



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

GOVERNANCE AND AUDIT COMMITTEE

Date and Time

10.00 am, THURSDAY, 28TH NOVEMBER, 2024

Location

Virtual Meeting

*** NOTE ***

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

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(DISTRIBUTED 22/11/24)

GOVERNANCE AND AUDIT COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (8)

Councillors

Ioan Thomas
Menna Baines
Huw Rowlands

Edgar Wyn Owen
Elfed Wyn ap Elwyn
Vacant seat

Arwyn Herald Roberts
Meryl Roberts

Independent (4)

Councillors

Angela Russell
Rob Triggs

Richard Glyn Roberts
Elwyn Jones

Lay Members (6)

Clare Hitchcock
Elwyn Rhys Parry
Carys Edwards
Sharon Warnes
Hywel Eifion Jones
Vacant Seat

Ex-officio Members

Chair and Vice-Chair of the Council

AGENDA

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

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

4. MINUTES

5 - 16

The Chairman shall propose that the minutes of the meeting of this committee, held on 10th October 2024, be signed as a true record.

5. IMPELEMENTING THE DECISIONS OF THE COMMITTEE

17 - 21

To consider the report and offer comments.

6. REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP

22 - 28

To consider the report

7. EXCLUSION PRESS AND PUBLIC

The Chairman shall propose that the press and public be excluded from the meeting during the discussion on the following item due to the likely disclosure of exempt information as defined in paragraph 12, Part 4, Schedule 12A of the Local Government Act 1972.

This paragraph should apply because there is an acknowledged public interest in openness in relation to the use of public resources and related financial issues. It is also acknowledged that there are occasions, in order to protect the financial and commercial interests that matters related to such information need to be discussed without being publicised. The report deals specifically with financial and business matter and related discussions. Publication of such commercially sensitive information could adversely affect the interests of the bodies and the Council and undermine the confidence in sharing sensitive information for consideration. This would be contrary to the wider public interest of securing the best overall outcome. For those reasons the matter should be exempt in the public interest.

8. SPECIAL INVESTIGATIONS AUDIT - HOME CARE

Copy for members only

9. REOPEN MEETING FOR PRESS AND PUBLIC

The Chairman shall propose that the meeting be reopened for press and public

10. AUDIT WALES REPORTS 29 - 45

To consider the update on the Audit Wales work programme for Quarter 2

11. FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 AND RELEVANT AUDIT 46 - 191

To submit –

- Statement of Accounts post-Audit
- Audit Wales' 'ISA260' report
- Letter of Representation (Appendix 1)

To consider and approve the information before authorising the Chairman to certify the letter

12. TREASURY MANAGEMENT QUARTERLY UPDATE 192 - 202

To consider and receive the report for information.

13. ANNUAL COMPLAINTS AND SERVICE IMPROVEMENT REPORT 2023/24 203 - 216

To consider the information presented and offer any relevant comments or suggestions

14. REVIEW OF POLLING DISTRICTS AND POLLING PLACES 217 - 229

To consider the content of the report and notes whether it is willing to accept the results of the review as set out in the Appendix, and also whether it wishes to submit any observations on its content to the Council.

15. FORWARD WORK PROGRAMME 230 - 231

To consider the work programme

GOVERNANCE AND AUDIT COMMITTEE 10 October 2024

Attendance:

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

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

Officers: Ffion Madog Evans (Assistant Head of Finance – Accounting and Pensions), Luned Fôn Jones (Internal Audit Manager), Delyth Jones-Thomas (Investment Manager), Caren Rees Jones (Group Accountant – Capital and Management), Eleri Jones (Senior Operational Officer) and Lowri Haf Evans (Democracy Services Officer).

Others invited: Councillor Paul Rowlinson (Cabinet Member – Finance)

Item 6: Alan Hughes, Fflur Jones and Yvonne Thomas (Audit Wales); Aled Davies (Head of Adults, Health and Well-being Department) and Dewi Jones (Council Business Support Service Manager)

Item 7: Councillor Beth Lawton (Chair of the Care Scrutiny Committee) and Councillor Dewi Jones (Vice-chair of the Care Scrutiny Committee)

Item 13: Vera Jones (Democracy Services Manager).

1. APOLOGIES

Apologies were received from Councillor Arwyn Herald Roberts, Dewi Morgan (Head of Finance) and Dylan Owen (Statutory Director of Social Services).

2. DECLARATION OF PERSONAL INTEREST

Carys Edwards, in item 7 on the agenda (Internal Audit Output – Plas Pengwaith Home) because her mother was one of the residents of Plas Pengwaith. It was not a prejudicial interest as the subject was part of a wider report. She was not required to leave the meeting.

3. URGENT ITEMS

- a) Concern about the high risks associated with legal challenges against the Council.
 - Reassurance was needed that there were robust systems in place to manage situations of high risk.
 - An update was needed on the Council's insurance arrangements and any risk that came under that arrangement.
 - There was a need to ensure, following receipt of the recommendations of the External Audit into the Council's safeguarding arrangements, that a detailed action plan was adopted as a means of avoiding any future risks and costs.
- b) It was highlighted that two vacant seats remained on the Committee.

RESOLVED:

To request that the Chair discusses the concerns with the Head of Finance so that Committee Members can gain a better understanding of the Council's arrangements.

4. MINUTES

The Chair accepted the minutes of the previous meeting of this committee, held on 5 September 2024, as a true record.

5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

A report was submitted providing an outline of how the Council's departments had responded to the decisions of the Governance and Audit Committee so that Members could be assured that their decisions were being addressed. It was noted that the report gave Members an opportunity to consider the decisions made with the intention of removing the item / decision when the action had been completed.

RESOLVED

To accept the contents of the report.

6. AUDIT WALES: 'URGENT AND EMERGENCY CARE: 'FLOW OUT OF HOSPITAL - NORTH WALES REGION'

Alan Hughes, Fflur Jones, Yvonne Thomas (Audit Wales), Aled Davies and Dewi Wyn Jones were welcomed to the meeting.

A report by Audit Wales was presented, which referred to an audit issued in February 2024 to identify whether the NHS bodies and Local Authorities had proper arrangements in place to secure the efficient, effective, and economical use of resources in managing the flow of patients out of hospital in the North Wales Region.

It was reported that the discharge of patients from hospitals was a national problem, mainly because the complexity of the demand had increased. Consequently, this created problems such as a reduction in the number of beds available, putting a strain on the service. It was reiterated that a workforce shortage, and deficiencies in the processes for discharge and sharing information added to the challenges. It was noted that there was strong commitment by the Partnerships to try and improve the situation and that the region's response to the recommendations had been positive.

Aled Davies (Head of Adults, Health and Well-being Department) presented the organisation's response to the recommendations for the Committee to consider. He noted that the work and findings of Audit Wales had been welcomed, and that the response was a collective response by organisations across the region, with Cyngor Gwynedd playing a key role in the process of patients' discharge from hospital. He added that the region recognised and identified the improvements that needed to be implemented to ensure support for patients after returning home, and that Gwynedd would make every effort to work with all the partnerships to respond to those challenges. He also noted that many of the issues aligned with the priorities of Cyngor Gwynedd.

Matters arising from the ensuing discussion:

- Despite the joint-working with Betsi Cadwaladr University Health Board (BCUHB), the situation was not improving; it was a critical situation. Need to see examples of good cooperation.

- The BCUHB area was too large – the processes were not fit for purpose for all areas within the region.
- There was a need to hold more discussions between BCUHC, the Local Authorities and Partnerships.
- The Labour Party had ambitious plans to repair the National Health Service (NHS) – was there scope here to engage with Central Government in London?
- Patient discharge from hospital was a long-standing problem – we need to focus on what Gwynedd can do to improve the situation.
- A population breakdown would have been useful as part of the report – setting out the context of the areas within the region.
- BCUHB was often in special measures – this was not an easy problem to solve.
- The percentage 'waiting for a new domiciliary care package to begin' was high – it was hoped that the Service was looking at this.
- A shortage of beds and staff in the hospitals.

In response to a question;

- regarding how confident organisations were, after the recommendations had been implemented, that the situation will have improved and whether there were adequate resources to undertake the work, it was noted that every effort was being made to respond to the matters raised and that we would have to make the best use of what was already available. It was suggested that possible amendments could improve the process, such as Cyngor Gwynedd's information technology system running in parallel with the hospitals' system so that direct information between wards and residential homes could be facilitated. He noted that it was easy to state that more people were required to deal with this, but the staffing structure was currently full (although there was a problem with recruiting domiciliary and residential carers). It was reiterated that we must focus on changing culture, the way of working, by targeting resources in the right places and perhaps consider not over-providing in some situations; there was a need to ensure that actions, both individually and in partnership, led to improving the situation.
- Regarding recommendation 1 – 'Improving Training and Guidance' (completion date July 2024), and whether this had been completed within the timeframe – it was noted that the matter was 'in progress' because work on revising the policy was being carried out.
- Regarding the importance of sharing information and that it was difficult to operate without the latest information, it was accepted that this had been used as an excuse in the past, but sharing information using technology systems that run in parallel could remove layers from the process – it would be a positive contribution and would reduce the risk of losing information (which would usually be recorded on paper).
- With regard to a comment about shortfalls in the discharge process and the lack of space following discharge, it was noted that there were differences in the care provision in Gwynedd especially between urban and rural care. It was added that the south of the County was worse than the north, with a shortage of nursing beds which sometimes led to the need to make out-of-county arrangements. In the context of residential beds, it was highlighted that this was not such a problem as the service focused on supporting the patient to stay in their home.

The members gave thanks for the report and requested an update in 12 months' time. The committee shared their support with the Service and appreciated the complexity of the situation. It was reported that the recommendations had been discussed in the Management Team and that Audit Wales's recommendations corresponded with the work

programmes of the Adults, Health and Well-being Department; this would ensure that Gwynedd made an effective contribution to the review.

RESOLVED:

To accept the contents of the report.

To submit an update on the recommendations in 12 months' time.

7. INTERNAL AUDIT OUTPUT

Submitted, for information, the report of the Audit Manager updating the Committee on the internal audit work for the period from 1 April 2024 until 30 September 2024. It was highlighted that 11 of the audits in the operational plan had been completed and given an assurance level of high; satisfactory or limited.

Each audit was referred to in turn. Matters arising from the ensuing discussion:

- Car Parks (Environment)
 - The use of pay machines – was there a smart phone option?
 - Phone only machines created a problem for older people.

In response, the Audit Manager stated that the Service had to consider the risks attached to only using coin machines and also accepted the barriers faced by older people – it was difficult to get the balance right. She added that a combination of payments methods were currently being used.

- Freedom of Information Requests
 - Concern that the audit had only reached a limited assurance level.
 - Need assurance that information was not restricted; need to be transparent.
 - Did the result of the sample highlight a deficiency in the information issued, or that there was a legal reason for not providing the information 'correctly'?

In response, the Audit Manager confirmed that the rejected requests in the audit sample had been rejected for legal reasons, therefore the Council had fully complied with the requirements of the Act. It was reiterated that the assurance level hinged between 'satisfactory' and 'limited', and following a discussion with the team, a limited assurance level was agreed because Gwynedd's performance statistics on the punctuality rate were 77%, which was slightly lower than those of the United Kingdom Government.

In response to the failure to reach the target and to a supplementary question on whether the matter should be referred to the Governance Group, the Audit Manager stated that the matter was being monitored by the Performance Challenge Group of the Corporate Support Department, although the staff relied on all Council departments participating to provide the information.

As the matter dealt with a Council-wide situation, consideration was given to whether the Committee should receive an annual report setting out the Council's arrangements for dealing with Freedom of Information matters in the same way that the Council's arrangements for dealing with Complaints matters were presented to the Committee.

- Residential Care Homes of Plas Pengwaith, Llys Cadfan and Plas Hafan
 - The report did not reflect good levels of assurance in the Residential Care Homes – there was a pattern here.
 - A suggestion to refer the matter to the Care Scrutiny Committee to look at the issues in greater detail and consider a solution to the lack of management issues.

- A further suggestion to refer the matter to the Controls Improvement Group as there were some basic issues here – a pattern that had existed for years now.
- There was a need to consider whether there were adequate arrangements / adequate support for the Managers.

Cllr Beth Lawton (Chair of the Care Scrutiny Committee) was invited to comment, and she thanked the officers for the opportunity to discuss the issue. In response to a comment regarding the timetable for responding to the audit recommendations, the Audit Manager indicated that the Audit Unit would revisit the matter in the next year and review evidence of progress or arrange a visit to the three homes. She reiterated that Internal Audit's focus had changed to focus more on the care element rather than financial matters.

In response to a suggestion of submitting the matter to the Controls Improvement Group, the Audit Manager noted that this would be a great opportunity to discuss the matter with the Managers, staff and Council officers so that the difficulties could be understood and resolved. It was noted that these were basic errors in a difficult area of high staff absences, a shortage of staff to release others to attend training, along with a lack of suitable courses for staff, such as manual handling, (although the Managers of the homes had identified the need). She reiterated that the Managers were keen to gain a better understanding of management requirements, but there was not enough help and support available to them.

RESOLVED:

- **To accept the report**
- **The findings of the Residential Homes Services Audits (Plas Penwaith, Llys Cadfan and Plas Hafan) to be referred to the Controls Improvement Group.**

Carys Edwards, Rhys Parry, Cllr Angela Russell, Cllr Meryl Roberts and Cllr Ioan Thomas were nominated as members to the Controls Improvement Group with Cllr Beth Lawton (Chair of the Care Scrutiny Committee) and Cllr Dewi Jones (Vice-chair of the Care Scrutiny Committee) invited to observe. Should issues arise from the Controls Improvement Group that required further attention, they would be referred to the Care Scrutiny Committee.

Note:

Freedom of Information Requests Audit – a request to consider that the requirements of the Freedom of Information Act 2000 are addressed by the Committee – the Committee to receive an annual report setting out the Council's Arrangements for dealing with Freedom of Information matters. The Chair to discuss with the Head of Corporate Support.

8. INTERNAL AUDIT PLAN 2024/25

Submitted, for information – a report by the Audit Manager updating the Committee on the current situation in terms of completing the Internal Audit Plan 2024/25. She referred to the status of the work and the time spent on each audit. She highlighted that up until 27 September 2024, 11 out of the 45 individual audits in the plan had been released in a final version or had been closed, which represented 24% of the plan.

She referred to amendments that had been made to the Plan as a result of annual leave, sickness, training, management and meetings, adding that further audits had been added which meant it was inevitable that some changes had to be made to the Plan.

It was noted, that in accordance with best practice and the Public Sector Internal Audit Standards, the Internal Audit Plan was subject to continuous review to ensure that it

remained up to date and reflected changes in the business, determining the plan's priorities based on risk or a request from a Head of Department.

The members thanked the officer for the report.

RESOLVED:

To accept the report

9. SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES

Submitted – the report of the Cabinet Member for Finance requesting that the Committee notes the position and relevant risks in respect of the Savings Overview, considers the decisions for the Cabinet (15-10-2024) and provides comment as necessary. It was noted that the report highlighted the position up until the end of August 2024.

It was highlighted that to close the funding gap this year, it was necessary to implement £5.6 million worth of savings during 2024/25; this was a combination of £3.6 million that had previously been approved in February 2023, and new savings approved in February 2024 worth £2 million.

It was reported, over the past few years, as had been consistently reported to the Committee, that there had been difficulties in realising savings in areas in the Adults, Health and Well-being Department and the Waste field, therefore £2 million worth of schemes where there were significant risks to their delivery had been scrapped during 2023/24.

He drew attention to the new savings and also the savings that had been approved previously, such as historical savings schemes for the period from the 2015/16 financial year up until the 2024/25 financial year. He highlighted the fact that 98%, which was over £33.7 million of the £34.3 million of savings, had now been realised.

In the context of the new savings schemes worth £12 million, it was reported that 65% of the savings had already been realised with a further 8% on track to be delivered on time. Nonetheless, he indicated that there were clear risks to delivering the savings in some fields, such as the Adults, Health and Well-being Department and the Environment Department.

He referred to the value of those savings that had already been approved for 2025/26 onwards, and noted that further savings schemes and cuts for 2025/26 were already under consideration by Cyngor Gwynedd – these would be the subject of a further report.

In summarising the situation, it was reported that £41.7 million of savings had been realised (90% of the required £46.6 million over the period) and a further 2% was forecast to be realised by the end of the financial year (although there was a delay and some risks to delivering the remaining schemes).

The Cabinet Member was thanked for the report.

Matters arising from the ensuing discussion:

- There was a risk attached to not delivering the savings and also from delivering them.
- The report portrayed a good situation over the past 10 years, but we now needed to focus on the more recent years which of course portrayed a picture of failing to achieve savings as the situation was becoming more difficult – a suggestion to draw up a table that distinguished between historical and current savings.

- Were the departments confident that they would be able to achieve the 2024/25 savings?
- Concern that some savings were slipping yearly.
- There was a need to look at services' culture and arrangements – consider alternative ways of budgeting rather than 'chipping into' or using money that had been collected for another purpose.

In response to the comments, the Cabinet Member noted that every effort was being made to reduce the adverse impact on the residents of Gwynedd. He added that the risk of failing to deliver was being considered and was certainly evident in some situations. In terms of departments' confidence in realising the 2024/25 savings, he noted that the certainty varied from scheme to scheme and referred to Table 1 (Summary of the status of all savings schemes since 2015) in the report which provided an analysis of the situation.

RESOLVED:

To accept the report and note the situation and relevant risks in the context of the Savings Overview.

Note:

Draw up a table in future that distinguishes between the historical situation and the latest situation so that risks to the current position can be identified.

10. CAPITAL PROGRAMME 2024/25 – END OF AUGUST REVIEW

Submitted – a report by the Cabinet Member for Finance outlining the capital programme (end of August 2024 position) and also approving the relevant funding sources. The Committee was asked to scrutinise the information and offer comments before submitting the report for the Cabinet's approval on 15 October 2024.

He referred to a breakdown per Department of the £169.8 million capital programme for the 3 years from 2024/25 - 2026/27, as well as the sources available to fund the net increase of £51.6 million since the opening budget, with £33 million of this originating from re-profiling at the end of the previous year.

He reiterated that,

- There were firm plans in place to invest £117 million in 2024/25 on capital schemes, with £48.8 million (42%) of it being financed by attracting specific grants.
- An additional £17.2 million of proposed expenditure had been re-profiled from 2024/25 to 2025/26 and 2026/27.
- The main schemes that had slipped since the original budget included £4.1 million for Schools Schemes (Sustainable Learning Communities and Others), £3.1 million in Levelling-up Fund schemes, £2.7 million of Economic Boost and Industrial Units schemes, £2.5 million in Carbon Management and Solar Panels schemes, £1.2 million for the Penygroes Health and Care Hub scheme and £1.1 million Residential Establishments schemes.

Attention was drawn to the list of additional grants that the Council had managed to attract since the last review which included the Sustainable Learning Communities Grant – Schools Community Use grant, Grants from the Local Transport Fund (LTF) and Active Travel Fund (ATF) from the Welsh Government for several different schemes, a Care Homes Fund grant for children's homes from the Welsh Government and the Schools Maintenance Grant 2024/25.

He referred to the information about the Council's Capital Prudential Indicators and highlighted that, in accordance with the CIPFA Prudential Code, the Council was obliged

to report the information - he added that the Council had complied in full with the policy on borrowing for capital purposes.

The members gave thanks for the report.

In response to a question regarding an increase of £370,000 in the use of borrowing and how confident was the decision to support this, the Cabinet Member stated that the loan was for renewing the Environment Department's vehicles fleet as a means of achieving net-zero duties (of using electric vehicles rather than diesel). Although a substantial amount, it was an acceptable borrowing.

In response to a comment that the expenditure programme had to be re-profiled in response to the loss of a Welsh Government grant, reference was made to the rationale and justification for the recommendations, noting again that

- an additional £17.2m of proposed expenditure had been re-profiled from 2024/25 to 2025/26 and 2026/27, but no loss of funding had been caused to the Council where schemes had slipped.

RESOLVED

To accept the report and note the situation and risks in the context of the Council's capital programme.

11. REVENUE BUDGET 2024/25 – END OF AUGUST 2024 REVIEW

Submitted – a report by the Cabinet Member for Finance, detailing the latest review of the Council's revenue budget for 2024/25, and the projections towards the end of the financial year. The Committee was asked to scrutinise the information and offer comments before submitting the report for the Cabinet's approval on 15 October 2024.

The Cabinet Member set out the context to the report, noting the following:-

- The situation was not unique to Gwynedd.
- Although Gwynedd's reserves had historically been strong, they were emptying quickly
- This was a case of underfunding, and not a lack of financial management
- Every effort was being made to reduce the impact on the residents of Gwynedd

He added that the Finance Officers merely reported on the situation, and that the Departments themselves were responsible for their budgets.

He referred to a breakdown of the final position of all the departments and reported that, following the end of August review, the projections suggested that there would be an overspend of £7.6 million and that six of the departments will have overspent by the end of the year. Significant overspends were anticipated for the Adults, Health and Well-being Department, the Children and Families Department, the Highways, Engineering and YGC Department and the Environment Department.

The main issues:

- Adults, Health and Well-being Department – the Department received a permanent additional budget allocation of over £3.2 million this year to meet pressures in various areas; the latest forecasts suggested there will be a £2.7 million overspend by the end of the year (compared to £3.9 million in 2023/24). The overspend was the result of a combination of several factors which included increased pressure on the home care provision, the other main issues included direct payments which was overspending by £1.3 million in the older people's service, and supported

- accommodation in the learning disability service. The Chief Executive had commissioned work last year to look at the department's finances.
- Children and Families Department – the department's financial situation had deteriorated significantly since the 2023/24 position when an overspend of £2.6 million had been reported; now increased to £3.2 million; primarily as a result of an increase in the costs of out-of-county placements. The department had seen the complexity of packages increasing, and recent increasing use of unregistered placements. As a result of the exceptional overspending by the Children and Families Department, the Chief Executive had commissioned work to explain the details in the area of Childcare, so as to obtain a better understanding of the issues and a clear programme of response. The work would be led by the Statutory Director of Social Services.
 - Education Department – Following a £1.5 million overspend in the 2023/24 financial year on school transport, the field received an additional budget allocation this year of £896k on a permanent basis and a further £896k for just one year, to address the pressure on the school buses and taxis following the re-tendering of contracts, therefore a balanced financial position was reported.
 - Byw'n lach – over the past few years, as the income levels of the Byw'n lach Company had been impacted, the company received annual financial support from the Council above the contractual payment of the delivery agreement, to enable them to maintain their services. The financial support continued this year, and the required amount was £101k.
 - Highways, Engineering and YGC Department – an overspend of £649k was forecast; the work being commissioned by external agencies had reduced, which had a negative impact on the income of highways services. In municipal there was a combination of factors, including additional pressure on the budgets of street cleaning staff and staff who clean public toilets, while income losses were issues for grounds maintenance and public toilets.
 - Environment Department – a £1,083k overspend was forecast, with the annual trend of overspending in the field of waste collection and recycling continuing, and accounting for £664k of the overspend. Employment costs and levels of sickness and overtime were problematic in the field, but the matter was being addressed and therefore seemed to be reducing. Lack of parking income was also evident this year as well as a number of savings schemes slipping.
 - Housing and Property – significant pressure on the emergency accommodation service remained, with spending in the field projected to be in the region of £6.4 million this year (compared with 6.8 million last year). The overspend of £227k came after accounting for an additional budget of £3m which was allocated from the Council tax premium and also a one-off additional budget of £1.2 million allocated as a part of the bids procedure for 2024/25 to assist with the extra pressures.
 - Corporate – prudent projections when setting the 2024/25 budget with an additional tax income and a reduction in the numbers who had claimed the council tax reduction compared with previous years.

It was reported that a Medium-Term Financial Plan report had been submitted to the Governance and Audit Committee and the Cabinet in May 2024, which outlined the savings and cuts system to respond to the financial position. The report included recommending freezing the spending during the year, should it become apparent that substantial overspend was likely. Considering the latest overspending projections, such a measure was considered appropriate, therefore a combination of arrangements for freezing spending and use of the Council's reserves would be required to fund the projected financial deficit for 2024/25.

The members gave thanks for the report.

Observations arising from the ensuing discussion:

- The overspending was a concern.
- Work commissioned by the Chief Executive – although reporting that work had been commissioned, no information had been received – it was vital that the findings of the work were presented to the committee.
- The use of reserves was a cause of concern. If this money was to be used, we must ensure that the money was used in the appropriate places – responding to the need.
- Accept the recommendations, and the statement that Gwynedd was not unique.
- Review of the financial position in the Adults Department – the information was useful for setting a budget – what was the timetable of this work? The Cabinet need to challenge when the work would be available – need assurance that the work was in place.
- An element of hope that income was coming in – the reality was having to prepare for a situation where the income would reduce – the overspending had to stop.

In response to the above observations, the Cabinet Member noted that he shared the concern around using the reserves and highlighted the importance of making fundamental changes. He stated that the Council had commissioned CIPFA to conduct a study of how Gwynedd compared with other Authorities, looking at processes and consider doing things differently.

In response to a question regarding the costs of using out-of-county placements by the Children and Families Department, and although they welcomed the development of Small Group Homes within the County, that the process was slow and was unlikely to make a huge difference to the overspend, it was noted that the hope was to focus on the most extreme cases first in order to reduce the cost. Although accepting that the process was taking time, and that staff would need to be appointed for these settings, the development would ultimately provide benefits.

RESOLVED:

- **To accept the report and note the situation and relevant risks in the context of the Council's budgets and its departments.**
- **To agree with the recommendation to the Cabinet:**
 - **To transfer £1,868k of underspend on corporate budgets to the Council's Financial Strategy Reserve.**

Note:

Work that had been commissioned by the Chief Executive to gain a better understanding of exceptional overspending by the Adults Health and Well-being Department: a request for the Cabinet to challenge the timescale of this work – assurance needed that this work was in place to set a budget.

12. TREASURY MANAGEMENT QUARTERLY UPDATE

Submitted – a report by the Investment Manager reporting on the actual results of the Council's treasury management during 2023/24 until 30 June 2024, against the Treasury Management Strategy for 2024/25 as approved by the Full Council in March 2024. It was noted that the strategy required the Investment Manager to report on treasury management prudential indicators every quarter with a review of the full financial year to also be submitted to the Committee when timely.

It was reported that the year had been a very busy and prosperous year for the Council's treasury management activity, with the funds having been kept safe and interest rates having been high and generated substantial interest income.

On 30 June 2024, the Council was in a very strong position with net investments due to the high level of investments and operational capital. This included the funds of the Ambition Board and the Pension Fund. It was noted that there had been no significant movement in the level of loans in the last 3 months; the Council continued with the strategy of using internal resources before borrowing externally. It was added that the Council invested in banks and building societies, local authorities, money market funds, the debt management office and pooled funds, which were consistent with the kind of investments that had been made by the Council for a number of years now. It was reported that the underlying bank rate had been 5.25% in the period where returns had been high.

It was noted that all activities had fully complied with the CIPFA code of practice and the Council's Treasury Management which was good news and evidenced firm control over the finances. The Liability Benchmark was pointed out, noting that it was an important tool to establish whether the Council was likely to be a long-term borrower or long-term investor in the future, and therefore shaped the strategic focus and refined decision-making. It was indicated that the Council expected to remain above its benchmark up to 2025 because the Council held reserves, and the cash flow to date had been below the assumptions made when the money had been borrowed.

Looking to the future, it was noted that based on current projections, long-term borrowing was not necessary, but may be necessary in the short term in the near future.

The members thanked the officer for the report.

RESOLVED:

To accept the report for information.

13. NORTH WALES CORPORATE JOINT COMMITTEE – ESTABLISHMENT OF GOVERNANCE AND AUDIT SUB-COMMITTEE

Submitted – a report by the Democracy and Language Manager stating that, in accordance with the provisions of the Local Government and Elections (Wales) Act 2021 ('the 2021 Act') the North Wales Corporate Joint Committee 2021 was required to create its own Audit and Governance Committee. It was explained that the North Wales Corporate Joint Committee had now decided to create a Governance Sub-Committee with the membership to include six Councillors (one from each of the Constituent Councils) and three lay members.

It was reiterated that it was the wish of the Governance and Audit Sub-Committee to appoint members of the existing Governance and Audit Committees of the Constituent Councils and for each of the Constituent Councils to nominate a Councillor from its own Governance and Audit Committee as its principal nominee along with a second Councillor to act as a deputy (to ensure a quorum when the principal nominee was unavailable). Those Constituent Councils were required, if they wished, to also nominate a lay member for consideration to serve on the North Wales Corporate Joint Committee's Governance and Audit Sub-Committee.

DECISION

- **To nominate Councillor Ioan Thomas to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee.**
- **To nominate Councillor Richard Glyn to act as deputy to serve on the Governance and Audit Sub-committee of the North Wales Corporate Joint Committee.**

- To nominate Carys Edwards (Chair of Gwynedd's Governance and Audit Committee) for consideration to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee.

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

Submitted – a forward programme of items for the Committee's meetings until October 2025.

DECISION:

To accept the Work Programme for November 2024 – October 2025.

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

CHAIR

Agenda Item 5

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	28 NOVEMBER 2024
TITLE	IMPELEMENTING THE DECISIONS OF THE COMMITTEE
PURPOSE OF REPORT	TO PRESENT AN UPDATE ON IMPLEMENTING THE COMMITTEE'S PREVIOUS DECISIONS
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	FOR INFORMATION

1. INTRODUCTION

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

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

Meeting of 9 February 2023

Item	Decision	Update
UPDATE ON THE REPORTS RECENTLY PUBLISHED BY AUDIT WALES	<ul style="list-style-type: none">• To accept the report and the managers' response to the recommendations in 'Arrangements for Responding to the Local Government and Elections (Wales) Act 2021'• To present a report in six months' time to update the Committee with regard to transferring the functions of the North Wales Economic Ambition Board to an empowered sub-committee of the North Wales Corporate Joint Committee, to streamline governance and avoid duplication between both bodies• To accept the report and the managers' response to the recommendations in 'Update on Decarbonisation Progress'	In respect of transferring the functions of the North Wales Economic Ambition Board to an empowered sub-committee of the North Wales Corporate Joint Committee, the project is progressing at a regional level. The target date of transfer is now 1 April 2025.

Meeting of 5 September 2024

Item	Decision	Update
IMPLEMENTING THE DECISIONS OF THE COUNCIL	<p>To accept the contents of the report.</p> <p>Note: Add to the decision notice:</p> <ul style="list-style-type: none"> • That an information session on the field of homelessness needs to be held for Committee members to better understand the field and to understand the reasons why costs in the field are so high. • The Committee's desire to receive Ffordd Gwynedd training. 	<p>Work is currently ongoing to identify and devise information sessions. The initial intention was to hold these during autumn 2024 but it is now likely to be early 2025.</p>
CYNGOR GWYNEDD'S ANNUAL GOVERNANCE STATEMENT FOR 2023/24	<p>To accept the report.</p> <p>To approve the Annual Governance Statement and recommend that it is signed by the Council Leader and Chief Executive.</p> <p>Note:</p> <ul style="list-style-type: none"> • Need to re-consider the Lawfulness likelihood score. • Need to consider reviewing the questions and adapting the document to be clear to Gwynedd residents - although compliant with CIPFA guidelines, a suggestion to consider combining with the assessment of governance arrangements which is included in Gwynedd Council's Self-Assessment to avoid duplication of work 	<p>The Lawfulness score has been considered by the Governance Group (including the Monitoring Officer) and has concluded that the current score is appropriate.</p> <p>The format of the document will be considered when preparing the 2025 Statement.</p>
AUDIT WALES – QUARTER 1 UPDATE	<p>To accept the report.</p> <p>Note:</p> <ul style="list-style-type: none"> • Performance Audit Work of 'Local Project – Waste and Recycling' – need to press on confirming timetable. 	<p>It is anticipated that confirmation if the work goes ahead or not will be included in the Quarter 2 update.</p>
CYNGOR GWYNEDD ANNUAL PERFORMANCE REPORT AND SELF-ASSESSMENT (draft) 2023/24	<p>To accept the Annual Performance Report and Self-assessment (draft) 2023/24.</p> <p>Note:</p> <ul style="list-style-type: none"> • Need to consider appropriate consultation arrangements for the future to ensure Gwynedd residents' input in the process. • Need to involve the Committee earlier in the process – a suggestion to hold a workshop with Members so that the Committee has input and a better opportunity to offer recommendations. • When presenting data – need to ensure a full explanation e.g., avoiding linguistic categories in secondary schools. • Increasing Housing Supply for Local People - need to highlight the impact and not numbers only. 	<p>1. There is an intention to take part in the National Resident Survey co-ordinated by Data Wales and the Welsh Local Government Association early in 2025. Any feedback will be presented in future self-assessments.</p> <p>2. Work is ongoing to identify the best way to obtain input from the Committee earlier in the process.</p>

	<p>Gwynedd Yfory Projects</p> <ul style="list-style-type: none"> • Modernisation of Buildings and Learning Environment – to add that a RAC inspection had been undertaken. • Promoting the Well-being of Children and Young People – to add that schemes / campaigns are in place by the Education Department to improve pupil attendance. • Extending Opportunities for Play and Socialising – to add that additional financial support has been provided by the Council to Byw'n Iach Centres – this has been a positive decision. 	<p>3. The draft version submitted to the Governance and Audit Committee has been updated before presenting to the Cabinet and the Full Council.</p> <p>3. This will happen verbally when submitting the report to the Cabinet and the Full Council.</p>
THE COMMITTEE'S FORWARD PROGRAMME	<p>To accept the Work Programme for September 2024 - September 2025.</p> <p>Note:</p> <ul style="list-style-type: none"> • Consider when it would be suitable to review the Committee's Self-Assessment Work Programme 	<p>To be discussed at the meeting of 15 January 2025.</p>

Meeting of 10 October 2024

Item	Decision	Update
<p>URGENT ITEMS –</p> <p>1. Concern about the risks associated with legal challenges against the Council.</p> <p>2. Highlighted that two vacant seats remain on the Committee.</p>	<p>Request to the Chair to discuss the concerns with the Head of Finance so that Committee Members can gain a better understanding of the Council's arrangements.</p>	<p>The Committee Chair has contacted with the Chief Executive to communicate concerns about risk matters, and ways of sharing risks with lay members. We are seeking to establish a date so that the lay members can meet the Chief Executive, Corporate Director, Monitoring Officer and Head of Finance.</p>
IMPLEMENTING THE DECISIONS OF THE COUNCIL	<p>To accept the contents of the report.</p>	<p>No further action</p>
AUDIT WALES: URGENT AND EMERGENCY CARE: 'FLOW OUT OF HOSPITAL - NORTH WALES REGION'	<ul style="list-style-type: none"> • To accept the contents of the report. • Submit an update on the recommendations in 12 months' time. 	<p>Update expected in 12 months' time</p>

INTERNAL AUDIT OUTPUT	<ul style="list-style-type: none"> • To accept the report • Findings of the Residential Homes (Plas Pengwaith, Llys Cadfan and Plas Hafan) Services Audits to be referred to the Management Improvement Group. <p>Carys Edwards, Rhys Parry, Cllr Angela Russell, Cllr Meryl Roberts, and Cllr Ioan Thomas were nominated as members for the Management Improvement Group with an invitation to Cllr Beth Lawton (Chair of the Care Scrutiny Committee) and Cllr Dewi Jones (Vice Chair of the Care Scrutiny Committee) to observe. Should issues arise from the Management Improvement Group that required further attention, they would be referred to the Care Scrutiny Committee.</p> <p>Note: Freedom of Information Requests Audit – a request to consider that the requirements of the Freedom of Information Act 2000 are addressed by the Committee – the Committee to receive an annual report setting out the Council's Arrangements to deal with Freedom of Information matters.</p>	Three residential homes - Plas Pengwaith, Llys Cadfan and Plas Hafan were referred to the Group at the October meeting - the Group has met on 6 November 2024 and a report is included in today's Committee programme.
INTERNAL AUDIT PLAN 2024/25	To accept the report.	No further action
SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES	<p>To accept the report and note the situation and relevant risks in the context of the Savings Overview.</p> <p>Note: Draw up a table in future that differentiates between the historical situation and the latest situation so that it is possible to identify risks for the current situation.</p>	No further action
CAPITAL PROGRAMME 2024/25 - END OF AUGUST REVIEW	To accept the report and note the situation and risks in the context of the Council's capital programme.	No further action
REVENUE BUDGET 2024/25 - END OF AUGUST 2024 REVIEW	<ul style="list-style-type: none"> • To accept the report and note the situation and relevant risks in the context of the Council's budgets and its departments. • To agree with the recommendation to the Cabinet: • Transfer £1,868k of underspend on corporate budgets to the Council's Financial Strategy Reserve. <p>Note: Work that has been commissioned by the Chief Executive to gain a better understanding</p>	The Statutory Director of Social Services to provide an update during the 28/11/24 Committee on the work involved with the overspend in the Department for Adults, Health and Wellbeing.

	of exceptional overspending by the Adults Health and Well-being Department: a request for the Cabinet to challenge the timescale of this work - assurance needed that this work is in place to set a budget.	
TREASURY MANAGEMENT QUARTERLY UPDATE	To accept the report for information.	No further action
NORTH WALES CORPORATE JOINT COMMITTEE- ESTABLISHMENT OF GOVERNANCE AND AUDIT SUB-COMMITTEE	<ul style="list-style-type: none"> • Nominate Councillor Ioan Thomas to serve on the Governance and Audit Sub committee of the North Wales Corporate Joint Committee. • Nominate Councillor Richard Glyn to act as deputy to serve on the Governance and Audit Sub-committee of the North Wales Corporate Joint Committee. • Nominate Carys Edwards (Chair of Gwynedd's Governance and Audit Committee) for consideration to serve on the Governance and Audit Sub Committee of the North Wales Corporate Joint Committee. 	No further action
THE COMMITTEE'S FORWARD PROGRAMME	Accept the Work Programme for November 2024 - October 2025	No further action

3. RECOMMENDATION

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

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	28 NOVEMBER 2024
TITLE	REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP
PURPOSE OF THE REPORT	TO REPORT ON THE MEETING HELD ON 6 NOVEMBER 2024
AUTHOR	CARYS EDWARDS (CHAIR)
ACTION	TO ACCEPT THE REPORT

1. INTRODUCTION

1.1 A meeting of the Working Group was held on 6 November 2024 with the Chair of the Governance and Audit Committee, Carys Edwards, Rhys Parry (Deputy Chair), Councillors Angela Russell and Ioan Thomas, Bleddyn Rhys (Audit Leader) and Luned Fôn Jones (Audit Manager) present.

1.2 It was decided at the Governance and Audit Committee held on 10 October 2024 to further discuss the following audits at a meeting of the Controls Improvement Working Group:

- Plas Pengwaith
- Llys Cadfan
- Plas Hafan

1.3 The above audits received a “Limited” level of assurance, **“Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.”**

2. MAIN FINDINGS

The main findings of the audits were as follows:

2.1 *Plas Pengwaith*

A sample of 10 invoices were reviewed, but as the home did not keep a record of the dates that orders were placed, it could not be confirmed that they had been placed before receiving the invoice. The Clerk confirmed that she receives several invoices to pay without an order to support them, but that on similar occasions, she asks the Manager or the kitchen staff (who have authority to raise an order) about the invoice before paying. It was agreed from now on to record the dates orders were raised.

During the visit it was seen that several fire alarms, emergency lights, escape routes, and fire extinguishers tests were missed. The Manager confirmed that she had recently delegated the duty of reviewing the Fire Log Book to a specific member of staff, in an effort to identify when tests are missed in the future.

The quantity of medicines did not reconcile with the records of the home on every occasion. A sample of 5 residents' medicines were reviewed during the visit, 7 different medicines in total. For one, there were 10 more Paracetamol tablets present which had not been recorded on the stock checks. The Assistant who was present at the time confirmed that this would be noted in the 'hand-over' notes. The Manager confirmed at our closing meeting that the records would be updated immediately.

Homes receive several Quality Assurance Inspections annually, carried out internally by the Adults, Health and Wellbeing Department, as well as Health and Safety Inspections from the Property Service, and Medicine Inspections from the NHS and the local pharmacy. If any element of the Internal Audit had already been checked recently as part of the Quality Assurance, Health and Safety, or Medicine Audits, it was decided to rely on the reports, accepting their assurance.

However, it appears that recommendations arising from Quality Assurance Audits or Medicine Audits are not implemented on every occasion. Checks on the temperature of the fridge and medicine room continue are not carried out on a daily basis, although the pharmacy highlighted this in their inspection dated January 10th 2024. In addition, staff supervision and appraisals continue not to be completed in a timely manner since a Quality Assurance Audit on 5th February 2024. The Manager explained that arrangements are already in place for holding supervisory meetings. Following the visit to the home, it was confirmed that all members of staff have received an appraisal.

Medicines are not kept at the correct temperature. The temperature of the medicine room is expected to be kept below 25°C, and the fridge between 2°C-8°C. On the day of the visit the room was 25.7°C, and the fridge 12.8°C. The records maintained confirmed that the temperatures were too high on several occasions. In addition, it was seen that the thermometer for measuring the temperature of the room was located in a different room to where the medicine is kept. Arrangements were made during the visit to move the thermometer to the correct room. Following the visit, the Manager discovered that the fridge had been switched off and since it was switched on, the temperature of the fridge has been within the correct range.

The Manager stated that she receives budgetary control reports from the Finance Department on a regular basis, but believes that due to a lack of appropriate training, further support is needed to understand them, and expressed an interest in receiving budgetary monitoring training.

2.2 **Llys Cadfan**

Homes receive several Quality Assurance Audits annually, carried out in-house by the Adults, Health and Wellbeing Department, as well as Health and Safety Audits by the Property Service, and medicines inspections by the NHS and the local pharmacy. If any element of the Internal Audit had already been reviewed recently as part of the Quality Assurance Audit, Health and Safety Audit, or Medicine Audit, it was decided to rely on the reports, accepting their assurance.

A Quality Assurance Audit was carried out on staff files at Llys Cadfan Home in March 2024, where general training, Social Care Wales memberships, supervision and appraisal records, as well as employment agreements were reviewed. Although not everything was present and correct at the time, it was found that the recommendations from the Quality Assurance Audit had been implemented by the time the home was visited, and the staff files were complete.

A Medicine Audit was conducted by the local pharmacy in January 2024. It was noted that the home kept proper records, and that suitable arrangements were in place for the ordering, storing, administration, and disposal of medicines. It was confirmed in the report that staff training was up to date, and all staff had adopted the Medication Policy. However, during the visit, it was observed that the door to the medication room was unlocked. It was immediately closed by the Manager. It was noticed that there was already a note on the door reminding staff to lock it on all occasions.

It was found that the amounts of medications did not agree with home's records on all occasions. Medications for 6 residents were checked, 9 different medications overall. For one resident, records at the home confirmed 125 'Paracetamol' tablets for them, with only 121 in the box. Following the visit, the Manager confirmed that the discrepancy was due to the failure of one member of staff to identify the correct number of tablets on the records, but the records have now been corrected.

There was no 'Safeguarding' poster displayed at the home. However, 'Safeguarding' cards were kept near the visitors' book. The Manager confirmed that she would arrange for a poster to be displayed.

It was observed that visitors did not sign the visitors' book on all occasions when leaving the home. The Manager indicated that she would arrange for a poster to be placed next to the visitors' book reminding everyone to sign out.

Some of the home's generic risk assessments have not been reviewed since 2022 but are in the process of being updated.

It was found that the home's Asset Register was not up to date. However, the Manager confirmed that arrangements were already in place for night staff to update it.

A sample of 4 staff members' leave cards were checked during the visit, to ensure that the annual leave entitlement agreed with the formula. For one member of staff, the formula confirmed a leave entitlement of 270.1 hours, but the leave card stated only 240. The Manager confirmed that this was an error and corrected it immediately. She expressed that there was a risk of errors when calculating leave entitlement because the original formula document was received back in 2021, but since then, any modifications are being received through emails from the Human Resources Adviser, with the Manager having to update the original document. The formula document was seen during the visit, and it was noticed that several formulas had been crossed out and new formulas added by hand. It is thought it would be easier if one official document is circulated along with clear guidelines.

It was observed that the Home has a comprehensive Statement of Purpose, but its quality is not up to the standard expected by the Authority, with font size and style varying throughout the document, capital letters in the middle of sentences, unhighlighted headings, and instructions on how to complete the document not deleted.

The Manager stated that she receives budgetary reports from the Finance Unit on a regular basis, and although she conducts a basic check, she has not received any relevant training. She expressed an interest in budgetary monitoring training.

2.3 Plas Hafan

Homes receive several Quality Assurance Audits annually, carried out in-house by the Adults, Health and Wellbeing Department, as well as Health and Safety Audits by the Property Service, and medicines inspections by the NHS and the local pharmacy. If any element of the Internal Audit had already been reviewed recently as part of the Quality Assurance Audit, Health and Safety Audit, or Medicine Audit, it was decided to rely on the reports, accepting their assurance. A Quality Assurance Audit was carried out on the staff files of Plas Hafan in February 2024 where general training, Social Care Wales membership, supervision and appraisal records, as well as employment contracts were reviewed. It was noted that everything was present and up to date in their inspection.

The home has a comprehensive Statement of Purpose, but it has not been presented to the standard expected by the Authority, with the size and style of the font varying throughout the document, headings not highlighted, and guidelines on how to complete the document not deleted.

Resident care plans are not kept in a secure location. The plans have been kept in cupboards in the hallway. Although the cupboards are locked, the keys are kept on a hook above, where all visitors to the home have access. The Manager agreed to consider different options for better safe storage of the keys.

Residential homes have now disposed of staff time sheets, with the Managers recording their staff's hours in a spreadsheet to be submitted to the Payroll Service. A sample of 4 members of staff was selected, ensuring that their hours for April 2024 on the work 'rota' agreed with the spreadsheet. Of the sample, 3 out of 4 reconciled, with a discrepancy of 6 hours for one member of staff. The 'rota' for the week ending April 27th confirmed that 45 hours had been worked, with 51 hours recorded on the spreadsheet. The Manager suggested that the discrepancy arose from an error in the spreadsheet in March 2024, which has been corrected in April. However, no audit trail or supporting records were found for the adjustment.

The home's asset register is not reviewed annually. Several receipts were seen in the file for new items that had been purchased but had not been added to the register. The Manager explained that a review would be carried out in the near future.

A 'Safeguarding' poster was not displayed in the home. The Manager confirmed that it had only been received. Following the visit, a confirmation was received that the poster was now displayed.

For some medicines, a stock check had not been conducted for two weeks from the date of the visit, where they are expected to be carried out weekly. In addition, it was seen that several medicines did not reconcile with the records of the home on every occasion. 5 residents' medication was reviewed, 9 different medications in total. For one resident, there were 2 more 'Paracetamol' tablets than what had been recorded by the home, with another resident's 'Apixaban' tablets short by 28 compared to their records.

A sample of 10 members of staff was selected to review their training records, specifically, Fire, First Aid, Safeguarding, Movement and Handling, and Medicine training. Several members of staff training had either ended or had no relevant training at all. The Manager confirmed that she is aware of this and maintains a record of those staff for organizing training soon.

The Manager stated that budgetary control reports are received from the Finance Department on a regular basis, but believes that due to a lack of appropriate training, further support is needed to understand them, and expressed an interest in receiving budgetary monitoring training.

- 2.4 Rhion Glyn (Assistant Head, Adults, Health and Well-being), Katey McMullen (Llys Cadfan Manager) and Sandra Lewis (Assistant Manager Plas Pengwaith) were welcomed to the meeting. Councillor Beth Lawton (Chair of the Care Scrutiny Committee) was also invited to the meeting to discuss the reports. Apologies were received from Ceri Cotgrove (Plas Hafan Manager).

- 2.5 The Audit Manager explained that the Controls Improvement Working Group is an opportunity to ask the relevant officers about the findings of the recent audits as time does not allow for such in-depth detail in the Committee.
- 2.6 It was decided to discuss the risks in general as several of the risks identified were applicable to the three homes and the Assistant Head Adults, Health and Well-being acknowledged that the contents of the reports were generally consistent with other care homes under the Council's control.
- 2.7 The Audit Manager explained that it is mainly managerial issues that have been identified, and it is not a reflection of the standard of care provided to the residents who are always prioritised.
- 2.8 The importance of maintaining the Statement of Purpose up to date was discussed. The Assistant Manager Plas Pengwaith stated that the Statement of Purpose should be updated following any change within the home. The Assistant Head Adults, Health and Well-being reiterated that each home's Statement of Purpose will be reviewed to ensure completeness and accuracy.
- 2.9 There was a discussion on the practical actions that can be taken to ensure that the signing in and out book is completed by visitors and the importance that it is done on all occasions to ensure safety. The Llys Cadfan Manager and the Assistant Manager Plas Pengwaith explained that care home staff cannot monitor when visitors leave the premises because they are providing care to residents. It was agreed that the book at Plas Pengwaith will be relocated.
- 2.10 The deficiencies identified in respect of managing and recording medication identified during the audit visits were discussed. Clarification was provided by the Llys Cadfan Manager and the Assistant Manager Plas Pengwaith on the variations found during the Internal Audit visit. The Audit Manager emphasised the importance of ensuring that medication is properly recorded and managed especially in respect of medication such as "Apixaban".
- 2.11 Officers of the Adults, Health and Well-being Department expressed that a number of the deficiencies identified by Internal Audit were due to a lack of staffing resources and the consequence pressure placed on Home Managers. There was a discussion held over the reasons for the difficulties in recruiting and retaining staff and future challenges if there are no changes made. The Assistant Manager Plas Pengwaith explained that she is dependent on employing agency staff especially for working weekends.

- 2.12 It was further explained that there is more reliance on agency staff following changes to the pay structure following abolishing the right to enhanced pay on weekends with a number of staff deciding to leave their posts for better pay in health and beyond. Recruitment of staff, sick absences, failure to turn up for a shift and the need to attend training and supervision has forced the homes to employ agency staff at much higher rates. The Audit Manager enquired if the change in payment of enhanced pay for weekends to create savings has proven to be much more costly to the Council. The Department's officers agreed that their costs since the introduction of the new arrangements were much higher.
- 2.13 The Assistant Head Adults, Health and Well-being agreed that it would be beneficial to conduct a joint review with Internal Audit into the expenditure on agency staff and the financial implications of offering Gwynedd staff better pay rather than pay an agency. Theoretically, this will keep staff under the control of Cyngor Gwynedd, reduce turnover and employ local people and maintain provision of a Welsh language service. Members of the Working Group agreed that the staffing situation in the care area is now critical and needs to be treated as a separate area from other Council services, and it is hoped to encourage the Council's Leadership Team to consider better terms for the carers, funded by the savings that will result from reducing the use of agency staff.
- 2.14 Releasing staff to attend training is proving problematic due to the need to pay additional staff to work their shifts placing additional pressure on budgets. In addition, it was explained that registering staff to attend training, e.g. manual handling, is problematic due to the limited number of training sessions available.
- 2.15 Officers explained that conducting one-to-one supervision was problematic at times, again due to staff shortages.
- 2.16 The Audit Manager asked if succession plans were in place in the homes. It was explained by the officers that some posts have recently been re-appraised but some staff choose not to apply for higher positions with the additional responsibilities and that this could create continuity of service problems in the future should senior officers leave their posts.
- 2.17 The Officers were thanked for attending the meeting and for explaining the actions already in place and the proposed arrangements to mitigate the risks identified.**

MEETING	Audit and Governance Committee
DATE	28 th November 2024
TITLE	Audit Wales Reports
AMCAN	Provide an update to the Committee on the Audit Wales work programme for Quarter 2
RECOMMENDATION	Members are asked to accept the report.
AUTHOR	Dewi W. Jones, Council Business Support Service Manager/Alan Hughes, Audit Lead, Audit Wales

1. BACKGROUND

- 1.1. The Audit and Governance Committee has a role to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council and as part of this role there is an expectation to consider the reports of external review bodies such as Audit Wales, Estyn and Care Inspectorate Wales (CIW).

- 1.2. As well as actively considering reports the committee are expected to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them. To facilitate this work Audit Wales has prepared a quarterly update on the work of the review bodies and a copy of this document for Quarter 2 2024/25 is included as **Appendix 1**.

- 1.3. A report on the current studies of Audit Wales, Estyn and Care Inspectorate Wales (CSSIW) and the progress made by the Council in response to proposals or recommendations was presented to the meeting of this Committee on the 8th of February 2024. The next report will be presented in the new year.

Audit Wales Work Programme and Timetable – Cyngor Gwynedd

Quarterly Update: 30 September 2024

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in May 2024.	December 2024	Drafting will commence on completion of the Audit of the Council's 2023-24 statement of accounts

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2023-24 Statement of Accounts	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2024.	November 2024	The Statement of Accounts were received on 21 June 2024. The audit is well progressed.
Audit of Cyngor Gwynedd Harbours Annual Return for 2023-24	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2024.	November 2024.	The accounts were received on 17 May 2024. The audit is well progressed.

Description	Scope	Timetable	Status
Certification of Grant returns: Teachers' Pension Contributions for the financial year 2023- 24	Certification that the end of year certificate is: <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions. 	Council deadline 31 May 2024 (TP online). Submission to Audit Wales 28 June 2024. Certification deadline 29 November 2024.	The return was received 31 July 2024. The audit is ongoing.
Certification of Grant returns: Non-Domestic Rates 2023-24	Certification that the end of year certificate is: <ul style="list-style-type: none"> • not fairly stated • is not in accordance with the relevant terms and conditions. 	Council deadline 27 May 2024. Certification deadline 18 November 2024	The return was received on 28 June 2024. The audit is ongoing.
Certification of Grant returns: Housing Benefit Subsidy 2023-24	Certification that the end of year certificate is: <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions. 	Council deadline 30 April 2024. Certification deadline 30 November 2024	The return was received on 29 April 2024. The audit has not yet started.

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – October 2023	Completed – presented to Governance and Audit Committee in October 2024.

2023-24 Performance Audit work	Scope	Timetable	Status
Thematic review – commissioning	A review focusing on how councils' arrangements for commissioning, apply value for money considerations and the sustainable development principle.	March 2024– March 2025	Fieldwork planning stage
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – July 2024	Report in clearance stage National Summary Report indicative publication date: November 2024

2023-24 Performance Audit work	Scope	Timetable	Status
Local Project – Waste and Recycling	We will review the Council's arrangements to improve its waste management service and meet statutory recycling targets.	Cancelled	No longer proposing this work as risk lowered following external review from WRAP. Refund to be issued following completion of the remainder of the 23-24 audit program.

2024-25 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	On-going	Fieldwork ongoing
Local project work – Responding to the current demand in domiciliary care	A review of the arrangements that the Council has in place to respond to the current unmet demand in domiciliary care support.	September to December 2024	Fieldwork ongoing

2024-25 Performance Audit work	Scope	Timetable	Status
Local project work – Strategy for the use of reserves	A review of the arrangements that the Council has in place to strategically manage its reserves and balances.	March to July 2025	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Cyngor Gwynedd
Temporary Accommodation	Examining the costs, demand and how services are working together to progress the response to temporary accommodation.	Report publication planned for early 2025	Fieldwork underway	Surveys will also be issued to Heads of Housing and Section 151 Officers at each principal council.
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	tbc	Scoping	Tbc

Study	Scope	Timetable	Status	Fieldwork planned at Cyngor Gwynedd
Financial constraints / discretionary local government services	Examining the potential impacts and councils' decision-making processes in the context of the sustainable development principle.	tbc	Not started	tbc

Estyn

We inspected Caerphilly and Ceredigion local government education services (LGES) during the summer term. The reports were published in early September. We identified strong practice in both local authorities.

During the autumn term we will be inspecting Newport LGES. We have also scheduled a standalone inspection of the local authority's youth work a few weeks prior to the LGES inspection. Although these are two separate pieces of work, the findings of the youth inspection will inform the LGES inspection. We piloted this arrangement in the Vale of Glamorgan last spring, and our evaluation of this arrangement indicates that stream-lining the inspection process works well and adds value to our work overall.

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. We will be carrying out a monitoring visit in Torfaen in October to consider their progress against the recommendations from their core inspection.

We will also carry out an enhanced link visit to Denbighshire in October, with the focus being on specific aspects of attendance and additional learning needs. The outcome letter from this visit will be published on our website.

We will be carrying out field work in a sample of local authorities to support two thematic reports. We will be visiting 10 LAs to learn about their approaches to promoting positive behaviour in secondary schools; and another five LAs to evaluate their support for mathematics and numeracy AOLE in their schools.

In early September, we trained a new cohort of peer inspectors who will be deployed on our inspection teams as well as running an update session for our current peer inspectors.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews Community Learning Disability Team (CLDT)	Working jointly with HIW we completed an assurance check inspection in Rhondda Cynon Taff focusing on Community Learning Disability Teams (CLDT). <u>RCT CLDT Joint inspection</u>	2024-25	Published April 2024

CIW planned work 2023-25	Scope	Timetable	Status
	<p>A second single agency assurance check inspection in Blaenau Gwent</p> <p>We will continue an annual programme of joint work focusing on CLDT and Community Mental Health Team (CMHT)</p>	March 2024	Published
Joint Inspection Child Protection Arrangements (JICPA)	<p>Overview report for Joint Inspections of Child Protection Arrangements (JICPA) 2019 – 2024 Overview report for Joint Inspections of Child Protection Arrangements (JICPA) 2019 – 2024 Healthcare Inspectorate Wales (hiw.org.uk).</p>	September 2024	Published
	<p>The findings from Bridgend County Borough Council - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023 Care Inspectorate Wales</p>	June 2024	Published
	<p>Our findings from the Cardiff County Council Cardiff Joint Inspection Report</p>	7 May 2024	Published
	<p>The findings from Denbighshire County Council Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023 Care Inspectorate Wales</p>	Feb 2024	Published
	<p>The findings from Powys County Council - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Powys 2023 Care Inspectorate Wales</p>	October 2023	Published

CIW planned work 2023-25	Scope	Timetable	Status
Performance review of Local Authorities	<p><u>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales</u> <u>How we inspect local authority services and CAF/CASS Cymru</u></p> <p><u>We are currently reviewing our Code of Practice and will be publishing shortly.</u></p> <p><u>Inspection of Flintshire County Council children and adult services in February 2024 - Inspection report for Flintshire County Council's adults and children's services published Care Inspectorate Wales</u></p> <p><u>We published Monmouthshire County Council children's services Inspection report PEI Care Inspectorate Wales</u></p> <p><u>We published Pembrokeshire - Improvement check inspection Improvement-check Pembrokeshire-county-council-adult services</u></p> <p><u>We published Swansea adult service PEI 240711-swanea-pei-report-en.pdf (careinspectorate.wales)</u></p>	<p>October 2024</p> <p>22 Feb 2024</p> <p>2 May 2024</p> <p>13 June 2024</p> <p>May 2024</p>	<p>Due to be published</p> <p>Published</p> <p>Published</p> <p>Published</p> <p>Published</p>
Her Majesty's Inspectorate of Probation – Youth Offending Inspection	<p><u>We supported the delivery of HMIP's Youth Offending Services Inspection in Denbighshire and Conwy. A joint inspection of youth justice services in Conwy & Denbighshire (justiceinspectorates.gov.uk)</u></p>	<p>8 May 2024</p>	<p>Published</p>

Audit Wales national reports and other outputs published since September 2023

Report title	Publication date and link to report
Active travel (report and data tool)	September 2024
Governance of Fire and Rescue Authorities	September 2024
Affordable housing	September 2024
NHS finances – and data tool update to 31 March 2024	August 2024
Digital by design? - Lessons from our digital strategy review across councils in Wales	August 2024
Councils use of performance information: service user perspective and outcomes - A summary of findings from our review at Welsh councils	July 2024
The Welsh Government's support for TVR Automotive Ltd	July 2024
A465 Section 2 – update	June 2024
Community Pharmacy data matching pilot	May 2024
Governance of National Park Authorities	April 2024
Supporting Ukrainians in Wales	March 2024
From firefighting to future-proofing – the challenge for Welsh public services	February 2024

Report title	Publication date and link to report
Betsi Cadwaladr University Health Board – board effectiveness follow up	February 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2022-23 accounts	January 2024
Planning for sustainable development – Brownfield regeneration	January 2024
Corporate Joint Committees – commentary on their progress	November 2023
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	November 2023
Failures in financial management and governance and losses incurred – Harlech Community Council	November 2023
Putting out the false alarms: Fire and Rescue Authorities’ responses to Unwanted Fire Signals	October 2023
Covering teachers’ absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023

Audit Wales national reports and other outputs (work in progress / planned)^{1, 2}

Title	Indicative publication date
National Fraud Initiative – bi-ennial report	October 2024
Cancer services	November 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2023-24 accounts	November 2024
Findings from GP registration data matching pilot	November / December 2024
Unscheduled care (national messages – patient flow in hospital and delayed discharge)	November / December 2024
Financial management and governance in town and community councils	November / December 2024
NHS workforce planning (national messages)	November / December 2024
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – November / December 2024 NRW to be confirmed (scoping)

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

² Our [Annual Plan 2024-25](#) also lists work in progress, some of which has since been published, or work planned to start during 2024-25. [Our work programme for 2023-2026](#) – also provides some additional detail about certain topics and will continue to inform our work programme planning for 2025-26.

Title	Indicative publication date
Welsh Government capital and infrastructure investment	December 2024 / January 2025
Challenges for the cultural sector	By end of 2024 (for most local reporting – any national messaging in early 2025)
New Velindre Cancer Centre	Early 2025
Further and higher education funding and oversight – Commission for Tertiary Education and Research	By March 2025 (for initial phase of work on setting of well-being objectives)
Findings from sustainable development examinations (statutory report under the WFG Act)	By early May 2025
The senior public service	Scoping underway, delivery planned early summer
Rebalancing care and support	To be confirmed (scoping)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (local work at each Health Board started in May 2024)
Access to education for children with Additional Learning Needs	To be confirmed (scoping)
Support for business	To be confirmed (starting in 2024-25)
Support for bus and rail services	To be confirmed (starting in 2024-25)

Title	Indicative publication date
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (starting in 2024-25)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (local audit work rolling out from October 2024)
NHS bodies' cost savings arrangements	To be confirmed (local audit reporting nearing completion)

Good Practice Exchange events and resources

Title	Link to resource
<p>Audit Committees: Effective practices and a positive impact</p> <p>Good governance arrangements are a critical part of how public service organisations function effectively and deliver value for money services for the citizens and communities of Wales. Audit Committees are one of the foundation stones that support good governance. With significant current and future pressures on public sector finances, there is an increasing need for effective practices and a positive impact. Audit Committees play a vital role in this. This event provides an opportunity to share experiences, learn, and network with peers across the public sector in Wales.</p>	<p>9 October 2024, 10:30 – 15:30 Conwy Business Centre</p> <p>The resources from our event in Cardiff on 22 May are available here.</p>
<p>GPX Blog: 100 Stories Project</p>	<p>https://www.audit.wales/blog/gpx/2024/7/11/good-practice-exchange-100-stories-project</p>
<p>GPX Blog: A multiagency approach to falls</p>	<p>https://www.audit.wales/blog/gpx/2024/8/19/good-practice-exchange-multi-agency-approach-falls</p>

Title	Link to resource
GPX Blog: The councillors and care research project	https://www.audit.wales/blog/gpx/2024/9/11/good-practice-exchange-councillors-and-care-research-project

MEETING	Governance and Audit Committee
DATE	28 November 2024
TITLE	Final Accounts for the year ended 31 March 2024 and relevant Audit
PURPOSE	To submit – <ul style="list-style-type: none">• Statement of Accounts post-Audit;• Audit Wales’ ‘ISA260’ report;• Letter of Representation (Appendix 1).
RECOMMENDATION	To consider and approve the information before authorising the Chairman to certify the letter
AUTHOR	Dewi Aeron Morgan, Head of Finance

1. ACCOUNTS FOR 2023/24

The Council succeeded in completing the Statement of Accounts for 2023/24 and released it to Audit Wales on 21 June 2024. The Statement of Accounts for 2023/24 (subject to audit) were presented to the Governance and Audit Committee on 5 September 2024, where they were scrutinised accordingly.

The final accounts following audit are presented to the Governance and Audit Committee on 28 November 2024.

2. AUDIT BY AUDIT WALES ON BEHALF OF THE AUDITOR GENERAL FOR WALES

It was noted in the September meeting that these accounts were subject to audit by Audit Wales, and the ‘ISA 260’ report is presented here by the Auditor General for Wales, detailing their main findings.

3. POST-AUDIT FINANCIAL STATEMENTS FOR 2023/24

The final version (post-audit) of the Statement of Accounts for 2023/24 is also presented here. The main amendments since the pre-audit version have been outlined in section 14 and Appendix 3 of the Audit Wales ‘ISA260’ report.

4. RECOMMENDATION

The Governance and Audit Committee is asked to consider and approve the –

- ‘ISA260’ report by Audit Wales in respect of Cyngor Gwynedd
- Statement of Accounts for 2023/24 (post-audit)

5. LETTER OF REPRESENTATION

The Accounts and Audit (Wales) Regulations 2014 require the person presiding at the meeting, together with the Head of Finance, to certify the Letter of Representation, electronically again this year (Appendix 1 to Audit Wales' report) after the Governance and Audit Committee has approved the above.

6. CERTIFICATION BY THE APPOINTED AUDITOR

After receiving the Letter of Representation duly certified by the person presiding at the meeting and the Head of Finance, the Auditor General for Wales (Adrian Crompton) will issue the certificate on the accounts.

Cyngor Gwynedd

STATEMENT OF ACCOUNTS 2023/24

Finance Department
www.gwynedd.llyw.cymru



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NARRATIVE REPORT

Introduction

Cyngor Gwynedd's accounts for the year 2023/24 are presented here on pages 9 to 89.

The Statement of Accounts consist of:

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

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

Cyngor Gwynedd's Vision and Priorities

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

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

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

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

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

Financial Strategy

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

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

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

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

Performance Measuring

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

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

Financial Performance 2023/24

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

TABLE I – Budget and Actual Comparison Summary (Net)

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

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

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

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

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

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

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

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

• **Material Items of Income and Expenditure**

Related items include:

- (£23m) on pensions, being the annual remeasurement of the net pension defined benefit liability relating to pensions, in line with Gwynedd Pension Fund’s Actuary’s assessment (Note 23.5).
- Following a revaluation of part of the Council’s land and buildings portfolio (which is now carried out on a rolling programme basis), a net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £14m (Note 23.1) and the revaluation and impairment cost to the Services is £5m (Note 15).

• **Other Issues**

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

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

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

Capital Expenditure in 2023/24

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

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

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

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

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

Provisions and Reserves

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

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

Pension Fund

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

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

Governance

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

Accounting Policies

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

Changes in Accounting Policies and to the Accounts

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

Further Information

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

Further information relating to the accounts is available from:

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

Finance Department
Cyngor Gwynedd
Council Offices
Caernarfon
Gwynedd
LL55 1SH

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

CYNGOR GWYNEDD

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

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

Vice Chair of Audit and Governance Committee

28 November 2024

THE HEAD OF FINANCE'S RESPONSIBILITIES

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

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

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

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

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



Dewi Aeron Morgan CIPFA
Head of Finance, Cyngor Gwynedd

22 November 2024

EXPENDITURE AND FUNDING ANALYSIS

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

EXPENDITURE AND FUNDING ANALYSIS						
2022/23				2023/24		
Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis (see Note 8 & 9)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis (see Note 8 & 9)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
102,655	13,136	115,791	Education *	109,151	6,244	115,395
8,121	1,583	9,704	Corporate Support	8,099	28	8,127
7,204	3,026	10,230	Finance	7,254	1,612	8,866
4,446	4,433	8,879	Economy and Community	3,803	3,951	7,754
70,351	7,217	77,568	Adults, Health and Well-being	76,499	289	76,788
20,899	2,625	23,524	Children and Family Support *	24,423	146	24,569
15,916	10,513	26,429	Highways, Engineering and YGC ** ***	17,407	5,211	22,618
16,982	7,326	24,308	Environment ***	18,883	4,046	22,929
10,022	5,042	15,064	Housing and Property	10,835	4,793	15,628
2,396	297	2,693	Corporate Management Team and Legal	2,711	(10)	2,701
18,525	1,777	20,302	Corporate	16,924	3,656	20,580
277,517	56,975	334,492	Cost of Services	295,989	29,966	325,955
27,931	(123)	27,808	Other Operating Expenditure	30,830	4	30,834
19,724	(8,637)	11,087	Financing and Investment Income and Expenditure	18,468	(16,768)	1,700
(317,925)	(16,075)	(334,000)	Taxation and Non-specific Grant Income	(340,184)	(20,629)	(360,813)
7,247	32,140	39,387	(Surplus)/Deficit on Provision of Services	5,103	(7,427)	(2,324)
(130,647)			Opening General Fund Balance	(123,400)		
7,247			(Surplus)/Deficit on General Fund in year	5,103		
(123,400)			Closing General Fund Balance	(118,297)		

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

** This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

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

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2022/23			2023/24			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	Note	£'000	£'000	£'000
150,224	(34,433)	115,791	Education *	147,388	(31,993)	115,395
10,696	(992)	9,704	Corporate Support	9,035	(908)	8,127
14,060	(3,830)	10,230	Finance	12,766	(3,900)	8,866
19,313	(10,434)	8,879	Economy and Community	60,662	(52,908)	7,754
105,391	(27,823)	77,568	Adults, Health and Well-being	107,514	(30,726)	76,788
40,136	(16,612)	23,524	Children and Family Support *	37,184	(12,615)	24,569
41,959	(15,530)	26,429	Highways, Engineering and YGC ** ***	40,775	(18,157)	22,618
41,986	(17,678)	24,308	Environment ***	40,431	(17,502)	22,929
26,314	(11,250)	15,064	Housing and Property	29,455	(13,827)	15,628
3,283	(590)	2,693	Corporate Management Team and Legal	3,615	(914)	2,701
44,483	(24,181)	20,302	Corporate	44,871	(24,291)	20,580
497,845	(163,353)	334,492	Cost of Services	533,696	(207,741)	325,955
27,931	(123)	27,808	Other Operating Expenditure	30,834	0	30,834
12,928	(1,841)	11,087	Financing and Investment Income and Expenditure	5,774	(4,074)	1,700
0	(334,000)	(334,000)	Taxation and Non-specific Grant Income	0	(360,813)	(360,813)
538,704	(499,317)	39,387	(Surplus)/Deficit on Provision of Services	570,304	(572,628)	(2,324)
		(28,694)	(Surplus)/Deficit on revaluation of Fixed Assets	23.1		(13,652)
		1,190	(Surplus)/Deficit on revaluation of Financial Instruments	23.3		69
		(284,950)	Remeasurements of the net pension defined benefit liability/(asset)	23.5		23,491
		(312,454)	Other Comprehensive (Income) and Expenditure			9,908
		(273,067)	Total Comprehensive (Income) and Expenditure			7,584

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

** This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

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

MOVEMENT IN RESERVES STATEMENT

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

	Additional Information			Statement of Movement in Reserves					
	Unearmarked General Fund Balance	Earmarked General Fund Reserves	Total Reserves held by Schools	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 31 March 2022 carried forward	(7,912)	(106,040)	(16,695)	(130,647)	(2,579)	(9,367)	(142,593)	(117,332)	(259,925)
Movement in reserves during 2022/23									
Total Comprehensive Income and Expenditure	39,387	0	0	39,387	0	0	39,387	(312,454)	(273,067)
Adjustments between accounting basis and funding basis under regulations	(32,140)	0	0	(32,140)	327	1,326	(30,487)	30,487	0
(Increase)/Decrease in 2022/23	7,247	0	0	7,247	327	1,326	8,900	(281,967)	(273,067)
Transfers to/from Earmarked Reserves	(7,247)	2,469	4,778	0	0	0	0	0	0
(Increase)/Decrease in 2022/23 (showing transfers to Earmarked Reserves)	0	2,469	4,778	7,247	327	1,326	8,900	(281,967)	(273,067)
Balance 31 March 2023 carried forward	(7,912)	(103,571)	(11,917)	(123,400)	(2,252)	(8,041)	(133,693)	(399,299)	(532,992)
Movement in reserves during 2023/24									
Total Comprehensive Income and Expenditure	(2,324)	0	0	(2,324)	0	0	(2,324)	9,908	7,584
Adjustments between accounting basis and funding basis under regulations	7,427	0	0	7,427	(68)	302	7,661	(7,661)	0
(Increase)/Decrease in 2023/24	5,103	0	0	5,103	(68)	302	5,337	2,247	7,584
Transfers to/from Earmarked Reserves	(5,103)	1,728	3,375	0	0	0	0	0	0
(Increase)/Decrease in 2023/24 (showing transfers to Earmarked Reserves)	0	1,728	3,375	5,103	(68)	302	5,337	2,247	7,584
Balance 31 March 2024 carried forward	(7,912)	(101,843)	(8,542)	(118,297)	(2,320)	(7,739)	(128,356)	(397,052)	(525,408)

BALANCE SHEET

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

31 March 2023	Note	31 March 2024
£'000		£'000
570,819	15	596,761
59		60
165	16	165
2,193	15	2,133
17	17	17
4,335	17&18	5,930
577,588		605,066
89,851	17	97,568
47	20	0
1,686		1,589
85,878	18	121,201
62,880	19	43,939
240,342		264,297
(16,886)	19	(8,591)
(2,907)	17	(6,033)
(134,845)	21	(177,868)
(362)	22	(346)
(17,894)	32	(25,437)
(172,894)		(218,275)
(9,111)	22	(8,703)
(99,595)	17	(94,006)
4,482	38	(17,248)
(997)	35	(793)
(6,823)	32	(4,930)
(112,044)		(125,680)
532,992		525,408
(133,693)		(128,356)
(399,299)	23	(397,052)
(532,992)		(525,408)

CASH FLOW STATEMENT

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

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

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

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

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

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

I.2 Accruals of Expenditure and Income

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

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

I.3 Cash and Cash Equivalents

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

I.4 Contingent Assets / Contingent Liabilities

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

1.5 Corporate

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

1.6 Employee Benefits

1.6.1 Benefits Payable During Employment

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

1.6.2 Termination Benefits

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

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

1.6.3 Post-Employment Benefits

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

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

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

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

1.6.4 The Local Government Pension Scheme

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

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

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

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

Service cost comprising:

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

Remeasurements comprising:

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

1.6.5 Discretionary Benefits

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

1.7 Events After the Reporting Period

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

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

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

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

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

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

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

1.9 Financial Instruments

Financial Liabilities

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

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

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

Financial Assets

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

- amortised cost, and

NOTE I – ACCOUNTING POLICIES (continued)

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

Financial Assets Measured at Fair Value Through Other Comprehensive Income

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

Financial Assets Measured at Fair Value through Profit and Loss

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

Fair Value Measurements of Financial Assets

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

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

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

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

1.10 Government Grants and Other Contributions

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

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

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

1.11 Heritage Assets

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

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

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

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

1.12 Inventories and Long-Term Contracts

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

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

NOTE I – ACCOUNTING POLICIES (continued)

1.13 Investment Property

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

1.14 Leases

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

The Council as Lessee:

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

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

The Council as Lessor:

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

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

1.15 Surplus Assets

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

1.16 Overheads and Support Services

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

1.17 Long-Term Assets

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

Land and Buildings are shown at fair value, this includes Existing Use Value (EUV) for many items or Depreciated Replacement Cost (DRC) for specialised properties.

Investment Properties are shown at fair value.

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

Infrastructure and community assets are shown at depreciated historical cost.

NOTE I – ACCOUNTING POLICIES (continued)

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

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

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

Impairment and Depreciation

Impairment

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

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

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

Depreciation

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

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

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

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

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

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

Depreciation is not charged in the year of acquisition.

NOTE 1 – ACCOUNTING POLICIES (continued)

Minimum Revenue Provision

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

The four MRP options available are:

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

NB This does not preclude other prudent methods.

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

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

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

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

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

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

1.18 Council Tax and National Non-Domestic Rates

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

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

1.19 Provisions

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

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

1.20 Reserves (and Balances)

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

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

1.21 Revenue Expenditure Funded from Capital Under Statute

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

1.22 Value Added Tax

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

1.23 Debtors and Creditors

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

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

1.24 Allocation of Interest and Receivable Dividends

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

1.25 Borrowing Costs

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

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

1.26 Interest in Companies and Other Entities

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

NOTE I – ACCOUNTING POLICIES (continued)

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

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

- GwE
- North Wales Residual Waste Treatment Project

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

1.27 Current Assets Held for Sale

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

1.28 Disposal of Assets

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

1.29 Capital Receipts

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

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

1.30 Service Concession Arrangements

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

1.31 Joint Operations

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

1.32 Schools

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

NOTE 1 – ACCOUNTING POLICIES (continued)

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

1.33 Fair Value Measurement of Non-Financial Assets

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

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

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

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

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

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

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

1.34 Other Policies

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

- Intangible Assets
- Foreign Currency Conversion.

NOTE 2 – CHANGE IN ACCOUNTING POLICY

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

NOTE 3 – PRIOR PERIOD ADJUSTMENTS

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

EXPENDITURE AND FUNDING ANALYSIS

	2022/23 As previously stated			Restatement			2022/23 Restated		
	Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between the Accounting Basis and Funding Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education	101,997	13,062	115,059	658	74	732	102,655	13,136	115,791
Corporate Support	8,121	1,583	9,704	0	0	0	8,121	1,583	9,704
Finance	7,204	3,026	10,230	0	0	0	7,204	3,026	10,230
Economy and Community	4,446	4,433	8,879	0	0	0	4,446	4,433	8,879
Adults, Health and Well-being	70,351	7,217	77,568	0	0	0	70,351	7,217	77,568
Children and Family Support	21,557	2,699	24,256	(658)	(74)	(732)	20,899	2,625	23,524
Highways and Municipal *	29,601	10,809	40,410	(29,601)	(10,809)	(40,410)	0	0	0
Highways, Engineering and YGC *	0	0	0	15,916	10,513	26,429	15,916	10,513	26,429
Environment	3,177	5,472	8,649	13,805	1,854	15,659	16,982	7,326	24,308
Housing and Property	10,022	5,042	15,064	0	0	0	10,022	5,042	15,064
Corporate Management Team and Legal	2,396	297	2,693	0	0	0	2,396	297	2,693
Gwynedd Consultancy	120	1,558	1,678	(120)	(1,558)	(1,678)	0	0	0
Corporate	18,525	1,777	20,302	0	0	0	18,525	1,777	20,302
Cost of Services	277,517	56,975	334,492	0	0	0	277,517	56,975	334,492
Other Operating Expenditure	27,931	(123)	27,808	0	0	0	27,931	(123)	27,808
Financing and Investment Income and Expenditure	19,724	(8,637)	11,087	0	0	0	19,724	(8,637)	11,087
Taxation and Non-specific Grant Income	(317,925)	(16,075)	(334,000)	0	0	0	(317,925)	(16,075)	(334,000)
(Surplus)/Deficit on Provision of Services	7,247	32,140	39,387	0	0	0	7,247	32,140	39,387
Opening General Fund Balance	(130,647)			0			(130,647)		
(Surplus)/Deficit on General Fund in year	7,247			(0)			7,247		
Closing General Fund Balance	(123,400)			(0)			(123,400)		

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	Note	2022/23 As previously stated			Restatement			2022/23 Restated		
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education		148,925	(33,866)	115,059	1,299	(567)	732	150,224	(34,433)	115,791
Corporate Support		10,696	(992)	9,704	0	0	0	10,696	(992)	9,704
Finance		14,060	(3,830)	10,230	0	0	0	14,060	(3,830)	10,230
Economy and Community		19,313	(10,434)	8,879	0	0	0	19,313	(10,434)	8,879
Adults, Health and Well-being		105,391	(27,823)	77,568	0	0	0	105,391	(27,823)	77,568
Children and Family Support		41,435	(17,179)	24,256	(1,299)	567	(732)	40,136	(16,612)	23,524
Highways and Municipal *		57,250	(16,840)	40,410	(57,250)	16,840	(40,410)	0	0	0
Highways, Engineering and YGC *		0	0	0	41,959	(15,530)	26,429	41,959	(15,530)	26,429
Environment		19,100	(10,451)	8,649	22,886	(7,227)	15,659	41,986	(17,678)	24,308
Housing and Property		26,314	(11,250)	15,064	0	0	0	26,314	(11,250)	15,064
Corporate Management and Legal Team		3,283	(590)	2,693	0	0	0	3,283	(590)	2,693
Gwynedd Consultancy		7,595	(5,917)	1,678	(7,595)	5,917	(1,678)	0	0	0
Corporate		44,483	(24,181)	20,302	0	0	0	44,483	(24,181)	20,302
Cost of Services		497,845	(163,353)	334,492	(0)	(0)	(0)	497,845	(163,353)	334,492
Other Operating Expenditure	11	27,931	(123)	27,808	0	0	0	27,931	(123)	27,808
Financing and Investment Income and Expenditure	12	12,928	(1,841)	11,087	0	0	0	12,928	(1,841)	11,087
Taxation and non-specific grant income	13	0	(334,000)	(334,000)	0	0	0	0	(334,000)	(334,000)
(Surplus)/Deficit on Provision of Services		538,704	(499,317)	39,387	(0)	(0)	(0)	538,704	(499,317)	39,387
(Surplus)/Deficit on revaluation of Fixed Assets	23			(28,694)			0			(28,694)
(Surplus)/Deficit on revaluation of Financial Instruments	23			1,190			0			1,190
Remeasurements of the net pension defined benefit liability/(assets)	23			(284,950)			0			(284,950)
Other Comprehensive Income and Expenditure				(312,454)			0			(312,454)
Total Comprehensive Income and Expenditure				(273,067)			(0)			(273,067)

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS

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

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

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

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

- IFRS 16 Leases issued in January 2016 – will be mandatory for accounting periods beginning on or after 1st of April 2024. The Council has decided not to adopt IFRS 16 in the 2023/24 financial year. The adoption of IFRS 16 will have a significant impact on the Council's financial statements in that there will be an additional category of both assets and liabilities on the balance sheet reflecting the right of use of leased assets. However there won't be an impact on the Council Fund as the services are already funding these assets.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

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

NOTE 5 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

NOTE 7 – MATERIAL ITEMS OF INCOME AND EXPENSE

Related items include:

- (£23m) on pensions, being the annual remeasurement of the net pension defined benefit liability relating to pensions, in line with Gwynedd Pension Fund's Actuary's assessment (Note 23.5).
- Following a revaluation of part of the Council's land and buildings portfolio (which is now carried out on a rolling programme basis), a net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £14m (Note 23.1) and the revaluation and impairment cost to the Services is £5m (Note 15).
- As a result of Central Government schemes including the Levelling Up Funds, significant grants have been received during 2023/24, which has contributed to the significant increase in revenue expenditure funded from Capital under statute, which is £20m (Note 34), whilst the associated grant income to fund such expenditure is £17m (Note 32).
- The depreciation value of the Council's assets is £20m (Note 15).

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

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

* This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

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

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

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

** This includes adjustments relating to the North and Mid Wales Trunk Road Agency.

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

(i) Adjustments for Capital Purposes

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

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

(ii) Net Change for the Pensions Adjustments

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

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

(iii) Other Differences

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

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

(iv) Other (Non-statutory) Adjustments

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

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

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

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

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

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

NOTE 10 – TRANSFERS TO/FROM EARMARKED RESERVES

School Balances

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

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

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

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

Earmarked Reserves

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

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

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

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

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

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

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

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

NOTE 11 – OTHER OPERATING EXPENDITURE

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

NOTE 12 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

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

NOTE 13 – TAXATION AND NON-SPECIFIC GRANT INCOME

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

NOTE 13a - COUNCIL TAX

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

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

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

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

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

NOTE 13b - NATIONAL NON-DOMESTIC RATES

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

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

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

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

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

NOTE 14 – BUILDING CONTROL INCOME AND EXPENDITURE ACCOUNT

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

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

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

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Movements on Property, Plant and Equipment Balances

Movements in 2023/24:

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

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Comparative Movements in 2022/23:

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

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

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

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

Infrastructure

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

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

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

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

Net Book Value - Property, Plant and Equipment Assets

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

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Capital Commitments

Significant commitments (over £200k) under capital contracts at 31 March 2024 were as follows:

	Sum	Payments to date	Balance
	£'000	£'000	£'000
All Weather Pitch – Plas Silyn	579	269	310
Ysgol Treferythyr, Criccieth	6,724	4,708	2,016

NOTE 16 – INVESTMENT PROPERTIES

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

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

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

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

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

NOTE 17a – FINANCIAL INSTRUMENTS

(i) Financial Instruments - Classifications

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

Financial Liabilities

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

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

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

Financial Assets

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

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

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

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

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

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

- money market funds

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(ii) Financial Instruments - Balances

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

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

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

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

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

Material Soft Loans

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

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

Equity instruments elected to fair value through other comprehensive income

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

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

Offsetting Financial Assets and Liabilities

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(iii) Financial Instruments - Gains and Losses

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

(iv) Financial Instruments - Fair Values

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

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

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

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

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

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

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

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

NOTE 17a – FINANCIAL INSTRUMENTS (continued)

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

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

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

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

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

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

The main risks covered are:

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

Credit Risk: Investments

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

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

The Council does not hold collateral security against any investments.

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

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

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

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

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

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

Credit Risk: Trade Receivables

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

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

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

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

Credit Risk: Loans, Financial Guarantees and Loan Commitments

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

Liquidity Risk

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

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

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

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

Market Risk: Interest Rate Risk

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

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

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

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

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

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

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

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

Market Risk: Price Risk

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

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to pooled investments of £50m. A 5% fall in commercial property prices at 31 March 2024 would result in a £0.18m (£0.21m at 31 March 2023) charge to Other Comprehensive Income and Expenditure.

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

Market Risk: Foreign Exchange Risk

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

NOTE 18a – DEBTORS

31 March 2023		31 March 2024
£'000		£'000
17,925	Trade receivables	19,667
2,993	Prepayments	5,235
64,960	Other receivable amounts	102,229
85,878	Total	127,131

The 'Other receivable amounts' figures include long term debtors of £5,930k, (£4,335k in 2022/23). The above short term debtors' figures are net of impairment losses.

NOTE 18b - COUNCIL TAX DEBTORS

The past due date amount for Council Tax can be analysed by age as follows:

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

The above Council Tax debtors' figures are net of impairment losses. (Total Council Tax debtors are included within the total of 'Other receivable amounts' in table 18a).

NOTE 19 – CASH AND CASH EQUIVALENTS

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

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

NOTE 20 – ASSETS HELD FOR SALE

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

NOTE 21 – SHORT-TERM CREDITORS

	31 March 2023	31 March 2024
	£'000	£'000
Trade payables	27,876	48,524
Other payables	106,969	129,344
Total	134,845	177,868

NOTE 22 – PROVISIONS

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

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

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

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

Insurance Claims Provision – to meet potential insurance claims settlements.

Salary Provision – in accordance with the relevant requirements.

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

NOTE 23 – UNUSABLE RESERVES

31 March 2023		31 March 2024
£'000		£'000
167,073	Revaluation Reserve	177,504
235,399	Capital Adjustment Account	248,102
(1,345)	Financial Instruments Revaluation Reserve	(1,414)
(558)	Financial Instruments Adjustment Account	(625)
4,482	Pensions Reserve	(17,248)
(5,752)	Accumulated Absences Account	(9,267)
399,299	Total Unusable Reserves	397,052

23.1 Revaluation Reserve

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

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

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

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

23.2 Capital Adjustment Account

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

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

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

NOTE 23 – UNUSABLE RESERVES (continued)

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

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

23.3 Financial Instruments Revaluation Reserve

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

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

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

23.4 Financial Instruments Adjustment Account

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

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

NOTE 23 – UNUSABLE RESERVES (continued)

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

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

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

23.5 Pensions Reserve

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

2022/23				2023/24		
Gwynedd	NWEAB*	Total		Gwynedd	NWEAB*	Total
£000	£000	£000		£000	£000	£000
(242,047)	(118)	(242,165)	Balance 1 April	4,482	0	4,482
284,906	44	284,950	Re-measurements of the net pension defined benefit (liabilities) / assets	(23,486)	(5)	(23,491)
(64,682)	50	(64,632)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(25,610)	(18)	(25,628)
26,305	24	26,329	Employer's pensions contributions and direct payments to pensioners payable in the year	27,366	23	27,389
4,482	0	4,482	Balance 31 March	(17,248)	0	(17,248)

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

NOTE 23 – UNUSABLE RESERVES (continued)

23.6 Accumulated Absences Account

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

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

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

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

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

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

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

NOTE 24c – CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

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

NOTE 25 – CASH FLOW STATEMENT – INVESTING ACTIVITIES

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

NOTE 26a – CASH FLOW STATEMENT – FINANCING ACTIVITIES

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

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

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

NOTE 27 – EXPENDITURE AND INCOME ANALYSED BY NATURE

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

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

NOTE 28 – AGENCY SERVICES

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

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

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

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

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

NOTE 28 – AGENCY SERVICES (continued)

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

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

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

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

NOTE 29 – MEMBERS' ALLOWANCES

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

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

NOTE 30 – OFFICERS’ REMUNERATION

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

2022/23			Chief Officers	2023/24		
Salary and other	Employer’s Pension Contributions	Total		Salary and other	Employer’s Pension Contributions	Total
£	£	£		£	£	£
115,348	23,531	138,879	Chief Executive ¹	121,595	23,033	144,628
64,893	13,238	78,132	Corporate Director	103,347	19,843	123,190
48,670	9,929	58,599	Corporate Director	103,347	19,843	123,190
103,064	21,025	124,089	Head of Education ²	78,879	9,476	88,356
0	0	0	Head of Education ³	22,383	4,298	26,681
80,252	16,371	96,624	Head of Finance ⁴	91,205	17,512	108,717
79,965	16,290	96,255	Head of Highways, Engineering and YGC	88,627	16,995	105,622
81,253	16,576	97,829	Head of Adults, Health and Wellbeing	88,072	16,910	104,982
81,253	16,576	97,829	Head of Economy and Community	88,072	16,910	104,982
81,253	15,611	96,864	Head of Children and Family Support	88,072	16,078	104,150
81,253	16,576	97,829	Head of Environment	88,072	16,910	104,982
29,329	5,983	35,312	Head of Corporate Support ⁵	81,709	15,688	97,397
76,116	15,505	91,621	Head of Housing and Property	84,079	16,122	100,201
73,101	14,913	88,014	Head of Legal Service ⁶	79,443	14,527	93,970

1. The figures do not include any payment to the Chief Executive in his role as Returning Officer. Holder in role as Returning Officer since 1 May 2022. There were no payments in 2023/24 (£1,129 in 2022/23, based on the scale defined by the relevant electoral bodies).
2. Holder in role until 29 September 2023, with the salary including payment in lieu of notice, totalling £22,844.
3. Holder in role since 1 January 2024.
4. Holder of role received £5,386 for the Section 151 Officer duties for Eryri National Park Authority (ENPA), in his role since 1 July 2023. An additional Employer’s Pension Contribution of £1,034 applies to these duties. ENPA reimburses the Council for these payments.
5. Holder in role since 7 November 2022.
6. The figures do not include any payment to the Head of Legal Service in his role as Deputy Returning Officer. There were no payments in 2023/24 (£2,371 in 2022/23, based on the scale defined by the relevant electoral bodies).

NOTE 30 – OFFICERS’ REMUNERATION (continued)

30b. The Accounts and Audit (Wales) Regulations 2014 (as amended) require the Council to include a ratio of remuneration. The ratio of the Chief Executive’s remuneration of £121,595 (£115,348 in 2022/23) to the median remuneration of all the Council’s employees for 2023/24 is 5.09:1, which corresponds to a median salary of £23,893 (5.25:1 in 2022/23, which corresponds to a median salary of £21,968).

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

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:						
Number in 2022/23				Number in 2023/24		
Schools	Other	Total		Schools	Other	Total
44	10	54	£60,000 - 64,999	60	15	75
18	12	30	£65,000 - 69,999	30	19	49
14	1	15	£70,000 - 74,999	13	4	17
5	2	7	£75,000 - 79,999	11	2	13
3	0	3	£80,000 - 84,999	6	1	7
1	1	2	£85,000 - 89,999	2	0	2
1	0	1	£90,000 - 94,999	2	0	2
0	0	0	£95,000 - 99,999	2	0	2
1	0	1	£100,000 - 104,999	1	0	1
0	0	0	£105,000 - 109,999	1	0	1
0	0	0	£110,000 - 114,999	0	0	0
1	0	1	£115,000 – 119,999	1	0	1

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

The table above includes starters and leavers whose annualised remuneration would exceed £60,000.

NOTE 31 – EXTERNAL AUDIT COSTS

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

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

NOTE 32 – GRANT INCOME

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

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

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

NOTE 32 – GRANT INCOME (continued)

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

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

NOTE 33 – RELATED PARTIES

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

Welsh and Central Government

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

Members

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

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

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
31,074	3,622	(7,871)	(2,539)

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

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
1,808	162	(655)	(308)

Officers

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

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
15,673	837	(633)	(480)

Other Public Bodies

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

The Head of Finance is a Section 151 officer for Eryri National Park Authority (ENPA), as stated in Note 30 of the accounts. The Council administers payroll services for ENPA and for Adra (Tai) Cyfyngedig.

NOTE 33 – RELATED PARTIES (continued)

Eryri National Park Authority (ENPA)

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
30	9	(234)	(76)

Adra (Tai) Cyfyngedig

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
922	15	(831)	(113)

North Wales Corporate Joint Committee

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

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
139	13	(99)	(42)

Welsh Joint Education Committee (WJEC)

The Council is a member of WJEC CBAC Limited, a charitable company whose members are the twenty-two Welsh unitary authorities. The company is limited by guarantee, not having a share capital, and the Council's liability is limited to £1.

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
883	1	0	0

Subsidiary

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

Payments made (including creditors) £'000	Amounts owed by the Council £'000	Income received (including debtors) £'000	Amounts owed to the Council £'000
1,960	0	(435)	(84)

NOTE 34 – CAPITAL EXPENDITURE AND CAPITAL FINANCING

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

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

The movement in the year is explained as follows:

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

NOTE 35 – LEASES

Council as Lessee

Finance Leases

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

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

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

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

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

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

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

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

NOTE 35 – LEASES (continued)

Operating Leases

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

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

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

Council as Lessor

Finance Leases

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

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

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

Operating Leases

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

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

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

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

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

NOTE 36 – EXIT PACKAGES

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

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

NOTE 37 – PENSION SCHEMES ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEMES

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

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

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

NOTE 38 – PENSION COSTS

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

Cyngor Gwynedd participates in two post-employment benefit schemes:

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

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

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

Transactions Relating to Post-employment Benefits

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

Virgin Media Case

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in 'contracted out defined benefit pension schemes' between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void. This requirement applies to past service rights and future service rights, and to changes to the detriment or benefit of scheme members. The judgement was appealed in August 2024 but the appeal was dismissed.

For the Local Government Pension Scheme, Hymans Robertson do not believe that there are any absent actuarial confirmations. Therefore, they do not expect any liability changes to arise following this judgement. Hymans Robertson will confirm that actuarial confirmations are available in due course.

NOTE 38 – PENSION COSTS (continued)

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

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

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

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

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

NOTE 38 – PENSION COSTS (continued)

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

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

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

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

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

Pensions assets and liabilities recognised in the Balance Sheet

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

	31 March 2023	31 March 2024
Fair value of plan assets	976,244	1,087,014
Present value of obligations	(840,490)	(850,805)
Subtotal	135,754	236,209
Effect of IAS 19/ IFRIC 14	(131,272)	(253,457)
Net Asset/ (Liability) arising from Defined Benefit Obligation	4,482	(17,248)

NOTE 38 – PENSION COSTS (continued)

The actuarial valuation of the Council's pension scheme liabilities and pension reserve shown on the Balance Sheet reports a net liability. The Council's Actuary, Hymans Robertson LLP, determined that the fair value of the council's pension plan assets outweighed the present value of the plan obligations at 31 March 2024 resulting in a pension plan asset. IFRIC 14 and IAS 19 Employee Benefits require that, where a pension plan asset exists, it is measured at the lower of the surplus in the defined benefit plan; and the asset ceiling, which is capped at £0 (Calculation excludes unfunded obligations).

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

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

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

Fair Value of Employer Assets

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

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

NOTE 38 – PENSION COSTS (continued)

Basis for estimating assets and liabilities

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

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

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

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

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

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

NOTE 38 – PENSION COSTS (continued)

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

Impact on the Council's Cash Flows

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

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

Information about the Defined Benefit Obligation

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

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

Impact in Future Years

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

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

NOTE 39 – CONTINGENT LIABILITIES

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

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

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

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

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

- The Council is assessing potential claims following the conviction of a former head teacher at a Gwynedd School. The claims are in their very early stages and details of exactly what is being claimed are awaited. In the event of liability being established, the Council's payments will be restricted to the policy deductibles under the relevant liability Insurance policies. The Council has an existing earmarked Insurance Reserve set aside to fund any costs which would not be covered by the Council's cover.

NOTE 40 – TRUSTS

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

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

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

NOTE 41 – SERVICE CONCESSION ARRANGEMENTS

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

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

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

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

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

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

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

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

NOTE 42 – POOLED BUDGET

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

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

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

NOTE 43 – JOINT OPERATIONS AND JOINT COMMITTEES

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

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

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

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

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

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

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

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

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

** Actif North Wales is grant funded.

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

NOTE 44 – EVENTS AFTER THE REPORTING PERIOD

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

THE WELSH CHURCH FUND

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

NOTES TO THE ACCOUNTS

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

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

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

FMG MORGAN TRUST FUND

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

NOTES TO THE ACCOUNTS

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

ANNUAL GOVERNANCE STATEMENT

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

Part 1: SCOPE OF RESPONSIBILITY

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

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

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

Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

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

The governance framework described above has been in place at Cyngor Gwynedd for the year ending 31 March 2024 and remains applicable up to the date of the approval of the Statement of Accounts.

Part 3: GOVERNANCE ARRANGEMENTS AND THEIR EFFECTIVENESS

- 3.1 The **Governance Arrangements Assessment Group** monitors matters of governance continuously in a disciplined manner, raising a wider awareness of these, and promoting a wider ownership of the Annual Governance Statement. The Group comprises the Corporate Director, the Monitoring Officer, the Section 151 Officer, Head of Corporate Support, Assistant Head of Corporate Support, Assistant Head of Finance, the Risk and Insurance Manager and the Council Business Service Support Manager.
- 3.2 To reflect the CIPFA/SOLACE Framework - *Delivering Good Governance in Local Government*, the local framework is set out in the form of a Governance Risk Register that is part of the Corporate Risk Register, identifying 24 areas of governance risks.
- 3.3 An outline is given of the Governance Areas, the relevant risks and the Council's arrangements to deal with these, and the effectiveness of these arrangements, in the remainder of this section of the Annual Governance Statement.
- 3.4 For each Governance Risk, a current score is shown, which is the score following an objective assessment of the control arrangements that are currently in place. Consideration is given to two factors:
- The **Impact** of the risk in the event of it being realised
 - The **Likelihood** that it will occur.
- 3.5 Impact scores vary from 1 (Visible impact) to 5 (Catastrophic impact), and the Likelihood scores from 1 (very unlikely) to 5 (occurring now). The risk score is calculated by multiplying the impact score and the likelihood score.
- 3.6 The comparative level of the risks is calculated as follows:

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

Culture

Risk: Inappropriate culture within the Council can hinder our ability to do the right things in the correct manner

Assessment:

We have assessed that this is currently a **High** risk, because:

- The six-day training programme for Service Managers on the principles of Ffordd Gwynedd (including robust performance management principles) has been delivered since the summer of 2017. All service managers have now followed this training with a programme to ensure all new managers receive the training into the future.
- The Managers Network has been re-established and held its first series of meetings in March 2019. The early signs are encouraging with the encouragement for managers and their teams to undertake reviews within their own services rather than the previous focus on intensive reviews.
- A new job description was circulated to each manager/senior manager outlining the behaviours expected of them and agreed generic content to a new job description for heads and assistant heads. A final version of a revised job description for team leaders and the remainder of Council staff, which confirms the expected behaviours, has been agreed.
- A review of Ffordd Gwynedd's progress across the Council has been carried out in collaboration with Cabinet members and a Task and Finish Group from members of the Governance and Audit Committee. That resulted in a new 5-year Work Programme to 2028 which was approved by Cabinet on 7 March 2023. The Plan identifies nine areas we will focus on to further embed the "way of working".

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Conduct

Risk: Lack of integrity, ethics and respect in the conduct of members and officers, undermining the public's confidence in the Council

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council has adopted codes of conduct for its members and officers, based on national regulations (codes such as the Member/Officer Relationship Code, Members' Code of Conduct, Officers' Code of Conduct, Anti-fraud and Anti-corruption Policy and the Whistle-blowing Code of Practice) and these together set the foundation to ensure integrity and ethics. There is evidence of action when it appears that these codes of conduct have been breached.
- There is clear evidence that the Council gives due consideration to the Ombudsman's reports as part of the work of the Standards Committee, which works effectively.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Lawfulness

Risk: Ignoring the rule of law, which means that the Council is open to challenges from the courts

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Statutory Officers (the Monitoring Officer and the Head of Finance) have to offer comments on any formal decision, as part of a comprehensive constitution that is regularly reviewed.
- The role of the statutory officers is a core part of the Council's governance and working closely with them on key issues is fundamental. The previous Protocol needs updating and work on creating a template is taking place through the LGA.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Being open

Risk: A Council that is not open, meaning that it is not possible to hold it accountable for its decisions

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Only the minimum of Committee reports are exempt
- Publicity is given to the decision notices of individual members, with procedures to ensure that this occurs.
- Background papers are published with committee reports in order to ensure that the decisions are made with full information.
- Many committee meetings that make decisions are web-broadcast.
- The Cabinet regularly considers performance reports as part of its meetings that are open and the Council publishes its Corporate Plan, Annual Performance Report and Self-Assessment and the Statement of Accounts to seek to give as much information as the residents need for us to be accountable.
- Various other methods are also used such as the website, 'Newyddion Gwynedd' and social media to try to ensure that Gwynedd residents are aware of what is happening within the Council.

Current Risk Score:

Impact	Likelihood	Risk score
2	1	2

Stakeholders

Risk: Weak relationship with institutional stakeholders, ending with sub-optimal services

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The willingness of public sector bodies, including Cyngor Gwynedd, other neighbouring unitary councils, the Police, the Health Board, the third sector and others to co-operate for the joint delivery of public services can have a significant, visible impact for the People of Gwynedd.
- Work has been undertaken to create a Well-being Plan and the relationship between organisations has matured.
- The Council is committed to the Public Services Board.
- The Public Services Board is not the only vehicle for working with other agencies and there is a risk that the wide range of joint working structures can hinder the whole objective of working together, creating confusion.
- The Council has had Partnership Criteria in place for several years, so that Cyngor Gwynedd only enters partnerships where it is in the interests of the people of Gwynedd.
- Collaboration also occurs at a regional level which is not always as effective as it could be due to the footprint size and the difficulty of building a relationship with such a large number of people. There are some examples of success (e.g. North Wales Economic Ambition Board).

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Engagement

Risk: Failure to engage effectively with service users and individual citizens leads to prioritisation and poor decision making

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- A range of corporate engagement procedures have been put in place to ensure that we receive opinion from the public and other stakeholders as appropriate. These include arrangements to ensure that the Council's corporate engagement exercises reach groups and cohorts such as young people, LGBT+ people, ethnic minorities, refugees, adults with learning disabilities and Gwynedd businesses.
- Recently, the engagement exercise for the Council's Regeneration Framework was used to:
 - undertake an engagement exercise which benefited several Departments, Services and key projects including the Gwynedd and Anglesey Public Services Board Wellbeing Survey, Population Needs Assessment (Adults Department), Local Housing Need Survey (Housing and Department), Clean and Tidy Communities (Highways and Municipal), Sustainable Tourism Principles (Economy and Community);
 - piloting the use of new engagement software ("Bang The Table" software);
 - develop a new brand for the engagement area ("Ardal Ni" brand);
 - trialling a new way of engaging at 13 local area level rather than the whole of Gwynedd.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Direction and vision

Risk: Direction and vision that is not rooted in the outcomes for individuals and therefore does not realise the needs of the People of Gwynedd

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council is effective in setting its priorities and managing expectations because of the culture of concentrating on what is important to the people of Gwynedd, with the performance measures that are used across all services derived from this.
- The Council Plan 2023-28 was approved by the full Council on 2 March 2023. The plan includes a series of projects for the next five years under seven priority areas.

Current Risk Score:

Impact	Likelihood	Risk score
3	2	6

Sustainability

Risk: Failing to comply with the five principles of the Well-being of Future Generations Act

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council has acknowledged the importance of acting in accordance with the Well-being of Future Generations Act and, jointly with its partners on the Public Services Board, has done initial work to identify what needs to be done to operate in accordance with the five principles - Long term, Prevention, Integration, Collaboration and Involvement.
- The Council is already complying with all the principles but to different degrees. The Management Group decided that the best way would be for Departmental Management Teams to pay attention to the principles when planning ahead. It is recognised that an assessment is needed if this way is successful or not. Reports coming before Cabinet are submitted in advance to the Corporate Support Department for review to keep track of situations where perhaps appropriate attention has not been given to the principles. By doing this we hope that we will embed the principles naturally rather than ticking boxes but time will tell if we will be successful.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Decisions

Risk: Unwillingness to make decisions on action, which means a delay in achieving the outcomes for the people of Gwynedd

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Over the last few years there is evidence that Cyngor Gwynedd is willing to take difficult or unpopular decisions, e.g. schools, externalising Council houses, acting on the difficult results of the Gwynedd Challenge, changing the Youths arrangements and taking steps to ensure implementation principles within Education.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Planning Operations

Risk: Intervention without sufficient planning

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council strives to maintain a suitable balance between Project Management procedures and working efficiently. As such, the Council is already maintaining robust project management arrangements for the largest projects, and uses a less comprehensive version for other projects, but based on the same principles.
- To ensure that the right things are measured each service's delivery measures are based on achieving a purpose and trying to ensure that any action improves our ability to achieve that.
- The Council tries to strike a balance between the need for order and the need to deliver as soon as possible by doing as little paperwork as is consistent with this, encouraging simple, brief reports that set out the main key points.
- The Council has a Medium Term Financial Strategy, with annual budgets based on this. The Council's work on financial planning is regularly praised by the external auditors, and the Governance and Audit Committee takes a leading role with financial scrutiny.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Reviewing Outcomes

Risk: Failure to review the outcomes of our actions, which means that we do not learn lessons by continuing to do the same things incorrectly

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council's arrangements for risk assessment, formulating a Corporate Plan and project management will ensure that the intended outcomes to be achieved are clear at the start of any project.
- The annual performance report will try to focus on assessing to what extent these outcomes have been achieved. There are good examples of where this has occurred and the situation is improving.
- Discussions continue to seek to ensure that the Improvement Priorities in our Corporate Plan are more clear in terms of outcomes, with the Self-Assessment assessing the extent to which those outcomes have been achieved.

Current Risk Score:

Impact	Likelihood	Risk score
3	2	6

Property Assets

Risk: The Council's property assets not used to their full potential

Assessment:

We have assessed that this is currently a **Low** risk, because:

- A new Asset Strategy for the 10 year period 2024 – 2034 has been developed and was approved by the full Council on 11 July 2024.
- The result is that a number of buildings that were no longer needed have been disposed of.
- In terms of vehicles, a plan has been implemented to try and make better use of the Council's fleet that has already presented some financial savings and is likely to achieve more.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information Technology Assets

Risk: The Council's Information Technology assets not used to their full potential

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- A new Digital Plan for the period 2023-28 has been adopted; it was scrutinised by the Education and Economy Scrutiny Committee in September 2023 and formally approved by Cabinet in November 2023.
- The digital channel is an ongoing development and new services are constantly being released. There are several internal developments to improve internal administration, including a lengthy list of staff self-service developments and significant improvements to training arrangements. The self-service channels (internal and external) are not the only developments. Around fifty new systems are developed annually and these are tailored around the requirements of the services rather than having to adapt a service to meet the needs of a particular system. While there are many examples of where we have used technology to improve how we deliver services to the residents of Gwynedd, it is not happening at the pace that we would like it to happen and several applications remain for resources to develop them.
- In extending the use of technology we face further risks in terms of security and cyber resilience, with this element being an essential assessment of any new development or review of an inherent solution.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Workforce Planning

Risk: Failure to plan the workforce in terms of attracting, developing and retaining staff

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- To ensure that the Council is in a position to deliver services that always put the People of Gwynedd at the centre, we must ensure that we have the right staff in the right place with the right skills. A Project Group has been established and short-term and longer-term objectives are in place. The Human Resources Team has attended training on the relevant skills needed to plan the workforce effectively. The main focus at the moment is on solving the short-term recruitment problems the Council is experiencing, but the most important and longer-term objective is to improve how we attract and retain staff, planning our staffing needs some years in advance while reducing the risk of having problems in attracting staff in the future.
- A new exit interview arrangement and job website are in place.
- The Project Board has agreed long-term objectives and a list of subprojects for the period leading up to March 2028.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Leadership

Risk: Deficiencies in the Council's leadership means that we are not doing the right things

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There is an element of evidence (through self-assessment) that leadership within the Council is improving with numerous examples of transformational leadership on display rather than transactional leadership. The increased emphasis placed on "leading" rather than "managing" within the Ffordd Gwynedd culture is another firm indication of the great strides being made with Cabinet members taking a leading role in promoting good leadership by committing to their development as leaders.
- The definition of leadership within Cyngor Gwynedd was agreed upon and that definition is reflected in revised job descriptions for each headteacher and manager in the Council. The commitment at a political and operational level demonstrates that these positive actions have come to fruition and that the need and ability to lead is taking root as the norm within the Council.
- The re-establishment of the Management Network, with the emphasis on developing leadership skills, is another key step in the shift in emphasis from a "management" to "leadership" culture within the Council while the Managerial Review and revised job descriptions have also contributed to clarity around the expectation of leadership. In light of all this, this work is seen as remaining key but recognising that it is not as much of a risk as it has been in the past.
- To reflect that, this work has been incorporated within the Ffordd Gwynedd Plan's programme of work rather than standing as a stand-alone project although a specific project continues to have a high improvement priority in relation to Women in Leadership within the Council. The Council recognises that the number of women performing a managerial function within the Council is disproportionate with the ratio of the whole workforce and therefore seeks to boost the number of women applying and reaching senior positions within the Council.
- The Corporate Management Team is committed to its development, with each team member having completed a personal profile and also attending an initial workshop as an activity to strengthen the team for the future.

Current Risk Score:

Impact	Likelihood	Risk score
4	2	8

Risk Management

Risk: Weaknesses in our risk management arrangements that increase the threat of something going wrong or failure to take an opportunity to improve

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There are strong arrangements for monitoring our compliance with certain types of operational risks.
- Each risk in the Corporate Risk Register has been considered from the perspective of the risk to the people of Gwynedd, not from the Council's introverted point of view.
- A new Corporate Risk Register was launched on 6 March 2021. The new system has proven to be a convenient facility for users in every department as they consider their priorities and identify what needs to be done, and to assist members in challenging performance and ensuring that the expected action has been taken.
- Lessons have been learnt from the Covid-19 pandemic which have been valuable in subsequent crises, e.g. the war in Ukraine.

Current Risk Score:

Impact	Likelihood	Risk score
5	2	10

Performance

Risk: Weaknesses in our performance management arrangements mean that we cannot take appropriate steps to achieve our purpose

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council's Performance Management system focusses on ensuring that business units achieve their purpose and this is done by continuously reviewing if we are measuring the right things.
- There are regular meetings with Cabinet Members and managers to assess the latest performance with members of the relevant Scrutiny Committee also present to issue a challenge. Regular performance reports are submitted by Cabinet members on their areas of responsibility to Cabinet meetings. Clear arrangements have been put in place.
- The Auditor General also observes our performance in different areas by publishing various reports and the Governance and Audit Committee takes an overview that any recommendations receive attention.
- The new Corporate Complaints Procedure continues to work well. The Services Improvement Officer ensures that we learn lessons from any complaints, and try to avoid repeating mistakes.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Internal Control

Risk: Unsuitable internal control arrangements which means that we either do not protect ourselves from risks, or waste resources on over-control

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Audit Manager's annual report confirms that the Council's internal controls can be relied upon.
- Reviewing and adapting internal controls so that they are proportionate to what is necessary is central to the goal of placing the people of Gwynedd at the centre of to everything we do, by removing overly bureaucratic tasks. The removal of barriers is part of everyone's work, leading to a suitable level of internal control.
- The efficiency of the Internal Audit system is under continuous review and self-assessment indicates that the service satisfies professional standards in accordance with expectation.
- Cyngor Gwynedd's Governance and Audit Committee has an agreed terms of reference. There is evidence that the Governance and Audit Committee is very effective in delivering its functions.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information

Risk: Failure to maximise the potential of information in supporting Council business and failure to meet statutory requirements

Assessment:

We have assessed that this is currently a **High** risk, because:

- The 2021-2026 Information Plan includes a number of plans for addressing the risks of information management and data use. Twenty three of the 45 projects within the scheme have already been completed with the rest in the pipeline.
- The cross-departmental Information Group takes a corporate overview of this area.

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Finance

Risk: Weaknesses when controlling public finance

Assessment:

We have assessed that this is currently a **Very High** risk, because:

- We have consistently reported that the Council has effective financial planning and management arrangements, including accountants and internal auditors, led by the chief finance officer. Internal auditors have a focus on effective arrangements and controls in financial systems, while accountants work closely with the departments and encourage management's ownership of their systems, performance, and financial propriety.
- We believe that the governance of the Council's financial arrangements remains robust, with the review of expenditure against budgets, and monitoring that savings have been achieved by all Council departments, ensuring that the services operate efficiently. However, for the first time in 2023/24 the majority of council departments showed an overspend. This has been reported to the Governance and Audit Committee and Cabinet but as the need to discover savings continues, and demand for services increases, a scenario where there are not adequate funds can be envisaged in the future to address the budget deficit.
- We therefore believe that this has increased the likelihood of catastrophic financial problems and without decisive action it is highly likely that this would manifest itself in the foreseeable future.

Current Risk Score:

Impact	Likelihood	Risk score
5	4	20

Accountability

Risk: Poor reporting, without transparency and unsuitable for the audience

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council has provided guidelines on preparing reports and on making good decisions, in order to ensure that the reports available to the public are clear.
- As well as formal reports for making decisions, the reports produced also include the Annual Performance Report, the Council's Plan (which includes departmental business plans) and the Annual Governance Statement produced in accordance with the CIPFA/Solace framework.
- The Council produces regular reports on its financial position.
- Monitoring of Cabinet reports will continue naturally with the Chief Executive taking a look at each one.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Assurance

Risk: Lack of assurance and accountability that raises suspicion amongst the public regarding what the Council is doing

Assessment:

We have assessed that this is currently a **High** risk, because:

- There are many ways available within the Council to provide independent assurance that the Council's governance arrangements are working as they should. Statutory officers ensure that matters comply with the law and the procedures in the Constitution, whilst the Chief Executive and the Director continually challenge whether or not the departments are doing the right things. Cabinet members also meet often to challenge each other regarding developments.
- The Governance and Audit Committee keeps an overview of the governance arrangements as well as the implementation of the external auditor's recommendations.
- Supporting this is the Internal Audit Service that operates in accordance with the statutory professional standards, namely the Public Sector Internal Audit Standards.
- However, formally it is the scrutiny procedure that should continue to hold the Cabinet to account. There is transparent and objective scrutiny and challenging of decisions and policies; however, there is uncertainty regarding how effective this is.
- However, due to political changes with the Leader and 4 Cabinet Members resigning, which has received much press attention, public scepticism in what the Council is doing has increased.

Current Risk Score:

Impact	Likelihood	Risk Score
3	5	15

Health, Safety and Well-being

Risk: Inadequate arrangements and action by Council Services to manage health and safety risks effectively

Assessment:

We have assessed that this is currently a **High** risk, because:

- A detailed programme of work has been prepared starting with competencies and training on the Health and Safety Policy adopted by the Council which is reviewed annually.
- Specialist consultants available for advice.
- Mandatory Training for all Council staff provided.
- Safe Management IOSH training provided to Managers and relevant staff.
- Miscellaneous other training in place depending nature of responsibilities.
- Communication arrangements with Corporate Forum and Advisory Panel including a dedicated intranet site with a host of guidelines and procedures.
- Accident reporting and investigation procedure.
- Corporate Management Team training replaced and annual meeting to review progress.
- Training for Members in terms of their responsibilities on factors to consider when taking decisions.

Current Risk Score:

Impact	Likelihood	Risk Score
5	3	15

Customer Contact

Risk: Lack of timely response to queries

Assessment:

We have assessed that this is currently **High** risk, because:

- Detailed analysis completed and presented to Members in October 2022 with a programme of work identified and the risk added to the corporate governance risks.
- Calls related to planning matters are received directly by the Planning Service since the 1 April 2023 and a short training module has been trialled for all staff who deal with enquiries.

Current Risk Score:

Impact	Likelihood	Risk Score
3	4	12

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

Part 4: SIGNIFICANT GOVERNANCE ISSUES

- 4.1 The above scores indicate that none of the 24 areas of governance presents a very high risk. There are 4 high risk and 11 medium risks.
- 4.2 Actions for the areas that are a high or medium risk are noted below.

VERY HIGH RISK

Governance Area	Response Arrangements	Department Responsible
Finance	<p>After a long period of discovering and delivering savings, around £40m in the period since 2015/16, the plans are now so much harder to realise with efficiency projects far more work than cutting services.</p> <p>A series of new savings worth £6.4m, mainly to be realised over 2023/24 and 2024/25, were approved by Cabinet in February 2023. There is an additional set of savings, worth £4.8m to consider for 2024/25 and 2025/26 to enable a balanced budget to be set.</p> <p>A new Medium Term Financial Plan was adopted by the Cabinet on 14 May 2024.</p> <p>The likelihood of failure to spend within available resources increases. In response to the situation, departments that continue to overspend will need to report to members with clarifications and steps to be taken.</p>	Finance

HIGH RISK

Governance Area	Response Arrangements	Department Responsible
The Council's Culture	<p>A Lead Group (with the entire Corporate Management Team as members) has been formed and met for the first time in June 2023. The Group will retain an overview of the implementation of the Work Programme and provide guidance on embedding the culture within the Council.</p> <p>An annual report will be submitted to Cabinet on the progress of the work into the future with the content partly based on self-assessments carried out by each Department.</p> <p>A dedicated officer has been identified for driving each of the nine work streams within the Five Year Plan.</p>	Corporate Support
Information	Continue with the action plan contained in the Information Plan.	Corporate Support

Governance Area	Response Arrangements	Department Responsible
Health, Safety and Well-being	<p>Develop an electronic system to facilitate accident reporting and reporting, conduct risk assessments and conduct audits.</p> <p>Analyse gaps in the existing system to set up a programme of work to greet any shortfall. This to include training aspects specific to each position.</p> <p>Review our reporting and accountability arrangements on audit results and/or significant concerns.</p>	Corporate Support
Customer Contact	<p>The Council's new Digital Plan includes a plan to update the stick system that will be integrated with <i>Microsoft Teams</i>. Work to implement this plan starts in 2024/25.</p>	Leadership Team and Legal
Assurance	<p>We will have to ensure that the correct processes are followed when appointing a new Leader to the Council (by the full Council) and for the Leader to be appointing their new cabinet.</p> <p>The above will need to be corresponded clearly with key officers, officers in general and the public.</p> <p>Developments for performance reporting and scrutiny thereon in open, formal scrutiny committees. Success will be dependent on proper support and training before the Scurtineers commence the work.</p> <p>Continue to work with Members of the Scrutiny Forum to further drive the latest improvements, namely working on the actions formulated following the Audit Wales review (see report to Full Council - 07/03/2024 - item 10, appendix 2).</p>	Corporate Support

MEDIUM RISKS

Governance Area	Response Arrangements	Department Responsible
Stakeholders	There are ongoing efforts in various areas to try to simplify a complex working relationship. However it must be acknowledged that there is only so much that can be done and there is room to question that the solution now is to try to find ways to work around the legislative barriers that have been set by the Government. We are already doing so quite successfully.	Leadership Team and Legal
Engagement	<p>During 2024/25, we will continue to develop and strengthen engagement across the Council through:</p> <ul style="list-style-type: none"> • developing the role of the Cross Departmental Engagement Group and Forward Engagement Programme; • undertaking detailed work to ensure that the membership of the Gwynedd Residents' Panel is representative of the county's population; • continue to support individual services to proactively engage with the people of Gwynedd; • continue to develop our arrangements for ensuring that we engage effectively with groups that we as a Council are struggling to reach. 	Corporate Support
Direction and vision	The risk is accepted at its present level.	Corporate Support
Sustainability	<p>We will look at our planning arrangements (including the Council's Plan, Annual Performance Reports and the corporate self-assessment that needs to be undertaken) to try to ensure that we have more regard to the principles of the Act while also reporting on progress.</p> <p>We will consider how awareness of the principles can be raised by relating them to the operating principles of Ffordd Gwynedd.</p>	Corporate Support
Reviewing Outcomes	The risk is accepted at its present level.	Leadership Team and Legal
Information Technology Assets	Set specific milestones to implement the individual projects within the Digital Plan.	Finance
Planning the Workforce	Set detailed work programmes for each of the subprojects listed in the work plan, and act on those programmes.	Corporate Support

Governance Area	Response Arrangements	Department Responsible
Leadership	<p>A specific Potential Development Programme has been developed for women as part of the Women in Leadership Project. A Mentoring Scheme women girls has also been approved and specific training for the first cohort of "mentors" has been undertaken. We will continue to hold "break-time talks" for leaders and potential leaders across the Council and also for female councillors in the new Council.</p> <p>We will also develop the leadership behaviours expected of managers generally primarily through a combination of training relating to the "way of working" and by challenging the behaviours as part of the ongoing evaluation being promoted as part of establishing the culture.</p> <p>We will continue to experiment with an alternative approach to the management network sessions by establishing groups of 12 managers who will be able to host and support each other.</p>	Corporate Support
Risk Management	<p>Work still needs to be done to ensure that all Council departments maintain the routine of recording their main risks and reviewing them regularly.</p> <p>The Insurance and Risk Service will support all departments to ensure that the use of the Corporate Risk Register is consistent across the Council, and that risks are continually updated. The procedure of considering the inclusion of risk registers in monitoring the performance of departments will develop further.</p> <p>The Risk Register to be regularly submitted to the Governance Group to carry out quality checks, before regularly submitting information to the Governance and Audit Committee.</p>	Finance

Part 5: OPINION

We are of the opinion that the governance arrangements described above offer assurance that our governance arrangements work well overall. However, we intend to take measures to deal with the matters noted in Part 4 above during next year in order to improve our governance arrangements. We are satisfied that these measures will deal with the need to improve as identified in the effectiveness review, and we will monitor their operation as part of the next annual review.



DAFYDD GIBBARD
CHIEF EXECUTIVE, CYNGOR GWYNEDD

Cllr. NIA JEFFREYS
DEPUTY LEADER, CYNGOR GWYNEDD

DATE: 21 November 2024

DATE: 21 November 2024

Proposed Audit Report

The report of the Auditor General for Wales to the members of Cyngor Gwynedd

Opinion on financial statements

I have audited the financial statements of the Cyngor Gwynedd for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Cyngor Gwynedd's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Cyngor Gwynedd and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Cyngor Gwynedd in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Cyngor Gwynedd's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Statement of Accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Statement of Accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on

the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Cyngor Gwynedd and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Cyngor Gwynedd ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Cyngor Gwynedd will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Cyngor Gwynedd's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override and the posting of unusual journals;
 - obtaining an understanding of Cyngor Gwynedd's framework of authority as well as other legal and regulatory frameworks that Cyngor Gwynedd operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cyngor Gwynedd; and
 - obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Cyngor Gwynedd about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Cyngor Gwynedd's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Cyngor Gwynedd in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
22 January 2024

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

The maintenance and integrity of Cyngor Gwynedd's website is the responsibility of the Head of Corporate Support; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit of Accounts Report – Cyngor Gwynedd

Audit year: 2023-24

Date issued: November 2024

Document reference: 4597A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now largely completed my audit in line with my Detailed Audit Plan 2024 subject to final audit procedure steps. Should any issues arise from this work, we will provide a verbal update at the Governance and Audit Committee.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 Statement of Accounts. My team have already discussed these issues with the Head of Finance and his staff.

I am very grateful to your officers for their support in undertaking this audit.



Adrian Crompton

Auditor General for
Wales

Your audit at a glance



Audit opinions

We are proposing to give an unqualified opinion on the accounts.

We have nothing to report under the other sections of my report, i.e. those relating to going concern; other information; other matters; or matters I report by exception.



Significant issues

There are uncorrected misstatements accounts of £5.1 million gross in the accounts.



Materiality

Materiality	£5,703,000
Reporting threshold ('trivial')	£285,000
Areas of specific interest:	
• Remuneration report – senior officer remuneration	£1,000
• Related party disclosures - individuals	£10,000

Financial statements' materiality



Materiality £5.703 million

My aim is to identify and correct material misstatements, i.e. those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross expenditure of £570.304 million
- Materiality percentage of 1%

I apply the materiality percentage to gross expenditure to calculate materiality.

I will report to you any misstatements above £285,000 calculated as 5% of materiality (called the 'trivial level').



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts. We set lower materiality levels for these as follows:

- Remuneration report - senior officer remuneration £1,000
- Related party disclosures - individuals £10,000

Ethical compliance



Compliance with ethical standards

We believe that:

- We have complied with the ethical standards we are required to follow in carrying out our work.
- We have remained independent of yourselves.
- Our objectivity has not been comprised.
- In our Detailed Plan, we explained that the Audit Manager (Financial Audit) and the Audit Leads (Financial Audit and Performance Audit) all have acquaintances and/or family employed by the Council. We confirm that the planned safeguards to mitigate the potential threat to independence set out in our Audit Plan have operated as intended.

Proposed audit opinion



Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 1**.



Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.

Issues arising during the audit



Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these misstatements be corrected.

If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them:

- Our work identified calculation errors amounting to £3.2 million (resulting in £0.09 million net impact understatement on the revaluation reserve and £0.01 million net overstatement impact on the Comprehensive Income and Expenditure Statement) for the valuation of assets valued under Depreciated Replacement Cost basis as the supporting valuation sheets contained errors. As the misstatement is not material, the Council has not actioned the amendment.
- Our testing work on asset additions identified that four assets amounting to £0.6 million were misclassified. As the misstatement is not material, the Council has not actioned this amendment.
- Our work identified that both corporate expenditure and income for housing benefit payments were overstated by up to £0.4 million as these were internal payments between departments which had not been disregarded. As the misstatement is not material, the Council has not actioned this amendment.
- An issue was identified with the formula in the 'Landfill Obligations - Projections' working paper. This meant that the provision for three landfill provision sites had been miscalculated. This resulted in a gross error of £1.1 million (net £0.08 million). As the misstatement is not material, the Council has not actioned this amendment

Corrected misstatements

During our audit, we identified misstatements that have included by management, but which we consider should be drawn to your attention.

These misstatements are set out in Appendix 3.



Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you. There were no such issues identified during the audit.

Appendix 1

Proposed audit report

The report of the Auditor General for Wales to the members of Cyngor Gwynedd

Opinion on financial statements

I have audited the financial statements of the Cyngor Gwynedd for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Cyngor Gwynedd's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Cyngor Gwynedd and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Cyngor Gwynedd in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Cyngor Gwynedd's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Statement of Accounts other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the Statement of Accounts. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Cyngor Gwynedd and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Cyngor Gwynedd ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Cyngor Gwynedd will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Cyngor Gwynedd's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in management override and the posting of unusual journals;
- obtaining an understanding of Cyngor Gwynedd's framework of authority as well as other legal and regulatory frameworks that Cyngor Gwynedd operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Cyngor Gwynedd; and

- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Cyngor Gwynedd about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Cyngor Gwynedd's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Cyngor Gwynedd in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
29 November 2024

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 2

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Cardiff
CF10 4BZ

28 November 2024

Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Cyngor Gwynedd and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

- The valuation of assets valued under Depreciated Replacement Costs basis are understated by £0.08 million. As the misstatement is not material, the Council has not actioned this amendment.

- There are classification errors amounting to £0.6 million in relation to asset additions. As the misstatement is not material, the Council has not actioned this amendment.
- Both corporate expenditure and income is overstated by up to £0.4 million in relation to housing benefit payments which had not been disregarded. As the misstatement is not material, the Council has not actioned this amendment.
- As a result of an issue with the formula in the 'Landfill Obligations - Projections' working paper, this meant that the provision for three landfill provision sites had been miscalculated. This resulted in a gross error of £1.1 million (net £0.08 million). As the misstatement is not material, the Council has not actioned this amendment

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Cyngor Gwynedd on 28 November 2024.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Dewi Aeron Morgan
Head of Finance, Cyngor Gwynedd

Rhys Parry
Vice-chair of the Governance and Audit
Committee

28 November 2024

28 November 2024

Appendix 3

Summary of corrections made

During our audit, we identified the following misstatements and amendments that has been corrected and amended by management, but which we consider should be drawn to your attention.

Value of correction	Accounts areas	Explanation
£8.481 million	<p>Note 3 Prior Period Adjustment The restated figure for 2022-23 for Education has been reduced by £8.481 million and the restated figure for Children and Family Support has been increased by £8.481 million. This amendment affected the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis.</p>	To correct the adjustments made for the changes within the Council's structure.
Disclosure only	<p>Note 4 Accounting Standards issued but not yet adopted Narrative was added to reflect the expected impact of the implementation of accounting standard IFRS16 Leases on the Council's 2024-25 accounts.</p>	To comply with CIPFA's Code of Practice 2023-24.
Disclosure only	<p>Note 18 Debtors Long-term debtors of £5.93 million were omitted from Note 18.</p>	To comply with CIPFA's Code of Practice 2023-24.
Disclosure only	<p>Note 30a Officers' Remuneration</p> <ul style="list-style-type: none"> The salary for the Head of Finance was amended to include the amount received for his role following his appointment as the S151 Officer at Eryri National Park Authority. A footnote was added to clarify the amount of remuneration the Head of Education received during 2023-24. Various other amendments were made to the disclosures of senior officer remuneration. 	To provide clarity to the readers of the accounts on officers' remuneration.

Disclosure only	<p>Note 30b Officers' Remuneration The Chief Executive pay and the median pay for all employees, was added to fully comply with the requirements of the Accounts and Audit Wales Regulations 2014.</p>	To ensure the disclosures comply with the requirements of the Accounts and Audit (Wales) Regulations 2014.
Disclosure only	<p>Note 30c Officers' Remuneration</p> <ul style="list-style-type: none"> • Four employees of the North and Mid Wales Trunk Road Agency were removed from the disclosure note for 2022-23 and 2023-24 as they were included in error. • A footnote was added to provide clarity on the treatment of starters and leavers. 	To provide clarity to the readers of the accounts on officers' remuneration.
Amendments made to both the figures disclosed and narrative	<p>Note 33 Related Parties</p> <p>The following amendments were made to the note following significant errors identified within the working papers:</p> <p>Members (first table) Payments made decreased by £6.1m Amounts owed by the Council decreased by £1.2m Income received decreased by £9.7m Amounts owed to the Council decreased by £2.5m</p> <p>Members (second table) Payments made decreased by £1.1m Amounts owed by the Council increased by £8,000 Income received decreased by £85,000 Amounts owed to the Council decreased by £197,000</p> <p>Officers Payments made decreased by £4m Amounts owed by the Council decreased by £144,000 Income received decreased by £7.9m Amounts owed to the Council decreased by £2.6m</p> <p>Other Public Bodies (a) Eryri National Park Authority was initially misclassified within the disclosure. A separate table has been subsequently included: Payments made totals £30,000</p>	To comply with CIPFA's Code of Practice 2023-24

Amounts owed by the Council totals £9,000
 Income received totals £234,000
 Amounts owed to the Council totals £76,000

(b) Adra (Tai) Cyfyngedig was initially misclassified within the disclosure. A separate table has been subsequently included:

Payments made totals £922,000
 Amounts owed by the Council totals £15,000
 Income received totals £831,000
 Amounts owed to the Council totals £113,000

(c) North Wales Corporate Joint Committee

Payments made increased by £13,000
 Income received increased by £57,000

(d) Welsh Joint Education Committee

Payments made increased by £883,000
 Amount owed by the Council increased by £530

Subsidiary

Cwmni Byw'n Iach

Income received decreased by £78,000
 Amounts owed to the Council decreased by £8,000

Narrative amendments have also been made within the disclosure to further explain their related party relationships.

Balance Sheet:

Pension liability increased by £17.248 million

Comprehensive Income and Expenditure Statement (CIES):

Remeasurement of the net pension benefit liability increased by £17.248 million

Note 38 Pension Costs

The net pension asset which can be recognised in the financial statements is limited by International Accounting Standard 19, taking into consideration future contributions and costs. This 'asset ceiling' is clarified by the International Financial Reporting Standards Interpretations Committee (IFRIC) within IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'.

The asset ceiling was calculated by the pension fund actuary. For 2022-23, this calculation considered both funded and unfunded obligations. However, for 2023-24 the calculation was amended by the Actuary to only take into account funded obligations.

As the Council continued to use the 2022-23 calculation basis for 2023-24, an adjustment was

To ensure the pension asset included within the financial statements complied with International Accounting Standard 19 and IFRIC 14.

	<p>required to derecognise the unfunded obligations of £17.248 million.</p> <p>This amendment affected the following statements and notes: Balance Sheet - Pension Liability; CIES - Remeasurement of the net pension benefit liability/(asset); Note 9 - Adjustments between accounting basis and funding basis; Note 23 - Unusable Reserves; and Note 38 - Pension Costs.</p>	
Disclosure only	<p>Note 39 Contingent Liabilities</p> <p>An additional contingent liability was disclosed for potential claims following the conviction of a former headmaster at a Gwynedd school.</p>	To comply with CIPFA's Code of Practice 2023-24.
Annual Governance Statement – risk assessment	<p>Annual Governance Statement (AGS) – risk assessment</p> <p>The Assurance risk rating in the AGS was increased from 6 to 15 to reflect the change in the risk assessment since the presentation of the draft Annual Governance Statement following the recent political changes at the Council.</p>	To comply with the requirements for the AGS to be up to date at time of publication.
<p>There have also been a number of narrative amendments arising from our work.</p>		

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	28 NOVEMBER 2024
TITLE:	TREASURY MANAGEMENT 2024-25 MID YEAR REVIEW
PURPOSE:	CIPFA's Code of Practice recommends that a report on the Council's actual Treasury Management during the current financial year is produced.
RECOMMENDATION:	RECEIVE THE REPORT FOR INFORMATION
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve, as a minimum, treasury management semi-annual and annual outturn reports.

This report also includes the requirement in the 2021 Code, of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Council's normal quarterly reports.

The Council's Treasury Management Strategy for 2024/25 was approved at Full Council on 7th March 2024. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

2. EXTERNAL CONTEXT

Economic Background: UK headline consumer price inflation remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to June to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August.

The UK economy continued to expand over the period, albeit slowing from the 0.7% gain in the first calendar quarter to 0.5% (downwardly revised from 0.6%) in the second. Of the monthly figures, the economy was estimated to have registered no growth in July.

Over the same period average regular earnings (excluding bonuses) was 5.1%, down from 5.4% in the earlier period, and total earnings (including bonuses) was 4.0% (this figure was impacted by one-off payments made to NHS staff and civil servants in June

and July 2023). Adjusting for inflation, real regular pay rose by 2.2% in May to July and total pay by 1.1%.

With headline inflation lower, the BoE cut Bank Rate from 5.25% to 5.00% at the August Monetary Policy Committee (MPC) meeting. The decision was finely balanced, voted by a 5-4 majority with four members preferring to hold at 5.25%. At the September MPC meeting, committee members voted 8-1 for no change at 5.00%, with the lone dissenter preferring Bank Rate to be cut again to 4.75%.

The latest BoE Monetary Policy Report, published in August, showed policymakers expected GDP growth to continue expanding during 2024 before falling back and moderating from 2025 to 2027. Unemployment was forecast to stay around 4.5% while inflation was shown picking up in the latter part of 2024 as the previous years' energy price declines fell out of the figures before slipping below the 2% target in 2025 and remaining there until early 2027.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would steadily fall from the 5.25% peak, with the first cut in August being followed by a series of further cuts, with November 2024 the likely next one, taking Bank Rate down to around 3% by the end of 2025.

The US Federal Reserve (the Fed) also cut interest rates during the period, reducing the Federal Funds Rate by 0.50% to a range of 4.75%-5.00% at its policy meeting in September. The forecasts released at the same time by the central bank suggested a further 1.00% of easing is expected by the end of the calendar year, followed by the same amount in 2025 and then a final 0.50% of cuts during 2026.

Having first reduced interest rates in June, the European Central Bank (ECB) held steady in July before cutting again in September, reducing its main refinancing rate to 3.65% and its deposit rate to 3.50%. Unlike the Fed, the ECB has not outlined a likely future path of rates, but inflation projections remain in line with the central bank's previous forecasts where it will remain above its 2% target until 2026 on an annual basis.

Financial markets: Sentiment in financial markets continued to mostly improve over the period, but the ongoing trend of bond yield volatility remained. The general upward trend in yields in the early part of the period was reversed in the later part, and yields ended the half-year not too far from where they started. However, the volatility in response to economic, financial and geopolitical issues meant it was a bumpy ride for bond investors during that time.

Over the period, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.00% but hit a high of 4.41% in May and a low of 3.76% in mid-September. While the 20-year gilt started at 4.40% and ended at 4.51% but hit a high of 4.82% in May and a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.12% over the period to 30th September.

Credit review: Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.

Having had its outlook increased by Fitch and ratings by S&P earlier in the period, Moody’s upgraded Transport for London’s rating to A2 from A3 in July.

Moody’s also placed National Bank of Canada on Rating Watch for a possible upgrade, revising the outlook on Standard Chartered to Positive, the outlook to Negative on Toronto Dominion Bank, and downgrading the rating on Close Brothers to A1 from Aa3.

S&P upgraded the rating on National Bank of Canada to A+ from A, and together with Fitch, the two rating agencies assigned Lancashire County Council with a rating of AA- and A+ respectively.

Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period was also generally more muted compared to previous periods.

Financial market volatility is expected to remain a feature, at least in the near term, and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority’s counterparty list recommended by Arlingclose remain under constant review.

3. LOCAL CONTEXT

On 31st March 2024, the Council had net investments of £40.9m rising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while the usable reserves and working capital are the underlying resources available for investment.

These factors are summarised in the table below.

Balance Sheet Summary –

	31.3.24 Actual £m
CFR	174
Less: Other debt liabilities	(1)
Borrowing CFR	173
Less: Usable reserves	(128)
Less: Working capital	(86)
Net borrowing/ (investment)	(41)

The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 30th September 2024 and the change during the period is shown in the table below.

Treasury Management Summary

	31.3.24 Balance £m	6 month Movement £m	30.9.24 Balance £m
Long-term borrowing	(94.0)	1.1	(92.9)
Short-term borrowing	(5.6)	(1.1)	(6.7)
PFI	(1.0)	0.0	(1.0)
Total borrowing	(100.6)	0.0	(100.6)
Short-term investments	97.6	20.2	117.8
Cash and cash equivalents	43.9	2.2	46.1
Total investments	141.5	22.4	163.9
Net investments	40.9	22.4	63.3

4. BORROWING STRATEGY AND ACTIVITY

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield and the Council intends to avoid this activity in order to retain its access to PWLB loans.

Borrowing Position

At 30th September 2024 the Council held £98.3m of loans as part of its strategy for funding previous years' capital programmes, and £1.3m for specific projects. Outstanding loans on 30th September 2024 are summarised in the table below:

	31.3.24 Balance £m	6 month Movement £m	30.9.24 Balance £m	30.9.24 Rate %
Public Works Loan Board	82.1	0.0	82.1	5.60
Bank (long term)	16.2	0.0	16.2	4.22
Specific Projects	1.3	(0.0)	1.3	n/a
Total borrowing	99.6	(0.0)	99.6	

The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer- term debt stability of the debt portfolio.

The Council considers it to be more cost effective in the near term to use internal resources and borrow short term loans when required. This strategy enables the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

5. TREASURY INVESTMENT ACTIVITY

CIPFA revised Treasury Management Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the 6 months, the Council's investment balance ranged between £93.8 and £222.8 million due to timing differences between income and expenditure. The investment position during the period is shown in the following table:

Treasury Investment Position

	31.3.24	6 month	30.9.24	30.9.24
	Balance	Movement	Balance	Income
	£m	£m	£m	Returns
				%
Banks & building societies (unsecured)	5.9	5.0	10.9	4.97
Local authorities	81.0	(5.0)	76.0	5.10
Money Market Funds	43.0	2.2	45.2	5.00
Pooled Funds	11.6	0.2	11.8	5.94
Debt Management Office	0.0	20.0	20.0	4.90
Total investments	141.5	22.4	163.9	

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum 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.

As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to

manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking in the table below.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2024	5.30	A+	38%	36	5.59
30.09.2024	5.22	A+	37%	42	5.33
Similar LAs	4.01	AA-	34%	97	5.19
All LAs	4.39	AA-	61%	11	5.42

Bank Rate reduced from 5.25% to 5.00% in August 2024 with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.90% and 5.20% and Money Market Rates between 4.89% and 5.29%.

£13m of the Council’s investments has been invested in externally managed strategic pooled property, multi-asset, bond and equity funds where short- term security and liquidity are lesser consideration, and the objectives instead are regular revenue income and long- term price stability. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued stability in meeting the Council’s investment objective are regularly reviewed.

The performance of our pooled property, multi-asset, bond and equity funds at 30 September 2024 can be seen below:

STRATEGIC POOLED FUND PORTFOLIO		GWYNEDD				From: 22/02/2019	To: 30/09/2024			
FUND NAME	ASSET CLASS	No of Units Held in Period	Current Value £	Capital Growth £	Dividends Earned £	Holding Period (yrs)	Capital Return	Income Return	Total Return	Volatility
AEGON (KAMES) DIVERSIFIED MONTHLY INCOME FUND	MULTI ASSET	1,158,480	1,194,683	-55,317	357,010	5.8	-4.43%	28.56%	24.14%	9.2%
CCLA - LAMIT PROPERTY FUND	PROPERTY	1,524,344	4,142,557	-857,444	1,093,767	5.6	-17.15%	21.88%	4.73%	6.2%
NINETY ONE (INVESTEC) DIVERSIFIED INCOME FUND	MULTI ASSET	1,228,153	1,130,930	-119,870	278,114	5.5	-9.53%	22.25%	12.72%	3.0%
PAYDEN ABSOLUTE RETURN BOND FUND	ABSOLUTE RETURN	233,541	2,005,698	5,698	131,110	1.1	0.28%	6.56%	6.84%	1.0%
SCHRODER INCOME MAXIMISER FUND	EQUITY - UK	7,675,245	3,308,031	-207,278	993,263	3.9	-5.90%	28.26%	22.36%	11.0%
GRAND TOTAL			11,781,899	-1,233,410	2,853,263	4.4	-9.48%	21.92%	12.45%	4.8%
			Unrealised capital loss since purchase:	-1,218,102	Annualised Income return:		6.54%	Average Bank Rate: 1.96%		

It is evident that the combined capital value of £11.782m is less than the initial investment of £13m. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters, and even years; but with the confidence that over a three to five year period total returns will exceed cash interest rates. Investment in these funds will be maintained in the medium term.

6. COMPLIANCE

The Head of Finance reports that all treasury management activities undertaken during the period complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in the table below.

Investment Limits

	Counterparty Maximum during period	Counterparty 30.9.24 Actual	Counterparty 2024/25 Limit	Complied
The UK Government	£72m	£20m	Unlimited	✓
Local authorities & other government entities	£5m	£5m	£10m	✓
Secured investments	£0m	£0m	£10m	✓
Banks (unsecured)	£5m	£5m	£5m	✓
Building societies (unsecured)	£0m	£0m	£5m	✓
Registered providers (unsecured)	£0m	£0m	£5m	✓
Money market funds	£10m	£10m	£10m	✓
Strategic pooled funds	£5m	£5m	£10m	✓
Real Estate Investment Trusts	£0m	£0m	£10m	✓
Other investments	£0m	£0m	£5m	✓

Compliance with the Authorised Limit and Operational Boundary for external debt is shown in the table below:

Debt Limits

	Maximum during period	30.9.24 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied
Borrowing	£99.6m	£99.6m	£184m	£194m	✓
PFI & finance leases	£1.0m	£1.0m	£6m	£6m	✓
Total debt	£100.6m	£100.6m	£190m	£200m	✓

7. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

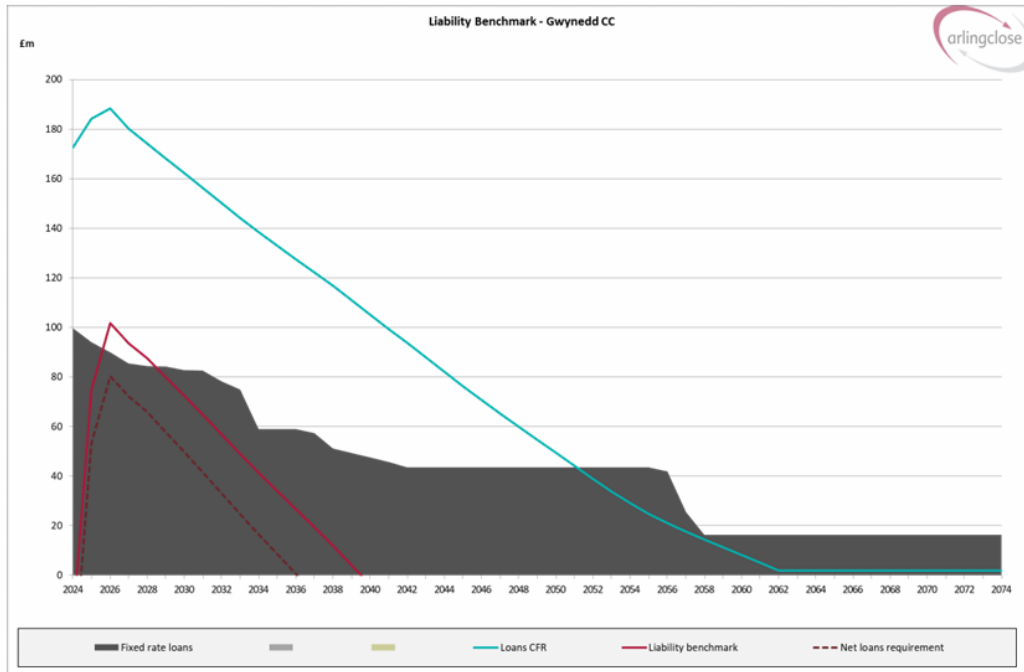
i. Liability Benchmark

This new indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. 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. It 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 of £21.5m required to manage day to day cash flow.

	31.3.24 Actual	31.3.25 Estimate	31.3.26 Estimate	31.3.27 Estimate
Loans CFR	172.5	184.1	188.4	180.1
Less: Balance Sheet resources	(214.0)	(131.1)	(108.1)	(108.1)
Net loans requirements	(41.5)	53.0	80.3	72.0
Plus: Liquidity allowance	21.5	21.5	21.5	21.5
Liability benchmark	(20.0)	74.5	101.8	93.5
Existing borrowing	100.6	94.5	90.4	85.9

The table shows that the Council expects to remain borrowed above its liability benchmark up until 2025. This is because the Council holds reserves, and cash outflows to date have been below the assumptions made when the loans were borrowed.

Following on from the medium-term forecast above, the long-term liability benchmark assumes no new capital expenditure funded by borrowing, minimum revenue provision on new capital expenditure based on a 50 year straight line method. This is shown in the chart below 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 maybe in the short term in the near future.

ii. Maturity Structure of Borrowing

This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	Actual	Upper	Lower	Complied
Under 12 months	6.7%	25%	0%	✓
12 months and within 24 months	3.0%	25%	0%	✓
24 months and within 5 years	7.2%	50%	0%	✓
5 years and within 10 years	23.9%	75%	0%	✓
10 years and above	59.3%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

iii. 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 limits are:

	2024/25	2025/26	2026/27	No precise date
Actual principal invested beyond year end	£13m	£0	£0	£0
Limit on principal invested beyond year end	£40m	£20m	£20m	£20m
Complied	✓	✓	✓	✓

Additional indicators:

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

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the time-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment and taking the arithmetic average, weighted by the length of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.9.24 Actual	2024/25 Target	Complied
Portfolio average credit score	4.75	A score of 6 or lower	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	30.9.24 Actual	2024/25 Target	Complied
Total cash available within 3 months	£147.1m	£10m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

	30.9.24 Actual	2024/25 Limit	Complied
Upper limit on one year revenue impact of a 1% rise in interest rates	£1,353,149	£2,290,000	✓
Upper limit on one year revenue impact of a 1% fall in interest rates	£1,353,149	£2,290,000	✓

Treasury Management Performance

The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates.

The Council's budgeted investment income for the year is £3.2m, however the actual expected investment income for the year 2024/25 is significantly lower, estimated at £2.2m due to the decrease in the base rate and forecasted future decreases.

8. INVESTMENT TRAINING

During the period, officers have attended investment training with Arlingclose and CIPFA relevant to their roles.

9. RECOMMENDATION

To receive the report for information.

MEETING	Audit and Governance Committee
DATE	28 November 2024
TITLE	Annual Complaints and Service Improvement Report 2023/24
PURPOSE	Updating the Committee on the content of the Ombudsman's Annual Letter and the Council's arrangements for dealing with Complaints
AUTHOR	Ian Jones, Head of Corporate Services Department

1. Decision sought

Accept the report and provide any comments or recommendations regarding the complaints system which results from receiving the Annual Letter of the Ombudsman for Wales for the year 2023/24.

2. Introduction and Context

The purpose of the report is to present the comments of the Ombudsman for Wales on the Council's arrangements and performance in relation to handling complaints and improving services during 2023/24, highlighting successes, challenges, and developments.

An analysis of quantitative and qualitative data is presented in the letter for information, and which demonstrates the Council's performance in this context.

The Committee is asked to approve the report and offer any relevant comments or suggestions.

In accordance with Statutory and Non-statutory Guidelines for Principal Councils in Wales – substantive provision in the Local Government Act 2000, Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 published in June 2023 the Committee are required to ensure that there are effective arrangements for dealing with complaints within the Council.

It should be noted that it is not the role of the Committee to consider whether individual complaints have been dealt with appropriately, but rather to assess the effectiveness of the complaints process. As a result, there is no reference in this report to any individual complaint or departmental performance within the Council.

This report is therefore, presented as a basis for the Committee to conclude on how well those arrangements are.

For the Committee's information, there has been no change in the procedure or the Concerns and Complaints Policy during 2023/24 therefore, the contents of the Ombudsman's letter, is based on the Policy adopted by the Council in 2021.

The Committee is invited to consider the information presented and offer any relevant comments or suggestions.

3. Ombudsman's Annual Letter

The Ombudsman's Annual Letter was not received 9th September. The letter is attached for your attention. I would like to highlight some comments and recommendations made by the Ombudsman.

“I would encourage Cyngor Gwynedd, and specifically your Audit and Governance Committee, to use this data to better understand your performance on complaints and consider how well good complaints handling is embedded throughout the Authority.

Further to this letter can I ask that your Council takes the following actions:

- Present my Annual Letter to the Cabinet and to the Governance and Audit Committee at the next available opportunity and notify me when these meeting will take place.
- Consider the data in this letter, alongside your own data, to understand more about your performance on complaints, including any problems or trends and your organisation's compliance with recommendations made by my Office.
- Inform me of the outcome of the Council's considerations and proposed actions on the above matters at the earliest opportunity.”

We will be reporting back to the Ombudsman on when the Letter was presented to the Cabinet and to the Governance and Audit Committee.

We will continue to engage with the Ombudsman and their Complaints Standards work, fully implement the exemplary policy and provide accurate and timely complaints data. Any Training they offer will be offered and promoted by us.

List of Attachments

Attachment 1 Ombudsman's Annual Letter for 2023/24



**Ombwdsmon
Ombudsman**
Cymru • Wales

Ask for: Communications



01656 641150



Caseinfo@ombudsman.wales

Date: 9 September 2024

Councillor Dyfrig L. Siencyn
Cyngor Gwynedd

By email only

cynghorydd.dyfrigsiencyn@gwynedd.llyw.cymru
dafyddgibbard@gwynedd.llyw.cymru

Annual Letter 2023/24

Dear Councillor Siencyn

Role of PSOW

As you know, the role of the Public Services Ombudsman for Wales is to consider complaints about public services, to investigate alleged breaches of the councillor Code of Conduct, to set standards for complaints handling by public bodies and to drive improvement in complaints handling and learning from complaints. I also undertake investigations into public services on my own initiative.

Purpose of letter

This letter is intended to provide an update on the work of my office, to share key issues for local government in Wales and to highlight any particular issues for your organisation, together with actions I would like your organisation to take.

Overview of 2023/24

This letter, as always, coincides with my Annual Report – “A New Chapter Unfolds” – and comes at a time when public services continue to be in the spotlight, and under considerable pressures. My office has seen another increase in the number of people asking for our help – a 17% increase in overall contacts compared to the previous year, with nearly 10,000 enquiries and complaints received. Our caseload has increased substantially - by 37% - since 2019.

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holwch@ombwdsmon.cymru
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Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg.

ombudsman.wales
ask@ombudsman.wales
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
We are happy to accept and respond
to correspondence in Welsh.

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During 2023/24 we considered and closed more enquiries and complaints than we ever have done before, and we reduced the average cost for each case and investigation. We started the year with a focus on reducing our aging cases, those over 12 months old, by 50% by the end of the year. These cases are often the most complex and distressing for the people making the complaint. I am extremely pleased to say we exceeded this target, reducing our aged investigations by over 70%. We are now well on track to meeting our objective to complete investigation of complaints within 12 months.

Public Services Complaints and compliance with recommendations

In total 1,108 complaints about local authorities were made to us last year – broadly the same number as the previous year. During this period, we intervened in (upheld, settled or resolved at an early stage) 14% of local authority complaints – a similar proportion to recent years.

We received 38 complaints about Cyngor Gwynedd in 2023/24 and closed 39 – some were carried over from the previous year. Cyngor Gwynedd's intervention rate was 15%. Further information on complaints about your organisation can be found in the appendices.

We made 12 recommendations to your council during the year. To ensure that our investigations and reports drive improvement, we follow up compliance with the recommendations agreed with your organisation. In 2023/24, 19 recommendations were due (some recommendations were made in the previous year) and 74% were complied with in the timescale agreed. The remainder were complied with, but outside the timescales agreed, or remain outstanding as at 9 April 2024.

Recommendations and timescales for complying with recommendations are always agreed with the public body concerned before being finalised, and we therefore expect organisations to comply within the timescales agreed.

Our Code of Conduct work

My role is to investigate allegations that councillors have breached their Code of Conduct. Where an investigation finds evidence to support the complaint on a matter which is serious enough to require a referral in the public interest, these cases are referred either to the local Standards Committee or to the Adjudication Panel for Wales for consideration.

In 2023/24, we received 16% more Code of Conduct complaints than the previous year, relating to both Principal Councils and Town and Community Councils. My office made 21 referrals – to Standards Committees or the Adjudication Panel for Wales, an increase from 12 the previous year.

I am grateful to your Monitoring Officer for their positive engagement with my office over the last year. We will continue to engage with them on matters relating to the ethical standards framework, including Local Resolution Procedures this year.

Independent Review

As you will be aware, I became aware of inappropriate comments, of a political nature, made by a member of my staff via social media. These comments were widely reported in the media. The member of staff in question was suspended and subsequently resigned. However, the comments prompted questions about my office's work on councillor Code of Conduct cases.

In view of the seriousness of the matter, I commissioned Dr Melissa McCullough to conduct an independent review of our Code of Conduct work, and I have published the full [Terms of Reference](#) for that review. I and my staff are engaging closely with the Monitoring Officer Group and the National Forum for Standards Committee Chairs in relation to this matter. I will be publishing Dr McCullough's final report on completion of the review and sharing it with the Senedd's Finance Committee this Autumn.

Supporting improvement of public services

We continued our work on supporting improvement in public services last year and worked on our second wider Own Initiative investigation. The investigation includes four local authorities and considers carers' needs assessments. I am grateful to the investigated authorities for their co-operation and candour throughout the year, and we look forward to sharing our finalised report this Autumn. This will make recommendations to the investigated authorities and will ask all local authorities across Wales to make similar improvements.

We have continued our work on complaints handling standards for public bodies in Wales and now have 56 public bodies following our model complaints handling policy. These public bodies account for around 85% of the complaints we receive. We have continued our work to publish complaints statistics, gathered from public bodies, with data published twice a year.

We continued our work to publish complaints statistics into a third year, with data now published twice a year. This data allows us to see information with greater context – for example, last year 8% of complaints made to Cyngor Gwynedd's went on to be referred to PSOW.

Action we would like your organisation to take

Further to this letter can I ask that your Council takes the following actions:

- Present my Annual Letter to the Cabinet and to the Governance and Audit Committee at the next available opportunity and notify me of when these meetings will take place.
- Consider the data in this letter, alongside your own data, to understand more about your performance on complaints, including any patterns or trends and your organisation's compliance with recommendations made by my office.

- Inform me of the outcome of the Council's considerations and proposed actions on the above matters at the earliest opportunity.

I would like to thank you, and your officers, for your continued openness and engagement with my office. Our information shows that local authorities are looking into more complaints than ever before and are using information from complaints to deliver better outcomes for the people of Wales.

Yours sincerely,

Handwritten signature of Michelle Morris in black ink.

Michelle Morris
Public Services Ombudsman

Cc. Dafydd Gibbard, Chief Executive, Cyngor Gwynedd



Factsheet

Appendix A - Complaints Received

Local Authority	Complaints Received	Received per 1,000 residents
Blaenau Gwent County Borough Council	15	0.22
Bridgend County Borough Council	59	0.41
Caerphilly County Borough Council	56	0.32
Cardiff Council*	149	0.41
Carmarthenshire County Council	69	0.37
Ceredigion County Council	32	0.45
Conwy County Borough Council	36	0.31
Denbighshire County Council**	31	0.32
Flintshire County Council	51	0.33
Cyngor Gwynedd	38	0.32
Isle of Anglesey County Council	38	0.55
Merthyr Tydfil County Borough Council	12	0.20
Monmouthshire County Council	29	0.31
Neath Port Talbot Council	35	0.25
Newport City Council	52	0.33
Pembrokeshire County Council	40	0.32
Powys County Council	54	0.41
Rhondda Cynon Taf County Borough Council	64	0.27
Swansea Council	81	0.34
Torfaen County Borough Council	14	0.15
Vale of Glamorgan Council	77	0.58
Wrexham County Borough Council	76	0.56
Total	1108	0.36
* inc 2 Rent Smart Wales		
** inc 1 Wales Penalty Processing Partnership		



Appendix B - Received by Subject

Cyngor Gwynedd	Complaints Received	% share
Adult Social Services	1	3%
Benefits Administration	0	0%
Children's Social Services	3	8%
Community Facilities, Recreation and Leisure	0	0%
Complaints Handling	7	18%
Covid-19	0	0%
Education	1	3%
Environment and Environmental Health	7	18%
Finance and Taxation	8	21%
Housing	5	13%
Licensing	0	0%
Planning and Building Control	4	11%
Roads and Transport	2	5%
Various Other	0	0%
Total	38	



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Appendix C - Complaint Outcomes (* denotes intervention)

Cyngor Gwynedd		% Share
Out of Jurisdiction	9	23%
Premature	13	33%
Other cases closed after initial consideration	11	28%
Early Resolution/ voluntary settlement*	5	13%
Discontinued	0	0%
Other Reports - Not Upheld	0	0%
Other Reports Upheld*	1	2%
Public Interest Reports*	0	0%
Special Interest Reports*	0	0%
Total	39	



Appendix D - Cases with PSOW Intervention

	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	1	16	6%
Bridgend County Borough Council	8	59	14%
Caerphilly County Borough Council	3	48	6%
Cardiff Council	28	144	19%
Cardiff Council - Rent Smart Wales	0	3	0%
Carmarthenshire County Council	8	60	13%
Ceredigion County Council	7	32	22%
Conwy County Borough Council	0	37	0%
Denbighshire County Council	2	32	6%
Denbighshire County Council - Wales Penalty Processing Partnership	0	1	0%
Flintshire County Council	8	57	14%
Cyngor Gwynedd	6	39	15%
Isle of Anglesey County Council	10	41	24%
Merthyr Tydfil County Borough Council	3	14	21%
Monmouthshire County Council	3	32	9%
Neath Port Talbot Council	5	34	15%
Newport City Council	5	51	10%
Pembrokeshire County Council	7	38	18%
Powys County Council	7	53	13%
Rhondda Cynon Taf County Borough Council	11	63	17%
Swansea Council	12	77	16%
Torfaen County Borough Council	2	14	14%
Vale of Glamorgan Council	15	71	21%
Wrexham County Borough Council	7	79	9%
Total	158	1095	14%



Appendix E – Compliance performance comparison

Local Authority	Number of recommendations made in 2023-24	Number of recommendations falling due in 2023-24	% of recommendations, complied with on time
Blaenau Gwent County Borough Council	1	1	100%
Bridgend County Borough Council	18	20	35%
Caerphilly County Borough Council	9	9	11%
Cardiff Council	74	75	92%
Carmarthenshire County Council	25	25	52%
Ceredigion County Council	23	23	78%
Swansea Council	29	32	63%
Conwy County Borough Council	0	1	0%
Denbighshire County Council	5	6	67%
Flintshire County Council	17	17	59%
Cyngor Gwynedd	12	19	74%
Isle of Anglesey County Council	26	24	92%
Merthyr Tydfil County Borough Council	11	9	56%
Monmouthshire County Council	4	4	25%
Neath Port Talbot Council	14	14	29%
Newport City Council	10	7	43%
Pembrokeshire County Council	24	23	96%
Powys County Council	18	16	31%
Rhondda Cynon Taf County Borough Council	26	26	77%
Torfaen County Borough Council	3	3	67%
Vale of Glamorgan Council	50	48	92%
Wrexham County Borough Council	16	19	42%



Appendix F - Code of Conduct Complaints

Cyngor Gwynedd

Investigations	Decision not to investigate	5
	Discontinued	0
	No evidence of breach	0
	No action necessary	0
	Refer to Adjudication Panel	0
	Refer to Standards Committee	0
	Total	5



Appendix G - Town/Community Council Code of Complaints

Town/Community Council	Decision not to investigate	Investigations				Total
		Discontinued	No evidence of breach	No action necessary	Refer to Adjudication Panel	
Bangor City Council	0	0	0	0	0	0
Bethesda Community Council	1	0	0	0	0	1
Caernarfon (Royal Town) Council	0	0	0	0	0	0
Corris Community Council	1	0	0	0	0	1
Ffestiniog Town Council	0	0	0	2	0	2
Llanbedrog Community Council	0	0	0	0	0	0
Penrhyndeudraeth Town Council	0	0	0	0	0	0
Porthmadog Town Council	0	0	0	0	0	0
Tywyn Town Council	3	0	0	0	0	3



Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2023/24. These complaints are contextualised by the population of each authority.

Appendix B shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

Appendix C shows outcomes of the complaints which PSOW closed for the Local Authority in 2023/24. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix D shows Intervention Rates for all Local Authorities in 2023/24. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix E shows the compliance performance of each Local Authority.

Appendix F shows the outcomes of Code of Conduct complaints closed by PSOW related to Local Authority in 2023/24. This table shows both the number, and the proportion that each outcome represents for the Local Authority.

Appendix G shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area in 2023/24. This table shows both the number, and the proportion that each outcome represents for each Town or Community Council.

Committee :	Audit and Governance Committee
Date:	28 November 2024
Title:	REVIEW OF POLLING DISTRICTS AND POLLING PLACES
Purpose	To Approve the results of the Review so that they can be presented to the Full Council
Author:	Siôn Huws, Propriety and Elections Manager
Cabinet Member:	Councillor Menna Trenholme, Corporate Support

1. THE DECISION SOUGHT

1.1 To approve the results of the review of polling districts and polling places in the Dwyfor Meirionnydd and Bangor Aberconwy parliamentary constituencies (to the extent that they are located within Gwynedd) following a consultation period, for submission to Full Council for a decision.

2. REASON FOR SEEKING A DECISION

2.1 Local Authorities are required to divide their areas into polling districts for parliamentary elections and to designate polling places for these polling districts. Under the Representation of the People Act 1983 and the Review of Polling Districts and Polling Places (Parliamentary Elections) Regulations 2006 the Council must also undertake a full review of these arrangements every five years.

3. Background

3.1 A Polling District is the area within the electoral area, ward or district within which a polling place can be designated, which is convenient for voters. A Polling Place is the building or area in which Polling Stations will be selected by the (Acting) Returning Officer.

3.2 As far as is reasonable and practicable the authority must designate places that are accessible to electors with disabilities. However, the authority must consider the needs of all electors and should not designate a place that is so far away from most electors in the polling district as to be inconvenient for them to reach it.

3.3 It should be noted that the review of polling places is a continuous process and that there is nothing to prevent changes being made at any time before the next statutory review. The situation will therefore continue to be monitored, and any changes will be made in consultation with the local member.

4. The Review

4.1 The statutory review was conducted between 23 September 2024 and 1 November 2024. As part of the review, a public notice of the review was published, together with details of the current polling districts and polling stations, and copies were sent to potential interested parties, such as councillors, town and community councils, political parties and other stakeholders. The representations of the county's Core Equality Group were also sought, as persons with particular expertise in relation to access to premises or facilities for persons who have different forms of disability. When contacting these parties, it was explained that it would be helpful, where concerns are expressed about a particular polling station, that suggestions are also made for an alternative venue.

4.2 The two elections held this year provided us with up-to-date information on the condition and suitability of stations. A questionnaire was sent to each polling station's point of contact asking a series of questions about the condition of the station in advance. In addition to this our polling station inspectors were given a detailed checklist to fill out as they visited their stations on polling day in May. Furthermore, ask for feedback from our presiding officers and polling inspectors after each election. Any relevant information gathered through these processes has been considered as part of the review.

4.3 The (Acting) Returning officer must comment during any review on the polling stations. The changes to the parliamentary constituency boundaries meant that observations were invited from the Returning Officer of the Bangor Aberconwy constituency in relation to those polling places within Gwynedd. These comments were included in the information published and can be found in the **Appendix**.

5. RESPONSE TO THE CONSULTATION

5.1 The responses received are summarised in the Appendix together with any further observations on those responses.

6. RECOMMENDATION

6.1 That the Committee considers the content of the report and notes whether it is willing to accept the results of the review as set out in the Appendix, and also whether it wishes to submit any observations on its content to the Council.

Rhif Gorsaf Station Number	Enw Gorsaf/ Station Name	Cyfeiriad/ Address	Gofrestr/ Ardal Pleidleisio Register/ Polling District	Sylwadau Swyddog Canlyniadau / Returning Officers Comments	Ymatebion	Ymateb i'r Sywladau
1	TY ELIDIR, STRYD FAWR	DEINIOLEN LL55 3HR	A1A	Dim newid / No change		
			A1B			
			A1C			
			D0A			
2	CABAN BRYNREFAIL	BRYNREFAIL LL55 3NR	A1D	Dim newid / No change		
3	NEUADD GOFFA BETHEL	BETHEL LL55 1YE	A1E	Dim newid / No change		
4	YSGOL GYMUNED PENISARWAEN	PENISARWAEN LL55 3BW	A1F	Dim newid / No change		
5	NEUADD Y PENTREF RHIWLAS VILLAGE HALL	RHIWLAS LL57 4EP	A1G	Dim newid / No change		
6	Y GANOLFAN LLANBERIS	LLANBERIS LL55 4TY	B1A	Dim newid / No change		
			B1B	Dim newid / No change		
7	Y SEFYDLIAD COFFA LLANRUG MEMORIAL INSTITUTE	LLANRUG LL55 4BW	C1A	Dim newid / No change		
			C6D	Dim newid / No change		
8	YSGOL GYNRADD CWM Y GLO	CWM Y GLO LL55 4DE	C6B	Dim newid / No change		
9	NEUADD GOFFA Y FELINHELI	Y FELINHELI LL56 4JA	D1A	Dim newid / No change		
10	YSGOL GYNRADD Y FELINHELI	Y FELINHELI LL56 4TZ	D2A	Dim newid / No change		
11	YSGOL SANTES HELEN/ST. HELENS SCHOOL CAERNARFON	CAERNARFON LL55 1PF	E1A	Dim newid / No change		
12	LLYFRGELL CAERNARFON LIBRARY, ALLT PAFILIWN	CAERNARFON LL55 1AS	E1BA	Dim newid / No change	Cyngor Tref yn cynnig Adeilad yr Institiwt ar Allt y Pafiliwn Town Council suggests using the Institute Building on Pavillion Hill	Trefnu ymweliad ac asesiad o'r lleoliad amgen arfaethedig Visit and assessment of proposed alternative location to be carried out
			E1BB			

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13	YSGOLDY CAPEL Y MAES CAERNARFON	CAERNARFON LL55 2NB	E1C	Adeilad mewn cyflwr gwael. Awgrymu symud y gofrestr i Llyfrgell Gaernarfon Building in poor condition, suggest moving the register to Caernarfon Library.		I'w ystyried ar y cyd gyda 12 uchod To be considered together with 12 above
14	YSGOL YR HENDRE, CAERNARFON	CAERNARFON LL55 2LY	E1DA	Gorsaf tu allan i'r Ardal Pleidleisio/ Station outside of Polling District	Aelod Lleol yn cynnig Clwb Rygbi Caernarfon fel man pleidleisio amgen Local Member suggests using Caernarfon Rugby Club as alternative polling place	Trefnu ymweliad ac asesiad o'r lleoliad amgen arfaethedig Visit and assessment of proposed alternative location to be carried out
			E1DB			
15	PENCADLYS Y SGOWTIAID/SCOUTS H.Q., MAES CADNANT, CAERNARFON	CAERNARFON LL55 1BS	E1EA	Angen adnabod gorsaf newydd ar gyfer ardal Cadnant. Adeilad wedi disgyn i gyflwr gwael / Need to find new polling station venue for Cadnant area. Building has fallen into disrepair		
			E1EB			
			E1EC			
			E1ED			
16	CANOLFAN NODDFA, CIL PEBLIG	CAERNARFON LL55 2RS	E1E	Dim newid / No change		
17	CANOLFAN WAUNFAWR	WAUNFAWR LL55 4YY	F6A	Dim newid / No change		
18	CANOLFAN Y CAPEL CAEATHRO	CAEATHRO LL55 2SS	F6B	Dim newid / No change		
19	CANOLFAN BONTNEWYDD	BONTNEWYDD LL55 2UF	G6A	Dim newid / No change	Cyngor Cymuned yn ein hysbysu nad yw'r Ganolfan ar gael oherwydd adeiladu ysgol newydd. Community Council inform us that the building is longer available due to building of new school	Edrych am leoliad amgen addas Look for alternative suitable location
			G6B	Dim newid / No change		
20	PARC CARAFAN BRYN GLOCH	BETWS GARMON LL54 7YY	H6A	Dim newid / No change		
			H6B			
21	CLWB MOUNTAIN RANGERS	RHOSGADFAN LL54 7EY	I6A	Dim newid / No change		
22	CAPEL HOREB	RHOSTRYFAN CAERNARFON GWYNEDD LL57 7LT	I6B	Dim newid / No change		
23	CANOLFAN BRO LLANWYNDY	LLANWYNDY CAERNARFON LL54 5UG	I6D	Dim newid / No change		

24	FESTRI CAPEL BALADEULYN CHAPEL VESTRY NANTLLE	NANTLLE LL54 6BL	J7A	Dim newid / No change		
25	CANOLFAN Y FRON	Y FRON LL54 7BB	J6B	Dim newid / No change		
26	NEUADD Y PENTREF CARMEL	CARMEL LL54 7AA	J6C	Dim newid / No change		
27	NEUADD Y PENTREF GROESLON VILLAGE HALL	GROESLON LL54 7DG	J6D	Dim newid / No change		
28	BRAF DINAS DINLLE - Gorsaf Newydd/ New Station	BRAF DINAS DINLLE CAERNARFON GWYNEDD LL54 5TW	J6E	Dychwelwyd i Tŷ'n Llan, Llandwrog unwaith bydd gwaith adnewyddu wedi ei gwblhau/ Return to Tŷ'n Llan, Llandwrog once renovation work is completed.		
29	CANOLFAN GYMDEITHASOL TALYSARN	TALYSARN LL54 6AB	K1A	Dim newid / No change		
30	NEUADD GOFFA PENYGROES	PENYGROES LL54 6NG	K1B	Dim newid / No change		
31	NEUADD GOFFA/MEMORIAL HALL LLANLLYFNI	LLANLLYFNI LL54 6SL	K1C	Dim newid / No change		
32	YSGOL GYNRADD NEBO	NEBO LL54 6EE	K1E	Dim newid / No change		
33	CAFFI HENFELIN	ABERGWYNGREGYN LLANFAIRFECHAN LL33 0LP	P1A	Dim newid / No change		
34	FESTRI CAPEL BETHLEHEM CHAPEL VESTRY TALYBONT	TAL Y BONT LL57 3YU	Q1A	Dim newid / No change	Cyngor Cymuned, yn datgan bod lleoliad y Capel yn dda ond bod mynediad i'r adeilad yn anaddas i bleidleiswyr anabl. Community Council inform us that the location is good but that entry to the building is not suitable for disabled voters.	Cynnal archwiliad ac asesu pa gamau sydd eu hangen i sicrhau bod yr osaf yn hygyrch Inspection to ascertain what steps are required to make station accessible
			Q1B	Dim newid / No change		
35	CANOLFAN CEFNFAES	RHES MOSTYN BETHESDA LL57 3AB	R1AA	Dim newid / No change		
			R1AB			
			R1AC			
36	FESTRI CAPEL CARMEL	RACHUB LL57 3EL	R1B	Dim newid / No change		
37	Y CABAN CYSGU, GERLAN	BETHESDA LL57 3TG	R1C	Dim newid / No change		

38	NEUADD TALGAI LLANDYGAI	LLANDYGAI LL57 4HU	S1A	Dim newid / No change		
39	CANOLFAN TREGARTH	TREGARTH LL57 4AL	S1B	Dim newid / No change		
40	NEUADD GOFFA MYNYDD LLANDYGAI	MYNYDD LLANDYGAI LL57 4LQ	S1C	Dim newid / No change		
41	Y GANOLFAN RHEOLAETH/ THE MANAGEMENT CENTRE	STRYD Y COLEG/ COLLEGE ROAD BANGOR LL57 2DG	T1A	Dim newid / No change		
42	CANOLFAN GYMUNEDOL Y GARTH COMMUNITY CENTRE, ALLT GARTH HILL	BANGOR LL57 2SY	T1B	Dim newid / No change		
43	NEUADD Y PENRHYN HALL	CITY COUNCIL OFFICES FFORDD GWYNEDD BANGOR LL57 1DT	T1CA	Dim newid / No change		
			T1CB			
44	CLWB PENSIYNWYR GLANADDA PENSIONERS CLUB, FFORDD AINON ROAD	BANGOR LL57 2UJ	T1D	Dim newid / No change		
45	EGLWYS Y GROES	MAESGEIRCHEN, BANGOR LL57 1UB	T1E	Dim newid / No change		
46	CLWB HIRRAEL	THE MOSTYN ARMS AMBROSE STREET BANGOR LL57 1BH	T1F	Dim newid / No change		
47	CANOLFAN GYMDEITHASOL COED MAWR COMMUNITY CENTRE	BANGOR LL57 4TB	T1G	Dim newid / No change		
48	CAPEL BERA NEWYDD CHAPEL	LLWYBR DEWI SANT/ST DAVIDS PATH FFORDD PENRHOS ROAD BANGOR LL57 2AX	T1H	Dim newid / No change		
49	CANOLFAN PENRHOSGARNEDD	BANGOR LL57 2NN	U1A	Dim newid / No change		
50	CANOLFAN GLASINFRYN	GLASINFRYN LL57 4UW	U1B	Dim newid / No change		
			U1C	Dim newid / No change		
51	FESTRI CAPEL BRYNAERAU PONTLLYFNI	PONTLLYFNI LL54 5EP	AA6	Dim newid / No change		

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52	NEUADD BENTREF CLYNNOG FAWR	CLYNNOG FAWR LL54 5PB	AB6	Dim newid / No change		
53	FESTRI CAPEL M.C. PANTGLAS	PANTGLAS LL51 9DJ	AC6	Adeilad ddim yn addas oherwydd diffyg toiledau. Dim dewis arall yn yr ardal, awgrymu symud y gofrestr i Clynnog Fawr. Building not suitable because of lack of toilets. No alternative in the area, suggest moving the register to Clynnog Fawr.		Ymweliad i asesu'r safle ymhellach ac ystyried lleoliadau amgen ymhellach Inspection to assess the building further and consider further any alternative locations
54	NEUADD GYMUNED BEDDGELERT	BEDDGELERT LL55 4UY	BA6	Dim newid / No change		
55	NEUADD GARNDOLBENMAEN	GARN DOLBENMAEN LL51 9SQ	CA6	Dim newid / No change		
			CB6	Dim newid / No change		
56	CANOLFAN GYMDEITHASOL GOLAN	GOLAN LL51 9YY	CC6	Dim newid / No change		
57	CANOLFAN PRENTEG	PRENTEG LL49 9SP	CD6	Awgrymu symud y gofrestr i Tremadog oherwydd nifer isel o etholwyr/ Suggest moving the register to Tremadog because of the low number of electors.	Y Cyngor Cymuned a'r Aelod Lleol yn datgan yn gryf bod angen cadw'r orsaf b leidleisio ym Mhrenteg Community Council and Local Member both firmly of the view that the polling station at Prenteg should be retained.	Cadw gorsaf bleidleisio Prenteg Retain Prenteg polling station
58	NEUADD GOFFA PENMORFA	PENMORFA LL49 9RT	CE6	Dim newid / No change		
59	Y GANOLFAN PENTREFELIN	PENTREFELIN LL52 0PU	CF6	Dim newid / No change		
60	NEUADD EGLWYS SANT CYNGAR CHURCH	CHURCH STREET BORTH Y GEST LL49 9TU	DA6	Dim newid / No change		
61	Y GANOLFAN MORFA BYCHAN	MORFA BYCHAN LL49 9YD	DC6	Dim newid / No change		
62						
63	FESTRI CAPEL Y PORTH VESTRY PORTHMADOG	HEOL FADOG / MADOC STREET PORTHMADOG LL49 9DB	DB1	Dim newid / No change		
			DD6			
64	CANOLFAN HAMDDEN GLASLYN PORTHMADOG	PORTHMADOG LL49 9HX	DF6	Dim newid / No change		
65	YR INSTITIWT/THE INSTITUTE TREMADOG	TREMADOG LL49 9RB	DE6	Dim newid / No change		
66	NEUADD GOFFA CRICCIETH	CRICCIETH LL52 0HB	EA1	Dim newid / No change		
67	NEUADD BENTREF LLANYSTUMDWY	LLANYSTUMDWY LL52 0SH	FA6	Dim newid / No change		

			FB6			
68	NEUADD GOFFA CHWILOG	CHWILOG LL53 6SH	FC6	Dim newid / No change		
69	FESTRI CAPEL PENCAENEWYDD	PENCAENEWYDD LL53 6RB	FD6	Dim newid / No change		
70	CANOLFAN GYMDEITHASOL TREFOR	TREFOR LL54 5LB	GA6	Dim newid / No change		
71	CANOLFAN Y BABELL LLANAELHAEARN	LLANAELHAEARN LL54 5AW	GB6	Dim newid / No change		
72	TAFARN Y FIC	LLITHFAEN LL53 6NW	HA6	Dim newid / No change		
			HB6			
			HC6			
73	CANOLFAN GYMDEITHASOL YSGOL BRO PLENYDD Y FFOR	Y FFOR LL53 6UP	IA6	Dim newid / No change		
74	CLWB CHWARAEON PWLLHELI SPORTS CLUB	PARC BODEGROES EFAILNEWYDD NODER: GORSAF NEWYDD NOTE: NEW POLLING STATION LL53 5TH	IB6	Dim newid / No change		
75	GANOLFAN GYMDEITHASOL LLANNOR	LLANNOR LL53 8LJ	IC6	Dim newid / No change		
76	NEUADD ABERERCH	ABERERCH LL53 6AZ	ID6	Dim newid / No change		
77	FESTRI BACH CAPEL Y DRINDOD	PENMOUNT PWLLHELI LL53 5HU	JA1	Dim newid / No change		
78	NEUADD EGLWYS GATHOLIG/CATHOLIC CHURCH HALL	FFORDD MELA PWLLHELI LL53 5AP	JB1	Dim newid / No change		
79	NEUADD LLANBEDROG	LLANBEDROG LL53 7NY	KA6	Dim newid / No change		
80	TU HWNT I'R AFON INN	RHYDYCLAFDY LL53 7YL	LA6	Adeilad ddim ar gael a dim lleoliad arall. Awgrymu symud y gofrestr i Efailnewydd. Y gofrestr wedi ei symud i Efailnewydd ar gyfer etholiad Seneddol y DU heb unrhyw broblemau yn codi. Building no longer available and no alternative. Suggest moving the register to Efailnewydd. The register was moved to Efailnewydd for the UK Parliamentary election without any issues.		
81	CWR Y COED	BODUAN LL53 6DT	LB6	Adeilad ddim yn addas, angen adnabod lleoliad newydd.		

			LC6	Building not suitable, need to identify new location.		
82	Y GANOLFAN NEFYN	NEFYN LL53 6EA	MA6	Dim newid / No change		
83	Y GANOLFAN MORFA NEFYN	MORFA NEFYN LL53 6BW	MB6	Dim newid / No change		
84	CANOLFAN EDERN	EDERN LL53 8YU	MC6	Dim newid / No change		
85	CANOLFAN GYMDEITHASOL TUDWEILIOG	TUDWEILIOG LL53 8NB	NA6	Adeilad ddim mewn cyflwr da, angen adnabod lleoliad newydd. Building not in good condition, need to identify new location.		
86	CANOLFAN LLANIESTYN	LLANIESTYN LL53 8SG	NB6	Dim newid / No change		
87	FESTRI CAPEL RHYDBACH BOTWNNOG	BOTWNNOG LL53 8RF	OA6	Dim newid / No change		
88	FESTRI CAPEL HEBRON LLANGWNNADL	LLANGWNNADL LL53 8NR	NC6	Dim newid / No change		
			OB6			
89	CANOLFAN BRYNCROES	BRYNCROES LL53 8EB	OC6	Dim newid / No change		
90	NEUADD GOFFA SARN	SARN LL53 8DU	OD6	Dim newid / No change		
91	CANOLFAN DEUNANT ABERDARON	ABERDARON LL53 8BP	PA6	Dim newid / No change		
92	NEUADD BENTREF RHOSHIRWAUN	LL53 8LA	PC6	Dim newid / No change		
93	NEUADD Y PENTREF RHIW	RHIW LL53 8AE	PD6	Dim newid / No change		
94	CANOLFAN LLANENGAN	LLANENGAN LL53 7LL	QB6	Dim newid / No change		
95	NEUADD MYNYTHO	MYNYTHO LL53 7RF	QC6	Dim newid / No change		
96	NEUADD ABERSOCH	ABERSOCH LL53 7EA	RA1	Dim newid / No change		
97	YR INSTITIWT CORRIS INSTITUTE	CORRIS SY20 9SH	A2	Dim newid / No change		
98	YR INSTITIWT ABERDYFI INSTITUTE	ABERDYFI LL35 0LN	B1	Dim newid / No change		
			B2			
99	Y GANOLFAN ABERGYNOLWYN	ABERGYNOLWYN LL36 9YP	A1	Dim newid / No change	Barn gref y Cyngor Cymuned yw bod angen cadw'r orsaf The strong view of the Community Council is that the station should be retained.	Cadarnhau nad oes bwriad newid Confirm that there is no intention to change

			AP2			
			C1			
100	CANOLFAN BRO TEGID	30-32 STRYD FAWR BALA LL23 7AG	D1	Dim newid / No change		
101	FESTRI CAPEL TEGID Y BALA	HEOL TEGID LL23 7EL	D2	Dim newid / No change		
			D3			
			D4			
			D5			
102	THEATR Y DDRAIG / DRAGON THEATRE	JUBILEE ROAD ABERMAW/BARMOUTH LL42 1EF	AG2	Dim newid / No change		
			E1			
			E3			
			E4			
103	EGLWYS HOLL SAINT CYMRU	HEOL MANOD BLAENAU FFESTINIOG LL41 4AF	F1A	Adeilad ddim yn addas oherwydd diffyg toiledau merched. Angen adnabod lleoliad newydd.		
			F1B	Building not suitable because of a lack of female toilets, need to identify new location.		
104	Y NEUADD, DINAS MAWDDWY	DINAS MAWDDWY SY20 9JA	AS1	Dim newid / No change	Barn gref y Cyngor Cymuned yw bod angen cadw'r orsaf The strong view of the Community Council is that the station should be retained.	Cadarnhau nad oes bwriad newid Confirm that there is no intention to change
			H1			
			H2			
105	LLYFRGELL RYDD/FREE LIBRARY	WTRA'R FELIN/MILL STREET DOLGELLAU LL40 1EY	I3A	Dim newid / No change		
			I3B			
			I4			
106	NEUADD DYFFRYN ARDUDWY HALL	DYFFRYN ARDUDWY LL44 2BE	E5	Dim newid / No change		
			J1			

			J2			
107	NEUADD/HALL FFESTINIOG	FFESTINIOG LL41 4PB	K1	Dim newid / No change		
108	LLYFRGELL BLAENAU FFESTINIOG	BLAENAU FFESTINIOG LL41 3DN	L1	Dim newid / No change		
109	CANOLFAN GYMDEITHASOL BRO FFESTINIOG	FFORDD WYNNE BLAENAU FFESTINIOG LL41 3UF	M1	Dim newid / No change		
110	NEUADD GOFFA/MEMORIAL HALL HARLECH	HARLECH LL46 2UA	N1	Dim newid / No change		
111	NEUADD BRO DDERFEL	LLANDDERFEL LL23 7HR	AK1	Dim newid / No change		
			AN1			
			O1			
112	NEUADD/HALL LLANEGRYN	LLANEGRYN LL36 9TY	Q1	Dim newid / No change	Barn gref y Cyngor Cymuned yw bod angen cadw'r orsaf The strong view of the Community Council is that the station should be retained.	Cadarnhau nad oes bwriad newid Confirm that there is no intention to change
113	NEUADD/HALL LLANFACHRETH	LLANFACHRETH LL40 2DY	R1	Dim newid / No change		
114	CANOLFAN GYMDEITHASOL LLANFROTHEN	LLANFROTHEN LL48 6LJ	S1	Mynediad i'r Orsaf Bleidleisio ddim yn addas/ Access to the Polling Station is not suitable	Aelod Lleol yn cadarnhau bod y Cyngor Cymuned am edrych ar y sefyllfa a hefyd yn awgrymu y gellid defnyddio ystafell arall. Cynnig cyfarfod safle. Local Member confirms that Community Council will look at the situation also suggested using another room. Site meeting suggested.	Ymweld â'r safle i asesu opsiynau Visit site to assess options
115	NEUADD BENTREF LLANUWCHLLYN	LLANUWCHLLYN LL23 7TY	U1	Dim newid / No change		
			U2			
116	Y GANOLFAN LLWYNGWRIL	LLWYNGWRIL LL37 2JA	AV1	Dim newid / No change		
			V1			
117	CANOLFAN PENNAL	PENNAL SY20 9DJ	W1	Dim newid / No change	Barn gref y Cyngor Cymuned yw bod angen cadw'r orsaf The strong view of the Community Council is that the station should be retained.	Cadarnhau nad oes bwriad newid Confirm that there is no intention to change

118	NEUADD GOFFA/MEMORIAL HALL PENRHYNDEUDRAETH	PENRHYNDEUDRAETH LL48 6LS	X1	Dim newid / No change		
119	YSGOL GYNRADD/PRIMARY SCHOOL TANYGRISIAU	TANYGRISIAU LL41 3SU	Y1	Dim newid / No change		
120	TYWYN BAPTIST CHURCH	STRYD FAWR/HIGH STREET TYWYN LL36 9AF	Z1	Dim newid / No change		
			Z3			
121	TYWYN BAPTIST CHURCH	STRYD FAWR/HIGH STREET TYWYN LL36 9AF	Z2	Dim newid / No change		
122	NEUADD GYHOEDDUS TRAWSFYNYDD PUBLIC HALL	TRAWSFYNYDD LL41 4RW	AA1	Dim newid / No change		
123	NEUADD Y PENTREF/VILLAGE HALL ARTHOG	ARTHOG LL39 1AX	AB1	Dim newid / No change		
			AB2			
			I5			
124	OAKELEY ARMS HOTEL	TAN Y BWLCH MAENTWROG BLAENAU FFESTINIOG LL41 3YU	AD1	Dim newid / No change		
			Y2			
125	NEUADD LLANBEDR	LLANBEDR LL45 2NW	AE1	Dim newid / No change		
126	NEUADD TALSARNAU	TALSARNAU LL47 6TA	AF1	Dim newid / No change		
127	NEUADD Y PENTREF LLANELLYD	LLANELLYD LL40 2TA	AG1	Dim newid / No change		
			AJ2			
128	CAFFI GLANRAFON CAFE	Glan-yr-afon Gwynedd LL21 0HA	AK1	Adeilad ddim ar gael, awgrymu symud y gofrestr i Llanelltyd. Y gofrestr wedi ei symud i Llanelltyd ar gyfer etholiad Seneddol y DU heb unrhyw broblemau'n codi. Building not available, suggest moving the register to Llanelltyd The register was moved to Llanelltyd for the UK		

				Parliamentary election without any issues.		
129	NEUADD RHYDYMAIN	RHYDYMAIN LL40 2AU	AM1	Dim newid / No change		
			AM2			
130	NEUADD/HALL GELLILYDAN	GELLILYDAN LL41 4EG	AO1	Dim newid / No change		
131	Y GANOLFAN BRYNCRUG	BRYNCRUG LL36 9PR	AP1	Dim newid / No change		
132	NEUADD/HALL BRITHDIR	BRITHDIR LL40 2RT	AQ1	Dim newid / No change		
133	NEUADD/HALL FAIRBOURNE	FAIRBOURNE LL38 2EQ	AR1	Dim newid / No change		
134	NEUADD BENTREF ABERANGELL	ABERANGELL SY20 9QG	AT1	Dim newid / No change	Barn gref y Cyngor Cymuned yw bod angen cadw'r orsaf The strong view of the Community Council is that the station should be retained.	Cadarnhau dim bwriad i newid Confirm that there is no intention to change
135	NEUADD GOFFA/MEMORIAL HALL LLANFAIR	LLANFAIR LL46 2SA	AU1	Dim newid / No change		
			N2			
136	NEUADD GANLLWYD	GANLLWYD LL40 2TG	AA2	Dim newid / No change		
			AJ1			
			R2			

Forward Programme of the Governance and Audit Committee to November 2025

16 January 2025

Implementing the Decisions of the Committee
Review of the Committee's Self-Assessment Work Programme
Revenue Budget 2024/25 – End of November 2024 Review
Capital Programme 2024/25 – End of November 2024 Review
Savings Overview: Progress Report on Realising Savings Schemes
Audit Wales Reports
The Committee's Forward Programme

6 February 2025

Implementing the Decisions of the Committee
Savings 2025/26
Capital Strategy 2025/26 (including Investment and Borrowing Strategies)
Budget 2025/26
Governance Risks Mid-Year Update
Recommendations And Improvement Proposals of External Audit Reports
Audit Wales Reports - Q3 Update
The Committee's Forward Programme

22 May 2025

Elect Chair
Elect Deputy Chair
Implementing the Decisions of the Committee
Annual Report of the Governance and Audit Committee 2024-25
Gwynedd Harbours' Final Accounts for the Year Ended 31 March 2025
Final Accounts 2024/25 - Revenue Outturn
Capital Programme 2024-25 – End of Year Review (31 March 2025 Position)
Output of the Internal Audit Section
Head of Internal Audit Annual Report 2024/2025
Medium-Term Financial Plan
Internal Audit Charter
Internal Audit Strategy and Annual Internal Audit Plan 2025/26
Audit Wales - Quarter 4 Update
Audit Wales - Cyngor Gwynedd Annual Audit Summary 2024
Audit Wales Reports and Organisational Response
Treasury Management Quarterly Report
The Committee's Forward Programme

September 2025

Implementing the Decisions of the Committee
Statement of Accounts 2024/25 (Subject to Audit)
Gwynedd Council's Annual Governance Statement For 2024/25
Treasury Management 2024/25
Audit Wales - Cyngor Gwynedd Annual Audit Summary 2024
Audit Wales Reports - Q1 Update
Audit Wales Report - Detailed Audit Plan 2025
Annual Performance Report and Cyngor Gwynedd Self-Assessment 2024/25
Recommendations And Improvement Proposals of External Audit Reports
The Council's Arrangements for Dealing with Complaints
The Committee's Forward Programme

October 2025

Implementing the Decisions of the Committee
Final Accounts for the Year Ended 31 March 2025 and Relevant Audit
Revenue Budget 2025/26 – End of August 2025 Review
Capital Programme 2025/26 – End of August 2025 Review
Savings Overview: Progress Report on Realising Savings Schemes
Treasury Management Quarterly Report
Audit Wales Reports
The Committee's Forward Programme

November 2025

Implementing the Decisions of the Committee
Treasury Management 2025-26 Mid-Year Review
Internal Audit Output
Internal Audit Plan 2025/26
Audit Wales Reports - Q2 Update on the Work Programme and Timetable
Recommendations And Improvement Proposals of External Audit Reports
The Committee's Forward Programme