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## GOVERNANCE AND AUDIT COMMITTEE 13 November 2025

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**Attendance:** Chair: Carys Edwards  
Vice-chair: Rhys Parry

**Councillors:** Elwyn Jones, Edgar Wyn Owen, Richard Glyn Roberts, Huw Rowlands, Angela Russell, Ioan Thomas, Arwyn Herald Roberts, and Meryl Roberts

**Lay Members:** Eifion Jones, Dewi Lewis, Peter Barnes and Paul Millar-Mills

**Officers:** Dewi Morgan (Head of Finance), Ffion Madog Evans (Assistant Head of Finance - Accounting and Pensions), Luned Fôn (Audit Manager), Delyth Jones-Thomas (Investment Manager), Caren Rees Jones (Group Accountant - Capital and Management), David Lloyd Williams (Group Accountant), (Nel Povey (Cynllun Yfory - Finance and Accounting Professional Trainee), Dewi Wyn Jones (Council Business Support Service Manager), Eleri Jones (Senior Executive Officer) and Lowri Haf Evans (Democracy Services Officer)

**Others invited:** Cllr Huw Wyn Jones (Cabinet Member for Finance)

Item 6: Yvonne Thomas and Sioned Owen (Audit Wales)

Item 7: Gwion Jones (Senior Accountant) and Siwan Glyn (Audit Wales)

Item 10: Sian Pugh (Assistant Head of Finance – Sustainability and Developments) and Bleddyn Jones (Tax Manager)

Item 11: Carwyn Rees (Audit Wales)

### 1. APOLOGIES

Apologies were received from Councillors Dafydd Meurig, Menna Baines, Elfed Wyn ap Elwyn and Wendy Cleaver.

### 2. DECLARATION OF PERSONAL INTEREST

None to note

### 3. URGENT ITEMS

None to note

### 4. MINUTES

The Chair accepted the minutes of the previous meeting of this committee held on 9 October 2025 as a true record.

### 5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

A report was submitted providing an outline of how the Council's departments had responded to the decisions of the Governance and Audit Committee so that Members could be assured that their decisions were being addressed. It was noted that the report gave Members an

opportunity to consider the decision made with the intention of removing the item / decision when the action had been completed.

In accordance with a request made in a meeting in October 2025, attention was drawn to the population information of Counties used by the Government to set the settlement.

The members thanked the officer for the report

**RESOLVED**

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

Note:

- Output of Internal Audit 09-10-25 meeting – request to more accurately reflect the Committee's concerns in response to staff breaching statutory regulations in Care Homes.
- request to include a definite date for the resubmission of reports and updates rather than stating 'in a timely manner'.

**6. FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 AND RELEVANT AUDIT**

The report was submitted by the Assistant Head of Finance - Accountancy and Pensions. Members were reminded that conditional accounts on the Gwynedd audit for 2024/25 had already been submitted to the Committee at the meeting in September where the Statement was discussed in detail, drawing attention to the main matters and relevant notes. It was reiterated that the Harbours accounts had also been submitted to the Committee in May, and it was nice to report that there were no adaptations deriving from the Audit, and therefore they did not need to be resubmitted.

It was reported that the accounts had been subject to audit by Audit Wales since the beginning of June and that an unconditional opinion was given on the accounts by the Auditors with a combination of post-audit adaptations and recommendations had been implemented.

Reference was made to four misstatements that had not been corrected, noting that they were not being considered as material, but where relevant, they would be corrected as a part of the 2025/26 accounts.

- Note 15: Property, Apparatus and Equipment:
  1. Categorisation issue, namely that an item of capital expenditure had been funded from the UK Shared Prosperity Fund (UKSPF), wrongly categorised and treated as an addition to the balance sheet, instead of as revenue spending, funded from capital through statute. It was confirmed that the money was not being questioned.
  2. Relating to a technical matter relating to capital treatment.
  3. That an error in the Cyngor Gwynedd valuation worksheet had led to inconsistencies between the Valuer's valuation worksheets and the figures used to update the register.

These will receive due attention by the 2025-26 accounts.

- Note 21: Creditors - matter relating to the grant balance treatment and to be corrected for the 2025-26 accounts.
- Note 17a Financial Instruments and Note 35 IFRS 16 Leases - matters associated with each other where the new requirement on councils in 2024/25 related to leasing.

This was the first year in terms of accounting treatment for leases, and therefore the matters to be addressed for the 2025-2026 accounts.

When discussing adjustments to the Statements of Accounts that have changed, attention was drawn to:

- Note 19 - Cash and Cash Equivalents and the categorisation on 31 March, which related to the payment instruction to the bank on the last day of the year and its treatment. As noted in the Auditor's report, the CIPFA guidelines are restricted for this specific scenario and the change has affected the balance sheet and the cash flow statement.
- Note 21 - Creditors. Attention was drawn to the change in creditor categorisation between the long-term and short-term for 2024/25 and the previous year, as well as correcting the creditor mis-classification in Debtors and added wording in Note 18a Debtors.
- Note 35 IFRS 16 Leases - due to new requirements relating to leasing, the format has been adapted to comply with all CIPFA requirements.
- Note 38 Pension Costs - note simplified as well as improved clarity on the Related Parties note.

It was reiterated that the adjustments did not affect the Income and Expenditure Statement or the Movement in Reserves Statement, and in the context of the balance sheet, adjustments between different headings on the Balance Sheet which had been implemented instead of changing the bottom line. Nevertheless, it was noted that the cash flow statement had been adjusted.

Yvonne Thomas, Sioned Owen and Siwan Glyn from Audit Wales were welcomed to the meeting to submit their report on the Audit of Accounts. It was noted that Audit Wales intended to publish an unqualified audit opinion on the 2024/25 accounts, reiterating that the accounts provide an accurate and fair picture of the situation and comply with appropriate practices. It was reiterated that the action steps had now been completed and there were no additional matters. Although there were no complete assurances, it was noted that the Auditors work on a material assurance level with a 2024/25 relevance level of £6.385 million and had been implemented independently over the audit period. Cyngor Gwynedd Finance Officers were thanked for their support and for the good cooperation during the process.

Attention was drawn to the new format of the report and the key summary, which was easier for the reader to understand, as well as the results of the audited risks. It was noted, due to the number of misstatements and further enquiries, that this would affect the final fee. It was highlighted that Audit Wales had set an ambition of adjusting the timetable for completing account audits by September 2026. It was acknowledged that the timetable was ambitious but that discussions had been held with Local Authorities to ensure that this was achievable - it was reiterated that this was the timetable in place before Covid-19.

Thanks were expressed for the reports.

The Council's Finance Officers were congratulated on preparing all the information and for Audit Wales for their support. The work was of a high standard and the accounts were seen to provide a 'clear and fair picture', which reflected that.

Matters arising from the ensuing discussion:

- In line with the projections, the intention was to use reserves, but now it was seen that there was a net increase of £9.0m in the funds / reserves. Good news, but were these details available when setting the tax or had a better settlement figure been received?

- It was accepted that setting a budget from projections was difficult, but there was a need to ensure that the public and the Councillors obtained a clear picture of the situation, particularly when consulting on setting the Council tax.
- An increase of £4m in the Highways reserves? Was this projected?

In response to the observations, Members were reminded that this was a snapshot on one day (31/03/25) and that a number of late grants had been received which meant that there had been no need to use reserves. Although a substantial sum appeared in the reserve, the amount was low in comparison with previous years, and despite occasional use being made of it to close financial deficits, the fund was being continuously reviewed to see how it could be strengthened. Reference was made to a recent review from Audit Wales, where it was concluded, although there was room to formalise the Council's reserves, the Council made positive use of the administration for these reserves.

In terms of presenting information clearly and accurately to the public, the Head of Finance noted that he always sought to do so, and that he did, as best as he possibly could as the 151 Officer, sign to confirm that the accounts were accurate. He reiterated in January 2026 that further work would be done to review the reserves when setting the 26/27 budget. It was highlighted that the figures would be likely to fluctuate, but everything was being checked and balanced when setting the budget.

In response to a comment that £4m had been added to the Highways Department's reserves, it was noted that this amount was money that was received to de-trunk - transfer the responsibility for highways from the Highways Agency to the management of the relevant local authority - the road between Bontnewydd and Plas Menai after building the Caernarfon bypass. It was reiterated that this was one-off funding to maintain the highways.

In response to a comment regarding the inflation rate being highlighted as 2.75% in Note 38 - Pension Costs) although the Bank of England noted a rate of inflation of 3.8%, it was noted that Hymans Robertson (Independent Actuary Company) looked to the long-term and acted on an expected average over many years into the future.

In response to a comment regarding an increase in employer national insurance contributions and whether Cyngor Gwynedd had received grant funding or had had to submit a funding bid in order to pay, it was noted that the cost was £4.5m and that a grant of £3.9m had been received from the Welsh Government. There would be a deficit of £770k in the 2025/26 budget.

**RESOLVED**

- To accept and approve the 'ISA260' Report by Audit Wales in respect of Cyngor Gwynedd
- To accept and approve the Statement of Accounts 2024/25 (post-audit)
- The 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 effective collaboration

**7. THE GWE JOINT COMMITTEE'S FINAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 AND RELEVANT AUDIT**

Submitted – the report of the Head of Finance, Cyngor Gwynedd, asking the Committee to consider and approve the 2024/25 Statement of Accounts (post-audit), Audit Wales 'ISA260' report and the Representation Letter before authorising the Chair and Head of Finance to authorise the letter electronically.

The Assistant Head of Finance - Accounting and Pensions (Cyngor Gwynedd) explained that Cyngor Gwynedd, as the host Council, had been responsible for undertaking accounting responsibilities and reporting on the financial matters of the GwE Joint Committee. GwE was wound up on 31 May 2025, and as the Joint Committee did not meet after this date, the arrangement decided upon was for the 2024/25 accounts to be submitted to the Governance and Audit Committee for approval. It was reiterated that the accounts for April and May relevant to 2025/26 would also be submitted in due course, as the situation for the year was finalised. It was noted that the accounts had been subject to audit by Audit Wales since the end of June and that the Auditors would give an unqualified opinion on the accounts.

It was reported that there had been no change to the report's main financial statements submitted to the Auditors (the Balance Sheet, Income and Expenditure Statement, Cash Flow Statement or the Movement in Reserves Statement), but there were a few adjustments to the notes supporting the Statement:

- Note 17b 'Payments to Officers' - that there was an adjustment to the figures for two officers.
- Note 22 Pension Costs - note simplified and shows the Net Pension figures only to facilitate the reader.
- Note 16 'Cash Flow Statement' - attention was drawn to a category adjustment, although there was no change to the note's bottom line.

In addition, there were a small number of minor narrative adjustments to some of the notes.

On behalf of Audit Wales, Siwan Glyn noted that Audit Wales intended to publish an unqualified opinion on the 2024/25 accounts, reiterating that the accounts provided an accurate and fair picture of the situation, complied with appropriate practices and that Audit Wales worked for a level of 'relevance'. It was reported that the level of relevance was determined to try and acknowledge and correct misstatements that could otherwise mislead those who used the accounts. A relevance level of £199,000 was determined for the 2024/25 audit and threshold misstatements above £10,000 was reported (calculated as 5% relevance). Attention was drawn to a list of the auditor's risks which highlighted how they were addressed as part of the audit. It was reported that no audit risks were found.

In the context of ethical compliance, it was noted that Audit Wales had remained independent, and the Cyngor Gwynedd Finance Team was thanked for their support.

The report was welcomed, and everyone was thanked for their work.

#### **RESOLVED**

- **To accept and approve the 'ISA260' Report by Audit Wales in respect of Cyngor Gwynedd**
- **To accept and approve the GwE Statement of Accounts 2024/25 (post-audit)**

#### **8. REVENUE BUDGET 2025/26 – END OF AUGUST 2025 REVIEW**

A report was submitted by the Cabinet Member for Finance asking the committee to scrutinise the situation and relevant risks in relation to the Council's budgets and its departments. It was explained that the report detailed the latest review of the Council's revenue budget for 2025/26, and the projections towards the end of the financial year.

Following the end of August review, it was noted that the projections suggested an overspend of £6.3 million by Council departments, with 75% of it in the adults and children care field. It was explained, following on from a trend in previous years, that there was a substantial overspend in the waste, highways and municipal field also, but an underspend on corporate budgets, which means that this reduces the overspend projections as a whole to £2.5 million.

Attention was drawn to the main issues:

- Adults, Health and Well-being Department - latest projections suggest that if there are no changes in the actions during the year, there will be a financial deficit of £3.1, by the end of the year. £3 million worth of permanent funding was allocated to the field for 2025/26, but a £1 million worth of savings and cuts had not been achieved to date.

In the context of older people services, an increase was seen in the demand for older people residential care and an unexpected and unusual increase for residential care due to mental health issues; the pressure on the domiciliary care provision also continued.

- Children and Families Department - project a budgetary deficit of £1.5 million, after giving over £2 million in bids to the department for 2025/26. The main fields facing pressures are out-of-county placement, and the provision for children with disabilities in the Derwen and Hafan y Sêr service.
- Byw'n lach – over the past few years, Byw'n lach has received annual financial support from the Council above the contracted payment of the provider contract, to enable them to sustain their services. It was reported that the financial support continued this year, and the required sum was £219k.
- Highways, Engineering and YGC Department - a financial deficit of £522k is projected, a reduction was seen in the work being commissioned from external agencies which consequently has a negative income on highways services. In the Municipal Unit, a combination of factors is seen, which includes added pressures on street cleaning and public toilet cleaning staff; income losses are issues in land maintenance and public toilets.
- Environment Department - a budgetary deficit of £740k is projected, with an annual trend of overspend in the waste collection and recycling field continuing and responsible for £662k of the overspend.

Attention was drawn to considerations on how to fund the costs of safeguarding the Corbett Arms Hotel building in Tywyn (Grade II listed building), which has been a cause for concern for Cyngor Gwynedd and the local community for years as it is in a dangerous structural condition. This meant that the Council had had to act to safeguard and protect the public and the potential final cost could be somewhere between £1m and £1.5m. A report would be submitted in due course to consider the options to meet the cost.

- Housing and Property - a trend of substantial pressures on the emergency accommodation service continued, with expenditure projections of £6.7 million in the field this year, compared with £6 million last year. The financial situation included an additional budget of £3m which had been allocated from the council tax premium and an additional one-off budget allocated as a part of the bids process to assist with the added pressures. It is anticipated that the department as a whole will overspend by £167k.
- Corporate - an underspend of £3.8 million on several corporate headings.

The members expressed their thanks for the report:

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

- That there was an increase in the use of private homes as in-house residential care services were facing staffing challenges - was this an example where delivering savings had failed?
- Accepted that the increasing demand on social services led to an overspend, but what were the reasons of the Highways Department and Environment Department? If there was a suggestion to restructure these departments in response, a formal timeframe for the work was needed so that the budget could be better reviewed.
- That the situation was challenging and changed continuously - and increasing demand created new situations.
- The situation needed to be monitored.

In response to a question on the latest situation with the Corbett Arms Hotel in Tywyn, the Head of Finance noted that the situation was complex as the Council did not own the hotel. The building owner was responsible for ensuring that the building was maintained to the required standard, but despite efforts to contact the owner, the Council, due to the statutory duty to protect public health and safety, had to step in to safeguard the Grade II listed building, which had continued to deteriorate and now it was in a dangerous structural condition. It was noted that this was expensive and that discussions would be held to consider the potential options to meet the cost.

#### **RESOLVED**

- **To accept the report on the end of August 2025 review of the Revenue Budget**
- **To note the latest financial position regarding the budgets of each department / service.**

Note:

Request for a timetable for the arrangements to restructure the Highways Department and the Environment Department (by January 2026 meeting).

#### **9. TREASURY MANAGEMENT 2025-26 MID YEAR REVIEW**

A report was submitted by the Investment Manager, reporting on the actual results of the Council's treasury management for 2025/26 up to 30 September 2025, against the 2025/26 Treasury Management Strategy approved by the Full Council in March 2025. It was noted that the strategy asked the Investment Manager to report on prudent treasury management indicators every quarter to the Committee.

It was reported that the period had been a very busy one for the Council's treasury management activity and that the position on 31 March 2025 was very strong with the Council in a net investment position of £53m because of the high level of investments and operational capital. This included the North Wales Ambition Board funding.

It was highlighted, during the period, that there was a change to the Council's borrowing level, after repaying a historical loan. It was explained that the loan of £16.2m with Barclays had a maturing date of 2074, but that an offer had been received to repay it early on very favourable terms, which saved long-term interest costs for the Council. Reference was made to other loans held by the Council with the Public Works Loan Board, but there were no advantages from repaying these early at present.

Attention was drawn to treasury investment activity, noting that the Council continued to invest in banks and building societies, local authorities, money market funds, debt

management office and pooled funds and that these were consistent with the type of investments made by the Council for many years now and that the risk metrics and earnings were consistent with other authorities.

It was noted that all activities had fully complied with the CIPFA code of practice and the Council's Treasury Management which was good news and evidenced firm control over the finances. In the period in question, investments were made at a higher level than the approved level for the banks and money market funds, because the Council had a high level of money, and options were scarce. It was reiterated that steps had been taken to ensure that this would not happen in the future by opening more accounts to spread out the money.

Attention was drawn to the Liability Benchmark, noting that it was an important tool to establish whether the Council was likely to be a long-term external borrower, and therefore shaped the strategic focus and refined decision-making. It was indicated that the Council expected to remain above its benchmark up to 2027 because the Council held reserves, and the cash flow to date had been below the assumptions made when the money had been borrowed. It was also noted that there was no need to borrow in the longer term, based on current projections; nevertheless, it was commented that there may be a need to borrow in the short-term in the near future.

Finally, reference was made to the prudential indicators, and it was reported that there was also full compliance here.

The members thanked the officer for the report.

**RESOLVED**

**To accept the report for information**

**10. COUNCIL TAX COLLECTION RATES**

In response to a request from the Chair, a joint report was submitted by the Head of Finance and the Assistant Head of Finance - Sustainability and Developments, outlining the length and size of the debt from tax collection and how the Council was operating to address the situation. It was explained that Council Tax collection rates (within the year) in Gwynedd were the lowest in Wales in 2024/25, with 92.9% of the debts collected by the end of the financial year - which equated to £8.2 million in owed taxes.

Reference was made to the collection rates on the different types of accounts for 2024/25 as well as the value of the uncollected debts per category. It appears from the data that the premium on second homes and empty properties affected general collection rates, with the debts on accounts including the premium as well as the basic tax at £3.9m (£3.1m on second homes and £0.8m on empty properties) and the debts on basic Council Tax accounts only, was £4.3m. It was noted that there was a collection rate of 95.09% on the accounts with basic Council Tax only, which was 2.16% higher than the average of 92.93% across all categories.

It was highlighted that administering the Premium also placed serious pressures on the ability of the Taxation Service to achieve its work, representing a huge proportion of the enquiries that the service had to deal with, along with weaknesses in the Service which had contributed to the decline in the collection rate, which included:-

- E-mail backlog.
- Delay in sending reminders during the year.
- Delay before cases were transferred to the enforcement company.
- Level of resources in the Recovery Team.

It was reported that key steps had been taken and continued to be put in place to strengthen the recovery arrangements. It was noted that a detailed action plan had been prepared and staff (internal arrangements and via an experienced tax agency) had been appointed to complete the work. In addition, a detailed timetable was put in place for sending reminders in 2025/26, delegation arrangements were reviewed so that officers were available to act during the absence of key officers and recovery structures in the Finance Department were reviewed.

It was reiterated that a change in legislation, where self-catering accommodation in Wales was required to be available for 252 days and let for 182 days a year in order to be included on the non-domestic rates list, had affected the collection rates. In 2024/25, 692 properties were transferred back to Council Tax, with 558 of them returned during the second half of the year. It was noted that many of them were likely to transfer from the non-domestic rates list where taxes were not payable, to a Council Tax band where they needed to pay the basic council tax, and 150% of the Council Tax premium; they were also requests that were being back-dated (some back to April 2023) and as a result, the bills were substantial and therefore remained unpaid at the end of March 2025. In addition, by the end of September 2025, 395 further properties had transferred to a Council Tax band, compared with 134 for the same period last year. It was reiterated that the Welsh Government were conducting a consultation on the matter at present, and the outcome of the consultation could lead to further changes to the rules in the future.

In the context of the current situation, it was noted thus far in 2025/26, that 2,018 debt orders, to the value of £4.7m, had been received, with a further request to the Court on 26 November 2025, for 939 debt orders, to the value of £2.3m. The priority with the orders this year was to ensure that there was no delay before the cases were submitted to the enforcement company, in order to maximise the taxes that would be collected during the year.

Gratitude was expressed for the report and for the response to the request for information.

Matters arising from the ensuing discussion:

- Would adopting an Exemption Policy make the situation clearer than the Council Tax Reduction Policy under Section 13A(1)(c)? What is the 'propriety' of an exemption policy absence?
- No doubt regarding the use of the Council Tax Reduction Policy under Section 13A(1)(c), but what was the timetable?
- Need to consider modelling the impact of a potential exemption policy on the general performance of the Finance Department.
- What were the side-effects of the situation on sustainable tourism and town centre regeneration? The objectives of the Authority had to be coordinated.
- Should the Council have projected the situation considering the increase in the premium on second homes and empty homes?
- That there was £7m in debt here - were further steps in place to improve the situation and reduce the figure?
- That the loopholes in the arrangements for collecting the premium needed to be closed.
- Sickness and delay were insufficient reasons for failing to act. Such excuses made the Council open to criticism.
- Back-dated bills were concerning and caused worry to many. The costs were out of their reach.
- Did the Policy address the situation of holiday unit owners, who had seen a substantial increase in their tax bills as a result of increasing the lettings threshold?
- A delay from the Valuer's Office created a back-log of work.
- The policy had to be implemented effectively - they owed this to ratepayers.
- Had they considered increasing the premium on empty properties to 150%?

In response to the above observations, and to further questions, it was noted:

- regarding the service's staffing structure, staff expertise and the service's reliance on agency staff, that work had been done to plan the workforce for the future. It was explained that experienced tax agency staff had been appointed temporarily to assist with the work back-log and great benefits were seen from their experiences, not only in the tax administration field, but in the specialist fields of recovery and the use of relevant systems. Whilst accepting that they could not speak Welsh, they did not contact the public - Council staff dealt with that aspect. It was reiterated that a student had completed one piece of specific administrative work relating to correcting names, in order to release the time of specialist staff. In addition, two Assistant Recovery Officers, a Professional Trainee - Taxation and Benefits as well as a Taxation Apprentice, had been appointed.
- in terms of the propriety of the absence of an exemption policy, the Council followed clear guidance and complied with the Act and the instructions of the Valuation Office Agency. It was reported that every bill being implemented was implemented legally; that the Council Tax Reduction Policy under Section 13A(1)(c) gave powers to the Cabinet Member for Finance, Head of Finance, Assistant Head - Sustainability and Developments and the Taxation Manager, to look at and review specific cases, hardship cases and/or current bills - only the Cabinet had the powers before approving the policy; that listing 'specific matters' was seen as a risk and Members were reminded that any ratepayer could submit an appeal via a tribunal if they did not agree with the amount. That an update on the implementation of the Council Tax Reduction Policy Update under Section 13A(1)(c) would be submitted to the Committee in January 2026.
- that modelling work had been completed and whilst accepting that introducing the premium had placed serious pressures on the taxation service, the tax had been increased for a valid reason in response to the housing crisis in the County.
- regarding the number of debts being written-off and whether there were criteria to implement this, historically 98.5% to 99% were collected and around £1 million - £1.5 million had been written-off. With the tax levels likely to increase, time will tell whether this figure would also increase. In response to a supplementary question about why the issue of staff shortages was not addressed sooner, it was noted that every service had undergone efficiency savings in the hope of trying to continue the service with less. With a change in legislation, requiring self-catering accommodation in Wales to be available for 252 days and let for 182 days a year, the requirements of the service had increased significantly in a very short time
- that a delay with the Valuer's Office created a back-log of work and that assessments could take up to a year which affected the ratepayers. It was highlighted that the Valuer's Office was a part of the Inland Revenue, and the service had been split between Wales and England without a specific resource for Gwynedd - that Gwynedd's point of contact dealt with another 44 counties.
- in response to acting to improve the situation, it was noted that communicating with ratepayers was a priority for the service, which took every opportunity to encourage ratepayers to come to the Council to discuss their situation. It was reiterated that every effort was being made to provide assistance and support, and with referrals also made to CAB for further support; that three notices and a summons were in the processing steps, with the ratepayer having an opportunity at every step to discuss, along with a special arrangement before implementing the mandatory steps. When an enforcement company would be pulled into the process, the ratepayer would receive a letter in advance of the arrangements. When the enforcement procedure failed, potential options would be considered - a pay order or forcing the sale of a property (although we tried to avoid this).

In response to a supplementary question about placing pressure on owners to sell empty houses, it was noted that this would mean that houses would be sold on the open market and therefore unlikely to be bought by a local person.

- that court costs and collection fees were payable by the ratepayer.
- that the Council received a contribution towards tax collection costs. It was explained that administrating the Premium placed serious pressure on the Taxation Service's ability to achieve its work and when the premium was established, a budget of £52,600 was received to fund two posts, and additional funding of £114,750 was received in 2024/25 to fund an additional post and a post upgrade within the service following evaluation. It was reiterated that a stronger bid needed to be made so that it would be possible to collect more with more staff. In response, it was suggested whether it would be possible to use the empty homes premium and second homes premium to pay the salaries of staff who administrate the premium, instead of from the budget of the Finance Department.
- regarding the challenge from a member to differentiate in statements, that the Government's guidance noted that Local Authorities should deal with matters on their own merits, but that the Council noted that the Valuer's Office placed property in a category, that the situation was out of their hands, and if expressing 'out of their hands' was realistic, that the Council received definitive orders by the Valuer's Office and that the Council acted on that. Further clarification on this point was given, namely that the Valuer's Office would decide whether the property was a council tax property, or a business rates property and that the Council has no legal means of changing this. The Valuation Office would also set the date of the change, and the taxation service must act from that day. In the context of a council tax premium, the Council would consider whether the premium was appropriate, and if there was justification for an optional reduction in accordance with the Council Tax Reduction Policy under Section 13A(1)(c) which has been approved. In terms of the differences in the statements, this could be considered.

## **RESOLVED**

- **To accept the report**
- **To support the work and welcome the improvements that have been made in response to the announcement that Cyngor Gwynedd's Tax Collection rates were the lowest in Wales 2024/25**
- **Accept that the 182-day lettings threshold has significantly increased the Unit's work**
- **Accept that the approval of a Council Tax Reduction Policy under Section 13A(1)(c) of the Local Government Finance Act 1992 by Cabinet 11-11-25 responds to situations where support is offered to residents facing exceptional financial hardship or unusual circumstances, but a request was made for further consideration as to whether the Policy addressed the situation of holiday units which had seen a substantial increase in their tax bills as a result of increasing the lettings threshold.**

### **Note:**

- To consider the effects of the situation on sustainable tourism and town centre regeneration
- To model the impact of a potential exclusion policy on the overall performance of the Finance Department
- A suggestion to consider using the empty properties premium and second homes premium to cover the salaries of staff administering the premium, rather than from the Finance Department's budget

- Council Tax Reduction Policy Update under Section 13A(1)(c) to be submitted to the Committee in January 2026

## **11. NATIONAL FRAUD INITIATIVE 2024-25 UPDATE**

Submitted, for information, an update from Carwyn Rees (Audit Wales) on the latest exercise of the National Fraud Initiative 2024/25 on a national and local level (as at 31-07-25). Attention was drawn to a briefing note which introduced background information about the assessment, explaining that the exercise was held every two years and was a way of preventing and finding fraud by sharing and pairing data electronically. The assessment was completed jointly between Audit Wales and Cyngor Gwynedd Internal Audit, and it was a good opportunity to share good practice, and information that would feed into the national assessment.

The members thanked the officer for the report

### **RESOLVED**

**To accept the contents of the report for information**

## **12. THE GOVERNANCE AND AUDIT COMMITTEE'S FORWARD PROGRAMME**

Submitted - a forward programme of items for the Committee's meetings until October 2026. The Members were reminded that if they wanted to add another item to the forward work programme, for them to propose that by sending an e-mail to the Chair or Head of Finance.

### **RESOLVED:**

- **To accept the work programme until November 2026**
- **An update should be presented on the 'Child Practice Review' *Our Bravery Brought Justice*, to the January 2026 meeting**

The meeting commenced at 10.00 and concluded at 12.40

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**CHAIR**