDRA can be contacted directly on 0800 132 737 and a member of the team will be able to assist or refer you to appropriate agencies.

## **GUIDANCE NOTE**

The Council acknowledges that people can raise a concern that does not come under the formal definition of whistleblowing. This may include concerns raised by people who are not members of staff.

The Council will deal with these concerns carefully and fairly, with the same care as it deals with any whistleblowing concerns. However, it should be noted that the same duties or legal protections may not be applicable in every case.

### **Members**

You should raise your concern with the relevant Head of Service. You may also contact the Monitoring Officer.

### **School Governors**

You should usually raise your concern through the school's governance arrangements, for example with the Chair of the Governing Body or the School Head. If this is not appropriate, or if the concern involves the Chair or Head, you may contact a relevant officer in the Council, such as the Head of Education, the Monitoring Officer or the Audit Manager.

### **Partners**

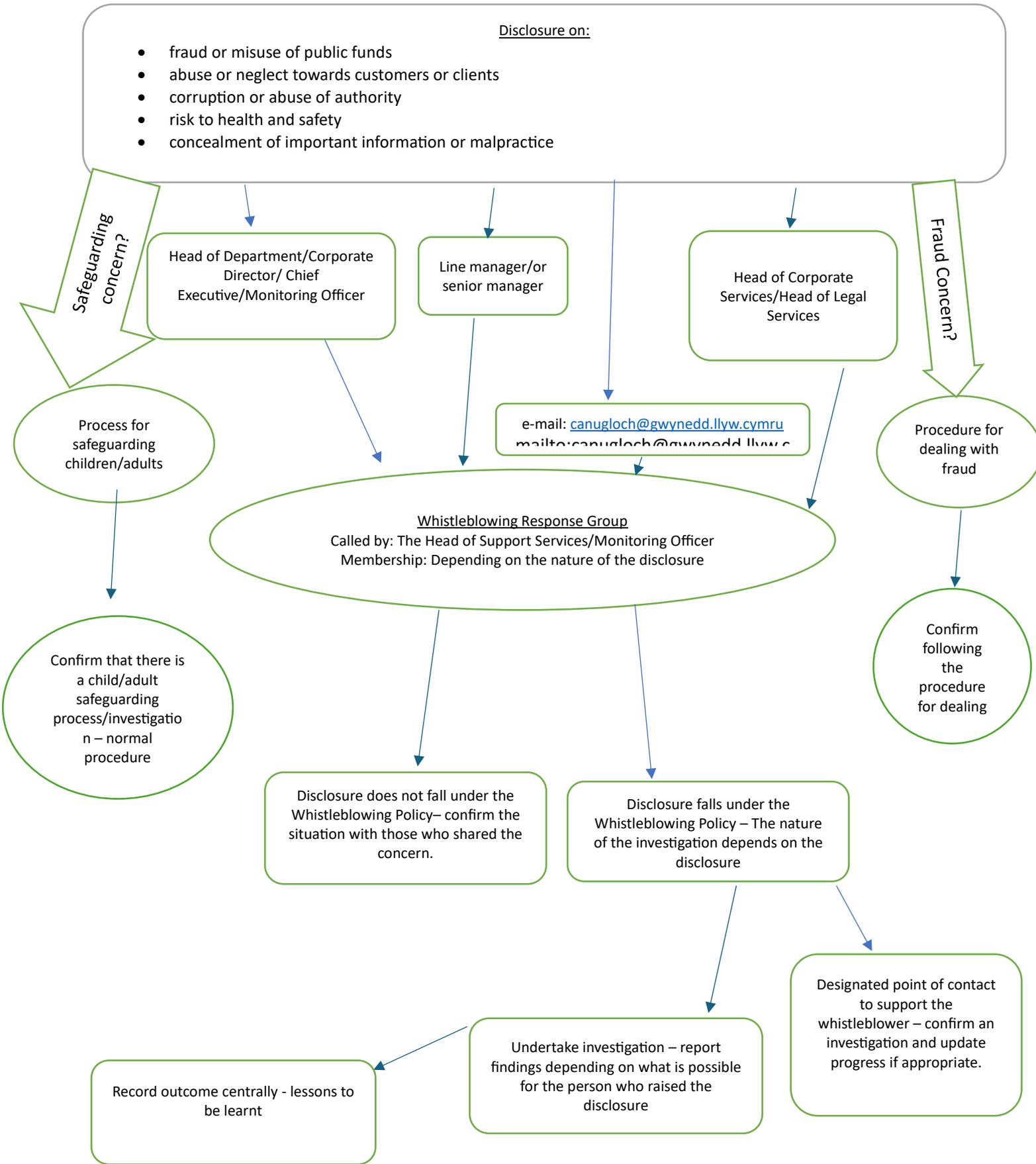
You should usually raise your concern with your contract or project manager. Otherwise, you may contact the Chief Finance Officer or the Audit Manager.

### **The Public**

You should usually use the Council's complaints process. You may also contact the Council to ask for the contact details of the Chief Finance Officer or the Audit Manager and then contact them directly.

If you do not feel comfortable informing the Council of your concern, you may refer it to the relevant external body. If you have made a complaint to us and are dissatisfied with our response, you may refer your complaint to the Public Services Ombudsman for Wales.

## Whistleblowing Process



<b>MEETING</b>	<b>The Full Council</b>
<b>DATE</b>	<b>5 March 2026</b>
<b>SUBJECT</b>	<b>Committees Calendar 2026/27</b>
<b>PURPOSE</b>	<b>To adopt the Committees Calendar for 2026/27</b>
<b>AUTHOR</b>	<b>Ian Jones Head of Democracy Services</b>

## **THE DECISION SOUGHT**

To adopt the Committees Calendar for 2026/27

### **1. BACKGROUND**

- 1.1 The calendar of the Council's committee dates for 2026/27 is submitted for your consideration prior to being submitted to the Full Council on 5 March 2026.
- 1.2 The Calendar assists the Council, its Members and the public to plan ahead for the dates and times of the Council's principal meetings.
- 1.3 Note that these are the dates we have currently scheduled, but situations can arise where additional meetings may need to be arranged in order to carry out Council business.
- 1.4 While every effort is made to avoid holding meetings during school holidays, this is not possible on all occasions if the continuation of Council service is to be ensured.
- 1.5 Please note that this year there is a particular challenge in drawing up the meetings calendar. The traditional committees cycle starts a week later than usual because of the Welsh Government elections. In addition, we are aware that there will again be a 'pre-election period' at the end of 2026/27 before the Local Government elections in May 2027. We have attempted to keep an eye on that by condensing some of the committees to a shorter period, i.e. within 10 months. Scrutiny meetings were considered, attempting to hold them earlier in the committee's cycle to ensure that the work that can be carried out is not affected.
- 1.6 Relevant officers and Eryri National Park Authority were consulted regarding the draft version of the committee's calendar to ensure, as far as practicable, that there are no clashes with other meetings. In addition, we have sought to ensure that there is no clash with the dates of regional meetings such as the North Wales

Corporate Joint Committee meetings, although not all dates for 2026/27 are known yet. It should also be borne in mind that there are now more regional meetings of the North Wales Joint Corporate Committee.

- 1.6 The Fire Authority was also consulted, and adjustments have been made to some dates in order to try to avoid date clashes. Unfortunately, we were not able to adjust every date, and there are clashes on two dates which affect the Planning Committee
- 1.7 We have continued to set a date for the Members' Briefing session every month as well as a monthly Training Day, so that Councillors are given adequate notice of the dates. The new arrangement seems to have worked over the past year, with work to identify and prioritise training sessions taking place constantly. I would like to draw your attention to the fact that there is no briefing or training session scheduled for May, this is due to the need to prioritise committees within a very short period of time. We will make every effort to try to arrange the Briefings or Training sessions on those dates where possible, noting that there is a possibility of having to change to other dates should key training providers or officers not be available.
- 1.8 At the Scrutiny Forum meeting on 23 February 2026 a request was made to hold additional meetings of the Education and Economy Scrutiny Committee and the Care Scrutiny Committee before the summer recess. This was due to the workload of the Committees with items slipping due to the pre-election period and that specific matters need to be scrutinised before the summer. Consequently, two additional dates have been included.
- 1.9 The report was submitted to the Democracy Services Committee on 24 February which recommended that the Full Council adopt the committee meetings calendar.

## **2 COMMITTEES CALENDAR 2026/27**

- 2.1 Please see the appendix for the dates of Council Meetings 2026/27

### **VIEWS OF STATUTORY OFFICERS**

#### **THE MONITORING OFFICER**

No observations to add in relation to propriety.

#### **THE HEAD OF FINANCE DEPARTMENT**

I support the decision sought. In relation to financial matters, the proposed dates for the relevant meetings allow the Council to comply with statutory timetables wherever possible.

## **APPENDIX**

Appendix 1 – Calendar of Council Meeting dates 2026/27

2026/27	Meeting time	May	June	July	August	September	October	November	December	January	February	March	April	May
<b>COUNCIL (H)</b>	<b>pm</b>	<b>14*</b>		<b>2</b>		<b>24</b>			<b>3</b>			<b>4</b>		<b>20*</b>
Cabinet (H)	pm	19	9	7		15	13	10	8	26	16	9	13	
Education and Economy Scrutiny Committee (H)	am / pm		18				8		10		18	16		
Communities Scrutiny (H)	am / pm		11				1	19		28		18		
Care Scrutiny Committee (H)	am / pm		4			17		5		21		11		
Governance and Audit Committee	am	21		9		29	22				4		15	
Democracy Services Committee	pm		16					3			23			
Planning Committee (H)	pm	18	15	13		7 / 28	19	16	14	18	15	8	19	
Central/General Licensing Committee	am		22			21		30				1		
Standards Committee	am		8					2			22			
SACRE	pm		30					17			2			
Language Committee	am		29				5				1		5	
Local Joint Consultative	am			16										
Employment Appeals Committee	am / pm	22		10		11	16	13	11	29	26	19	23	
Pensions Committee	pm			6		14		23**		25		15		
Porthmadog Harbour Consultative Committee	yr hwyr						20					12		
Pwllheli Harbour Consultative Committee	yr hwyr							3				9		
Aberdyfi Harbour Consultative Committee	pm							17				2		
Abermaw Harbour Consultative Committee	pm							24					6	
Members Training	am / pm		3	1		2	7	4	2	13	17	10	14	
Briefing Session	pm		17	15		30	21	18	16	27	24	17	21	

\*Annual Meeting

\*\*Pensions Committee (am) / Annual Meeting (pm)

(H) = Hybrid meeting (multi-location)

Meeting time (as required) **am** – morning **pm** – afternoon **am/pm** – all day

**These are the dates we have currently scheduled, but situations can arise where additional meetings may need to be arranged to carry out Council business.**



Llywodraeth Cymru  
Welsh Government

Huw Irranca-Davies AS/MS  
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet  
dros Newid Hinsawdd a Materion Gwledig  
Deputy First Minister and Cabinet Secretary for  
Climate Change and Rural Affairs

Your ref AS  
Our ref HIDCC/02148/25

Councillor Ioan Thomas  
AnnesSion@gwynedd.llyw.cymru

19 December 2025

Dear Councillor Thomas,

Thank you for your letter dated 21 November regarding the UK Government's proposed changes to Inheritance Tax.

While Inheritance Tax is a reserve tax administered by the UK Government, and it is their responsibility to assess the implications of any proposed changes, it is vital that the interests of Wales are properly represented.

I have repeatedly conveyed the grave concerns of Welsh farmers to the UK Government, stressing that their views must be heard and fully considered in these and future decisions affecting the sector. I have also consistently urged the UK Government to meaningfully engage with Welsh farming unions and to consider their evidence, as well as practical alternatives that could mitigate the impact on family farms and safeguard sustainable farming in Wales.

Having listened to feedback from across the industry, the UK Government announced in its Autumn Budget on 26 November that, from 6 April 2026, the £1 million Agricultural and Business Property Relief allowance can be transferred between spouses and civil partners, even if the individual died prior to that date.

The Welsh Government is committed to supporting farming, and recognises its vital role in sustaining rural communities, safeguarding our environment, and strengthening the Welsh economy. Through our policies and funding, we help farmers plan for the future, remain resilient, and thrive as we transition to the Sustainable Farming Scheme. In 2026, I have committed up to £238m for Universal Payments and the Inheritance Basic Payment Scheme, with a further £102.2m for Optional and Collaborative Actions.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I have clearly stated that the £102.2m for Elective and Co-operative is the minimum budget available. Should additional funding become available as farmers move away from BPS, I am committed to channelling that funding to our Selective and Collaborative layers.

In addition, Farming Connect offers facilitated family succession meetings, succession reviews to understand the inheritance tax implications, and discounted business and legal advice to develop succession plans.

Thank you again for writing to me about these important issues. I hope this information will be helpful to you.

Yours,



**Huw Irranca-Davies AS/MS**

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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