



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

GOVERNANCE AND AUDIT COMMITTEE

Date and Time

10.00 am, THURSDAY, 11TH SEPTEMBER, 2025

Location

Virtual Meeting

*** NOTE ***

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

Contact Point

Lowri Haf Evans

01286 679878

Lowrihafevans@gwynedd.llyw.cymru

(DISTRIBUTED 04/09/25)

GOVERNANCE AND AUDIT COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (8)

Councillors

Ioan Thomas
Menna Baines
Huw Rowlands

Edgar Wyn Owen
Elfed Wyn ap Elwyn
Dafydd Meurig

Arwyn Herald Roberts
Meryl Roberts

Independent (4)

Councillors

Angela Russell
Elwyn Jones

Richard Glyn Roberts
Vacant seat

Lay Members (6)

Elwyn Rhys Parry
Carys Edwards
Hywel Eifion Jones
Dewi Lewis
Dr Peter Barnes
Paul Mills

Ex-officio Members

Chair and Vice-Chair of the Council

A G E N D A

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

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

4. MINUTES

5 - 17

The Chairman shall propose that the minutes of the meeting of this committee, held on 22nd May 2025, be signed as a true record.

5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

18 - 25

To consider the report and offer comments

6. GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT FOR 2024/25

26 - 39

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

7. STATEMENT OF ACCOUNTS 2024/25 (SUBJECT TO AUDIT)

40 - 134

To receive and note the Council's Statement of Accounts (subject to audit) for 2024/25.

8. ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2024-25

135 - 156

To consider the contents of the report, offer comments and amendments, and approve the Annual Report

9. TREASURY MANAGEMENT 2024/25

157 - 166

To consider and receive the report

10. AUDIT WALES REPORTS - Q1 UPDATE AND STRATEGIC MANAGEMENT OF BALANCES AND RESERVES REPORT 167 - 199

1. To consider and accept the Audit Wales work programme for Q1
2. To consider the Strategic Management of Balances and Reserves - Audit Wales report

11. ANNUAL COMPLAINTS AND SERVICE IMPROVEMENT REPORT 2024/25 200 - 221

To consider and accept the report and make any comments or recommendations on the complaints procedure in doing so.

12. REVIEW OF THE DELEGATION SCHEME 222 - 227

To consider and support the proposed amendments to the Officers' Scheme of Delegation relating to the acquisition and disposal of land and recommends that the Full Council approve the amendments

13. THE COMMITTEE'S FORWARD PROGRAMME 228 - 230

To consider the work programme

GOVERNANCE AND AUDIT COMMITTEE 22 May 2025

Attendance:

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

Lay Members: Eifion Jones

Officers: Dewi Morgan (Head of Finance), Ffion Madog Evans (Assistant Head of Finance - Accountancy and Pensions), Luned Fôn Jones (Internal Audit Manager), Delyth Jones-Thomas (Investment Manager), Caren Rees Jones (Group Accountant - Capital and Management), Gwyn Llŷn Parry (Group Accountant - Accountancy and Financial), David Lloyd Williams (Group Accountant), and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Item 9: Cllr Nia Jeffreys (Cyngor Gwynedd Leader) and Dewi Wyn Jones (Council Business Support Service Manager)

Item 18: Alan Hughes (Audit Wales), Aled Davies (Head of Adults, Health and Well-being Department) and Llywela Haf Owain (Senior Language and Scrutiny Advisor)

Item 19: Alan Hughes and Yvonne Thomas (Audit Wales)

Item 20: Cllr Llio Elenid (Cabinet Member for Corporate Services), Ian Jones (Head of Corporate Services) and Helen Parry (Senior Data Protection Statutory Officer)

1. ELECTION OF CHAIR

RESOLVED to re-elect Carys Edwards as chair of this Committee for 2025 / 26

2. ELECTION OF VICE-CHAIR

RESOLVED to re-elect Rhys Parry as vice-chair of this Committee for 2025 / 26

In the absence of Carys Edwards and Rhys Parry, it was proposed and seconded for Mr Eifion Jones to chair the meeting, in accordance with Section 9.12.3 of the Council Constitution.

3. APOLOGIES

Apologies were received from Councillors Menna Baines, Carys Edwards, Dafydd Meurig, Rhys Parry and Rob Triggs, and Cllr Huw Wyn Jones (Cabinet Member for Finance).

Following the sudden and unexpected death of Mrs Sharon Warnes, the Chair took the opportunity to express his condolences to her family. It was noted that Sharon was a former chair and current member of the Governance and Audit Committee, a former Officer of the Council and a member of several other committees and service boards since

her retirement; she was a respectful and conscientious person and would be missed. A minute's silence was held.
Councillor Ioan Thomas was congratulated on his election as Chair of the Council for 2025/2026

4. DECLARATION OF PERSONAL INTEREST

None to note

5. URGENT ITEMS

None to note

6. MINUTES

The Chair accepted the minutes of the previous meetings of this committee held on 16 January 2025 and 6 February 2025 as a true record.

7. 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 decision made with the intention of removing the item / decision when the action had been completed.

Gratitude was expressed for the report.

In response to a concern that there were three vacant Lay Member seats on the Committee, it was noted that there had been a good response to the Council's latest campaign to seek Lay Members on the Committee and that interviews were to be held in June with a view to submitting names to the Full Council on 03/07/25.

RESOLVED

- **To accept the contents of the report.**

8. TERMS OF REFERENCE OF THE GOVERNANCE AND AUDIT COMMITTEE

A report was submitted by the Audit Manager outlining a revised Terms of Reference for the Governance and Audit Committee to ensure that the Committee was operating in accordance with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 and to ensure conformance with the Global Internal Audit Standards.

It was reiterated that a training day had been arranged for Members to discuss the terms of reference in detail along with the requirements and responsibilities of the Committee.

RESOLVED:

To note and approve the Revised Terms of Reference of the Governance and Audit Committee

9. CYNGOR GWYNEDD SELF-ASSESSMENT

Cllr Nia Jeffreys (Leader of the Council), and Dewi Jones (Council Business Support Service Manager) were welcomed to the meeting.

A draft was submitted of the main issues to address within the 2024/25 Cyngor Gwynedd Self-assessment document for the Committee's consideration asking them for input into the report's content. It was reported that the Self-Assessment was a statutory requirement under the Local Government and Elections (Wales) Act 2021 which also states that the Committee needs to be involved in the self-assessment process.

Attention was drawn to the fact that the Council was already collecting a lot of evidence and published documents containing the type of information expected to be included within the self-assessment – documents such as (but not limited to) the annual reports on Performance, Equality, Director of Social Services and Annual Statement of Accounts.

It was highlighted that submitting the main issues at the beginning of the process was in response to the Committee's desire to have the opportunity to provide input into the content of the report. The Committee would also be able to offer comments/recommendations to the final draft report before submission to Cabinet and Full Council in October 2025.

Gratitude was expressed for the report.

During the ensuing discussion, the following observations were noted:

- The report was easy to read.
- More emphasis needed to be placed on the development of care services rather than just the housing development in the Penrhos Scheme.
- Flood Strategy - a request to consider improvements to the A499 highway near Pwllheli.
- Concerns regarding the effects of Article 4.
- School Safeguarding Arrangements – financial impact and impact on the Council's image – needed further attention.

In response to a question as to why the ARFOR Programme, which would expire in March 2025, had been highlighted as a risk, and that continuity assurance was needed for the Plan, it was noted that the Welsh Government had not decided on the future of the programme, which was a risk in itself. It was reiterated that an offer letter to fund ARFOR for the future had not been received and without assurance of continuity or source of funding, that this put additional pressure on the Council. It was intended to wait a few weeks to see what would come from the Government, before assessing the situation.

RESOLVED

To accept a draft of the main issues to be addressed within the 2024 / 25 CYNGOR GWYNEDD SELF-ASSESSMENT document.

10. FINAL ACCOUNTS 2024 / 25 – REVENUE OUTTURN

It was noted that the report detailed the Council's expenditure in 2024/25, the out-turn underspend or overspend position of individual departments, and the reasons for that. Reference was made to a summary of the final position of all departments which highlight the amounts to be carried forward at the end of the financial year, as well as the main matters and fields where there were substantial differences.

- The financial position had improved since the August and November Review forecasts.
- Significant grant receipts late in the year for several areas including Adults, Education, Economy and Corporate had improved the financial position by the end of the year.

- Overspending continued in the field of children's out of county placements, Derwen service, domiciliary care and waste.
- A favourable position on several corporate budgets was helping to alleviate the financial situation for the Council as a whole by the end of the financial year.
- The Fund Harvesting Exercise released £1.65 million of funds to be put into the Transformation Fund for the Council's priorities.

The following was highlighted:

- Adults, Health and Well-being Department: Year-end overspend of £857k, which was a reduction from the £3 million forecast received earlier in the year. Since the last review, it was explained that the department had received substantial grants and income which had aided the situation. It was reiterated that significant pressures remained in the Domiciliary Care field, with higher staffing costs and high sickness levels and non-contact hour rates, while there was also significant pressure on the budget of private domiciliary care providers and the use of agency staff as one of the issues in in-home residential care.
- Children Department: Since the November review, the Department's overspend had increased from £3.7 million to £3.8 million, due to an increase in the costs of out-of-county placements as a result of package complexities and the recent increasing use of unregistered, more costly placements. Pressures could also be seen on the Derwen Service budget.
- Education Department: In light of receiving a financial bid for the school transport field, it was noted that the financial position in the field had improved. The department had also received several grants as well as cuts on expenditure resulting in an underspend of £191k at the end of the year.
- Economy Department / Byw'n lach. Over the past few years, the Byw'n lach company had received financial support from the Council above the contractual payment. Although the amount was lower than last year, the amount required had increased to £281k by the end of the year.
- Highways and Municipal Department: Overspend of £656k. In the municipal field, there was additional pressure on the budgets of street cleaning staff and staff who clean public toilets, while income losses were issues in the fields of ground maintenance and public toilets. However, there had been an improvement in the income of highway services and Gwynedd Consultancy.
- Environment Department: The overspend trend in the field of waste and recycling collection continued and had increased to £1.1 million. Another issue within the Department is that there was a shortfall of £826k in parking income by the end of the year.
- Housing and Property Department: The trend of significant pressure on homelessness temporary accommodation continued, with expenditure in this area at £6 million this year, compared with £6.8 million last year. An additional budget of £3m was allocated from the council tax premium, an additional one-off budget allocated as part of the bids system and further to this, an additional grant receipt from the Welsh Government at the end of March 2025 to assist with the additional pressure.

For many reasons, one-off underspending was reported on Corporate headings including Council Tax. All councils had received a significant grant from the Welsh Government at the end of March towards the additional pressures facing Local Government, which had helped to ease the financial situation.

- Schools: School balances had seen a slight decline of £0.26 million, falling from £8.5 million in 2023/24 to £8.3 million in 2024/25. At the start of the financial year there were forecasts of a significant reduction in schools' balances but following the receipt of grants worth £4.4m from the Welsh Government at the end of the year, balance levels had been maintained.

All recommendations and financial transfers had been approved by Cabinet on 13 May 2025 and regarding the next steps, it was noted that work was underway to complete the 2024/25 statutory financial statements for Audit Wales to audit.

Gratitude was expressed for the report, for the work of the Finance Department over the year and for completing the work within the timeframe. It was recognised that receiving regular information over the year helped Members to become familiar with the situations.

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

- The Adult Department's overspending would have been quite poor if it had not been for the substantial grant received. Therefore, it was important to learn to stick to budgets.

RESOLVED

- **To accept the report and note the relevant risks**

11. CAPITAL PROGRAMME 2024-25 – END OF YEAR REVIEW (31 MARCH 2025 POSITION)

The Assistant Head of Finance - Accountancy and Pensions highlighted that the main purpose of the report was to present the amended capital programme at the end of the financial year (situation as at 31 03 2025), and to approve the relevant funding sources. The report had been submitted to the Cabinet on 13 May 2025 where all recommendations were approved. The Committee was asked to accept the information and consider the risks relating to the capital programme.

Reference was made to an analysis per Department of the £194.5 million capital programme for the 3 years from 2024/25 - 2026/27, as well as the sources available to fund the net increase which was approximately £19.4 million since the last review.

The main findings of the review: the Council had managed to spend £85.2 million in 2024/25 on capital schemes, with £61.6 million (72%) of it funded through specific grants.

It was explained that the recent financial challenges continued with the capital programme. It was noted that an additional £33.4 million of proposed expenditure had been re-profiled from 2024/25 to 2025/26 and 2026/27 and the main schemes that had slipped since the original budget included:

- £16.8 million Housing Strategy Schemes
- £16.0 million Schools Schemes (Sustainable Learning Communities and Others)
- £10.8 million Shared Prosperity Fund Schemes
- £5.9 million Renewal Vehicles and Equipment

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

- £10.6 million Shared Prosperity Fund Grant from the UK Government to be distributed across the north Wales counties.
- £1.9 million Transitional Accommodation Capital Programme Grant from the Welsh Government.
- £1.4 million ARFOR 2 grant from the Welsh Government.

- £1.0 million Land and Building Development Fund grant and others from the Welsh Government.
- £0.8 million – Additional General Capital Grant from the Welsh Government.

Reference was made to the information about the Council's Capital Prudential Indicators which was a new reporting requirement in 2024-25 and it was highlighted that the Council had complied with the policy on borrowing for capital purposes.

Gratitude was expressed for the report.

RESOLVED

To accept the information and note the risks relating to the capital programme

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

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

Reference was made to the out-turn report, which clarified the Harbours' final income and expenditure position for 2024/25 and highlighted that there was £24k underspend at the end of the year. Of this amount, it was reported that underspend on staffing was £14k while overspend was £18k on building maintenance which included one-off expenditure in Aberdyfi and Porthmadog and Barmouth. It was reiterated that there was an overspend of £10k on supplies and services and specifically on signs and warnings. In terms of income, it was reported that fee levels were very close to the budget and £3k below target with the use of the renewal fund made to fund the one-off expenditure that had been implemented.

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

The Governance and Audit Committee was asked to accept and approve the Accounts for 2024/25 and for the Chair to sign the form electronically.

Gratitude was expressed for the report.

RESOLVED

To accept the report

To approve:

- **Revenue Income and Expenditure Account 2024/25**
- **Annual Form for the Year ended 31 March 2025, subject to audit by Audit Wales**

- **The Chair to sign the form electronically**

13. TREASURY MANAGEMENT QUARTERLY UPDATE

A report was submitted by the Investment Manager reporting that the Treasury Management Strategy for the year 2024/25 had been approved at the Full Council meeting in March 2025. It was noted that the strategy required the Investment Manager to report on prudent treasury management indicators every quarter with a review of the full financial year also to be submitted to the Committee when timely to do so.

It was explained that the report before the committee provided an update on the period up to 31.12.2024.

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

On 31 December 2024, the Council was in a very strong position with net investments, which had resulted from a high level of investments and operational capital. This included the funds of the Ambition Board and the Pension Fund.

Reference was made to the Prudential Indicators, drawing specific attention to the Liabilities Benchmark, noting that it was an important tool to consider whether the Council was likely to be a long-term lender, and therefore shaped the strategic focus and honed decisions. It was explained that the Council expected to continue borrowing above its liability benchmark until 2025 and this was because the Council held reserves and that cash flow to date had been lower than the assumptions made when the money was borrowed. By 2026, it was assumed that there was a very small amount of borrowing at the end of the financial year and therefore it would be possible to finance this through short-term borrowing and there would be no need for long-term borrowing based on current projections.

It was noted that all activities had fully complied with the CIPFA code of practice.

Gratitude was expressed for the report.

RESOLVED:

To accept the report and note the information

14. OUTPUT OF THE INTERNAL AUDIT SECTION

In accordance with the requirements of Global Internal Audit Standards (GIAS), Standard 11.3 Communication of Results, which note that "the chief audit executive must communicate the results of internal audit services to the board (Governance Committee) and senior management from time to time and for each audit as appropriate" a report had been submitted by the Audit Manager updating the Committee of internal audit work for the period up to 11 May 2025. It was highlighted that 9 audits of the operational plan had been completed and given an assurance level of high; adequate or limited.

Gratitude was expressed for the report.

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

- 7 out of 9 audits showed a 'limited' level of assurance.

- All of the 'limited' inspections identified a need for 'better compliance' which suggested a minor adaptation.
- Proposed that an update be submitted on progress in audits.
- A suggestion to set a timetable for the actions.

In response to the comments, the Audit Manager stated that there would be a follow-up to those audits which are at a 'limited' level in 2025/26 with a report to be submitted to the Committee with an update. Members were also reminded that the Committee had the right to call-in any area of audit before the Service Improvement Working Group.

In response to a question regarding Street Cleaning Overtime and the lack of a reliable tracking system to validate the working hours, the Audit Manager noted that the service was now implementing a new, more efficient system with more reliable data.

Gratitude was expressed for the report and to the Audit Team for their thorough work.

RESOLVED:

- **To accept the report and support the actions that that have already been agreed with the relevant services.**
- **That a timetable needs to be included for the actions.**
- **There was a need for a follow-up report on what had been delivered.**

15. HEAD OF INTERNAL AUDIT ANNUAL REPORT 2024 / 2025

An Internal Audit report was submitted by the Audit Manager expressing an Internal Audit view on the overall management environment within the Authority during 2024/25 providing the said annual internal audit opinion to the Authority. It was noted that assurance could never be absolute, and the most that the internal audit service could provide to the Council was a reasonable assurance that there were no major weaknesses in the whole system of internal control. It was explained that the results of the work completed by Internal Audit, together with other sources of assurance, supported the annual conclusion on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.

On the basis of Internal Audit work completed during 2024/2025, it was considered that Cyngor Gwynedd's internal control framework during the 2024/2025 financial year was operating at a reasonable level of assurance on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.

36 pieces of work had been included in the final revised audit plan for 2024/2025. 33 assignments had been completed by 31 March 2025, which represented 91.67% of the scheme. Of the relevant 2024/2025 audit plan reports that received a level of assurance, 48.27% of them received an assurance level of "Adequate" or "High". 15 received a 'limited level' audit and none received a 'no assurance' level audit.

In the context of the Quality Assurance and Improvement Programme, it was noted that the results of the self-assessment of compliance with Global Internal Audit Standards would be submitted to the Committee in due course. It was reiterated that the external assessment would be carried out in 2025/26 by Denbighshire County Council based on a peer review organised by the Welsh Chief Auditors Group. Once the external assessment had been completed, the results would be submitted to the Governance and Audit Committee along with the quality assurance and improvement programme.

Gratitude was expressed for the report and to the Internal Audit Manager and the Team for their work.

In response to a comment that the results of a proportion of the 2024/25 internal audits receiving an assurance level of "Adequate" or better, were significantly lower than the 2023/24 performance, it was noted that the result was not a reflection of Internal Audit's work. It was explained that this was the Council's corporate measure of audits subject to an audit by Internal Audit and not an Internal Audit performance measure and therefore would be difficult to compare due to the diversity in audits. It was reiterated that there was a need to look at the situation and strengthen the Council's arrangements with a suggestion of linking the audits more closely with the areas on the Council's risk register.

DECISION:

- **To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2024/25 financial year.**

16. INTERNAL AUDIT CHARTER

In accordance with the requirements of Global Internal Audit Standards (GIAS), an Internal Audit Charter must be produced with the contents of the Charter addressing a Local Government Action Note published by CIPFA, which has developed a Code of Practice for Internal Audit Governance in UK Local Government (the Code) to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit.

It was explained that the Code states that a chief executive / internal audit manager has responsibility for the preparation of a GIAS-compliant charter in the UK public sector and that the Governance and Audit Committee should be satisfied that it covers governance arrangements for internal audit. It was reiterated that the Charter must contain elements that ensure a clearly defined and effective function - **mandate** that clearly sets out the purpose and mission of the internal audit function; that **definitions** of the terms 'board' and 'senior managers', for the purposes of the internal audit function and that the term **Organisational Position** defines an internal audit position within the organisation, ensuring that it has adequate authority and independence which includes unlimited access to senior management and the board.

Members were reminded that the Governance and Audit Committee's Terms of Reference sets out its responsibility to "provide an independent and high-level focus on the adequacy of governance, risk and management arrangements; that its role in ensuring that there is sufficient certainty over governance, risk and management gives the Council greater confidence that those arrangements are effective". It was also noted that in line with the CIPFA Code of Practice for Internal Audit Governance in UK Local Government (2025), internal audit activities require access to, and support from, senior management, the Governance and Audit Committee and those responsible for governance. Support allows internal audits to apply their mandate and charter in practice and meet expectations.

One addition to the Charter was mentioned, which was the expectation for internal auditors to comply with standards of ethics and professionalism. It was noted that the Audit Team would receive training as the new standards go into considerable detail in these areas.

Gratitude was expressed for the report and the thorough work in implementing the amendments.

RESOLVED

- **To accept and approve the contents of the Mandate and Internal Audit Charter.**
- **To support Internal Audit in its operations.**

17. INTERNAL AUDIT STRATEGY AND THE ANNUAL AUDIT PLAN 2025/26

An Internal Audit Strategy was submitted, in accordance with the requirements of Global Internal Audit Standards (GIAS), which was a means of ensuring that the chief executive/internal audit manager developed and implemented the strategy for internal audit functions that supported the organisation's strategic objectives and success. It was explained that the new Internal Audit Strategy had been developed to align the key priorities, objectives and strategic risks facing the Council to complement the work of the internal audit function over the next three years. It was considered that this would provide strategic direction for the internal audit function and support the Council in its approach to achieving its key objectives and allocate internal audit resources appropriately.

Along with the Strategy, and again in line with the requirements of Global Internal Audit Standards (GIAS), an Internal Audit Plan had been submitted which again was a means of ensuring that the chief executive/internal audit manager created an internal audit plan that supported the achievement of the organisation's objectives. It was explained that the Plan was based on an assessment of the Council's strategies, objectives and corporate risk register and that an annual report would need to be produced, including the annual report on governance, risk management and controls, and internal audit performance against its objectives. (The Code)

In order for internal audit to remain relevant, it was noted that expectations must be amended to ensure that it continued to be in line with the Council's objectives. It was reiterated that the Internal Audit Strategy played an important role in achieving a balance between cost and value, making meaningful contributions to the Council's overall governance, risk management, and internal controls.

Gratitude was expressed for the report.

RESOLVED

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

18. AUDIT WALES REPORTS AND THE ORGANISATIONAL RESPONSE - DOMICILIARY CARE

Submitted - a report by Audit Wales highlighting the main findings of an audit to Cyngor Gwynedd's Domiciliary Care service. The audit had been conducted between September and November 2024 and the work was carried out alongside Care Inspectorate Wales which reviewed the local authority's performance in the exercise of its duties and social services functions in accordance with legislation.

It was pointed out that there were weaknesses in the Council's understanding of the performance of the domiciliary care service and the continued overspending over the allocated budget. It was also noted that the lack of a clear Departmental Plan with clear ambition and milestones to measure their attainment, hindered effective oversight and scrutiny. Following the audit, four recommendations were identified for the Council to address.

The Head of Adults, Health and Well-being Department reiterated that the report had also been submitted to the Care Scrutiny Committee in March 2025. It was recognised that there was room for improvement and that the results of the surveys had come to fairly similar conclusions. It was highlighted that a very high percentage of the issues identified were issues that are nationally challenging or already identified, and the Department was trying to find solutions for them.

It was considered that the reports concluded that the Department was on the right track but needed to act faster. Attention was drawn to the Department's response to the four recommendations along with the completion dates.

The Department was thanked for their work and for their response to both audits.

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

- While a financial contribution to fill a gap in the budget had been accepted, further work needed to be done to try to use existing resources to reduce the gap into the future.
- Clearly the requirements of the service were challenging, with additional requirements being placed on the service annually – was this underfunding?
- Welcomed a response to reducing waiting lists – use of direct payments, the right conversations and community support.

In response to a question about how the Department would encourage a culture of enterprise, creativity and flexibility in the workforce (in response to the fourth recommendation), and if discussions had taken place with carers about this, it was noted that conversations were taking place locally. It was noted that this was no longer the responsibility of a single task and finish time, but access to locally available services. It was reiterated that community resilience was essential to the service and provided support to individuals. Attention was drawn to community enterprises in Llanberis and Dyffryn Nantlle where elements of provision were driven by the local community.

RESOLVED

To accept the report and the Council's response to the recommendations

Aled Davies, the Head of Adults, Health and Well-being Department highlighted that he was retiring at the end of July and that Mari Wynne Jones had been appointed as the new Head of the Department. He expressed his appreciation for the work of the Committees and to the Members for ensuring the best for Gwynedd.

Best wishes were relayed to Aled, and he was thanked for his work and support over the years.

19. AUDIT WALES – CYNGOR GWYNEDD'S ANNUAL AUDIT SUMMARY 2024 AND DETAILED AUDIT PLAN 2025

Alan Hughes and Yvonne Thomas (Audit Wales Office) were welcomed to the meeting to present the reports.

- a) The Annual Audit Summary 2024 was presented highlighting the work completed since the last Annual Audit Summary published in May 2024. It was explained that the submission of an audit summary was part of the duties of the Auditor General along with an annual Audit of the Accounts, the audit of the Council's value for money arrangements and the assessment of whether the Council complied with the duty of sustainable development in setting its well-being objectives and taking steps to achieve them.

Attention was drawn to the findings of the 'Unscheduled Care', 'Financial Sustainability' and 'Domiciliary Care' reviews as well as the national reports and outputs published during the year.

- b) Cyngor Gwynedd's Detailed Audit Plan 2025 was presented which highlighted Audit Wales' Statement of Responsibilities. In the context of the materiality of financial statements, the levels of materiality (planning, performance and reporting threshold) and significant financial statement risks were highlighted noting that the 'risk of management override' was a mandatory risk that appeared in all audit plans. Audit Wales intended to present the findings of the financial statements to the Governance and Audit Committee during October 2025.

In the context of proposed performance audit work, three specific areas were highlighted - Thematic Work: Responding to workforce pressures in Local Government; Regional Work: Use of data in budget-setting for demand-led services and Local Work: review of Risk Management Arrangements.

The total estimated fee for the work would be £392,088 (an increase in the rate of 1.7%). It was noted that Audit Wales was not entitled to make a profit and therefore any difference in fees would be refunded.

Gratitude was expressed for the report.

RESOLVED:

To accept the reports

20. TO SUBMIT THE FINDINGS OF THE INFORMATION COMMISSIONER'S (ICO) AUDIT INTO THE COUNCIL'S ARRANGEMENTS IN TERMS OF THE RESPONSE TO REQUESTS MADE UNDER THE FREEDOM OF INFORMATION ACT (2000) AND ENVIRONMENTAL INFORMATION REGULATIONS

A report was submitted by the Head of the Corporate Services Department updating Committee Members on the Information Commissioner's Office assurance level on the Council's arrangements.

It was explained that following concerns expressed in relation to the Council's performance in responding to requests for information under the Freedom of Information Act 2000, the Information Commissioner's Office had been commissioned to undertake an audit of the Council's arrangements. It was added that the action was a voluntary one on the part of the Council to ascertain whether there were deficiencies in the arrangements which would lead to delay or non-compliance with the requirements of the Act. It was noted that the Information Commissioner's Office did not conduct a programme of audits but rather conducted them at the request of or in response to a concern about an organisation that was within the scope of the Act.

The audit had been conducted during April 2025 and the draft report on the results was published in May 2025.

The auditors considered that the Council had REASONABLE arrangements in place to respond to the requirements of the Act and identified that certain aspects of the Council's arrangements needed to be improved. In addition, it was identified that based on evidence, measures were being implemented effectively to achieve the management objectives.

The detailed work programme that had been drawn up to address the recommendations was highlighted. It was reiterated that it was intended to return to the Committee to present a response programme on the progress of the action plan as required.

Gratitude was expressed for the report and the Team was congratulated on their reasonable arrangements. It was welcomed that a clear work programme and next steps had been formulated to respond to the demands.

RESOLVED

To accept and note the contents of the Information Commissioner's Officer's report

21. THE GOVERNANCE AND AUDIT COMMITTEE'S FORWARD WORK PROGRAMME

A forward programme of items for the Committee's meetings until May 2026 was submitted.

RESOLVED:

To accept the work programme for September 2025 - May 2026

Note: To remove the Cyngor Gwynedd Annual Audit Summary 2024 as it had already been submitted

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

CHAIR

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	11 SEPTEMBER 2025
TITLE	IMPELEMENTING THE DECISIONS OF THE COMMITTEE
PURPOSE OF REPORT	TO PRESENT AN UPDATE ON IMPLEMENTING THE COMMITTEE'S PREVIOUS DECISIONS
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	FOR INFORMATION

1. INTRODUCTION

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

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

Meeting of 5 September 2024

Item	Decision	Update
IMPLEMENTING THE DECISIONS OF THE COUNCIL	To accept the contents of the report. Note: Add to the decision notice: <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. 	<ol style="list-style-type: none"> 1. No sessions have been arranged yet – Session content to be confirmed for the Housing and Property Department's officers to prepare accordingly. 2. Ffordd Gwynedd training has been held for members of the Cabinet on 13 May 2025 and a session for the members of the Governance and Audit Committee was held on 4 June 2025.
CYNGOR GWYNEDD'S ANNUAL GOVERNANCE	To accept the report. To approve the Annual Governance Statement and recommend that it is signed by the Council Leader and Chief Executive.	The Lawfulness score has been considered by the Governance Group (including the

STATEMENT FOR 2023/24	<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>Monitoring Officer) and has concluded that the current score is appropriate.</p> <p>The format of the document has been considered in the preparation of the 2024/25 Statement which is a separate item on this meeting's programme.</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> <ol style="list-style-type: none"> 1. Need to consider appropriate consultation arrangements for the future to ensure Gwynedd residents' input in the process. 2. 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. <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>2. Key issues have been identified for inclusion in a self-assessment document to be presented to the May 2025 Governance and Audit Committee in order to provide input earlier in the process of drawing up the self-assessment. As per normal procedure, a draft of the document is due to be submitted to the Committee to make recommendations and receive feedback/comments. The document is likely to be presented in October's Committee meeting.</p>

Meeting of 10 October 2024

Item	Decision	Update
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. 	Update expected in 12 months' time

Meeting 28 November 2024

Item	Decision	Update
COMPLAINTS AND SERVICE IMPROVEMENT ANNUAL REPORT 2023-24	<ul style="list-style-type: none"> To accept the report To accept the proposal of the Head of Corporate Services to submit a further report which would set a context for service improvement policies and arrangements 	A presentation by the Head of Corporate Services is on this meeting's agenda.

Meeting 16 January 2025

REVENUE BUDGET 2024/25 – END OF NOVEMBER 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 Agree with the recommendations to Cabinet: <p>Note:</p> <ol style="list-style-type: none"> 1- Work commissioned by the Chief Executive to gain a better understanding of overspend in the Adults, Health and Well-being Department - a request for the Cabinet to challenge the timetable for this work – assurance needed that this work is in place in order to set the budget 2- Work commissioned by the Chief Executive to clarify the detailed situation in Children's care, to gain a better understanding of the issues and a clear programme of response. – need to submit a more detailed analysis of the work to the Committee 3- Request for information on how Gwynedd's financial projections compare with other Councils 4- Information on higher income from the death bereavement service, lack of parking income and per capita funding details to be shared directly with Councillor Angela Russell 	These steps have now been implemented. The August 2025 review will be submitted to the Committee in October to provide an update on the financial position.
--	--	--

AUDIT WALES REPORTS	<ul style="list-style-type: none"> • To accept the National and Local report • To accept the Council's response to the recommendations <p>Note:</p> <ul style="list-style-type: none"> • Following the receipt of CIPFA support and guidance, the response Work Programme to be submitted to the Committee by March 2026 • Performance Reports to be submitted to Scrutiny Committees to demonstrate that the statutory requirements are being addressed • To correct the translations of place names in the reports 	<p>These action points are expected to be completed as planned.</p> <p>Regarding the CIPFA report – The draft report has been received from CIPFA and is in the process of being finalised which will be reflected in an adjusted action plan/timetable.</p>
THE COMMITTEE'S FORWARD PROGRAMME	<ul style="list-style-type: none"> • To accept the Work Programme for February 2025 – January 2026 <p>Note:</p> <ul style="list-style-type: none"> • Committee Development Programme • Internal Audit Forward Programme • Audit Priorities – follow-up to recommendations • Further information about Ffordd Gwynedd <ul style="list-style-type: none"> • Follow-up information on the financial position of the Adults, Health and Well-being Department and the Children and Supporting Families Department • The need for a conversation between the relevant departments to discuss the future impact of rejecting affordable housing schemes on Gwynedd schools 	<ul style="list-style-type: none"> • Ffordd Gwynedd training has been held for the committee members on 4 June 2025. <p>The Committee received an update/ presentation from the Head of the Adults, Health and Wellbeing Department during its May 2025 meeting.</p> <ul style="list-style-type: none"> • The matter of the 'impact of rejecting affordable housing schemes on Gwynedd's schools' was alluded to during the Communities Scrutiny Committee on January 23 with a suggestion to include on the agenda of the Education and Economy Scrutiny Committee.

Meeting 6 February 2025

IMPLEMENTING THE DECISIONS OF THE COMMITTEE	<ul style="list-style-type: none"> To accept the contents of the report <p>Note: Two vacant seats for Lay Members on the Committee. The Head of Finance, the Democracy Manager and the Propriety and Elections Manager to discuss and try to motivate interest.</p>	The Full Council, at its meeting on 3 July 2025, appointed 3 lay members to the vacant seats on the Government and Audit Committee. All lay member seats are now filled.
SPECIAL AUDIT REPORT - HOME CARE	<ul style="list-style-type: none"> To accept and note the progress on the findings of the Internal Audit review of the Council's Home Care arrangements The thorough Work Programme that was in place to improve the provision was welcomed. Further updates would be required in 12 months on the progress and the success of the work programme. 	The relevant action point is expected to be completed as planned.

Meeting 22 May 2025

ELECTION OF CHAIR FOR 2025 - 2026	<ul style="list-style-type: none"> To re-elect Carys Edwards as chair of this committee for 2025 - 2026 	No Further Action.
ELECTION OF VICE-CHAIR FOR 2025 - 2026	<ul style="list-style-type: none"> To re-elect Elwyn Rhys Parry as vice-chair of this committee for 2024-25. 	No Further Action.
IMPLEMENTING THE DECISIONS OF THE COMMITTEE	<ul style="list-style-type: none"> To accept the contents of the report <p>Note: Three vacant Lay Member seats on the Committee - interviews to be held in June with the hope of presenting names to the Full Council on 3/7/25</p>	The vacancies have been filled, with the Council's decision on 3 July 2025.
THE TERMS OF REFERENCE OF THE GOVERNANCE AND AUDIT COMMITTEE	<ul style="list-style-type: none"> To note and approve the Amended Terms of Reference of the Governance and Audit Committee 	No Further Action.

CYNGOR GWYNEDD SELF-ASSESSMENT	<ul style="list-style-type: none"> • To accept a draft report of the 2024/25 CYNGOR GWYNEDD SELF-ASSESSMENT Comments: <ul style="list-style-type: none"> • Penrhos Scheme - emphasis required on the development of care services in Penrhos and • not just housing • Flood Strategy - consideration to the A499 highway • Article 4 Impacts • Future of the ARFOR Scheme - ensuring continuation to the Scheme • Safeguarding Arrangements in Schools - further attention required 	These points are currently being addressed during the process of compiling a draft version of the self-assessment. The draft is due to be submitted to the Committee in October before submission to the Cabinet and the Full Council.
FINAL ACCOUNTS 2024/25 – REVENUE OUT-TURN	<ul style="list-style-type: none"> • To accept the report and note the relevant risks 	No Further Action.
CAPITAL PROGRAMME 2024- 25 – END OF YEAR REVIEW (31 MARCH 2025 POSITION)	<ul style="list-style-type: none"> • To accept the information and note the risks relating to the capital programme 	No Further Action.
FINAL ACCOUNTS OF GWYNEDD HARBOURS FOR THE YEAR ENDING 31 MARCH 2025	<ul style="list-style-type: none"> • To accept the report To approve: <ul style="list-style-type: none"> • Income Account and Revenue Expenditure 2024/25 • Annual Return for the year ending 31 March 2025, subject to audit by Audit Wales • The Chair to sign the form electronically 	No Further Action.
TREASURY MANAGEMENT QUARTERLY UPDATE	<ul style="list-style-type: none"> • To accept the report and note the information 	No Further Action.

INTERNAL AUDIT OUTPUT	<ul style="list-style-type: none"> • To accept the report and support the actions that have already been agreed with the relevant services. • That a schedule needed to be included for the actions. • There was a need for a follow-up report on what had been delivered. 	Although these points are part of the May 2025 decisions, there was further discussion during the meeting where these points were reinforced. In addition, the need for the Committee to exercise its rights to call on the officers in order to receive an update or additional information in the wake of Internal Audit reports was noted.
ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2024 - 2025	<ul style="list-style-type: none"> • To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2024/25 financial year 	No Further Action.
INTERNAL AUDIT CHARTER	<ul style="list-style-type: none"> • To accept and approve the contents of the Mandate and Internal Audit Charter • To support Internal Audit in its operations. 	No Further Action.
INTERNAL AUDIT STRATEGY AND THE ANNUAL AUDIT PLAN 2025/26	<ul style="list-style-type: none"> • To accept and approve the contents of the Internal Audit Strategy and the Internal Audit Plan 2024/25 • To support Internal Audit to deliver its role. 	No Further Action.
AUDIT WALES REPORTS AND THE ORGANISATIONAL RESPONSE - DOMICILIARY CARE	To accept the report and the Council's response to the recommendations	No Further Action.
AUDIT WALES – CYNGOR GWYNEDD'S ANNUAL AUDIT SUMMARY 2024 AND DETAILED AUDIT PLAN 2025	To accept the reports	No Further Action.

TO SUBMIT THE FINDINGS OF THE INFORMATION COMMISSIONER'S AUDIT INTO THE COUNCIL'S ARRANGEMENTS IN TERMS OF THE RESPONSE TO REQUESTS MADE UNDER THE FREEDOM OF INFORMATION ACT (2000) AND ENVIRONMENTAL INFORMATION REGULATIONS	To accept and note the contents of the Information Commissioner's Officer's report.	No Further Action.
THE COMMITTEE'S FORWARD PROGRAMME	To accept the work programme for September 2025 - May 2026 Note: To remove the Cyngor Gwynedd Annual Audit Summary 2024 as it has already been submitted	Relevant item deleted, 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	11 SEPTEMBER 2025
TITLE	CYNGOR GWYNEDD'S ANNUAL GOVERNANCE STATEMENT FOR 2024/25
PURPOSE OF REPORT	TO PRESENT THE ANNUAL GOVERNANCE STATEMENT (INCORPORATING THE STATUTORY STATEMENT ON INTERNAL CONTROL) FOR 2024/25 TO THE GOVERNANCE AND AUDIT COMMITTEE FOR APPROVAL
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	TO APPROVE THE STATEMENT SO THAT IT CAN BE SIGNED BY THE COUNCIL LEADER AND THE CHIEF EXECUTIVE

1. BACKGROUND

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

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

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

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

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

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

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

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

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

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

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

3. IDENTIFYING GOVERNANCE RISKS

- 3.1 The Annual Governance Statement is based on the CIPFA/Solace Framework that was published in 2016, along with an Addendum which was published in 2025.
- 3.2 The new Framework identifies 7 Core Principles for Good Governance:

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

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

B. Ensuring openness and comprehensive stakeholder engagement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impact

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

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

Likelihood

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

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

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

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

- Number of very high risks: 0
- Number of high risks: 6
- Number of medium risks: 9
- Number of low risks: 9

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

4. CHANGES SINCE THE 2023/24 STATEMENT

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

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

Risk	Previous score	Impact Score	Likelihood Score	Current Score	Comments
<u>Finance</u> Overspending due to underfunding or lack of financial control	20 (Very high)	Keep at 5	Reduce from 4 to 3	15 (High)	Failure to manage the budget would be catastrophic, so the impact score was already 5 and is unlikely to move from this. Strong budget management arrangements are in place and are continuously improving, but the national financial situation means that the likelihood of failure remains high. However, the arrangements in place mean that the likelihood can be reduced from 4 to 3.

5. RECOMMENDATION

5.1 The Governance and Audit Committee is requested to:

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

ANNUAL GOVERNANCE STATEMENT

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

Part 1: SCOPE OF RESPONSIBILITY

Cyngor Gwynedd is responsible for ensuring that it conducts its business in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Cyngor Gwynedd also has a duty under the Local Government and Elections (Wales) Act 2021 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 2025 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, how they link to the CIPFA/SOLACE principles, the relevant risks and the Council's arrangements to deal with these, are in the remainder of this section of the Annual Governance Statement.

CIPFA/SOLACE Framework Core Principle A: Behave with integrity, demonstrating a strong commitment to ethical values, and respect for the rule of law.

Culture

- A review of the progress of Ffordd Gwynedd was carried out across the Council in collaboration with Cabinet and a Task and Finish Group with members from among the members of the Governance and Audit Committee. That led to a new 5-year Work Programme to 2028 which was approved by Cabinet on 7 March 2023. The Plan identifies nine areas that the Council will focus on in order to further embed the "way of working".
- A Lead Group (the Council's Corporate Management Team) has been established with a focus on one of the workstreams at each monthly meeting. The Group maintains an overview of the implementation of the Work Programme and offers guidance on embedding the culture within the Council. A Group of officers leading on the individual workstreams meets monthly under the chairmanship of the Corporate Director while a Practitioner Group has been formed to support individuals driving reviews within their services.
- An annual report is presented on the progress of the work culture which is based on the conclusions of a self-assessment that each Department is asked to undertake and also on the results of the "Llais Staff" Survey which is carried out every twelve months.

Conduct

- The Council has adopted codes of conduct for its members and officers, based on national regulations (codes such as the Member/Officer Relationship Code; the Members Code of Conduct; the Code of Conduct for Officers; The Anti-Fraud and Corruption Policy and the Whistleblowing Code of Practice) and these together lay the foundation for ensuring integrity and ethics.
- There is clear evidence that the Council gives legitimate consideration to the Ombudsman's reports as part of the work of the Standards Committee, which is working effectively.

Lawfulness

- Everything the Council does has to comply with the law. Statutory officers (the Monitoring Officer and Head of Finance) must comment on any formal decision, as part of a comprehensive Constitution that is regularly reviewed. The role of statutory officers is a core part of the Council's governance arrangements.

CIPFA/SOLACE Framework Core Principle B. Ensuring openness and comprehensive stakeholder engagement

Being open

- The minimum possible number of Committee reports is exempt, and in addition to the publication of full committee minutes, individual members' decision sheets are publicised, with procedures in place to ensure this happens. Background papers are published with committee reports to ensure that decisions are made with full information. A number of meetings of decision-making committees are webcast.
- The Council publishes its Corporate Plan, Annual Performance Report and Statement of Accounts to try and provide as much information as residents would need to hold us accountable. Various other methods are also used such as the website and social media to try to ensure that the residents of Gwynedd are aware of what is happening within the Council.

Stakeholders

- 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 in order to deliver joint public services can have a significant, visible impact on the People of Gwynedd, as part of the requirements of the Well-being of Future Generations (Wales) Act 2015.
- A Public Service Board has been established and meets regularly.

Engagement

- A range of corporate engagement procedures have been put in place to ensure that we receive the views of the public and other stakeholders as appropriate.

CIPFA/SOLACE Framework Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

Direction and vision

- The Council's Plan 2023-28 was approved by the full Council on the 2nd of March, 2023. The Plan includes our ambition and projects under 7 priority areas. The plan has been reviewed annually in March since its adoption.

Sustainability

- Since May 2023 reports submitted to Cabinet are required to highlight how the contents of the report reflect the requirements of the Well-being of Future Generations (Wales) Act 2015.
- Training sessions have been held with elected members to increase awareness of the Act in October 2022 and 2024.
- The Council has already adopted a Sustainable Procurement Policy which is in line with the principles of the Well-being of Future Generations (Wales) Act 2015. By adopting the Policy, it is intended to consider the potential social, economic and environmental impact that our procurement decisions may have and what steps can be taken to make the best use of Council spending, for the benefit of the County.

CIPFA/SOLACE Framework Core Principle D: Determine the interventions necessary to maximise the delivery of the intended outcomes

Decisions

- There is evidence over the last few years that Cyngor Gwynedd is prepared to take difficult decisions, but only after considering the evidence in detail.

Planning Operations

- The Council strives to maintain a suitable balance between having Project Management procedures in place and working efficiently. In that regard, the Council already maintains robust project management arrangements for the largest projects, using a less comprehensive version but based on the same principles for other projects.
- The Council has a Mid-Term Financial Plan, with annual budgets based on that. The Council's work on financial planning is regularly praised by the external auditors, and the Governance and Audit Committee takes a leading role on financial scrutiny.

Reviewing Outcomes

- The Council's risk assessment, Corporate Plan formulation and project management arrangements ensure that the intended outcomes at the start of any project are clear. The annual performance report seeks to focus on assessing the extent to which those outcomes have been achieved.

CIPFA/SOLACE Framework Core Principle E: Develop the capacity of the entity, including the capacity of its leadership and the individuals within it

Property Assets

- A new Asset Management Plan for the 10 year period 2024-2034 has been adopted by the Council on 11 July 2024.

Information Technology Assets

- 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.

Workforce Planning

- The Workforce Planning Project Board has agreed on long-term objectives and a list of sub-projects for the period leading up to March 2028.
- Exit interview arrangements and a new jobs website are in place.

Leadership

- The series of Managers and Team Leaders Network meetings (held twice a year) is a key part of the shift of emphasis from a culture of "management" to "leading" within the Council.
- 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 fulfilling a managerial role within the Council is disproportionate to the division of the entire workforce and therefore seeks to boost the number of women applying for and reaching senior positions within the Council.
- The Corporate Management Team is committed to its development, with each team member completing a personal profile and attending regular workshops in order to develop as an individual leader and to reinforce the ability to take full advantage of operating as a team.
- Similarly, the new Cabinet formed in December 2024 is committed to its development at the level of individual members and as a team.

Customer Contact

- In-depth analysis carried out and presented to Members in October 2022 with a programme of work identified and the risk added to the corporate governance risks. Planning calls are being received directly from the Planning Service from the 1st of April, 2023 and a short training module has been piloted for all staff dealing with enquiries.
- A Plan for Working for the Future was adopted in September 2023.

CIPFA/SOLACE Framework Core Principle F: Risk and performance management through sound internal control and strong control over public funds

Risk Management

- There are strong arrangements for monitoring our compliance with certain types of operational risks. All risks in the Corporate Risk Register have been considered from the perspective of the risk to the People of Gwynedd, not from the Council's intrusive perspective.
- The Council's systems for identifying, assessing, recording and reporting risks are constantly evolving.

Performance

- Officers and Members continually question whether we are measuring the right things. There are regular meetings with Cabinet Members and management to assess the latest performance with members of the relevant Scrutiny Committee also present to give a challenge.
- Since April 2025, regular performance reports from Cabinet members on their areas of responsibility are submitted to meetings of the Scrutiny Committees, where previously the reports went to Cabinet. This change is seen as a key step in improving challenge and accountability.
- Complaints are also a key way to get information to improve. The Corporate Complaints Regime continues to develop well. The Service Improvement Officer ensures that we learn lessons from complaints, and avoids repeating mistakes.

Internal Control

- Reviewing and adapting internal controls so that they are proportionate to what is needed is core to the aim of putting the people of Gwynedd at the centre of everything we do, removing over-bureaucratic tasks. Removing barriers is part of everyone's job, resulting in an appropriate level of internal control. The efficiency of the Internal Audit regime is under ongoing review, and a self-assessment shows that the service meets professional standards as expected. The Governance and Audit Committee has an agreed terms of reference which is reviewed regularly. There is evidence that the Governance and Audit Committee is very effective in fulfilling its functions.

Information

- The Council's Information Plan 2021-2026 (2024 update) includes a number of plans for addressing the risks of information management and data use. 23 of the 65 projects within the scheme have already been completed and the remainder are ongoing.
- The cross-departmental Information Group takes a corporate overview of this area.

Finance

- The Council has effective arrangements for financial planning and management, 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 the accountants work closely with the departments and encourage managers' ownership of their systems, performance, and financial appropriateness.
- The review of expenditure against budgets, and monitoring that savings have been achieved by all Council departments, ensures that the services are operating efficiently. The revenue expenditure situation is reported to the Governance and Audit Committee and Cabinet but as the need to find savings continues, and demand for services increases, a situation can be envisaged where there are insufficient funds in the future to address the budget shortfall.

Health, Safety and Wellbeing

- Health and Safety Policy adopted by the Council which is reviewed annually.
- Specialist consultants available to advise. Mandatory training is provided for all Council staff.
- IOSH Safe Management training is provided to Managers and relevant staff, with various other training in place depending on the nature of responsibilities.
- Communication arrangements with a Corporate Forum and Advisory Panel including a dedicated intranet site with a host of guidelines and procedures.
- An accident reporting and investigation procedure has been established.

CIPFA/SOLACE Framework Core Principle G: Implement good practices in transparency, reporting, and audit to ensure effective accountability

Accountability

- The Council has provided guidance on the preparation of reports and on good decision-making, to ensure that the reports available to the public are clear.

Assurance

- Statutory officers ensure that matters comply with the law and constitution arrangements while the Chief Executive and Directors continually challenge whether departments are doing the right things.
- The Governance and Audit Committee keeps an overview of the governance arrangements as well as the implementation of external auditors' recommendations. This is supported by the Internal Audit Service operating in accordance with the statutory professional standards, the Public Sector Internal Audit Standards.
- Scrutiny arrangements have been reviewed a number of times in recent years, with Audit Wales's independent report in September 2023 identifying good progress in Gwynedd's standard of scrutiny.
- The scrutiny officers work closely with the Chairs/Vice-Chairs of the individual committees to ensure clarity and share best practice. This will develop further with the support of the Chief Executive and Directors on a regular basis in scrutiny committees.
- Training for the Corporate Management Team has taken place and an annual meeting will be held to review progress. Training for Members in relation to their responsibilities on factors to be taken into account in decision-making.

Part 4: ASSESSMENT OF THE EFFECTIVENESS OF OUR GOVERNANCE ARRANGEMENTS

4.1 Cyngor Gwynedd has carried out a self-assessment of its governance arrangements in accordance with requirements CIPFA/Solace Framework *Delivering Good Governance in Local Government* and the requirements of the Local Government and Elections (Wales) Act 2021. The assessment has highlighted the following in terms of mitigating the governance risks:

- The most notable progress during the second year of the Ffordd Gwynedd Plan is:
 - Learning, Experimenting and Taking Action to Improve** - The emphasis in the current Plan on carrying out reviews on smaller pieces of work systems, as well as carrying out reviews on whole systems, has borne fruit and all Departments in the Council are able to provide examples of reviews that have led to improvements during the year.
 - Leadership** - The new look Ffordd Gwynedd training programme has been reintroduced for managers during the year while the Manager Development Programme is going from strength to strength with the positive feedback from attendees.
 - Support and Development** – A new Learning and Development Framework has been launched with the programme for the first year focusing on basic training such as finance management, wellbeing and digital skills. The Senior Leadership Program, the Management Development Program and the Women in Leadership Program continue to showcase their value with a large number of officers eager to sign up on each occasion when a new series is announced.
 - Workforce Planning and Talent Development** – Seven work streams have been identified to drive this work forward. They range from running a "Ffordd Gwynedd" exercise on the whole process of attracting staff to work for the Council, to the need for the establishment of specific training schemes that greet rare skills and specialties, as well as the appropriate behaviours, which are necessary for future continuity of service.
 - A Satisfied and Healthy Workforce** - A new Well-being Strategy was approved by Cabinet at its meeting on 17 December, 2024. The Strategy is based on three foundations, namely leadership and management, sustainable support, and a work environment with mental, physical, social and financial well-being at the heart of what is sought to be achieved.
 - Customer Contact** - A cross-departmental Group has been established to formulate a Charter and Customer Contact Standards. That Charter, in its final draft form, will be submitted to Cabinet for adoption on July 8, 2025. There has been comprehensive consultation on the content of the Charter across Council services and this is a good example of seeking views on developments with staff.
- The Council has introduced a series of annual milestones for each of the projects in the Council's Plan to allow us to measure progress as well as plan work for the future. Work to further improve this is ongoing.
- The Council's Constitution is a public document that sets out the governance arrangements and a Guide to the Constitution is provided to reinforce this. The Governance Group has continued to meet regularly and maintains an overview of governance issues within the Council. The Group consists of the Corporate Director, the Monitoring Officer, the Section 151 Officer, the Head of Corporate Support, the Assistant Head of Corporate Support, the Risk & Insurance Manager and the Council's Business Support Service Manager.
- The Council publishes an Annual Governance Statement outlining our governance arrangements and their effectiveness following the principles of the CIPFA/Solace *Delivering Good Governance in Local Government* Framework.
- The Council has a process to manage risks by having a Corporate Risk Register in place.
- An annual workshop on assurance and risks will be held with external auditors (Audit Wales, Care Inspectorate Wales and Estyn).

- When recommendations are issued by external audit bodies, an institutional response will be prepared on behalf of the Council and the Governance and Audit Committee is responsible for reviewing and assessing the response along with progress against the recommendations.
- Appropriate arrangements are also in place to respond to any reports from the Health and Safety Executive (HSE).
- The main governance risks are scored both corporately and at the Department level as the level of risk varies. The internal Governance Group has an overview and is responsible for quality assurance within Cyngor Gwynedd.
- The Council has commissioned *Local Partnerships* to undertake a review of our governance arrangements, with the intention of providing the Council with an independent and objective challenge as well as offering any recommendations for improvement.
- While the regime and future risk management strategies are generally improving and strengthening, new arrangements have been put in place to try to standardise and try to harmonise the scores for very high risks. These are submitted to the Corporate Management Team every 3 months. During 2025/26 we will also report on these risks to the Governance and Audit Committee and Leadership Team twice a year.
- On the basis of Internal Audit work completed during 2024/25, it was considered that Cyngor Gwynedd's internal control framework during that financial year was operating at a level of reasonable assurance on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.
- There are robust arrangements in place for supporting Elected Members in Gwynedd, with 97% of Gwynedd Councillors reporting that the service provided by the Democracy Team is very good. We will continue to build on these solid foundations in the year ahead.
- The Head of Finance has carried out a self-assessment of compliance with the CIPFA Financial Management Code, and updates it at least once a year and the current assessment shows high compliance across all of the standards. In 2025, we have commissioned CIPFA to undertake an independent audit of the self-assessment, and the outcome of that work will be considered when designing a financial support service for the future.
- The Apprenticeship Scheme has provided an opportunity for **81** apprentices since 2019 and the Graduate Scheme ("Cynllun Yfory") has given an opportunity **to 37** professional trainees since 2017 with many of them having been offered a job with the Council. For 2025, a total of 21 new jobs are available, namely 13 apprentice jobs and 8 graduate jobs.
- The 2024 "Llais Staff" Survey was conducted during a challenging period that included fiscal uncertainty, political changes in the Council, and a period of further changes to our 'working for the future' working arrangements following the pandemic. As a result, there has been a slight decrease in the level of staff satisfaction in response to most of the questions, but the level of satisfaction remains high for some of the key indicators e.g. the score for the statement 'the Council is a good place to work' is 80%, and 87% for "I've been motivated to do my best in my job for the benefit of the people of Gwynedd." As in last year's survey, this year's survey consisted of 4 parts – Me and my Well-being, Me and my job, Me and my service and Me and my Employer. 1,330 staff completed the Staff Voice questionnaire, which is approximately 21.8% of staff who had the opportunity to answer the survey. **50.6%** indicated that they agreed or strongly agreed **that the Council was effectively discharging its duties.**
40.9% agreed or strongly agreed **that the Council was making the best use of the resources at its disposal, and 48.6%** agreed or strongly agreed **that the Council had arrangements in place to ensure that it was performing effectively.**
- Trade Unions were consulted and asked for feedback on the following areas:
 - Comments on the authority's performance and areas for improvement
 - Is the Council carrying out its duties effectively?
 - Is the Council making the best use of the resources at its disposal?

- Does the Council have arrangements in place to ensure it performs effectively?

- Tips for improving staff engagement and wellbeing

Among the responses, it was noted that there was room for improvement in communication with unions regarding staffing issues in some departments, and there was a recognition that there was some way to go in terms of Social Partnership (when groups such as local government, businesses and trade unions work together to make decisions), as this is a learning process.

- Gwynedd was part of the National Resident Survey, the first of its kind to be conducted in Wales. There were 3,094 responses to the survey.
- The number of Valid Formal Complaints has decreased this year compared to last year, but those that have gone to the Ombudsman have increased. We are still working on reducing the time taken to respond to complaints and aim for the new Customer Contact Charter being developed to have a positive impact on this.
- The Procurement Team provides advice and support to services and ensures that the organisation follows regulations and best practice in procurement.
- In 2024/25 the Council was shortlisted for the Wales procurement award (GO Awards). The nomination is for our efforts to seek to gain social value in the procurement of our food provision across the County.
- An extensive training programme for Elected Members was provided during 2024/25 which included core training in seven specific areas:
 - Safe Leadership and Personal Safety
 - Code of Conduct
 - Well-being of Future Generations Act
 - Safeguarding Children and Adults
 - Your Responsibility for Equality
 - Your Responsibility as a Corporate Parent
 - Information About People : Your Responsibility
- Setting a balanced budget for 25/26 is a challenge, particularly given the need to ensure that departmental budgets are adequate to provide the necessary level of services for the people of Gwynedd, and to avoid overspending as seen in 2024/25. At that time there was a departmental overspend of £6.6m with significant overspend in the Departments of Adults, Health and Well-being, Children and Families, Highways, Engineering and YGC and Environment.
- During 2024, Audit Wales undertook a review of the Council's financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term. It was found that there had been a significant increase in the number of departments in the Council that overspent in the last two financial years, and that the Council had developed arrangements to review its budgets.
- An internal review is underway to improve our Council Tax collection arrangements, and actions have been introduced to increase collection rates in the future. This work will continue to receive attention over the coming year. We are also keen to ensure that issues such as this receive early attention in the future and will be looking to review our arrangements to ensure this happens.
- Over the past year, there have been changes in the Council's political leadership, with several new Cabinet Members taking on responsibilities across a range of areas. In addition, appointments to senior officer positions are expected over the next few months. These changes may pose challenges to consistent leadership and cause delays in strategic decision-making, but we recognise this and intend to address the issue appropriately.
- A Strategic Equality Plan for 2024-28 has been developed to provide a framework to improve fairness within the Council and ensure that we treat people according to their needs, and this work is ongoing.
- Each year the Council prepares a Financial Strategy and sets a balanced Budget to ensure continuity of service.
- The Council also publishes a Statement of Accounts at the end of each financial year showing its annual expenditure. The review of expenditure against budgets and monitoring that savings are

been achieved by all Council departments, ensures that the services are operating efficiently. However, as noted earlier, the increasing pressures on the Council's budget are making it harder for departments to maintain the same level of services within the budget provided, leading to a risk of overspending

- The Local Government and Elections (Wales) Act 2021 has created new duties for Political Group Leaders to take an element of responsibility for promoting good behaviour and co-operating with the Standards Committee. A protocol and criteria for assessing the fulfilment of the duty were agreed in a workshop between the members of the Committee and the Leaders. These were adopted by the Standards Committee and would contribute to the preparation of the Committee's annual report. This work has been supported by regular meetings and communication with the Monitoring Officer.

4.2 For each of the Governance Risks, a current risk score is shown, which is the score after an objective assessment of the management arrangements currently in place. Two factors are taken into account:

- **Impact** of risk if the event is realised
- The **Probability** of it happening.

4.3 The Impact scores range from 1 (visible impact) to 5 (catastrophic impact), and the Probability scores of 1 (Very Unlikely) to 5 (happening now). The risk score is calculated by multiplying the impact score and the probability score together.

4.4 The relative level of risks is assessed as follows:

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

4.5 Following the self-assessment set out above, the Governance Group assesses the risk scores in the 24 governance areas as follows:

Area	Risk	Effect	Likelihood	Risk Score
Culture	Inappropriate culture within the Council can hinder our ability to do the right things in the correct manner	4	3	12
Conduct	Lack of integrity, ethics and respect in the conduct of members and officers, undermining the public's confidence in the Council	2	2	4
Lawfulness	Ignoring the rule of law, which means that the Council is open to challenges from the courts.	3	1	3
Being open	Council that is not open, meaning that it is not possible to hold it accountable for its decisions	2	1	2
Stakeholders	Weak relationship with institutional stakeholders, ending with sub-optimal services	3	3	9
Engagement	Failure to engage effectively with service users and individual citizens leads to prioritisation and poor decision making	3	3	9
Direction and vision	Direction and vision that is not rooted in the outcomes for individuals and therefore does not realise the needs of the People of Gwynedd	3	2	6

Area	Risk	Effect	Likelihood	Risk Score
Sustainability	Failing to comply with the five principles of the Well-being of Future Generations Act	3	3	9
Decisions	Unwillingness to make decisions on action, which means a delay in achieving the outcomes for the people of Gwynedd	2	2	4
Planning Operations	Intervention without sufficient planning	2	2	4
Reviewing outcomes	Failure to review the outcomes of our actions, which means that we do not learn lessons by continuing to do the same things incorrectly	3	2	6
Property Assets	The Council's property assets not used to their full potential	2	2	4
Information Technology Assets	The Council's Information Technology assets not used to their full potential	3	3	9
Workforce Planning	Failure to plan the workforce in terms of attracting, developing and retaining staff	3	3	9
Leadership	Deficiencies in the Council's leadership means that we are not doing the right things	4	2	8
Risk Management	Weaknesses in our risk management arrangements that increase the threat of something going wrong or failure to take an opportunity to improve	5	2	10
Performance	Weaknesses in our performance management arrangements mean that we cannot take appropriate steps to achieve our purpose	2	2	4
Internal Control	Unsuitable internal control arrangements which means that we either do not protect ourselves from risks, or waste resources on over-control	2	2	4
Information	Failure to maximise the potential of information in supporting Council business and failure to meet statutory requirements	4	3	12
Finance	Overspending due to underfunding or lack of financial control	5	3	15
Accountability	Poor reporting, lack of transparency and unsuitable for the audience	2	2	4
Assurance	Lack of assurance and accountability that raises suspicion amongst the public regarding what the Council is doing	3	5	15
Health, Safety and Wellbeing	Ineffective Health, Safety and Wellbeing Management System	5	3	15
Customer Contact	Lack of timely response to enquiries	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 5. SIGNIFICANT GOVERNANCE ISSUES

- 5.1 The above scores show that none of the 24 areas of governance present a very high risk. 6 is high risk and 9 is medium risk.
- 5.2 The self-assessment has identified the following improvements that will be implemented in 2025-26.
- In response to the recommendations of a study by Audit Wales we will be looking to improve our service commissioning arrangements.
 - Manage the impact of the significant changes that have recently taken place in the Council's political leadership and among Heads of Department.
 - Improve training on risk identification and management.
 - To act on the relevant recommendations in the Local Partnerships report.
 - Consider how we can build on the resident survey organised by the Welsh Local Government Association/Data Cymru and obtain more information/evidence to enable us to improve services.
 - To put further action in place to improve compliance with the Social Partnership Duty.
 - To act on the findings of the Staff Voice Survey, including appreciation and well-being.
- 5.3 An update on previous years' actions will be reported in Cyngor Gwynedd's Annual Performance Report and Self-Assessment 2024/25.

Part 6: 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 OF CYNGOR GWYNEDD

DATE

Cllr. NIA JEFFREYS

LEADER OF CYNGOR GWYNEDD

DATE:

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	11 SEPTEMBER 2025
TITLE:	STATEMENT OF ACCOUNTS 2024/25
PURPOSE / RECOMMENDATION:	TO RECEIVE THE STATUTORY STATEMENT OF ACCOUNTS (SUBJECT TO AUDIT DRAFT) FOR INFORMATION
AUTHOR:	DEWI MORGAN, HEAD OF FINANCE
CABINET MEMBER:	COUNCILLOR HUW WYN JONES

1. INTRODUCTION

- 1.1 This report introduces the statutory Statement of Accounts for the 2024/25 financial year, which provides details of the Council's financial activities during the year which ended on 31 March 2025.
- 1.2 The following document is the draft Statement of Accounts in its statutory format, 90 pages long in each language.
- 1.3 The draft accounts presented here are currently subject to audit and a final version following audit will be submitted for approval at the 13 November 2025 meeting of the Governance and Audit Committee.
- 1.4 The basic form and content of these Statements is prescribed under the Accounts and Audit (Wales) Regulations 2014 (as amended), as well as other regulations and standards. Requirements under the Code of Practice on Local Authority Accounting are based on IFRS (International Financial Reporting Standards) and apply to the Council's Statement of Accounts for 2024/25. As the regulations require statements in a standard format, comparisons with other bodies' accounts is facilitated, but the statements have now become technically complex and difficult to understand.
- 1.5 A simple summary "outturn" report relating to the 2024/25 accounts was presented to the Cabinet meeting on 13 May 2025 and to the Governance and Audit Committee on 22 May 2025. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external / governance purposes.

2. ACTION REQUIRED

- 2.1 The Governance and Audit Committee are “those charged with governance” on behalf of the Council. However, the Statutory Finance Officer (the Head of Finance in Gwynedd Council) is responsible for approving and certifying the draft accounts.
- 2.2 There is no statutory requirement for elected members to approve the Council’s draft Statement of Accounts, but we consider that the submission of the draft statement to the Governance and Audit Committee for information is good practice to follow.
- 2.3 The Governance and Audit Committee members will need to approve the final version on 13 November 2025 following receipt of the Audit Wales report. The submission of the draft now is an opportunity for committee members to consider the content and ask financial officers about the content. This is an opportunity for members to equip themselves with relevant information to consider relevant risks, and other issues that will be subject to audit, in their context.

3. SUBSEQUENT STEPS

- 3.1 Further to certification by the Head of Finance and consideration by the Governance and Audit Committee, the 2024/25 Statement of Accounts, with all other relevant statements are the subject of the annual audit process by Audit Wales, Gwynedd Council’s external auditors, who were appointed by the Auditor General for Wales.
- 3.2 As noted in paragraph 1.3 (above), the final (audited) version of the Council’s 2024/25 Statement of Accounts will be submitted to the meeting of the Governance and Audit Committee on 13 November 2025 FOR APPROVAL, along with a report on behalf of the Auditor General for Wales.
- 3.3 Subsequently, it is the Finance Department’s intention to provide a link to the final Statement to all elected members and all chief officers of the Council, as well as to other interested parties.

4. RECOMMENDATION

- 4.1 The Governance and Audit Committee is asked to receive and note the Council’s Statement of Accounts (subject to audit) for 2024/25.

Cyngor Gwynedd

STATEMENT OF ACCOUNTS 2024/25

Subject to Audit

Finance Department
www.gwynedd.llyw.cymru



INDEX

	Page
Narrative Report	2 – 7
Statement of Responsibilities	8
Expenditure and Funding Analysis	9
Comprehensive Income and Expenditure Statement	10
Movement in Reserves Statement	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Accounts	14 – 88
Appendix A – The Welsh Church Fund	89
Appendix B – FMG Morgan Trust Fund	90
Glossary	91 – 92

NARRATIVE REPORT

Introduction

Cyngor Gwynedd's accounts for the year 2024/25 are presented here on pages 9 to 88.

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 2025.
- **Cash Flow Statement** - This statement summarises the flow of cash to and from the Council during 2024/25 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. The 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 projects for the next five years under seven priority areas:

- 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 Cyngor Gwynedd Plan for 2023-28.

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

The Full Council approved a review of the Cyngor Gwynedd Plan for 2024/25 at its meeting on 7 March 2024. The purpose of the review was to assess the achievements of the projects after a year of implementation as well as to ensure that the projects remain a priority for the Council. A copy of the review is available at [Cyngor-Gwynedd-Plan-2023-28-2024-25-Review.pdf](#)

Financial Strategy

The Council's Financial Strategy and 2024/25 Budget adopted by the Council at its meeting on 7 March 2024 sets out the foundation to achieve the priorities areas, 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>

In 2024/25 there was an increase in Cyngor Gwynedd's grant from the Welsh Government of 2.3%, which corresponds to an increase worth £5.1m in external funding. However, it was predicted that the Council's expenditure would need to be increased by £22.7m to "stand still" due to the demand on services as well as inflationary pressure remaining high. And so, it was necessary to introduce new savings and cuts, and raise the level of Council Tax in order to set a balanced budget.

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.

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 2024/25

- Pressure on Council services was apparent, with overspending of £6.7m at year end, mainly in adult and children care, and the service dealing with waste. Receipts of grants and under-spending on corporate budgets meant that the overspend position was funded and it was possible to transfer £1.5m to the Transformation Fund, to be used for the Council's priorities. The financial out-turn position for 2024/25 was reported to Cabinet at its meeting on 13 May 2025. Members of the Cabinet approved the net services overspend of £400k for the year.
- A shortfall of £8.3m was forecasted in the last budget revenue review, undertaken at the end of November 2024. Since then, the overspend position in the areas of children care and waste has increased, with improvements in the adults' care area following receipts of additional grants. The favourable position of many corporate budgets has also helped to alleviate the financial position of the Council by the end of the financial year.
- The Council received two additional grants from the Welsh Government, the first amounting to £2.1m to assist with wage pressures and the second of £2.6m in response to the additional pressures faced by the authorities during the year.
- At the end of the 2024/25 financial year, an overspend position is reported by 5 departments due to many factors. Substantial pressures continues in the areas of children and adult care and waste.
- The 2024/25 financial position was taken into consideration in the process of establishing the 2025/26 budget with bids being allocated to some of the overspending areas.
- The Comprehensive Income and Expenditure Statement on page 10 shows that the Council's gross

revenue expenditure on 'Cost of Services' level as £600m during 2024/25, with the net position as £327m.

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 £361m for 2024/25.

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	357,598	361,055	3,457
Departmental carry forward at year-end	0	(400)	(400)
	357,598	360,655	3,057
Financed by -			
Council Tax Income	(124,282)	(127,339)	(3,057)
Share of National Non-Domestic Rate	(43,364)	(43,364)	0
General Government Grants	(189,952)	(189,952)	0
Contribution from the General Fund Balance	0	0	0
	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) £'000	Transposition Adjustment £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Income & Expenditure Statement £'000
Education	112,300	(329)	111,971	5,849	117,820
Corporate Services	8,235	(8)	8,227	(143)	8,084
Finance	8,482	(42)	8,440	1,492	9,932
Economy and Community	4,908	(1,077)	3,831	2,875	6,706
Adults, Health and Well-being	81,264	90	81,354	(180)	81,174
Children and Family Support	27,096	(86)	27,010	(161)	26,849
Highways, Engineering and YGC *	18,056	(4,343)	13,713	4,376	18,089
Environment	18,176	985	19,161	4,183	23,344
Housing and Property	9,369	863	10,232	5,328	15,560
Corporate Management Team and Legal	2,655	334	2,989	(42)	2,947
Corporate	17,720	(5,085)	12,635	3,362	15,997
Cost of Services	308,261	(8,698)	299,563	26,939	326,502
Other (Contains Centralised and Corporate Adjustment)	52,394	8,698	61,092	(26,939)	34,153
Total	360,655	0	360,655	0	360,655

* 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:

- (£1m) 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), the net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £40m (Note 23.1) and the revaluation and impairment cost to the Services is £4m (Note 15).

• Other Issues

- Economic instability and financial risks continue in the UK and globally, especially considering the new tariffs between the USA and the rest of the world. The Office for Budget Responsibility predict increases in inflation and energy rates and a decrease in interest rates in their report 'Economic and Fiscal Outlook' dated March 2025. The Council has taken these circumstances into account in its financial plans, maintaining 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.

- As a result of Central Government schemes including the Levelling Up Funds, significant grants have been received during 2024/25, which has contributed to the significant increase in revenue expenditure funded from capital under statute, which is £41m (Note 34), whilst the associated grant income to fund such expenditure is (£38m) (Note 32).
- The depreciation value of the Council's assets is £21m (Note 15).

Capital Expenditure in 2024/25

Capital expenditure for 2024/25 amounted to £85.2m. The following table gives an analysis of this expenditure and the way it was financed.

TABLE 3 - SUMMARY OF CAPITAL EXPENDITURE AND FINANCING

2023/24		2024/25
£'000		£'000
12,972	Education	12,086
5,084	Environment	7,516
0	Corporate Services	87
716	Finance	1,451
18,551	Economy and Community	40,298
10,319	Housing and Property	12,386
382	Adults, Health and Wellbeing	468
1,131	Children and Family Support	2,402
7,717	Highways, Engineering and Gwynedd Consultancy	8,489
39	Chief Executive	0
56,911		85,183
	FINANCED BY -	
8,108	Borrowing	7,113
37,224	Grants and Contributions	66,547
250	Capital Receipts	43
11,329	Revenue and Other Funds	11,480
56,911		85,183

- Revenue Expenditure Funded from Capital Under Statute of £40.8m 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 £45.4m as shown in Notes 15 and 20.
- The Council's Loan Debt at 31 March 2025 was £94.6m – a decrease of £5.4m (from £100m) during the year. A new loan of £0.2m was taken out and repayments of £5.6m 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 provisions of £8.9m, earmarked reserves of £110.8m and school balances of £8.3m. In total, these amounted to £135.9m. 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 £1.3m of resources, which Cabinet (at its meeting on 13 May 2025) approved its transfer to the Transformation Fund to fund the Council's priorities.

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 2025. 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 accounts are based on the valuation held on 31 March 2022, the accounts for the financial year 2026/27 onwards will be based on the valuation held on 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 2024/25 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 2024/25 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
Trysorydd@gwynedd.llyw.cymru

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.

Accessibility Statement

We are aware that, owing to the nature and format of the disclosures that are required to be included in this document, not all of the tables are fully compatible with accessibility standards. Should you have any questions regarding this statement of accounts or require any of the tables or disclosures to be provided in a more accessible format please contact Trysorydd@gwynedd.llyw.cymru.

CYNGOR GWYNEDD

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

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

THE HEAD OF FINANCE'S RESPONSIBILITIES

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

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

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

RESPONSIBLE FINANCIAL OFFICER'S CERTIFICATE

I certify that the Statement of Accounts has been prepared in accordance with the arrangements set out above, and presents a true and fair view of the financial position of Cyngor Gwynedd at 31 March 2025 and the Council's income and expenditure for the year then ended.



Dewi Aeron Morgan CIPFA
Head of Finance, Cyngor Gwynedd

30 June 2025

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						
2023/24				2024/25		
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
109,151	6,244	115,395	Education	111,971	5,849	117,820
8,099	28	8,127	Corporate Services	8,227	(143)	8,084
7,254	1,612	8,866	Finance	8,440	1,492	9,932
3,803	3,951	7,754	Economy and Community	3,831	2,875	6,706
76,499	289	76,788	Adults, Health and Well-being	81,354	(180)	81,174
24,423	146	24,569	Children and Family Support	27,010	(161)	26,849
17,407	5,211	22,618	Highways, Engineering and YGC *	13,713	4,376	18,089
18,883	4,046	22,929	Environment	19,161	4,183	23,344
10,835	4,793	15,628	Housing and Property	10,232	5,328	15,560
2,711	(10)	2,701	Corporate Management Team and Legal	2,989	(42)	2,947
16,924	3,656	20,580	Corporate	12,635	3,362	15,997
295,989	29,966	325,955	Cost of Services	299,563	26,939	326,502
30,830	4	30,834	Other Operating Expenditure	32,335	(173)	32,162
18,468	(16,768)	1,700	Financing and Investment Income and Expenditure	20,059	(16,682)	3,377
(340,184)	(20,629)	(360,813)	Taxation and Non-specific Grant Income	(360,655)	(29,178)	(389,833)
5,103	(7,427)	(2,324)	(Surplus)/Deficit on Provision of Services	(8,698)	(19,094)	(27,792)
(123,400)			Opening General Fund Balance	(118,297)		
5,103			(Surplus)/Deficit on General Fund in year	(8,698)		
(118,297)			Closing General Fund Balance	(126,995)		

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

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.

2023/24					2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
147,388	(31,993)	115,395	Education		154,763	(36,943)	117,820
9,035	(908)	8,127	Corporate Services		9,167	(1,083)	8,084
12,766	(3,900)	8,866	Finance		13,446	(3,514)	9,932
60,662	(52,908)	7,754	Economy and Community		109,220	(102,514)	6,706
107,514	(30,726)	76,788	Adults, Health and Well-being		114,163	(32,989)	81,174
37,184	(12,615)	24,569	Children and Family Support		38,410	(11,561)	26,849
40,775	(18,157)	22,618	Highways, Engineering and YGC *		41,856	(23,767)	18,089
40,431	(17,502)	22,929	Environment		41,702	(18,358)	23,344
29,455	(13,827)	15,628	Housing and Property		28,546	(12,986)	15,560
3,615	(914)	2,701	Corporate Management Team and Legal		4,488	(1,541)	2,947
44,871	(24,291)	20,580	Corporate		44,237	(28,240)	15,997
533,696	(207,741)	325,955	Cost of Services		599,998	(273,496)	326,502
30,834	0	30,834	Other Operating Expenditure	11	32,335	(173)	32,162
5,774	(4,074)	1,700	Financing and Investment Income and Expenditure	12	6,250	(2,873)	3,377
0	(360,813)	(360,813)	Taxation and Non-specific Grant Income	13	0	(389,833)	(389,833)
570,304	(572,628)	(2,324)	(Surplus)/Deficit on Provision of Services		638,583	(666,375)	(27,792)
		(13,652)	(Surplus)/Deficit on revaluation of Fixed Assets	23.1			(40,307)
		69	(Surplus)/Deficit on revaluation of Financial Instruments	23.3			(276)
		23,491	Remeasurements of the net pension defined benefit liability/(asset)	23.5			1,083
		9,908	Other Comprehensive (Income) and Expenditure				(39,500)
		7,584	Total Comprehensive (Income) and Expenditure				(67,292)

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

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.

	Note	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 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	9	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	10	(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)
Movement in reserves during 2024/25										
Total Comprehensive Income and Expenditure		(27,792)	0	0	(27,792)	0	0	(27,792)	(39,500)	(67,292)
Adjustments between accounting basis and funding basis under regulations	9	19,094	0	0	19,094	(286)	(320)	18,488	(18,488)	0
(Increase)/Decrease in 2024/25		(8,698)	0	0	(8,698)	(286)	(320)	(9,304)	(57,988)	(67,292)
Transfers to/from Earmarked Reserves	10	8,698	(8,958)	260	0	0	0	0	0	0
(Increase)/Decrease in 2024/25 (showing transfers to Earmarked Reserves)		0	(8,958)	260	(8,698)	(286)	(320)	(9,304)	(57,988)	(67,292)
Balance 31 March 2025 carried forward		(7,912)	(110,801)	(8,282)	(126,995)	(2,606)	(8,059)	(137,660)	(455,040)	(592,700)

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 2024	Note	31 March 2025
£'000		£'000
596,761 Property, Plant and Equipment	15	661,220
60 Heritage Assets		60
165 Investment Property	16	165
2,133 Surplus Assets	15	2,086
17 Long-Term Investments	17	17
5,930 Long-Term Debtors	17&18	6,861
605,066 Long-Term Assets		670,409
97,568 Short-Term Investments	17	86,873
0 Assets Held for Sale	20	217
1,589 Inventories		1,469
121,201 Short-Term Debtors	18	114,339
43,939 Cash and Cash Equivalents	19	66,022
264,297 Current Assets		268,920
(8,591) Bank Overdraft	19	(4,873)
(6,033) Short-Term Borrowing	17	(4,441)
(177,868) Short-Term Creditors	21	(206,675)
(346) Short-Term Provisions	22	(342)
(25,437) Capital and Revenue Grants Receipts in Advance	32	(8,759)
(218,275) Current Liabilities		(225,090)
(8,703) Long-Term Provisions	22	(8,607)
(94,006) Long-Term Borrowing	17	(90,138)
(17,248) Pension Liability	38	(15,224)
(793) Finance Leases Liability	35	(4,655)
(4,930) Capital and Revenue Grants Receipts in Advance	32	(2,915)
(125,680) Long-Term Liabilities		(121,539)
525,408 Net Assets		592,700
(128,356) Usable Reserves		(137,660)
(397,052) Unusable Reserves	23	(455,040)
(525,408) Total Reserves		(592,700)

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.

2023/24		Note	2024/25
£'000			£'000
(2,324)	Net (Surplus)/Deficit on Provision of Services		(27,792)
(32,816)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	24a	(44,579)
285	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24b	468
(34,855)	Net Cash Flows from Operating Activities		(71,903)
44,136	Investing Activities	25	45,137
1,365	Financing Activities	26a	965
10,646	Net (increase)/decrease in cash and cash equivalents		(25,801)
(45,994)	Cash and cash equivalents at the beginning of the reporting period		(35,348)
(35,348)	Cash and cash equivalents at the end of the reporting period	19	(61,149)

NOTES TO THE ACCOUNTS

NOTE I – ACCOUNTING POLICIES

I.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. 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 2024/25* 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 lines 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 1 – ACCOUNTING POLICIES (continued)

Liabilities are discounted to their value at current prices, using a discount rate of 5.80% 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. The asset ceiling calculation is relative to funded obligations. Any unfunded obligations are added to the Net position once the asset ceiling adjustment has been applied.
- Contributions paid to the Gwynedd Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities not accounted for as an expense.

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

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

NOTE 1 – ACCOUNTING POLICIES (continued)

1.6.5 Discretionary Benefits

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

1.7 Events After the Reporting Period

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

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

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

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

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

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

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

1.9 Financial Instruments

Financial Liabilities

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

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

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

Financial Assets

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

- amortised cost, and

NOTE I – ACCOUNTING POLICIES (continued)

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

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

Financial Assets Measured at Fair Value Through Other Comprehensive Income

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

Financial Assets Measured at Fair Value through Profit and Loss

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

Fair Value Measurements of Financial Assets

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

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

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

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

1.10 Government Grants and Other Contributions

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

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

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

1.11 Heritage Assets

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

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

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

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

1.12 Inventories and Long-Term Contracts

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

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

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

NOTE I – ACCOUNTING POLICIES (continued)

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

The Council classifies contracts as leases based on their substance – analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all of the economic benefits or service potential from that asset and to direct its use. 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.

Following the adoption of IFRS16, leases have been reclassified as Right of Use Assets on the Balance Sheet with a matching liability for the lease obligations. The asset is depreciated straight line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

However, any leases for low value items, deemed by the Council to be below £10,000, or for a term shorter than 12 months are excluded from being reclassified and as such are treated as Operating leases where 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.

NOTE I – ACCOUNTING POLICIES (continued)

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.

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 2024/25 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:

NOTE I – ACCOUNTING POLICIES (continued)

- (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.

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 2024/25: 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 2024/25 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.

NOTE I – ACCOUNTING POLICIES (continued)

If it is not clear whether an event has taken 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.

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.

NOTE I – ACCOUNTING POLICIES (continued)

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

accordance with their Governance Agreement.

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.

NOTE 1 – ACCOUNTING POLICIES (continued)

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' 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 2024/25 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 2024/25 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

NOTE 3 – PRIOR PERIOD ADJUSTMENTS

There is no prior period adjustment applicable to the 2024/25 accounts.

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 2025/26 Code:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

The Code requires implementation from 1 April 2025 and therefore there is no impact on the 2024/25 Statement of Accounts. It is not anticipated that the other items above will have a significant impact on the information provided in the 2025/26 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 although inflation and interest rates have reduced, 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 2025 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 inflation and interest rates have now reduced and 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.	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 2025, the Council had a net short-term debtors balance of £107m (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:

- (£1m) 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), the net surplus arising from the fixed asset revaluation to the Revaluation Reserve is £40m (Note 23.1) and the revaluation and impairment cost to the Services is £4m (Note 15).
- 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.
- As a result of Central Government schemes including the Levelling Up Funds, significant grants have been received during 2024/25, which has contributed to the significant increase in revenue expenditure funded from capital under statute, which is £41m (Note 34), whilst the associated grant income to fund such expenditure is (£38m) (within Note 32).
- The depreciation value of the Council's assets is £21m (Note 15).

NOTE 8 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

<u>2024/25</u>	<u>ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</u>				
	Adjustments for Capital Purposes (i)	Net change for the Pensions Adjustments (ii)	Other Differences (iii)	Total Statutory Adjustments	Other (Non-statutory) Adjustments (iv)
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	£'000	£'000	£'000	£'000	£'000
Education	7,688	(1,839)	0	5,849	0
Corporate Services	28	(171)	0	(143)	0
Finance	1,704	(212)	0	1,492	0
Economy and Community	3,032	(157)	0	2,875	0
Adults, Health and Well-being	474	(576)	0	(102)	(78)
Children and Family Support	83	(244)	0	(161)	0
Highways, Engineering and YGC *	4,937	(561)	0	4,376	0
Environment	4,445	(262)	0	4,183	0
Housing and Property	5,478	(150)	0	5,328	0
Corporate Management Team and Legal	8	(50)	0	(42)	0
Corporate	0	361	2,865	3,226	136
Cost of Services	27,877	(3,861)	2,865	26,881	58
Other Operating Expenditure	(173)	0	0	(173)	0
Financing and Investment Income and Expenditure	(17,171)	754	(207)	(16,624)	(58)
Taxation and non-specific grant income	(29,178)	0	0	(29,178)	0
(Surplus)/Deficit on Provision of Services	(18,645)	(3,107)	2,658	(19,094)	0

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

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

<u>2023/24</u>	<u>ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</u>					
	Adjustments for Capital Purposes (i)	Net change for the Pensions Adjustments (ii)	Other Differences (iii)	Total Statutory Adjustments	Other (Non-statutory) Adjustments (iv)	Total Adjustments
Adjustments 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 Services	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.

(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.

2024/25	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)	3,106	0	0	(3,106)
Financial instruments (transferred to the Financial Instruments Adjustments Account)	51	0	0	(51)
Holiday pay (transferred to (or from) the Accumulated Absences Reserve)	(2,571)	0	0	2,571
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)	1,475	0	0	(1,475)
Total Adjustments to Revenue Resources	2,061	0	0	(2,061)
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	(138)	(329)	0	467
Revenue provision for the financing of supported capital investment	3,456	0	0	(3,456)
Revenue provision for the financing of unsupported capital investment	2,235	0	0	(2,235)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	11,480	0	0	(11,480)
Total Adjustments between Revenue and Capital Resources	17,033	(329)	0	(16,704)
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	0	43	0	(43)
Application of capital grants to finance capital expenditure	0	0	(320)	320
Cash payments in relation to deferred capital receipts	0	0	0	0
Total Adjustments to Capital Resources	0	43	(320)	277
TOTAL ADJUSTMENTS	19,094	(286)	(320)	(18,488)

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

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 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 £260k as compared to the balance on 31 March 2024:

2024/25	Balance	Transfers			Balance
	31 March 2024 £'000	between reserves £'000	in £'000	out £'000	31 March 2025 £'000
School Balances	8,542	0	1,219	(1,479)	8,282
Total	8,542	0	1,219	(1,479)	8,282

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 2024/25, with a net increase of £9.0m since the position at 31 March 2024.

2024/25		Balance	Transfers			Balance
		31 March	between reserves	in	out	31 March
Note		2024				2025
		£'000	£'000	£'000	£'000	£'000
10.1	Renewals Reserves	5,675	0	3,574	(5,279)	3,970
10.2	Schools Digital Strategy Renewal Reserve	2,000	0	0	0	2,000
10.3	Capital Reserves	26,464	(327)	207	461	26,805
10.4	Insurance Reserves	1,426	0	891	(1,018)	1,299
10.5	Service Fund	3,718	(473)	507	(1,147)	2,605
10.6	Convergence Programme Fund	429	53	0	(6)	476
10.7	Redundancy Costs to Realise Savings Reserve	2,101	0	0	(288)	1,813
10.8	Central Training	921	1,640	0	(498)	2,063
10.9	Education Services Reserves	4,242	(785)	794	(208)	4,043
10.10	Economy and Community Reserves	678	0	398	(564)	512
10.11	Highways, Engineering and YGC	284	0	4,489	(595)	4,178
10.12	Environment Reserves	614	0	1,881	(1,453)	1,042
10.13	Housing and Property Reserves	365	0	1,618	(329)	1,654
10.14	Care Reserves	768	0	179	(248)	699
10.15	Business Transformation Funds	941	(37)	0	(73)	831
10.16	Invest to Save Fund – Carbon Reduction Plan	564	0	0	0	564
10.17	Transformation / Council Plan	11,153	2,380	1,595	(3,564)	11,564
10.18	Committed Revenue Grant Fund	1,532	110	325	(397)	1,570
10.19	Housing Water and Sewerage Service Fund	27	227	0	(160)	94
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	15,148	(2,500)	6,276	0	18,924
10.23	Partnering Arrangements	136	(35)	3	(24)	80
10.24	North Wales Economic Ambition Board	652	0	350	(24)	978
10.25	Council Tax Premium Reserve	17,201	0	6,000	(5,784)	17,417
10.26	Digital Strategy Fund	786	0	0	(116)	670
10.27	Shared Prosperity Scheme Fund	1,722	0	2,244	(1,175)	2,791
10.28	Various Other Reserves	895	(253)	180	(64)	758
Total		101,843	0	31,511	(22,553)	110,801

The earmarked reserves closing balance as at 31 March 2025 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 area, 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 Partnering Arrangements – includes amounts allocated in relation to various requirements of partnerships and joint working.
- 10.24 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).
- 10.25 Council Tax Premium Reserve – provision from the Council Tax Premium for achieving the Council’s priorities which includes the Housing Strategy.
- 10.26 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.
- 10.27 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.
- 10.28 Various Other Reserves – includes amounts set aside to meet a variety of other commitments.

NOTE 11 – OTHER OPERATING EXPENDITURE

2023/24		2024/25
£'000		£'000
	Precepts	
18,714	North Wales Police & Crime Commissioner	19,619
2,895	Community Councils	3,116
21,609		22,735
	Levies	
7,914	North Wales Fire Authority	8,295
1,059	Eryri National Park Authority	1,059
122	Local Drainage Boards	125
126	North Wales Corporate Joint Committee	121
9,221		9,600
4	(Gains)/losses on the disposal and de-recognition of non-current assets	(173)
30,834	Total	32,162

NOTE 12 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023/24		2024/25
£'000		£'000
5,528	Interest payable and similar charges	5,554
(231)	Net interest on the net pension defined benefit liability (asset)	754
(3,831)	Interest receivable and similar income	(2,872)
246	Adjustments to provisions	(58)
(12)	Adjustments to the fair value of financial instruments	(1)
1,700	Total	3,377

* 2023/24 figures have been re-categorised to ensure comparison with 2024/25.

NOTE 13 – TAXATION AND NON-SPECIFIC GRANT INCOME

2023/24		Note	2024/25
£'000			£'000
(112,148)	Council Tax Income	13a	(127,339)
(39,172)	Non-Domestic Rates	13b	(43,364)
(188,864)	Non-ring-fenced Government Grants	32	(189,952)
(20,629)	Capital Grants and Contributions	32	(29,178)
(360,813)	Total		(389,833)

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 2024/25 was calculated as follows:

CALCULATION OF THE COUNCIL TAX BASE FOR 2024/25			
Valuation Bands	Number of Properties following discounts and premiums	Statutory Multiplier	Equivalent Band D properties
A*	7	5/9	4.03
A	8,105	6/9	5,403.46
B	14,193	7/9	11,039.04
C	11,806	8/9	10,494.32
D	10,534	1	10,534.15
E	8,244	11/9	10,076.12
F	4,227	13/9	6,105.67
G	1,394	15/9	2,323.34
H	255	18/9	509.50
I	80	21/9	185.50
Total			56,675.13
Council Tax base after allowing for losses on collection			56,109.27

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

2023/24		2024/25
£'000		£'000
(112,870)	Council Tax raised	(128,161)
722	Less Increase in the impairment allowance for non-collection	822
(112,148)		(127,339)

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 (56.2p in 2024/25) 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 2024/25 financial year there were 9,020 properties on the local valuation list in Gwynedd, representing a rateable value of £115,003,696.

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

2023/24		2024/25
£'000		£'000
(38,662)	National Non-domestic Rate raised	(45,165)
482	Cost of Collection allowance	480
441	Provision for Bad Debts	472
28	Interest	87
37,711	Sum paid to the National Pool	44,126
0		0
(39,172)	Receipts from the National Pool	(43,364)
(39,172)	Net Income from Non-Domestic Rates	(43,364)

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 2024/25, therefore an accumulated loss over a period of three years is reported.

2024/25	£'000
Total charges income received (excluding VAT)	(383)
Total charges expenditure incurred	431
(Surplus)/Deficit for 2024/25	48
(Surplus)/Deficit for 2023/24	36
(Surplus)/Deficit for 2022/23	135
(Surplus)/Deficit for the last three years	219

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Movements on Property, Plant and Equipment Balances

Movements in 2024/25:

	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets under Construction	Right of Use Assets	Total Property, Plant and Equipment
Value	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1.04.24	402,362	47,908	384	2,132	4,873	4,482	462,141
Additions	21,160	10,846	0	119	1,098	824	34,047
Sales	(1,041)	(6,062)	0	0	0	0	(7,103)
Transfers	4,809	0	0	(153)	(4,873)	0	(217)
Revaluation - to Revaluation Reserve	28,472	0	0	26	0	0	28,498
Revaluation - to Services	(1,506)	0	0	(39)	0	0	(1,545)
Balance at 31.03.25	454,256	52,692	384	2,085	1,098	5,306	515,821
Depreciation							
Balance at 1.04.24	1,856	24,752	(1)	(1)	0	0	26,606
Depreciation in year	7,882	5,566	7	13	0	640	14,108
Sales	0	(5,977)	0	0	0	0	(5,977)
Transfers	0	0	0	0	0	0	0
Revaluation	(7,749)	0	0	(13)	0	0	(7,762)
Balance at 31.03.25	1,989	24,341	6	(1)	0	640	26,975
Impairment							
Balance at 1.04.24	13,003	20	1	0	98	0	13,122
Impairment in year - to Revaluation Reserve	282	0	0	2	0	0	284
Impairment in year - to Services	2,733	0	0	1	0	0	2,734
Sales	(832)	0	0	0	0	0	(832)
Transfers	98	0	0	0	(98)	0	0
Revaluation	(4,329)	0	0	(3)	0	0	(4,332)
Balance at 31.03.25	10,955	20	1	0	0	0	10,976
Net Book Value	441,312	28,331	377	2,086	1,098	4,666	477,870
31 March 2025							
Net Book Value	387,503	23,136	384	2,133	4,775	4,482	422,413
1 April 2024							

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Comparative Movements in 2023/24:

	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
Value	£'000	£'000	£'000	£'000	£'000	£'000
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)

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.

Following the adoption of IFRS16, leases have been reclassified as Right of Use Assets unless exempt and are included as part of the Property, Plant and Equipment total. The asset is depreciated straight line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption (see Note 1.14).

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.

	2023/24	2024/25
	£'000	£'000
Net Book Value at 1 April	176,746	180,963
Additions	10,852	11,380
Derecognition	0	0
Depreciation	(6,635)	(6,907)
Net Book Value at 31 March	180,963	185,436

Net Book Value - Property, Plant and Equipment Assets

	2023/24	2024/25
Property, Plant and Equipment Assets	£'000	£'000
Infrastructure	180,963	185,436
Other PPE Assets	417,931	477,870
Total Net at 31 March	598,894	663,306

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Capital Commitments

Significant commitments (over £200k) under capital contracts at 31 March 2025 were as follows:

	Sum	Payments to date	Balance
	£'000	£'000	£'000
Barmouth Viaduct Gardens	3,222	515	2,707
Ysgol Our Lady's, Bangor	7,248	1,248	6,000
Ysgol Bontnewydd	601	220	381
Old Library site at Llanberis, Capel Coch Road	884	175	709
Bangor Crematorium	1,198	228	970
Development at Coed Mawr Bangor	2,819	50	2,769
NatWest Bank Site, Caernarfon	331	110	221
Flood Alleviation, Cadnant River	491	203	288
Mona Building, Caernarfon	258	36	222
Ysgol Hiracl	484	86	398
Ysgol Uwchradd Tywyn	853	23	830

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:

	2023/24	2024/25
	£'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:

	2023/24	2024/25
	£'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
- lease payables 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	31 March	31 March	31 March
	2024	2025	2024	2025
	£'000	£'000	£'000	£'000
<i>Loans at amortised cost:</i>				
Principal sum borrowed	94,006	90,138	5,589	4,018
Accrued interest	0	0	444	423
Total Borrowing	94,006	90,138	6,033	4,441
<i>Loans at amortised cost:</i>				
Bank overdraft	0	0	8,591	4,873
Total Cash Overdrawn	0	0	8,591	4,873
<i>Liabilities at amortised cost:</i>				
Leases	793	4,655	0	0
Total Other Long-Term Liabilities	793	4,655	0	0
<i>Liabilities at amortised cost:</i>				
Trade payables	0	0	48,524	62,059
Leases	0	0	204	837
Included in Creditors *	0	0	48,728	62,896
Total Financial Liabilities	94,799	94,793	63,352	72,210

* The short-term creditors line on the Balance Sheet includes £143,779,000 (2023/24: £129,344,000) 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
	2024	2025	2024	2025
	£'000	£'000	£'000	£'000
<i>At amortised cost:</i>				
Principal	17	17	85,000	74,955
Accrued interest	0	0	984	57
Loss allowance	0	0	(2)	(1)
<i>At fair value through other comprehensive income:</i>				
Equity investments elected FVOCI	0	0	11,586	11,862
Total Investments	17	17	97,568	86,873
<i>At amortised cost:</i>				
Principal	0	0	921	1,007
Accrued interest	0	0	18	15
Loss allowance	0	0	0	0
<i>At fair value through profit and loss:</i>				
Fair value	0	0	43,000	65,000
Total Cash and Cash Equivalents	0	0	43,939	66,022
<i>At amortised cost:</i>				
Trade receivables	5,930	6,861	21,531	28,527
Included in Debtors *	5,930	6,861	21,531	28,527
Total Financial Assets	5,947	6,878	163,038	181,422

* The short-term debtors line on the Balance Sheet includes £85,812,000 (2023/24: £99,670,000) 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 2024/25 Code of Practice sets out specific accounting and disclosure requirements for soft loans. During 2024/25 Cyngor Gwynedd identified the following “soft loans”:

- Deferred Payments on charges due from people under care (amount outstanding at 31.03.25 £3,387,152, 31.03.24 £3,134,453)
- Car and Bike Loans to employees (amount outstanding at 31.03.25 £1,369,926, 31.03.24 £992,361)

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	2023/24	2024/25
	2024	2025	2023/24	2024/25
	£'000	£'000	£'000	£'000
CCLA LAMIT Property Fund	4,157	4,237	215	215
Ninety One Diversified Income Fund	1,114	1,111	52	56
Schroder Income Maximiser Fund	3,144	3,360	195	233
Aegon Diversified Monthly Income Fund	1,161	1,152	78	64
Payden Absolute Return Bond Fund	2,010	2,002	68	121
TOTAL	11,586	11,862	608	689

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 2024			31 March 2025		
	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	55,542	(55,542)	0	36,469	(36,469)	0
Total Financial Assets	55,542	(55,542)	0	36,469	(36,469)	0
Bank overdraft	(64,133)	55,542	(8,591)	(41,342)	36,469	(4,873)
Total Financial Liabilities	(64,133)	55,542	(8,591)	(41,342)	36,469	(4,873)

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		2024/25	2023/24
	Amortised Cost	Amortised Cost	Elected to Fair Value through OCI	Fair Value through Profit & Loss	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest expense	5,554	0	0	0	5,554	5,528
Interest payable and similar charges	5,554	0	0	0	5,554	5,528
Interest income	0	(1,543)	0	0	(1,543)	(2,210)
Dividend income	0	0	(689)	(640)	(1,329)	(1,621)
Interest and investment income	0	(1,543)	(689)	(640)	(2,872)	(3,831)
Loss allowance	0	(59)	0	0	(59)	234
Adjustments to provisions and the fair value of financial instruments	0	(59)	0	0	(59)	234
Net impact on surplus/deficit on provision of services	5,554	(1,602)	(689)	(640)	2,623	1,931
Gains on revaluation	0	0	(296)	0	(296)	(105)
Losses on revaluation	0	0	20	0	20	174
Impact on other comprehensive income	0	0	(276)	0	(276)	69
Net (gain)/loss for the year	5,554	(1,602)	(965)	(640)	2,347	2,000

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 2025, 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.
- 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 2024 £'000	Fair Value 31 March 2024 £'000	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 £'000
<i>Financial liabilities held at amortised cost:</i>					
Loans from PWLB	2	(82,449)	(91,256)	(77,126)	(79,168)
Other loans	2	(17,590)	(16,048)	(17,453)	(13,347)
TOTAL		(100,039)	(108,342)	(94,579)	(92,515)
Liabilities for which fair value is not disclosed *		(58,112)		(72,424)	
TOTAL FINANCIAL LIABILITIES		(158,151)		(167,003)	
<i>Recorded on Balance Sheet as:</i>					
Short-term creditors		(48,524)		(62,059)	
Short-term borrowing		(6,033)		(4,441)	
Short-term cash overdrawn		(8,591)		(4,873)	
Short-term leases		(204)		(837)	
Long-term borrowing		(94,006)		(90,138)	
Long-term leases		(793)		(4,655)	
TOTAL FINANCIAL LIABILITIES		(158,151)		(167,003)	

* 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 disclosures of leases are no longer required from 2024/25 due to IFRS16 and therefore the 2023/24 comparatives figures include leases.

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 2024 £'000	Fair Value 31 March 2024 £'000	Balance Sheet 31 March 2025 £'000	Fair Value 31 March 2025 £'000
<i>Financial assets held at fair value:</i>					
Money market funds	1	43,000	43,000	65,000	65,000
Bond, equity and diversified funds	1	7,429	7,429	7,625	7,625
Property funds	2	4,157	4,157	4,237	4,237
<i>Financial assets held at amortised cost:</i>					
Treasury Stock	1	17	17	17	17
TOTAL		54,603	54,603	76,879	76,879
Assets for which fair values are not disclosed *		114,382		111,421	
TOTAL FINANCIAL ASSETS		168,985		188,300	
<i>Recorded on Balance Sheet as:</i>					
Long-term debtors		5,930		6,861	
Long-term investments		17		17	
Short-term debtors		21,531		28,527	
Short-term investments		97,568		86,873	
Cash and cash equivalents		43,939		66,022	
TOTAL FINANCIAL ASSETS		168,985		188,300	

* 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 2024/25 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
	2024	2025
	£'000	£'000
AAA (Money Market Funds)	43,000	65,000
AA+	0	0
AA	0	0
AA-	0	0
A+	910	1,000
A	5,000	5,000
A-	0	0
UK Government	0	44,955
Local authorities	80,000	25,000
Total (Principal)	128,910	140,955
Pooled funds *	11,586	11,862
Total Investments	140,496	152,817

* 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 52% (2023/24: 86%) 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 2025, £1,231 (£2,008 at 31 March 2024) 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 2025, the loss allowance was £1,051 (£1,159 at 31 March 2024).

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
2024		2025
£'000		£'000
8,879	Less than a year	11,530
2,743	Over a year	2,559
11,622		14,089

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 £66.0m (2023/24: £43.9m) 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):

	Discounted (principal plus accrued interest)	Undiscounted (principal plus future interest)	Discounted (principal plus accrued interest)	Undiscounted (principal plus future interest)
Time to maturity (years)	31 March 2024	31 March 2024	31 March 2025	31 March 2025
	£'000	£'000	£'000	£'000
Less than 1 year	6,048	10,877	4,456	8,995
Over 1 but not over 2	4,018	8,995	4,551	9,361
Over 2 but not over 5	5,836	19,728	2,858	16,407
Over 5 but not over 10	25,136	46,496	23,713	43,925
Over 10 but not over 20	15,464	45,002	15,464	44,294
Over 20 but not over 40	27,352	66,289	27,352	64,362
Over 40	16,200	26,113	16,200	25,429
Total	100,054	223,500	94,594	212,773

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 2024 £'000	31 March 2025 £'000
Increase in interest receivable on variable rate investments	(444)	(636)
Decrease in fair value of investments held at FVPL	57	83
Impact on Surplus or Deficit on the Provision of Services	(387)	(553)
Decrease in fair value of investments held at FVOCI	52	66
Impact on Other Comprehensive Income and Expenditure	52	66
Decrease in fair value of loans and investments at amortised cost *	123	35
Decrease in fair value of fixed rate borrowing *	(10,999)	(8,738)

* 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 units in pooled bond funds are governed by prevailing interest rates, and the price 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 £20m. A 5% fall in commercial property prices at 31 March 2025 would result in a £0.17m (£0.18m at 31 March 2024) charge to Other Comprehensive Income and Expenditure.

The Council's investment in pooled equity funds is subject to the risk of falling share prices. This risk is limited by the Council's maximum exposure to pooled investments of £20m. A 5% fall in share prices at 31 March 2025 would result in a £0.20m (£0.19m at 31 March 2024) 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 2024		31 March 2025
£'000		£'000
19,667	Trade receivables	26,249
5,235	Prepayments	4,358
102,229	Other receivable amounts	90,593
127,131	Total	121,200

The 'Other receivable amounts' figures include long-term debtors of £6,861k, (£5,930k in 2023/24). 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 2024		31 March 2025
£'000		£'000
4,826	Less than one year	7,212
3,809	More than one year	6,768
8,635	Total	13,980

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 2024	31 March 2025
	£'000	£'000
Cash in Hand	7	7
Bank Current Accounts	4	0
Call Accounts	43,928	66,015
Cash and Cash Equivalents	43,939	66,022
Bank Overdraft	(8,591)	(4,873)
Total	35,348	61,149

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 2025 of £53.9m to the NWEAB (£58.9m at 31 March 2024), £605k to the GwE Joint Committee (£2.1m at 31 March 2024) and £35.4m to the Gwynedd Pension Fund (£31.2m at 31 March 2024).

NOTE 20 – ASSETS HELD FOR SALE

	2023/24 £'000	2024/25 £'000
Balance 1 April	47	0
<u>Assets newly classified as held for sale:</u>		
Property, Plant and Equipment	0	217
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	(47)	0
Balance 31 March	0	217

NOTE 21 – SHORT-TERM CREDITORS

	31 March 2024 £'000	31 March 2025 £'000
Trade payables	48,524	62,896
Other payables	129,344	143,779
Total	177,868	206,675

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 related items is reviewed periodically.

	Balance at 31 March 2024 £'000	(Addition) / Reduction / Transfer £'000	Used during the year £'000	Balance at 31 March 2025 £'000
<u>Short-term Provisions</u>				
Waste Sites Provision	(345)	(336)	340	(341)
Loan Commitments	(1)	0	0	(1)
	(346)	(336)	340	(342)
<u>Long-term Provisions</u>				
Waste Sites Provision	(7,635)	498	0	(7,137)
Insurance Claims Provision	(728)	(383)	0	(1,111)
Salary Provision	(340)	(19)	0	(359)
	(8,703)	96	0	(8,607)
Total	(9,049)	(240)	340	(8,949)

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 2024		31 March 2025
£'000		£'000
177,504	Revaluation Reserve	214,538
248,102	Capital Adjustment Account	269,278
(1,414)	Financial Instruments Revaluation Reserve	(1,138)
(625)	Financial Instruments Adjustment Account	(574)
(17,248)	Pensions Reserve	(15,224)
(9,267)	Accumulated Absences Account	(11,839)
397,052	Total Unusable Reserves	455,041

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.

2023/24		2024/25
£'000		£'000
167,073	Balance 1 April	177,504
25,641	Upward revaluation of assets	46,598
(11,989)	Downward revaluation of assets and impairment losses	(6,290)
13,652	Surplus/(deficit) on revaluation of assets	40,308
(3,146)	Difference between fair value depreciation and historical cost depreciation	(3,274)
(75)	Accumulated gains on assets sold	0
(3,221)	Amount written off to the Capital Adjustment Account	(3,274)
177,504	Balance 31 March	214,538

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.

2023/24		2024/25
£'000		£'000
235,399	Balance 1 April	248,102
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>	
(24,878)	Charges for depreciation and impairment of non-current assets	(25,294)
(19,923)	Revenue Expenditure funded from Capital under Statute	(40,767)
(201)	Adjustment to non-current balance on the sale of assets	(294)
3,146	Transfer from Capital Revaluation Reserve	3,274
	<u>Capital financing applied in the year:</u>	
250	Capital Receipts	43
37,729	Grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	67,043
2,755	Revenue provision for the financing of supported capital investment	3,456
11,329	Capital expenditure charged in year against the General Fund	11,480
2,496	Capital receipts set aside / Revenue provision for the financing of unsupported capital investment	2,235
248,102	Balance 31 March	269,278

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.

2023/24		2024/25
£'000		£'000
(1,345)	Balance 1 April	(1,414)
(69)	Fair Value Adjustment	276
0	Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	0
(1,414)	Balance 31 March	(1,138)

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:

2023/24		2024/25
£'000		£'000
(558)	Balance 1 April	(625)
61	Proportion of premiums incurred in previous years charged to General Fund in accordance with statute	61
(128)	Deferred credit for receipt of charges due from people under care	(10)
(625)	Balance 31 March	(574)

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 the Pension Fund 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.

2023/24			2024/25		
Gwynedd	NWEAB*	Total	Gwynedd	NWEAB*	Total
£000	£000	£000	£000	£000	£000
4,482	0	4,482	(17,248)	0	(17,248)
		Balance 1 April			
(23,486)	(5)	(23,491)	(1,074)	(8)	(1,082)
		Re-measurements of the net pension defined benefit (liabilities) / assets			
(25,610)	(18)	(25,628)	(25,889)	(20)	(25,909)
		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			
27,366	23	27,389	28,987	28	29,015
		Employer's pensions contributions and direct payments to pensioners payable in the year			
(17,248)	0	(17,248)	(15,224)	0	(15,224)
		Balance 31 March			

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

NOTE 23 – UNUSABLE RESERVES (continued)

23.6 Accumulated Absences Account

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

2023/24		2024/25
£'000		£'000
(5,752)	Balance 1 April	(9,267)
(3,515)	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	(2,572)
(9,267)	Balance 31 March	(11,839)*

* £4k applies to Gwynedd's share of the NWEAB (£4k in 2023/24).

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

2023/24		2024/25
£'000		£'000
(19,570)	Depreciation	(21,015)
(5,308)	Impairment and downward valuations	(4,279)
(42,370)	(Increase)/Decrease in Creditors	(11,417)
36,099	Increase/(Decrease) in Debtors	(7,789)
(97)	Increase/(Decrease) in Stock	(120)
1,760	Pension Liability	3,107
(276)	Carrying amount of non-current assets sold or de-recognised	(294)
(3,054)	Other non-cash items charged to net surplus/deficit on the provision of services	(2,772)
(32,816)		(44,579)

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

2023/24		2024/25
£'000		£'000
12	Purchase of short-term and long-term investments	1
273	Proceeds from sale of property, plant, equipment, investment property and intangible assets	467
285		468

NOTE 24c – CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
(5,673)	Dividends and Interest received	(5,615)
5,539	Interest paid	5,577

NOTE 25 – CASH FLOW STATEMENT – INVESTING ACTIVITIES

2023/24		2024/25
£'000		£'000
35,860	Purchase of property, plant and equipment, investment property and intangible assets	54,579
825,325	Purchase of short-term and long-term investments	1,054,468
1,595	Other payments/receipts for investing activities	931
(319)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(328)
(818,325)	Proceeds from short-term and long-term investments	(1,064,513)
44,136	Net cash flows from investing activities	45,137

NOTE 26a – CASH FLOW STATEMENT – FINANCING ACTIVITIES

2023/24		2024/25
£'000		£'000
192	Cash payments for the reduction of the outstanding liability relating to a finance lease	(4,495)
1,173	Repayments of short-term and long-term borrowing	5,460
1,365	Net cash flows from financing activities	965

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

	31 March 2024	Financing cash flows	Non-cash changes	31 March 2025
	£'000	£'000	£'000	£'000
Long-term borrowings	(94,006)	3,868	0	(90,138)
Short-term borrowings	(6,033)	1,592	0	(4,441)
On Balance Sheet PFI liabilities	(997)	(4,495)	0	(5,492)
Total liabilities from financing activities	(101,036)	965	0	(100,071)

NOTE 27 – EXPENDITURE AND INCOME ANALYSED BY NATURE

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

2023/24		2024/25
£'000	<u>Expenditure / Income</u>	£'000
	Expenditure	
236,255	Employee benefits expenses	246,473
252,076	Other Services expenses	286,724
560	Support Services recharges	725
44,805	Depreciation, amortisation and impairment	66,077
5,774	Interest Payments	6,250
30,830	Precepts and Levies	32,335
4	Loss on the disposal of assets	0
570,304	Total Expenditure	638,584
	Income	
(71,247)	Fees, charges and other service income	(76,373)
(4,074)	Interest and investment income	(2,873)
(151,320)	Income from council tax and non-domestic rates	(170,704)
(345,987)	Government grants and contributions	(416,253)
0	(Gain) on the disposal of assets	(173)
(572,628)	Total Income	(666,376)
(2,324)	(Surplus) / Deficit on the Provision of Services	(27,792)

NOTE 28 – AGENCY SERVICES

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

- Houses into Homes – closing balance £232k (£195k in 2023/24).
- Houses into Homes 2 – closing balance £465k (£465k in 2023/24).
- Supporting Town Centre Regeneration in Caernarfon – closing balance £615k (£615k in 2023/24).
- Caernarfon and Bangor Town Centre Scheme – closing balance £633k (£633k in 2023/24).
- Bangor and Bethesda Town Centre Scheme – closing balance £500k (£500k in 2023/24).
- Transforming Towns Scheme – closing balance -£185k (-£187k in 2023/24).
- Gwynedd Town Regeneration Fund – closing balance £32k (£348k in 2023/24).
- Gwynedd Town Regeneration Fund 2 – closing balance £700k (£nil in 2023/24).
- Gwynedd Town Regeneration Fund 10 – closing balance £500k (£nil in 2023/24).

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 1,088 kilometres. The income transactions recovered during 2024/25 were £82.1m (£92.9m in 2023/24).

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 2024/25 the Council has administered the following:

- National Non-Domestic Rates Relief Grant – payments of £3.6m made by the Council (£4.8m in 2023/24); (£0.2m) due from Welsh Government.

NOTE 28 – AGENCY SERVICES (continued)

During 2024/25 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 £216k made by the Council (£287k in 2023/24).
- Ukraine Cash Payments – payments of £6k made by the Council (£8k in 2023/24).

NOTE 29 – MEMBERS' ALLOWANCES

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

2023/24		2024/25
£'000		£'000
1,507	Allowances	1,576
23	Expenses	14
1,530		1,590

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.

2023/24			Chief Officers	2024/25		
Salary and other	Employer's Pension Contributions	Total		Salary and other	Employer's Pension Contributions	Total
£	£	£		£	£	£
121,595	23,033	144,628	Chief Executive ¹	126,908	22,485	149,393
103,347	19,843	123,190	Corporate Director	108,595	20,850	129,445
103,347	19,843	123,190	Corporate Director	108,595	20,850	129,445
22,383	4,298	26,681	Head of Education ²	94,266	17,035	111,301
91,205	17,512	108,717	Head of Finance ³	97,586	18,736	116,322
88,627	16,995	105,622	Head of Highways, Engineering and YGC	92,209	17,683	109,892
88,072	16,910	104,982	Head of Adults, Health and Wellbeing	90,274	17,333	107,607
88,072	16,910	104,982	Head of Economy and Community	90,274	17,333	107,607
88,072	16,078	104,150	Head of Children and Family Support	90,274	17,333	107,607
88,072	16,910	104,982	Head of Environment	90,274	17,333	107,607
81,709	15,688	97,397	Head of Corporate Services	86,068	16,525	102,593
84,079	16,122	100,201	Head of Housing and Property	88,254	16,929	105,183
79,443	14,527	93,970	Head of Legal Service ⁴	81,400	15,629	97,029

1. The figures do not include any payment to the Chief Executive in his role as Returning Officer. Amount paid in 2024/25 was £2,945 (None in 2023/24), based on the scale defined by the relevant electoral bodies.

2. Holder in role since 1 January 2024.

3. Holder of role received £7,361 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 £1,413 applies to these duties. ENPA reimburses the Council for these payments.

4. The figures do not include any payment to the Head of Legal Service in his role as Deputy Returning Officer. Amount paid in 2024/25 was £1,646 (None in 2023/24), 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 £126,908 (£121,595 in 2023/24) to the median remuneration of all the Council’s employees for 2024/25 is 5.04:1, which corresponds to a median salary of £25,183 (5.09:1 in 2023/24, which corresponds to a median salary of £23,893).

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 22 cases in 2024/25 (5 cases in 2023/24). 19 of these posts would not appear below except for the termination benefits paid in the individual year. The table below includes starters and leavers whose annualised remuneration would exceed £60,000.

Number of other employees who received more than £60,000 and includes remuneration and termination benefits:						
Number in 2023/24				Number in 2024/25		
Schools	Other	Total		Schools	Other	Total
60	15	75	£60,000 - 64,999 *	57	15	72
30	19	49	£65,000 - 69,999 *	58	32	90
13	4	17	£70,000 - 74,999	30	5	35
11	2	13	£75,000 - 79,999	12	5	17
6	1	7	£80,000 - 84,999	17	0	17
2	0	2	£85,000 - 89,999	5	0	5
2	0	2	£90,000 - 94,999	6	0	6
2	0	2	£95,000 - 99,999	1	0	1
1	0	1	£100,000 - 104,999	1	0	1
1	0	1	£105,000 - 109,999	3	0	3
0	0	0	£110,000 - 114,999	0	1	1
1	0	1	£115,000 – 119,999	2	0	2
0	0	0	£120,000 - 124,999	0	0	0
0	0	0	£125,000 - 129,999	1	1	2
0	0	0	£130,000 - 134,999	1	0	1
0	0	0	£135,000 - 139,999	0	0	0
0	0	0	£140,000 - 144,999	0	0	0
0	0	0	£145,000 - 149,999	0	0	0
0	0	0	£150,000 - 154,999	0	0	0
0	0	0	£155,000 - 159,999	1	0	1

* Two employees from a Voluntary Aided School are included above, with one included in the £60,000-£64,999 band and the other in the £65,000-£69,999 band. In 2023/24, one employee in the £60,000-£64,999 band was included.

NOTE 31 – EXTERNAL AUDIT COSTS

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

2023/24		2024/25
£'000		£'000
230	Fees payable to auditors appointed by the Auditor General for Wales with regard to external audit services	233
107	Fees payable to auditors appointed by the Auditor General for Wales in respect of statutory inspections	96
45	Fees payable to auditors appointed by the Auditor General for Wales for the certification of grant claims and returns for the year	47
382		376
(1)	Less: Fees payable to auditors appointed by the Auditor General for Wales in respect of Joint Committees and Harbour Accounts	(16)
(1)	Previous years' adjustment for audit fees	(1)
380	Cyngor Gwynedd Net Fees	359

NOTE 32 – GRANT INCOME

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

	Note	2023/24 £'000	2024/25 £'000
Credited to Taxation and Non-specific Grant Income			
Revenue Support Grant (Non-ring-fenced Government Grants)	13	188,864	189,952
Government Capital Grants and Contributions -			
21st Century Schools		6,991	6,979
General Capital Grant		4,172	4,966
Local Transport Fund		2,888	2,858
Other		4,178	8,697
	13	18,229	23,500
Other Capital Grants and Contributions	13	2,400	5,678
Total		209,493	219,130
Grants and Contributions Credited to Services			
Welsh Government -			
Childcare Offer Grant		2,858	633
Local Authority Education Grants *		15,572	18,020
Housing Support Grant		7,148	7,444
Children and Communities Grant		4,771	5,359
Post 16 Grant (Education)		4,449	4,745
De-Trunking Grant		0	4,489
Additional Cost Pressures Grant		0	4,043
Teachers' Pension Grant		0	2,333
ARFOR Programme Grant		3,656	6,282
Capital Grants		2,317	5,488
Social Care Workforce and Sustainability Pressures Grant		1,722	1,700
Local Transport Fund Grant		1,263	1,772
Concessionary Fares Grant		1,213	1,507
Other *		8,807	8,928
		53,776	72,743
Other Government Grants and Contributions -			
Department for Work and Pensions		22,285	21,797
Levelling Up Funds		39,320	81,994
Other		23,512	26,267
		85,117	130,058
Other Grants and Contributions		6,570	4,789
Total		145,463	207,590

* 2023/24 figures have been re-categorised to ensure comparison with 2024/25.

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 2024 £'000	31 March 2025 £'000
Grants Received in Advance		
<u>Long-term</u>		
Capital Grants and Contributions		
Highways and Municipal Capital Contributions	498	352
Environment (Planning, Transport and Public Protection) Grants	807	1,207
Economy	0	7
North Wales Growth Deal	3,625	1,349
	4,930	2,915
Total Long-term	4,930	2,915
<u>Short-term</u>		
Revenue Grants and Contributions		
Economy and Community Grants	20,233	2,848
Adults, Health and Well-being Grants	0	85
Housing Grants	1,405	1,505
Education Grants	2	0
Finance Grants	0	60
Children and Supporting Families Grants	150	139
Other Grants	306	1
	22,096	4,638
Capital Grants and Contributions		
North Wales Growth Deal	2,990	3,846
Other	351	275
	3,341	4,121
Total Short-term	25,437	8,759
Total	30,367	11,674

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 2024/25 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 2024/25 and balances at 31 March 2025 is as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
24,903	3,540	(12,077)	(9,998)

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 2024/25 and balances at 31 March 2025 is as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
1,387	12	(28)	(9)

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 2024/25 and balances at 31 March 2025 is as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
6,251	369	(827)	(446)

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)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
20	13	(251)	(197)

Adra (Tai) Cyfyngedig

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
2,592	317	(332)	(26)

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 2024/25 and the balances at 31 March 2025 are as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
108	0	(223)	(210)

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)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
877	28	0	0

Subsidiary

Byw'n lach Ltd was established on 27 June 2018 to provide a leisure service for the residents of Gwynedd. The company is limited by guarantee and the Council's liability is limited to £1, with Cyngor Gwynedd being the sole proprietor. Management responsibilities were transferred to the Leisure Company on 1 April 2019 with a service contract in place which sets out the actual services and outcomes that the company is required to deliver for its fee. The Board of Directors is made up of 6 elected members of Cyngor Gwynedd. The payments to Byw'n lach Ltd for Leisure Services during 2024/25 and the balances at 31 March 2025 are as follows:

Payments made (including creditors)	Amounts owed by the Council	Income received (including debtors)	Amounts owed to the Council
£'000	£'000	£'000	£'000
2,223	167	(420)	(63)

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
2024		2025
£'000		£'000
599,119	Non-current Assets and Assets Held for Sale	663,748
(177,504)	Revaluation Reserve	(214,538)
(248,102)	Capital Adjustment Account	(269,278)
173,513	Capital Financing Requirement	179,932

The movement in the year is explained as follows:

2023/24		2024/25
£'000		£'000
170,812	Capital Financing Requirement 1 April *	177,995
16,675	Land and Buildings	21,160
10,852	Infrastructure	11,380
5,052	Vehicles, Plant and Equipment	10,846
2	Surplus Assets	119
4,756	Assets under construction	1,098
0	Right of Use Assets	824
19,923	Funded from capital under statute	40,767
(250)	Capital Receipts used	(43)
(37,729)	Government Grants and other contributions	(67,043)
(11,329)	Capital expenditure charged to revenue	(11,480)
(2,755)	Revenue provision for the financing of supported capital investment	(3,456)
	Additional voluntary sums set aside:	
(2,496)	Capital receipts set aside / Revenue provision for the financing of unsupported capital investment	(2,235)
173,513	Capital Financing Requirement 31 March	179,932

* Includes adjustment for IFRS16 leases.

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
2024		2025
£'000		£'000
2,190	Property, Plant and Equipment	2,135
2,190		2,135

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
2024		2025
£'000		£'000
Finance Lease Liabilities		
(net present value of minimum lease payments):		
204	Current	216
793	Non-current	577
997	Minimum lease payments	793

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
	2024	2025	2024	2025
	£'000	£'000	£'000	£'000
No later than one year	204	216	204	216
Later than one year and not later than five years	793	577	793	577
More than five years	0	0	0	0
	997	793	997	793

In 2024/25, minimum lease payments were made by the Council of £203,619 (£191,794 in 2023/24) in respect of those assets held as a finance lease.

NOTE 35 – LEASES (continued)

Right of Use Assets Leases

In 2024/25 the Council applied IFRS16 Leases as required by the Code. The main impact is that a significant number of leases, previously accounted for as operating leases are brought on to the Balance Sheet as a Right of Use Asset and lease liability as of 1 April 2024. Leases of low value (assets below £10k) and leases that have less than 12 months to run are exempt from the new arrangements. Right of Use assets and lease liabilities have been calculated as if IFRS16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date. The weighted average of the incremental borrowing rate used to discount liabilities is 5.07%.

This has resulted in the following additions to the Balance Sheet (See Note 15 for Right of Use Asset details):

31 March		31 March
2024		2025
£'000		£'000
0	Right of Use Assets	4,666
0		4,666

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property, plant or equipment 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
2024		2025
£'000		£'000
Right of Use Asset Lease Liabilities		
(net present value of minimum lease payments):		
0	Current	621
0	Non-current	4,078
0	Minimum lease payments	4,699

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

	Minimum Lease Payments		Right of Use Asset Lease Liabilities	
	31 March	31 March	31 March	31 March
	2024	2025	2024	2025
	£'000	£'000	£'000	£'000
No later than one year	0	621	0	621
Later than one year and not later than five years	0	1,974	0	1,974
More than five years	0	2,104	0	2,104
	0	4,699	0	4,699

In 2024/25, minimum lease payments were made by the Council of £607,605 in respect of those assets held as a lease with a Right of Use Asset.

NOTE 35 – LEASES (continued)

Operating Leases

Properties, Plant and Equipment that fall under the scope of IFRS 16 have now been reclassified as Right of Use assets on the Balance Sheet. The disclosures below, from 2024/25 onwards, relate to low value (below £10k assets) and leases that have less than 12 months to run.

	31 March	31 March
	2024	2025
	£'000	£'000
No later than one year	441	146
Later than one year and not later than five years	445	215
Later than five years	295	2
	1,181	363

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

	2023/24	2024/25
	£'000	£'000
Minimum lease payments	583	234
	583	234

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
	2024	2025
	£'000	£'000
No later than one year	555	241
Later than one year and not later than five years	1,002	594
Later than five years	4,818	4,693
	6,375	5,528

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 2024/25 £1,196,510 minimum lease payments were received by the Council (£1,033,783 in 2023/24).

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 2025 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	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£							£'000	£'000
0 - 20,000	17	13	7	19	24	32	161	214
20,001 - 40,000	1	4	8	17	9	21	283	633
40,001 - 60,000	0	3	2	3	2	6	99	297
60,001 - 80,000	1	2	0	0	1	2	66	142
80,001 - 100,000	0	0	0	0	0	0	0	0
100,001 - 150,000	0	0	2	0	2	0	240	0
150,001 - 200,000	0	0	0	0	0	0	0	0
200,001 - 250,000	0	1	0	0	0	1	0	201 *
Adjustment to previous year's estimate							0	19
Total	19	23	19	39	38	62	849	1,506

* Contribution of £80,531 towards the Exit Package from Isle of Anglesey County Council.

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 2024/25 the Council paid £15.33m (£12.42m in 2023/24) in respect of teachers' pension costs, which represented 28.68% (23.84% in 2023/24) of teachers' pensionable pay. The increase in the contribution rate has led to an increase in the value of the contribution. 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 2024/25 these amounted to £1m (£1.13m in 2023/24) representing 1.86% (2.17% in 2023/24) 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 for the employees of Gwynedd and 45 other organizations. 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 2024/25 was 35% (36% in 2023/24).
- b) **Arrangements for the award of discretionary post-retirement benefits upon early retirement.** This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

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

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

Transactions Relating to Post-employment Benefits

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

NOTE 38 – PENSION COSTS (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability			
Period ended 31 March 2025	Assets	Liabilities	Net (Liability) / Asset
	£'000	£'000	£'000
Fair value of plan assets	1,087,014	0	1,087,014
Present value of funded liabilities	0	(833,557)	(833,557)
Effect of the asset ceiling	0	0	(253,457)
Present value of unfunded liabilities	0	(17,248)	(17,248)
Opening Position at 1 April	1,087,014	(850,805)	(17,248)
Service cost -			
Current service cost ¹	0	(24,317)	(24,317)
Past service costs (including curtailments)	0	(818)	(818)
Total Service Cost	0	(25,135)	(25,135)
Net interest -			
Interest income on plan assets	52,915	0	52,915
Interest cost on defined benefit obligation	0	(41,376)	(41,376)
Interest on the effect of the asset ceiling	0	0	(12,293)
Total Net Interest	52,915	(41,376)	(754)
Total Defined Benefit Cost Recognised in Profit / (Loss)	52,915	(66,511)	(25,889)
Cash flows -			
Participants' contributions	8,659	(8,659)	0
Employer contributions	27,207	0	27,207
Benefits paid	(26,176)	26,176	0
Unfunded benefits paid	(1,716)	1,716	0
Contributions in respect of unfunded benefits paid	1,716	0	1,716
Expected Closing Position	1,149,619	(898,083)	(14,214)
Remeasurements -			
Changes in financial assumptions	0	144,863	144,863
Changes in demographic assumptions	0	1,491	1,491
Other experience ²	0	7,968	7,968
Return on assets excluding amounts included in net interest	(5,847)	0	(5,847)
Changes in effect of the asset ceiling	0	0	265,750
Total remeasurements recognised in Other Comprehensive Income (OCI)	(5,847)	154,322	414,255
Fair value of plan assets	1,143,772	0	1,143,772
Present value of funded obligations	0	(728,537)	(728,537)
Present value of unfunded obligations ³	0	(15,224)	(15,224)
Closing Position at 31 March ⁴	1,143,772	(743,761)	400,011

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

² Within this other experience item, the funded obligations have decreased by £7,272,000 as a result of the pension increase order being different to the previous assumption.

³ The unfunded obligations comprise of £5,910,000 in respect of LGPS unfunded pensions and £9,314,000 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)

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 2024	31 March 2025
Fair value of plan assets	1,087,014	1,143,772
Present value of funded obligations	(833,557)	(728,537)
Present value of unfunded obligations	(17,248)	(15,224)
Subtotal	236,209	400,011
Effect of IAS 19/ IFRIC 14	(236,209)	(400,011)
Add value of unfunded obligations	(17,248)	(15,224)
Net Asset/ (Liability) arising from Defined Benefit Obligation	(17,248)	(15,224)

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 costs 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)

The actuarial valuation of the Council's pension scheme liabilities and pension reserve shown on the Balance Sheet reports a net liability of £15.244m. 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 2025 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 excluding 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 2024/25 results in greater future service contributions than future service costs so the economic benefit is limited to zero before adding the present 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 2024. The split is shown in the table below. The actuary estimates the bid value of the Fund's assets as at 31 March 2025 to be £3.18bn 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 2024				At 31 March 2025			
	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	56,520	56,520	5	0	61,761	61,761	5
Debt Securities								
Other	0	0	0	0	0	0	0	0
Real Estate								
UK Property	0	75,708	75,708	7	0	72,776	72,776	6
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds and Unit Trusts								
Equities	0	604,921	604,921	56	0	631,674	631,674	55
Bonds	0	0	0	0	0	336,136	336,136	29
Infrastructure	0	0	0	0	0	33,756	33,756	3
Other	0	309,044	309,044	28	0	0	0	0
Derivatives								
Inflation	0	26,811	26,811	3	0	0	0	0
Cash and Cash Equivalents								
All	0	14,010	14,010	1	0	7,669	7,669	1
Total	0	1,087,014	1,087,014	100	0	1,143,772	1,143,772	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 15% weighting of 2023 (and 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 2024	31 March 2025
Financial Assumptions	% p.a.	% p.a.
Pensions Increase Rate	2.75	2.75
Salary Increase Rate	3.25	3.25
Inflation Rate	2.75	2.75
Discount Rate	4.85	5.80
Long-term expected rate of return on all categories of assets	4.85	5.80
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	20.7	20.6
Women	23.6	23.5
Longevity at 65 for future pensioners		
Men	21.7	21.6
Women	25.3	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 2025 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 2025 %	Approximate monetary amount 31 March 2025 £'000
0.1% decrease in real discount rate	2	14,316
1 year increase in member life expectancy	4	29,750
0.1% increase in the salary increase rate	0	776
0.1% increase in the pension increase rate	2	13,936

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 2025 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 2025 £'000	%
Active Members	367,951	51
Deferred Members	102,040	14
Pensioner Members	258,546	35
Total	728,537	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 2024/25 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 2026 is £26.833m.

As the Actuary's report is based on estimates and due to timing issues, an initial adjustment of £64,270.04 has been made in 2024/25 (£761,058 in 2023/24) to bring the position of the Scheme based on the Actuarial figures in line with the closing position at 31 March 2025 (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 three 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 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 177 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 176 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 176 bequests derecognised from the Council's Balance Sheet at 31 March 2025 was £2,061,426 (£1,738,131 on 31 March 2024). 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 £2.1m as at 31 March 2025 (£2.2m as at 31 March 2024). 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 2024/25	498	204	61	763
Payable in 2025/26	498	216	49	763
Payable within 2 to 5 years	1,202	577	64	1,843
Total	2,198	997	174	3,369

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:

	2024/25	
	Lease Liability	Deferred Income
	£’000	£’000
Balance outstanding at 1 April 2024	(997)	(644)
Repayment of principal during the year	204	0
Release of deferred income	0	146
Balance outstanding at 31 March 2025	(793)	(498)

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, an informal 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 for 2024/25.

The Council's transactions are included under Adults, Health and Well-being in the Comprehensive Income and Expenditure Statement. Income and expenditure for these pooled budget arrangements are as follows; the contributions are included for information only and have not been accrued in each partners' accounts.

Care Homes for the Elderly		
2023/24		2024/25
£'000		£'000
	Expenditure	
124,041	Care Home costs	136,047
124,041	Total Expenditure	136,047
	Funding	
(11,914)	Denbighshire County Council	(12,423)
(15,301)	Conwy County Borough Council	(18,090)
(13,578)	Flintshire County Council	(14,980)
(14,957)	Wrexham County Borough Council	(16,470)
(12,044)	Cyngor Gwynedd	(13,084)
(7,214)	Isle of Anglesey County Council	(7,126)
(49,033)	Betsi Cadwaladr University Health Board	(53,874)
(124,041)	Total Funding	(136,047)
0	(Surplus) / Deficit transferred to Reserve	0

* The 2023/24 figures for Conwy County Borough Council's Care Home Funding have been restated to reflect a £2.881m reduction from (£18.182m) to (£15.301m); the Care Home costs have also been restated to mirror this reduction from £126.922m to £124.041m.

NOTE 43 – JOINT OPERATIONS AND JOINT COMMITTEES

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

During 2024/25, Cyngor Gwynedd participated in three joint committees and one joint operation, collaborating in particular areas between local authorities. Separate accounts are required for joint committees. The three joint committees relating to Gwynedd in 2024/25 are:

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

The joint operation relating to Gwynedd in 2024/25 is:

- 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	17.55	702
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	24.24	1
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

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 30 June 2025. 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 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect its impact.

THE WELSH CHURCH FUND

2023/24 £'000		2024/25 £'000
976	Amount of Fund at 1 April	978
	Add - Income during the year	
49	Interest on Investments	49
	Less - Expenditure during the year	
(47)	Grants and expenses	(25)
978	Amount of Fund at 31 March	1,002
	Represented by the following Assets	
7	Debtors	5
900	Investments	900
71	Cash in Hand	97
978		1,002
978	Total	1,002

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 2025 was £906,375.

FMG MORGAN TRUST FUND

2023/24 £'000		2024/25 £'000
167	Amount of Fund at 1 April	166
	Add - Income during the year	
17	Interest on assets	16
	Less - Expenditure during the year	
(18)	Grants	(8)
166	Amount of Fund at 31 March	174
	Assets	
144	Investments	144
22	Cash in Hand	30
166		174

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 2025 was £381,145 (£369,850 at 31 March 2024).
3. The FMG Morgan Fund is outside the provision of the Charities Act 1993. No independent examination or audit is therefore required in respect of this Trust Fund.

Glossary

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

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

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

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

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

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

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

Capital Financing – Funds obtained to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MEETING: GOVERNANCE AND AUDIT COMMITTEE

DATE: 11 SEPTEMBER 2025

TITLE: ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2024-25

PURPOSE: Submit the draft report to the Committee for review and approval before submitting it to a full Council meeting

REPORT AUTHOR: CARYS EDWARDS, COMMITTEE CHAIR

CONTACT OFFICER: DEWI MORGAN, HEAD OF FINANCE

1. Presented to the Committee is an annual report covering its work over the year 2024/25, highlighting how the Committee has carried out its statutory duties, and how it adds value to the governance arrangements of Cyngor Gwynedd.
2. CIPFA guidelines note:

“The committee should prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact.”
3. A draft Annual Report for the financial year 2024/25 is attached for the attention of the Committee. The intention is that the report is presented to the Full Council on 2 October.

Recommendation

4. The Governance and Audit Committee is asked to consider the contents of the report, offer comments and amendments, and approve the Annual Report.

Appendix:

Annual Report of the Governance and Audit Committee 2024-25 (draft)

ANNUAL REPORT
GOVERNANCE AND AUDIT COMMITTEE
CYNGOR GWYNEDD
2024-25

FOREWORD BY THE CHAIR

The purpose of this report is to present a summary of the work of the Governance and Audit Committee during 2024-25 and to present potential evidence about the impact of the committee's work.

I am pleased to present the Committee's annual report. This report meets statutory requirements, but I very much hope that the report does more than just "tick a box" and gives the reader a real sense of what the Committee does, and shows how such a Committee makes a real difference.

Cyngor Gwynedd, like all other local authorities and public bodies, faces a range of risks and challenges. 2024/25 saw a number of governance challenges, including a change of Leader. Nevertheless, I believe that the governance arrangements in place, which are under ongoing review by the Governance and Audit Committee, have shown that it is resilient under very difficult circumstances and I am grateful to officers and members for working together to ensure that the Council can continue to do its best on behalf of the people of Gwynedd. I am sure that the Committee's comments have been helpful and supportive during this period.

Of course, financial challenges remain and I am pleased that the Committee has taken a leading role in scrutinising Cyngor Gwynedd's budgetary position, challenging as necessary, to ensure on behalf of the taxpayer that the Council makes the best use of the money it receives. You can see from this report how much work the Committee has handled during the year.

I would like to thank all the officers, Elected Members and Lay Members for their support and contribution over the past year. This collaboration has been invaluable. 2024/25 was a year in which there were some vacant seats on the Committee, both from an Elected Member and Lay Member perspective, but I am pleased to see progress being made to fill these gaps for 2025/26.

This annual report covers the period from May 2024 to May 2025, and in concluding my foreword I would like to refer to fellow members of the Committee whom we have recently lost. On 4 May 2025, Sharon Warnes, my predecessor as Chair of this Committee, passed away suddenly and unexpectedly. Sharon had been a member of the Committee since 2017 and was a very valuable member. Sharon was present at every meeting of the Committee during 2024/25 and the sudden loss of Sharon was devastating for everyone.

Then, at the end of May we heard that we had lost another member of the Committee, Councillor Rob Triggs, after a period of illness. Rob had been a member of the Committee since 2022, and he made a major contribution to the work of the Committee. He will be sorely missed.

Mrs Carys Edwards

Chair of the Governance and Audit Committee
Page 137

INTRODUCTION

1. The Governance and Audit Committee has a continuous role in the process of providing good governance. The core purpose of the committee is to provide independent assurance on the adequacy of the risk management framework and associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects its exposure to risk and weakens the control environment, and to oversee the financial reporting process.
2. In carrying out its work, the Committee has regard to the guidelines of various external bodies and organisations including CIPFA.
3. According to the CIPFA Position Statement to Audit Committees in Local Authorities and the Police (2022), the purpose of the Governance and Audit Committee is:

To provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective

PERIOD OF THE REPORT

4. This report covers the Committee's work for the period between the Council's annual meeting on 9 May 2024 and the annual meeting on 1 May 2025. Six meetings of the Committee were held during the period in question:

[23 May 2024](#)

[5 September 2024](#)

[10 October 2024](#)

[28 November 2024](#)

[16 January 2025](#)

[6 February 2025](#)

THE COMMITTEE'S MEMBERSHIP

5. The Governance and Audit Committee consists of 12 Councillors based on political balance, along with six 'lay members', namely a person who is not a local authority member. However, there were a number of vacant seats on the Committee during the year.
6. Members' attendance at the meetings was as follows:

Chair (Lay Member)

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Carys Edwards	✓	✓	✓	x	✓	✓

Vice-chair (Lay Member)

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Rhys Parry	✓	✓	✓	✓	✓	✓

Councillors

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
CLlr Elfed Wyn ap Elwyn	✓	✓	✓	x	✓	✓
CLlr Menna Baines	x	x	✓	x	✓	✓
CLlr Meryl Roberts	✓	✓	✓	✓	✓	x
CLlr Huw Rowlands	✓	✓	✓	✓	✓	✓
CLlr Elwyn Jones	✓	✓	✓	✓	✓	✓
CLlr Edgar Owen	✓	✓	✓	✓	✓	✓
CLlr Arwyn Herald Roberts	x	x	x	✓	✓	✓
CLlr Richard Glyn Roberts	✓	✓	✓	✓	✓	x
CLlr Angela Russell	✓	✓	✓	x	✓	x
CLlr Rob Triggs	x	x	✓	✓	✓	✓
CLlr Dafydd Meurig ¹					x	✓
CLlr Ioan Thomas	✓	✓	✓	✓	✓	✓

Lay Members

	23/05/2024	09/05/2024	10/10/2024	28/11/2024	16/01/2025	06/02/2025
Clare Hitchcock ²	✓	✓	✓	✓		
Hywel Eifion Jones	✓	✓	✓	✓	✓	✓
Sharon Warnes	✓	✓	✓	✓	✓	✓

¹Joined the Committee in January 2025

²Resigned December 2024

FUNCTIONS OF THE COMMITTEE

7. In accordance with the Local Government (Wales) Measure 2011 Part 6, Chapter 2, Cyngor Gwynedd must establish a governance and audit committee with certain mandatory functions, and it also has the right to carry out any other suitable functions.
8. The Constitution of Cyngor Gwynedd sets out the following as the functions of the Governance and Audit Committee:

A function that cannot be the responsibility of the Executive

The duty to approve an authority's statement of its accounts, income, and expenditure and balance sheet or its record of its proceeds and payments (as they happen) in accordance with the Accounts and Audit (Wales) Regulations 2014.

Mandatory functions under the Local Government (Wales) Measure 2011

The committee is responsible for fulfilling the following statutory functions under Section 81 of the Local Government (Wales) Measure 2011 (as amended):

- (a) review and scrutinise the authority's financial affairs,
- (b) draw up reports and make recommendations in relation to the financial affairs of the authority,
- (c) review and assess the authority's risk management, internal control and corporate governance arrangements,
- (ch) draw up reports and recommendations to the authority regarding the adequacy and effectiveness of those arrangements,
- (d) review and assess the authority's ability to deal effectively with complaints,
- (e) draw up reports and make recommendations in relation to the authority's ability to deal effectively with complaints.
- (f) inspect the internal and external audit arrangements of the authority,
- (g) review the financial statements prepared by the authority, and
- (ng) implement the functions of a Governance and Audit Committee in Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils).

Other Functions

The committee will also be responsible for carrying out the following functions:-

- (i) promote internal control, establishing a timetable to review control, develop an anti-fraud culture and review financial operations;
- (ii) focus the Council's audit resources by agreeing on audit plans and monitoring the provision of audit;
- (iii) monitor audit performance by ensuring that officers' work is undertaken within the schedule, ensure that audit reports are published on time and that they are responded to promptly, monitoring the completion of the accounts and ensuring action on audit recommendations;
- (iv) consider observations and concerns about individual services at a county level, on the basis of reports by Council officers or Audit Wales, and monitor response and implementation on the recommendations or findings of the reports.

THE COMMITTEE'S WORK DURING 2024/25

Review and approve the financial statements prepared by the authority

9. At its meeting on 23 May 2024, the Committee approved the final accounts of Gwynedd Harbours for the year ending 31 March 2024, which included the Income and Revenue Expenditure Account 2023/24 in addition to the Annual Return for the Year ending 31 March 2024 (subject to audit by Audit Wales).
10. Cyngor Gwynedd's draft Statement of Accounts (subject to audit) for 2023/24 was submitted to the Committee at its meeting on 5 September 2024. There is no statutory requirement for elected members to approve the draft version of the Statement of Accounts. Nevertheless, it is considered that submitting the draft statement to the Governance and Audit Committee is good practice, and is an opportunity for members to ask the financial officers about the content and equip themselves with relevant information in order to consider the relevant risks and other matters that will be subject to audit, within their context. During the discussion, the Committee challenged the Finance officers on various aspects of the accounts, particularly the Council's arrangements to maintain its financial reserves.
11. The Final Accounts for the Year ended 31 March 2024 and the relevant audit were submitted to the Committee meeting held on 28 November 2024. After considering the Audit Wales report on the accounts (the "ISA 260" report), the Committee resolved:
 - To accept and approve the 'ISA260' Report by Audit Wales in respect of Cyngor Gwynedd;
 - To accept and approve the Statement of Accounts for 2022/23 (post-audit);
 - The Vice-chair of the Committee and the Head of Finance Department to certify the Letter of Representation electronically;
 - To congratulate the officers for their work of securing an unqualified statement;
 - To thank Audit Wales for good collaboration;

To review and scrutinise the authority's financial affairs, produce reports and make recommendations.

Medium Term Financial Plan

12. The Cabinet Member for Finance submitted a report on the Medium Term Financial Plan to the Committee on 23 May 2024, in response to the financial challenges facing the Council. The purpose of the plan is to set out projections for the Council's position over the next three financial years, and offer assumptions as well as proposals to address the financial deficit faced by the Council. It was highlighted that the plan had been approved by the Cabinet on 14 May 2024.
13. It was reported that the Cabinet had resolved to commission the Chief Executive to establish and lead on a range of measures and work packages, to prepare in advance for dealing with the significant gap in the budget over the next three years. The work will also consider the new methods of funding services, providing a clear picture of the Council's sustainability over the next three years and assisting to make decisions at a difficult time. It was reiterated that the Plan was a live plan that would be updated as information came to hand.
14. After challenging officers and the Cabinet Member about the content of the Plan, the Committee resolved to accept the report, note the relevant risks arising from the Medium Term Financial Plan and to support the Cabinet's decisions.

Revenue Expenditure

15. The Committee has received regular reports on the authority's financial situation during the year. The Revenue Out-turn report on the Final Accounts 2023/24 was submitted to the meeting on 23 May 2024 for the Committee to receive information, to consider any risks arising from the actual expenditure and income against the 2023/24 budget and scrutinise the Cabinet's decisions in the context of managing the budgets of the Council and its departments. The report detailed the Council's expenditure in 2023/24, the out-turn underspend or overspend position of individual departments, and the reasons for that. Members expressed their thanks for the report and noted that the period was very challenging for services. There was a wide-ranging discussion in which concern was expressed about the situation of overspending, cuts and underfunding. The Committee noted that receiving ongoing reports on the situation was beneficial, but that the Council had substantial overspend – and that we were fortunate of reserves. Nevertheless, the Committee was concerned that there was a risk of the overspend getting worse in the longer term, especially as the population ages.
16. In addition to considering the out-turn position at the end of the financial year, formal reviews of the revenue budget position are held during the year, at the end of August and November. Reports on the end-of-August 2024 review were submitted to the Committee on 10 October 2024, and reports on the end-of-November 2024 review to the meeting on 16 January 2025. On those occasions, the Committee resolved to accept the reports and note the situation and relevant risks in the context of the Council and departmental budgets, and the Committee agreed with the Cabinet's

recommendations for dealing with the situation of anticipated overspend by the end of the financial year.

17. Among the issues raised during these discussions was the need for the Cabinet to challenge what was the timetable of work commissioned by the Chief Executive to gain a better understanding of exceptional overspending by the Adults, Health and Well-being Department, as assurance was needed that this work was in place to set a budget for the Cabinet. The Statutory Director for Social Services and the Head of Adults, Health and Well-being Department attended the January 2025 meeting to provide a context and a more comprehensive explanation of the Department's budgetary headings, detailing the Department's challenging financial position.
18. It was also noted that the use of reserves was a cause for concern. If this money is to be used, it must be ensured that the money was used in the appropriate places, in response to the need.

Capital Programme

19. On 23 May 2024, the End of Year Review (position as of 31 March 2024) of the 2023-24 Capital Programme was submitted. The main purpose of the report was to present the amended capital programme at the end of the financial year, and to approve the relevant funding sources. The Committee resolved to accept the report and note the situation and risks in the context of the Council's capital programme.
20. Reports on the end-of-August 2024 review of the capital programme were submitted to the Committee on 10 October 2024, and the reports on the end-of-November 2024 review were submitted to the meeting on 16 January 2025 to receive the information, to consider the risks relating to the Capital Programme, and scrutinise the Cabinet's decisions.

Savings Programme

21. Also in relation to the revenue budget position, the Committee has received separate reports during the year on the Council's ability to realise its savings plans. Progress reports on the delivery of the savings plans were submitted to the Committee at its meetings on 10 October 2024 and 16 January 2025, for the Committee to consider the general risks deriving from the slippages, and to scrutinise the Cabinet's decisions in the context of the Savings Overview.
22. The Committee suggested an alternative way of presenting information, by drawing up a table in future that distinguishes between the historical situation and the latest situation so that risks to the current situation can be identified. The Committee acknowledged that the 'easiest' savings had been realised – the savings that needed to be realised in the near future were difficult and so there was a need to ensure that consideration was given to an appropriate time-frame for action and give departments an opportunity to plan better for the long term, but noting that this was very challenging work that was presented in an easily understood manner.

23. Due to the financial gap faced by the Council over the coming years, it must develop new detailed savings plans for the 2025/26 financial year onwards. The Council Leader submitted a report to the Committee meeting held on 6 February 2025, presenting a series of further savings for 2025/26. The Committee was requested to consider the propriety of the process of identifying the savings, and submit observations to the Cabinet to consider before reaching a decision at its meeting on 11 February. The Committee was clear that it was not its role to express an opinion on what the size of the savings should be, or the features of individual proposals being recommended as savings, but rather to ensure that the Cabinet was clear of the facts presented to them, so that the decision taken was based on robust information. The Committee resolved:
- That reasonable steps, under challenging circumstances, had been taken to draw up the Savings Plan;
 - That the savings proposed were reasonable and achievable;
 - That the risks and implications of the decision were clear;
 - That the report was adequate to enable the Cabinet to make a decision on the Savings Plan;
 - To submit observations from the discussion on the report to the Cabinet for their consideration when discussing the 2025/26 Savings Plan at its meeting on 11 February 2025;
 - Welcomed an invitation to the information sharing workshops.
24. In addition, the Cabinet was asked to consider reviewing the future public consultation to seek residents' views on the level of taxation, as well as encouraging more effort to rationalise services.

Treasury Management

25. In accordance with good governance arrangements and statutory requirements, the Committee has received regular reports on the Council's Treasury Management activities during the year. Following a quarterly update on 23 May 2024, a report was submitted to the 5 September 2024 meeting on the Council's actual treasury management outcomes for 2023/24, against the strategy approved by the Full Council on 2 March 2023. Subsequently, a quarterly Treasury Management update was submitted to the meeting on 10 October 2024, and a Treasury Management mid-year review 2024/25 was submitted to the meeting on 28 November 2024. The purpose of these reports was to update the Committee on the Council's actual Treasury Management activity during the current financial year.

Budget Setting

26. When nearing the end of the financial year, the committee considered a report on the 2025/26 Budget on 6 February 2025 in order to scrutinise the information prior to the Cabinet recommending the 2025/26 budget to the Full Council. In this context, the Committee's role was to scrutinise the information and ensure that the Cabinet and Council were clear of the facts presented to them so that the decision was based on robust information. To assist with this work, elected and lay members of the Committee had an opportunity to attend a Briefing Session on the Financial Situation provided by the Chief Executive and the Head of Finance on 28 January.
27. After considering the report and appendices, the Committee's decision was to accept the report, noting its content, accept the financial propriety of the proposals and the relevant risks and present observations from the discussion on the options to the Cabinet for consideration when discussing the 2025/26 Budget at its meeting on 11 February 2025.
28. There were no specific points that the Committee felt that should be highlighted to the attention of the Cabinet or Full Council. However, the following observations were made during the discussion:
 - That the tax level was high – difficult for Gwynedd taxpayers, considering that the circumstances in the coming years seemed to get worse. There was a need to avoid raising Council tax again.
 - Welcomed the fact that the budget was balanced, but the situation needed to be monitored, considering that house prices in Gwynedd were high, and salaries were low.
 - Expressed thanks for the thorough work of preparing the budget.
 - That using £8.8m from reserves seemed substantial – highlighted concerns that the overspending continued. The Departments needed to try to operate within their budgets.
 - There was a need to ensure that reserves were available for emergencies.
 - If more money was received from the Welsh Government, was there an intention to use it to strengthen the reserves, instead of using bids?
29. Also, at the meeting held on 6 February 2025 the Committee considered the Capital Strategy 2025/26 (including the Investment and Borrowing Strategies), in order to consider any risks arising from the strategy before submission for approval by the Full Council. The presentation received by Committee members on 4 February by Arlingclose, the Council's treasury management advisers, was extremely useful in relation to this task. The report was accepted, noting the relevant information and risks, and support was given to the Cabinet Member for Finance's intention to submit the Strategy to the Full Council for approval on 6 March 2025.

Promotion of internal management; Review and assess the authority's risk management, internal control, performance assessment and corporate governance arrangements, produce reports and make recommendations

Internal Audit Reports

30. The purpose of the Council's Internal Audit Service is to "Give confidence to the citizen and the Council on the Council's control environment and governance arrangements through independent and objective reporting to the Head of Finance and the Governance and Audit Committee".
31. Internal audit reports are therefore an important tool in enabling the Committee to fulfil its function to review and assess the authority's arrangements for risk management and internal control.
32. The majority of Internal Audit reports will be placed into one of four general assurance categories, as shown in the table below:

ASSURANCE LEVEL	HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.
	ADEQUATE	There are controls in place to achieve objectives but there are aspects of the arrangements that could be tightened to further mitigate risks.
	LIMITED	There are controls in place, however, improved compliance with the controls and/or introducing new controls is necessary to reduce the risks the service is vulnerable to.
	NO ASSURANCE	The controls in place are considered inadequate and failing to achieve objectives.

33. The Head of Internal Audit's Annual Report 2023/24 was submitted to the Committee meeting on 23 May 2024. Based on Internal Audit work completed during 2023/2024, the Audit Manager believed that Cyngor Gwynedd's internal control framework during the financial year operated at a reasonable level of assurance on the overall adequacy and effectiveness of the Authority's governance, risk management and internal control framework.
34. The Committee has received regular reports on the work of internal audit during the year. A report for the period 1 December 2023 to 31 March 2024 was submitted to the Committee meeting on 23 May 2025. It was noted that 12 of the plan's audits had been completed. Of these, one had received a "high assurance" level, eight had received "adequate assurance" and three "limited assurance".
35. On 10 October 2024, a report was submitted to the Committee, providing an update on the internal audit work for the period from 1 April 2024 to 30 September 2024. It was highlighted that 11 audits had been completed, with four showing a "high

assurance" level, three showing an "adequate assurance" level and four "limited assurance".

36. A further report was submitted to the Committee on 6 February 2025 providing an update on the internal audit work for the period from 1 October 2024 to 27 January 2025. It was highlighted that nine of the 2024/25 Action Plan audits had been completed with five showing an "adequate assurance" level and four showing a "limited assurance" level.
37. The Committee addressed all of these in turn. Where the assurance level was limited, a request was made for follow-up information to allow the Committee to fulfil its duties.
38. In addition to the above, the outcome of a special audit on the field of Domiciliary Care was submitted to the Committee on 28 November 2024. Four questions had been set by the commissioners:
 - Does the department have adequate financial control over the private domiciliary care provision?
 - Is there adequate operational control of commissioning private domiciliary care?
 - Are the risk management arrangements for the private domiciliary care provision adequate?
 - Does the department have effective management data for managing and commissioning private domiciliary care?
39. It was emphasised that the audit did not cover a review of the care.
40. It was noted, although the commissioning model for domiciliary care was aspirational, there were operational challenges and an element of restructuring had now been put in place, with a Project Group established under the guidance of the Head of Department. In addition, it was highlighted that a work programme had been produced to address the weaknesses and the priorities, and Internal Audit would be invited to attend the Project Group.
41. The Committee resolved to accept the contents of the report and note the information stating that a further update was needed to ensure that the situation is improving, with input from the Chief Executive.

42. The Chief Executive, Head of Adults, Health and Well-being Department and Chair of the Care Scrutiny Committee attended the Committee's meeting on 6 February 2025 to submit a response plan to the Internal Audit report. During the ensuing discussion, the following observations were made by members:
- An adequate budget was needed for the work – the overspend was a concern.
 - That there were substantial shortcomings in the Department's administration – there was a need to ensure that the matter was being overseen. Were there assurances that the shortcomings had been resolved and/or assurances that the money being paid out was correct?
 - That data was being used appropriately – accepted that information shortcomings had existed, but assurances were needed that the new model secured correct information to better manage and monitor the situation.
 - That there was a need to ensure that success was being measured.
 - That an update was needed on the progress and success of the work programme.
43. It was decided to accept and note the progress of the findings of Internal Audit's work on the Council's Domiciliary Care arrangements, to welcome the thorough Work Programme that is in place to improve the provision but that the progress and success of the work programme needs to be further updated in 12 months' time.

External Auditors' Reports

44. On 23 May 2024, Audit Wales submitted two reports to the Committee. The first, *Sustainable development? – making the best use of brownfield land and empty buildings* is a national report. Also submitted was the response of managers, outlining what the Council intended to do to respond to the recommendations within the report, and the Committee was satisfied with the content of the response.
45. The second report submitted to this meeting by Audit Wales was a specific report to Cyngor Gwynedd, namely *Setting of Well-being Objectives*. The audit established how the Council applied the sustainable development principle throughout the process of setting its well-being objectives. It was highlighted that Cyngor Gwynedd had commenced the work of setting new well-being objectives during 2002, publishing seven new objectives in March 2023 as a part of the Council Plan for 2023 - 2028. The Council was asked to consider the findings and four recommendations of Audit Wales. The organisation's response to the recommendations was submitted and for the Committee to consider. Also presented for this report was the managers' response, outlining what the Council intended to do to respond to the recommendations within the report, and the Committee was satisfied with the content of the response.
46. On 5 September 2024, a report by HM Inspectorate of Probation *An Inspection of Youth Offending Service in Gwynedd and Ynys Môn* was submitted to the Committee. The Committee's decision was to accept the report on the outcome and recommendations of the inspection and to congratulate the Service on the results of the inspection. The Committee suggested that the percentage of users receiving a Welsh language service should be added to the statistics in the future

47. Audit Wales's report *Urgent and Emergency Care: Flow out of Hospital – North Wales Region* was submitted to the Committee on 10 October 2024, as well as a joint organisational response to the audit's recommendations. It was 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. It was 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. It was also noted that many of the issues aligned with the priorities of Cyngor Gwynedd. It was decided to accept the contents of the report, requesting an update on the recommendations within 12 months.
48. On 16 January 2025, two Audit Wales reports were submitted, namely a national report *Local government financial sustainability* as well as a local report *Financial Sustainability Review – Cyngor Gwynedd*. A Management Response Form to the local report's recommendation was also submitted. During the ensuing discussion, the following observations were made by members:
- A little more detail was required in the action plan, but noted that the steps identified were only the start of the journey and following support and guidance from CIPFA, work will begin to draw up a work programme for the strategy in mid-March 2025, with the intention of introducing a detailed work programme in March 2026.
 - To trial a *zero-based budget* to transform some services.
 - That the reports were useful and looked at the bigger picture.
 - That some Councils were better placed than others to cope with the financial challenges.
 - That the translation of place names on the maps in the national report needed to be corrected.
 - Accepted the Council's position regarding reserves, but for a specific purpose, and not to realise savings.
49. It was resolved to accept the National and Local report and to accept the Council's response to the recommendations.
50. The Annual Audit Summary 2023 was submitted to the Committee at our meeting on 5 September 2024. This summary highlighted the work completed by Audit Wales since the last Annual Audit Summary, published in April 2023. The audit summary is part of the Auditor General for Wales's duties.

Annual Governance Statement

51. One of the Governance and Audit Committee's annual duties is to review and approve the draft Annual Governance Statement. This statement, although not part of the accounts, is a statutory document which needs to be published with the accounts. In accordance with the Accounts and Audit (Wales) Regulations and the CIPFA Code of Practice, all Local Authorities must ensure that a statement of internal management is in place. The Chief Executive and the Council Leader are required to sign the statement, although the Governance and Audit Committee's approval is needed, and the Committee has a key role in checking and challenging its content.
52. Cyngor Gwynedd's Annual Governance Statement for 2023/24 was submitted to the Committee on 5 September 2024. The Committee challenged the content of the statement, and made observations on some of the risk scores, in particular the need to review the Lawfulness likelihood score (this was done following the meeting and the Governance Group concluded that it was appropriate). It was resolved to approve the statement and recommend that the Leader of the Council and the Chief Executive of the Council sign it.
53. Moving forward, it is necessary to consider reviewing the questions and amending the document to make it clear to residents. Although compliant with CIPFA guidelines, a suggestion was made to consider combining with the assessment of governance arrangements included in Cyngor Gwynedd's Self-assessment to avoid duplicating work.

Controls Improvement Working Group

54. One meeting of the Controls Improvement Working Group was held during the year on 28 November 2024 with the Chair of the Governance and Audit Committee, Carys Edwards, Rhys Parry (Vice-chair) and Councillors Angela Russell and Ioan Thomas, Internal Audit officers and officers from the Adults, Health and Well-being Department in attendance. This followed a decision at the Committee's meeting on 10 October 2024 to call the following audits before the Controls Improvement Working Group:
 - Plas Pengwaith
 - Llys Cadfan
 - Plas Hafan.
55. It was reported back to the Committee meeting on 28 November 2024 that the meeting had been beneficial, providing an opportunity for the homes' managers and officers to respond honestly to the situation. The Committee noted that there was concern about agency staff costs and suggested that a review was required to try to retain staff under the management of Cyngor Gwynedd as this would reduce turnover. The Committee considered that the report's recommendations needed to be referred to the attention of the Care Scrutiny Committee, and a suggestion was made on improving the future reports of the Working Group by including a summary of the issues requiring attention at the end of the report.

Review of the Constitution

56. On 9 February 2025, a joint report was submitted by the Monitoring Officer and the Procurement Manager updating the Committee on changes to the Contract Procedure Rules, taking place as a result of the Procurement Act 2023. It was noted that the main objective of the work was to change the Council's Constitution and central arrangements to address the changes in the Act.
57. It was resolved to accept the amended Contract Procedure Rules, taking place as a result of the Procurement Act 2023, which were submitted to the Full Council on 6 March for adoption.

Asset Management Plan

58. On 23 May 2024, the Governance and Audit Committee was asked to consider the work on the revised Asset Management Plan. The Chief Executive submitted a report asking the members to scrutinise the information and offer observations that the facts being submitted were based on robust information and that the propriety of the process of establishing the priorities had been considered in full, before the Cabinet considered the Plan at its meeting on 11 June 2024.
59. After asking the Chief Executive about issues in the draft Plan, and the capital programme, it was resolved to accept the report, approve the propriety of the process of establishing the Plan's priorities and support the recommendation to Cabinet (11 June 2024) to approve the Plan.

North Wales Corporate Joint Committee – Establishment of Governance and Audit Sub-Committee

60. On 10 October 2024, a report was submitted by the Head of Democracy Services with a recommendation that the Committee nominate one councillor to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee, and one councillor to act as a deputy for that member. The Committee was also asked to decide whether it wished to nominate a Lay Member to the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee.
61. The Committee resolved to nominate Councillor Ioan Thomas to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee, and to nominate Councillor Richard Glyn Roberts to act as a deputy, nominating Carys Edwards (Chair of the Gwynedd Governance and Audit Committee) to be considered to serve on the Governance and Audit Sub-Committee of the North Wales Corporate Joint Committee as one of the lay members.

Review of Polling Districts and Polling Places

62. A report on the Review of Polling Districts and Polling Places was submitted to the Committee on 28 November 2024. The purpose of the report was to give the Committee an opportunity to consider the results of the review of polling districts and polling places in the Dwyfor Meirionnydd and Bangor Aberconwy (to the extent they were within Gwynedd) parliamentary constituencies, following a consultation period, to be submitted to the Full Council for decision.
63. Local Authorities are required to divide its area into polling districts for UK 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 is also required to review all polling districts and polling places every five years. A statutory review had taken place between 23 September 2024 and 1 November 2024.
64. After considering the report and questioning the officers, the Committee resolved to accept the report and approve the results of the review for submission to the Full Council on 5 December 2024.

To review and assess the authority's ability to deal with complaints in an effective manner, to produce reports and make recommendations.

65. The Complaints and Service Improvement Annual Report 2023/24 was submitted to the Committee on 28 November 2024, to update the Committee on the content of the Ombudsman's Annual Letter and the Council's arrangements in relation to dealing with complaints.
66. Members were reminded that the Committee had a statutory requirement to ensure that the Council had effective arrangements in place to deal with complaints. It was reiterated that there had been no change in the procedure or the Concerns and Complaints Policy during 2023/2024, and therefore, the content of the Ombudsman's letter was based on the Policy adopted by the Council in 2021.
67. It was reported that the Annual Letter had been received on 9 September 2024. Reference was made to some comments and recommendations made by the Ombudsman, which included, "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."
68. Following a discussion on its contents, the Committee resolved to accept the report.

Review and monitor the authority's internal and external audit arrangements

Internal Audit Work Programme

69. An amended version of the Internal Audit Charter was submitted to the Committee meeting on 23 May 2024. In accordance with the Public Sector Internal Audit Standards 2013 (revised 2017) an Internal Audit Charter must be produced and the contents of the Charter must address the Local Government Application Note (2019) published by CIPFA. It is the Committee's responsibility to approve the charter annually.
70. Attention was drawn to the need in the next year to update the Audit Charter to reflect the new requirements of the *Global Internal Audit Standards* as published by the *Institute of Internal Auditors* (IIA). The adaptations would need to be operational by 2025. Reference was also made to one other change since the 2023/24 charter was approved, namely that the Internal Audit Service's purpose had expanded.
71. The Committee resolved to accept the report and approve the Internal Audit Charter.
72. At the same meeting, the Committee approved the Internal Audit Strategy and the Annual Audit Plan for 2024/25.
73. The Committee received an update on the progress on the work of the audit plan at its meetings on 10 October 2024 and 6 February 2025. Reference was made to the status of the work and the time spent on each audit. Amendments to the plan were approved to reflect the resources that had been available to the service during the year.

Audit Wales Work Programme

74. The 2024 Detailed Audit Plan was submitted by Audit Wales to a meeting on 5 September 2024. The plan noted the work auditors intended to undertake in fulfilling their statutory responsibilities as an external auditor for the Council and in accordance with their role under the Audit Code of Practice. It was noted that the audit of financial statements would focus on the Council's risks and other areas of emphasis, and the performance audit would include the assessment of Assurance and Risk, and local work on the response to current demand for domiciliary care, and the Council's strategy for the use of reserves.
75. The Detailed Plan refers to substantial risks to the financial statements (i.e. Management Override) which are relevant to all Local Authorities, along with other areas the audit would focus on, namely land and building valuation and the valuation of pension fund net liabilities.
76. During the year, the following quarterly updates were submitted to the Committee on the work of the reviewing bodies:
 - Quarter 4 2023/24 to 23 May 2024 meeting
 - Quarter 1 2024/25 to 5 September 2024 meeting
 - Quarter 2 2024/25 to 28 November 2024 meeting.

Functions under the 2021 Act – the Council's Performance

77. It is a new statutory requirement in line with the requirements of the Local Government and Elections (Wales) Act 2021 for the Council to produce a "self-assessment" report, noting its conclusions regarding the extent to which the Council satisfied the performance requirements set out in the Act during the relevant financial year. The same legislation notes that the Council must ensure that a draft version of its self-assessment report is available to the governance and audit committee (Section 91(6)).
78. A draft self-assessment report for 2023/24 was submitted to the Committee on 5 September 2024 and the content was discussed in detail. Following discussion, the Committee resolved to accept the draft self-assessment, but a number of suggestions were made to strengthen the report either for 2024/25 or in future years.
79. Among the comments made was that the Committee needed to be involved 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.
80. It was also suggested that appropriate consultation arrangements should be considered in the future to ensure the input of Gwynedd residents in the process, and that when presenting data a full explanation needs to be ensured. In relation to Increasing the Housing Supply for Local People, the Committee suggested that the impact needed to be highlighted and not just the number.

Monitoring the response and implementation of the recommendations made by external auditors and regulators

81. The Committee received an update on the Recommendations and Proposals for Improvement from External Audit Reports at its meeting on 6 February 2025. In accordance with its statutory role, the Committee must satisfy itself that appropriate arrangements are in place in order to ensure that improvement proposals arising from external audit reports are implemented.
82. Based on the reports submitted to the Committee, and the work of challenging undertaken during both meetings, the Committee was satisfied that the Council's arrangements for responding to the recommendations and proposals for improvement from external audit reports were robust.
83. It was resolved to accept and note that arrangements and processes were in place to ensure that the improvement proposals were being implemented. The new arrangements for reporting on the progress of external audit reports every 6 months to the Committee were welcomed, and the decision that responses to the reports would be submitted to the relevant Department's Performance Challenge and Support meetings was also welcomed.

The Council's response to the Local Government and Elections (Wales) Act 2021

84. One report on the Council's response to the Local Government and Elections (Wales) Act 2021 was submitted to the Committee during the year, namely an update from the Council's Business Support Service Manager to a meeting on 23 May 2024 on the conduct of a Panel Performance Assessment within the Council.
85. The Local Government and Elections (Wales) Act 2021 places a duty on Councils to conduct a Panel Performance Assessment once in every electoral cycle. The duty came into force in May 2022. The Committee was asked to consider the submitted report and offer any comments and recommendations with a particular focus on the potential areas for the Panel to examine.
86. In addition to the issues already listed in the report, the Committee proposed that the Panel should consider workforce planning, succession planning and managerial succession as potential fields for the Panel to examine.

The Committee's Effectiveness

87. The Committee received an update on the steps taken to implement the decisions made at each of its meetings during 2024/25. The Committee is of the view that this is a significant step to ensure that it continues to operate effectively.
88. A workshop was held in the Council Offices, Caernarfon on 3 April 2024. An external facilitator was used to support the workshop who had extensive experience in the field of audit. There was a feeling that the workshop had been extremely valuable, it followed CIPFA guidelines, and the good practice questions were used as shown in the CIPFA publication *"Audit Committees: Practical Guidance for Local Authorities"* for conducting a high-level review that incorporates the key principles as noted in the CIPFA Position Statement.
89. At its meeting on 23 May 2024, the Committee agreed to accept and approve the content of the self-assessment of good practice and to approve and support the actions. It was noted that opportunities needed to be identified to reinforce the relationship between external regulators and Internal Audit.
90. The Committee has received an update at each meeting (if not impractical) on progress against the Committee's decisions, and as part of the action plan for the self-assessment a rolling forward programme will be submitted to each meeting.

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	11 SEPTEMBER 2025
TITLE:	TREASURY MANAGEMENT 2024/25
PURPOSE:	CIPFA's Code of Practice requires that a report on the results of the Council's actual treasury management is produced.
RECOMMENDATION:	RECEIVE THE REPORT FOR INFORMATION
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

Executive Summary

During the 2024/25 financial year the Council's treasury management activity remained within the limits originally set and total interest received on deposits was £2.5m which was below the budgeted level of £2.7m. There were no defaults by institutions in which the Council had deposited money.

1. Introduction

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.

This report compares the actual performance against the strategy for the financial year 2024/25 and fulfils the Council's legal obligation under the Local Government Act 2003 to have regard for both the CIPFA Code and the Welsh Government's Investment Guidance.

2. External Context

Economic background: Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025.

UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.

The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. The base rate is expected to reach around 3.75% by the end of 2025.

The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more

than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.

The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

Financial markets: Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.

The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

The period in question ended shortly before US President Donald Trump announced his package of '*reciprocal tariffs*', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

Credit review: In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.

Fitch revised the outlook on Commonwealth Bank of Australia (CBA) to positive from stable while affirming its long-term rating at AA-, citing its consistent strong earnings and profitability.

Other than CBA, the last three months of the period were relatively quiet on the bank credit rating front, with a small number of updates issued for a number of lenders not on the Arlingclose recommended counterparty list.

On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and also withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit

rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.

Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained 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. Year End Position

Balance Sheet Summary

At 31 March 2025 the Council had net investments of £53m arising from its revenue and capital activities. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The movements are summarised in the following table:

	31.3.24 Actual £m	2024/25 Movement £m	31.3.25 Actual £m
CFR	174	6	180
Less: Other debt liabilities	(1)	(5)	(6)
Borrowing CFR	173	1	174
Less: Usable reserves	(128)	(10)	(138)
Less: Working capital	(85)	(4)	(89)
Net borrowing/ (investment)	(40)	(13)	(53)

The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

Treasury Management Summary

	31.3.24 Balance £m	2024/25 Movement £m	31.3.25 Balance £m
Long- term borrowing	94.0	(3.9)	90.1
Short-term borrowing	6.9	(2.9)	4.0
PFI	1.0	4.5	5.5
Total borrowing	101.9	(2.3)	99.6
Short-term investments	(97.6)	10.7	(86.9)
Cash and cash equivalents	(43.9)	(22.1)	(66.0)
Total investments	(141.5)	(11.4)	(152.9)
Net borrowing/ (investment)	(39.6)	(13.7)	(53.3)

4. Borrowing Activity

At 31st March 2025, the Council held £94.1m of loans, a decrease of £6.8m on the previous year, as part of its strategy for funding previous years' capital programmes.

The debt interest paid in 2024/25 was £5.3 million on an average debt portfolio of £99.2 million at an average interest rate of 5.37%.

The year-end borrowing position and the year-on-year change is summarised in the following table:

	31.3.24 Balance £m	2024/25 Movement £m	31.3.25 Balance £m	31.3.25 Rate %	31.3.25 WAM* years
PWLB	83.4	(6.6)	76.8	5.6	17.0
Bank (Fixed term)	16.2	0.0	16.2	4.2	53.4
Other	1.3	(0.2)	1.1	0.0	2.7
Total borrowing	100.9	(6.8)	94.1		

*Weighted average maturity

The Council's main objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with a secondary objective of flexibility to renegotiate loans should the Council's long-term plans change. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer- term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. During the majority of the period short term interest rates have been higher than long term interest rates.

After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be

inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.

The PWLB certainty rate for 10- year maturity loans was 4.8% at the beginning of the period and 5.42% at the end. The lowest available 10- year maturity rate was 4.52% and the highest was 5.71%. Rates for 20- year maturity loans ranged from 5.01% to 6.14% during the period, and 50- year maturity loans from 4.88% to 5.88%.

For the majority of the year the cost of the short- term borrowing from other local authorities closely tracked Base rate at around 5.00% - 5.25%. However from late 2023 rates began to rise, peaking at around 6% in February and March 2025.

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 unless these loans are for refinancing purposes. The Council has no plans to invest primarily for financial return.

No new long-term borrowing was undertaken in 2024/25, with existing loans maturing without replacement. This strategy enabled the Council to reduce net borrowing costs (despite foregoing investment income) and reduce overall treasury risk.

5. Treasury Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances have ranged between £106.8 million and £235.8 million.

Treasury Investment Position

	31.3.24 Balance £m	2024/25 Movement £m	31.3.25 Balance £m	31.3.25 Rate %	31.3.25 WAM* days
Banks & building societies (unsecured)	5.9	0.1	6.0	4.5	29.3
Local Authorities	81.0	(56.0)	25.0	5.8	48.8
Money Market Funds	43.0	22.0	65.0	4.5	1.0
Debt Management Office	0.0	45.0	45.0	4.5	3.2
Pooled Funds	11.6	0.3	11.9	6.0	365+
Total investments	141.5	11.4	152.9		

*Weighted average maturity

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the 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.

Bank rate reduced from 5.25% to 5.00% in August 2024, again to 4.75% in November 2024 and again to 4.5% in February 2025 with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.45% and 5.20% and money market rates between 4.45% and 5.29%.

£11.9m of the Council's investments are held in externally managed strategic pooled equity, bond and property funds where short-term liquidity is a lesser consideration, and the objectives instead are regular revenue income and long- term price stability. These funds generated an income return of 5.95% which is used to support services in year, and an unrealised capital gain of £0.3m in this financial year. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued stability in meeting the Council's medium to long term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years but with the confidence that over a three-to five year period total returns will exceed cash interest.

Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Income Rate of Return
31.03.2024	5.30	A+	38%	36	5.59%
31.03.2025	4.67	A+	50%	22	4.82%
Similar LAs	3.92	AA-	30%	105	4.53%
All LAs	4.77	A+	64%	8	4.65%

*Weighted average maturity

6. Compliance Report

The section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in the following tables:

Debt Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied
Borrowing	£100.9m	£94.1m	£190m	£200m	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Investment Limits

	2024/25 Maximum	31.3.25 Actual	2024/25 Limit	Complied
The UK Government	£71.7m	£45m	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	✓

7. Treasury Management Indicators

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

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the time-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment and taking the arithmetic average, weighted by the length of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.25 Actual	2024/25 Target	Complied
Portfolio average credit score	4.67	A score of 6 or lower	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	31.3.25 Actual	2024/25 Target	Complied
Total cash available within 3 months	£141.0m	£10m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

	31.3.25 Actual	2024/25 Limit	Complied
Upper limit on one year revenue impact of a 1% rise in interest rates	£1,301,900	£2,290,000	✓
Upper limit on one year revenue impact of a 1% fall in interest rates	£1,301,900	£2,290,000	✓

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.25 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	4.27%	25%	0%	✓
12 months and within 24 months	4.83%	25%	0%	✓
24 months and within 5 years	3.04%	50%	0%	✓
5 years and within 10 years	25.19%	75%	0%	✓
10 years and above	62.68%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2024/25	2025/26	2026/27
Actual principal invested beyond year end	£13m	£0	£0
Limit on principal invested beyond year end	£40m	£20m	£20m
Complied	✓	✓	✓

8. Recommendation

To receive the report.

MEETING	Audit and Governance Committee
DATE	11 th September 2025
TITLE	Audit Wales Reports
AMCAN	Provide an update to the Committee on the Audit Wales work programme for Quarter 1
RECOMMENDATION	Members are asked to accept the report.
AUTHOR	Carwyn Rees, Audit Manager, Audit Wales/Dewi W. Jones, Council Business Support Service Manager

1. BACKGROUND

- 1.1. The Audit and Governance Committee has a role to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council and as part of this role there is an expectation to consider the reports of external review bodies such as Audit Wales, Estyn and Care Inspectorate Wales (CIW).
- 1.2. As well as actively considering reports the committee are expected to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them. To facilitate this work Audit Wales has prepared a quarterly update on the work of the review bodies and a copy of this document for Quarter 1 2025/26 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 6th of February 2025. The next report will be presented in the Autumn.

Audit Wales Work Programme and Timetable – Cyngor Gwynedd - 30 June 2025

Below are details of planned and recent work where relevant of Audit Wales, Care Inspectorate Wales and Estyn. We will provide a further update on progress and future plans at the end of December 2025.

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2024-25 statement of accounts	To provide an opinion on the 'truth and fairness' of the financial statements for the financial year ended 31 March 2025.	October 2025.	The Statement of Accounts were received on 30 June 2025 and audit fieldwork is underway.
Audit of the Council's 2024-25 grant claims and returns	Certification of the following claims and returns: <ul style="list-style-type: none"> • Non-Domestic Rates • Teachers' Pensions • Housing Benefit Subsidy 	June 2025 – January 2026	Work has commenced on these grant claims.

Performance Audit work

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 to March 2025	Final report issued June 2025. Awaiting Management response to recommendations.

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.	Complete	Complete
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	Complete
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	Ongoing fieldwork. Draft report to be issued to Officers by first week of August.

2025-26 Performance Audit work	Scope	Timetable	Status
Thematic review – recruitment and retention challenges	A review focusing on how councils' arrangements for addressing recruitment and retention challenges apply value for money considerations and the sustainable development principle.	January 2025 – June 2026	Scoping
Local project – Risk Management	A review that will look at the arrangements that are in place to secure value for money in the use of its resources through risk management arrangements	January – June 2026	Scoping
Regional Work: use of data in budget setting for demand led services	Local audit work across the 6 principal councils in North Wales that will look at arrangements to ensure financial sustainability when setting budgets. This will include how councils are using data to inform the resources required.	January – June 2026	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at the Council
Temporary Accommodation	Examining the costs, demand and how services are working together to progress the response to temporary accommodation.	Report publication planned for July 2025	Fieldwork complete.	Interviews were undertaken at the following councils: <ul style="list-style-type: none"> • Conwy • Pembrokeshire • Cardiff • Newport • Wrexham
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	Publication planned for September 2025	Fieldwork complete.	Interviews were undertaken at the following councils: <ul style="list-style-type: none"> • Anglesey • Neath Port Talbot • Powys • Rhondda Cynon Taf • Swansea • Torfaen
Childrens' Services	Scoping underway with a likely focus on councils' plans for implementing the Health and Social Care (Wales) Act 2025; the costs of, and demand for, services; and how councils and their partners are working to improve the value for money of services.	Fieldwork to begin summer 2025	Scoping	Tbc

Study	Scope	Timetable	Status	Fieldwork planned at the Council
Local government funding arrangements	To be confirmed	Fieldwork to begin autumn 2025	Scoping underway	Tbc
Commissioning arrangements in local government	Scoping underway for local government study following completion of thematic review at each of the 22 councils (see above)	Fieldwork to begin summer/ autumn 2025	Scoping	tbc
Corporate Joint Committees Follow Up	Scope to be confirmed. To follow up on previous Local Government Study	tbc	Not yet started	tbc

Estyn

During the autumn term we inspected Newport LGES. We also carried out an inspection of the local authority's youth work. We identified strong practice in the provision in Newport, especially in areas relating to supporting school finances, many aspects of school improvement and ALN as well as their work in developing Welsh medium education. We highlighted the impact of strong leadership at the director level and her impact on the quality and delivery of the key functions relating to her role.

We carried out a monitoring visit of Torfaen LGES as part of our follow-up process for an authority causing significant concern. The visit evaluated their progress against the recommendations from the core inspection. We found that Torfaen LGES had made sufficient process in addressing key elements of the recommendations and was removed from follow-up. The key factor in securing the improvement has been the increase in leadership capacity at Chief executive and Director level which has had a substantial impact on securing important progress in relation to expectations, processes and delivery.

We carried out an enhanced link inspector visit to Denbighshire in October, which focused on specific aspects of attendance and additional learning needs.

During the spring term we carried out an inspection of Powys LGES and youth work. We judged that Powys LGES requires significant improvement and will therefore require monitoring by Estyn. The Youth Service at Powys is generally strong.

We undertook an enhanced link inspector visit to Bridgend which focused on their Welsh in Education Strategic Plan (WESP) and their work on improving attendance. We also contributed to CIW's joint inspection of child protection arrangements in Pembrokeshire and their follow-up work on a Rapid Review of safeguarding.

Care Inspectorate Wales (CIW)

	Scope	Timetable	Status
CIW planned work 2025-26 Thematic reviews - Regional Adoption Collaborative (RAC) Inspections	CIW will complete 5 inspections covering all of Wales. Inspections will be conducted across the five regional adoption collaborative we will draw on the themes nationally into a national report.	April 2025 – December 2025	Inspections underway
Community Learning Disability Team (CLDT) Community Mental Health Inspections	In 2025-6 We will continue an annual programme of joint work focusing on CLDT and Community Mental Health Team (CMHT)	July 2025 – February 2026	Inspections pending

	Scope	Timetable	Status
Joint Inspectorate Review of Child Protection Arrangements	Joint Inspectorate Review of Child Protection Arrangements: Pembrokeshire	March 2025	Not yet published
Deprivation of Liberty Safeguards (Dols)	Annual Monitoring Report for Health and Social Care 2023-24 - National review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales 2023-24 Care Inspectorate Wales	February 2025	Published
Annual Report	Chief Inspector's Annual Report 2023-2024	November 2024	Published
Mental health support for children and young people	Joint Review: How are healthcare, education, and children's services supporting the mental health needs of children and young people in Wales?	November 2024	Published
Quarter 4 Inspections	Improvement Check: Denbighshire County Council children's services	February 2025	Published
	Performance Evaluation Inspection: Newport City Council adult services	February 2025	Published
	Cardiff Community Mental Health Team (CMHT)	March 2025	Not yet published

	Scope	Timetable	Status
Quarter 1 2025-2026 inspections	Local Authority Improvement Check: Monmouthshire County Council	March 2025	Published
	Improvement Check: Ceredigion County Council adult services	May 2025	Not yet published
	Improvement Check – Bridgend County Council children services	June 2025	Inspection pending
Performance review of Local Authorities and Cafcass Cymru	How we inspect local authority services and CAFCASS Cymru We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales We have revised our Code of Practice	November 2024	Published
Quarter 3 Inspections	Local authority improvement check: Isle of Anglesey County Council adult services	August 2024	Published
	Newtown Community Mental Health Team	October 2024	Published
	Local authority assurance check: Neath Port Talbot adult services	November 2024	Published
	Performance Evaluation Inspection (PEI): Carmarthenshire County Council's children's services	December 2024	Published

	Scope	Timetable	Status
	Local authority assurance check letter: Caerphilly adult services Care Inspectorate Wales	November 2024	Published
	Local authority improvement check letter: Cyngor Gwynedd adult services Care Inspectorate Wales	October 2024	Published

Audit Wales national reports and other outputs published in the last year

Report title	Publication date and link to report
NHS cost savings arrangements (article with Board Member checklist)	June 2025
The Wales Infrastructure Investment Strategy	May 2025
No time to lose: Lessons from our work under the Well-being of Future Generations Act	April 2025
Financial Management and Governance – Lessons from Audit for Community and Town Councils in Wales	March 2025
The Biodiversity and Resilience of Ecosystems Duty	March 2025
Addressing workforce challenges in NHS Wales	February 2025
Cancer services in Wales	January 2025
Local Government Financial Sustainability	December 2024

Report title	Publication date and link to report
Local Government Financial Sustainability Data tool update now includes data from the draft 2023-24 accounts	December 2024
National Fraud Initiative in Wales 2022-23	October 2024
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

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

Title	Indicative publication date
Designating Sites of Special Scientific Interest – Natural Resources Wales	Summer 2025
Challenges for the cultural sector (financial sustainability focus)	Summer 2025 (local audit work at Welsh Government arm's length bodies largely complete but reports will be published to website following audit committees: already available for the National Library , Sport Wales , and the Arts Council of Wales)
Findings from GP registration data matching pilot	Summer 2025
Further and higher education funding and oversight – Medr / Commission for Tertiary Education and Research	Summer 2025 (for initial phase of work on setting of well-being objectives – further work to follow)
Urgent and emergency care (national messages)	Autumn 2025
New Velindre Cancer Centre	Autumn 2025
The senior public service	To be confirmed (scoping)
Rebalancing care and support	Autumn 2025

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 investigative audit work and local audit work where we consider there is merit in a national summary output of some kind.

² Our [Annual Plan 2025-26](#) also provides an updated list of work in progress and lists plans for new work to start during 2025-26 which will be added to this paper in due course. Where national/thematic work has progressed through the planning stage, a brief summary about its focus and planned timetable is also now available on our [website work programme pages](#).

Title	Indicative publication date
Tackling NHS waiting lists (summary of local audit work at health boards)	Autumn 2025 (local work to be completed by end of July 2025)
Access to education for children with Additional Learning Needs	Winter 2025
Welsh Government support for business	Spring 2026
Support for bus and rail services	To be confirmed (scoping)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	Winter 2025
Picture of public services – reflections on public finance, governance, and service delivery challenges	To be confirmed (scoping)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (local audit work rolling out from July 2025)

Good Practice Exchange events and resources

Title	Link to resource
<p>No time to lose: Prioritising Prevention The focus will be on exploring the latest thinking on prevention and looking how public bodies can make the shift from firefighting to futureproofing. Delegates will be able to share, learn and network with colleagues from across Wales.</p>	<p><u>15 July – 09:30 – 13:00 – Cardiff City Stadium</u> <u>17 July – 09:30 – 13:00 – Conwy Business Centre</u> Follow the links to book a place or email good.practice@audit.wales</p>
<p>We are in the process of finalising dates for our forthcoming events which will include the following themes:</p> <ul style="list-style-type: none"> • Tackling fraud and error • The complex public service landscape • The workforce of the future • Upping the bandwidth on digital transformation • Putting value for money to the test 	<p>We will share booking details shortly.</p>

Strategic Management of Balances and Reserves

Cyngor Gwynedd

September 2025

About us

We have prepared and published this under section 17 of the Public Audit (Wales) Act 2004 and section 15 of the Well-being of Future Generations Act (Wales) 2015.

© Auditor General for Wales 2025

You may re-use this publication (not including logos except as an integral part of the document) free of charge in any format or medium.

If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Audit snapshot	4
Key facts and figures	6
Our findings	8
Recommendations	12
1 About our work	14

Audit snapshot

What we looked at

- 1 Cyngor Gwynedd is responsible for looking after its financial reserves. This means making sure there is enough money set aside to deal with unexpected events, while also investing in services and infrastructure to support the community and maintain value for money.
- 2 This audit looked at how the Council manages its reserves. It focused on governance, risk management, financial reporting, and how reserves are used strategically to make sure public money is well managed to support long-term stability.

Why this is important

- 3 Strategic use of financial reserves helps councils deliver essential services, manage risks, and respond flexibly to changing local needs. By securing value for money, councils can support community priorities, maintain public trust and safeguard long-term financial stability, ensuring resources are used where they have the greatest social and economic impact.
- 4 By ensuring robust management of reserves, Cyngor Gwynedd can navigate financial uncertainties, support essential services, and achieve its strategic objectives.

What we have found

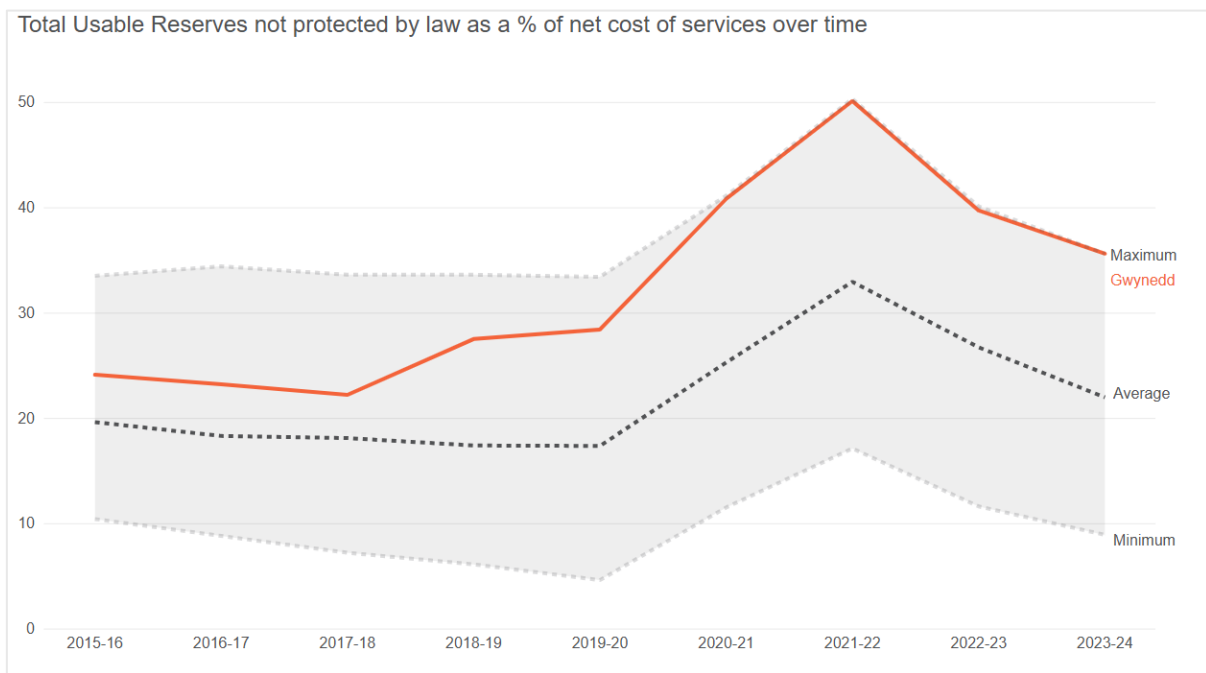
- 5 Cyngor Gwynedd has clear and structured governance arrangements for managing its reserves. The Council Chief Finance Officer regularly advises members and officers on reserve levels and usage. A key strength is the Council's ongoing "harvesting" process, which reviews reserves at multiple points throughout the year. However, there is no formal strategy or framework to guide decisions on reserve levels, which could help ensure that reserves are used effectively and provide assurance that they're consistently aligned with the Council's objectives.

What we recommend

- 6 We make one main recommendation to formalise how the Council establishes and uses its reserves. This should improve its arrangements on the use of reserves which help ensure value for money.

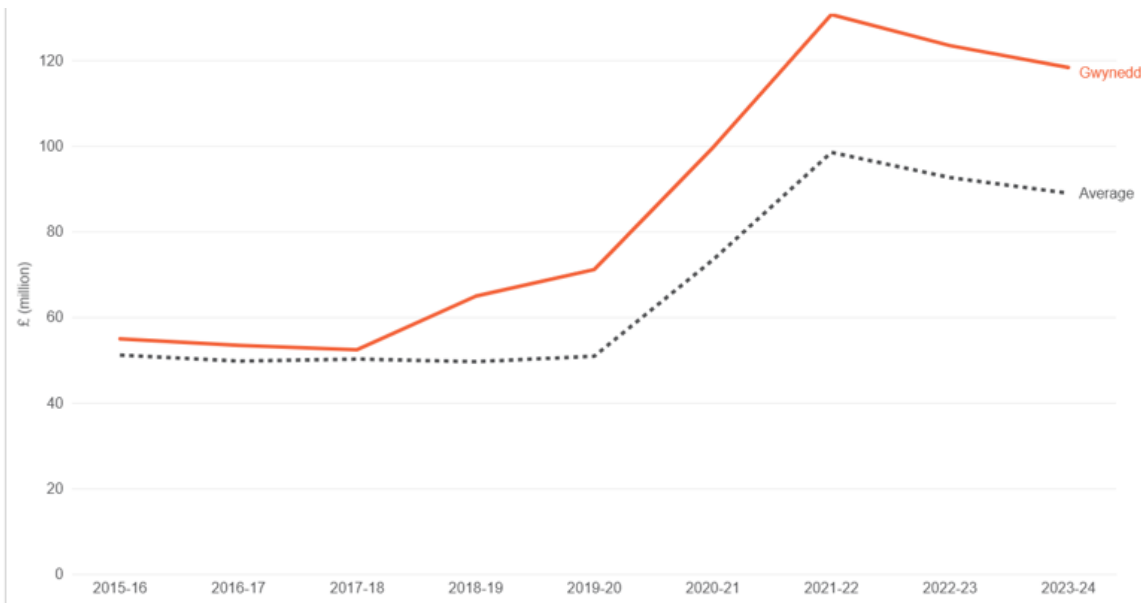
◀ Key facts and figures

- 7 **Exhibit 1** shows what percentage of Cyngor Gwynedd's expenditure was held in useable reserves between 2015-16 and 2023-24. This is shown alongside the maximum held, the minimum held and the average.



Source: Cyngor Gwynedd via the Audit Wales Local Government Financial Sustainability [Data Tool](#)

- 8 **Exhibit 2** shows what the total useable revenue reserves (£ Million) not protected by law held by Cyngor Gwynedd side by side with the Wales average, per £million, between 2015-16 and 2023-24.



Source: Cyngor Gwynedd via the Audit Wales Local Government Financial Sustainability [Data Tool](#)

- 9 Further data is available on the Audit Wales Local Government Financial Sustainability Data Tool. This tool compares financial data for each council, national park and fire and rescue authority in Wales from 2015-16 onwards. See: [Local Government Financial Sustainability | Audit Wales](#)

Our findings

Governance of reserves is strong with well-established review processes

- 10 Cyngor Gwynedd has clear and structured governance arrangements for managing its reserves. The Council has adopted a policy on reserve use, and the Chief Finance Officer regularly advises members and officers on reserve levels and usage. These updates are shared through Cabinet papers, Scrutiny Committee reports, and presentations.
- 11 A key strength is the Council's "harvesting" process, which reviews reserves at months five, eight, and 12 of the financial year. This is not just a year-end task - it's embedded in financial monitoring throughout the year. The process checks whether reserves are still needed for their original purpose and whether they can be reallocated. This ongoing review is a notable practice.
- 12 However, while the process is well-established, it relies heavily on professional judgement. There is limited evidence of systematic reasoning behind reserve levels. For example, decisions to retain specific amounts are not always backed by clear calculations or documented rationale. Introducing proportionate thresholds for review could improve consistency and assurance, especially for larger reserves.

Understanding on reserves is clear, but strategy is informal

- 13 The Council understands the types of reserves it holds and reports on them clearly in its Accounts. It also explains how much is earmarked and for what purpose. However, the way it determines whether reserves are adequate, (without being too low nor too high) is less clear. There is no formal strategy or framework to guide decisions on reserve levels.

- 14 The current reserves policy is more of a descriptive document than a decision-making tool. It outlines definitions and responsibilities but lacks criteria for establishing, reviewing, or using reserves. This means that while the Council can explain what reserves exist, it cannot always explain why specific amounts are held or whether they are still appropriate. If its policy were a decision-making tool, the Council and the public could be assured that they're applied consistently to the different reserves.
- 15 The harvesting process helps identify reserves that may no longer be needed, but it does not always gather evidence to gain assurance the balance is at the necessary level. A more structured reserve strategy would help ensure that decisions are consistent, transparent, and aligned with the Council's priorities. It would also support better use of public money by freeing up funds that are no longer needed for their original purpose.

Reserves are used in risk planning, but lacks strategy on replenishing

- 16 Cyngor Gwynedd uses reserves to manage financial risks, such as bad weather, legal costs, or system failures. These risks are recognised in the Corporate Risk Register, and reserves are earmarked to mitigate them. However, the Council does not have a clear plan for replenishing reserves once they are used.
- 17 There is also limited evidence of how reserve levels are calculated. Many are round figures, and while this is common, the rationale behind them is not always clear. For example, it is not evident how the Council decides that £900,000 is the right amount for a specific risk. This weakens assurance that reserves are proportionate to the risks they are meant to cover.
- 18 The Council's prudent approach means it is unlikely to run reserves down completely. However, without a strategy for maintaining or restoring reserve levels, there is a risk that funds may not be available when needed. A clearer link between risk appetite, reserve levels, and replenishment plans would strengthen financial resilience and support better long-term planning.

Reporting on reserves is transparent, but communication could improve

- 19 The Council meets its reporting obligations and shares regular updates on reserves through formal channels. The Statement of Accounts includes detailed notes and a glossary to help explain reserve movements. However, some aspects of communication could be improved to help stakeholders understand the information more easily.
- 20 For example, the Council holds some reserves with that appear to have similar purpose such as the Business Transformation Fund and Transformation / Council Plan Fund. This makes it difficult for members and the public to understand how reserves are being used.
- 21 While the Council transparent in its accounting on reserves, the way it presents the information it could be clearer. Improving communication about how the reserves work together cohesively would help build trust and support better engagement. This is particularly important given the significance of some reserves, such as the £18 million held in the Financial Strategy Fund, which lacks a clear ceiling or defined purpose.

Strategic use of reserves is evident, but prioritisation could improve

- 22 Cyngor Gwynedd uses reserves to support its strategic goals set out in its Council Plan, including housing and digital transformation. For example, income from the council tax premium on second homes is ringfenced to support the Council's housing strategy. This reserve has a clear purpose, a defined spending plan, and links to identified risks such as legal appeals.
- 23 However, not all reserves are managed with the same clarity. Some, like the waste reserve, hold significant sums without a clear rationale. The Council's current policy does not provide a framework for prioritising reserve use or deciding when to release funds for investment. This risks reactive decision making and limits its ability to use reserves to their full potential.

- 24 The Council's cautious approach has helped it build strong reserves, which has put the Council in a strong position to manage a difficult financial climate. A structured decision-making framework would help ensure that reserves are used effectively and provide assurance that they're consistently aligned with the Council's objectives.

Recommendations

R1 To ensure its reserves are used strategically, the Council should enhance its current arrangements by adopting a reserves strategy that includes

- 1.1 criteria to determine when and how reserves should be established and prioritised; and
- 1.2a proportionate method to support the rationale behind the sums held in reserves at year-end.

Appendices

1 About our work

Scope of the audit

This audit reviewed the Council's approach to strategic management of its reserves and balances. It focussed on:

- the governance and oversight of reserves;
- the types and adequacy of reserves;
- the relationship between risk management and the management of reserves;
- financial reporting and transparency; and
- strategic use of reserves.

Audit questions and criteria

Questions

- Does the Council have adequate governance and oversight arrangements for its reserves and balances?
- Does the Council have a clear understanding of the types and adequacies of its reserves and balances?
- Do the Council's service and risk management arrangements inform its strategic management of reserves and balances?
- Do the Council's Financial Reporting arrangements ensure transparency in the strategic management of its reserves and balances?
- Does the Council have arrangements to ensure that the use of its reserves is effective?

Criteria

The audit considered how the Council applied the CIPFA (Chartered Institute of Public Finance and Accountancy) guidelines, which emphasize the importance of clear protocols for the establishment, use, and review of reserves. It evaluated the role of the chief finance officer in advising on reserve levels, the adequacy of reserves in relation to identified risks, and the transparency of financial reporting. Additionally, the audit examined how the Council plans for the strategic use of reserves, including the criteria used to determine when and how reserves should be utilized.

Methods

This audit involved document reviews and interviews with officers and an elected member.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and
telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

Management response form



Audit Wales use only	
Audited body	Cyngor Gwynedd
Audit name	Strategic Management of Balances and Reserves
Issue date	September 2025

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	<p>To ensure its reserves are used strategically, the Council should enhance its current arrangements by adopting a reserves strategy that includes</p> <p>1.1 criteria to determine when and how reserves should be</p>	<p>We will develop a reserves strategy that incorporates the issues below as well as other relevant matters.</p>	31 March 2026	Head of Finance	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
	<p>established and prioritised; and</p> <p>1.2 a proportionate method to support the rationale behind the sums held in reserves at year-end.</p>				

MEETING	Audit and Governance Committee
DATE	11 September 2025
TITLE	Annual Complaints and Service Improvement Report 2024/25
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

1. Decision sought

A Report on the corporate complaints process was requested by this committee last year. This report is therefore submitted in response to that request outlining the Council's complaints arrangements. It is hoped that in giving this overview it can be demonstrated that there are adequate arrangements in place to deal with corporate complaints about Council Services. To accompany the report and set context, the Welsh Ombudsman's Annual Letter for the year 2024/25 which has been received in recent weeks is also presented as an appendix. The Ombudsman has requested that the letter be presented to this Committee.

This Committee is requested to accept the report and make any comments or recommendations on the complaints procedure in doing so.

2. Introduction and Context

This report provides an overview of the Council's arrangements for dealing with corporate complaints and presents the Ombudsman for Wales' comments on our arrangements and performance as a Council in the context of dealing with complaints. The Ombudsman's comments highlight successes, challenges, and developments specifically for the 2024/25 period. Comments are received by the Ombudsman in the formal order of an Annual Letter. The most recent Annual Letter for the year 2024/25 was received on 14/08/2025 this year and contains an analysis of quantitative and qualitative data demonstrating the Council's performance. The Letter is attached as Appendix 2 to this report.

In accordance with Statutory and Non-Statutory Guidance for Principal Councils in Wales – substantive provision in the Local Government Act 2000, the Local Government (Wales) Measure 2011 and Local Government and Elections (Wales) Act 2021 published in June 2023 the Committee is required to ensure that there are effective arrangements for dealing with complaints within the Council.

It should be noted that the Committee's role is not to consider whether individual complaints have been dealt with appropriately, but rather, consider the effectiveness of the complaints process, as a whole. As a result, there is

no reference in the report to any individual complaint or departmental performance.

This report is presented as a basis for the Committee to reach conclusion as to the effectiveness of current arrangements. For the information of the Committee, there has been no change in the procedure or the Concerns and Complaints Policy during 2024/25 therefore, the content of the Ombudsman's letter is based on the Policy adopted by the Council in 2021. A new Customer Care Plan has been adopted in early Summer 2025 following a rigorous consultation plan as part of the Ffordd Gwynedd work plan. The training and awareness raising on the new Customer Care Scheme will not only be a way of reminding officers across the Council of the Complaints procedure, but also, hopefully improve services for residents which will in turn reduce the number of complaints.

The Committee is invited to consider the information submitted, and to offer any comments or relevant suggestions.

How Gwynedd Residents are aware of the Complaints procedure

The report below provides an overview of the procedure in place for the handling and processing of Corporate Complaints. Prior to outlining this procedure, it must be noted that there are some exceptions to the Corporate Complaints procedure. These exceptions are for work areas where alternate arrangements exist, and Appendix 1 of this report provides further details about those exceptions. They are complaints in the fields of:

- ❖ Care
- ❖ Education
- ❖ Employment
- ❖ Byw'n lach

Corporate Complaints Procedure

It is very important that the public are aware of how to contact the Council if they wish to raise a concern or complaint. The current complaints procedure dates back to 2015 when it was established. At that time an article introducing the system was submitted within Newyddion Gwynedd, which at the time was distributed to the homes of Gwynedd residents.

The Concerns and Complaints Policy was written under the supervision of the Public Services Ombudsman for Wales. It is in line with Welsh Government guidance and is therefore consistent with the Complaints arrangements of other public bodies.

The Policy was updated in 2021 and responsibility for the implementation of the Complaints and Service Improvement procedure was transferred to the Corporate Services Department under the care of the Service Improvement Officer, who was at the time part of the Organisation's Learning and

Development Team. The Officer and the responsibility for the procedure now sit within the Support Team within the Corporate Services Department.

Details of the procedure can be found on the Council's website, and copies of the Policy, which are bilingual and include a Praise or Complaint Form, are also available in the Council's Siopau Gwynedd and in all Libraries.

A paper copy of the Policy can be sent out to anyone if they need a paper copy at any time of course.

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Contact-us/Polisi-Pryderon-Saesneg-2023-Layout-1.pdf>

An Easy Read copy of the Policy is also available.

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Contact-us/Hawdd-i-Darllen-Saesneg.pdf>

If a customer needed a copy in a different language or needed an interpreter to assist with their complaint, this would be facilitated upon request.

How Gwynedd Residents can report a complaint or concern ?

A concern or complaint can be reported by visiting the Council's website www.gwynedd.llyw.cymru

A form is available which is a multi-purpose form, which can be used to Praise or to Complain.

<https://diogel.gwynedd.llyw.cymru/HunanwasanaethGweFfurflenni/cy/CwynCyffredinol/Index>

If a customer needs a paper copy, they can request a copy of the form from the person they are already in contact with.

The central complaints contact point can be contacted on 01766 771000 if a customer wishes to make a complaint over the phone.

Complaints can be e-mailed to cwynion@gwynedd.gov.wales

Complainants can also write to the Service Improvement Officer, Corporate Services, Gwynedd Council, Shirehall Street, Caernarfon, Gwynedd, LL55 1SH

The function of the Service Improvement Officer means that they act as an Advocate on behalf of the customer.

The Council's arrangements for dealing with complaints

When a complaint reaches the Council whether via the online form, by email, by letter or by phone, the aim is to acknowledge it within 5 working days and

inform the customer who the investigating officer is and response to the complaint. A copy of the Concerns and Complaints Policy will be appended in the acknowledgment message to them. If their complaint was by letter, an acknowledgement letter and paper copy of the Policy will be sent to them. If the complaint came over the phone, the customer will be asked for their preference as to how they would like further contact and updates e.g. by email, or by letter etc.

Once a complaint is received, it is recorded on the central complaints system and is passed on to the relevant Service/Officer for attention.

There are two stages to the procedure. Stage 1 (Informal Complaint) and Stage 2 (Formal Complaint). An Informal complaint will usually be resolved more or less immediately by the Services. Of course, investigating and responding to a Formal complaint is a longer process.

In accordance with the Policy, the Service has up to 20 working days to investigate and respond to any complaint. If they need more time to investigate and respond, then the customer and the Service Improvement Officer must be informed at their first opportunity. At the same time, they are expected to give a definite date as to when the customer can expect a full response.

If there is going to be a longer delay for whatever reason, the customer and the Service Improvement Officer should always be kept aware of this.

The Service Improvement Officer keeps track of the response timeline and reminds Services of the timeline as required. Instances have arisen whereby the Officer has had to send several reminders to the Service as a complaint remains open for longer than 20 days and the Service has not explained that they need more time etc.

If a Service has failed to respond within the 20 working days and has not explained that they need more time to the customer and the Service Improvement Officer, then the customer has the right to take the matter forward to the Public Services Ombudsman for Wales.

Arrangements if the Customer is not happy with the response

The Services are always expected to include a standard paragraph containing details of how to contact the Ombudsman's office in their responses to Formal complaints. If a customer is dissatisfied with the response they have received from a Service, then they have the right to take the matter further, which is to the Ombudsman if they wish.

Learning lessons from Complaints, and improving services

In the majority of cases the Services acknowledge mistakes and take learning opportunities in order ensure that no such complaint arises again. Cases do arise however, for various reasons, when Services are not so open to

improvement, and in such instances the Service Improvement Officer will intervene by encouraging and persuasion. This can be a tough task and in some cases the Service Improvement Officer has encouraged a customer to take the complaint to the Ombudsman, who in turn, following their own investigation, has requested the Council to Settle a complaint.

The Service Improvement Officer is the Council's point of contact for the Ombudsman's Office.

The Ombudsman's Officers will make contact with an Enquiry, Request for more information or Response. Depending on each case, their response may be either No Investigation, No Investigation - Premature, Investigation or Report.

A report on the Council's Complaints performance, specifically on valid Formal Complaints and Ombudsman Complaints is presented to Cabinet twice yearly where the Cabinet will consider responses. The Ombudsman's Annual Letter is presented to Cabinet annually, and this year's Letter will be included in the next report to Cabinet later in the year.

3. Ombudsman's Annual Letter

As previously stated in the Report, the Annual Letter was received this year on 14/08/2025. We will consider and hold internal discussions over the next few weeks to consider the statistics presented in the letter, along with any adjustments or improvements that can be made resulting from those discussions as part of efforts for continuous improvement.

We will of course 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 Appendices

Appendix 1: Details of exemptions to Corporate Complaints Procedure

Appendix 2: Ombudsman's Annual Letter for 2024/25

Appendix 1

Details of work fields exempted from the Corporate Complaints procedure

There are four work areas exempted from the Corporate Complaints process as there are other processes and arrangements in place. The process on each of the four areas are detailed below.

1. **Care** - Due to the nature of their work there is a Statutory procedure in place for the Adult Services and Children's Services and a link to the respective procedure can be found on the Council's Corporate Complaints page.

[Complaints and compliments \(Social Services\)](#)

(See below an extract from the Care Complaint procedure)

If you are not happy with social services, please let us know.

We aim for high standards but sometimes things don't go as they should. If you contact us, we will be able to work with you to put things right as soon as possible.

You can make a comment or complaint using the contact details below:

Complaints about the Adults, Health and Wellbeing Service

- [Online form: Complaint about services for adults in Gwynedd](#)
- 01286 679549
- gcgc@gwynedd.llyw.cymru
- Customer Care Officer, Adults, Health and Wellbeing, Cyngor Gwynedd Headquarters, Stryd y Jêl, Caernarfon, Gwynedd LL55 1SH

Complaints about the Department of Children and Family Support

- [Online form: Complaint about Cyngor Gwynedd's children's department](#)
- 01286 679151
- gcgc@gwynedd.llyw.cymru .
- Customer Care Officer, Children and Family Support Department, Cyngor Gwynedd Headquarters, Jêl Street, Caernarfon, Gwynedd LL55 1SH

Alternatively, you can speak to any member of Social Services staff, and they will pass your concern or comment on to the appropriate Customer Care Officer.

2. **Education** - Schools have their own Complaints Procedure. Please see the link on the Welsh Government site.

<https://www.gov.wales/school-complaints-procedures-guidance-html>

3. **Employment** - Employment issues do not fall under the Corporate Complaints procedure and are rather passed on for the attention of the HR Manager.

However, staff conduct is an area covered by the Corporate Complaints Procedure. If a complaint is received about staff conduct towards a member of the public while carrying out their duties, the complaint will be passed to the relevant Manager for investigation and response and will be included in the report to Cabinet.

4. **Byw'n lach** – Complaints to Byw'n lach are dealt with by the relevant Manager or by the Director depending on the complaint, by contacting Bwy'n lach directly cyswllt@bywniach.cymru .

Ask for: Communications



01656 641150



Caseinfo@ombudsman.wales

Date: 14 August 2025

PERSONAL & CONFIDENTIAL

Councillor Nia Jeffreys
Cyngor Gwynedd

By email only

cynghorydd.niajeffreys@gwynedd.llyw.cymru
dafyddgibbard@gwynedd.llyw.cymru
iwangdevans@gwynedd.llyw.cymru
MeinirGriffiths@gwynedd.llyw.cymru

Dear Councillor Nia Jeffreys

Annual Letter 2024-25

Role of PSOW

As you know, our role as 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. We also undertake investigations into public services on own initiative.

Purpose of letter

Through this letter, we want to give you an update on our work, share key trends in complaints about local government in Wales and highlight any particular issues for your organisation, together with actions I would like your organisation to take.

Complaints about public services

This letter, as always, coincides with the publication of our Annual Report. Again, we saw an increase in the number of people contacting us about public services. Since 2019-20, the volume of new complaints about public services reaching our office has increased by 44%.

We also closed a record number of complaints about public services – 5% more than last year. This year, we intervened (found that something has gone wrong, and recommended how to put things right) in 18% of complaints that we closed. Positively, this year we resolved many more complaints early on. 87% of our interventions this year involved Early Resolution, compared to 70% in 2023-24.

Page 1 of 15

We understand that people who come to us want their complaints resolved as quickly as possible and we are committed to dealing with them in a timely manner.

Overall, we assessed incoming complaints, or intervened with an Early Resolution, within an average of 4 weeks; well within our target of 6 weeks. We have also reduced the time it takes us to complete an average investigation, from 64 weeks in 2023-24, to 53 weeks this year.

During 2024-25, we received 1,337 complaints about local councils - an increase of 20% on the previous year and 54% more than in 2019-20.

The main complaint subjects accounting for this increase related to social services, environment and environmental health, and housing. However, we also saw a welcome drop in complaints about complaint handling.

We intervened in 13% of local council complaints that we closed – a similar proportion to recent years.

We received 46 complaints about Cyngor Gwynedd and closed 44 – some complaints were carried over from the previous year. Cyngor Gwynedd's intervention rate was 7%. You can find detailed information on complaints about your organisation that we handled this year can be found in the appendices.

In 2024-25, we made 9 recommendations to your organisation. To ensure that our investigations and reports drive improvement, we follow up compliance with the recommendations agreed with your organisation. In 2024-25, 9 recommendations were due. 100% of the recommendations due was complied within the timescale agreed. 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

Our 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 2024-25, we received 4% less new Code of Conduct complaints than the previous year. 60% of these complaints related to members of Town and Community Councils. We continue to see that over a half of these complaints (56% this year) tends to relate to promotion of equality and respect.

We made 15 referrals to Standards Committees or the Adjudication Panel for Wales (compared to 21 last year). We are 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, last year, it was brought to our attention that a member of staff who had been the Team Leader of our Code of Conduct Team had been making inappropriate and unacceptable social media posts of a political nature.

In view of the seriousness of the matter, we commissioned Dr Melissa McCullough to conduct an independent review of our Code of Conduct work. [Dr McCullough's Report](#), published in September 2024, found that, "in general terms, the PSOW's Code of Conduct processes and delegations are robust in terms of safeguarding fairness and impartiality. They are systematic, well documented and supplemented with appropriate guidance and the reasoning for decisions is required to be recorded and explained as applicable."

While the findings overall were very positive, the review report included a number of recommendations and lessons learned, to "augment the existing safeguards for ensuring the fairness and impartiality of the processes and would clarify the related guidance as applicable."

Following this, the Senedd's Finance Committee published its report on the [Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales](#). The Committee made further recommendations to us in its report. The details of all the recommendations and lessons learned and the actions we have taken in response can be found in our Annual Report.

To provide additional assurance, Dr McCullough undertook further independent assessment of how we implemented the recommendations and lessons learned, as set out in her 2024 Independent Review Report. This [assessment](#) concluded that:

- all recommendations and lessons learned were fully accepted by us and have been fully implemented
- we demonstrated a comprehensive, thoughtful and consultative approach to the implementation
- the pace of implementation has been impressive
- a separate quality assurance review confirmed the robustness of our process.

Supporting improvement of public services

We continued our work on supporting improvement in public services.

During 2024-25, we concluded our second wider own initiative investigation which looked into unpaid carers' needs assessments in Wales. We considered whether 4 local councils – Caerphilly, Ceredigion, Flintshire and Neath Port Talbot - undertook carers' assessments in line with their statutory obligations.

We published the report on this investigation in October 2024. We found that only 2.8% of people in those council areas who identified as carers had received a needs assessment. In addition, only 1.5% had received a proper support plan following their assessment. Many carers were also not aware of their rights with regard to assessments and support services that might be available to them.

We identified some areas of good practice by the councils we investigated. However, we also made several recommendations including to:

- improve recording practices
- improve how information is shared with carers
- offer staff refresher training on carers' rights
- collaborate better with the healthcare sector.

We invited the other local councils in Wales to make similar improvements.

As we did in the case of our first own initiative investigation, we have been actively monitoring how organisations' have been complying with our recommendations.

We are planning to review compliance with the recommendations and any other impacts of the report in October 2025.

Currently 54 organisations across Wales operate our model complaints policy. This includes all local councils, all health boards and now most housing associations - representing about 85% of the complaints which we receive.

Our offer of free complaints handling training has remained popular and we provided a further 52 training sessions to public bodies across Wales during the year. This brings the total to 550 training sessions and 10,000 people, since 2020.

We have continued our work to publish complaints statistics, gathered from public bodies, with data published twice a year. We expect to publish the data on complaints handled by local councils in Wales during 2024-25 in the Autumn. This data allows us to see information with greater context – for example, during 2024-25 5.18% of complaints made to local councils went on to be referred to us. Finally, this year we also published 2 thematic reports, which included as case studies complaints about local councils:

- 'Living in Disrepair' (November 2024): a thematic report about housing disrepair and damp and mould complaints.
- 'Equality Matters' (January 2025): a thematic report on inclusion and accessibility across public services.

These reports include general recommendations for public service providers, drawing on lessons learned from our casework.

Action we would like your organisation to take

Further to this letter, can I ask that your organisation takes the following actions:

- Present this 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 organisation'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

Michelle Morris

Michelle Morris

Public Services Ombudsman

Cc. Dafydd Gibbard, Chief Executive, Cyngor Gwynedd
Iwan Evans, Monitoring Officer, Cyngor Gwynedd
Meinir Griffiths, PSOW Liaison Officer, Cyngor Gwynedd

Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2024-25. 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 intervention rates for all Local Authorities in 2024-25. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix D shows outcomes of the complaints which PSOW closed for the Local Authority in 2024-25. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

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 2024-25. 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 2024-25. This table shows both the number, and the proportion that each outcome represents for each Town or Community Council.

Appendix A – Complaints received (overview)

	MAL			CODE			Total		
Local Authority	Complaints Received	Population	Received per 1,000 residents	Complaints Received	Population	Received per 1,000 residents	Complaints Received	Population	Received per 1,000 residents
Blaenau Gwent County Borough Council	14	67356	0.21	1	67356	0.01	15	67356	0.22
Bridgend County Borough Council	58	146743	0.40	10	146743	0.07	68	146743	0.46
Caerphilly County Borough Council	78	176437	0.44	3	176437	0.02	81	176437	0.46
Cardiff Council*	219	383536	0.57	4	383536	0.01	223	383536	0.58
Carmarthenshire County Council	86	190083	0.45	14	190083	0.07	100	190083	0.53
Ceredigion County Council	47	73050	0.64	0	73050	0.00	47	73050	0.64
Conwy County Borough Council	29	114410	0.25	9	114410	0.08	38	114410	0.33
Cyngor Gwynedd	46	119173	0.39	2	119173	0.02	48	119173	0.40
Denbighshire County Council	98	97156	1.01	7	97156	0.07	105	97156	1.08
Flintshire County Council	61	155812	0.39	3	155812	0.02	64	155812	0.41
Isle of Anglesey County Council	22	69291	0.32	2	69291	0.03	24	69291	0.35
Merthyr Tydfil County Borough Council	17	58593	0.29	3	58593	0.05	20	58593	0.34
Monmouthshire County Council	19	94572	0.20	9	94572	0.10	28	94572	0.30
Neath Port Talbot Council	48	142898	0.34	1	142898	0.01	49	142898	0.34
Newport City Council	61	163628	0.37	1	163628	0.01	62	163628	0.38
Pembrokeshire County Council	47	125006	0.38	6	125006	0.05	53	125006	0.42
Powys County Council	55	134439	0.41	24	134439	0.18	79	134439	0.59
Rhondda Cynon Taf County Borough Council	62	241178	0.26	3	241178	0.01	65	241178	0.27
Swansea Council	113	246742	0.46	6	246742	0.02	119	246742	0.48
Torfaen County Borough Council	20	93419	0.21	4	93419	0.04	24	93419	0.26
Vale of Glamorgan Council	61	134733	0.45	3	134733	0.02	64	134733	0.48
Wrexham County Borough Council	76	136149	0.56	11	136149	0.08	87	136149	0.64
Total	1337	3164404	0.41	126	3164404	0.04	1463	3164404	0.45

Appendix B – Complaints received (by organisation)

Cyngor Gwynedd	Complaints Received	% Share
Adult Social Services	4	9%
Benefits Administration	0	
Children's Social Services	4	9%
Community Facilities, Recreation and Leisure	0	
Complaints Handling	4	9%
Covid19	0	
Education	1	2%
Environment and Environmental Health	4	9%
Finance and Taxation	7	15%
Health	0	
Housing	4	9%
Licencing	2	4%
Planning and Building Control	13	28%
Roads and Transport	2	4%
Self Funding Care Provider	0	
Various Other	1	2%
Total	46	

Appendix C – Cases with PSOW intervention (overview)

Local authority	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	12	0%
Bridgend County Borough Council	6	57	11%
Caerphilly County Borough Council	11	79	14%
Cardiff Council*	37	190	19%
Carmarthenshire County Council	11	86	13%
Ceredigion County Council	11	45	24%
Conwy County Borough Council	5	29	17%
Denbighshire County Council**	6	98	6%
Flintshire County Council	7	61	11%
Cyngor Gwynedd	3	44	7%
Isle of Anglesey County Council	1	20	5%
Merthyr Tydfil County Borough Council	1	15	7%
Monmouthshire County Council	1	16	6%
Neath Port Talbot Council	5	45	11%
Newport City Council	6	62	10%
Pembrokeshire County Council	8	47	17%
Powys County Council	8	51	16%
Rhondda Cynon Taf County Borough Council	6	60	10%
Swansea Council	12	109	11%
Torfaen County Borough Council	0	18	0%
Vale of Glamorgan Council	12	63	19%
Wrexham County Borough Council	7	72	10%
Total	164	1279	13%

Appendix D – Complaint outcomes (by organisation) (* denotes intervention)

Cyngor Gwynedd	Complaint Outcomes	% Share
Complaint investigation discontinued (with early resolution at assessment stages)*	0	
Complaint investigation discontinued (without settlement)	0	
Decision not to investigate complaint	19	43%
Early resolution*	3	7%
Matter out of jurisdiction	9	20%
Non-public interest report issued: complaint not upheld	0	
Non-public interest report issued: complaint upheld*	0	
Non-public interest report issued: complaint upheld with early resolution at assessment stage*	0	
Premature	13	30%
Public interest report issued: complaint upheld*	0	
Public Interest report issued: complaint upheld with early resolution at assessment stage*	0	
Special Interest Report*	0	
Voluntary settlement*	0	
Total	44	

Appendix E – Compliance performance comparison

Local Authority	Number of recommendations made on complaints closed in 2024-25	Number of recommendations falling due in 2024-25	% of recommendations, complied with in line with agreed target date
Blaenau Gwent County Borough Council	0	0	n/a
Bridgend County Borough Council	15	18	17%
Caerphilly County Borough Council	24	24	50%
Cardiff Council*	97	96	59%
Carmarthenshire County Council	29	27	67%
Ceredigion County Council	24	24	63%
Conwy County Borough Council	14	14	64%
Denbighshire County Council	10	8	50%
Flintshire County Council	20	22	100%
Cyngor Gwynedd	9	9	100%
Isle of Anglesey County Council	4	6	0%
Merthyr Tydfil County Borough Council	2	8	75%
Monmouthshire County Council	2	2	0%
Neath Port Talbot Council	11	8	88%
Newport City Council	12	11	36%
Pembrokeshire County Council	20	18	61%
Powys County Council	21	23	22%
Rhondda Cynon Taf County Borough Council	11	10	20%
Swansea Council	25	22	27%
Torfaen County Borough Council	0	0	n/a
Vale of Glamorgan Council	30	31	55%
Wrexham County Borough Council	19	16	63%

Appendix F - Code of Conduct Complaints Closed (* denotes investigation)

Cyngor Gwynedd	Code of Conduct Complaints Closed
Cc not acted on	0
Code of Conduct leaflet sent/link to website provided	0
Complaint taken over telephone – awaiting signature	0
Complaint Withdrawn	0
Discontinued. Not in the public interest to pursue*	0
Duplicate complaint with no new evidence	0
Information provided	0
No action necessary*	0
No declaration rec'd – Withdrawn	0
No evidence of Breach*	0
No prima facie evidence of breach	2
Not in the public interest to investigate	0
Out of Jurisdiction - signposted	0
Premature - referred for local resolution	0
Referred to Adjudication Panel*	0
Referred to Standards Committee*	0
Withdrawn	0
Total	2

Appendix G - Town / Community Council Code of Complaints

Decision not to investigate Code			Investigations					
Cyngor Gwynedd	Not in the public interest to investigate	No prima facie evidence of breach	Discontinued. Not in the public interest to pursue	No action necessary	No evidence of Breach	Referred to Adjudication Panel	Referred to Standards Committee	Total
Aberdaron Community Council	0	0	0	0	0	0	0	0
Aberdyfi Community Council	0	1	0	0	0	0	0	1
Abergwyngregyn Community Council	0	0	0	0	0	0	0	0
Arthog Community Council	0	0	0	0	0	0	0	0
Bangor (City) Community Council	0	0	0	0	0	0	0	0
Barmouth (Town) Community Council	0	0	0	0	0	0	0	0
Beddgelert Community Council	0	0	0	0	0	0	0	0
Bethesda Community Council	0	0	0	0	0	0	0	0
Betws Garmon Community Council	0	0	0	0	0	0	0	0
Bontnewydd Community Council	0	0	0	0	0	0	0	0
Botwnnog Community Council	0	0	0	0	0	0	0	0
Brithdir, Llanfachreth and Rhydymain Community Council	0	0	0	0	0	0	0	0
Bryncrug Community Council	0	0	0	0	0	0	0	0
Buan Community Council	0	0	0	0	0	0	0	0
Caernarfon (Town) Community Council	0	0	0	0	0	0	0	0
Clynnog Community Council	0	0	0	0	0	0	0	0
Corris Community Council	0	0	0	0	0	0	0	0
Criccieth (Town) Community Council	0	0	0	0	0	0	0	0
Dolbenmaen Community Council	0	0	0	0	0	0	0	0

Dolgellau (Town) Community Council	0	0	0	0	0	0	0	0
Dyffryn Ardudwy and Talybont Community Council	0	0	0	0	0	0	0	0
Ffestiniog (Town) Community Council	0	0	0	0	0	0	0	0
Ganllwyd Community Council	0	0	0	0	0	0	0	0
Harlech (Town) Community Council	0	0	0	0	0	0	0	0
Llanaelhaearn Llanaelhaearn	0	0	0	0	0	0	0	0
Llanbedr Community Council	0	0	0	0	0	0	0	0
Llanbedrog Community Council	0	0	0	0	0	0	0	0
Llanberis Community Council	0	0	0	0	0	0	0	0
Llanddeiniolen Community Council	0	0	0	0	0	0	0	0
Llandderfel Community Council	0	0	0	0	0	0	0	0
Llandwrog Community Council	0	0	0	0	0	0	0	0
Llandygai Community Council	0	0	0	0	0	0	0	0
Llanegryn Community Council	0	0	0	0	0	0	0	0
Llanelltyd Community Council	0	0	0	0	0	0	0	0
Llanengan Community Council	0	0	0	0	0	0	0	0
Llanfair Community Council	0	0	0	0	0	0	0	0
Llanfihangel-y-Pennant Community Council	0	0	0	0	0	0	0	0
Llanfrothen Community Council	0	0	0	0	0	0	0	0
Llangelynnin Community Council	0	0	0	0	0	0	0	0
Llangywer Community Council	0	0	0	0	0	0	0	0
Llanllechid Community Council	0	0	0	0	0	0	0	0
Llanllfni Community Council	0	0	0	2	0	0	0	2
Llannor Community Council	0	0	0	0	0	0	0	0
Llanrug Community Council	0	0	0	0	0	0	0	0
Llanuwchllyn Community Council	0	0	0	0	0	0	0	0
Llanwnda Community Council	0	0	0	0	0	0	0	0

Llanycil Community Council	0	0	0	0	0	0	0	0
Llanystumdwy Community Council	0	0	0	0	0	0	0	0
Maentwrog Community Council	0	0	0	0	0	0	0	0
Mawddwy Community Council	0	0	0	0	0	0	0	0
Nefyn (Town) Community Council	0	0	0	0	0	0	0	0
Pennal Community Council	0	0	0	0	0	0	0	0
Penrhyndeudraeth (Town) Community Council	0	0	0	0	0	0	0	0
Pentir Community Council	0	0	0	0	0	0	0	0
Pistyll Community Council	0	0	0	0	0	0	0	0
Porthmadog (Town) Community Council	0	0	0	0	0	0	0	0
Pwllheli Town Council	0	0	0	0	0	0	0	0
Talsarnau Community Council	0	0	0	0	0	0	0	0
Trawsfynydd Community Council	0	0	0	0	0	0	0	0
Tudweiliog Community Council	0	0	0	0	0	0	0	0
Tywyn Town Council	6	6	0	0	0	0	0	12
Waunfawr Community Council	0	0	0	0	0	0	0	0
Y Bala (Town) Community Council	0	0	0	0	0	0	0	0
Y Felinheli Community Council	0	0	0	0	0	0	0	0

MEETING	Governance and Audit Committee
DATE	10 September 2025
TITLE	Review of the Delegation Scheme
PURPOSE OF THE REPORT	To seek support to amend the delegated powers in respect of property transactions.
RECOMMENDATION	That the Committee supports the proposed amendments to the Officers' Scheme of Delegation relating to the acquisition and disposal of land and recommends that the Full Council approve the amendments
AUTHOR	Iwan Evans – Monitoring Officer

Reason for requesting a decision

1. This part of the Constitution needs to be revised because of significant changes in the value of property and the nature of Gwynedd Council's land negotiations.

Background

2. The current arrangement for delegating Property matters in the Constitution can be found in Appendix 1. It is now a provision that has dated significantly. The nature of the land transactions that are now taking place and the numbers mean that the arrangements need to be reviewed. There are also elements that are unclear in meaning e.g. 3.12 "small plots only".
3. Given the delegation schemes of other authorities it is also clear that these are more flexible and relate to wider and more substantive land transactions.
4. With the assistance of the Housing and Property Department statistical information has been collated which shows the change that has been taken in the property market.

	1996	2025
Average House Value in Wales	£41,000	£207,000
Average Value per acre of agricultural land in Wales	£1,500	£7,200

Of the list of assets and lands the Council has sold since 2007 (280) 115 have been for £25,000 or more, with 40 for values over £100,000. Of course there are others for a nominal amount.

1. It can therefore be seen that there is room for consideration to be made to make changes to the Proxy Plan in order to welcome these changes
2. In Appendix 2 you will find the alternative wording that is being proposed. These have been developed in close collaboration with the Department of Housing and Housing and the Legal Team.

3. If a transaction does not meet the criteria, then, normally it will be made by the Cabinet Member. On matters of strategic importance or which are substantial this may be a Cabinet decision.
4. In addition, general conditions on the exercise of delegated powers by Officers are also relevant to this issue. These are highlighted in Appendix 3.

These amendments are considered to strike the right balance between being able to work effectively to support the realisation of the Council's objectives and ensuring propriety.

Recommendation

That the Committee supports the proposed amendments to the Officers' Scheme of Delegation relating to the acquisition and disposal of land and recommends that the Full Council adopt the changes approve the amendments.

APPENDIX 1

- 3.12 Each chief officer is authorised to purchase property required for improvements within the department's budget (e.g. highways, small plots only).
- 3.13 Each chief officer is authorised to sell or dispose of plots of land and/or buildings owned by the service following consultation with the local member(s) and subject to the following :-
- (a) where a freehold is sold, that the value of the land is less than £25,000;
 - (b) where the land is let by means of leasehold or tenancy, that the annual rent is less than £10,000;
 - (c) in each case where the local member(s) object, the matter is referred to the Executive for a decision;
 - (d) that the sale or disposal is not contrary to the Council's Asset Management Plan.

APPENDIX 2

3.13-Authorise all Chief Officers to act in connection with the acquisition or disposal of lands or buildings on terms to be agreed by the Head of Housing and Property and subject to the following :

- (a) If land or buildings are acquired the consideration does not exceed the market value for the property.
- (b) If land or property is disposed of the consideration is not less than the best that can reasonably be obtained.
- (c) Where land or building is disposed of there is prior consultation with the local member(s) for the ward where the property is located and if they object, the matter is referred to Cabinet for a decision.
- (d) The transaction is not contrary to the Council's Asset Management Plan.
- (e) Where land or building is disposed of by way of freehold or lease for a premium the estimated consideration is less than £100,000;
- (f) Where freehold is purchased or a lease by means of a premium and the estimated consideration for the land is less than £250,000
- (g) Where the land is let by way of a lease or tenancy the estimated annual rent is not less than the market rent except for the implementation of property user promotion schemes which permit offering conditions below the commercial rent for a period.
- (h) Where land or property is acquired by way of a lease where the annual rent is £25,000 or less and the Head of Department has confirmed the budget for the duration of the lease;

- 3.14 Subject to (a), (b) and (d) above, each Chief Officer is authorised to renew or agree to renew any existing lease (where the Council is a Tenant or Landlord).
- 3.15 The Head of Housing and Property in consultation with the Chief Finance and Monitoring Officer may implement any decision by a Joint Committee or other body to acquire or dispose of land or building where the Council acts on their behalf as a host or similar authority. This is subject to being in accordance with the constitution of the Joint Committee or other body and within the conditions of a relevant joint working agreement.

Where the context so admits "acquisition" or "disposal" means by freehold or lease or tenancy

Where reference is made to monetary value this means the estimated value established and recorded when deciding to proceed to acquisition or disposal.

"Premium" in this clause means a lump sum for a lease.

APPENDIX 3

2. Conditions and limitations on the exercise of delegated powers

- 2.1 Under this scheme, each chief officer is authorised to act on behalf of the Council in relation to any matter within his/her service area SUBJECT TO THE FOLLOWING: -

2.1.1 policies approved by the Council or Cabinet.

2.1.2 any matters reserved to the Council, Cabinet, Committee or subcommittee or delegated to a Leader;

2.1.3 the Constitution of the Council (including the Council's Procedure Rules, the Financial Procedure Rules and the Contracts Procedure Rules).

- 2.2 Where the exercise of delegated powers is likely to affect more than one service, the chief officer must consult with any other chief officer whose service may be so affected.

- 2.3 Without prejudice to his/her delegated powers or to that of the relevant Committee, and in appropriate circumstances only, each chief officer should, when exercising his/her powers: -

2.3.1 keep the Cabinet fully informed, in particular members of the Cabinet who act as portfolio holders for the service fields in question and also have due regard to any comments made by the relevant scrutiny committee regarding the matter in question.

2.3.2 ensure that he/she consults with/or informs the local member(s);

2.3.3 ensure that he/she consults with/or informs the Chief Executive, the Chief Finance Officer of the Council and the Council's Monitoring Officer.

- 2.4 Before exercising a delegated power, each chief officer must consider whether the decision is one that should be referred to the Cabinet, or appropriate committee or sub-committee for a decision.

2.5 In deciding whether to refer a matter to the Cabinet, committee or subcommittee the chief officer will have regard to the following considerations :-

2.5.1 day to day decisions on technical or professional issues will normally be taken without reference to members.

2.5.2 the views of the local member, portfolio leader and Chief Executive must be taken into account, if a decision is likely to have a significant impact on the Council's profile or is likely to attract unfavourable comment in the press, there will be a presumption in favour of referring it to members.

Forward Programme of the Governance and Audit Committee to September 2026

9 October 2025

Implementing the Decisions of the Committee
Annual Performance Report and Cyngor Gwynedd Self-Assessment 2024/25
Recommendations And Improvement Proposals of External Audit Reports
Medium Term Financial Plan
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

13 November 2025

Implementing the Decisions of the Committee
Final Accounts for the Year Ended 31 March 2025 and Relevant Audit
Treasury Management 2025-26 Mid-Year Review
Council Tax Collection Rates
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

15 January 2026

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

5 February 2026

Implementing the Decisions of the Committee
Half-yearly Risk Report
Review of the Committee's Self-Assessment Work Programme
Internal Audit Output
Internal Audit Plan 2025/26
Savings 2026/27
Capital Strategy 2026/27 (including Investment and Borrowing Strategies)
Budget 2026/27
Internal Audit Strategy and Annual Internal Audit Plan 2026/27
Governance Risks Mid-Year Update
Recommendations And Improvement Proposals of External Audit Reports
Audit Wales Reports - Q3 Update
The Committee's Forward Programme

May 2026

Elect Chair
Elect Deputy Chair
Implementing the Decisions of the Committee
Gwynedd Harbours' Final Accounts for the Year Ended 31 March 2026
Final Accounts 2025/26 - Revenue Outturn
Capital Programme 2025/26 – End of Year Review (31 March 2026 Position)
Output of the Internal Audit Section
Head of Internal Audit Annual Report 2024/2025
Internal Audit Charter
Audit Wales - Quarter 4 Update
Audit Wales - Cyngor Gwynedd Annual Audit Summary 2025
Audit Wales Reports and Organisational Response
Treasury Management Quarterly Report
The Committee's Forward Programme

September 2026

Implementing the Decisions of the Committee

Annual Report of the Governance and Audit Committee 2025-26

Committee Development Programme

Statement of Accounts 2025/26 (Subject to Audit)

Gwynedd Council's Annual Governance Statement For 2025/26

Treasury Management 2025/26

Half-yearly Risk Report

Medium-Term Financial Plan

Audit Wales Reports - Q1 Update

Annual Performance Report and Cyngor Gwynedd Self-Assessment 2025/26

Recommendations And Improvement Proposals of External Audit Reports

The Council's Arrangements for Dealing with Complaints

The Committee's Forward Programme