

CYNGOR GWYNEDD CABINET



Date of meeting:	13 October 2026
Cabinet Member:	Cllr Huw Wyn Jones – Cabinet Member for Finance
Contact Officer:	Dafydd Gibbard - Chief Executive and Ffion Mai Jones - Senior Executive Manager
Title of Item:	Capital Strategy

Report to a meeting of the Cyngor Gwynedd Cabinet

1. THE DECISION SOUGHT

- 1.1. The Cabinet is requested to approve:
 - funding of £1.49M for the funding gap of the North Promenade flood prevention project in Barmouth;
 - funding of £583k for the funding gap for the Ysgol Bontnewydd project;
 - the provision of £6.86M for the next phase of the rolling Sustainable Schools programme;
 - the provision of £4.11M for the next phase of the rolling Sustainable Schools programme and respond to traffic risks on Secondary School sites;
 - the delegation of the right to agree on the exact division of the £4.11M between secondary school improvement and traffic risk response to the Chief Executive, in consultation with the Cabinet Member for Education, the Head of Education and the Head of Finance following the completion of further work;
 - to de-commit £3.5M from the Council's existing asset plan to release to contribute to the resources available to fund the above.
- 1.2. The Cabinet is requested to confirm commitments already approved for the cost increases of Ysgol Tryfan (16 December 2025 Cabinet) and the Trawsfynydd innovation centre (10 February 2026).

2. THE REASON FOR THE NEED FOR A DECISION

- 2.1. Since the Council adopted its Asset Plan in July 2024, capital funding in excess of what has been included in the Local Government settlement has been received and a decision is required on its allocation.

3. THE RATIONALE AND JUSTIFICATION FOR RECOMMENDING THE DECISION

- 3.1. At its meeting on 11 July 2024, the Full Council adopted its Asset Plan for the 2024-2034 period. [Microsoft Word - Asset Plan 2024-34 v2.docx](#)
- 3.2. When setting the plan, the likely capital resources that would be available for the ten-year period (£88.2M) were assumed and of all the plans put forward by departments, those plans that would be able to be delivered within the available resources were prioritised.
- 3.3. The prioritisation process resulted in a number of schemes that could not be included, and there was also an acknowledgement that schemes would arise during the ten-year period that were not mature at the time the plan was prepared.
- 3.4. To this end, there was a need for the Plan to be live and flexible.
- 3.5. The resources situation has changed somewhat since the plan was approved and there is a need to consider what adjustments are therefore needed to the Plan.
- 3.6. It was stated in the Asset Plan 2024-2034 that spending needs to be met by the Asset Plan would be split into three groups:

Part A: Schemes that can be delivered within the resources phase we have.

Part B: Schemes that will have to be met through another method.

Part C: Schemes that will need to wait to see if we can add to the capital resources we will have before it can be confirmed to what extent we can deliver them.
- 3.7. When preparing the plan, we were also aware that unforeseeable plans would arise during the ten-year period and therefore, £500k a year was set aside to meet those requirements. This was a smaller amount as it was assumed that they would be small schemes and that larger amounts would have to be coped with by considering those individual schemes and how to fund them.
- 3.8. Smaller schemes are considered annually through capital grants from Departments, and approved through the report of the Head of Finance on the Budget.
- 3.9. However, there are other, more substantial plans that need consideration. In addition, it was stated within the Asset Plan 2024-2034 that it was intended that if further resources became available we would prioritise the schemes that could not be approved at the time in part C, specifically the sustainable school rolling programme schemes and provide a budget for the maintenance of Council buildings. This has been included in the Full Council's decision when adopting the Asset Plan and the right has been delegated to the Cabinet to deal with these matters.
- 3.10. It is therefore appropriate for the Cabinet to review the current Plan to try and meet the above, with the new resources that have accumulated since 2024.

New Capital Resources Available

- 3.11. Since the approval of the original plan in 2024, we have received various grants where they could be used rather than using the Asset Plan resources, which include.
- 3.12. Capital receipts have also led to an increase in available resources.
- 3.13. In addition to this, there is one project where we have not continued as a partner to the development with the Health Board and housing association continuing with a much smaller scale scheme omitting the needs of several partners including the Council, namely the Health and Care Hub - Canolfan Lleu.
- 3.14. While we know that the needs and demography of the population are likely to lead to the need for developments in care, there are currently no plans that are sufficiently mature to include them and therefore, it is recommended that the £3.5M capital resources earmarked for the scheme be de-committed. Any future plans and needs would be considered in a full review of the Asset Plan in 2029.
- 3.15. With that in mind, the resources that were allocated for this project will become available for the new needs that have been introduced.
- 3.16. Considering all of this, there is a total of £16M available for the Cabinet to consider how they want to use it to meet the capital spending needs across the Council.

Capital Expenditure Needs

Schemes that could not be funded at the time of drawing up the Asset Plan in 2024

- 3.17. At the time of drawing up the Asset Plan in 2024, there were two issues that could not be addressed, namely Building Maintenance and the next phase of the rolling programme of sustainable communities schools.
- 3.18. There has been an addition to the core Maintenance budget when setting the 2026-27 budget and this original application has therefore been resolved outside the Asset Plan system and will not receive further comment here at this time.
- 3.19. The next phase of the Welsh Government's Sustainable Learning Communities Programme is over a nine-year period, therefore if an application will need to be made for the 65% Government grant the Council was required to submit an Outline Strategic Programme for the next phase of capital funding. It was not possible to commit to match funding when drawing up the asset plan two years ago and therefore, there was an opportunity to do so in this review. Specific elements are detailed in 3.24 below.

Meet the cost increases of projects already within the Asset Plan

- 3.20. Strengthening the provision of Welsh Secondary Education in Bangor – Ysgol Tryfan.

One of the projects of the current Asset Plan is to strengthen the provision of Welsh Secondary Education in Bangor with £5.2M already earmarked as match funding (35%) to attract a Welsh Government grant. Furthermore, the department has identified a source of borrowing for an additional £1.1M. Due to an increase in project costs, the Cabinet has already committed an

additional £1.96M for this project.

3.21. North Promenade, Barmouth.

When this scheme was first considered, a 15% contribution towards high-level costs of around £23M was requested for flood prevention works on North Promenade in Barmouth, where over 700 homes are at risk of coastal flooding. Following work to develop the scheme, the likely cost appears to be much higher and closer to £35M. While this work is ongoing and the exact figure is not final, we need to prepare for costs significantly higher than the original £23M. As the cost is not final, we should be trying to earmark a contribution towards a scheme of around £35M, which is £5.25M. As there is already £3.76M in the Asset Plan, a further £1.49M needs to be earmarked in this review.

Meeting issues that have already been assumed over the past year that they will be funded from the Asset Plan

3.22. Ysgol Bontnewydd

The Welsh Government announced an investment of £15M (100% funded grant) for the construction of an innovative and eco-friendly new school for Ysgol Bontnewydd. The cost of the scheme has now risen to £17.67M, which is higher than what was agreed and the total amount the Government is able to fund.

Gwynedd needs to contribute £583,000 to be able to proceed, which is 35% of the additional cost. Several technical factors have led to an increase in cost, including inflation over a longer time than originally expected. The creation of the "temporary" school to move the children has also been more costly than expected.

The funding offer is still a great opportunity, with the Government continuing to fund 97% of the cost and Gwynedd contributing 3%.

3.23. Trawsfynydd Innovation Centre

The Trawsfynydd Innovation Centre Scheme is a strategic opportunity for Cyngor Gwynedd to support economic regeneration in the Meirionnydd area by developing the Trawsfynydd visitor centre site as a centre for innovation, training and high-value jobs for the future. The Scheme aligns with the Council's priorities of creating local employment opportunities, retaining skills within the county and taking advantage of the economic potential of the Trawsfynydd site. To enable the project to move forward and attract significant external grant funding, the Cabinet has already committed £1M match funding at its meeting on 10 February 2026 of additional resources.

Requests for additional resource

3.24. Sustainable Communities Schools Rolling Programme

3.24.1. At present, following the completion of the Phase B projects of the 21st Century Schools Programme and the development of Ysgol Bontnewydd, there are no additional capital resources committed to enable significant investment in our schools' estate into the future. A new Schools Strategy was adopted by the Cabinet on 10 February 2026 and whilst discussions about strategic investment priorities and needs continue, it is

anticipated that a reorganisation and modernisation plan would need to secure a budget of around £6.86M as 35% match funding to attract a Welsh Government grant of 65%. Further discussions will be held with you as Cabinet members about the details of the programme and prioritisation over the next phase.

3.24.2. It is also recommended that an amount be earmarked within the available resources to enable the Education Department to proceed with strategic development work on options to respond to known challenges within the schools' estate. This does not currently commit the Council to any individual plan, but will enable further work to assess needs, develop options, consider external funding opportunities and present a more complete business case to the Cabinet before making any specific implementation decisions. When introducing high-level costs for such a scheme, the department has applied for £6.17M.

3.24.3. We also know that matters relating to traffic on educational sites are challenging and currently receiving attention from the department. Capital funding will need to be secured if a plan is to be realised, and the department has applied for £1.7M to this end.

4. Conclusions

4.1. The above demand for additional capital resources can be summarised as follows:

Project	Additional amount	External contributions
Ysgol Tryfan, Bangor – cost increase – 35% match funding to attract grant Decision already assumed by the Cabinet on 16/12/25	£1.96M	£3.64M
North Promenade, Barmouth – increase in costs – 15% match funding to attract a grant A project already within the Asset Plan.	£1.49M	£8.45M
Ysgol Bontnewydd – a 35% contribution towards cost increases – a development that was paid for with a Welsh Government grant.	£583k	£16.1M
Trawsfynydd Innovation Centre – Cyngor Gwynedd's contribution to attract a grant. Decision already assumed by the Cabinet on 10/02/26	£1M	Attract £18.45M from various funding sources

Sustainable Communities Learning Programme – 35% match funding to attract a grant	£6.86M	£12.74M
Sustainable Communities Learning Programme Project - 35% match funding to attract a grant	£6.17M	£11.74M
Responding to school traffic challenges	£1.7M	-
TOTAL	£19.76M	

- 4.2. Given that there is currently £16M of additional resource available, it is not possible to fund everything and therefore, there will be a need to prioritise.
- 4.3. The increase in the cost of schemes already in the Asset Plan means that a further £3.45M will need to be committed in order to realise them. In the case of Ysgol Tryfan, the Cabinet has already committed that funding.
- 4.4. An assumption has already been made for Ysgol Bontnewydd and Trawsfynydd Science Park at a cost of £1.58M.
- 4.5. This leaves £10.97M uncommitted to meet spending needs of £14.73M in Education, which is £3.76M short of the funding needed.
- 4.6. Given the individual schemes above, relevant risks and the Council's strategic priorities, it is recommended that the full cost of a priority scheme should be met in the next phase of the rolling Sustainable Schools programme (£6.86M) as it would not be sensible to try to partially meet the scheme.
- 4.7. That leaves £4.11M remaining for a second scheme in the sustainable communities schools rolling programme and to respond to school traffic risks. Further work is needed to calculate the exact costs of this work, and in the case of the traffic risks there is a need for a better understanding of the actual risks and the alternative options to address them. It is therefore recommended that the final prioritisation is carried out after further work has been undertaken and that the right to agree the exact allocation is delegated to the Chief Executive in consultation with the Cabinet Member for Education, the Head of Education and the Head of Finance.
- 4.8. It must be accepted that we will not be able to fund all of the above requirements as we do not have the capital resources. However, Members should be aware that the Council receives annual grants from the Government towards the condition of education buildings. While there is no guarantee of this grant, and it is not a constant figure either, we can be confident that new amounts will arrive annually. Therefore, consideration may be given to adding this grant money towards attempting to carry out the secondary work and traffic risks.

- 4.9. The final recommendation in terms of the allocation of the additional capital of £16M can be summarised as follows:

Cost increases for schemes already in the Asset Plan	£3.45M
Assumption already made	£1.58M
Next phase of the rolling Sustainable Schools programme	£6.86M
Further project within the rolling Sustainable Schools programme and responding to Schools traffic risks	£4.11M

5. STATUTORY OFFICERS COMMENTS

Head of Finance

"I can confirm that accountants from the Finance Department have collaborated with the author to prepare financial aspects of this report and I support the decision sought."

Monitoring Officer

"It is appropriate for the Cabinet to review the capital programme to respond to changes and to additional or differing requirements that have arisen since the programme was approved."