

Public Document Pack



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Mr Dylan Williams
Prif Weithredwr – Chief Executive

CYNGOR SIR YNYS MÔN
ISLE OF ANGLESEY COUNTY COUNCIL
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR GWAITH	THE EXECUTIVE
DYDD MAWRTH 21 GORFFENNAF 2026 10.00 o'r gloch	TUESDAY 21 JULY 2026 10.00 am
YSTAFELL BWYLLGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL DRWY ZOOM	COMMITTEE ROOM, COUNCIL OFFICES AND VIRTUALLY VIA ZOOM
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

AELODAU/MEMBERS

Plaid Cymru/The Party of Wales

Neville Evans, Carwyn E Jones, Dyfed Wyn Jones, Gary Pritchard, Alun Roberts, Nicola Roberts, Robin Wyn Williams

Y Grŵp Annibynnol/The Independent Group

Dafydd Roberts, Ieuan Williams

COPIER GWYBODAETH / COPY FOR INFORMATION

I Aelodau'r Cyngor Sir / To the Members of the County Council

Bydd aelod sydd ddim ar y Pwyllgor Gwaith yn cael gwahoddiad i'r cyfarfod i siarad (ond nid i bleidleisio) os ydy o/hi wedi gofyn am gael rhoddi eitem ar y rhaglen dan Reolau Gweithdrefn y Pwyllgor Gwaith. Efallai bydd y Pwyllgor Gwaith yn ystyried ceisiadau gan aelodau sydd ddim ar y Pwyllgor Gwaith i siarad ar faterion eraill.

A non-Executive member will be invited to the meeting and may speak (but not vote) during the meeting, if he/she has requested the item to be placed on the agenda under the Executive Procedure Rules. Requests by non-Executive members to speak on other matters may be considered at the discretion of The Executive.

Please note that meetings of the Committee are streamed for live and subsequent broadcast on the Council's website. The Authority is a Data Controller under the Data Protection Act and data collected during this live stream will be retained in accordance with the Authority's published policy.

A G E N D A

1. APOLOGIES

2 DECLARATION OF INTEREST

To receive any declaration of interest from a Member or Officer in respect of any item of business.

3 URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HIS APPOINTED OFFICER

No urgent matters at the time of dispatch of this agenda.

4 MINUTES (Pages 1 - 6)

To submit for confirmation, the draft minutes of the Executive held on 16 June 2026.

5 THE EXECUTIVE'S FORWARD WORK PROGRAMME (Pages 7 - 14)

To submit the report of the Head of Democratic Services.

6 CAPITAL OUTTURN 2025/26 (Pages 15 - 28)

To submit the report of the Director of Function (Resources)/Section 151 Officer.

7 HOUSING REVENUE ACCOUNT BUDGET MONITORING – QUARTER 4, 2025/26 (Pages 29 - 38)

To submit the report of the Director of Function (Resources)/Section 151 Officer.

8 DRAFT FINAL ACCOUNTS 2025/26 AND USE OF RESERVES AND BALANCES (Pages 39 - 172)

To submit the report of the Director of Function (Resources)/Section 151 Officer.

9 PANEL PERFORMANCE ASSESSMENT (PPA) – FINAL REPORT AND COUNCIL RESPONSE (Pages 173 - 206)

To submit the report of the Head of Digital, Performance and Modernisation.

10 RESILIENCE OF THE MENAI CROSSING (Pages 207 - 230)

To submit the report of the Head of Regulation and Economic Development.

THE EXECUTIVE

Minutes of the meeting held in the Committee Room and virtually on Zoom on 16 June 2026

- PRESENT:** Councillor Robin Williams (Deputy Leader) (In the Chair)
- Councillors Neville Evans, Carwyn Jones, Dyfed Wyn Jones, Alun Roberts, Dafydd Roberts, Nicola Roberts.
- IN ATTENDANCE:** Chief Executive
Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Director of Function (Council Business)/Monitoring Officer
Director of Education, Skills, and Young People
Director of Social Services
Head of Democratic Services
Head of Digital, Performance and Modernisation (for items 6 & 7)
Strategic Performance and Projects Manager (GP) (for items 6 & 7)
Committee Officer (ATH)
Webcasting Officer (FT)
- APOLOGIES:** Councillors Gary Pritchard (Leader), Ieuan Williams
- ALSO PRESENT:** Councillors Jeff Evans (Chair of the Corporate Scrutiny Committee), Glyn Haynes, Kenneth Hughes, Aled M. Jones, Sonia Williams, Angharad Hughes (Scrutiny and Committee Services Manager) (for items 6 & 7)
-

1. APOLOGIES

The apologies for absence were noted.

2. DECLARATION OF INTEREST

No declaration of interest was received.

3. URGENT MATTERS CERTIFIED BY THE CHIEF EXECUTIVE OR HIS APPOINTED OFFICER

None to report.

4. MINUTES

The minutes of the previous meeting of the Executive held on 24 March 2026 were presented for confirmation.

It was resolved that the minutes of the previous meeting of the Executive held on 24 March 2026 be confirmed as correct.

5. THE EXECUTIVE'S FORWARD WORK PROGRAMME

The report of the Head of Democratic Services incorporating the Executive's Forward Work Programme for the period from July 2026 to February 2027 was presented for confirmation.

The Head of Democracy updated the Executive on the following changes to the Forward Work Programme –

- 21 July 2026 meeting
 - Capital Budget monitoring report for Quarter 4 2024/25 re-scheduled from June
 - Housing Revenue Account Monitoring Report for Quarter 4 2025/26 – re-scheduled from June
 - Local Growth Fund – added as a new item
- 22 September 2026 meeting
 - Visitor Levy Consultation - added as a new item
- 23 February 2027 meeting
 - Budget monitoring reports for Quarter 3 2026/27 – added as new items
 - Gypsies and Travellers Accommodation Action Plan – added as a new item
- Changes since publication of the programme
 - Update on the resilience of the Menai crossings - added to the 21 July 2026 meeting
 - Recycling rates - rescheduled from July to the September or October meeting.

It was resolved to confirm the Executive's updated work programme for the period July 2026 to February 2027 with the changes outlined at the meeting.

6. SCORECARD MONITORING – QUARTER 4 2025/26

The report of the Head of Digital, Performance and Modernisation incorporating the Corporate Scorecard for Quarter 4 2025/26 was presented for the Executive's consideration. The report presents the Council's performance against the strategic objectives of the Council Plan 2023-28 at the end of the fourth quarter.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience presented the scorecard report noting that the majority of indicators (87%) with set targets performed well during the quarter, achieving Green or Yellow RAG status. Year on year performance for all comparable indicators (48 in total) shows that 20 (42%) have improved during the year, 24 (50%) declined and 4 (8%) have remained unchanged. Of the 24 that declined, 62% are still above or within 5% of target, 21% were Amber/Red and 17% had no targets assigned.

The report highlights a number of successes during the year including progress in Welsh language activity, increased uptake of Direct Payments, strong Môn Actif participation, improved Neet levels, high satisfaction with the library service, timely completion of housing responsive repairs, completion of high risk food hygiene inspections, timely determination of planning applications and good road conditions.

However eight indicators remain Red or Amber against targets. These relate to re-referrals of children within 12 months; housing re-let times, the time taken to deliver medium and large Disabled Facilities Grants, development of new council homes, uptake of mooring contracts; domestic waste recycling and FOI response times .

He noted that the Quarter 4 scorecard report was reviewed in detail by the Corporate Scrutiny Committee at its meeting on 10 June, where underperforming areas were robustly challenged in a comprehensive discussion and assurance was sought regarding mitigating actions. He confirmed that the Leadership Team will continue to focus on improving performance in the areas that are currently below target.

Councillor Jeff Evans, Chair of the Corporate Scrutiny Committee reported back from the committee's meeting on 10 June 2026, at which the Q4 scorecard report was considered. He noted that, during discussion, members gave particular attention to the eight indicators performing below target and to any adverse movement in trends. Members also sought assurance regarding the risks and the impacts associated with underperforming indicators, the measures in place to manage them, and the plans for future improvement. Having received assurance on these matters, the committee resolved to recommend the report together with the mitigation measures set out within it, to the Executive.

Executive members responded to the fourth and final scorecard for the 2025/26 financial year and provided the following assurances –

Councillor Dyfed Wyn Jones, Portfolio Member for Children, Young People and Families in relation to children's re-referrals explained that sometimes a second referral is appropriate. The service is reviewing all second assessment cases to understand the reasons for them, emphasising that the headline figure does not always reflect the explanation and circumstances behind the performance.

Councillor Alun Roberts, Portfolio Member for Leisure, Tourism, Maritime and Property noted that although it is natural to focus on areas of underperformance, it is important not to lose sight of the majority of indicators that are meeting or exceeding their targets. He highlighted Môn Actif as an example, having supported 4,000 children and young people in activities across the island during the May half term week.

Councillor Nicola Roberts, Portfolio Member for Planning and Public Protection reported that planning enforcement performance had moved from Green to Yellow. She explained that the percentage of enforcement cases has increased while the size of the enforcement team has remained unchanged, and that steps are being taken to address the situation and bring performance back to target. She was pleased to confirm the full completion of high risk business food inspections, delivered by a small team that has shown resilience during a challenging period.

Councillor Dafydd Roberts, Portfolio Member for Education and the Welsh Language confirmed that the Welsh Language and Equalities steering group will be reviewing Welsh Language PI performance, with particular focus on those indicators where the trend is downward.

Councillor Carwyn Jones, Portfolio for Housing and Community Safety explained that delays in delivering planned new council homes were due to on-site complications at two developments, which were beyond the Council's control. He highlighted the steady improvement in housing voids re-let time over the year following the introduction of new processes, as well as the number of properties brought back into use, which exceeded the target in Q4. He also referred to the Council's involvement with projects under Leasing Scheme Wales aimed at bringing empty properties and buildings back into use.

Councillor Neville Evans, Portfolio Member for Adult Services reported that all adult services indicators were rated Green and on target.

Executive members collectively welcomed the strong performance across the majority of indicators and thanked staff across all services for their hard work and commitment throughout the year which underpins the positive outcomes reported. They also acknowledged the underperforming areas highlighted in the scorecard and confirmed that measures will continue to be implemented to secure further progress.

It was resolved to accept the Corporate Scorecard report for Quarter 4 2025/26 and to note the areas which the Leadership Team is exploring and investigating to manage and secure further improvements into the future. These were in relation to Social Care and Wellbeing (children's re-referrals within a 12 month period); Housing (re-letting of void properties, delivery of large and medium DFGs and new council homes delivery); Economy (number of annual mooring contracts), Climate Change (Domestic Waste recycling) and Whole Council Health (responses to FOI requests within timescale).

7. ANNUAL DELIVERY DOCUMENT 2026/27

The report of the Head of Digital, Performance and Modernisation incorporating the Annual Delivery Document for 2026/27 was presented for the Executive's consideration.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience presented the annual delivery document, noting that it sets out what the Council commits to delivering in 2026/27. The high level strategic actions within the document are designed to support progress against the six strategic objectives of the Council Plan 2023-2028. Each action has been designed to be measurable with targets and milestones included where appropriate, enabling in-year monitoring. Services will be required to incorporate these actions into their individual service plans for 2026/27, which will form the basis for quarterly monitoring. Quarterly oversight will be undertaken by the Improvement and Modernisation Programme Board with outcomes feeding into the annual Self-Assessment and Performance (Well-being) report.

Councillor Jeff Evans, Chair of the Corporate Scrutiny Committee reported back from the committee's meeting on 10 June 2026, at which the Annual Delivery Document 2026/27 was considered. He noted that members had recognised the ambition of the document and had sought assurance and updates on several areas including the Freeport project, recycling and waste management, climate change, Welsh language delivery and training, and assisted housing projects. Having received assurance on these matters, the committee resolved to recommend the Annual Delivery Document 2026/27 to the Executive for approval.

Executive members welcomed the document and highlighted key planned actions within their respective portfolios. Under Housing, this included continued work to improve home energy ratings and the opening of a third extra care housing scheme. Under Social Care and Wellbeing, members noted ongoing investment in Môn Actif facilities, including upgrades to Plas Arthur and Amlwch Leisure Centres, as well as plans to develop an additional Cartref Clyd for looked after children and establish six further foster care placements.

It was resolved to adopt the Annual Delivery Document for delivery during 2026/27.

8. REVENUE BUDGET MONITORING – OUTTURN 2025/26

The report of the Director of Function (Resources)/Section 151 Officer setting out the financial performance of the Council's services at the end of Quarter 4 2025/26 was presented for the Executive's consideration.

Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance, Corporate Business and Customer Experience presented the report noting that the overall projected

financial position for 2025/26, including corporate finance and the Council Tax fund is an underspend of £2.631m (1.36% of the net budget for 2025/26). The draft outturn position is better than the Quarter 3 forecast and the projected underspend, and its impact on the Council's general balances, strengthens the Council's financial position allowing greater flexibility when developing the 2027/28 revenue budget.

The Director of Function (Resources)/Section 151 Officer reported that in respect of services and corporate budgets specifically, the outturn position shows an underspend of £1.3m against a budget of £192.5m, equating to under 1% of the total budget (Table 2 refers). The remaining underspend relates to Council Tax, with core Council Tax income £119k above budget and the Council tax premium £1.212m above target. The increase in income is largely due to properties moving from business rates to Council Tax following changes in eligibility rules for self-catering accommodation.

He emphasised that the overall budget underspend masks ongoing pressures in certain areas and is largely attributable to non-recurring factors such as one-off grants, reserves, staff vacancies and increased income, including a GwE closure grant. Appendix C provides detailed analysis of budget variances and highlights continuing underlying demand pressures in Adult Services (£1.097m) and Children and Families Services (£1.923m), the latter driven primarily by rising costs and numbers of out of county looked after children's placements. The Council has sought to mitigate these pressures by developing inhouse provision, such as the Cartrefi Clyd.

In response to a query regarding the risk of appeals from owners of self-catering properties moved from business rates to Council Tax, the Director of Function (Resources)/Section 151 Officer advised that the risk had been recognised at the end of the 2024/25 financial year, and £900k had been placed in an earmarked reserve to cover potential repayments arising from appeal decisions, some of which could be backdated to April 2023.

Executive members also expressed concern about the reliance on grant funding and the way the current grant funding system operates. They highlighted the challenges created by uncertainty over whether grants will be received, the timing of awards, and the fact that many grants are tied to specific projects that may not be a priority for the Council. Members noted that this uncertainty makes financial planning more difficult and that it would be helpful if Welsh Government incorporated more grants into the core funding settlement so that councils know where they stand financially.

The Director of Function (Resources)/Section 151 Officer confirmed that the Council receives approximately £30m in grants in addition to the funding settlement. Some are recurring, some come with spending conditions and others are intended to support budget pressures. Grant funding is not always in keeping with the settlement and may be cut, frozen or increased at different rates. This is not known until grant award letters are received, making budget planning difficult. It also becomes challenging to distinguish which elements of a service are grant funded and which are funded from core budgets. When grants are reduced or end, the Council must either reduce the associated service or identify permanent core funding to sustain it.

It was resolved –

- **To note the position set out in Appendices A, B and C of the report in respect of the Authority's financial performance to date and expected outturn for 2025/26.**
- **To note the summary of contingency budgets for 2025/26, detailed in Appendix CH.**
- **To note the monitoring of agency and consultancy costs for 2025/26 in Appendices D and DD.**

- To note the monitoring of Cost of Change Fund expenditure for 2025/26 in Appendix E.
- To note that the estimated balance of the Council's general balances as at 31 March 2026 stands at £18.949m.

Councillor Robin Williams
Chair

DRAFT

Isle of Anglesey County Council

Report to:	The Executive
Date:	21 July 2026
Subject:	The Executive's Forward Work Programme
Portfolio holder(s):	Cllr Gary Pritchard
Head of service / director:	Lynn Ball, Director of Function – Council Business / Monitoring Officer
Report author:	Dyfan Sion, Head of Democratic Services
Local members:	Not applicable

A – Recommendation(s) and reasons

In accordance with its Constitution, the Council is required to publish a forward work programme and to update it regularly. The Executive's Forward Work Programme is published each month to enable both members of the Council and the public to see what key decisions are likely to be taken over the coming months.

The Executive is requested to:

- confirm the attached updated work programme which covers **August 2026 – March 2027**
- identify any matters for specific input and consultation with the Council's Scrutiny Committees
- note that the forward work programme is updated monthly and submitted as a standing monthly item to the Executive

B – What other options did you consider and why did you reject them and/or opt for this opinion?

-

C – Why is this a decision for the Executive?

The approval of the Executive is sought before each update is published to strengthen accountability and forward planning arrangements.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within budget approved by the Council?

Not applicable

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

Not applicable

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

Not applicable

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

Not applicable

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

Not applicable

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

Not applicable

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

Not applicable

7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

Not applicable

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (mandatory)	The forward work programme is discussed monthly at Leadership Team meetings.
2. Finance / 151 Officer	See above
3. Legal / Monitoring Officer (mandatory)	See above
4. HR	
5. Property	
6. IT	
7. Procurement	

8. Scrutiny	Under normal circumstances, monthly joint discussions take place on the work programmes of the Executive and the two Scrutiny Committees, to ensure alignment.
9. Local members	Not relevant

F – Appendices

The Executive's forward work programme: August 2026 – March 2027
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Ff – Background papers (contact the report author for more information)

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Isle of Anglesey County Council

The Executive's Forward Work Programme

Period: August 2026 – March 2027

This forward work programme lists all the decisions that the Executive intends to take and what business the scrutiny committees will be considering as well as when those matters will be discussed. It also lists any recommendations the Executive intends to make regarding decisions which must be made by the full Council.

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Executive decisions may be taken by the Executive as a collective body or by individual members of the Executive acting under delegated powers.

The forward work programme is reviewed on a regular basis and monthly updates are published. The fact that a decision has not been included in the forward work programme does not prevent urgent or unforeseen matters being considered.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

Last updated on 9 July 2026

September 2026

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
22.09.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Corporate Scorecard – Quarter 1, 2026/27	Cllr Robin Williams	Corporate Scrutiny Committee 16.09.26
	Revenue Budget Monitoring – Quarter 1, 2026/27	Cllr Robin Williams	Resources Scrutiny Panel 03.09.26
	Capital Budget Monitoring – Quarter 1, 2026/27	Cllr Robin Williams	Resources Scrutiny Panel 03.09.26
	Housing Revenue Account Budget Monitoring – Quarter 1, 2026/27	Cllr Robin Williams Cllr Carwyn Jones	Resources Scrutiny Panel 03.09.26
	Treasury Management Annual Review 2025/26	Cllr Robin Williams	Full Council 24.09.26
	Draft Annual Self-Assessment and Performance (Well-being) Report 2025/26	Cllr Robin Williams	
	Visitor Levy Consultation	Cllr Alun Roberts	Partnership and Regeneration Scrutiny Committee 15.09.26 Full Council 24.09.26
	Recycling Rates (date to be confirmed)	Cllr Ieuan Williams	Partnership and Regeneration Scrutiny Committee

October 2026

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
20.10.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	

November 2026

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
17.11.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Annual Self-Assessment and Performance (Well-being) Report 2025/26	Cllr Robin Williams	Corporate Scrutiny Committee 11.11.26
	Corporate Scorecard – Quarter 2, 2026/27	Cllr Robin Williams	Corporate Scrutiny Committee 11.11.26
	Revenue Budget Monitoring – Quarter 2, 2026/27	Cllr Robin Williams	Resources Scrutiny Panel 05.11.26
	Capital Budget Monitoring – Quarter 2, 2026/27	Cllr Robin Williams	Resources Scrutiny Panel 05.11.26
	Housing Revenue Account Budget Monitoring – Quarter 2, 2026/27	Cllr Robin Williams Cllr Carwyn Jones	Resources Scrutiny Panel 05.11.26

December 2026

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
15.12.26 meeting	The Executive's forward work programme	Cllr Gary Pritchard	

January 2027

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
26.01.27 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Local Development Plan – consultation on the preferred strategy	Cllr Nicola Roberts	

February 2027

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
23.02.27 meeting	The Executive's forward work programme	Cllr Gary Pritchard	
	Revenue Budget Monitoring – Quarter 3, 2026/27	Cllr Robin Williams	Resources Scrutiny Panel
	Capital Budget Monitoring – Quarter 3, 2026/27	Cllr Robin Williams	Resources Scrutiny Panel

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
	Housing Revenue Account Budget Monitoring – Quarter 3, 2026/27	Cllr Robin Williams Cllr Carwyn Jones	Resources Scrutiny Panel
	Gypsies and Travellers Accommodation Action Plan	Cllr Carwyn Jones	Partnership and Regeneration Scrutiny Committee 16.02.27

March 2027

Date of meeting or, if the decision is delegated, publication date	The matter to be considered	Portfolio Member	Date to scrutiny and / or full Council (if relevant)
21.07.26 meeting	The Executive's Forward Work Programme	Cllr Gary Pritchard	
	Corporate Scorecard – Quarter 3, 2026/27	Cllr Robin Williams	Corporate Scrutiny Committee 10.03.27

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	EXECUTIVE
Date:	21 JULY 2026
Subject:	CAPITAL OUTTURN REPORT 2025/26
Portfolio Holder(s):	CLLR ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE, CORPORATE BUSINESS & CUSTOMER EXPERIENCE
Head of Service / Director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report Author:	JEMMA ROBINSON
Tel:	
E-mail:	JemmaRobinson@ynysmon.llyw.cymru
Local Members:	n/a
A – Recommendation/s and reason/s	
Recommendations To note the draft outturn position of the capital programme for 2025/26 (subject to Audit). To approve the addition of £3.704m to the 2025/26 budget as a result of additional funding received during the final quarter, which brings the final budget for 2025/26 to £70.648m. To approve the carry forward of £8.949m of expenditure and the associated funding to the 2026/27 budget. The revised budget for 2026/27 is £63.033m. Reasons The Executive is required to review budgets and expenditure and approve changes to the budgets. Conclusion The capital programme for 2025/26 is an important and significant part of the Council’s work during the year, contributing to the achievement of the Council Plan and uses a significant part of the financial resources available to the Council. The report shows that the Council has completed 77% of its planned expenditure during the year on 98 different projects across a range of services, with expenditure being incurred on projects across the Island. Although there is a level of underspend, the funding for these uncompleted projects is secure and can be carried forward to the next financial year.	
B – What other options did you consider and why did you reject them and/or opt for this option?	
The report is mainly for information purposes and, as such, no options require consideration.	
C – Why is this a decision for the Executive?	
Monitoring of Council budgets and expenditure is a designated Executive function which has been delegated to the Executive by the Council.	
Ch – Is this decision consistent with policy approved by the full Council?	
Yes – the initial capital budget was approved by the Council, with changes approved by the Executive.	

D – Is this decision within the budget approved by the Council?		
Yes		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	The capital budget funds investments in assets and infrastructure which are required to allow the Council to meet the long term objectives which are set out in its Corporate Plan and Capital Strategy.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Some of the individual investments, e.g. flood prevention work, will prevent future costs, whilst others, e.g. Integrated Care Fund (ICF) projects, will reduce the dependency on the Council to provide more expensive services. Investment in the Council assets (buildings, vehicles, IT infrastructure, highways) reduce future repair and maintenance costs and minimise the risk of service failure.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	The Council works with the Welsh Government (WG) and other funding bodies to secure funding to deliver its capital programme.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The Council's Corporate Plan and Capital Programme 2025/26 have been subject to a consultation process with Anglesey citizens.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Newly built assets will be compliant with the Equality Act and related regulations and guidance. Annual refurbishments and replacement programmes also help to increase accessibility and enable diversity.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Some of the projects in the capital programme have a positive impact on the development and increase of the Welsh Language, such as the Welsh medium schools built as part of the 21st Century Schools Programme / Sustainable Communities for Learning Programme.

E - Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The report was considered by the LT and any comments made have been incorporated into the final report.
2	Finance / Section 151 (mandatory)	Report Author.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is part of the LT.
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	The outturn was considered by the Finance Scrutiny Panel at its meeting on 9 July 2026.
8	Local Members	Not applicable
9	Any external bodies / other/s	Not applicable
F - Appendices:		
Appendix A – Capital Outturn Report 2025/26 Appendix B – Summary of Capital Expenditure Compared to Budget by Project 2025/26 Appendix C – Additional Schemes / Revision to Funding to the Capital Programme in Quarter 4		
Ff - Background papers (please contact the author of the Report for any further information):		
• 2025/26 Capital Strategy and Capital Budget, approved by full Council on 6 March 2025 • Treasury Management Annual Review 2025/26 – Executive Committee - Date to be confirmed		

1. INTRODUCTION

- 1.1. The following report sets out the capital outturn position for 2025/26 and provides information on the progress to complete the capital programme in the financial year (detailed breakdown is attached as Appendix B). It should be noted that the figures noted in the report are subject to audit and may change as the accounts for the 2025/26 financial year are finalised.
- 1.2. In March 2025, the Council approved an initial capital programme of £44.294m and, in July 2025, the Executive approved that £2.529m of slippage from 2024/25 be carried forward and added to the 2025/26 budget. This gave a revised capital budget of £46.823m.
- 1.3. During the year, additional schemes are added to the capital programme to reflect funding changes and any additional grant funding that is received during the year. In total, £23.825m has been added to the capital programme, with £3.704m being added in the final quarter. The Executive is requested to approve the additions in the final quarter. The additional schemes added to the programme during the final quarter of 2025/26 are shown in Appendix C.
- 1.4. The total capital programme of £70.648m was to be funded as shown in Table 1 below:-

Table 1
2025/26 Capital Programme Planned Expenditure Funding

Funding Source	Initial Budget £'000	Slippage £'000	Additional Projects Added £'000	Total Funding £'000	% of Total Funding
Capital Grant	21,960	1,006	19,771	42,737	60.5%
Supported Borrowing	3,118	696	2,153	5,967	8.4%
Unsupported Borrowing	12,068	0	(8,386)	3,682	5.2%
Revenue Contributions	5,488	300	7,988	13,776	19.5%
Capital Receipts	500	331	(8)	823	1.2%
Earmarked Reserves	1,160	181	1,462	2,803	4.0%
Other Loans (non PWLB)	0	15	845	860	1.2%
TOTAL FUNDING	44,294	2,529	23,822	70,648	100.0%

2. CAPITAL EXPENDITURE OUTTURN 2025/26

- 2.1. The total expenditure incurred during 2025/26 totalled £54.662m, which equates to 77% of the budget spent. This compares to 2024/25 when 83% of the approved budget was spent.
- 2.2. The programme includes the Holyhead: Culture and Heritage Driven Transformation project, where the Council holds the funding but is reliant on external bodies to incur the majority of the expenditure. If this scheme is omitted from the figures, the total budget spent increases to 80%.
- 2.3. A summary of the approved budget and actual expenditure for 2025/26 by service is shown in Table 2 below:-

Table 2
Final Approved Budget and Actual Expenditure by Service 2025/26

Service	Approved Budget £'000	Total Expenditure £'000	(Under) / Overspend £'000	% of Total Funding
Housing General Fund	1,720	1,620	(100)	94
Housing - Housing Revenue Account (HRA)	26,914	25,114	(1,800)	93
Lifelong Learning	4,479	3,070	(1,409)	69
Economic and Regeneration	15,667	9,611	(6,056)	61
Highways	8,278	7,720	(558)	93
Waste Management	1,462	208	(1,254)	14
Property	8,956	5,144	(3,812)	57
Transformation	1,171	937	(234)	80
Adult Services	2,001	1,238	(763)	62
TOTAL 2025/26	70,648	54,662	(15,986)	77
Funded By				
Capital Grant	42,737	35,323	(7,414)	83
Capital Receipts	823	53	(770)	6
Supported Borrowing	5,967	4,229	(1,738)	71
Unsupported Borrowing	3,682	232	(3,450)	6
Revenue Contribution	13,776	12,935	(841)	94
Other Loans (non PWLB)	860	385	(475)	45
Capital Reserve	2,803	1,505	(1,298)	54
TOTAL FUNDING	70,648	54,662	(15,986)	77

2.4. The main projects that have underspent their approved budget allocation during the year are detailed in Table 3 below:-

Table 3
Projects which have Significantly Underspent During 2025/26

Scheme	Underspend £'000	Comments
HRA Capital Improvements	1,800	For further information on the HRA capital expenditure, please refer to the HRA Outturn report, presented to this Committee on 21 July 2026.
School and Council Building Refurbishments, including disabled adaptations	1,107	Underspends on these budgets were expected due to the award of additional grant funding in the year. WG's Additional Learning Needs (ALN) Grant was used to fund works to enable Disabled Access in Education Buildings for 2025/26. It is expected that the pressure on this budget heading will increase in future as results of access audits will provide a fuller picture of the works required. The Education buildings capital budget underspend was a consequence of grant award of Capital Repairs and Maintenance Grant 2025/26. There is a conscious decision not to try to push the spend out hurriedly and, rather, to displace it against committed expenditure and carry over to a measured 2026/27 programme.

Scheme	Underspend £'000	Comments
Crown Site Redevelopment	731	£936k of grant funding was awarded, covering the period December 2025 to March 2027, therefore, the grant spans the next financial year also. Progress has been made on the scheme and is in line with the spending profile. £816k slippage has already been approved in the 2026/27 budget paper, with only £731k now required. Grant funding will be carried forward to the 2026/27 financial year.
Holyhead UK Government Regeneration Programme	3,295	Significant underspend was likely due to significant delays being faced within the overall programme delivery. However, an extension to the expenditure deadline has been granted by the Government, which should allow the projects to be completed with no loss of funding.
Council Buildings Low Carbon Heat Replacement Programme	1,780	£729k of this underspend is simply 5% retention that we have claimed on the projects to date, being held to be released after successful completion of the projects. The remaining underspend has arisen from a variation request to WG across three of the projects for additional works that have since not been able to complete within the 2025/26 financial year or have come in under budget. The Energy service has been made aware of the progress of the schemes, with it being anticipated to carry the funding forward to 2026/27 to complete the works.
Transforming Towns - Amlwch Marine Terminal	507	£920k of grant funding was awarded, covering the period September 2025 to March 2027, therefore, the grant spans the next financial year also. Progress has been made on the scheme and is in line with the spending profile. £480k slippage has already been approved in the 2026/27 budget paper, with an additional £27k now required. Grant funding will be carried forward to 2026/27.
Transforming Towns - Place Making Grant	489	A total of £952k of grant funding was awarded, covering the period September 2025 to March 2027, therefore, the grant spans the next financial year also. Progress has been made on the scheme, with £301k slippage having already been approved in the 2026/27 budget paper, with an additional £188k now required. Grant funding will be carried forward to 2026/27.
Waste Projects	1,237	Significant slippage was already anticipated throughout the 2025/26 financial year, due to the service focusing on priority items. £816k slippage has already been approved previously, with an additional £421k now required.
Property schemes (including Plas Arthur)	1,227	As reported in previous quarters, significant underspend on property schemes were anticipated. Improvement works at Plas Arthur faced a significant underspend due to prioritising grant funding to contribute to the works. This funding was prioritised and utilised in full this financial year, with the underspend to be carried forward to 2026/27 to continue the works. Other specific budgets were not utilised due to the service prioritising more pressing matters. £1,529k slippage was already approved in the 2026/27 budget paper in relation to these schemes, with a reduction of £176k now required.
	12,173	

Scheme	Underspend £'000	Comments
Other Projects	3,814	
Total Underspend 2025/26	15,986	

3. SLIPPAGE TO 2026/27

- 3.1. Capital projects can take time to complete and, although funding is allocated by financial year, a number of factors can result in projects falling behind their planned timetable. These can include planning issues, tender prices being higher than budget, awaiting work or consent from third parties, material supply issues or unforeseen issues which only come to light as the project progresses.
- 3.2. Given that the majority of the Council's capital programme is funded by grant, the Council's main priority is to ensure that the delays in completion do not breach the grant conditions, resulting in the loss of all or part of the grant. This may require a renegotiation of grant conditions with funders. Projects funded from borrowing or from the Council's own reserves do not carry the risk of the loss of funding and can normally be carried forward from one financial year to the next.
- 3.3. Some budgets would have been forecast to underspend prior to the 2026/27 budget being finalised and have been included in the approved budget for the forthcoming year. The revised slippage position is shown in Table 4 below:-

Table 4
2025/26 Slippage Carried Forward to 2026/27

Service	2025/26 Underspend £'000	Slippage Approved March 2026 £'000	Additional Slippage to be Approved £'000	Revised Slippage Carried Forward to 2026/27 £'000
Housing General Fund	101	0	101	101
Housing HRA	1,800	0	3,954	3,954
Lifelong Learning	1,409	956	308	1,264
Economic and Regeneration	6,055	4,097	1,545	5,642
Highways	558	359	197	556
Waste Management	1,255	816	421	1,237
Property	3,812	1,529	2,079	3,608
Transformation	234	0	218	218
Adult Services	763	637	126	763
TOTAL 2025/26	15,988	8,394	8,949	17,343
Funded By				
Capital Grant		4,738	3,364	8,102
Capital Receipts		223	537	760
Supported Borrowing		1,379	351	1,730
Unsupported Borrowing		937	2,227	3,164
HRA Surplus and Reserves		0	1,851	1,851
Other Loans (non PWLB)		0	474	474
Capital Reserve		1,117	145	1,262
TOTAL FUNDING		8,394	8,949	17,343

- 3.4. At its meeting in March 2026, the Council approved a capital budget of £54.084m. The approval of this additional slippage brings the revised capital budget for 2026/27 to £63.033m, as shown in Table 5 below:-

Table 5
Revised Capital Budget 2026/27

Service	Approved Budget 2026/27 £'000	Additional Slippage to be Approved £'000	Revised Budget 2026/27 £'000
Housing General Fund	900	101	1,001
Housing HRA	31,572	3,954	35,526
Lifelong Learning	1,856	308	2,164
Economic and Regeneration	5,822	1,545	7,367
Highways	4,044	197	4,241
Waste Management	4,622	421	5,043
Property	3,513	2,079	5,592
Transformation	1,118	218	1,336
Adult Services	637	126	763
TOTAL 2026/27	54,084	8,949	63,033
Funded By			
Capital Grant	30,096	3,364	33,460
Capital Receipts	271	537	808
Supported Borrowing	5,047	351	5,398
Unsupported Borrowing	9,800	2,227	12,027
HRA Surplus and Reserves	5,418	1,851	7,269
Other Loan (non PWLB)	0	474	474
Capital Reserve	3,452	145	3,597
TOTAL FUNDING	54,084	8,949	63,033

4. IMPACT ON THE TREASURY MANAGEMENT STRATEGY

- 4.1. The annual review of the Treasury Management Strategy is a separate report and has been initially presented to the Governance and Audit Committee meeting on 16 July 2026, and will be presented to the Executive in September 2026. However, in summary, the underspend on the capital programme in 2025/26 has reduced the Capital Financing Requirement (CFR), i.e. the level of capital expenditure that is funded from borrowing made or to be made. The Treasury Management Strategy set the maximum level of CFR as £154.390m, and the final level of capital expenditure in 2025/26 has not resulted in a breach of the Treasury Management Strategy limits.
- 4.2. The Council continued to use internal cash balances, rather than externalising borrowing. As a result, the closing balance of external loans was £121.706m, £0.376m lower than the opening balance. Internal borrowing, i.e. the sum of capital expenditure that has been funded through the Council's own cash balances, stood at £32.528m, which is £6.687m higher than the opening balance. The cash flow forecast suggests that the Council will have to externalise some of this internal borrowing during 2026/27.

5. CONCLUSION

- 5.1.** The ability of the Council to undertake capital projects is limited by the funding available, and rising costs also limits the projects that can be completed. The Council needs to ensure that sufficient capital funding is invested in existing assets (buildings, roads, vehicles, IT equipment) to ensure that services can continue to operate, and this also limits the new projects that the Council can invest in. This has been the position for a number of years and is not expected to change in the short to medium term. The Council is becoming more reliant on securing grant funding to support the capital programme.
- 5.2.** The level of underspending for 2025/26 is not unexpected when dealing with a large number of complex projects that require input from external funders, need to follow procurement regulations, may require approval or work from external bodies and regulators and are subject to unexpected issues once the work commences on site. The Council spent 77% of the available funding, compared to 83% in 2024/25, and, when schemes that are not directly delivered by the Council are omitted, the amount of funding spent increases to 80%.
- 5.3.** All external funding not incurred has been secured and will be available to fund the carried forward slippage in 2026/27.
- 5.4.** The report highlights the importance of grant funding, with 60% of the budget and 65% of the actual expenditure being funded through external grants. Although some grants the Council will receive as part of an all-Wales allocation, several grants are only awarded following a competitive process, where Council staff have to bid for the grants. Without success in the bidding processes, the Council capital programme would be significantly smaller.

SUMMARY OF CAPITAL EXPENDITURE COMPARED TO BUDGET BY PROJECT 2025/26

Service	Annual Budget	Total Expenditure	Total (Under) / Overspend	Annual Budget Spent	Variance	Underspend to be carried forward to 2026/27
	(£)	(£)	(£)	%	%	(£)
Housing General Fund						
Disabled Facilities Grants	870,000	800,163	(69,837)	92	(8)	69,837
Enable Grant	198,030	198,248	218	100	0	
First Time Buyer Grant	465,532	465,532	0	100	0	
Homebuyer Scheme	155,660	155,660	0	100	0	
Affordable Housing	30,650	0	(30,650)	0	(100)	30,650
Total	1,719,872	1,619,604	(100,269)	94	(6)	100,487
Housing HRA						
Central Heating Contract	200,000	116,781	(83,219)	58	(42)	
Planned Maintenance Contract	3,000,000	1,675,803	(1,324,197)	56	(44)	1,300,000
Energy Performance Improvement	4,718,136	4,985,901	267,765	106	6	
Environmental Works	500,000	163,168	(336,832)	33	(67)	
Acquisition of Existing Properties and Development of new properties	11,362,814	8,845,815	(2,516,999)	78	(22)	2,373,000
Public Sector Adaptations	500,000	499,273	(727)	100	(0)	
Fire Risk	500,000	484,901	(15,099)	97	(3)	
Fleet renewal	650,000	368,664	(281,336)	57	(43)	281,000
WHQS	5,483,000	7,973,605	2,490,605	145	45	
Total	26,913,950	25,113,911	(1,800,039)	93	(7)	3,954,000
Lifelong Learning						
Disabled Access in Education Building	134,763	59,438	(75,325)	44	(56)	75,325
Refurbish Education Building	2,089,213	1,057,238	(1,031,976)	51	(49)	1,031,976
School Safety	63,294	0	(63,294)	0	(100)	63,294
Refurbishment of Secondary School Toilets	345,000	304,744	(40,256)	88	(12)	40,256
Childcare Capital Grants Scheme	450,311	396,666	(53,645)	88	(12)	53,645
Play Spaces	110,824	110,826	2	100	0	
Additional Learning Needs 2024/25	264,429	264,429	0	100	0	
Additional Learning Needs 2025/26	478,100	478,100	0	100	0	
Community Focussed Schools 2025/26	208,800	207,722	(1,078)	99	(1)	
Llanfechell Childcare Unit	90,165	91,823	1,658	102	2	
Llangloed Childcare Unit	46,336	49,678	3,342	107	7	

Service	Annual Budget	Total Expenditure	Total (Under) / Overspend	Annual Budget Spent	Variance	Underspend to be carried forward to 2026/27
	(£)	(£)	(£)	%	%	(£)
Valley Childcare Unit	25,721	21,344	(4,378)	83	(17)	
St Mary's Building works	20,419	20,419	(0)	100	(0)	
Band B Programme	152,000	7,538	(144,462)	5	(95)	
Total	4,479,375	3,069,964	(1,409,411)	69	(31)	1,264,496
Economic and Regeneration						
Amlwch Leisure Centre	62,494	7,000	(55,494)	11	(89)	55,494
Holyhead Leisure Centre - Fitness Equipment	140,000	116,920	(23,080)	84	(16)	
Plas Arthur Leisure Centre - Fence	122,275	125,410	3,135	103	3	
Plas Arthur Leisure Centre - Flooring	56,487	56,487	0	100	0	
Holyhead Leisure Centre	80,000	78,000	(2,000)	98	(3)	2,000
CCTV - David Hughes and Amlwch Leisure Centre	50,000	43,265	(6,735)	87	(13)	
Holyhead Regeneration (THI Phase II)	1,800,000	1,414,109	(385,891)	79	(21)	
Economic Development & Environmental Wellbeing	322,543	0	(322,543)	0	(100)	322,543
Porth y Wrach Slipway – Enforcement Cameras	30,000	20,607	(9,393)	69	(31)	9,393
Newry Community Centre	51,287	0	(51,287)	0	(100)	51,287
Maritime Infrastructure	177,514	0	(177,514)	0	(100)	177,514
Visitor Infrastructure	701,246	699,213	(2,033)	100	(0)	2,033
Crown Site Redevelopment	935,700	204,608	(731,092)	22	(78)	731,092
Tregarnedd Plot 2 Units	134,155	134,155	0	100	0	
Tregarnedd Plot 3	39,930	39,930	0	100	0	
Amlwch Industrial Units GD (Growth Deal)	282,113	282,113	0	100	0	
Peboc Clearance	266,005	266,005	0	100	0	
Churchill House Phase 2 Works	18,009	18,009	0	100	0	
Library Van	24,680	24,680	0	100	0	
Transforming Towns - Amlwch Marine Terminal	920,000	412,913	(507,087)	45	(55)	507,087
Transforming Towns - Place Making Grant	951,900	462,757	(489,143)	49	(51)	489,143
Holyhead: Culture & Heritage Driven Transformation	8,500,455	5,205,443	(3,295,013)	61	(39)	3,295,013
Total	15,666,793	9,611,624	(6,055,169)	61	(39)	5,642,598

Highways

Service	Annual Budget	Total Expenditure	Total (Under) / Overspend	Annual Budget Spent	Variance	Underspend to be carried forward to 2026/27
	(£)	(£)	(£)	%	%	(£)
Vehicles	318,511	294,300	(24,211)	92	(8)	24,211
Gritters	467,108	354,250	(112,858)	76	(24)	112,858
AONB vehicle	44,746	44,746	0	100	0	
Canolfan Addysg Y Bont vehicle	12,629	12,629	0	100	0	
Highways Resurfacing	3,853,026	3,850,041	(2,985)	100	(0)	
Flood Relief Schemes (Match Funding)	289,404	0	(289,404)	0	(100)	289,404
Holyhead Flood Investigation	551	551	0	100	0	
FBC Llanfair (full business case)	56,842	56,842	0	100	0	
FBC Menai (full business case)	25,000	25,000	0	100	0	
Invest to Save - Vehicles	5,068	0	(5,068)	0	(100)	
Small scale grants work	406,075	406,075	(0)	100	(0)	
Active Travel	2,015,304	2,015,304	(0)	100	(0)	
Road Safety Capital	165,750	165,750	0	100	0	
Bus Infrastructure	208,000	216,837	8,837	104	4	
ULEV (Ultra Low Emission Vehicle)	166,600	165,059	(1,541)	99	(1)	
Electric Vehicle Charging Infrastructure Grant	39,837	39,837	0	100	0	
Electric Vehicle Charging Infrastructure	203,593	73,321	(130,272)	36	(64)	130,272
Total	8,278,044	7,720,541	(557,503)	93	(7)	556,745
Waste Management						
Waste Projects	1,445,000	207,542	(1,237,458)	14	(86)	1,237,458
Recycling Equipment	17,333	0	(17,333)	0	(100)	0
Total	1,462,333	207,542	(1,254,791)	14	(86)	1,237,458
Property						
Refurbish Existing Assets	195,748	31,081	(164,666)	16	(84)	164,666
Refurbishment and Repairs - Council Offices	283,724	13,186	(270,538)	5	(95)	270,538
Refurbishment and Repairs - Amlwch Leisure Centre	80,000	4,547	(75,453)	6	(94)	75,453
Refurbishment and Repairs - David Hughes Leisure Centre	46,000	0	(46,000)	0	(100)	46,000
Refurbishment and Repairs - Plas Arthur Leisure Centre	850,000	146,555	(703,445)	17	(83)	500,000
Refurbishment and Repairs - Menai Bridge Library	17,000	0	(17,000)	0	(100)	17,000

Service	Annual Budget	Total Expenditure	Total (Under) / Overspend	Annual Budget Spent	Variance	Underspend to be carried forward to 2026/27
	(£)	(£)	(£)	%	%	(£)
Solar Car Ports	844,711	385,469	(459,242)	46	(54)	459,242
Invest To Save Property	15,596	0	(15,596)	0	(100)	15,596
Low Carbon Heat Grant - Council Offices	23,900	0	(23,900)	0	(100)	23,900
Low Carbon Heat Grant - 231	863,544	696,167	(167,377)	81	(19)	167,377
Low Carbon Heat Grant - 249	1,418,485	1,137,639	(280,846)	80	(20)	280,846
Low Carbon Heat Grant - 250	2,924,513	1,945,152	(979,362)	67	(33)	979,362
Low Carbon Heat Grant - 251	1,112,782	783,871	(328,911)	70	(30)	328,911
Upgrade Public Conveniences	279,574	0	(279,574)	0	(100)	279,574
Total	8,955,577	5,143,667	(3,811,910)	57	(43)	3,608,465
Transformation						
ICT	598,085	535,417	(62,668)	90	(10)	62,668
Hwb IT	155,000	0	(155,000)	0	(100)	155,000
Hwb	245,897	245,897	0	100	0	0
Connecting Care	110,400	110,400	0	100	0	0
Increasing Bandwidth in schools	62,000	45,560	(16,440)	73	(27)	0
Total	1,171,382	937,274	(234,108)	80	(20)	217,668
Adult Services						
Canolfan Glanhwfa	599,644	599,190	(454)	100	(0)	
Gors Felen Sensory Garden	101,935	101,935	0	100	0	
Small Group Home	24,575	24,575	0	100	0	
Refurbishment and Repairs - Brwynog	69,000	49,529	(19,471)	72	(28)	19,471
Refurbishment and Repairs - Garreglwyl	514,000	175,466	(338,534)	34	(66)	338,534
Refurbishment and Repairs - Haulfre	81,000	74,171	(6,829)	92	(8)	6,829
Refurbishment and Repairs - Plas Crigyll	180,372	180,372	(1)	100	(0)	
Refurbishment and Repairs - Plas Mona	83,520	32,489	(51,031)	39	(61)	51,031
Refurbishment and Repairs - Hen Reithordy	35,000	0	(35,000)	0	(100)	35,000
Refurbishment and Repairs - Gors Felen	312,330		(312,330)		(100)	312,330
Total	2,001,376	1,237,727	(763,648)	62	(38)	763,194
Total	70,648,701	54,661,853	(15,986,848)	77	(23)	17,345,111

ADDITIONAL SCHEMES / REVISION TO FUNDING TO THE CAPITAL PROGRAMME IN QUARTER 4

Scheme	£	Funded By
WGES (Welsh Government Energy Service) Electric Vehicle	35,853	Grant
Capital R&M schools	357,115	Grant
Active travel amendment	(893,675)	Grant - variation
ORP (Optimised retrofit programme)	1,418,136	Grant
Capel Coch	625,000	Grant
Holyhead Leisure Centre	80,000	Grant
Amlwch Leisure Centre	62,494	Grant
CAYB minibus	12,629	Capital reserve
LCHG 231 (Low Carbon Heat Grant)	90,610	Grant - variation
LCHG 249 (Low Carbon Heat Grant)	53,888	Grant - variation
LCHG 250 (Low Carbon Heat Grant)	89,526	Grant - variation
LCHG 251 (Low Carbon Heat Grant)	34,117	Grant - variation
Gors Felen sensory Garden	99,264	Grant
Small Group Home	24,575	Grant
FTB (First Time Buyer)	465,532	Capital reserve
Joint Equity	155,660	Capital reserve
ALN PY (prior year) to repay	264,429	Grant and Capital reserve
Tregarnedd Plot 2 Units	(21,465)	Grant
Holyhead Flood	551	Grant
FBC Llanfair	56,842	Grant
FBC Menai	25,000	Grant
Small Scale Flood schemes	(152,547)	Grant variation
Tregarnedd Plot 2 Units	134,155	Grant
Tregarnedd Plot 3	39,930	Grant
Peboc Clearance	266,005	Grant
Churchill House Phase 2 Works	18,009	Grant
Visitor Infrastructure	95,782	Grant
Amlwch Industrial Units GD (Growth Deal)	28,726	Grant
Hwb	245,897	Grant
Connecting Care	110,400	Grant
ICF Reduction	(118,275)	Revenue contribution
Total Additional Schemes Added in Quarter 4	3,704,163	

Isle of Anglesey County Council	
Report to:	EXECUTIVE
Date:	21 JULY 2026
Subject:	HOUSING REVENUE ACCOUNT BUDGET MONITORING, QUARTER 4 2025/26
Portfolio Holder(s):	CLLR ROBIN WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER FINANCE, CORPORATE BUSINESS & CUSTOMER EXPERIENCE CLLR CARWYN JONES – PORTFOLIO HOLDER HOUSING & COMMUNITY SAFETY
Head of Service / Director:	MARC JONES - DIRECTOR OF FUNCTION (RESOURCES) & SECTION 151 OFFICER (EXT. 2601)
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Local Members:	N/A
A – Recommendation/s and reason/s	
1. The Executive is requested to note the following: - (i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for quarter 4 2025/26. (ii) The outturn for 2025/26. 2. Background (i) The revenue budget was set with a budgeted surplus of £6,291k. (ii) The gross capital budget for 2025/26, after in-year adjustments, is £26,914k. Grant funding budget of £10,783k reduces the net budget to £16,131k. (iii) The combination of both the revenue budget and adjusted capital budget gave a planned budget deficit of £9,840k, of which £6,820k is to be funded from the HRA reserve, with the balance of £3,019k to be funded by external borrowing. (iv) The HRA is 'ringfenced', and its reserves cannot be transferred to the General Fund, nor can General Fund reserves be used to fund the HRA. 3. This report sets out the financial performance of the HRA for the period from 1st April 2025 to 31st March 2026. 4. Overview 4.1 The HRA revenue surplus / deficit at year end shows an overachievement of £1,731k compared to the budget. More detail is given in sections 5 to 8 below and in Appendix A. 4.2 Capital expenditure at year end was £25,114k, meaning the capital programme was underspent by £1,800k, as explained in section 9 below and in Appendices B and C. Recognised grant income increased by £1,395k, to £12,179k. 4.3 The deficit (combining both revenue and capital) at outturn is £4,914k, £1,907k less than the budget.	

5. Income

- 5.1 At the end of quarter 4, rent income was £64k below profiled budget. The shortfall on rental income is primarily due to timing differences of new properties transferring to rentable stock. At the same time, this shortfall was offset by increased income from some fees, charges and other contributions.

6. Repairs and Maintenance

- 6.1 At the end of quarter 4, there was an underspend of £521k on repairs and maintenance. This is primarily due to expenditure on vacant dwellings during change of tenancy, which reached capitalisation threshold and were moved against the capital Welsh Housing Quality Standard (WHQS) budget.
- 6.2 Shared and rechargeable services, which include expenditure on communal and shared areas, grass cutting etc., resulted in a £72k underspend, with a mixture of overspend and underspend on individual budget lines.
- 6.3 Expenditure on operative staff is £314k below the profiled budget at the end of quarter 4, which is due to a combination of pay award underspend and unfilled vacancies. Overheads and other expenditure were on budget.

7. Supervision and Management Expenditure

- 7.1 At the end of quarter 4, supervision and management expenditure was £523k below the profiled budget, primarily due to unfilled vacancies and an adjustment relating to the pension contribution rate.

8. Year End Adjustments

- 8.1 This heading covers items of expenditure (capital financing costs and recharges from the General Fund) that form part of the year end accounting process. At the end of quarter 4, there was a £288k underspend, primarily due to lower than budgeted financing costs, as no additional external borrowing had been undertaken during the year.

9. Capital Expenditure

- 9.1 The gross capital budget for 2025/26 was £26,914k, with the total spend at year end being £25,114k. The grant funding achieved was £12,179k.

The grant funding is summarised below:-

Source	Outturn £
HCF (Housing with Care Fund)	1,233,366
ICF (Integrated Care Fund)	813,445
Transitional Accommodation Capital Programme	1,072,346
Social Housing Grant (SHG)	1,226,740
Major Repairs Allowance (MRA)	3,580,728
Optimised Retrofit Programme 2025/26	4,193,848
Other	58,130
Total Grant Funding	12,178,603

- 9.2** WHQS expenditure – The revised £5,483k budget allocated the sum of £1,483k to tackle WHQS refusals and capital elements upgraded at change of tenancy, such as replacement kitchens, bathrooms and re-wiring systems as they reach the end of their life cycles. Void capitalisation to the end of quarter 4 for works undertaken by the Housing Maintenance Unit (HMU) is in the sum of £2,088k. The budget also allocates £4,000k towards Year 2 of a 5-year programme for the replacement of kitchens which now exceed 15 years in age. Housing Services report that both appointed contractors continued to perform well on programmed works during quarter 4. As and when required, both contractors are also undertaking kitchen renewals and associated WHQS work at change of tenancy. The volume of unprogrammed works undertaken at change of tenancy by both contractors and the HMU was far higher than originally anticipated, and the budget was £2,491k overspent at year end. A new method for attributing expenditure between revenue and capital works was introduced during 2025/26 which has also contributed towards the over expenditure.
- 9.3** Fire Risk expenditure – The £500k budget was planned to be spent on ensuring compliance with the Regulatory Reform Order 2005. Proposed measures comprised of replacement 1 hour (FD60) flat fire doors and upgrading fire alarm and emergency lighting systems serving blocks of flats. At the end of quarter 4, expenditure stood at £485k. Further fire door replacements and emergency lighting upgrades are planned for 2026/27.
- 9.4** Public Sector Adaptations expenditure – As expected, demand for medium or large-scale adaptations remained constant and the allocated budget of £500k funded works such as installing stair-lifts, level access showers, ramps and extensions. Actual expenditure at the end of quarter 4 stood at £499k.
- 9.5** Energy Performance expenditure – As previously reported, Housing Services commenced work on a 5-year programme for the longer-term delivery of renewable energy and decarbonisation measures during quarter 4 of 2024/25. The contract, primarily involving the installation of Solar PV systems and Battery Storage across the housing stock, continued positively during quarter 4 and Housing Services had originally allocated a budget of £3,300k for these energy efficiency improvements during 2025/26. Expenditure at the end of quarter 4 stood at £4,986k. As previously reported during quarter 3, this programme had already secured financial support in the sum of £2,776k via the Welsh Government's (WG) Optimised Retrofit Programme (ORP). During quarter 4, Housing Services was invited by WG to submit a further ORP application to purchase goods and materials for installation during 2026/27. The bid, in the sum of £1,418k, was successful and accounts for the majority of over expenditure during quarter 4. The grant award will be claimed during quarter 1 2026/27.
- 9.6** Planned Maintenance expenditure – The total budget allocated for traditional Planned Maintenance work was £3,000k, which included carried forward commitment on schemes which were awarded and commenced on site during 2024/25. Carried forward commitment primarily involves the continuation of work at Tan y Bryn, Valley, and Morrison Crescent, Holyhead. Morrison Crescent reached Practical Completion during quarter 1 and works at Valley reached Practical Completion during quarter 3. Housing tendered a further Planned Maintenance Contract involving 20 properties at various locations during quarter 3, which fully committed the budget for 2025/26. Expenditure at the end of quarter 4 stood at £1,676k. The budget was £1,324k underspent at year end.

- 9.7** Environmental Works Expenditure – A total budget of £500k was allocated towards environmental improvements in 2025/26. A proportion of this budget was utilised to continue with the programmed demolition of certain garages at Llangejni, Moelfre and Amlwch which were no longer viable to maintain. Housing Services confirms that tenders were received and that a contract was awarded for the demolition of these garages during quarter 2. A further tender was prepared during quarter 4 for garages earmarked for demolition in the Holyhead area. Housing Services did not expect any upgrading of treatment plants to incur any significant expenditure during the last financial year and the budget was £337k underspent at year end.
- 9.8** Central Heating Contract Expenditure - During quarter 1 2025/26, a contract (CHC226) for replacement boilers awarded during the last financial year reached Practical Completion. Housing Services has allocated a capital budget of £200k for 2025/26 and expenditure, inclusive of commitment, was in the sum of £117k at the end of quarter 4. There were no plans to award any further major contracts during 2025/26 and, as expected, the budget was £83k underspent at year end.
- 9.9** Fleet Renewal – The budget allocates the sum of £650k for a rolling programme of renewing the Building Maintenance Unit's (BMU) vehicular fleet, primarily the van stock utilised by operatives. A total of 10 new vehicles were received during quarter 3 and expenditure stood at £369k. A further 10 vehicles have been ordered, and commitment is in the sum of £395k. Housing Services expect delivery of these 10 vehicles during quarter 1 2026/27.
- 9.10** Acquisition of Existing Properties and Development of new properties - A budget of £11,363k has been allocated to activities which increase the HRA rentable stock.
- **Projects Completed or Nearing Completion**
To quarter 4, a total of 46 units were added to the lettable stock. These were newly developed houses at Stad y Bryn in Llanfaethlu, as well as existing properties acquired and refurbished by HRA. New developments at Cae Braenar in Holyhead and at the Newborough Old School Site are progressing and are expected to add 23 and 14 units respectively to the lettable stock in early 2026/27.
 - **Collaboration with Social Services**
There are several active projects where HRA collaborates with the Council's Social Services department. The development of the extra care facility in Menai Bridge is experiencing delays, but some works took place in 2025/26 and the project commenced in the first quarter of 2026/27. Additionally, four properties were acquired and are being developed to meet the needs of Social Services.
 - **Acquisitions and Renovations**
The focus in 2025/26 was on renovations of previously acquired properties, with an allocation of £2,370k to fund 15 units to be added to lettable stock during the year. Due to some delays earlier in the year, there was an underspend of £733k.

Five properties were approved for acquisition in quarter 1, and additional 5 properties are being acquired, following an additional allocation of TACP grant (Transitional Accommodation Capital Programme) by the WG. Two of these properties experienced delays in completion and, as a consequence, the budget was underspent by £202k.

- **New Projects in Initial Stages and Preplanning**

Several projects are in their initial stages, namely developments at Plas Penlan in Llangefni, Maes Mona in Amlwch and at the old Corn Hir School site in Llangefni. Projects in preplanning stages include development and re-development at Maes William Williams in Amlwch, Tan Y Foel in Llanerchymedd, Ysgol y Parc in Holyhead and Pencraig Mansions in Llangefni. A budget of £300k has been allocated in 2025/26 for work related to scoping the potential of these sites for a future development project; a total of £165k was spent by year end.

- 9.11** Overall, the capital programme at year end was underspent by £1,800k. This includes an overspend of £2,154k on several budget lines, and an underspend of £3,954k. A request to approve slippage of the underspend into 2026/27 is submitted as part of the main capital outturn report.

10. HRA Balance

- 10.1** The opening balance of the HRA reserve stood at £7,976k. The budget allowed for the use of £6,820k of this balance, leaving the minimum level of reserve balance of £1,155k, as set out in the HRA Business Plan. This equates to 5% of the dwelling rental income budget for 2025/26. The closing balance of the HRA reserve is £3,062k.

11. HRA Borrowing

- 11.1** After capital budget and capital grants adjustments, the net revenue / capital deficit at year end was £4,914k. This was fully funded from the HRA reserve and no external borrowing was required in 2025/26.

B – What other options did you consider and why did you reject them and / or opt for this option?

Not applicable

C – Why is this a decision for the Executive?

This matter is delegated to the Executive.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within the budget approved by the Council?

Yes

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The report is for monitoring purposes only and is used, along with other reports, to set the HRA business plan and annual budget. In setting the annual budget, the impact on the long term needs of the Island will be assessed.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable

4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The Housing Services regularly consults with its tenants and the results of those consultations are fed into the business planning process and then on to the annual budget process.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Not applicable
E – Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The report was considered by the LT. Any comments will have been incorporated into the report.
2	Finance / Section 151 (mandatory)	N/A – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT and comments will have been considered and incorporated into the report.
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The results of the HRA quarterly monitoring reports are reported to the Finance Scrutiny Panel.
9	Local Members	N/A
F - Appendices:		
• Appendix A – Revenue expenditure and forecasts to end of quarter 4 2025/26 • Appendix B – Capital expenditure and forecast to end of quarter 4 2025/26 • Appendix C – New Build capital schemes and forecast to end of quarter 4 2025/26		
Ff - Background papers (please contact the author of the Report for any further information):		
• HRA 30 Year Business Plan 2025-2054 (as approved by this Committee in March 2025)		

					Appendix A
HOUSING REVENUE ACCOUNT BUDGET 2025/26					
	Current budget 2025/26	Expenditure / (income) at Q4	Year end variance	Year end forecast at Q3	Change from Q3 forecast
	£	£	£	£	£
Income					
Rent income	(23,398,090)	(23,333,620)	64,470	(23,341,356)	7,737
Service charges	(247,090)	(255,468)	(8,378)	(254,251)	(1,217)
Other income	(270,950)	(335,984)	(65,034)	(338,915)	2,931
Income total	(23,916,130)	(23,925,072)	(8,941)	(23,934,522)	9,451
Expenditure					
Repairs and Maintenance	4,237,650	3,716,125	(521,525)	4,267,302	(551,178)
Responsive repairs		2,136,090		3,075,330	(939,241)
Planned and cyclical work		198,572		198,480	92
Vacant dwellings		1,381,463		993,492	387,971
Shared and rechargeable services	961,950	889,230	(72,720)	937,523	(48,293)
Operative employees costs	2,391,820	2,078,297	(313,523)	2,208,995	(130,698)
Overheads and other expenditure	647,990	646,428	(1,562)	708,571	(62,143)
Repairs and maintenance total	8,239,410	7,330,080	(909,330)	8,122,391	(792,311)
Supervision and management					
Rent administration	501,530	457,094	(44,436)	460,297	(3,203)
Tenant participation and support	914,300	851,627	(62,673)	844,860	6,767
Estate management	768,290	700,988	(67,302)	730,271	(29,283)
Development	260,190	284,189	23,999	270,475	13,714
Management and technical staff	1,821,650	1,638,984	(182,666)	1,660,843	(21,859)
Business support	1,632,820	1,441,637	(191,183)	1,521,304	(79,668)
Supervision and management total	5,898,780	5,374,518	(524,262)	5,488,050	(113,532)
Total operations	(9,777,940)	(11,220,473)	(1,442,533)	(10,324,081)	(896,392)
Year end adjustments					
Financing costs and bad debt provision	2,618,800	2,349,138	(269,662)	2,625,880	(276,742)
Recharge from central services	842,820	815,426	(27,394)	842,820	(27,394)
Recharge from the housing service	25,130	34,117	8,987	25,130	8,987
Year end adjustments total	3,486,750	3,198,681	(288,069)	3,493,830	(295,149)
Total revenue (surplus) / deficit	(6,291,190)	(8,021,792)	(1,730,602)	(6,830,251)	(1,191,541)
Capital expenditure account					
Capital expenditure	26,913,950	25,113,911	(1,800,039)	24,006,775	1,107,136
Capital grants receivable	(10,783,173)	(12,178,603)	(1,395,430)	(8,740,037)	(3,438,566)
Other contributions	-	-	-	-	-
Total capital (surplus) / deficit	16,130,777	12,935,308	(3,195,469)	15,266,738	(2,331,430)
Capital deficit funded by					
Revenue surplus	(6,291,190)	(8,021,792)	(1,730,602)	(6,830,251)	(1,191,541)
HRA reserve	(6,820,303)	(4,913,516)	1,906,787	(6,820,303)	1,906,787
Unsupported borrowing	(3,019,284)	-	3,019,284	(1,616,184)	1,616,184
Total funding of capital expenditure	(16,130,777)	(12,935,308)	3,195,469	(15,266,738)	2,331,430
Opening HRA balance	(7,975,637)	(7,975,637)	-	(7,975,679)	-
Net (increase) / decrease in HRA reserve	6,820,303	4,913,516	(1,906,787)	6,820,303	(1,906,787)
Closing HRA reserve	(1,155,334)	(3,062,121)	(1,906,787)	(1,155,376)	(1,906,787)

					Appendix B
HOUSING REVENUE ACCOUNT CAPITAL BUDGET 2025/26					
	Annual budget 2025/26	Expenditure at Q4	Year end variance	Year end forecast at Q3	Variance in forecast to Q3
	£	£	£	£	£
Central Heating Contract	200,000	116,781	(83,219)	104,000	12,781
Planned Maintenance Contract	3,000,000	1,675,803	(1,324,197)	1,300,000	375,803
Energy Performance Improvement	4,718,136	4,985,901	267,765	3,300,000	1,685,901
Environmental Works	500,000	163,168	(336,832)	300,000	(136,832)
Acquisition of Existing Properties and Development of New Properties	11,362,814	8,845,815	(2,516,999)	10,449,902	(1,604,087)
Public Sector Adaptations	500,000	499,273	(727)	500,000	(727)
Fire Risk Management	500,000	484,901	(15,099)	500,000	(15,099)
WHQS	1,483,000	2,207,482	724,482	2,515,000	(307,518)
Kitchen Replacement Programme	4,000,000	5,766,123	1,766,123	4,350,000	1,416,123
Fleet Renewal	650,000	368,664	(281,336)	687,873	(319,209)
Total	26,913,950	25,113,911	(1,800,039)	24,006,775	1,107,136

						Appendix C
NEW DEVELOPMENT BUDGET 2025/26						
Schemes / Projects	Number of additional units	Budget 2025/26	Expenditure Q4	Year end variance	Year end forecast at Q3	Variance in forecast to Q3
		£	£	£	£	£
New build dwellings						
Newborough Old School Site	14	1,427,530	1,145,180	(282,350)	1,350,000	(204,820)
Cae Braenar, Caergybi	23	1,535,707	760,501	(775,206)	1,450,000	(689,499)
Parc Y Coed, Llangejni, Phase 2	2	293,200	275,510	(17,690)	293,200	(17,690)
Stad y Bryn, Llanfaethlu	10	912,736	848,818	(63,918)	950,000	(101,182)
Plas Alltran, Caergybi	4	-	-	-	-	-
Acquisition of existing properties						
Acquisitions	10	2,312,356	2,110,142	(202,214)	2,628,416	(518,274)
Refurbishment	15	2,370,000	1,637,301	(732,699)	2,370,000	(732,699)
Collaboration with Social Services	5	1,343,648	1,334,459	(9,189)	818,286	516,173
Aethwy Extra Care	73	867,637	569,100	(298,537)	375,000	194,100
Projects in pre-development stages		300,000	164,805	(135,195)	215,000	(50,195)
Total	156	11,362,814	8,845,815	(2,516,999)	10,449,902	(1,604,087)

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Isle of Anglesey County Council

Report to:	EXECUTIVE
Date:	21 JULY 2026
Subject:	DRAFT FINAL ACCOUNTS 2025/26 AND USE OF RESERVES AND BALANCES
Portfolio holder(s):	CLLR ROBIN WILLIAMS – DEPUTY LEADER AND PORTFOLIO HOLDER – FINANCE, CORPORATE BUSINESS AND CUSTOMER EXPERIENCE
Head of service / director:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Report author:	MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Local members:	NOT APPLICABLE

A – Recommendation(s) and reasons

The report presents the draft Comprehensive Income and Expenditure Statement for 2025/26 and the draft Balance Sheet as at 31 March 2026.

More detailed information is provided on the Council's general balances and earmarked reserves and the report details the proposed use of the reserves and balances in 2026/27 and subsequent years. The report sets out the level of general balances and earmarked reserves which, in the professional opinion of the Council's Section 151 Officer, is the level required to cover any financial risks faced by the Council, to meet any existing funding commitments made and takes into account any specific restrictions on the use of the funding, e.g. restrictions imposed by grant conditions. The level of risk faced by the Council can change and the level of general balances and earmarked reserves will be kept under review over the coming months.

It is important to note that the figures are unaudited and may change as a result of the audit process. Once the audit is completed, a report of the final Statement of Accounts will be presented to the Governance and Audit Committee and the full Council.

Recommendations:-

1. That the Executive notes the draft unaudited financial statements for the financial year 2025/26.
The full Draft Statement of Accounts 2025/26 is published on the following link:- [Draft Statement of Accounts 2024 to 2025](#)
2. That the Executive notes the position of the Council's general balances as at 31 March 2026 of £19.037m.
3. That the Executive notes the balance of earmarked reserves of £24.434m and approve the creation of £0.510m of new earmarked reserves.
4. That the Executive formally approves the transfer of £0.716m of earmarked reserves back to the Council's General Balances.
5. That the Executive notes the balance of school reserves of £4.327m.
6. That the Executive notes the balance of the Housing Revenue Account (HRA) reserve of £3.063m.
7. That the Executive approves the use of £2.373m of general balances and earmarked reserves for the purposes set out in Table 9.

B – What other options did you consider and why did you reject them and/or opt for this opinion?

A number of options were considered with regards the level of general balances required to cover future potential costs and risks and the chosen option resulted in the potential to release general balances and earmarked reserves to fund one off expenditure in 2026/27 and / or in future years. A number of different expenditure areas were considered.

C – Why is this a decision for the Executive?

The use of reserves and balances is delegated to the Executive in accordance with the Council's resolution on the Council's annual revenue and capital budgets.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within budget approved by the Council?

Yes

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

The proposed use of reserves and balances is designed to address certain risks and issues which the Council is currently facing. This will allow the Council to undertake projects which will help in meeting the long-term needs of the Island and its residents.

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

Yes – identifying funding to mitigate future risks will ensure that risks will be better controlled and may reduce costs in the future.

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

Not applicable

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

Not applicable

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

The decision requested in this report does not have a direct impact on those groups protected under the Equality Act 2010. Any plans for the use of funding would consider the impact on those groups prior to making the final decision to proceed with any project.

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

The decision requested in this report does not have a direct impact on those experiencing socio economic disadvantage. Any plans for the use of funding would consider the impact on the socio economic disadvantaged prior to making the final decision to proceed with any project.

7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

No impact on the Welsh language.

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (LT) (mandatory)	The report has been considered by the Chief Executive and LT prior to it being presented to the Committee. The comments of LT members have been incorporated into the report.
2. Finance / 151 Officer	The Section 151 Officer and staff of the Finance Team were responsible for drafting the accounts and this report.
3. Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT and any comments made have been considered along with all comments made by LT members.
4. HR	The issues covered in the report do not impact on any Human Resource matters.
5. Property	Not applicable
6. IT	Not applicable
7. Procurement	Not applicable
8. Scrutiny	The draft financial outturn and reserves balances were discussed at the meeting of the Finance Scrutiny Panel on 9 July 2026. The draft statement of accounts was considered by the Governance and Audit Committee on 16 July 2026.
9. Local members	Not applicable

F – Appendices

Appendix 1– Report on the main financial statements, general balances and earmarked reserves
Appendix 2 – Draft Comprehensive Income and Expenditure Statement 2025/26
Appendix 3 – Draft Balance Sheet as at 31 March 2026
Appendix 4 – Movement in Reserves Statement 2025/26
Appendix 5 – Earmarked Reserves as at 31 March 2026

Ff – Background papers (contact the report author for more information)

None

1. PURPOSE OF THE REPORT

- 1.1.** The report sets out the draft main financial statements for the financial year 2025/26 and presents a summary of the Council's general balances, earmarked reserves, school balances and HRA reserve.
- 1.2.** The report also sets out the Council's Section 151 Officer's opinion on the adequacy of the reserves and do they provide sufficient financial resilience for the Council and do they provide sufficient financial cover to address any future financial risks faced by the Council.

2. BACKGROUND INFORMATION

- 2.1.** Regulation 10 of the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018, requires that the responsible financial officer must, by no later than 31 May immediately following the end of the financial year, sign and date the draft statement of accounts and certify that it presents a true and fair view of the Council's financial position. The Council must then approve and publish its audited financial statements by 31 July immediately following the end of the financial year.
- 2.2.** Due to a number of reasons, which include delays in completing audits across Wales in the years following the pandemic and due to technical accounting issues which required additional guidance and audit input, Welsh Government (WG) and Audit Wales have recognised that the statutory timetable is unachievable for the 2025/26 financial year. The suggested timetable is for the draft statement of accounts to be prepared by 30 June 2026 and the final audited accounts to be published by 30 September 2026. Consideration is also being given to amending the statutory deadlines for future years. The Council has published the statutory notice informing all interested parties that the Council will not be complying with the statutory deadlines noted in paragraph 2.1 above.

3. DRAFT COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2025/26

- 3.1.** The draft Comprehensive Income and Expenditure Statement (CIES) is presented in Appendix 2.
- 3.2.** The statement summarises the cost of providing services in 2025/26, in accordance with the statutory accounting requirements and covers both the Council Fund and the HRA in one financial statement. The CIES includes statutory accounting costs, such as depreciation and pension adjustments, which are not charged against Council Tax and are, therefore, reversed out before determining the final position in respect of general balances, earmarked reserves, the HRA account balance and school balances. As a result, the CIES is not directly comparable to the outturn reports that are presented to the Executive as part of the agenda for this meeting.
- 3.3.** The CIES shows that the net cost of services was £182.912m, with a surplus of £35.668m on the provision of services. Adjustments are then made for the revaluation of assets and for the re-measurement of the pension liability, to give the final net surplus for the year of £29.296m. Adjustments are then made, as shown in Table 1 below, to determine the movement to reserves and balances. The adjustments are detailed in note 6 of the draft Statement of Accounts.

Table 1
Reconciliation of CIES to the Contribution (to) / from Reserves and Balances for 2025/26

	£'000	£'000
Total Cost (Surplus) as per CIES		(29,296)
Reverse out the accounting entries in respect of Revaluation of Assets and the Re-measurement of the Pension Fund	(6,372)	
Adjustment between Accounting Basis and Funding Basis under Regulations	35,913	
		29,541
Contribution (to) / from Useable Reserves and Balances		245

3.4. The movements in the Council's reserves and balances are shown in Table 2 below:-

Table 2
Summary of the Movements in the Council's Reserves and Balances as at 31 March 2026

	Opening Balance 01/04/2025 £'000	Net (Over) Under Spend 2025/26 £'000	Net Transfers (from) / to Reserves for Approved Funding £'000	Closing Balance 31/03/2026 £'000
Council General Fund	18,160	2,620	(1,743)	19,037
Council Fund Earmarked Reserves	20,759	-	3,676	24,435
School Balances	5,074	-	(746)	4,328
Capital Receipts Reserve	2,616	-	165	2,781
Capital Grants Unapplied Reserve	538	-	697	1,235
Ambition North Wales Reserve	913	-	-	913
HRA Reserve	7,977	(4,914)	-	3,063
TOTAL USEABLE RESERVES	56,037	(2,294)	2,049	55,792

3.5. The Council's accounts also include £913k in respect of Ambition North Wales. This figure is the Council's share of the useable reserves, which are held by Gwynedd Council as the lead authority for the Board Members.

4. DRAFT BALANCE SHEET AS AT 31 MARCH 2026

4.1. The draft balance sheet as at 31 March 2026 is shown in Appendix 3.

4.2. The value of the Council's assets increased by £29.296m, from £486.096m last year to £515.392m at 31 March 2026. The value of the Council's long term assets increased by £32.941m, due to capital expenditure on the Council's property, plant and equipment and following the revaluation of existing assets.

- 4.3. Current liabilities decreased by £0.926m, to £56.817m, which is mainly as a result of movements in the value of short term creditors, which increased by £6.569m, and short term grants received in advance, which decreased by £8.190m. Long term liabilities have decreased from £135.223m to £133.818m.
- 4.4. Although the actuarial valuation assesses the value of the Pension Fund as being a surplus of £155.642m, accounting rules (IFRIC14) requires the Council to reduce the value of the pension asset due to the fact that the Council cannot access the value of the asset.

5. GENERAL FUND BALANCE

- 5.1. The balance of the General Fund (subject to audit) as at 31 March 2026 is £22.219m, which is equivalent to 10.73% of the 2025/26 net expenditure budget, but it should be noted that this figure may change following the audit. The Council has utilised £1.685m of this reserve as funding for the 2026/27 budget and has allocated £0.100m to support additional staffing costs within Legal Services, which reduces the net available budget to £20.434m, which equates to 9.87% of the 2026/27 net expenditure budget. The movement is shown in Table 3 below:-

Table 3
Movement in General Balances During 2025/26

	£'m	£'m
Opening Balance as at 1 April 2025		18.161
Less Utilised to Balance 2025/26 Revenue Budget		(2.459)
Balance Available as at 1 April 2026		15.702
Transfers From Earmarked Reserves	0.716	
2025/26 Revenue Budget Surplus	2.620	
		3.336
Balance as at 31 March 2026		19.038
Funding for 2026/27 Revenue Budget		(1.685)
Legal Services Staffing Costs		(0.100)
Balance as at 1 April 2026		17.253

- 5.2. The Council approved the recommendation provided by the Section 151 Officer that the Council should maintain a minimum balance of this reserve of 5% of the net revenue expenditure budget for the forthcoming financial year. Based on this recommendation, the minimum balance should be £10.35m, which gives the Council £6.90m of balances above this minimum figure.
- 5.3. Based on the current information, the funding position for 2027/28 appears to be difficult, with a shortfall in funding anticipated. However, the change in the WG may lead to an alternative funding settlement for Local Government in Wales in 2027/28. The fact that the balance of general reserves is healthy and above the minimum reserve level does provide the Council with options to fund additional expenditure in 2026/27 (see paragraph 10 below) and to help bridge any funding shortfall in 2027/28.

6. EARMARKED RESERVES

- 6.1. Earmarked Reserves are held by the Council to mitigate potential future risks, to meet increases in the demand for certain services, to fund future capital projects, to fund improvements in business processes and service delivery, which are not funded in the annual revenue budget, and to hold unused grants and other contributions. The holding of earmarked reserves is an essential element of the Council's financial strategy to ensure that the Council has an adequate level of financial resilience to meet future risks, financial challenges and allows for additional investment in assets and services. The new reserves created during 2025/26 are shown in Table 4, below, and the Executive is requested to formally approve the creation of these new reserves, totalling £0.510m:-

Table 4
New Earmarked Reserves Created in 2025/26

Service	Reserve Name	Reserve Amount £	Reason for Creating Reserve	Purpose of the Reserve
Regulation - Maritime	Maritime Dredging	50,000	Fund capital expenditure required in 2026/27	Dredging works around piers
Property	Door Entry System	75,000	Fund capital expenditure required in 2026/27	Repairs to the Door Access system to the main Council offices and an upgrade to the associated software
Property	Smallholdings Repairs & Maintenance	200,000	Approved transfer of underspend to fund capital expenditure in 2026/27	Contribution to fund backlog repairs of the smallholdings estate
Education	Post 16 Funding	42,317	Carry forward un-utilised grant to 2026/27	To fund further expenditure on post 16 education as specified in the grant offer letter
Children's Services	Duke of Edinburgh Award Scheme	4,537	To hold funding restricted for this purpose	To fund future costs relating to this scheme
Children's Services	Travis Perkins Community Legacy Fund	9,425	To hold funding restricted for this purpose	To fund future costs relating to this scheme
Digital, Modernisation and Transformation	ICT Staffing	121,885	To carry forward unspent staffing budget from 2025/26	To fund additional staffing costs in 2026/27 prior to the costs being permanently funded in 2027/28 budget
Children's Services	Repairs & Maintenance - Cabannau	6,490	To transfer income to create a sinking fund	To create a sinking fund to meet the future repair and maintenance costs of nursery provision cabins located at various schools
	TOTAL	509,654		

- 6.2. The total earmarked reserves as at 31 March 2026 are detailed in full in Appendix 4, but are summarised by purpose below, in Table 5:-

Table 5
Summary of Earmarked Reserves as at 31 March 2026

	Opening Balance – 01/04/2025 £	Contributions To / (from) During 2025/26 £	Closing Balance – 31/03/2026 £
Ongoing Corporate and Service Risks	7,092,100	1,111,627	8,203,727
Specific Corporate and Service Risks	1,609,476	(160,853)	1,448,623
Funding of Future Capital Expenditure	5,321,709	2,836,361	8,158,070
Business Process Improvements	374,327	(84,805)	289,522
Unused Contingency Budgets Carried Forward to Future Years	848,805	530,251	1,379,056
Restricted Grant Holding Reserves	2,181,098	(642,874)	1,538,224
Other Restricted Reserves	307,898	(185,646)	122,252
Other Earmarked Reserves for Specific Projects	3,023,645	270,552	3,294,197
TOTAL EARMARKED RESERVES	20,759,058	3,674,613	24,433,671

7. CAPITAL GRANT UNAPPLIED RESERVE

- 7.1.** The capital grant unapplied reserve holds any unspent balance of the general capital grant. This is not an earmarked reserve as it is a specific reserve to hold capital funding, although it should be noted that the grant is provided with no conditions, and it is for the Council to determine which capital projects are funded from the grant. It is unapplied as it was not fully utilised by the end of the financial year, but it will be used to fund capital expenditure in 2027/28.

8. SCHOOL BALANCES

- 8.1.** The level of School balances has decreased, from £5.074m at the beginning of the financial year, to £4.327m at the end of the financial year. 6 primary schools have deficit balances, compared to 4 at the end of 2024/25. All of the schools that have a deficit balance have agreed an expenditure plan which will bring the school out of deficit over a period of time. The balances per sector are summarised in Table 6, below:-

Table 6
School Balances as at 31 March 2026

Sector	Balance at 1 April 2025 £	Movement in Year £	Balance at 31 March 2026 £
Community and Voluntary Primary Schools	2,213,650	(699,527)	1,514,123
Community Secondary Schools	2,264,916	(145,955)	2,118,961
Community Special Schools	229,403	36,517	265,920
Foundation Primary School	365,668	62,611	428,279
TOTAL	5,073,637	(746,354)	4,327,283

9. HOUSING REVENUE ACCOUNT

- 9.1.** The balance of the Housing Revenue Account (HRA) reserve fell, from £7.978m at the beginning of the financial year, to £3.064m as at 31 March 2026. The details are shown in Table 7 below:-

Table 7
Housing Revenue Account Balance as at 31 March 2026

	£'m	£'m
Opening Balance as at 1 April 2025		7.976
Revenue Account Surplus 2025/26	8.023	
Capital Expenditure Funded from Reserves	(12.935)	
Net Movement in 2025/26		(4.912)
Closing Balance as at 31 March 2026		3.064

10. ALLOCATION OF RESERVES AND BALANCES

10.1. The fact that the level of general balances is higher than the minimum recommended value does provide an opportunity to release funds to address urgent funding pressures and new emerging risks faced by the Council. In addition, since the 31 March 2026, 2 main risks have reduced which will allow earmarked reserves to be transferred back to general balances. The changing risks are:-

- **Churchill House** – A sum of £500k was released from general balances, by the full Council to meet potential costs of making safe the property. The works have been undertaken by the property owner and are almost complete. Although the Council will face some costs, which have yet to be finalised, £400k of the original £500k can be returned to general balances.
- **Inflation Reserve** - A reserve is held to meet the cost of any inflationary increases, above the sum allowed for in the annual budget. This is mainly to cover the risk that the final pay award for 2026/27 is higher than the inflation provided for in the 2026/27 budget. Although the NJC pay award has yet to be settled, the employers' offer to the Unions is 3.3%, which is in line with the sum allowed for in the budget. Although the final agreement may be higher, it is not anticipated to be significantly higher than the current offer. In addition, despite the ongoing issues in the Middle East, matters appear to be closer to a resolution, which reduces the inflationary pressures in 2026/27. The current balance of this reserve is £2.345m, which is higher than is required and £310k of this reserve can be transferred back to general balances.

10.2. The movement of £710k from these 2 reserves will increase the level of general balances, after releasing funding to balance the 2026/27 revenue budget, to £18.784m. Having considered proposals for additional funding to be released, it is recommended that £2.3731m of general balances can be released. The amended level of balances as at 30 June 2026 is shown in Table 8 below:-

Table 8
Revised General Balances as at 30 June 2026

	£'m	£'m
Balance as at 1 April 2026 – as per Table 3		17.253
Transfer from Earmarked Reserves		
Churchill House Reserve	0.400	
Inflation Reserve	0.310	
		0.710
Funding for Additional Expenditure, see Table 9 below		(2.373)
Balance as at 30 June 2026		15.590

- 10.3.** The remaining level of general balances of £15.590m equates to 7.54% of the 2026/27 net revenue budget, and is £0.112m lower than the position in June 2025. This level of balances remains a healthy balance and adequately covers any potential future funding risks faced by the Council.
- 10.4.** Having considered the risks and issues the Council is currently facing, the following additional areas of expenditure are proposed (see Table 9 below). It is not essential that all the expenditure is incurred in 2026/27 and any unspent funding can be carried forward as an earmarked reserve at the end of the 2026/27 financial year.

Table 9
Proposed Areas of Additional Expenditure

Expenditure Area	Revenue / Capital	Sum Allocated £	Purpose
Disabled Facilities Grants	Capital	200,000	To deal with a backlog of DFG applications.
Highways Depot	Capital	155,000	To repair a retaining wall between the Depot and a neighbouring property.
Plas Arthur Changing Rooms	Capital	100,000	Match funding to Pride in Place funding to upgrade the changing rooms at Plas Arthur Leisure Centre.
Council Buildings	Capital	600,000	To contribute towards funding backlog maintenance issues across the Council's buildings.
Smallholdings	Capital	200,000	To contribute towards funding backlog maintenance issues in the Council's Smallholdings Estate.
Property Services	Revenue	120,000	To increase capacity within the Property Services Team to deliver the projects funded through the capital budget and additional funding.
Legal Services	Revenue	191,000	To provide additional resource to support and train newly appointed Planning and Property solicitors.
Education	Revenue	100,000	To continue to fund the virtual school in 2026/27.
Culture	Revenue	185,000	Match funding for a 4 year agreement between the Council and the Arts Council for Wales to provide a resource to work with local organisations to attract more grant funding for arts related projects on Anglesey.
Education	Revenue	150,000	To fund the delivery of WG and the Council's strategic objectives, support national priorities in literacy and numeracy and respond to emerging challenges.
Education	Capital	200,000	Contribute to the capital funding of modern digital technology in schools.

Education	Revenue	172,000	To maintain support for ALN, Inclusion and Wellbeing projects, particularly to support pupils at risk of disengagement.
TOTAL		2,373,000	

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2026

2025/26			Services	2024/25		
Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B	Adjustments between Funding and Accounting Basis - B	Net Expenditure in the Comprehensive Income and Expenditure Statement - C		Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B	Adjustments between Funding and Accounting Basis - B	Net Expenditure in the Comprehensive Income and Expenditure Statement - C
£'000	£'000	£'000		£'000	£'000	£'000
70,959	4,874	75,833	Education, Young People and Skills	67,309	6,209	73,518
41,268	(400)	40,868	Adult Services	37,626	170	37,796
18,537	(359)	18,178	Children's Services	16,304	44	16,348
2,922	(117)	2,805	Housing	2,254	(44)	2,210
17,918	5,763	23,681	Highways, Property and Waste	16,058	5,943	22,001
6,199	602	6,801	Regulation and Economic	5,250	601	5,851
6,905	168	7,073	Transformation	6,228	289	6,517
11,387	(303)	11,084	Resources	11,150	(98)	11,052
2,468	(122)	2,346	Council Business	2,087	(36)	2,051
902	(380)	522	Corporate and Democratic Costs	676	(595)	81
720	11	731	Corporate Management	751	(20)	731
-	160	160	Non-distributed costs	-	242	242
16,526	(23,696)	(7,170)	Housing Revenue Account (HRA)	16,535	(23,254)	(6,719)
196,711	(13,799)	182,912	Net Cost of Services	182,228	(10,549)	171,679
(196,466)	(22,114)	(218,580)	Other Income and Expenditure	(188,427)	(24,374)	(212,801)
245	(35,913)	(35,668)	(Surplus) or Deficit on the Provision of Services	(6,199)	(34,923)	(41,122)
(56,037)			Opening General Fund and HRA balance at 1 April	(49,838)		
245			Less (Surplus)/Deficit on General Fund and HRA Balance in Year	(6,199)		
(55,792)			Closing Council Fund Balances and HRA Balance at 31 March	(56,037)		
(52,729)	Comprised of:			(48,060)	Comprised of:	
(3,063)	Council Fund			(7,977)	Council Fund	
(55,792)	HRA			(56,037)	HRA	

BALANCE SHEET AS AT 31 MARCH 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Property, plant and equipment	13	611,754	580,318
Heritage assets	15	2,301	2,299
Investment property	16	10,201	10,068
Intangible assets		109	175
Long-term debtors	18	2,169	1,625
Long-term Right of Use Assets	43	2,749	1,857
Long-term Assets		629,283	596,342
Assets held for sale		813	833
Inventories		313	421
Short-term debtors	18	55,384	67,895
Short-term Investments	35a	-	-
Cash and cash equivalents	19	20,234	13,571
Current Assets		76,744	82,720
Short-term borrowing	35b	(2,507)	(2,206)
Short-term creditors	20	(47,826)	(41,257)
Short-term provisions	21	(1,124)	(749)
Short-term grants receipts in advance	30	(4,914)	(13,104)
Short-term Right of Use liabilities	43	(446)	(427)
Current Liabilities		(56,817)	(57,743)
Long-term creditors	20	(261)	(255)
Long-term provisions	21	(1,498)	(1,567)
Long-term borrowing	35b	(121,049)	(121,726)
Long-term grants receipts in advance	30	-	(1,349)
Other long-term liabilities	34	(9,107)	(9,259)
Long-term Right of Use Liabilities		(1,903)	(1,067)
Long-term Liabilities		(133,818)	(135,223)
Net Assets		515,392	486,096
Usable reserves	MIRS	55,792	56,037
Unusable reserves	9	459,600	430,059
Total Reserves		515,392	486,096

APPENDIX 4

MOVEMENT IN RESERVES STATEMENT (MIRS) 2025/26

	Council Fund Balance	Earmarked Council Fund Reserves (Note 7)	Capital Receipts Reserve (Note 8)	Capital Grants Unapplied	Schools Balances (Note 7)	NWEAB Reserves	Total Council Fund Usable Reserves	HRA Balance (Supplementary Financial Statements)	HRA Capital Receipts Reserve	Total HRA Usable Reserves	Total Usable Reserves	Total Unusable reserves (Note 9)	Total Reserves (of the Council)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 April 2024	15,605	16,517	2,390	464	5,577	587	41,140	8,189	509	8,698	49,838	391,735	441,573
Movement in reserves during the year													
Adjustment to opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) on provision of services	18,360	-	-	-	-	-	18,360	22,762	-	22,762	41,122	-	41,122
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	3,401	3,401
Total Comprehensive Income and Expenditure	18,360	-	-	-	-	-	18,360	22,762	-	22,762	41,122	3,401	44,523
Adjustments between accounting basis and funding basis under regulations (Note 6)	(11,202)	-	226	(464)	-	-	(11,440)	(22,974)	(509)	(23,483)	(34,923)	34,923	-
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	7,158	-	226	(464)	-	-	6,920	(212)	(509)	(721)	6,199	38,324	44,523
Transfers to/(from) Earmarked Reserves (Note 7)	(4,603)	4,242	-	538	(503)	326	-	-	-	-	-	-	-
(Decrease) / Increase In Year	2,555	4,242	226	74	(503)	326	6,920	(212)	(509)	(721)	6,199	38,324	44,523
Balance 31 March 2025	18,160	20,759	2,616	538	5,074	913	48,060	7,977	-	7,977	56,037	430,059	486,096
Movement in reserves during the year													
Adjustment to opening balance													
Surplus/(Deficit) on provision of services	16,886	-	-	-	-	-	16,886	18,782	-	18,782	35,668	-	35,668
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	(6,372)	(6,372)
Total Comprehensive Income and Expenditure	16,886	-	-	-	-	-	16,886	18,782	-	18,782	35,668	(6,372)	29,296
Adjustments between accounting basis and funding basis under regulations (Note 6)	(12,270)	-	165	(112)	-	-	(12,217)	(23,696)	-	(23,696)	(35,913)	35,913	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	4,616	-	165	(112)	-	-	4,669	(4,914)	-	(4,914)	(245)	29,541	29,296
Net transfer to/(from)													
Transfers to/(from) Reserves	(3,739)	3,676	-	809	(746)	-	-	-	-	-	-	-	-
(Decrease) / Increase In Year	877	3,676	165	697	(746)	-	4,669	(4,914)	-	(4,914)	(245)	29,541	29,296
Balance 31 March 2026	19,037	24,435	2,781	1,235	4,328	913	52,729	3,063	-	3,063	55,792	459,600	515,392

APPENDIX 5

EARMARKED RESERVES AS AT 31 MARCH 2026

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Corporate	Insurance Reserve	To fund uninsured losses and policy excesses.	1,250,000	-	-	1,250,000
Waste	Penhesgyn Site Culvert	To fund any future repair costs of the culvert which runs under the former Penhesgyn Waste Disposal site	2,463,630	-	-	2,463,630
Learning	Sickness Scheme - Primary	To cover the cost of staff sickness cover in primary schools. Each school pays an annual premium and is recompensed from this reserve to meet the additional costs incurred due to staff sickness.	0	-	(10,688)	(10,688)
Housing	Homelessness	To fund any additional demand above the sum allowed for in the annual budget.	405,228	-	(111,302)	293,926
Highways	Winter Maintenance	To meet any additional costs above the sum allowed for in the budget arising from additional gritting or dealing with floods and storm damage.	94,480	-	-	94,480
Social Services	Social Care Staffing Contracts	To fund additional staffing / agency costs if additional demand for services results in an increased staffing level requirement.	46,176	-	(46,176)	0
Learning	School Closure Reserve	To fund the cost of maintaining closed schools, or to contribute to the set-up costs of new schools.	189,955	-	-	189,955
Corporate	Inflation Reserve	To fund additional inflationary pressures which were not allowed for in the revenue budget – most notably pay awards.	992,631	1,372,886	(20,000)	2,345,517
Learning	Education Service Demand	To fund additional costs above the sum allowed for in the annual budget as a result of increased demand or inflationary pressures.	500,000	315,363	-	815,363
Corporate	Grant Reduction	To provide funding in the short term for services experiencing reductions in grant funding. The funding allows the Service to make the necessary long term changes in service provision.	250,000	-	(250,000)	0
Corporate	Council Tax Premium Repayment Risk Reserve	To fund the cost of any refunds of Council Tax to taxpayers who have successfully appealed the decision by the VOA to transfer their property from Non Domestic Rates to Council Tax	900,000	-	(138,456)	761,544
TOTAL ONGOING CORPORATE AND SERVICE RISKS			7,092,100	1,688,249	(576,622)	8,203,727

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Learning	School Rationalisation	To meet additional costs arising from the school modernisation programme, including redundancy costs.	547,692	-	(224,064)	323,628
Planning	Local Development Plan	Fund the additional costs above the sum allowed for in the annual revenue budget in producing the next Development Plan.	472,179	-	(123,286)	348,893
Planning	Planning Appeals	To fund any costs incurred in dealing with planning appeals and any other form of legal challenges to planning decisions.	35,000	-	(35,000)	0
Property	Capitalised Salaries	To meet the cost of any future shortfall between the salary costs incurred and the sum recharged to the capital budget.	82,613	-	(82,613)	0
Public Protection	Churchill House	This reserve will be used to fund structural works required to reduce the risk to public safety.	471,992	-	-	471,992
Social Services	Mosaic Project Staff Costs	To fund project management and system implementation staffing costs in 2026/27	0	304,110	-	304,110
TOTAL SPECIFIC SERVICE AND CORPORATE RISKS			1,609,476	304,110	(464,963)	1,448,623
Corporate	Revenue Contributions Unapplied to Capital	Funding that has been allocated from revenue funds as a contribution towards specific future capital projects. Funding is released from the reserve as and when required as projects move forward.	1,248,673	948,459	(1,093,363)	1,103,769
Corporate	General Reserve Contributions Unapplied to Capital	Funding that has been allocated from general reserves as a contribution towards specific future capital projects. Funding is released from the reserve as and when required as projects move forward.	252,294	-	-	252,294
Highways	Waste / Recycling	To fund future waste management projects.	986,847	2,385,790	(219,544)	3,153,093
Learning	Education – Commuted Sums	Contributions from Developers, as part of the planning process, that contribute towards additional education costs that the Council faces as a result of the development.	191,843	78,109	-	269,952
Housing	Housing Developer Commuted Sums	Funding transferred to the Council by Developers in lieu of affordable houses in developments.	652,172	198,344	(264,376)	586,140
Highways	Open Spaces Section 106 agreements	Contributions from developers as part of planning agreements.	59,431	49,772	-	109,203

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Public Protection	Calibration Lab	Contributions from partner authorities towards the capital cost of developing a calibration lab.	13,530	-	-	13,530
Learning	School IT Sinking Fund	To meet future IT equipment replacement costs in schools	611,000	216,589	-	827,589
Highways	Developer Contribution - Highways	Contributions from Developers, as part of the planning process, that contribute towards highway improvement costs that the Council faces as a result of the development.	113,765	-	-	113,765
Leisure	Leisure VAT Claim	Refund of VAT due to change in VAT status of leisure centre admission fees. To be used to improve leisure centres.	762,154	212,000	(3,500)	970,654
Social Services	Telecare Equipment	To fund roll out costs of new digital equipment.	60,000	60,000	-	120,000
Leisure	3G Pitch Replacement Sinking Fund	To fund the future costs of replacing 3G pitches.	230,000	60,000	-	290,000
Leisure	Gym Equipment at Holyhead	To contribute to the cost of replacing the gym equipment at Holyhead Leisure Centre.	140,000	-	(116,920)	23,080
Destination	Maritime Dredging	To fund the cost of dredging around Beaumaris Pier.	0	50,000	-	50,000
Property	Door Access Control System	To fund the replacement of door access equipment and associated software at the Council Offices.	0	75,000	-	75,000
Property	Smallholdings Repair and Maintenance	To contribute towards funding backlog repairs and maintenance across the Smallholdings estate.	0	200,000	-	200,000
TOTAL FUTURE CAPITAL EXPENDITURE RESERVES			5,321,709	4,534,063	(1,697,703)	8,158,069
Corporate	Transformation Fund	To meet the cost of developing and implementing plans to modernise and transform service delivery.	374,327	-	(84,805)	289,522
TOTAL BUSINESS PROCESS IMPROVEMENT RESERVES			374,327	-	(84,805)	289,522
Housing	Affordable Housing	Balance of unused Council Tax premiums allocated to fund grants and loans to assist first time buyers.	702,133	670,251	(153,873)	1,218,511
Corporate	Restricted Contingency Funded Projects	Unused allocation of revenue budget for translation of school modernisation documents.	146,672	50,000	(36,127)	160,545

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
TOTAL UNUSED CONTINGENCY BUDGETS REQUIRED FOR FUTURE YEARS			848,805	720,251	(190,000)	1,379,056
Housing	Supporting People Administration	Unused grant funding to be used to fund staffing costs not covered by the annual Housing Support grant.	438,674	21,304	(67,755)	392,223
Education	Covid Security in Schools	Unused grant funding.	9,056	-	(9,056)	0
Education	Additional Learning Needs (ALN) Strategy	Unused grant funding.	15,363	-	(15,363)	0
Education	Music Grant	Unused grant funding.	12,958	-	(9,148)	3,810
Highways	Passenger Bus Network	Unused grant funding.	171,288	-	(28,380)	142,908
Learning	Post 16 ACL	Unused grant funding.	81,591	-	(50,929)	30,662
Planning	Countryside Sustainable Landscapes and Places	Unused grant funding.	68,080	-	(54,552)	13,528
Planning	Sustainable Landscapes, Sustainable Places (SLSP) Countryside	Unused grant funding.	46,425	-	-	46,425

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Leisure	Exercise Referral	Unused grant funding.	6,448	-	(6,448)	0
Public Protection	Offensive Weapons	Unused grant funding.	39,883	10,404	-	50,287
Education	School Concerns Grant	Unused grant funding	72,904	-	(72,904)	-
Education	Post 16 Funding	Unused grant funding	0	42,317	-	42,317
Highways	Bus Stop Infrastructure	Unused grant funding.	48,657	-	-	48,657
Housing	Cost of Living Discretionary Payments	Unused grant funding	21,511	-	(21,511)	0
Housing	Homes for Ukraine	Unused grant funding.	434,475	-	(307,953)	126,522
Learning	TRAC	Unused grant funding.	138,232	-	(138,232)	0
Housing	ECO4	Unused grant funding.	61,071	-	(61,071)	0
Social Services	Maethu Cymru	Unused grant funding.	35,111	17,748	-	52,859
Housing	Afghan Resettlement	Unused grant funding.	427,371	116,223	-	543,594
Children	Youth Service	Unused grant funding.	52,000	-	(7,568)	44,432
TOTAL RESTRICTED GRANT FUNDED RESERVES			2,181,098	207,996	(850,870)	1,538,224
Waste	Recycling Process Income	Condition of the Sustainable Waste Management Grant (SWMG) that surplus income generated from recycling activities are re-invested into waste management.	224,278	-	(186,304)	37,974

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Culture	Museum Purchase Fund	Donations to be used to add to the collection at Oriel Ynys Môn.	22,752	6,805	(20,210)	9,347
Highways	Sustainable Drainage Approval Body Fees	Fees paid by developers to obtain Sustainable Drainage Approving Body (SAB) approval. Funds staffing costs of dealing with applications.	41,239	19,730	-	60,969
Public Protection	Child Burial & Cremation Fees	To fund the costs incurred by Town & Community Councils.	19,629	-	(19,629)	0
Social Services	TP Community Legacy Fund	Donated fund from Council contractor	0	9,425	-	9,425
Social Services	Duke of Edinburgh Award	Funding to allow children to participate in the Duke of Edinburgh award scheme	0	4,537	-	4,537
TOTAL OTHER RESTRICTED RESERVES			307,898	40,497	(226,143)	122,252
Planning	Planning Major Developments	To fund the cost of dealing with major development planning applications and associated work.	491,867	8,728	(2,004)	498,591
Economic Development	Archaeological works at Wylfa	Funding provided by Horizon to complete archaeological works at Wylfa.	368,421	-	(79,099)	289,322
Public Protection	Bathing Water Prediction Model	To pay for the cost of maintaining monitoring equipment.	5,154	-	(5,154)	0
Planning	Planning Capability and Capacity	A percentage of planning fees generated from increases has to be re-invested in the Planning service.	173,347	72,568	(97,520)	148,395
Human Resources	Trainee Scheme	Balance of unspent budget from previous years to fund future commitments in excess of the annual budget.	408,189	515,574	(300,000)	623,763

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Social Services	Pooled Budget Admin Fee	Potential to have to pay an administration fee to the lead authority to operate the Social Care Pooled budget.	10,000	-	(3,000)	7,000
Social Services	Children's Services Teaching Assistant Scheme	To fund teaching assistants specialising in supporting children with social care needs.	41,803	-	(34,010)	7,793
Economic Development	Penrhos Industrial Estate Joint Venture (JV) repayment	Additional rental income retained to fund the payment due to WG when the JV agreement ends.	49,707	23,097	-	72,804
Public Protection	Port Health Authority	To fund the set-up costs of the Port Health Authority.	189,978	-	(189,978)	0
Information Technology	ICT Schools Public Sector Broadband Aggregation (PSBA)	To implement improvements to the ICT broadband in schools.	297,816	89,560	(45,560)	341,816
Social Services	Open University Trainee Social Workers	Fund the cost of training programme for social workers.	42,522	46,176	(40,260)	48,438
Corporate	Eisteddfod yr Urdd	Fund the cost of the Council's presence at the Urdd Eisteddfod in 2026. A sum of £50k per annum has been allocated in the financial years 2023/24, 2024/25 and 2025/26.	100,000	-	-	100,000
Corporate	Salix Loan Repayment	To fund unbudgeted final MRP payments on delayed Salix loans.	216,190	-	-	216,190

Service	Reserve Name	Description	Balance as at 1 April 2025 £	Transfers In £	Transfers Out £	Balance as at 31 March 2026 £
Planning	Article 4 Implementation	To fund the cost of implementing Article 4, should the Council decide to go ahead with Article 4.	251,987	-	(55,642)	196,345
Resources	Procurement	To fund the cost of continuing external support to implement the action plan arising from the review of the Council's procurement arrangements.	45,000	-	(27,344)	17,656
Public Protection	Agency Workers - Food Standards	To be used to fund agency workers in order to address the backlog of work within the service.	47,000	-	(23,599)	23,401
Public Protection	Animal Welfare	To fund future costs relating to the Animal Welfare Case.	20,894	-	(1,731)	19,163
Economic Development	SPF Interest Received - Economic Development	To be used to fund future Economic Development projects.	185,167	369,978	-	555,145
Social Services	Connecting Care Software	To fund future one off software costs relating to the connecting care project	78,603	-	(78,603)	0
Digital. Modernisation & Performance	Head of Service Staff Costs	To fund the staff costs related to this post in 2026/27, prior to the post being incorporated into the core budget in 2027/28	0	121,885	-	121,885
Property	School Cabins – Repair & Maintenance Sinking Fund	To fund future repair and maintenance costs of school cabins as and when they arise	0	6,490	-	6,490
TOTAL OTHER EARMARKED RESERVES FOR SPECIFIC PROJECTS			3,023,645	1,254,056	(983,504)	3,294,197
TOTAL EARMARKED RESERVES			20,759,058	8,749,222	(5,074,610)	24,433,670



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

Draft Statement of Accounts 2025/26



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Narrative Report

The Statement of Accounts is produced annually to give electors, local taxpayers, Members of the Council, employees and other interested parties, clear information about the Council's finances.

This narrative report, which is a key section of the accounts, aims to provide an effective guide to the most significant matters reported in the accounts. This is in order to provide a fair, balanced, and easy to understand explanation of the Council's financial position and to assist in the interpretation of the financial statements.

The Accounts and Audit (Wales) Regulations 2014 came into force on 31 March 2015, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018. These regulations require Welsh Local Authorities to prepare a Statement of Accounts in accordance with these regulations and proper practices.

The Statement of Accounts consists of :-

Core Financial Statements

The Statement of Accounts includes the core financial statements, which are: -

1. **The Comprehensive Income and Expenditure Statement (CIES)** - 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.
2. **Expenditure and Funding Analysis (EFA)** - shows the information in the CIES but also provides the accounting adjustments which are cancelled out in Note 6 to ensure that these adjustments are not funded by Council Taxpayers. The first column of the Expenditure and Funding Analysis provides the real impact of the year's financial performance on the Council and HRA's balances and reserves.
3. **The Movement in reserves Statement (MIRS)** - shows the movement in the year of reserves held by the Council, analysed between 'usable' and 'unusable' reserves. The statement shows the true economic cost of providing the Authority's services and how those costs are funded from the various reserves.
4. **The Balance Sheet** - shows the value as of the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets are matched by reserves held by the Authority.
5. **The Cash Flow Statement** - shows the changes in cash and cash equivalents of the Council during the reporting period.

The Isle of Anglesey County Council Vision and Priorities

The Isle of Anglesey County Council is a unitary authority and serves a population of approximately 69,000, situated on the north coast of Wales with an area of 276 square miles. Anglesey is by far the largest island in Wales, and the seventh largest in the British Isles. Anglesey is also the largest island in the Irish Sea by area, and the second most populous island in the British Isles.

The Council is a politically led organisation and has adopted a Leader and Cabinet model. The Council had 35 elected Members representing 14 multi-Member wards on 31 March 2026. Elections were held on 5 May 2022 for all Council seats, following which the successful candidates formed the full Council, which will remain in place until early May 2027. Plaid Cymru is the controlling party in the Council with more Plaid Cymru Councillors than any other group or party.

The Council Plan 2023/28

The Council Plan 2023/28 highlights that the Council's long-term vision continues as "Creating an Anglesey which is healthy and prosperous where people can thrive". The strategic objectives of the new Council plan are:

- To increase opportunities to learn and use the Welsh language;
- To protect and support the vulnerable;
- To raise educational attainment and achievement;
- To work with partners to increase quality, affordable and accessible homes;
- To promote opportunities to develop the island's economy;
- To respond to the climate change crisis, tackle change and work towards being a net zero organisation by 2030.

The Council Plan 2023/28 can be found on the website at the web address:

[Council Plan 2023 to 2028](#)

Financial Scenario

All 22 councils in Wales received a better-than-expected funding settlement from Welsh Government for 2025/26. The final settlement included a floor at 3.8% with Anglesey receiving the funding floor level, an increase of 0.2% on the provisional settlement. This took the total value of the AEF to £135.881m. In addition, the final settlement noted that a further grant of £30m across Wales, would be provided by the Welsh Government (WG) to help meet the costs faced by local authorities in caring for elderly clients at home or in residential or nursing care, rather than clients having to go to hospital. This additional £30m will provide the Council with £663k in additional grant funding.

Whilst setting the 2025/26 budget the Welsh Government announced an additional funding package of £220 million to support higher National Insurance costs for Welsh public Services. For Anglesey this equated to additional grant income of £2.223m. The Council set a balanced budget for 2025/26, which required an 8.5% increase in Council Tax and the use of £2.460m of the Council's own reserves.

The Budget

The Council's Budget and Medium-Term Financial Strategy for 2025/26 was adopted by the Council at its meeting on 6 March 2025, and it provides an overall picture of the financial position of the Council and ensures that the Council funding is allocated to meet its priorities. The Medium-Term Financial Strategy is available at: -

Isle of Anglesey County Council – Item 9

The settlement was better than anticipated during the majority of the budget planning stage and provided the Council with £135.881m, which was an increase in cash terms of £4.974m (3.80%) after allowing for £4.974m of grants received in 2024/25, which transferred into the settlement in 2025/26. The Council resolved to increase the Band D Council Tax by 8.5%, which increased the charge for a Band D property to £1,705.95.

The revenue budget was set at £195.443m, which was to be funded by the settlement, council tax and £2.460m use of reserves. The Council also resolved to approve the Capital Strategy 2025/26 and the Initial Capital Programme 2025/26 of £44.294m, as well as the Treasury Management Strategy Statement for 2025/26.

Budget Monitoring

The Council has a well-established procedure for monitoring the budgets. This allows the Council to mitigate any overspending and the impact likely to occur on services. Additional funding from reserves where possible, could be provided for instances where demand for a service is required. Both the Revenue and Capital information, alongside HRA, are reported to the Finance Scrutiny Subgroup, the Scrutiny Committee and then the Executive on a quarterly basis, which facilitates a level of challenge as well as being able to mitigate any impact that is likely to occur on services.

Performance

The Council regularly measures its performance and linked below is a report that shows the Council's performance against its strategic objectives as outlined in the Council's Plan.

Isle of Anglesey County Council – Item 8

Revenue Expenditure

The Statement of Accounts sets out the Council's spending and funding in line with accounting requirements. The Council measures financial performance against planned activity in the form of the Council's management accounts. In 2025/26, the Council's draft outturn is an underspend of £2.620m against a planned activity of £195.442m (net budget). This may be subject to change once the accounts have been audited.

The table below reflects the final budget for 2025/26 and actual income and expenditure against it: -

Services	Annual Budget £'000	Outturn £'000	Variance £'000
Education, Young People and Skills	71,519	70,516	(1,003)
Adult Services	42,356	41,483	(873)
Children's Services	17,230	18,567	1,337
Housing	2,991	2,990	(1)
Highways, Waste, Property	20,495	20,384	(111)
Regulation	6,083	6,034	(49)
Transformation	8,110	7,527	(583)
Resources	3,906	3,909	3
Corporate Services and Corporate Finance	6,241	6,576	335
Total Council Fund	178,931	177,986	(945)

The Council's general reserve balance was £18.160m at the start of the financial year. As part of the approved 2025/26 budget, £2.459m was transferred from the reserve, reducing the balance to £15.701m. During the year, £716k was released from earmarked reserves to the general reserve. Together with the Council's 2025/26 underspend of £2.620m, this increased the general reserve balance to £19.037m as at 31 March 2026.

Summary of Movements in Council Reserves 2025/26

	Council Fund General Reserve	Council Fund Earmarked Reserves	School Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	NWEAB Reserves	Housing Revenue Account (HRA) Reserve	Housing Revenue Account (HRA) Capital Receipts Reserve	Total Usable Reserves
Items impacting on the Council's Reserve 2025/26	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance on Council General Reserve 1 April 2025	(18,160)	(20,759)	(5,074)	(2,616)	(538)	(913)	(7,977)	-	(56,037)
Net over / (underspend) 2025/26	(2,620)	-	-	-	-	-	4,914	-	2,294
Council Balance after over / (underspend)	(20,780)	(20,759)	(5,074)	(2,616)	(538)	(913)	(3,063)	-	(53,743)
Net transfers from/(to) Reserves for approved funding	1,743	(3,676)	746	(165)	(697)	-	-	-	(2,049)
General Reserve Balance at 31 March 2026	(19,037)	(24,435)	(4,328)	(2,781)	(1,235)	(913)	(3,063)	-	(55,792)

Capital Expenditure

The capital programme supports the Council's wider objective to deliver services and support economic growth.

In March 2025, the Council approved an initial capital programme of £44.294m and, in July 2025, the Executive approved that £2.529m of slippage from 2024/25 to be carried forward and added to the 2025/26 budget. This gave a revised budget of £46.823m.

During the year, additional schemes were added to the capital programme, to reflect funding changes and any additional grant funding that is received during the year. In total, £23.825m has been added to the capital programme. This brings the total Capital budget for 2025/26 to £70.648m.

The programme has made steady progress in year, achieving a delivery rate of 77%. It is expected that most of the remaining schemes will be delivered in the next financial year. From this total spend of £54.662m, £24.499m was added to the value of assets in the Council's Balance Sheet. The remainder was charged to the Comprehensive Income and Expenditure Statement, as it was either in support of assets that are not in direct Council ownership (£10.181m) or did not increase the fair value of the capital assets (£19.983m). However, this capital expenditure improved the condition of the assets and, on several projects, extended the life of the assets.

IFRS16 Leases from 1 April 2024 requires all local authorities to add leased assets in, above the small value leases exemption (less than £10k for the Council) to the Council's balance sheet similar to owned assets. In 2025/26 £1.320m of new Right of Use assets were added to the balance sheet (£2.229m in 2024/25).

The Council received a significant amount of capital grants during the year from Welsh Government, UK Government and other sources of £25.937m (£37.883m in 2024/25). This included £12.179m of capital grants from Welsh Government for the improvement and development of Council dwellings. This will help the Council continue with improvements to meet the Welsh Housing Quality Standards and to increase the number of Council dwellings on Anglesey. The Council Fund also benefitted from substantial grants including £8.759m on economic and regeneration schemes, £4.075m for low carbon heat pumps in several schools and care homes, £3.136m of Highways grants, £2.824m on educational projects along with additional funding for several other projects.

The table below details the capital expenditure, per service: -

Services	2025/26 £'000	2024/25 £'000
Education, Young People and Skills	3,070	8,265
Adult Services	1,238	486
Housing	1,620	1,966
Housing HRA	25,114	27,468
Highways, Waste, Property	13,072	19,026
Regulation	9,611	7,948
Transformation	937	396
Right of Use Assets	1,320	2,229
Total Council Fund	55,982	67,784

A note of the Authority's current borrowing facilities and capital borrowing: -

Funded By	2025/26 £'000	Percentage %
Unsupported Borrowing	1,491	2.66%
Supported Borrowing	4,229	7.55%
Capital Grants	25,937	46.33%
Capital Receipts	53	0.09%
Revenue Contribution	12,935	23.11%
REFCUS grants	9,447	16.88%
Loan	385	0.69%
Capital Reserve	1,505	2.69%
Total	55,982	100%

The Authority had £123.556m of external borrowing (excluding accrued interest of £1.850m) as at 31 March 2026. In addition, the Council held £2.349m of right of use liabilities for the right of use (leased) assets into the Council. This relates to the liabilities outstanding at 31 March 2025 for leased assets of £10k or higher. IFRS16 Leases from 1 April 2024 requires all local authorities to add leased assets in, above the small value leases exemption (less than £10k for the Council) to the Council's balance sheet similar to owned assets. The outstanding payments under the lease or contract are then treated as borrowing and are split between principal and interest similar to traditional loans.

The Authority's Capital Financing Requirement (CFR), which essentially is a measure of the Council's underlying borrowing need, was £156.537m (£152.389m in 2024/25), which indicates that the Council has used £32.981m of its own surplus cash balances to fund capital expenditure. In the Treasury Management Strategy Statement for 2025/26, the Authorised Borrowing Limit approved by the Council was £176m, therefore, the Authority is well within its borrowing limit with external borrowing of £123.556m.

Reserves, Financial Performance and Financial Position

The Council's General Fund balance as at 31 March 2026 stood at £19.037m, which equates to 13.4% of the net revenue budget for 2025/26. The Council's financial strategy aims to hold a minimum of 5% of the net revenue budget as General Balances (£9.772m). As a result, the Council's General Balance is higher than the target. However, with the continuing cost and demand pressures increasing costs facing the Council, this surplus provides more financial stability for the Council especially with the funding issues affecting Government and all public sector organisations.

The financial performance for 2025/26 showed a net underspend of £2.620m on the Council Fund. This is made up of overspends from some services such as an overspend of £1.337m in Children's Services which continues to experience increased demand. Several services underspent or achieved surplus income. The Education, Young People and Skills Service underspent by £1.003m and the Adults service underspent by £873k. The total underspend on services amounted to £908k.

There were some overspends in Corporate Finance such as £336k for debt write-offs and increases in the impairment loss allowance (previously known as bad debt provision). Benefits granted underspent by £189k and Capital Financing achieved an underspend of £771k due to surplus interest receivable and delaying external borrowing. The continuing high levels of interest rates by the Bank of England are benefiting the Council as the interest receivable from its investment of surplus funds continues to generate significantly higher levels of interest

than in the previous decade. However, increased interest rates continue to negatively impact the Council when borrowing in the future for capital projects, despite the modest Bank of England base rate reductions, which have slowed due to uncertainty from global events. No borrowing was taken out in 2025/26, and the Council will use cash balances for as long as possible to save on borrowing costs though this reduces the amount available to invest. Overall, Corporate Finance underspent by £393k. The Council achieved surplus income of £1.212m on the Council Tax premium and £119k on Council Tax.

Housing Revenue Account

The Council's Housing Revenue Account balance stood at £3.063m as at 31 March 2026. The reserve is earmarked to fund the cost of the development of new properties as set out in the Council's 30-year HRA Business Plan. This balance will delay the need for the HRA to borrow for refurbishing or building new council dwellings. The HRA has had a very successful year of improving, purchasing and building new council dwellings and due to the high levels of external grants this has not impacted significantly on the HRA balances in 2025/26.

Provisions

The Council's total provisions amounted to £2.316m on 1 April 2025. During the year, the balance increased by £0.306m to £2.622m. Insurance coverage was increased to £738k in line with estimated need. The total short-term provisions amounted to £1.124m, to accommodate expected future costs that may arise from past liabilities. The total provision for Penrhysgyn Waste Site was reduced by £0.156m due to the cost of improvement works undertaken on the landfill site in 2025/26 and removing £0.087m from the provision to an earmarked reserve. Details of the movements in provisions are shown in Note 21 of the Accounts

Teachers Pension Scheme – Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the 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.

Local Government Pension Scheme - As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits by participating in the Gwynedd Pension Fund defined benefit scheme which is administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. Benefits will not actually be payable until employees retire, but the Council has a commitment to make the payments to the Pension Fund that need to be disclosed at the time that the employees earn their future entitlement.

There are two valuations completed for the pension fund. These are completed by an Actuary, who is a pension valuation specialist. The first is the funding valuation which is completed every three years. This is important as it considers the actual assets that the fund is invested in at the valuation date and assesses whether the returns on the assets will fully fund the value of all future payments to members based on all benefits earned up to the valuation date. The present value of the liabilities are then discounted, so that the values are converted to their value as at the valuation date. If the valuation calculates that the pension fund is not fully funded, then the Council's contributions rates will increase to move towards 100% funding over an agreed time period. If the valuation shows the scheme is more than 100% funded, then contributions into the pension fund may reduce.

The second valuation is the accounting valuation (used for the purpose of these accounts) which is more theoretical and projects what the Council's liability or asset would be if the pension fund would cease to exist. This valuation is based on assets and obligations at the balance sheet date. It is theoretical because of the rules and regulations to protect the pension fund to ensure that it exists for as long as the pension fund obligations require and due to the assumptions, the Actuary is required to make. This is based on accounting requirements which do not affect the Council's actual funds. The results of the funding valuation only affect council funds.

The pension accounting valuation is the value reported each year in the Council's statement of accounts. Some charges affect the Comprehensive Income and Expenditure Statement, CIES and the valuation at the end of the financial year is reported in the balance sheet. However, these are offset by adjustments in the movement in reserves statement to cancel them out so that the council tax is not required to fund these statutory accounting adjustments.

Historically, the Council's balance sheet has shown that the value of the Pension Fund as a significant liability. The fair value of all the Pensions Fund investments are offset against the present value of the obligations of the Pension Fund though typically it is not enough to cover of all the estimated present value of the pension obligations.

Similar to last year, the Actuary's accounting valuation has determined that the value of the assets exceeds the value of the liabilities and that the Pension Fund is in a net asset position. In drawing up the valuation, the Actuary uses the yield rate on Government Gilts as the discount rate for future liabilities. As this rate increases, the discount rate increases, which has the overall effect of reducing the current value of future liabilities.

The pensions accounting standard IAS19 which was updated by IFRIC14 does not permit reporting a pension net asset for defined funded benefits pensions such as the Gwynedd Pension Fund, as the Council cannot realise the value of the asset at this point. In determining the carrying value on the Balance Sheet, the Council has applied the prudence concept and has the adjusted net asset position on funded obligations from £164.749m to £0. However, the actuary has advised that the net liability of unfunded obligations should be shown on the balance sheet. Therefore, a liability of £9.107m (£9.259m in 2024/25) is included in the long-term pensions liability on the balance sheet funded by the pensions unusable reserve. The full results of the accounting valuation is reported in the Local Government Pensions note 34 on page 54.

Freeport

The Council established the Freeport company on 25 November 2024; however, the company remained dormant throughout 2025/26 and did not undertake any trading activity during the year. It had no employees and carried out no operational activities in 2025/26. A Memorandum of Understanding (MOU) has been entered into between the UK Government, the Welsh Government and the Council, setting out the principles governing the operation of the Freeport. Upon signing the MOU, the Welsh Government agreed to provide £25m of capital funding, of which the first instalment of £11,566,667 was paid to the Council on 27 March 2026. This funding will be applied to projects specified in Schedule 4 of the grant offer letter.

Going Concern

The accounts are prepared on the 'going concern' basis. This means that the accounts have been prepared on the basis of the Council continuing in its current form into the future. The Isle of Anglesey County Council was created by statute law in 1996 and will continue in its current form until changed by statute. Total usable reserves reduced by £245k but remain robust at £55.792m. The increase in the Council's general reserve from £18.160m to £19.037m improves the Council's financial resilience and the Council is very unlikely to issue a S114 notice in the financial year 2026/27. These notices are issued by Councils in difficulty where their expenditure exceeds income and are in budget deficit.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Isle of Anglesey County Council's responsibilities

The Isle of Anglesey County Council 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 this Council, that officer is the Director of Function (Resources) who is also the designated Section 151 Officer;
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

The Section 151 Officer's responsibilities

The Section 151 Officer 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 this Statement of Accounts, the Section 151 Officer has: -

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with CIPFA Local Authority Code of Practice.

The Section 151 Officer has also: -

- kept proper accounting records, which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate

I certify that this Statement of Accounts gives a true and fair view of the financial position of the Isle of Anglesey County Council at the accounting date and its income and expenditure for the year ended 31 March 2026: -

Signed:



Richard Marc Jones FCPFA

DIRECTOR OF FUNCTION (RESOURCES) AND SECTION 151 OFFICER

Signed:

Councillor Dafydd Rhys Thomas

CHAIR OF ANGLESEY COUNTY COUNCIL

Date:

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2026

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. The Services reported below are based on the organisational structure of the Council. The Council raises taxation to cover expenditure in accordance with regulations, which may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2025/26			Services	Note	2024/25		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
93,931	(18,098)	75,833	Education, Young People and Skills		93,410	(19,892)	73,518
59,975	(19,107)	40,868	Adult Services		55,416	(17,620)	37,796
25,285	(7,107)	18,178	Children's Services		23,108	(6,760)	16,348
10,543	(7,738)	2,805	Housing		10,372	(8,162)	2,210
35,646	(11,965)	23,681	Highways, Property and Waste		31,689	(9,688)	22,001
21,407	(14,606)	6,801	Regulation and Economic		21,940	(16,089)	5,851
7,516	(443)	7,073	Transformation		7,079	(562)	6,517
23,933	(12,849)	11,084	Resources		25,884	(14,832)	11,052
2,570	(224)	2,346	Council Business		2,596	(545)	2,051
1,378	(856)	522	Corporate and Democratic Costs		349	(268)	81
743	(12)	731	Corporate Management		741	(10)	731
160	-	160	Non-distributed costs		242	-	242
16,755	(23,925)	(7,170)	Housing Revenue Account (HRA)		16,364	(23,083)	(6,719)
299,842	(116,930)	182,912	Deficit on Continuing Operations		289,190	(117,511)	171,679
		19,793	Other operating expenditure	10			19,279
		(3,496)	Financing and investment income and expenditure	11			2,031
		(234,877)	Taxation and non-specific grant Income	12			(234,111)
		(35,668)	(Surplus)/Deficit on Provision of Services				(41,122)
		18,492	Impairment losses on non-current assets charged to the Revaluation Reserve				15,865
		(25,746)	Surplus on revaluation of non-current assets				(20,007)
		173,935	Write-off Net Pension Asset	9c & 34			139,086
		(161,635)	Re-measurement of net Pension liability	9c & 34			(138,345)
		5,046	Other Comprehensive Income and Expenditure				(3,401)
		(30,622)	Total Comprehensive Income and Expenditure				(44,523)

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis (EFA) aims to show the real impact of the year's financial performance on the Council's balances. The Comprehensive Income and Expenditure Statement (CIES) includes many accounting adjustments, such as depreciation and pension adjustments, which, by law, are not allowed to be funded by Council Tax. These are not true costs which affect Council usable balances. To ensure that these accounting costs do not affect Council taxpayers and Council funds, these costs are cancelled out in the EFA and are also shown in the Movement in Reserves Statement (MIRS) and Note 6.

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2025/26			Services	2024/25		
Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B	Adjustments between Funding and Accounting Basis - B	Net Expenditure in the Comprehensive Income and Expenditure Statement - C		Net Expenditure Chargeable to the General Fund and HRA Balances - A = C - B	Adjustments between Funding and Accounting Basis - B	Net Expenditure in the Comprehensive Income and Expenditure Statement - C
£'000	£'000	£'000		£'000	£'000	£'000
70,959	4,874	75,833	Education, Young People and Skills	67,309	6,209	73,518
41,268	(400)	40,868	Adult Services	37,626	170	37,796
18,537	(359)	18,178	Children's Services	16,304	44	16,348
2,922	(117)	2,805	Housing	2,254	(44)	2,210
17,918	5,763	23,681	Highways, Property and Waste	16,058	5,943	22,001
6,199	602	6,801	Regulation and Economic	5,250	601	5,851
6,905	168	7,073	Transformation	6,228	289	6,517
11,387	(303)	11,084	Resources	11,150	(98)	11,052
2,468	(122)	2,346	Council Business	2,087	(36)	2,051
902	(380)	522	Corporate and Democratic Costs	676	(595)	81
720	11	731	Corporate Management	751	(20)	731
-	160	160	Non-distributed costs	-	242	242
16,526	(23,696)	(7,170)	Housing Revenue Account (HRA)	16,535	(23,254)	(6,719)
196,711	(13,799)	182,912	Net Cost of Services	182,228	(10,549)	171,679
(196,466)	(22,114)	(218,580)	Other Income and Expenditure	(188,427)	(24,374)	(212,801)
245	(35,913)	(35,668)	(Surplus) or Deficit on the Provision of Services	(6,199)	(34,923)	(41,122)
(56,037)			Opening General Fund and HRA balance at 1 April	(49,838)		
245			Less (Surplus)/Deficit on General Fund and HRA Balance in Year	(6,199)		
(55,792)			Closing Council Fund Balances and HRA Balance at 31 March	(56,037)		
(52,729)	Comprised of:			(48,060)	Comprised of:	
(3,063)	Council Fund			(7,977)	Council Fund	
(55,792)	HRA			(56,037)	HRA	

MOVEMENT IN RESERVES STATEMENT FOR YEAR ENDED 31 MARCH 2026

This Statement shows the movement in the year 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 reserves. The (Deficit)/Surplus on the 'provision of services' line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the Council Fund Balance for Council Tax setting purposes and the Housing Revenue Account for rent setting purposes. The 'Net (Decrease)/Increase before transfers to earmarked reserves' line shows the in-year movement on the Council Fund and Housing Revenue Account balances before any discretionary transfers to or from earmarked reserves are made by the Council.

	Council Fund Balance £'000	Earmarked Council Fund Reserves (Note 7) £'000	Capital Receipts Reserve (Note 8) £'000	Capital Grants Unapplied £'000	Schools Balances (Note 7) £'000	NWEAB Reserves £'000	Total Council Fund Usable Reserves £'000	HRA Balance (Supplementary Financial Statements) £'000	HRA Capital Receipts Reserve £'000	Total HRA Usable Reserves £'000	Total Usable Reserves £'000	Total Unusable reserves (Note 9) £'000	Total Reserves (of the Council) £'000
Balance 1 April 2024	15,605	16,517	2,390	464	5,577	587	41,140	8,189	509	8,698	49,838	391,735	441,573
Movement in reserves during the year													
Adjustment to opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) on provision of services	18,360	-	-	-	-	-	18,360	22,762	-	22,762	41,122	-	41,122
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	3,401	3,401
Total Comprehensive Income and Expenditure	18,360	-	-	-	-	-	18,360	22,762	-	22,762	41,122	3,401	44,523
Adjustments between accounting basis and funding basis under regulations (Note 6)	(11,202)	-	226	(464)	-	-	(11,440)	(22,974)	(509)	(23,483)	(34,923)	34,923	-
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	7,158	-	226	(464)	-	-	6,920	(212)	(509)	(721)	6,199	38,324	44,523
Transfers to/(from) Earmarked Reserves (Note 7)	(4,603)	4,242	-	538	(503)	326	-	-	-	-	-	-	-
(Decrease) / Increase In Year	2,555	4,242	226	74	(503)	326	6,920	(212)	(509)	(721)	6,199	38,324	44,523
Balance 31 March 2025	18,160	20,759	2,616	538	5,074	913	48,060	7,977	-	7,977	56,037	430,059	486,096
Movement in reserves during the year													
Adjustment to opening balance													
Surplus/(Deficit) on provision of services	16,886	-	-	-	-	-	16,886	18,782	-	18,782	35,668	-	35,668
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	(6,372)	(6,372)
Total Comprehensive Income and Expenditure	16,886	-	-	-	-	-	16,886	18,782	-	18,782	35,668	(6,372)	29,296
Adjustments between accounting basis and funding basis under regulations (Note 6)	(12,270)	-	165	(112)	-	-	(12,217)	(23,696)	-	(23,696)	(35,913)	35,913	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	4,616	-	165	(112)	-	-	4,669	(4,914)	-	(4,914)	(245)	29,541	29,296
Net transfer to/(from)													
Transfers to/(from) Reserves	(3,739)	3,676	-	809	(746)	-	-	-	-	-	-	-	-
(Decrease) / Increase In Year	877	3,676	165	697	(746)	-	4,669	(4,914)	-	(4,914)	(245)	29,541	29,296
Balance 31 March 2026	19,037	24,435	2,781	1,235	4,328	913	52,729	3,063	-	3,063	55,792	459,600	515,392

BALANCE SHEET AS AT 31 MARCH 2026

The Balance Sheet shows the value of the assets and liabilities recognised by the Council as at the Balance Sheet date. 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 can 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, where amounts would only become available to provide services if the assets are sold (for example the Revaluation Reserve) and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

	Note	31 March 2026 £'000	31 March 2025 £'000
Property, plant and equipment	13	611,754	580,318
Heritage assets	15	2,301	2,299
Investment property	16	10,201	10,068
Intangible assets		109	175
Long-term debtors	18	2,169	1,625
Long-term Right of Use Assets	43	2,749	1,857
Long-term Assets		629,283	596,342
Assets held for sale		813	833
Inventories		313	421
Short-term debtors	18	55,384	67,895
Short-term Investments	35a	-	-
Cash and cash equivalents	19	20,234	13,571
Current Assets		76,744	82,720
Short-term borrowing	35b	(2,507)	(2,206)
Short-term creditors	20	(47,826)	(41,257)
Short-term provisions	21	(1,124)	(749)
Short-term grants receipts in advance	30	(4,914)	(13,104)
Short-term Right of Use liabilities	43	(446)	(427)
Current Liabilities		(56,817)	(57,743)
Long-term creditors	20	(261)	(255)
Long-term provisions	21	(1,498)	(1,567)
Long-term borrowing	35b	(121,049)	(121,726)
Long-term grants receipts in advance	30	-	(1,349)
Other long-term liabilities	34	(9,107)	(9,259)
Long-term Right of Use Liabilities		(1,903)	(1,067)
Long-term Liabilities		(133,818)	(135,223)
Net Assets		515,392	486,096
Usable reserves	MIRS	55,792	56,037
Unusable reserves	9	459,600	430,059
Total Reserves		515,392	486,096

CASH FLOW FOR YEAR ENDED 31 MARCH 2026

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the financial year. 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 that 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.

	Note	2025/26 £'000	2024/25 £'000
Net Surplus / (Deficit) on the provision of services		35,668	41,122
Non Cash Items charged to the Income and Expenditure Accounts	22	20,638	28,946
Cash items not charged to the Income & Expenditure Account	22	(13,778)	(12,774)
Movements in Net Current Assets	22	9,416	(18,721)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	22	(26,155)	(38,773)
Net cash flows from operating activities		25,789	(200)
Net cash flows from investing activities	23	(18,327)	(17,413)
Net cash flows from financing activities	24	(799)	(923)
Net (decrease)/increase in cash and cash equivalents		6,663	(18,536)
Cash and cash equivalents at the beginning of the financial year		13,571	32,107
Cash and cash equivalents at the end of the financial year	19	20,234	13,571

NOTES TO THE ACCOUNTS

NOTE 1 – NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2025/26

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Education, Young People and Skills	6,967	(1,160)	(933)	4,874
Adult Services	647	(1,018)	(29)	(400)
Children's Services	342	(603)	(98)	(359)
Housing	46	(156)	(7)	(117)
Highways, Property and Waste	6,354	(581)	(10)	5,763
Regulation and Economic	1,244	(574)	(68)	602
Transformation	494	(329)	3	168
Resources	-	(275)	(28)	(303)
Council Business	(1)	(104)	(17)	(122)
Corporate and Democratic Costs	574	(954)	-	(380)
Corporate Management	-	-	11	11
Non-distributed costs	-	160	-	160
Housing Revenue Account (HRA)	(22,627)	(1,085)	16	(23,696)
Net Cost of Services	(5,960)	(6,679)	(1,160)	(13,799)
Other Income and Expenditure from the Funding Analysis	(15,015)	(7,099)	-	(22,114)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	(20,975)	(13,778)	(1,160)	(35,913)

2024/25

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
	£'000	£'000	£'000	£'000
Lifelong Learning	6,127	(375)	457	6,209
Adult Services	587	(326)	(91)	170
Children's Services	261	(196)	(21)	44
Housing	35	(47)	(32)	(44)
Highways, Property and Waste	6,062	(187)	68	5,943
Regulation and Economic Development	745	(180)	36	601
Transformation	384	(99)	4	289
Resources	-	(87)	(11)	(98)
Council Business	1	(36)	(1)	(36)
Corporate and Democratic Costs	452	(1,047)	-	(595)
Corporate Management	-	-	(20)	(20)
Non-distributed costs	-	242	-	242
Housing Revenue Account (HRA)	(23,084)	(93)	(77)	(23,254)
Net Cost of Services	(8,430)	(2,431)	312	(10,549)
Other Income and Expenditure from the Funding Analysis	(24,801)	427	-	(24,374)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	(33,231)	(2,004)	312	(34,923)

NOTE 2 – ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) **Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)** issued in March 2024.

This standard applies to eligible organisations that do not follow International Financial Reporting Standards (IFRSs). The Council is required to prepare the annual accounts in compliance with IFRSs as amended by the CIPFA Code of Practice on Local Authority Accounting 2025/26. Therefore, these amendments do not affect this Statement of Accounts.

- b) **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)** issued in May 2024

The changes to IFRS9 clarified that a financial liability is derecognised on the 'settlement date' which is the expiry of the right to receive cash. This is when the related obligation is discharged by being paid back, cancelled or expired. In addition, where a financial liability is settled in full or part, using an electronic payment system, an entity is permitted to adopt a policy to derecognise all financial liabilities before the settlement date in circumstances where there is no ability to withdraw, stop or cancel the electronic payments or access the cash due to the payment instruction. In 2025/26, the Council's derecognition of financial instruments are in accordance the settlement dates.

The changes to IFRS 7 relate to increased disclosures where there are changes to the fair value of equities during the period. The Council did not hold any financial instruments i.e. investments or liabilities valued at fair value in 2025/26. The Council investments are all financial assets measured at amortised cost. The standard also introduced changes which relate to various investments and liabilities which result in changes due to contingent features which do not relate to changes in basic lending risks and costs. The Council's financial instruments do not include such contingent features.

- c) **Annual Improvements to IFRS Accounting Standards – Volume 11**, issued in July 2024.

This makes minor amendments to five accounting standards for periods beginning on or after 1 January 2026. CIPFA considers these changes to have limited applicability.

- d) **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)** issued in December 2024.

These requirements have no impact on these accounts as the requirements are effective for the next financial year 2026/27.

NOTE 3 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 44, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are: -

- The Accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Council will continue in operational existence for the foreseeable future. The Council is a local government body created by the Local Government (Wales) Act 1994. The Council operates within a difficult financial climate, similar to all local authorities in Wales. However, there are no indications from either the financial performance of the Authority or Welsh Government plans which undermine the view that the Council will continue as a going concern into the future.
- The Council has determined that a number of assets which are used for social or economic development purposes, most notably the Council's Smallholdings Estate, are not solely held for income generation or capital appreciation purposes and, therefore, do not meet the definition of investment properties. Consequently, these assets are shown as Non-Current Assets - Property, Plant and Equipment within the Balance Sheet.

NOTE 4a – 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 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 2026 may be considered to be most vulnerable for estimating error in the forthcoming financial year: -

Non-Current Assets – Property, Plant and Equipment (PPE) - Assets are depreciated over useful lives in accordance with standard accounting practices. Any difference between the depreciation applied and actual deterioration to assets will naturally reflect in future spending patterns. Information relating to Property, Plant and Equipment is contained in Note 13 and note 13b Infrastructure Assets. The value of the Council's PPE assets at 31 March 2026 was £611.754 (580.318m at 31 March 2025). PPE are revalued every five year and since 2025/26 and beyond, the value of some classes of PPE are estimated during the intervening years using appropriate external indices or where there is no suitable index, these assets are valued in year three of each five-year programme.

Provisions - The Council has made provisions amounting to £2.622m (£2.316m on 31 March 2025) for a series of uncertainties which could result in significant costs in later years. These principally relate to after-care costs for the Penhesgyn landfill site and potential liabilities arising from insurance claims. Full details are contained in Note 21.

Pensions Liability - Similar to last year, the Council's Actuary has valued the Pension Fund to a surplus position and therefore a net pension asset of £164.789m, excluding £9.107m unfunded pensions obligations. This surplus has been reduced to nil because of pensions rules restricting the reporting of a net pensions asset in the balance sheet. This is due to a change in the assumptions the Actuary has used in relation to the discount factor due to increased interest and bond rates. This is used to calculate how much the future pension obligations will be at today's prices, so that it can be compared with the current value/market value of investments and assets. (an asset of £138.823m excluding unfunded obligations was reported for the value on 31 March 2025). A net liability of £9.107m (£9.259m on 31 March 2025) remains on the pension liability for unfunded obligations which cannot be offset against the surplus on the pension fund.

The pension's accounting valuation is based on a number of complex assessments and judgements relating to discount rates, projected salary increases, changes in retirement ages, mortality rates and expected returns on pension assets. A firm of consulting actuaries is engaged by the administering Council to provide expert advice on the assumptions to be applied. Further details are contained in Note 34 and the narrative report. The note includes the surplus, however, as outlined in the narrative report, this is not included in the balance sheet due to restrictions prescribed by IAS19 and IFRIC14 on accounting for pensions.

Impairment Loss Allowance and Bad Debt provision - As at 31 March 2026, the Council had a net debtor balance of £57.553m. (£69.520m in 2024/25) A review of arrears balance suggested that impairment or provision of doubtful debts of £9.968m was appropriate (£8.532m at 31 March 2024/25). Any differences between the impairment level applied and the actual arrears position will naturally reflect in future spending patterns. Impairment loss allowances / provision for bad debts are contained within the figures for Short-Term Debtors contained in Note 18.

Fair Value Measurement - The majority of the Council's non-current assets are measured at Fair Value, with the exception of infrastructure assets valued at £74.568m, community assets valued at £259k, assets under construction valued at £39.989m and plant, vehicles and equipment valued at £13.167m. These are all valued at depreciated historical cost.

Leasing – The Council has implemented the requirements of IFRS16 Leases from 1 April 2024. This has resulted in the estimation of the duration of some leases where there are rolling contracts which go beyond the original lease date. Leased vehicles and properties to reduce homelessness tend to be rolling leases. Where a lease or contract with a right of use asset does not specify the implicit interest rate, the Council uses the PWLB annuity rate for the duration of the lease, as its incremental borrowing rate. Many leases are valued on the cost model basis but some assets especially some properties are valued on fair value. Right of Use Assets measured at fair value are valued every five years. In the intervening years, their values are estimated using suitable external indices. Where no suitable index is available, the assets are valued in year three of the five-year programme. See Note 43 for details of Right of use Assets.

4b ESTIMATES AND ERRORS – PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

The Council's PPE valuation policy has been updated to reflect new CIPFA indexation requirements from 1 April 2025. Where no suitable index is available, affected assets will be revalued in year three of the five-year valuation programme.

NOTE 5 – EVENTS AFTER BALANCE SHEET DATE

The Council must report material events which occur after the reporting period of 31 March 2026 and up to the date the draft accounts were authorised for issue on 30 June 2026.

There were no material events between the reporting period and the date the draft accounts were published.

NOTE 6 – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2025/26	Usable Reserves							Movement in Unusable Reserves £'000
	Council Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Reserve £'000	Total Council Fund £'000	Housing Revenue Account £'000	HRA Capital Receipt Reserve £'000	Total HRA £'000	
Adjustments primarily involving the Capital Adjustment Account:								
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:								
Charges for depreciation, impairment and amortisation of non-current assets	17,703	-	-	17,703	3,710	-	3,710	(21,413)
Revaluation (gains)/losses on Property, Plant and Equipment	(636)	-	-	(636)	(16)	-	(16)	652
Movements in the market value of Investment Properties loss/(gain)	(132)	-	-	(132)	-	-	-	132
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(13,697)	-	-	(13,697)	(12,179)	-	(12,179)	25,876
Donated assets - leases	(61)	-	-	(61)	-	-	-	61
Revenue expenditure funded from capital under statute	733	-	-	733	-	-	-	(733)
Derecognition - leases	(3)	-	-	(3)	-	-	-	3
Carrying amount of non-current assets sold	73	-	-	73	-	-	-	(73)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				-			-	-
Minimum Revenue Provision for Capital Funding	(356)	-	-	(356)	(147)	-	(147)	503
Minimum Revenue Provision for Capital Funding - Leasing	(400)	-	-	(400)	(24)	-	(24)	424
Voluntary Revenue Provision	-	-	-	-	(1,031)	-	(1,031)	1,031
Capital expenditure charged against the Council Fund and HRA balances	(1,505)	-	-	(1,505)	(12,935)	-	(12,935)	14,440
Adjustments involving the Capital Receipts Reserve:				-			-	-
Proceeds from Sale of Non-Current Assets	(218)	218	-	-	-	-	-	-
Use of the Capital Receipts Reserve to finance capital expenditure	-	(53)	-	(53)	-	-	-	53
Use of capital reserve to finance capital expenditure	112	-	(112)	-	-	-	-	-
Adjustments involving the Financial Instruments Adjustment Account:				-			-	-
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(14)	-	-	(14)	(5)	-	(5)	19
Total adjustments for capital purposes	1,599	165	(112)	1,652	(22,627)	-	(22,627)	20,975
Adjustments involving the Pensions Reserve:								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 34)	(34)	-	-	(34)	-	-	-	34
Employer's pensions contributions and direct payments to pensioners payable in the year	(12,659)	-	-	(12,659)	(1,085)	-	(1,085)	13,744
Total pensions adjustments	(12,693)	-	-	(12,693)	(1,085)	-	(1,085)	13,778
Adjustment involving the Accumulating Compensated Absences Adjustment Account				-			-	-
Adjustments in relation to short-term compensated absences	(1,176)	-	-	(1,176)	16	-	16	1,160
Total other adjustments	(1,176)	-	-	(1,176)	16	-	16	1,160
				-			-	-
Total Adjustments	(12,270)	165	(112)	(12,217)	(23,696)	-	(23,696)	35,913

NOTE 7 – EARMARKED RESERVES

	Balance as at 31/03/2024 £'000	Transfers In 2024/25 £'000	Transfers Out 2024/25 £'000	Balance as at 31/03/2025 £'000	Opening Balance 01/04/2025 £'000	Transfers In 2025/26 £'000	Transfers Out 2025/26 £'000	Balance as at 31/03/2026 £'000
Restricted Reserves - smaller service reserves less than £500k*	5,976	3,183	(1,759)	7,400	7,064	1,946	(2,472)	6,538
Restricted Reserves - which have since March 2023 fallen below £500k	794	21	(131)	684	-	-	-	-
Restricted Reserves - which have since March 2024 fallen below £500k	689	-	(67)	622	622	-	(79)	543
Restricted Reserves - which have since March 2025 increased to £500k or over:								
Trainee Scheme*	-	-	-	-	408	516	(300)	624
Afghan Resettlement*	-	-	-	-	427	116	-	543
SPF Interest Received Economic Development Reserve*	-	-	-	-	185	370	-	555
Restricted Reserves - Larger service reserves - £500k or more:								
Waste / Recycling	-	987	-	987	987	2,386	(220)	3,153
Schools Rationalisation	402	279	(133)	548	548	-	(224)	324
Education Sinking Fund ICT Equipment	461	150	-	611	611	217	-	828
Insurance (Catastrophe) Reserve	1,250	-	-	1,250	1,250	-	-	1,250
Revenue Contributions to Capital Unapplied	1,340	1,626	(1,716)	1,250	1,250	872	(1,018)	1,104
Housing Developer Contributions S106	840	-	(187)	653	653	197	(264)	586
Affordable Housing	1,269	82	(649)	702	702	615	(98)	1,219
Leisure Improvements	762	-	-	762	762	212	(3)	971
Additional Revenue Settlement - response to increase in inflation	1,715	-	(723)	992	992	1,373	(20)	2,345
Out of County Education	500	-	-	500	500	-	-	500
Homes for Ukraine	519	80	(165)	434	434	-	(308)	126
Council Tax Risk Reserve	-	900	-	900	900	-	(138)	762
Penhesgyn Site Culvert	-	2,464	-	2,464	2,464	-	-	2,464
Total Earmarked Reserves	16,517	9,772	(5,530)	20,759	20,759	8,820	(5,144)	24,435
School Balances	5,577	5,223	(5,726)	5,074	5,074	4,376	(5,122)	4,328
Total	22,094	14,995	(11,256)	25,833	25,833	13,196	(10,266)	28,763

* Three reserves have increased to over £500k during the year, the opening balances for the year have been amended to reflect this.

The more significant reserves are:

Waste / Recycling – this reserve is used to fund future waste management projects.

Schools Rationalisation – to be used to fund school rationalisation.

Education Sinking Fund ICT Equipment – this is to fund the cost of replacement IT equipment in schools.

Insurance Reserve – this is to fund uninsured losses and policy excesses.

Revenue Contributions Unapplied to Capital – this is a capital reserve which is made up of revenue contributions to projects which have not been completed or have been funded by general grant to minimise capital financing costs. Where projects have received alternative funding this frees up the revenue contribution to fund another project in the future, again to reduce capital financing costs.

Housing Developer Contributions S106 – contributions received by housing developers which will be used to fund projects which are in line with the terms of agreement.

Affordable Housing – this reserve is for funding projects that will increase the affordable housing stock on Anglesey.

Leisure Improvements – this reserve is funded from a windfall from HMRC, after HMRC lost a court case which argued that HMRC should not be collecting VAT on leisure services. The Council was repaid approximately £900k from HMRC. The current balance of £762k will be used to fund improvements to the Council's Leisure facilities on Anglesey.

Additional Revenue Settlement – this is to fund unknown inflationary pressures as they arise during the financial year.

Out of County Education – this reserve will be used to reduce the risk associated with the demand led budget and fund in-year unexpected increases.

Homes for Ukraine – support for families from Ukraine to establish a life in Wales.

Council Tax Risk Reserve – to fund council tax refunds.

Penhesgyn Site Culvert – this reserve is to fund any future potential flood prevention works and significant works required in the event that the culvert at Penhesgyn has a total collapse.

Trainee Scheme – this is to fund schemes to employ trainees within different services in the Council.

Afghan Resettlement – this is a grant to aid resettle Afghan interpreters, refugees and their families.

Shared Prosperity Fund (SPF) Interest Received – amount retained to cover any unanticipated administration costs at the closure of the SPF programme.

Schools Balances – these balances are reserved for each school's use in pursuance of its educational objectives. On 31 March 2026, six of the forty primary schools had balances in a deficit position (four in deficit as at 31 March 2025). None of the five secondary schools are in a deficit position at the end of the financial year (none as at 31 March 2025), the Special school is not in a deficit position at 31 March 2025. The combined value of the schools in deficit is £202k (£194k as at 31 March 2025). Copies of the Section 52 Statements, which each Council is required to prepare after the end of each financial year under Section 52(2) of the School Standards and Framework Act 1998, can be obtained from the Accountancy Section, Resources Function, County Offices, Llangefni, Anglesey, LL77 7TW.

NOTE 8 – CAPITAL RECEIPTS RESERVES

These are cash receipts from the sale of Council assets. These are used to fund capital expenditure in the year or to carry forward for future years. A balance of £2.781m will be carried forward to 2026/27 to help fund next year's capital programme.

	2025/26 £'000	2024/25 £'000
Balance 1 April	2,616	2,899
Capital Receipts in year (net of reduction for administration costs)	218	890
	2,834	3,789
Less:		
Receipts set aside to repay debt	-	-
Capital Receipts used for financing	(53)	(1,173)
Other	-	-
Balance 31 March	2,781	2,616

NOTE 9 – UNUSABLE RESERVES

	31/03/2026 £'000	31/03/2025 £'000
a) Capital Adjustment Account	264,811	238,941
Financial Instruments Adjustment Account	(271)	(289)
b) Revaluation Reserve	206,533	204,192
c) Pensions Reserve	(9,107)	(9,259)
ch) Accumulating Compensated Absences Adjustment Account	(2,366)	(3,526)
Total Unusable Reserves	459,600	430,059

NOTE 9a – 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 costs such as depreciation, impairment losses and amortisations that are charged to the Comprehensive Income and Expenditure Statement and postings from the Revaluation Reserve to convert fair value figures to historic cost.

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.

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

Capital Adjustment Account	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Balance at 1 April		238,941		200,735
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation, impairment and amortisation of non-current assets	(21,413)		(18,347)	
Derecognised assets	3		(712)	
Revaluation (losses) / gain on Property, Plant and Equipment	652		(334)	
Revenue expenditure funded from capital under statute	(733)		(999)	
Amounts of non-current assets written off on disposal or sale (including impairment) as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement	(73)		(1,078)	
		(21,564)		(21,470)
Adjusting amounts written out of the Revaluation Reserve		4,912		4,994
Net written out amount of the cost of non-current assets consumed in the year		(16,652)		(16,476)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	54		1,173	
Use of capital reserve	1,505		2,155	
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	25,937		37,883	
Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	1,959		2,050	
Capital expenditure charged against the Council Fund and HRA balances	12,935		9,126	
		42,390		52,387
Movements in the market value of Investment Properties charged to the Comprehensive Income and Expenditure Statement		132		2,295
Balance at 31 March		264,811		238,941

NOTE 9b – REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and Heritage Assets.

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

Revaluation Reserve	2025/26	2024/25
	£'000	£'000
Balance at 1 April	204,192	205,044
Revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services	7,253	4,142
Difference between fair value depreciation and historical cost depreciation	(4,912)	(4,060)
Revaluation balances on assets scrapped or disposed of	-	(934)
Balance at 31 March	206,533	204,192

NOTE 9c -PENSION 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.

Pensions Reserve	2025/26	2024/25
	£'000	£'000
Balance at 1 April	(9,259)	(10,522)
Re-measurement of net defined liability	161,635	138,345
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	34	(10,770)
Employers' pension contribution and direct payment to pensioners payable in the year	12,272	12,774
Remove net pension asset as at 31 March	(173,789)	(139,086)
Balance at 31 March	(9,107)	(9,259)

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 employers' contributions to pension funds or, eventually, pays any pensions for which it is directly responsible. The balance on the Pensions Reserve, therefore, shows a substantial difference in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

NOTE 9ch – ACCUMULATING COMPENSATED ABSENCES ADJUSTMENT ACCOUNT

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

Accumulating Compensated Absences Adjustment Account	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Balance at 1 April		(3,526)		(3,214)
Settlement or cancellation of accrual made at the end of the preceding year	3,526		3,214	
Amounts accrued at the end of the current year	(2,366)		(3,526)	
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		1,160		(312)
Balance at 31 March		(2,366)		(3,526)

NOTE 10 – OPERATING EXPENDITURE

	2025/26 £'000	2024/25 £'000
Precept paid to the North Wales Police and Crime Commissioner	12,457	11,598
Precept paid to Community Councils	2,204	1,995
(Gains)/Losses on the disposal of non-current assets (Including Derecognition)	(148)	796
North Wales Fire and Rescue Authority	5,186	4,807
North Wales Community Joint Committee	90	77
Towyn Trewan Board of Conservators	-	2
Natural Resources Wales	4	4
Total	19,793	19,279

NOTE 11 – FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2025/26 £'000	2024/25 £'000
Interest payable and similar charges	5,385	5,342
Net interest on the defined liability	(7,698)	453
Interest receivable and similar income	(1,170)	(2,002)
Income and Expenditure in relation to investment properties and changes in their fair value	(333)	(2,307)
Derecognition and impairment of Financial Assets	320	545
Total	(3,496)	2,031

NOTE 12 – TAXATION AND NON-SPECIFIC GRANT INCOME

	2025/26 £'000	2024/25 £'000
Council Tax Income	73,058	67,607
Non-Domestic Rates Redistribution	25,097	25,341
Revenue Support Grant	110,784	103,280
Capital Grants Applied to Fund Capital Expenditure	25,937	37,883
Total	234,876	234,111

NOTE 13a – NON-CURRENT ASSETS, PROPERTY, PLANT AND EQUIPMENT (PPE)

2025/26	Property, Plant and Equipment						
	Council Dwellings	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2025	217,285	256,735	22,631	711	40,293	1,567	539,222
Adjustment opening balance	-	20	-	-	-	-	20
Additions (Note 17)	17,570	3,368	2,381	596	13,857	-	37,772
Revaluation inc./(decr.) to Revaluation Reserve	(15,545)	(5,719)	-	-	-	(25)	(21,289)
Revaluation inc./(decr.) to (Surplus) / Deficit on the Prov. of Services	-	(2,466)	-	-	-	(5)	(2,471)
Derecognition - Disposals	-	-	(483)	-	-	-	(483)
Derecognition - other	-	-	-	-	-	-	-
Derecognition - replaced parts	-	-	-	-	-	-	-
Reclassification	8,263	2,750	2,851	-	(13,864)	-	-
Reclassified (to) / from Infrastructure	-	-	-	-	(297)	-	(297)
Reclassified (to) / from Assets Held for Sale	-	-	-	-	-	-	-
Reclassified (to) / from Investment Property	-	-	-	-	-	-	-
Reclassified (to) / from Heritage Assets	-	-	-	-	-	-	-
Balance as at 31 March 2026	227,573	254,688	27,380	1,307	39,989	1,537	552,474
Depreciation and Impairment							
At 1 April 2025	14,808	3,177	12,400	452	-	4	30,841
Adjustment opening balance	-	20	-	-	-	-	20
Depreciation Charge	3,240	9,706	2,223	-	-	52	15,221
Impairment charge to (Surplus) or Deficit on the Provision of Services	-	708	-	596	-	-	1,304
Impairment charge to Revaluation Reserve	16,019	2,473	-	-	-	-	18,492
Depreciation written out to Revaluation Reserve	(6,501)	(10,341)	-	-	-	-	(16,842)
Depreciation written out to (Surplus) or Deficit on the Provision of Services	-	(1,448)	-	-	-	-	(1,448)
Impairment written out to the Revaluation Reserve	(27,566)	(2,582)	-	-	-	(28)	(30,176)
Impairment written out to the Surplus/Deficit on the Provision of Services	-	(1,713)	-	-	-	-	(1,713)
Reclassified (to) / from Investment Property	-	-	-	-	-	-	-
Derecognition - Disposals	-	-	(410)	-	-	-	(410)
Balance as at 31 March 2026	-	-	14,213	1,048	-	28	15,289
Net Book Value							
Balance as at 31 March 2026	227,573	254,688	13,167	259	39,989	1,509	537,185
Balance as at 31 March 2025	202,477	253,558	10,231	259	40,293	1,563	508,381

2024/25	Property, Plant and Equipment						
	Council Dwellings	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	PPE Under Construction	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
At 1 April 2024	203,805	228,614	21,056	259	27,792	1,452	482,978
Adjustment opening balance		(64)					(64)
Additions (Note 17)	11,817	5,386	1,615	452	31,275		50,545
Revaluation inc./(decr.) to Revaluation Reserve	(5,325)	13,648				49	8,372
Revaluation inc./(decr.) to (Surplus) / Deficit on the Prov. of Services		(891)					(891)
Derecognition - Disposals		(720)	(40)			(88)	(848)
Reclassification	6,988	11,686			(18,828)	154	-
Reclassified (to) / from Infrastructure							-
Reclassified (to) / from Assets Held for Sale		(270)					(270)
Reclassified (to) / from Investment Property		58			54		112
Reclassified (to) / from Heritage Assets							-
Balance as at 31 March 2025	217,285	256,735	22,631	711	40,293	1,567	539,222
Depreciation and Impairment							
At 1 April 2024	-	3,356	10,248	-	-	4	13,608
Depreciation Charge		(64)					(64)
Impairment charge to (Surplus) or Deficit on the Provision of Services	3,261	8,070	2,152			16	13,499
Impairment charge to Revaluation Reserve		(321)		452			131
Depreciation written out to Revaluation Reserve	11,547	4,318					15,865
Depreciation written out to (Surplus) or Deficit on the Provision of Services		(7,499)				(10)	(7,509)
Impairment written out to the Revaluation Reserve		(269)					(269)
Impairment written out to the Surplus/Deficit on the Provision of Services		(4,126)					(4,126)
Reclassified (to) / from Investment Property		(288)					(288)
Derecognition - Disposals							-
Balance as at 31 March 2025	14,808	3,177	12,400	452	-	4	30,841
Net Book Value							
Balance as at 31 March 2025	202,477	253,558	10,231	259	40,293	1,563	508,381
Balance as at 31 March 2024	203,805	225,258	10,808	259	27,792	1,448	469,370

Revaluations

The Council has £611.574m recognised as Property, Plant and Equipment (PPE). This includes £74.569m of infrastructure assets, such as roads and street lighting. This value for infrastructure is not included in Note 13a above for PPE but is, instead, reported below in Note 13b. The Council adopts a five-year rolling programme for the valuation of its land and property. The programme is constructed in such a way as to ensure that entire classes of assets within its land and property portfolio are revalued every five years, with the valuation effective on 31 March each year. PPE are revalued every five year and since 2025/26 and beyond, the value of some classes of PPE are estimated during the intervening years using appropriate external indices or where there is no suitable index, these assets are valued in year three of each five-year programme.

The valuations are undertaken by the Council's in-house valuation team, who are members of the Royal Institute of Chartered Surveyors (RICS). The valuations have been completed in accordance with IFRS 13. Non-property assets have not been revalued as the Council has judged that the carrying value of these assets is approximate to fair value, given their relatively short useful economic lives and the relative value of these assets. Additional information on the Council's policy on the measurement and valuation of non-current assets is included in sections 7 to 10 of Note 44 Accounting Policies.

NOTE 13b – INFRASTRUCTURE ASSETS

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets, the below 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.

	2025/26 £'000	2024/25 £'000
Net Book Value at 1 April	71,937	71,415
Additions	6,691	4,771
Reclassification	297	0
Depreciation	(4,356)	(4,249)
Net Book Value at 31 March	74,569	71,937

Total PPE Assets

	2025/26 £'000	2024/25 £'000
Infrastructure assets	74,569	71,937
Other PPE assets	537,185	508,381
Total PPE assets	611,754	580,318

NOTE 14 – SIGNIFICANT CAPITAL COMMITMENTS

At 31 March 2026, the Council was committed to capital works for the construction of Property, Plant and Equipment, giving rise to significant capital commitments of £8.255m in 2026/27 and future years, as shown in the table below: -

	Commitment into 2026/27 & future years as of 31 March 2026 £'000
Planned Maintenance Contracts - HRA	4,539
Development of New Properties - HRA	1,306
Refurbishment of Existing Properties - HRA	224
Heat Pump Installation	1,605
Energy Projects	581
Total	8,255

NOTE 15 – HERITAGE ASSETS

2025/26

	Art Collection and Civic Regalia £'000	Heritage Land & Buildings £'000	Total Heritage Assets £'000
Cost or Valuation At 1 April 2025	2,299	-	2,299
Adjustment to opening balance	2		2
At 31 March 2026	2,301	-	2,301
Accumulated Depreciation and Impairment			
At 1 April 2025	-	-	-
Depreciation Charge	-	-	-
At 31 March 2026	-	-	-
Net Book Value			
At 31 March 2026	2,301	-	2,301
At 31 March 2025	2,299	-	2,299

2024/25

	Art Collection £'000	Heritage £'000	Total £'000
Cost or Valuation At 1 April 2024	2,299	114	2,413
Transfer (to) / from Investment Properties	-	(114)	(114)
At 31 March 2025	2,299	-	2,299
Accumulated Depreciation and Impairment			
At 1 April 2024	-	-	-
Depreciation Charge	-	8	8
Depreciation Charge written out to the Surplus/Deficit on the Provision of Services	-	(8)	(8)
At 31 March 2025	-	-	-
Net Book Value			
At 31 March 2025	2,299	-	2,299
At 31 March 2024	2,299	114	2,413

Revaluation of Heritage Assets (Land and Buildings)

A small number of Land & Buildings assets have been identified as meeting the definition of Heritage Assets. The Heritage Assets (Land & Buildings) were revalued in 2023/24, as per the Council's revaluation procedures. The most notable heritage assets are: -

Felin Y Graig - This asset transferred in 2020/21 from Investment Properties to Heritage Assets to reflect its classification more accurately.

Revaluation of Heritage Assets (Art Collections) - The Council's Art Collections were revalued for 2022/23. The valuation was carried out by Bonhams of London, a firm of international Art Auctioneers and Valuers.

Revaluation of Heritage Assets (Civic Regalia) - The Heritage Assets (Civic Regalia) have been revalued in 2021/22 as per the Council's revaluation procedures and in line with the five-year rolling programme adopted for Property, Plant and Equipment (PPE) and Heritage Assets.

NOTE 16 – INVESTMENT PROPERTIES

a) Investment Properties

	2025/26 £'000	2024/25 £'000
Balance at start of the year	10,068	7,484
Disposals	-	(24)
Additions	-	322
Net gains/(losses) from fair value adjustments	132	2,294
Derecognition	-	-
Transfers:		
- (to)/from Property, Plant and Equipment	-	(112)
- (to)/from Heritage Assets	-	104
Balance at end of the year	10,200	10,068

There are no restrictions on the Council's ability to realise the value inherent in its wholly owned investment property which relates to the significant majority of the investment properties, or on the Council's right to the remittance of income and the proceeds of disposal on these assets.

The Council has a joint venture with Welsh Government for industrial units at Penrhos Industrial Estate, Holyhead, completed in 2022/23 with Phase 2 completed in 2023/24. The Council holds 16% of the property value and income, with Welsh Government holding 84%. The Council must pay Welsh Government 84% of the value of the units, 15 years after completion of the units.

b) Fair Value Measurement of Investment Properties 2025/26 Fair Value Hierarchy

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair Value as at 31 March 2026 £'000
Retail Properties	-	1,362	-	1,362
Office units	-	1,032	-	1,032
Commercial units	-	7,806	-	7,806
Total	-	10,200	-	10,200

2024/25 Fair Value Hierarchy

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (level 1) £'000	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair Value as at 31 March 2025 £'000
Retail Properties	-	1,359	-	1,359
Office units	-	1,026	-	1,026
Commercial units	-	7,683	-	7,683
Total	-	10,068	-	10,068

NOTE 17 – CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, 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 that has yet to be financed. The net movement in the Capital Financing Requirement illustrates the change in the underlying need for the Council to borrow during the year to fund capital investment which has not been funded immediately from resources such as grants, capital receipts and direct funding from revenue.

Capital Expenditure and Financing	2025/26 £,000	2024/25 £'000
Opening Capital Financing Requirement	152,389	145,754
Capital Invested in Year		
Property, Plant and Equipment	44,482	55,794
Revenue Expenditure Funded from Capital Under Statute (REFCUS)	10,181	9,761
Right of Use Assets	1,275	2,229
Right of Use Assets Adjustment	45	-
Total	55,983	67,784
Source of Finance		
Capital receipts	(53)	(1,173)
Reserve	(1,506)	(2,155)
Government Grants and Contributions	(25,937)	(37,883)
Revenue Provisions	(12,935)	(9,126)
REFCUS Grants	(9,447)	(8,762)
Minimum Revenue Provision and Set Aside	(503)	(1,709)
Voluntary Revenue Provision	(1,031)	-
Minimum Revenue Provision and Set Aside - Right of Use Assets	(423)	(341)
Total	(51,835)	(61,149)
Net Increase/(Decrease) in Capital Financing Requirement	4,148	6,635
Closing Capital Financing Requirement	156,537	152,389
Explanation of Movement in Year		
Increase in underlying need to borrow unsupported by Government assistance - Right of Use Assets	1,259	1,832
Increase in underlying need to borrow supported by Government assistance	4,229	4,243
Increase in underlying need to borrow unsupported by Government assistance - Capital Additions	232	2,491
Loan	385	119
Minimum Revenue Provision and Set Aside	(503)	(1,709)
Voluntary Revenue Provision	(1,031)	-
Minimum Revenue Provision and Set Aside - Right of Use Assets	(423)	(341)
Net Increase/(Decrease) in Capital Financing Requirement	4,148	6,635

NOTE 18 – DEBTORS

	Long-Term Debtors		Short-Term Debtors	
	31/03/2026 £'000	31/03/2025 £'000	31/03/2026 £'000	31/03/2025 £'000
Trade Receivables	-	-	2,621	2,184
Prepayments	-	-	2,610	2,132
Other Receivable Amounts	2,169	1,625	50,153	63,578
Total	2,169	1,625	55,384	67,895

The above debtors' figures are net of bad debt provisions totalling £9.192m in 2025/26 (£8.957m in 2024/25).

The past due date but not impaired amount for Council Tax can be analysed by age as follows: -

	31/03/2026 £'000	31/03/2025 £'000
Less than one year	3,430	3,235
More than one year	6,538	5,297
Total	9,968	8,532

NOTE 19 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year, as shown in the Statement of Cash Flow can be reconciled to the related items in the Balance Sheet as follows: -

	31 March 2026 £'000	31 March 2025 £'000
Cash held by the Authority	93	37
Bank current accounts	353	569
Demand Deposits	19,788	5,965
Fixed Short Term Deposits	-	7,000
Total	20,234	13,571

NOTE 20 – CREDITORS

	Long-Term Creditors		Short-Term Creditors	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Trade Payables	-	-	(3,254)	(2,783)
Other Payables	(261)	(255)	(44,573)	(38,474)
Total Creditors	(261)	(255)	(47,826)	(41,257)

NOTE 21 – PROVISIONS

	Balance at 1 April 2024 £'000	Increase / (Decrease) during the year £'000	Utilised during year £'000	Balance at 31 March 2025 £'000	Increase / (Decrease) during the year £'000	Utilised during year £'000	Balance at 31 March 2026 £'000
Short-Term Provisions							
Insurance Claims Provision	456	327	(202)	581	327	(170)	738
Penhesgyn Waste Site (Short Term)	-	-	-	-	87	-	87
ADY Strategaeth Provision	-	81	-	81	-	-	81
Care Fees Provision	-	-	-	-	218	-	218
Total Short-Term Provisions	456	408	(202)	662	632	(170)	1,124
Long-Term Provisions							
Penhesgyn Waste Site (Long Term)	4,247	(2,464)	(129)	1,654	(87)	(69)	1,498
Total Provisions	4,703	(2,056)	(331)	2,316	545	(239)	2,622

Purpose of Main Provisions – Penhesgyn Waste Site

The provision is for the aftercare of the areas of the site formerly used for landfill. There is no defined timescale for this work to be completed although, for management purposes, a time span of 35 years has been used on an ongoing basis until there is evidence that a shorter period would be sufficient. This funds annual decontamination works at Penhesgyn each year.

NOTE 22 – CASH FLOW FROM OPERATING ACTIVITIES

	2025/26 £'000	2024/25 £'000
Adjustment to surplus or deficit on the Provision of Services for non-cash movements		
Depreciation, Impairment and amortisation	21,413	18,347
Downward/(upwards) revaluations and non-sale derecognitions	(652)	1,046
(Increase)/decrease in Inventories	108	(21)
(Increase)/decrease in debtors	11,967	(17,837)
Increase/(decrease) in creditors	6,575	1,185
Increase/(decrease) in grants receipts in advance	(9,539)	340
Transactions within the CIES relating to retirement benefits	(13,778)	(2,004)
Transactions within the CIES relating to Right of Use Assets	(64)	(394)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	73	1,078
Increase/(Decrease) in Provisions	305	(2,386)
Movement in value of investment properties - Impairment and downward revaluations (and non-sale derecognitions)	(132)	(2,295)
Total	16,276	(2,941)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	(218)	(890)
Capital Grants and Contributions Received	(25,937)	(37,883)
Total	(26,155)	(38,773)

NOTE 23 – CASH FLOW FROM INVESTING ACTIVITIES

	2025/26 £'000	2024/25 £'000
Movement in short term Investments	-	-
Property, Plant and Equipment, Heritage Assets, Investment Properties, Intangible Assets and Right of Use Assets	(44,482)	(56,187)
Proceeds from the sale of Property, Plant and Equipment, investment property and assets held for sale	218	890
Capital Grants and Contributions Received	25,937	37,884
Net Cash flows from Investing Activities	(18,327)	(17,413)

NOTE 24 – CASH FLOW FROM FINANCING ACTIVITIES

	2025/26 £'000	2024/25 £'000
Movement in Borrowing		
Short Term Borrowing	301	(1,134)
Cash repayments of Right of Use Lease liabilities	(423)	(341)
Long Term Borrowing	(677)	552
Net Cash flows from Financing Activities	(799)	(923)

NOTE 25a – EXPENDITURE AND INCOME ANALYSED BY NATURE

The Comprehensive Income and Expenditure Statement provides financial information in relation to expenditure and income per service. This nature of expenses note provides financial information per type of expenditure rather than by service.

	2025/26 £'000	2024/25 £'000
Expenditure		
Employee benefits	122,902	120,285
Other services	155,527	150,558
Depreciation, amortisation, impairment & movement in market value of investment properties	21,281	16,077
Interest Payments	24,121	23,183
De-recognition and Impairment of Financial Assets	320	545
Precepts and levies	19,941	18,546
Gain on the disposal of assets	(148)	796
Total Expenditure	343,944	329,990
Income		
Fees, charges and other service income	(42,703)	(41,669)
Interest and investment income	(27,806)	(19,428)
Income from Council Tax, Non-Domestic Rates	(98,155)	(92,948)
Government grants and contributions	(210,948)	(217,067)
Total Income	(379,612)	(371,112)
Surplus or Deficit on the provision of services	(35,668)	(41,122)

NOTE 25b – SEGMENTAL INCOME

The table below shows the total of the Council's income from fees, charges, and rents for the provision of services. This excludes grant income and council tax income.

Services	2025/26 Income from Services £'000	2024/25 Income from Services £'000
Lifelong Learning	(654)	(655)
Adult Services	(8,556)	(8,106)
Children Services	(7)	-
Housing	(478)	(713)
Highways, Property and Waste	(5,289)	(5,249)
Regulation and Economic Development	(3,416)	(3,279)
Transformation	(1)	(37)
Resources	(188)	(209)
Council Business	(155)	(468)
Corporate and Democratic Costs	(290)	(265)
Housing Revenue Account (HRA)	(23,669)	(22,688)
Total Income	(42,703)	(41,669)

Most transactions the Council enters into with service recipients are straightforward. All transaction prices are based on the Council's Fees and Charges booklet which has been approved by the Executive and which are outlined on the Council's website at the following link/web address: -

Council fees and charges

Service recipients, typically, are given 14 days to pay the Council fees and charges owed. This excludes fees and charges payable at the point of provision of the goods/services.

Contracts can relate to the financial year from 1 April 2025 to 31 March 2026. Any income not received by the end of March is accrued to match with the services provided. Some income is received at the same time as the services/goods are provided, for example, sale of gifts in the Oriel shop, admission for a swimming session at the Leisure Centres. One of the most complex income types relates to fees and charges for complex Adult Social Care placements. These charges can be deferred until income is available from sale of property. The Adult Services does recognise this income each financial year, despite it being deferred to match with the period when the care is provided.

NOTE 26 – MEMBER'S ALLOWANCES

A total of £1.162m (£1,061m in 2024/25) was paid in respect of allowances to Council Members during the year, as follows: -

	2025/26 £'000	2024/25 £'000
Basic and Special responsibility allowances	914	865
Chairman and Deputy Chairman's Allowance	16	10
Pension Costs	105	101
National Insurance Costs	113	77
Travel Costs	3	3
Subsistence	3	2
Miscellaneous	8	3
Total	1,162	1,061

In addition, the Council spent £33,906.35 on expenses for lay members (£27,510.71 in 2024/25).

NOTE 27 – OFFICERS’ REMUNERATION

The number of employees (including senior officers) whose annual remuneration paid was more than £60k but not more than £150k in 2025/26, excluding pension contributions but including severance pay, overtime and teaching & learning responsibilities, is as follows :-

Officer Remuneration	Non-Schools 2025/26 Number of Employees	Non-Schools 2024/25 Number of Employees	Schools 2025/26 Number of Employees	Schools 2024/25 Number of Employees
£60,000 to £64,999*	17	17	66	31
£65,000 to £69,999*	8	2	15	23
£70,000 to £74,999*	1	2	27	22
£75,000 to £79,999*	2	-	15	6
£80,000 to £84,999*	2	1	4	7
£85,000 to £89,999*	-	6	4	5
£90,000 to £94,999*	8	-	6	5
£95,000 to £99,999	-	3	3	1
£100,000 to £104,999	3	-	-	2
£105,000 to £109,999	-	1	2	1
£110,000 to £114,999	1	-	2	-
£115,000 to £119,999	-	-	-	1
£120,000 to £124,999	-	-	-	-
£125,000 to £129,999	-	-	-	-
£130,000 to £134,999	-	-	-	-
£135,000 to £139,999	1	1	-	-
Total	43	33	144	104

*8 posts in these bands would not appear above except for termination benefit paid during the year (7 cases in 2024/25). An additional 51 are included above due to additional teaching & learning responsibilities pay (19 cases in 2024/25), and 2 are included above due to a combination of additional teaching & learning responsibilities pay and extra paid post (3 included due to extra paid post in 2024/25).

The following table provides details of remuneration paid to senior employees who are employed on a permanent basis and whose annual salaries and other benefits exceed £60k per annum. Senior employees whose salary exceeds £150k per annum are also named individually to comply with statutory requirements:-

Senior Officer Remuneration 2025/26	Note	Salary, fees and allowances £	Expenses allowances £	Pension contribution £	Total £
Chief Executive	1	136,041	-	27,344	163,385
Deputy Chief Executive		112,748	-	22,662	135,410
Director of Function (Council Business) / Monitoring Officer		91,601	-	18,412	110,013
Director of Function (Resources) & S151		101,101	-	20,321	121,422
Director of Social Services		101,101	-	20,321	121,422
Director of Education, Skills and Young People		101,101	-	20,321	121,422
Head of Profession: HR & Transformation	2	70,446	-	13,570	84,016
Head of Digital, Performance & Modernisation	2	18,148	-	3,648	21,796
Head of Human Resources, Communication and Customer Experience	2	18,148	-	3,648	21,796
Head of Service: Housing		90,015	-	18,093	108,108
Head of Regulation and Economic Development		90,015	-	18,093	108,108
Head of Service: Adult Services		90,015	-	18,093	108,108
Head of Service: Highways, Waste & Property		90,015	-	18,093	108,108
Total		1,110,495	-	222,619	1,333,114

¹ The Returning Officer element of the Chief Executive's salary is £170 and is not included in the figures above.

² The Head of Profession: HR & Transformation left their post on 31/12/2025 and the post was superseded by two new posts, Head of Digital, Performance & Modernisation and Head of Human Resources, Communication & Customer Experience with both officers commencing on 19/01/2026.

The remuneration ratio of the Chief Executive to the median remuneration of all employees during 2025/26 is 4.39:1 (4.39:1 in 2024/25). The median salary for all employees in 2025/26 is £31,022 (£30,060 in 2024/25). This is the salary at the mid-point of all employees' salaries, from lowest to highest.

Comparative figures for 2024/25 are shown in the following table: -

Senior Officer Remuneration 2024/25	Note	Salary, fees and allowances £	Expenses allowances £	Pension contribution £	Total £
Chief Executive	1	131,823	-	26,496	158,319
Deputy Chief Executive		109,252	-	21,960	131,212
Director of Function (Council Business) / Monitoring Officer		88,761	-	17,841	106,602
Director of Function (Resources) & S151		97,966	-	19,691	117,657
Director of Social Services		97,966	-	19,691	117,657
Director of Education, Skills and Young People	2	89,802	-	18,050	107,852
Director of Education, Skills and Young People	2	7,637	-	1,535	9,172
Head of Profession: HR & Transformation		87,224	-	17,532	104,756
Head of Service: Housing		87,224	-	17,532	104,756
Head of Regulation and Economic Development		87,224	-	17,532	104,756
Head of Service: Adult Services		87,224	-	17,532	104,756
Head of Service: Highways, Waste & Property		87,224	-	17,532	104,756
Total		1,059,327	-	212,924	1,272,251

¹ The Returning Officer element of the Chief Executive's salary is £3,937 and is not included in the figures above.

² The Director of Education, Skills & Young People left the council's employment on 28/02/25 and new Director commenced on 03/03/25.

NOTE 28 – EXIT PACKAGES

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies is set out in the table below: -

Exit 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	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
							£'000	£'000
£0 - £20,000	2	10	6	4	8	14	85	65
£20,001 - £40,000	5	2	3	5	8	7	241	216
£40,001 - £60,000	-	-	3	-	3	-	140	-
£60,001 - £80,000	1	-	1	-	2	-	123	-
£80,001 - £100,000	1	-	-	-	1	-	98	-
£100,001 - £250,000	-	-	-	-	-	-	-	-
Total	9	12	13	9	22	21	687	281

In accordance with requirements, exit costs which the Council were committed to incurring at the 31 March, but paid after this date are included in the above. The totals disclosed are made up of payments made to the individual and any payments made by the Council to the pension fund when an employee retires early without actuarial reduction in pension in accordance with the Council's Discretionary Compensation Policy.

NOTE 29 – EXTERNAL AUDIT FEES

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

	2025/26 £'000	2024/25 £'000
Fees payable to Audit Wales with regard to external audit services carried out by the appointed auditor for the year	236	236
Fees payable to Audit Wales in respect of statutory inspections	117	97
Fees payable to Audit Wales for the certification of grant claims and returns for the year	76	80
Total	429	413

NOTE 30 – GRANTS INCOME

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/26 and 2024/25 as follows: -

	Note	2025/26 £'000	2024/25 £'000
Credited to Taxation and Non-Specific Grant Income			
Revenue Support Grant (Non-ring-fenced Government Grants)	12	110,784	102,245
Other (non ring fenced Government Grants)		-	1,035
Capital Grants and Contributions		13,758	20,453
Non-Domestic Rates AEF (NDR)	12	25,097	25,341
Grant - HRA (Capital Grants and Contributions)		12,179	17,430
Total		161,818	166,504
Credited to Services			
Grants:			
Post-16 Grant (Education)		3,331	3,326
Local Authority Education Grant (includes Education Improvement and Pupil Development Grants)		10,704	11,365
Children and Communities Grant (Children's Services)		4,016	3,425
Concessionary Fares Grant		504	521
Housing Benefit Subsidy		10,061	12,575
Housing Support Grant		4,381	3,899
Environment and Sustainable Development Grant		462	464
Levelling Up Fund		6,598	5,032
Integrated Care Fund		1,788	2,184
Total		41,845	42,791
Covid Related Grants			
Covid Local Government Single Emergency Hardship Fund:			
NDR Relief Grant		-	18
Total		-	18
Other Grants:			
Education, Skills and Young People		1,555	3,251
Adult Services		3,211	2,002
Children's Services		2,050	1,971
Housing		2,479	3,400
Highways, Property and Waste		5,473	2,352
Economic Development and Regulatory		3,994	6,922
Corporate Transformation		442	520
Resources		2,585	2,010
Council Business		69	77
Corporate and Democratic		565	1
Corporate Management		10	10
Corporate Finance		-	63
Housing Revenue Account		116	167
Total		22,549	22,746
Contributions:		9,832	10,350
Total grants and contributions credited to services		74,226	75,905
Total		236,044	242,409

Revenue Grants Received in Advance

Revenue Grants Received in Advance	2025/26 £'000	2024/25 £'000
Education, Skills and Young People	42	185
Economic Development and Regulatory	313	693
Highways, Waste & Property	186	-
Housing	61	3
Social Services	9	23
Corporate Transformation	19	30
Rate Relief	8	8
Total	638	942

Capital Grants Received in Advance

The following capital grants were received in advance and have not been applied to the Comprehensive Income and Expenditure Statement: -

Capital Grants Received in Advance	2025/26 £'000	2024/25 £'000
Welsh Government Capital Grants and Contributions Received in Advance:		
Long-term		
North Wales Economic Ambition Board	-	1,349
Short-term		
Contaminated Land	17	17
Sites & Premises	2	-
Childcare Offer	121	121
Green Recovery Grant	71	71
Connecting Care	52	
Electric Vehicle Infrastructure	131	166
Low Carbon Heat Grant	679	494
Flood Schemes	40	
North Wales Economic Ambition Board	-	3,846
Additional Learning Needs	-	153
Other	22	98
Capital Grants and Contributions Received in Advance from other Organisations:		
Housing Revenue Grant	164	84
Shared Prosperity Fund	1	-
Levelling Up Fund	2,159	6,794
Sports Wales	67	177
Pride in Place Impact Fund	750	
Other	-	141
Total	4,276	13,511

NOTE 31 – RELATED PARTIES

The Council is required to disclose information in relation to the Authority’s transactions and outstanding balances with its related parties. The materiality of individual transactions arising through related parties and the following disclosures are concerned with transactions between the Council and its related parties. Details regarding joint committees and joint arrangements can be found in Note 37 Joint Committees and Pooled Budgets. A list of stakeholder representation with third party organisations can be found under Appendix 1.

Members - Members are responsible for the direct control of the policies of the Council. The total Members’ allowances paid during the year is shown in Note 26. The Council appoints Members to certain public, charitable and voluntary bodies, which are independent from the Council but have an impact on its service areas. In order that the Council can maintain effective partnerships with a number of these organisations, representatives of the Council, usually elected Councilors, sit on the various committees and forums that are responsible for them.

Senior Officers - Senior Officers’ remuneration totals can be seen under Note 27. Senior Officers are required to complete a personal declaration of interest, stating any interests they may hold with any organisation which may receive payments from the Council.

A summary of transactions with related parties are as follows:

	2025/26 £'000	2024/25 £'000
Payments made	11,329	10,249
Payments Received	928	5,139
Amounts owed by the Council	1,941	6,280
Amounts owed to the Council	1,939	15,808

A summary of the individual organisations which have transactions with the Council in excess of £10k:

Body	Relationship	Payments Made £'000	Payments Received £'000	Amount owed by the Council £'000	Amounts owing to the Council £'000
2025/26					
Holyhead Maritime Museum	Member has declared an interest	24	-	126	-
Seiriol Community Alliance	Member has declared an interest	10	-	-	-
Llanddaniel Community Council	Member has declared an interest	11	-	-	-
Bryngwran Community Council	Member has declared an interest	10	-	-	-
Llangefni Youth Football Club	Member has declared an interest	8	13	-	4
Action For Children	Member has declared an interest	326	-	40	-
Valley Parish Council	Member has declared an interest	12	-	-	-
Cymell Ltd	Member has declared an interest	279	12	27	2
Urdd Gobaith Cymru	Member has declared an interest	6	23	1	7
Holyhead Town Council	Member has declared an interest	734	-	1	14
Mencap	Member has declared an interest	50	1	1	-
Conwy County Borough Council	Member has declared an interest	485	101	111	122
North Wales Advice & Advocacy Association	Member has declared an interest	74	-	5	-
Cyngor Gwynedd Council	Member has declared an interest	8,760	728	1,594	1,769
Trearddur Community Council	Member has declared an interest	10	-	-	-
Hwb Cybi	Member has declared an interest	15	-	-	-
Antur Waunfawr	Officer has declared an interest	14	-	2	-
Citizens Advice Ynys Môn	Member appointed by the Council to be a representative	125	-	22	-
Bangor University	Member appointed by the Council to be a representative	14	59	27	26
Betsi Cadwaladr University Health Board	Member appointed by the Council to be a representative	1,440	5,145	942	7,030
Cwmni'r Frân Wen	Member appointed by the Council to be a representative	-	-	24	-
Grŵp Llandrillo Menai	Member appointed by the Council to be a representative	509	14	182	-
Medrwn Môn	Member appointed by the Council to be a representative	479	32	28	2
Menter Môn	Member appointed by the Council to be a representative	552	46	-	95
North Wales Housing Association	Member appointed by the Council to be a representative	23	-	-	-
North Wales Police	Member appointed by the Council to be a representative	8	107	12	66
Welsh Local Government Association	Member appointed by the Council to be a representative	136	833	-	369
2024/25					
Welsh Joint Education Committee	Member has declared an interest	404	-	185	-
Cyngor Cymdeithas Llanbadrig	Member has declared an interest	30	-	-	1
Aberffraw Football Club	Member has declared an interest	18	1	-	1
Llangefni Youth Football Club	Member has declared an interest	20	-	2	-
Action For Children	Member has declared an interest	271	-	12	-
Valley Parish Council	Member has declared an interest	11	-	-	-
Age Cymru Gwynedd a Môn	Member has declared an interest	88	-	5	-
Cymell Ltd	Member has declared an interest	249	13	20	2
Urdd Gobaith Cymru	Member has declared an interest	46	16	1	6
Bwyd Da Môn CBC	Member has declared an interest	23	-	-	-
Menai Bridge Town Council	Member has declared an interest	30	-	-	-
Mencap	Member has declared an interest	89	1	4	1
Conwy County Borough Council	Member has declared an interest	555	3	193	78
North Wales Advice & Advocacy Association	Member has declared an interest	-	-	18	-
Cyngor Gwynedd Council	Member has declared an interest	5,765	394	4,429	8,427
The Church in Wales	Member has declared an interest	-	45	-	27
Canolfan Ucheldre	Member has declared an interest	19	-	-	-
Citizens Advice Ynys Môn	Member appointed by the Council to be a representative	95	-	-	-
Bangor University	Member appointed by the Council to be a representative	35	23	-	19
Betsi Cadwaladr University Health Board	Member appointed by the Council to be a representative	1,334	3,813	755	7,015
Cwmni'r Frân Wen	Member appointed by the Council to be a representative	13	-	12	-
Grŵp Llandrillo Menai	Member appointed by the Council to be a representative	292	181	123	12
Medrwn Môn	Member appointed by the Council to be a representative	89	-	414	5
Menter Môn	Member appointed by the Council to be a representative	529	125	104	112
North Wales Housing Association	Member appointed by the Council to be a representative	23	10	-	-
North Wales Police	Member appointed by the Council to be a representative	19	46	-	82
Welsh Local Government Association	Member appointed by the Council to be a representative	145	448	-	3

Welsh Government - Welsh Government has effective control over the general operations of the Council as it provides the statutory framework within which the Council operates. It also provides the majority of the Council's funding is in the form of grants and prescribes the terms of many of the transactions the Council has with other parties (e.g. council tax, housing benefits). Details of Grant Income is set out in Note 30. Totals for Taxation and Non-Specific Tax is included in Note 12.

INTERESTS IN COMPANIES

The Council has interests in the following companies:-

The Isle of Anglesey Charitable Association (Y Gymdeithas) - The Isle of Anglesey Charitable Association, previously the Isle of Anglesey Charitable Trust, was established by the Isle of Anglesey Borough Council, a forerunner of the County Council, to administer investments purchased from monies received from Shell (UK) Limited when the company ceased to operate an Oil Terminal on Anglesey. The Association is now a separate legal entity with the same charitable purposes as the Isle of Anglesey Charitable Trust.

The Association is governed by a Membership of all of the Council's elected members in an ex-officio capacity, and a Board of 12 Trustees, six elected from the Membership, with the remaining six (including the Chair) appointed independently from the wider community.

The objectives of the Association are to provide amenities and facilities for the general public benefit of persons resident in the Isle of Anglesey. This is achieved by contributing towards spending on public services and by making grants to charitable and voluntary organisations.

The Council received £35k from the Association towards the running costs of Oriel Ynys Môn (£93k in 2024/25).

Porthladd Rhydd Ynys Môn Limited - This company was incorporated in November 2024 to run the free port at Holyhead. Currently, the Council is the only shareholder for this company with the Chief Executive listed as the Director. It is expected that this will change during the next financial year to include other companies. The Council received a grant from Welsh Government of £250k in 2025/26 (£301k in 2024/25) to develop an Outline and Final Business Case for the establishment and development of the free port.

Once the company is operational, it will receive payments from land owners of land designated as tax sites/locations. The Council will receive the value of the tax from the developments from the Welsh Government for a number of years, some of this income will be used to fund the company's running costs. If the value of the taxes received is greater than the financial need of the company, the excess will be used by the Council to fund projects in-line with the free port's objectives. In addition, the Council will also receive a capital grant with the aim to attract companies on to the Island.

The Council also has interests in the following company:-

Caergeiliog Foundation School - Balances for current assets and liabilities controlled by Caergeiliog Foundation School are included in these accounts and so the school's reserves, as stated in this Balance Sheet, represent only the net current assets. The school also has non-current assets that are stated on the school's Balance Sheet at £729k at 31 March 2026 (£770k at 31 March 2025), on a combination of valuation and historical cost, less depreciation. The non-current assets are vested in the school's Governing Body and are not consolidated in this Council's Balance Sheet.

NOTE 32 – TRUST FUNDS

The Council acts as trustee for a number of trust funds some of which are registered charities. The financial administration of the trusts is completed by the Council as Trustee though the financial information held about each trust is separately identifiable. The Isle of Anglesey County Council Welsh Act Fund and the Anglesey Further Education are the two larger trusts for which the Council is trustee for.

2025/26	2025/26 Income £'000	2025/26 Expenditure £'000	2025/26 Assets £'000	2025/26 Liabilities £'000
Isle of Anglesey County Council Welsh Church Act Fund - Unaudited	22	-	939	-
Anglesey Further Education Trust Fund - Unaudited	178	159	3,375	28

2024/25	2024/25 Income £'000	2024/25 Expenditure £'000	2024/25 Assets £'000	2024/25 Liabilities £'000
Isle of Anglesey County Council Welsh Church Act Fund - Heb eu harchwilio	25	-	807	-
Anglesey Further Education Trust Fund - Final accounts	198	160	3,395	9

Anglesey Further Education Trust Fund (Reg No 525254)

The Anglesey Further Education Trust is made up of three funds. This includes the David Hughes Estate of farms and smallholdings which is managed by the Council's Smallholdings team within the Property Section. The David Hughes fund collects rents from its smallholdings and interest on its other investments. The other two funds earn income from non-property managed investments. The net income from the trust is to fund financial assistance for eligible older pupils and young people under 25 to help them to complete courses where they are at a financial disadvantage.

The current final audited accounts for the trust relate to 2024/25 which can viewed using the below link.

[Chyfrifon Drafft Ymddiriedolaeth Addysg Bellach](#)

Isle of Anglesey County Council Welsh Church Act Fund

This fund was previously managed by Gwynedd County Council which transferred the assets of the fund to the Council in May 2019. A consultant is currently reviewing the trust with a view to launching a new scheme which will outline the purpose of the fund, its plan for the provision of charitable aid as well creation of the fund as a new charity. The net assets of the fund at 31 March 2026 were £939k (£807k at 31 March 2025).

The current final unaudited accounts for the trust relate to 2025/26 which can viewed using the below link.

[Penderfyniad Gronfa Degwm](#)

Minor Trusts

The Council is also trustee for a number of small education trusts as shown below:-

Minor Education Trusts	2025/26 Assets £'000	2024/25 Assets £'000
Amlwch		
Sir Thomas Jones and feeder schools	-	1
Mrs Dilys Evans BA	2	2
Mr Caradoc Evans MSc	2	2
Holyhead		
Stanley Scholarship	16	14
Menai Bridge		
F C Baines AP	38	35
Others		
Llanynghenedl War Heroes	2	7
John Williams-Hughes	4	3
Anwen Williams	7	6
Total Minor Education Trusts	71	70

Other funds administered by the Council

The Council as part of its safeguarding and supporting vulnerable people remit also administer a number of client bank accounts which the Council has been appointed to manage by the Department of Work and Pensions (DWP) as Corporate Appointee or the Court of Protection as relevant. This is on behalf of individuals who lack the capacity to manage their financial affairs themselves. These are managed by a team in Adults services and are monitored biannually by the Court of Protection. The total value of these accounts at 31 March 2026 was £1.256m (£1,023m at 31 March 2025). This value is not included in the Council balance sheet as the funds do not belong to the Council.

NOTE 33 - TEACHER'S PENSION SCHEME

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by the 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 purpose of this Statement of Accounts it is, therefore, accounted for on the same basis as a defined contribution scheme.

In 2025/26, the Council paid £8.725m to Teachers' Pensions in respect of teachers' retirement benefits, representing 28.62% of pensionable pay (£8.530m and 28.47% in 2024/25).

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the teachers' scheme. These costs are accounted for on a defined benefits basis and detailed in Note 34 below.

NOTE 34 – LOCAL GOVERNMENT DEFINED BENEFIT PENSION SCHEME

Retirement Benefits Participation in the Local Government Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in the Gwynedd Pension Fund which provides defined benefits and is administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. In addition, the Council's share of the pension income, costs, assets and liability relating to the North Wales Economic Ambition Board are included in these figures.

a) Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when the employees earn them, rather than when they are eventually paid as pensions. However, the charge made against the Council Fund 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 through the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year: -

	2025/26 £'000	2024/25 £'000
Service cost comprising:		
Current service cost	7,504	10,075
Losses on settlements or curtailments	160	242
Total Service cost	7,664	10,317
Financing and Investment Income and Expenditure		
Interest cost on defined benefit obligation	18,737	17,843
Interest on the effect of the asset ceiling	8	3,451
Interest Income on scheme Assets	(26,443)	(20,841)
Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service	(34)	10,770
Return on Plan Assets (excluding amounts included in net interest expense)	(22,028)	1,958
Actuarial losses / (gains) arising on changes in demographic assumptions	(9,194)	(643)
Actuarial losses / (gains) arising on changes in financial assumptions	(8,442)	(61,449)
Other	27,510	(3,616)
Impact of the Asset Ceiling	173,789	(74,595)
Total re-measurement of net defined benefit liability - Asset	161,635	(138,345)
Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement	161,601	(127,575)
Reversal of net charges made for retirement benefits in accordance with the code	(12,349)	(982)
Actual amount charged against the Council Fund balance for pensions in the year:		
Employers' contributions payable to scheme	12,315	11,752
Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service	(34)	10,770

b) Pension Assets and Liabilities recognised in the Balance Sheet

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the Scheme as at 31 March 2026.

Amounts included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plan are as follows:	31 March 2026 £'000	31 March 2025 £'000
Present Value of Scheme Assets	505,052	450,508
Present Value of Scheme Liabilities	(340,303)	(311,422)
Present Value of Scheme Liabilities - Unfunded	(9,107)	(9,259)
Net Asset/(liability) arising from defined obligation	155,642	129,827

Reconciliation of Present Value of the Scheme Liabilities

	2025/26 £'000	2024/25 £'000
Balance as at 1 April	320,681	367,789
Adjustment to opening balance to amend NWEAB	(169)	-
Current service cost	7,504	10,075
Interest cost	16,717	17,843
Contributions from scheme participants	3,817	3,624
Remeasurement losses / (gains)	9,874	(65,708)
Past service costs	160	242
Estimated unfunded benefits paid	(975)	(1,022)
Estimated benefits paid	(12,426)	(12,162)
Effect of business combinations and disposals	4,227	-
Balance as at 31 March	349,410	320,681

Reconciliation of Present Value of the Scheme Assets

	2025/26 £'000	2024/25 £'000
Opening Fair Value of Scheme Assets as at 1 April	450,507	428,411
Adjustment to opening balance to amend NWEAB 2021/22	(293)	-
Interest Income	26,443	20,841
Return on plan assets (excl. net interest expense)	22,028	(1,958)
Other Experience	(2,020)	-
Contributions by members	3,817	3,624
Contributions by employer	12,315	11,752
Contributions in respect of unfunded benefits	975	1,021
Unfunded benefits paid	(975)	(1,021)
Benefits paid	(12,426)	(12,163)
Effect of business combinations and disposals	4,681	-
Balance as at 31 March	505,052	450,507

c) Fair Value of Scheme Assets

The table below shows the categorisation of equities and other investments between the Prices Quoted in Active Markets and Prices Not quoted in Active Markets and the percentage of each type of investments. The investment fund managers vary the investments to achieve the best returns in secure investments.

The Pension fund managers have, since 2018/19, started to move investments from those quoted in active markets to two global pooled funds in the Wales Pensions Partnership (WPP). These investments are shown within Investment Funds and Unit Trusts which are not quoted in open markets. More information about the Gwynedd Pension Fund in its entirety is available on the following link:

<https://www.gwyneddpensionfund.wales/en/Home.aspx>

The Council's share of the Pension Scheme assets comprise :-

	2025/26 Prices Quoted in Active Markets £'000	2025/26 Prices not quoted in Active Markets £'000	2025/26 Percentage of Total Assets £'000	2024/25 Prices Quoted in Active Markets £'000	2024/25 Prices not quoted in Active Markets £'000	2024/25 Percentage of Total Assets £'000
Cash and cash equivalents	-	7,918	2%	-	4,916	1%
Private Equity	-	23,297	5%	-	23,140	5%
Investment Funds and Unit Trusts						
Equities	-	245,943	49%	-	239,467	53%
Bonds	-	173,731	34%	-	131,455	29%
Infrastructure	-	29,623	6%	-	27,032	6%
Other	-	-	-	-	-	0%
Real Estate						
UK Property	-	24,540	5%	-	24,498	6%
Overseas property	-	-	0%	-	-	-
Derivatives	-	-	-	-	-	-
Total Value – All Assets	-	505,052	100%	-	450,508	100%
Total Value of Active and Non-Active Assets		505,052			450,508	

ch) Scheme History

Analysis of scheme assets and liabilities: -

	31 March 2026 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000
Fair Value of Assets in pension scheme	505,052	450,508	428,411	383,797	397,617
Present Value of Defined Benefit Obligation	(349,410)	(320,681)	(367,789)	(363,983)	(518,816)
(Deficit)/Asset in the Scheme	155,642	129,827	60,622	19,814	(121,199)

The analysis of scheme assets and liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. For 2025/26 there is a present value of defined benefit obligations of £349.410m which is significantly lower than usual value due to the increased discount factor prescribed by accounting standards and used by the Actuary. This as mentioned in the narrative report is linked to the increased bank base rate and the value of UK corporate bonds which the discount factor is based on. The fair value of assets in the pension scheme is £505.052m which is higher than the present value of the defined benefit obligations of £349.410m. This resulted in a net asset position excluding unfunded benefits of £155.642m. Under accounting rules (IFRIC14) the council is not allowed to show a net pension asset on the balance sheet due to restrictions on the pensions fund.

The Council has applied a net asset ceiling of £173.789m which will bring the asset to nil on the balance sheet on page 17. However, unfunded obligations cannot be offset against the net pension asset for the purposes of the asset ceiling. Therefore, the net pension liability on the balance sheet is £9.107m despite the positive performance of the pension fund in 2025/26.

d) The Significant Assumptions used by the actuary have been:-

	2025/26	2024/25
Mortality assumptions:		
<i>Longevity at 65 current pensioners:</i>		
Men	21.0 years	20.7 years
Women	23.7 years	23.5 years
<i>Longevity at 65 for future pensioners:</i>		
Men	22.2 years	21.8 years
Women	25.4 years	25.3 years
Inflation/Pension Increase Rate	3.0%	2.8%
Salary Increase Rate	3.5%	3.3%
Expected Return on Assets	10.7%	4.4%
Rate for discounting scheme liabilities	6.2%	5.8%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2008	50.0%	50.0%
Service post April 2008	75.0%	65.0%

dd) Sensitivity Analysis

Change in assumptions as at 31 March 2026	Approximate % increase to employer	Approximate Monetary Amount £'000
0.1% decrease in real Discount Rate	2%	5,732
1 year increase in member life expectancy	4%	13,976
0.1% increase in the Salary Increase Rate	0%	314
0.1% increase in the Pension Increase Rate (CPI)	2%	5,412

The sensitivity analysis above is based on reasonably possible changes to the assumptions occurring at the end of the reporting period. It assumes for each change in assumption that all the other assumptions remain constant. The sensitivity analysis shows that the impact of a 0.1% decrease in the real discount rate due to potential market changes which could decrease the fund's liabilities by £5.732m. A one-year increase in member life expectancy could increase liabilities by £13.976m. 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 predominately apply to younger or older ages). A 0.1% increase in the salary increase rate, could increase the fund's costs by £314k. A 0.1% increase in the pension rate could increase liabilities by £5.412m. The estimations in the sensitivity analysis have been calculated in accordance with professional actuarial assumptions, IAS 19, and FRS 102.

This means that the use of the 0.1% assumptions below were selected by the specialist actuary in accordance with his/her professional judgement. The Actuary would have considered current and past information. Information about people's lifespans and demographic information would have also influenced this.

e) Impact on the Authority's Cash Flows

The objective of the scheme is to keep employers' contributions at as constant a rate as possible. The Council has a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed by 31 March 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pension Services Act 2013.

Under the Act, the LGPS in England and Wales, and other main existing public service schemes, may not provide benefits in relation to service after 31 March 2014 (or Service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for schemes' regulation to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits.

The net asset/liability show underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net asset of £164.749m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. This is a statutory accounting asset which does not affect Council balances. However, the accounting standard for Pensions IAS19 and IFRIC14 requires that a net pension asset cannot be included as an asset on the balance sheet, this has therefore been excluded and the pension liability shows the £9.107m balance on unfunded obligations in accordance with the rules.

f) Estimated contributions to be paid to Gwynedd Pension Fund in 2026/27

The Council anticipates paying £10.318m contributions to the scheme in 2026/27. The amount outstanding to Gwynedd Council in respect of the LGPS contributions for 2025/26 as at 31 March 2026 is £1.330m and is included in the short-term creditors' disclosure note.

ff) Uncertainty about the potential impact of the Virgin Media case in relation to changes to member's benefits between 1996 and 2016

In June 2023, the High Court found in the Virgin Media case, that changes to member benefits in contracted out defined benefits pension schemes between 1996 and 2016, were void if an actuarial certificate was not completed in accordance with section 37 of the Pension Schemes Act 1993. This applies to past service rights and future service rights and to changes to the detriment of benefit scheme members. The judgement was appealed in June 2024 but the appeal was dismissed. The actuary for the Gwynedd Pension Fund which includes the Isle of Anglesey County Council pensions, has confirmed that there is considerable uncertainty about whether this ruling will impact on the Local Government Pensions Scheme.

NOTE 35 – FINANCIAL INSTRUMENTS

Financial instruments are contractual agreements between two or more parties regarding a right to payment of money. One party would have a financial asset where money or another financial asset is given to the other party, in exchange for the agreed return of the money or financial instrument, often with interest or a favourable return on the investment. The transaction would be a financial liability for the other party or parties. This would be the agreement to repay the money at the contracted time and for the agreed return. For example, the Council's main financial assets are its investments in bank deposits.

Examples of financial assets are cash, bank deposits, trade receivables (debtors), equities, bonds, and derivatives. Examples of financial liabilities are borrowings, trade payables (creditors) and any contractual obligation to deliver cash or financial assets to another entity.

NOTE 35a – FINANCIAL ASSETS

This note shows the different categories of financial assets required by IFRS 9 and the value of the Council's financial assets at 31 March 2026. It also provides the value of non-financial assets, which includes the value of Land and Property and other assets. The Council can only enter into financial assets and liabilities in accordance with the Council's Treasury Management Strategy Statement. The strategy specifies strict criteria; therefore, the Council can only invest in financial assets which are highly secure, and which can be accessed when the Council needs the cash.

Most investments are deposits in UK banks which meet the Council's credit rating criteria, or loans to other local authorities. These all fall under the IFRS 9 classification of Financial Assets measured at Amortised cost as highlighted by Note 35a.

The table below shows the carrying amount of the financial assets. This is the value of the financial assets in the Balance Sheet based on amortised cost. The fair value would be the price to sell the financial assets on 31 March 2026.

Financial Assets	Short-term				Long-term				Total			
	31/03/2026		31/03/2025		31/03/2026		31/03/2025		31/03/2026		31/03/2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets held at amortised cost												
Cash and cash equivalents												
Cash and cash equivalents - deposits	19,788	19,788	5,965	5,965	-	-	-	-	19,788	19,788	5,965	5,965
Other Cash and cash equivalents	446	446	606	606	-	-	-	-	446	446	606	606
Other Short-term Investments	-	-	7,000	7,000	-	-	-	-	-	-	7,000	7,000
Total Investments	20,234	20,234	13,571	13,571	-	-	-	-	20,234	20,234	13,571	13,571
Debtors												
Receivables	421	421	367	367	-	-	-	-	421	421	367	367
Employee Loans	194	194	334	334	14	14	14	14	208	208	348	348
Trade Debtors	2,972	2,972	2,535	2,535	-	-	-	-	2,972	2,972	2,535	2,535
Deferred Income	-	-	-	-	2,155	2,155	1,611	1,611	2,155	2,155	1,611	1,611
Housing Benefits Overpayments	171	171	171	171	-	-	-	-	171	171	171	171
Other debtors	3,550	3,550	4,367	4,367	-	-	-	-	3,550	3,550	4,367	4,367
Total Financial Assets - Debtors	7,308	7,308	7,775	7,775	2,169	2,169	1,625	1,625	9,478	9,478	9,400	9,400
Total Financial Instruments	27,542	27,542	21,346	21,346	2,169	2,169	1,625	1,625	29,712	29,712	22,971	22,971
Assets not Defined as Financial Instruments	49,202	49,202	61,374	61,374	627,114	627,114	594,717	594,717	676,315	676,315	656,092	656,092
Total Assets	76,744	76,744	82,720	82,720	629,283	629,283	596,342	596,342	706,027	706,027	679,062	679,062

The financial assets are split between investments and debtors. The investments are the cash deposits in UK banks along with other cash and cash equivalents which relate to the amounts held for operational banking and payment of day-to-day costs. The Council also invested in fixed term deposits at a higher interest rates. The amounts held as cash and cash equivalents in UK bank deposit accounts are surplus to the day-to-day needs, but which will be required in the future. These earn interest for the period invested. The other category of financial assets is debtors.

These relate to organisations or individuals who owe the Council money. The most significant are trade debtors which relate to amounts due for services received. Employee loans are also shown; these are soft loans which mainly relate to car loans for members of staff who travel more extensively on Council business. The loans were provided at lower than market value rate due to the need for work-related travel. Debtors exclude transactions with government departments, and income and payments arising from taxation, including Council Tax and business rates.

NOTE 35b – FINANCIAL LIABILITIES HELD BY THE COUNCIL

All of the Council's Financial Liabilities are classified as Financial Liabilities at Amortised Cost. This is shown below. The note also shows the value of non-financial liabilities.

The Council's borrowing liabilities amounted to £123.556m at 31 March 2026. This is the borrowing taken out over the years to fund capital expenditure on the construction of or refurbishment of Council assets. The short-term loans are the amounts due to be repaid by 31 March 2027. The long-term loans are due to be paid in more than one year's time. The main provider of loans to the Council is the Public Works Loans Board (PWLB), which is part of Central Government's Treasury Department.

The fair value of the Council's borrowing was calculated by the Council's Treasury Management consultants, Link Asset Services. The total fair value on the Council's borrowing was £96.493m, lower than the carrying value on the Balance Sheet of £123.556m at 31 March 2026. The fair value of the assets is £27.063m lower than the carrying amount because the PWLB is offering a net discount if the Council replaces these loans with new loans. The Council has benefitted from lower interest loans while the base rate of interest has been low. This has helped ensure that interest repayable each year is lower than previous years when interest rates were higher. The cost in increased interest repayable each year would be higher than the value of the PWLB total discount and the annual interest cost on the new loans would not be affordable.

Financial Liabilities	Short-term				Long-term				Total			
	31/03/2026		31/03/2025		31/03/2026		31/03/2025		31/03/2026		31/03/2025	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value Restated £'000
Financial liabilities held at amortised cost												
Borrowing												
PWLB	1,849	1,857	1,850	1,858	117,670	91,124	117,690	94,009	119,519	92,981	119,540	95,867
Salix	658	658	356	356	3,379	2,854	4,036	3,257	4,037	3,512	4,392	3,614
Total Financial Liabilities - Borrowing	2,507	2,515	2,206	2,214	121,049	93,978	121,726	97,266	123,556	96,493	123,932	99,481
Creditors												
Trade	2,302	2,302	1,957	1,957	-	-	-	-	2,302	2,302	1,957	1,957
Other Creditors	30,323	30,322	20,355	20,355	-	-	-	-	30,323	30,322	20,355	20,355
Total Financial Liabilities - Creditors	32,624	32,623	22,312	22,312	-	-	-	-	32,624	32,623	22,312	22,312
Total Financial Liabilities	35,131	35,138	24,518	24,526	121,049	93,978	121,726	97,266	156,180	129,116	146,244	121,793
Total Liabilities not defined as Financial Liabilities	21,686	21,686	33,137	33,137	12,769	12,769	13,585	13,585	34,454	34,454	46,722	46,722
Total Liabilities	56,817	56,824	57,655	57,663	133,818	106,747	135,311	110,851	190,634	163,571	192,966	168,515

NOTE 35c- INCOME, EXPENDITURE, GAINS AND LOSSES

The table below shows the impact of the Council's financial instruments held on the Council's annual revenue account for 2025/26.

Income, Expense, Gains and Losses	2025/26		2024/25	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£'000	£'000	£'000	£'000
Net (gain)/losses on:				
Financial assets measured at amortised cost (impairment loss allowance and derecognition)	320	-	545	-
Total net gains/losses	320	-	545	-
Interest revenue:				
Financial assets measured at amortised cost	(1,161)	-	(2,001)	-
Total interest revenue	(1,161)	-	(2,001)	-
Interest expense:				
Financial liabilities measured at amortised cost	5,385	-	5,341	-
Total Interest Expense	5,385	-	5,341	-

The table shows that the Council was charged £320k (£545k in 2024/25) for the impairment and de-recognition of the financial assets noted above in Note 35a. Impairment and de-recognition charges are shown in more detail in Note 36a. The debtor's asset is impaired to consider the risk that not all outstanding debts will be paid. A charge for de-recognition is made for outstanding income unlikely to be paid. This reduces the value of the assets by this amount and charged the Comprehensive Income and Expenditure Statement (CIES).

The Council received £1.161m (£2.001m in 2024/25) in interest from its deposits in UK banks and loans to other local authorities. Interest on investments has reduced significantly as a result of the Bank of England continuing to reduce interest rates as inflation has reduced significantly. Council cash balances are also reducing at times due to cost pressures and reduced funding. Further reductions in the base rate were predicted but since December 2025, the base rate has remained at 3.75% due to caution arising from global uncertainty and conflict. Interest receivable, therefore, is likely to be lower in 2026/27 and beyond. The interest payable on borrowings relating to 2025/26 was £5.385m (£5.341m in 2024/25).

NOTE 36 – THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Council's activities expose it to a variety of financial risks: -

Credit Risk – the possibility that other parties might fail to pay amounts due to the Council.

Liquidity Risk – the possibility that the Council might not have funds available to meet its commitments to make payments.

Market Risk – the possibility that financial loss might arise for the Council because of changes in such measures as interest rates. The overall management of significant risks arising from Financial Instruments is supported by the Council's Treasury Management Strategy Statement and Annual Investment Strategy which is approved by the full Council. The Council has only invested in UK banks and other local authorities during the year. The base rate increases have led to a significant increase in interest receivable. However, if the Council borrows from the PWLB in the future the interest rates will be much higher which would increase annual interest costs.

Credit Risk – Credit Risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers (debtors on the Balance Sheet). The standard requires the Council to provide for potential credit losses from potential non-payment of income due to the Council. This is called the Impairment loss allowance (ILA). Instead of basing potential losses on historic information only, the Council will consider potential future credit losses earlier and has revised the impairment policy to impair for potential credit losses on more current debtors. The revised policy can be found in Note 44 Accounting Policies.

The Council has assessed the credit risk of bank deposits on the likelihood of the bank defaulting in repaying the investment. There are increased risks to the banking sector from Brexit, the impact of the Pandemic and more recently, the war in Ukraine. However, the risk of default is still considered low. This is due to banks' increased financial resilience following new legislation following the 2008 banking crises. The bank deposits have, therefore, not been impaired. Deposits are not made with banks and financial institutions unless, having been rated independently, they have attained a minimum credit rating or level of government guarantee, and credit limits are set for each counterparty. The Council has set a number of limits based on credit quality for different types of institutions, different periods and amounts and has a policy of not lending more than £15m to any one institution other than the UK government. The Council monitors credit ratings regularly and is alerted to changes by its Treasury Management consultants. Appropriate action is taken following any changes in accordance with the Annual Investment Strategy. An Annual Treasury Report is produced to report on investment activity.

There were no material breaches of credit limits during the financial year and there were no breaches of the counterparty criteria. The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Council does not generally allow credit for customers; it has prescribed collection procedures for amounts owed by its customers and appropriate provisions are made for potential credit losses. In some circumstances, the Council obtains a legal charge on property to cover deferred debts, such as self-funding of residential care. The Council also has a number of longer-term debtors, mainly car loans to employees and residual mortgages from a closed scheme offering home loans to tenants and to members of the public. The residual mortgages are low risk due to the charge held by the Council on mortgaged properties. The car loans are considered low risk due to the ability to deduct repayments of car loans from employees' salaries, reciprocal arrangements with other local authorities for any staff transferring with outstanding car loans, insurance for loans unpaid due to death in service and normal debt recovery procedures for any employees who leave local government employment.

NOTE 36a – IMPAIRMENT AND DERECOGNITION OF FINANCIAL ASSETS

In order to ensure that the Council's income is not overstated in these accounts, debtors' balances are impaired to account for the credit risk of receiving less income than is outstanding. This impairment takes into account more current debtors as well as debts outstanding over a longer period of time. In order to ensure that the Council does not recognise any income which might never be recovered, these debts are considered for write-off, which must be approved in accordance with the Council's constitution. Those approved for write-off are removed from the debtor's balance and charged against revenue in the Financing and Investment Income and Expenditure section of the CIES.

The changes in impairment allowance and amount de-recognised is shown below: -

Asset Class (amortised cost)	2025/26 Lifetime expected credit losses - not credit impaired £'000	2024/25 Lifetime expected credit losses - not credit impaired Restated £'000
Opening Balance as at 1 April	5,555	5,246
Deposits in UK Banks	-	-
Trade Debtors (excluding public sector and taxation)	70	289
Soft Loans	-	-
Housing Benefit Overpayments	(4)	(86)
Rents	(26)	106
Total Impairment Allowance 31 March	5,595	5,555
Financial Assets that have been derecognised	280	236
Total Impairment and Derecognition charged	320	545

NOTE 36b – Credit risk from investments

The below criteria provides the minimum credit ratings for institutions the Council invests in. In practice the Council invests in UK banks and building societies and other UK local authorities after assessment of their financial information. The criteria also allows for UK Central Government financial instruments and triple A rated money market funds. This criteria below is included in the annual Treasury Management Strategy Statement and has been approved by Full Council.

Category	Short Term Credit Rating (Fitch)	Short Term Credit Rating (Moody's)	Short Term Credit Rating (Standard & Poor's)	Long Term Credit Rating (Fitch)	Long Term Credit Rating (Moody's)	Long Term Credit Rating (Standard & Poor's)	Cash Limit	Time Limit
Bank and Building Societies (not nationalised or part nationalised)	F1+	P-1	A-1+	AAA	Aaa	AAA	£10m	5 years
	F1+	P-1	A-1+	AA	Aa2	AA	£10m	3 years
	F1+	P-1	A-1+	AA-	Aa3	AA-	£10m	364 days
	F1	P-1	A-1	A	A2	A	£7.5m	6 months
Nationalised / Part Nationalised UK Banks	n/a	n/a	n/a	n/a	n/a	n/a	£10m	364 days
NatWest Bank business account and cash manager – when amounts are held in the NatWest as part of operational banking. The following amounts and limits will apply to ensure adequate cash is available to pay bills as they fall due.	F1	P-1	A-1	A+	A1	A+	1) £20m to £25m 2) £15m to £20m 3) £10m to £15m	5 working days 1 month 2 months
UK Central Government (irrespective of credit rating)	n/a	n/a	n/a	n/a	n/a	n/a	No maximum	No maximum
UK Local Authorities	n/a	n/a	n/a	n/a	n/a	n/a	£10m	364 days
Money Market Funds	n/a	n/a	n/a	AAA	AAA	AAA	£5m	6 months

NOTE 36c – LIQUIDITY RISK AND PROFILE OF WHEN THE COUNCIL IS DUE TO REPAY LOANS

Liquidity Risk is low as the Council had no difficulty in the past in obtaining finance and has ready access to the Public Works Loans Board (PWLB) as lender of last resort. The key aims of the Treasury Management Strategy are to ensure the Authority is exposed to low risk and to ensure liquidity. The majority of the Authority's investments are in instant access deposit accounts. Therefore, there is a reduced risk that it will be unable to raise finance to meet its commitments under financial instruments.

However, there is often a risk that the Council will need to renew a significant proportion of its borrowings at a time of high interest rates. The current low interest rates would reduce interest rates on new loans that are taken out to repay the debt maturing. To assist in achieving this, the Council uses external treasury management advisors.

The maturity analysis of outstanding loans is shown in Note 36c below. Trade and other payables are due to be paid in less than one year.

	2025/26 Outstanding principal £'000	2025/26 Accrued interest £'000	2025/26 Cost less accumulated amortisation £'000	2024/25 Outstanding principal £'000	2024/25 Accrued interest £'000
>45 years	-	-	-	-	-
34-45 years	31,200	-	31,200	32,963	-
23-33 years	52,015	-	52,015	50,251	-
15-22 years	14,494	-	14,494	17,994	-
11-14 years	9,313	-	9,313	6,522	-
7-10 years	2,471	-	2,471	3,127	-
4-6 years	4,276	-	4,276	5,339	-
1-3 years	5,900	-	5,900	5,530	-
Total Long-Term Borrowing	119,669	-	119,669	121,726	-
Total Short-Term Borrowing (< 1 year)	2,037	1,850	3,887	356	1,850
Total	121,706	1,850	123,556	122,082	1,850

NOTE 36ch – MARKET RISK AND ESTIMATED IMPACT OF A ONE PERCENT INCREASE IN INTEREST RATES ON FINANCIAL ASSETS

Interest Rate Risk – The Council faces potential 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 example, a rise in interest rates would have the following effects: -

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Comprehensive Income and Expenditure Statement would rise;
- Borrowings at fixed rates – the fair value of the borrowings' liabilities would fall;
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Comprehensive Income and Expenditure Statement would rise; and
- Investments at fixed rates – the fair value of the assets would fall.

Borrowings are not carried at fair value as these are carried at Amortised Cost in accordance with the CIPFA code. Therefore, nominal gains and losses on fixed rate borrowings would not affect the Surplus or Deficit on the Provision of Services or other Comprehensive Income and Expenditure. 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 and affect the Council Fund Balance.

The Council has a number of strategies for managing interest rate risk. The Council policy is to borrow mainly at fixed rates, thus obtaining certainty as to interest payable over the period of the loans. The Council, supported by its treasury advisors, continually monitors the prevailing interest rates and the market forecasts. If there was a significant risk of a sharp rise in long and short-term rates, then the portfolio position would be re-appraised with the likely outcome being that fixed rate funding would be drawn down whilst interest rates were still relatively cheap. If there was a significant risk of a sharp fall in long and short-term rates, then long-term borrowings would be postponed and any appropriate rescheduling from fixed rate funding into short rate funding would be undertaken.

All of the Council's current and long-term borrowings are held at fixed rates. This helps reduce the impact of bank rate changes on the Council. Note 36ch shows the impact of a 1% interest rate increase on the fair value of the Council Financial Instruments. The value of the loans in the Balance Sheet would remain the same due to the interest rates being fixed. However, the fair value would reduce. The rate increase would have a positive impact on the Council's deposits as an extra £175k interest receivable would be received if there was a 1% increase in interest rates. However, as the Council's investments are mainly fixed term which offer much higher returns, the impact of a 1% increase on this is not included in the below figure.

Impact of a 1% interest rate increase	£'000
Increase in interest receivable from investments	176
Impact on other Comprehensive Income and Expenditure	176
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or other Comprehensive Income)	(10,191)

The Council receives regular market information and advice from its treasury management consultants and potential outcomes in relation to Brexit, Covid-19 and more recently the war in Ukraine.

The Council has sufficient cash balances and has not had to take out PWLB borrowing during the year. However, the Council did undertake two new Salix loans that are specific towards the development of more efficient energy usage.

NOTE 37 – JOINT COMMITTEES AND POOLED BUDGETS

NOTE 37a – JOINT COMMITTEES

GwE

The Isle of Anglesey Council and the Councils of Gwynedd, Conwy, Flintshire, Wrexham, and Denbighshire are parties to a joint committee relating to GwE (Gwasanaeth Effeithiolrwydd a Gwella Ysgolion Rhanbarthol) (Regional School Effectiveness and Improvement Service).

Gwynedd Council is responsible for the operation of this committee, and the year-end balances are reflected in its Balance Sheet. The accounts for the committee can be viewed by the following link: -

<https://www.gwynedd.llyw.cymru/en/Council/Performance-and-spending/Budgets-and-finance/Statement-of-Accounts/GwE-Joint-Committee.aspx>

On 31 January 2024, the Minister for Education and the Welsh Language announced that new arrangements were to be implemented in relation to school improvement. This included moving away from the regional model. Consequently, the GwE collaboration agreement ceased on 31 May 2025.

North Wales Corporate Joint Committee (CJC)

The North Wales CJC was established during 2021/22 and comprises of the six North Wales local authorities and Snowdonia National Park. This joint committee is responsible for strategic development, planning, regional transport planning and promoting the economic well-being of North Wales.

From 1 April 2025, the responsibility for delivering the Growth Deal in North Wales transferred from the North Wales Economic Ambition Board to the CJC. The Growth Deal is a package of funding from Central Government and the Welsh Government to deliver projects to increase sustainable and economic growth.

Isle of Anglesey Council's contribution for 2025/26 is £90k (2024/25 £77k). The Statement of Accounts can be found here:

[North Wales Corporate Joint Committee \(llyw.cymru\)](#)

The Isle of Anglesey County Council is also involved in various joint arrangements with neighbouring North Wales Councils and the Welsh Government, as follows: -

- North Wales Adoption Service (Lead: Wrexham. Parties: Flintshire, Denbighshire, Conwy, Gwynedd)
- Minerals and Waste Service (Lead: Flintshire. Parties: Denbighshire, Conwy, Gwynedd).
- Regional Emergency Planning Service (Lead: Flintshire. Parties: Wrexham, Denbighshire, Conwy, Gwynedd)
- Galw Gofal (Lead: Conwy, Parties: Gwynedd, Flintshire)
- Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Health Board (see Note 37b)
- Penrhos Industrial Estate Phases 1 & 2 – A joint arrangement since 2020/21 with Welsh Government where the Council keeps 16% of the net rental income and the remainder is transferred to the Welsh Government.

NOTE 37b POOLED BUDGETS FOR HEALTH AND SOCIAL CARE

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 2025/26. Income and expenditure for these pooled budget arrangements are included for information only and have not been accrued in each partners' accounts. The transactions for Isle of Anglesey County Council only are included in the Adults Services line of the Comprehensive Income and Expenditure Statement. This amounts to £8.320m in 2025/26 (£7.126m 2024/25).

North Wales Pooled Budget for Care Homes for Older People	2025/26 £'000	2024/25 £'000
Expenditure		
Care Home Costs	147,652	136,047
Total Expenditure	147,652	136,047
Funding		
Isle of Anglesey County Council	(8,320)	(7,126)
Conwy County Borough Council	(19,835)	(18,090)
Denbighshire County Council	(13,600)	(12,423)
Flintshire County Council	(17,767)	(14,980)
Gwynedd Council	(15,282)	(13,084)
Wrexham County Borough Council	(15,975)	(16,470)
Betsi Cadwaladr University Health Board	(56,873)	(53,874)
Total Funding	(147,652)	(136,047)
(Surplus)/Deficit transferred to Reserve	-	-

NOTE 38 – AGENCY ARRANGEMENTS

The Isle of Anglesey County Council acts as an agent for various schemes on behalf of the Welsh Government.

Houses into Homes

The Council acts as an agent for Welsh Government for the provision of loans to individuals for renovation of empty homes in order to reduce the number of empty homes on Anglesey and increase housing opportunities:-

Houses into Homes £917k (£777k 2024/25);

Home Improvements Empty Homes £69k (£55k 2024/25);

Town Centre Scheme £490k (£490k 2024/25);

Empty Homes Renovations Scheme £333k (£333k 2024/25).

Homes for Ukraine

The agency element of this scheme consisted of a £350 a month thank you payment to those who host families fleeing from the Ukraine, this was raised to £500 after 12 months, up to a maximum of two years. The other element of this scheme is a £200 payment to Ukrainian families to help them to start a life in Wales.

Low Income Band Support

The purpose of this scheme is to provide a one-off £100 support payment for eligible households in Wales to help with cost of living.

Welsh in Education Teacher Retention Bursary

This is a bursary for those who have been teaching subjects in secondary schools through the medium of Welsh for three years. This supports the Government's ambition of a million Welsh speakers by 2050 and its aim is to increase the number of Welsh and Welsh medium teachers by encouraging them to stay in the profession.

The below table includes payments made to individuals and businesses during the year and not the grant amounts claimed:

Grant Title	2025/26			
	Payments Made	Grant (Received)/Rep aid from Government	Admin Fee Received	Balance due (to)/from Welsh Government at 31 March
	£'000	£'000	£'000	£'000
Low Income Band Support	6	-	-	6
Welsh Teacher Retention Bursary	130	(130)	-	-
Homes for Ukraine	69	(70)	-	14
Total	205	(200)	-	20

2024/25

Grant Title	2024/25			
	Payments Made	Grant Received from Welsh Government	Admin Fee Received	Balance due (to)/from Government at 31 March
	£'000	£'000	£'000	£'000
Low Income Band Support	-	-	-	-
Welsh Teacher Retention Bursary	-	-	-	-
Homes for Ukraine	100	(54)	-	47
Total	100	(54)	-	47

NOTE 39 – COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for the Council and the North Wales Police Authority for the forthcoming year and dividing this amount by the Council Tax base. The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a band D equivalent and adjusted for discounts. The Council Tax base for 2025/26 was 33,472.17 (33,170.03 in 2024/25).

The amount for a band D property in 2025/26, £2,260.73 (£1,982.09 in 2024/25), is multiplied by the proportion specified for the particular band to give the amount due by band. Individual amounts due are calculated by applying discounts and benefits to the amount due by band.

Council Tax bills were based on the following multipliers for bands A to I :-

Band	Total Dwellings	Multiplier	Band "D" Equivalent
A*	9	5/9	4.72
A	4,278	6/9	2,852.17
B	6,193	7/9	4,816.39
C	6,705	8/9	5,959.78
D	7,199	9/9	7,198.50
E	5,436	11/9	6,644.31
F	2,767	13/9	3,996.78
G	1,129	15/9	1,880.83
H	181	18/9	362.00
I	58	21/9	135.33
Total			33,850.81

The Council Tax Base is calculated as follows:-

	2025/26	2024/25
Band D equivalent as above	33,850.81	33,544.06
Collection Rate	98.50%	98.50%
Revised Band D equivalent	33,343.05	33,040.89
MoD Properties – Band D equivalent	129.13	129.14
Council Tax Base	33,472.18	33,170.03

Analysis of the net proceeds from Council Tax:	2025/26 £'000	2024/25 £'000
Gross Council Tax	73,411	67,924
Add/Less: provision for non-payment not required or not previously accounted for	(353)	(317)
Council Tax collectable	73,058	67,607
Less Council Tax Reduction awarded to residents	7,308	(6,729)
Net Proceeds from Council Tax	80,366	60,878

In 2013/14, the Welsh Assembly Government introduced the Council Tax Reduction Scheme to replace the Council Tax benefit scheme. £7.308m of Council Tax reductions were awarded in 2025/26 (£6.729m in 2024/25).

NOTE 40 – NON-DOMESTIC RATES (NDR)

Non-domestic properties are normally assessed every five years for the purpose of calculating liability for NDR. The most recent list came into force on the 1 April 2023. Revaluations do not raise extra revenue overall but reflect changes in the property market values across the country, redistributing the same total tax liability for NDR. Some rates bills will rise and some will fall but the average national bill will only change with inflation.

The Welsh Government specifies an amount for the rate – 56.8p in 2025/26 (56.2p in 2024/25), and local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its area but pays the proceeds into the NDR pool administered by the Welsh Government. The Welsh Government then redistributes the sums paid into the pool back to local authorities on the basis of a fixed amount per head of population.

NDR income, after reliefs and provisions (including Small Business Rates Relief provided by the Welsh Government), amounted to £13.810m for 2025/26 (£15.258m in 2024/25) and was based on rateable value at the year-end of £41.252m (£41.889m in 2024/25).

Analysis of the net proceeds from non-domestic rates:	2025/26 £'000	2024/25 £'000
Non-domestic rates collectable	13,810	15,258
Cost of collection allowance	(186)	(189)
Interest paid on overpayments	(13)	(3)
Provision for bad debts	(118)	(142)
Contribution to cost of charitable relief	89	64
Retail, Leisure and Hospitality Business Rates Relief Scheme met from grant	1,837	1,384
High Street and Retail Relief met from grant	-	-
Payments into national pool	15,419	16,372
Redistribution from national pool	25,097	25,341

NOTE 41 – CONTINGENT LIABILITIES

Waste Recycling Targets

Welsh Government, in a bid to increase recycling, have issued waste recycling targets for Local Authorities for several years. Failure to reach those targets will result in a fine for those Councils, with the penalty charged at £200 for every tonne above target. Isle of Anglesey's waste recycling target was missed for 2022/23, 2024/25 and 2025/26. The Welsh Government can decide not to impose these fines.

Public Liability Claim against Isle of Anglesey County Council's Predecessor

Due to the current circumstances surrounding a former headteacher of schools in Gwynedd, Gwynedd Council is assessing and considering the potential public liability claims against the Council and its predecessor. In the event that Gwynedd Council has to settle claims relating to events prior to 31 March 1996, Isle of Anglesey Council may have to make a contribution, at a previously agreed rate, to cover policy excesses and any liabilities not covered by insurance policies taken out by the former Gwynedd County Council. Gwynedd Council hold an earmarked reserve to meet the costs of claims in respect of the former Gwynedd County Council and Isle of Anglesey Council would only have to make a contribution in the event that this reserve is insufficient to meet any costs that have to be funded by the Council.

NOTE 42 – CONTINGENT ASSETS

Legal Charges

The Council retains a number of legal charges over privately owned residential properties, where it provided support to the buyers under schemes for assisted home purchase, with the Council being entitled to a share of proceeds on the sale of the properties. The actual amount that will be received will vary, dependent upon both the selling prices of individual properties and the nature of any other legal charges against them which may take precedence over the Council's. The timing of any receipts is dependent upon the occurrence of sale.

Financial Assessments

There has been a delay in the completion of financial assessments of Social Services service users. These assessments determine how much, above the minimum charge, the service users pay for their care. As these assessments have not been completed, some service users are yet to start paying for their care.

NOTE 43 – LEASING

NOTE 43a – RIGHT OF USE ASSETS

	2025/26			2024/25		
	Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Total £'000	Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Total £'000
Balance at 1 April	1,628	229	1,857	1,401	142	1,543
Adjustments to prior year	45	-	45	-	-	-
Additions	1,160	115	1,275	527	159	686
Revaluations	223	-	223	-	-	-
Depreciation and Amortisation	(375)	(91)	(466)	(300)	(72)	(372)
Disposals	(101)	(84)	(185)	-	-	-
Balance at 31 March	2,580	169	2,749	1,628	229	1,857

NOTE 44 – ACCOUNTING POLICIES

This section discloses the specific accounting policies adopted by the Council for completion of the accounts.

Policy Reference	Policy Title
1	General Principles
2	Accruals of Income and Expenditure
3	Events After the Balance Sheet Date
4	Jointly Controlled Operations and Jointly Controlled Assets
5	Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
6	Value Added Tax (VAT)
7	Fair Value Measurement
8	Non-Current Assets (Property, Plant and Equipment)
9	Investment Properties
10	Intangible Assets
11	Inventories and Long-term Contracts
12	Cash and Cash Equivalents
13	Financial Instruments
14	Provisions, Contingent Liabilities and Contingent Assets
15	Reserves
16	Revenue Recognition
17	Internal Interest
18	Leases
19	Charges to Revenue for Non-Current Assets – Minimum Revenue Provision (MRP)
20	Government Grants and Contributions
21	Revenue Expenditure Funded from Capital Under Statute (REFCUS)
22	Overheads and Support Services
23	Foreign Currency
24	Employee Benefits
25	Exceptional Items
26	Accounting for NDR
27	Agency Income and Expenditure

1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its financial position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations and the Accounts and Audit (Wales) (Amendment) Regulations 2018. These regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and the CIPFA Service Reporting Code of Practice 2025/26, supported by International Financial Reporting Standards (IFRS). All principal accounting policies have been applied consistently throughout the year. The Statement of Accounts has been prepared on a "going concern" basis.

2. Accruals of Income and Expenditure

Transactions are accounted for in the year that they take place, not simply when cash payments are made or received. This accruals accounting approach provides a more complete basis for reporting the Council's financial performance as it includes the Council's future commitments to pay/receive cash for goods and services received but not paid by 31 March 2026. Income and expenditure are accounted for in the year the activity it relates to takes place, not simply when cash is paid or received, i.e., on an accruals basis. This means income is recorded when it is earned not received and expenditure when it is incurred not when it is paid. Income from the sale of goods is included in the accounts when the sale is completed, not when the cash is received. Income from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and, as a result of this, the Council is due income in return for the services provided. In addition: -

- 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 bank deposits and payable on borrowings (including bank overdrafts) is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than necessarily the cash flows fixed or determined by the contract; and
- 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 for the income that may not be collected.

3. Events after the Balance Sheet Date

Events can occur after the year-end which might have a significant effect on the financial results for that year. Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the financial year and the date when the Statement of Accounts is authorised for issue. The Statement of Accounts is authorised for issue when the Section 151 Officer signs the final audited accounts, after the accounts are approved by full Council. The law requires that the audited, authorised final accounts are completed by 31 July following the year-end. Two types of events can be identified: -

- Those that provide evidence of conditions that existed at the end of the financial year – the Statement of Accounts is adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the financial year – 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.

4. Jointly Controlled Operations and Jointly Controlled Assets

Jointly controlled operations are activities undertaken by the Council in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Council recognises on its Balance Sheet its share of the assets and the liabilities that it incurs. The Comprehensive Income and Expenditure Statement is debited with the expenditure it incurs and credited with the share of income it earns from the activity of the operation.

Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Council and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Council accounts for only its share of the jointly controlled assets, the liabilities, and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

5. Prior Period Adjustments, Changes in Accounting Policies and Estimates of 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 the transactions, other events and the conditions on the Council's financial position and financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) 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.

6. Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue & Customs. VAT receivable is excluded from income.

7. Fair Value Measurement

IFRS 13 Fair Value Measurement requires most non-current assets, liabilities, and financial instruments to be valued at fair value, often with regard to an active market value where available. For operational assets, the standard introduces the concept of fair value being based on current value (often value in use) for revaluations of Property, Plant and Equipment. This means measurements should reflect the market conditions for the service or function at the reporting date. The standard provides different fair valuation approaches to differing asset types. For non-operational assets, i.e., investment assets, assets held for sale and surplus assets, these are valued at their highest and best use. Where there is an alternative use which would be of a higher fair value that is the fair value which would be used for the valuation of non-operational assets. The code does not require infrastructure assets to be revalued at current value. Infrastructure assets are, instead, valued at depreciated historical cost.

The Authority 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.

8. Non-Current Assets (Plant, Property and Equipment)

Recognition

Non-current assets – Plant, Property and Equipment (PPE) – are physical assets which last a year or more and will be used by the Council in support of its provision of goods and services. The Council has set a minimum amount for expenditure on assets to be classed as capital expenditure. This de-minimis amount is £10k. Expenditure on the acquisition, creation or enhancement of non-current assets which cost £10k or more is capitalised on an accruals basis providing that it meets the above definition of a non-current asset. Plant, Property and Equipment would include assets such as machinery; it would not typically include assets held for sale as they would normally be expected to be disposed of within 12 months.

The costs of these assets may include initial costs of acquisition and construction and subsequent costs to enhance or replace part of the asset. All other expenditure arising from day-to-day servicing of assets, including repairs and maintenance, is recognised in the Comprehensive Income and Expenditure Statement as the costs are incurred.

Measurement

Assets are initially measured at cost, comprising: -

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located in cases where, in order to bring an asset into use, any relocation of the asset is required.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be their fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheets using the following measurement bases: -

- Infrastructure, community assets and assets under construction are valued at depreciated historical cost;
- Council dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH);
- Council offices – current value, determined by the amount that would be paid for the asset in its existing use;
- School buildings – would be valued at current value in use but, because of their specialist nature, are measured at depreciated replacement cost;
- Surplus assets – the current value measurement is fair value, estimated at the highest and best use from a market participant's perspective;
- All other operational assets have been measured at current value based on existing use value (EUV). This means that the current value of land and buildings would be that amount which would be exchanged for an asset in its existing use. If there is no market evident for an asset due to its specialist nature or if the type of asset is rarely sold, the Authority estimates the current value using a depreciated replacement cost approach. For example, for property comprising land and buildings, depreciated replacement cost would be the market value for the existing use for the land on which the building sits plus the current gross replacement cost of the building less allowances for physical deterioration, obsolescence, and optimisation;
- Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement. Where there are conditions on any donated assets, the gain is instead credited to the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement;
- Where a part or component of an asset is replaced, the carrying value of the old part/component is derecognised to avoid double counting. The new component is then added to the carrying amount. If it is not practicable to determine the carrying amount of the replaced part, the cost of the new part is used as an indication of the cost of the replaced part; and
- Where an asset is not held for the purpose of generating cash flows, value in use is assumed to be at least equal to the cost of replacing the asset's service potential.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. 'Short Useful life' typically means seven years or less, although it may be longer for specialist items of plant and equipment.

Valuation of non-current assets

Assets included in the Balance Sheet at current value must be revalued every five years to ensure that their carrying amount is materially correct. Where there is no market-based evidence of current value, the Council may estimate current value using a depreciated replacement cost approach (DRC).

New indexation rules were introduced from 1 April 2025, whereby certain assets as shown below have suitable external indices applied in years two to five in between the five-yearly valuations. The Council is required to use the best external index available when indexing assets between full valuations. The BCIS All Tender Price index (TPI) will be applied to assets valued at depreciated replacement cost (DRC) in between five-yearly valuations. CPI or CPIH 12 months March to March will be used for suitable assets. Where there is no suitable

index for assets which require indexation, the Council will revalue the given asset in year 1 and year 3 every five years.

- Other land and buildings;
- surplus assets;
- right-of-use assets measured at current value rather than on the cost basis;
- plant, vehicles and equipment (PVE) not valued at historic cost.

The Council values its Property, Plant and Equipment (PPE) assets under a five-year rolling programme. Some assets will be valued in 2025/26, with the remaining asset classes valued in line with the programme in subsequent financial years. Different asset classes will therefore be valued each year, except where annual revaluation is required, such as for investment properties. Assets valued in 2025/26 will next be revalued in 2030/31, when the valuation cycle restarts. New assets built or purchased after the scheduled valuation year for their asset class will be valued in the year they are completed or acquired, unless cost provides an appropriate basis for valuation.

A de minimis of £10k is set relating to the value of assets from the above categories of assets which should be indexed. This means that assets with a NBV less than £10k will not have indexation applied as the increase from indexation would not be material i.e. the increase would not change the true and fair view of the valuation of the relevant properties individually or in aggregate. This was tested with indices of up to 5%. If there is a significant increase in the index affecting numerous assets which might result in the de minimis causing the assets values to be materially incorrect, the de minimis value will be reassessed. The Council reserves the right not to apply the de minimis value.

In accordance with CIPFA requirements, the Council will not apply indexation to the following asset classes:

- Council dwellings as these are exempt and are revalued every five years at value in use for social housing;
- infrastructure assets as these are valued at depreciated historic cost;
- community assets unless the Council has adopted the valuation option;
- assets under construction which are valued at cost;
- heritage assets;
- investment properties which must be revalued every year;
- Non-property assets that have short useful lives or low values (or both) where authorities elect to adopt a depreciated historical cost basis for current value proxy.

For asset classes where indexation is not applied, the Council will continue to ensure that carrying values remain materially correct through the scheduled valuation approach set out above, annual impairment reviews, and consideration of any indicators of material change in value. Where there is evidence that the carrying amount of an asset may be materially misstated, including as a result of a change in use, market conditions, physical condition, obsolescence, or a decision to dispose of the asset, the Council will arrange for a valuation or impairment assessment outside the normal valuation cycle. Assets held at cost or depreciated historical cost will continue to be depreciated over their useful economic lives, with useful lives and residual values reviewed where appropriate.

Reclassification of assets – during the five-year period covered by a rolling programme of valuations, it is possible that the policy or decisions of the Council will affect the categorisation of assets or there might be a change of use of an asset. These changes could alter the valuation such as when the Council decides to sell a property and actively markets the property for sale. The property is moved to assets held for sale and this triggers a revaluation of the asset, as property assets are sold at market value which is usually higher than the value in use.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Examples of events and changes in circumstances that indicate impairment may have occurred include: -

- Significant decline (i.e., more than expected as a result of the passage of time or normal use) in an asset's carrying amount during the period, which is specific to the asset;
- Evidence of obsolescence or physical damage of an asset;
- A commitment by the Council to undertake a significant reorganisation; and
- A significant adverse change in the statutory or other regulatory environment in which the Council operates.

Where indicators exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified on revalued assets, they are accounted for by: -

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the impairment against 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, the impairment against the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, to the extent that the original loss was recognised in the CIES, adjusted for depreciation that would have been charged if the loss had not been recognised. Any excess is recognised in the Revaluation Reserve.

Where the impairment is on a non-revalued asset (i.e., an asset with a carrying value based on historical cost), the impairment is recognised in the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets in order to allocate their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land) and assets that are not yet available for use (i.e., assets under construction). However, if any assets whose estimated useful economic lives are expected to be below or higher than the periods indicated below, due to professional opinion or provided by the manufacture or indicated as an industry standard. Depreciation can be charged on the estimated economic useful life outside the below boundaries.

Depreciation is calculated on the following bases: -

- Buildings excluding Council Dwellings– straight-line allocation over periods of up to 75 years, as estimated by the Valuer, however more than 75 years may be applied if the valuer deems that assets have a useful economic life that surpasses the 75 year that is typically applied.
- Council dwellings will always be calculated on straight line depreciation though the useful economic life of the dwellings within the calculation will remain at 50 due to the significant investment each year in the housing stock

- Infrastructure – straight-line allocation over periods of up to 45 years;
- Vehicles, plant, furniture, and equipment – straight-line allocation over 5 to 15 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation is not charged in the year an asset is acquired.

Where an item of Property, Plant and Equipment (Non-Current Asset) has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Applying this in practice requires an assessment against the below criteria, to establish if; -

- The economic useful life is significantly different from the other components of the asset i.e., 15 years or more;
- The value of the asset is £2m or greater and the component is over 25% of the total value of the asset; and
- The economic useful life is significantly different but the value represents less than 25% of the total value of the asset; the component will be separately identified if, in the Valuer's judgement, it is deemed to be material, e.g. where the value of a component is, say, £3m (10%) of the depreciating asset that has a total value of £30m.

If the depreciation asset is part of a wider group held for the same purpose, for example, leisure centres, this recommended policy on componentisation will be applied to the total of the wider group and not to each individual depreciating asset within the group.

Disposals and Non-Current Assets Held-for-sale

These assets are actively marketed for sale and where the Council expects that sale will go through in the next 12 months. The assets are identified separately as the value in the Balance Sheet will be recovered principally through a sale transaction rather than future continued use. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Fair value of non-current assets held for sale is measured at the highest and best use. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held-for-Sale.

If assets no longer meet the criteria to be classified as Assets Held-for-Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held-for-Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets-Held-for-Sale.

Disposals of Non-Current Assets

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held-for-Sale) 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. This cost is subsequently transferred to the Capital Adjustment Account in the Movement in Reserves Statement.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also 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.

Amounts received for a disposal in excess of £10k are categorised as capital receipts and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Capital Receipts Reserve from the Council Fund Balance in the Movement in Reserves 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 appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

Surplus Assets

The fair value of surplus assets is 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. This will be based on the highest and best use estimated using Level 1 inputs.

Heritage Assets

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations. They are held by the Council in pursuit of its overall objectives to preserve the heritage of the Isle of Anglesey.

The Council owns a number of tangible heritage assets such as historical buildings and works of art.

Operational Heritage Assets (i.e., those that, in addition to being held for their heritage characteristics, are also used by the Council for other activities or to provide other services) are valued and accounted for as operational assets, in the same way as other assets of that general type (e.g., operational buildings).

Heritage Assets are valued on the basis that is most appropriate and relevant in respect of the individual asset or class of assets. Where it is not practicable to obtain a valuation at a cost which is commensurate with the benefits to users of the financial statements, Heritage Assets are measured at historical cost (less any accumulated depreciation, amortisation, and impairment losses as appropriate). Where Heritage Assets are measured at valuation, then the carrying amount is measured with sufficient frequency to ensure that the valuations remain current, and at intervals of no greater than five years. Where a cost or valuation cannot be determined for a Heritage Asset without disproportionate cost, the assets will not be recognised in the Balance Sheet. Instead, the asset will be disclosed in the notes to the accounts.

Where a Heritage Asset has a finite life, depreciation is provided for on the same basis as for other classes of asset (for detail see Accounting Policy for Depreciation, 8.4 above).

Depreciation is not provided on Heritage Assets which have indefinite lives and a high residual value. The carrying amount of a Heritage Asset is reviewed where there is evidence of impairment, for example, where it has suffered physical deterioration or breakage, or new doubts arise as to its authenticity. Any impairment is recognised on the same basis as for other classes of asset (for detail see under Accounting Policy 8.3, Impairment). The Council does not currently actively seek further acquisitions of Heritage Assets but responds to opportunities to enhance its portfolio as they arise. The art collections are housed at Oriel Ynys Môn, with maintenance work being carried out as required. Parts of the collection are on display at any one time, while access to the remainder is available by arrangement. The Heritage Properties are managed and maintained, with due regard for their heritage characteristics, as part of the Council's overall portfolio of land and buildings.

Treatment of School Assets

Local Authority maintained schools are deemed to be in the control of local authorities. The assets, liabilities, reserves and cash flows of the Authority's maintained schools are, therefore, included in the Council's financial statements.

Land and buildings of voluntary aided and foundation schools are owned and controlled by the trustees of the schools or the foundation body and are, therefore, not shown on the Balance Sheet of the Council.

Capital expenditure on community schools is added to the balances for those schools. Individual schools' balances as of 31 March each year, are included in the Balance Sheet of the Council as any unspent delegated schools' budgets remain the property of the Council.

For accounting purposes, the status of the assets of voluntary controlled and voluntary aided schools are as follows: -

- Voluntary Controlled Schools: the land has been included on the Balance Sheet but not the buildings;
- Voluntary Aided Schools: neither the land nor the buildings are included in the Balance Sheet; and
- Additionally, neither the land nor the buildings of Caergeiliog Foundation School are included on the Balance Sheet, as these assets vest with the trustees of the school.

9. Investment Properties

Investment properties are those land and buildings 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.

Investment properties are recognised when it is probable that future planned economic benefits will flow to the Authority and that the cost or fair value of the investment property can be reliably measured. Investment properties are measured initially at cost and, subsequently, at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. The Code requires that Investment Properties be valued at their highest and best use regardless of the intentions of the Council. This means that alternative uses have been considered for each investment property and, if there were an alternative use that would maximise fair value, then that is the fair value which is to be used. The properties are not depreciated but are revalued annually in accordance with IFRS 13 according to market conditions at the Balance Sheet date. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Council Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

10. Intangible Assets

Intangible assets are non-current, non-financial assets which are separately identifiable, but which do not have physical substance (for example, computer software). These are controlled by the Council as a result of past events. Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services. Expenditure on intangible assets is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. The useful economic life of intangible assets is determined by the relevant professional leading on the purchase of/development of the intangible asset. The useful economic life of intangible assets is shorter than tangible assets, for example, between five to seven years. Intangible assets are amortised on a straight-line basis over the useful economic life of the asset.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion and they are, therefore, carried at cost less accumulated amortisation. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Intangible assets are evaluated for any impairment annually and whenever there is an indication that an asset might be impaired. Any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Council Fund Balance. The gains and losses are, therefore, reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

11. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the 'First In, First Out' (FIFO) costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

Work-in-progress is included in the Balance Sheet at cost.

12. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

13. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument, 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 Authority 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 Authority 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. There are three main classes of financial assets: -

- Amortised cost;
- Fair value through profit or loss (FVPL); and
- Fair value through other comprehensive income (FVOCI).

The Authority'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 Authority 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 Authority, 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.

However, the Authority has made a number of loans to employees at less than market rates (soft loans). The Council uses HMRC's rate for beneficial employee loans as a proxy for market value/effective interest rate. Where the difference between the discounted rate and the effective interest rate is more than £100k, a loss is recorded in the CIES for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the employees, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain 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.

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 Authority recognises expected credit losses on all of its financial assets held at amortised cost [or, where relevant, FVOCI], either on a 12 month or lifetime basis. The simplified lifetime basis expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

The Council will also extend the simplified approach to lease receivables and trade receivables and contract assets where there is a significant financing component.

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. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly, or remains low, losses are assessed on the basis of 12 month expected losses.

In respect of Sundry Debtors the following bad debt percentages applied: -

6 months to 1 year: 50%;

1 year to 2 years: 75%;

Over 2 years: 100%.

Higher percentages would apply for certain debtors, taking regard of individual circumstances, e.g., company liquidation, personal bankruptcy.

Debtors which had been deferred i.e., Social Services residential fees that had been deferred pending sale of property (where a charge on the property applied), a provision of 10% applied irrespective of age – although a higher provision would apply in certain circumstances e.g., current state of property or property value or dispute.

IFRS requires earlier recognition of debt (current practice does not provide for debts earlier than six months old, although a provision would be made for known individual debtor circumstances, e.g. bankruptcy, aged less

than this) and public sector debts are to be excluded (currently debts for local health board, major and local preceptors (councils)/levying bodies etc. and central/devolved administrations etc. are included). Having regard to IFRS 9, revised impaired loss allowances are required and the following considerations are made to arrive at the revised allowances:

IFRS 9 does not define default of a debt but requires an organisation to provide such a definition consistent with its credit management purposes. The following definition is used for the purposes of impaired loss allowance requirement for Sundry Debt, which is simple enough and is consistent with this Authority's credit management-

A debtor is in default of a debt (for impaired loss allowance purposes in respect of Sundry Debt) if payment has not been received against a debt in the Civica Debtor system (by 31 March each year) where the age of the debt is more than 14 calendar days from the tax point date.

The following allowances are applied for periods up to 6 months: -

- Day 1 to 14 days from invoice being raised – 2%;
- 1 – 30 days past due date i.e., 15 days to 45 days from tax point date – 2.5%;
- 31 – 60 days past due date i.e., 46 days to 75 days from tax point date – 4.5%;
- 61 – 90 days past due date i.e., 76 days to 105 days from tax point date – 7.5%;
- 91 – 168 days past due date i.e., 106 days to 182 days from tax point date – 15%.

The Council would then continue to apply the current percentages for debts older than six months from the tax point date i.e.:

- 183 – 365 days from tax point date – 50%;
- 366 – 730 days from tax point date – 75%;
- 731 days or more from tax point date – 100%.

Deferred charges

These from 183 days from tax point date are to be applied at 10% ONLY and not at the higher rates shown. No provision for deferred debts aged less than six months old. The Council has legal charges secured against individuals' homes, hence the reduced amount for impairment. The annual impairment gain, or loss will be the change in lifetime expected credit losses over the year.

Housing Benefits Overpayments

The Council's impairment loss allowance is 90% of the outstanding debtor for housing benefits overpaid to service users at year-end. The impairment loss allowance is high as recipients of benefits tend to have limited financial resources and the risk of not recovering benefits overpaid is high.

Rents

The impairment loss allowance on rental debtors is based on the amount of debt owed, with higher values impaired on a higher percent as the risk of non-payment increases as the amount of debt escalates. The percentage for loss allowance per banding is then applied to the actual debt outstanding within each band. The banding and percentage of loss allowance applied is as follows: -

Current Tenants

<u>Value of arrears</u>	Impairment Loss Allowance
£0.01 i £49.99	10%
£50 i £99.99	20%
£100 i £249.99	30%
£250 i £499.99	45%
£500 i £999.99	60%
>£1,000	85%

An impairment loss allowance of 90% is applied to all outstanding amounts owed by former tenants as these debts are less likely to be recovered than from existing tenants.

Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority 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 arrive in the Surplus or Deficit on the Provision of Service.

The fair value measurements of the financial statements are based on the following techniques: -

Instruments with quoted market price – the market price of 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 Authority 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.

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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.

Available-for-Sale Financial Assets

The Council does not have any available-for-sale financial assets and is unlikely to have any in the short-term as these financial assets are not included in the Treasury Management Strategy Statement 2022/23.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

When some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council an obligation,

whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events not 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.

Material contingent liabilities are not recognised in the Balance Sheet, but disclosed as a note in the accounts should they arise.

Contingent Assets

A contingent asset arises where an event had taken place that give the Council a possible asset, the existence of which will only be confirmed by the occurrence, or otherwise, of uncertain future events not within the control of the Council.

Material contingent assets are not recognised in the Balance Sheet, but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

15. Reserves

The Council maintains a range of reserves, reflecting both the extent to which its overall assets exceed its liabilities and any restrictions, either statutory or voluntary, which are placed upon the usage of these balances. The Council has discretion to set aside specific amounts as reserves where it wishes to earmark available funds for future policy purposes, to cover contingencies or manage cash flow. These are summarised in the Movement in Reserves Statement.

Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserve Statement so that there is no net charge against Council Tax for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies and notes.

16. Revenue Recognition

Revenue is recognised in the Comprehensive Income and Expenditure Statement for the year in which it is earned rather than when the cash is received. This relates to income from the sale of goods (produced by the Council for the purpose of sale or purchased for resale), the provision of services (excluding services directly related to construction contracts), interest, royalties and dividends, non-exchange transactions (i.e., Council Tax) and where previously a liability had been recognised (i.e., creditor) on satisfying the revenue recognition criteria.

Revenue is also recognised on gains which may or may not arise from ordinary activities such as gains on the revaluation of non-current assets, gains on the sale of non-current assets and gains on available-for-sale financial assets. Where the Authority is acting as an agent, only the income the Council is paid for its role of agent will be recognised in the accounts. The amount relating to the third party (the principal) will not be included in the accounts.

Revenue is recognised and measured at the fair value of the consideration receivable. This is 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. Rebates and cash settlements, where relevant, will be considered in measuring the fair value of the consideration received.

If payment is on deferred terms, the consideration receivable is discounted to present value in order to achieve a fair value. The difference between this amount and the total payments received is recognised as interest revenue in the Surplus or Deficit on Provision of Services. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial. There is no difference between the delivery and payment dates for non- contractual, non-exchange transactions i.e., revenue relating to Council Tax and general rates and, therefore, these transactions are measured at their full amount receivable.

17. Internal Interest

The council invests its cash balances in accordance with its Treasury Management and Investment Policies and the interest is accrued and credited to the Comprehensive Income and Expenditure Statement. Interest is credited to trust funds and other third-party funds based on the average rate of interest earned by the Council. Some reserves receive interest by way of an appropriation calculated on the same basis.

18. Leases

The authority as lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets (ROU assets) with a corresponding liability at the date from which the leased asset is available for use (or from 1 April 2024 on transition of existing leases). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. The authority's incremental borrowing rate will be based on the PWLB annuity rate for the same duration as the lease term.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use 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.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges 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.

The authority as lessor

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

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) 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. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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.

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

19. Charge to Revenue for Non-Current Assets – Minimum Revenue Provision (MRP)

Services and support services are charged with the following amounts to record the real cost of holding non-current assets during the year: -

- Depreciation of assets used by the Service;
- Revaluation and impairment losses on assets used by the Service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- Amortisation of intangible assets attributable to the Service.

The Council is not required to raise council tax to cover these costs. However, it is required to set aside an annual contribution from revenue towards its overall borrowing requirement. These costs are, therefore, replaced by the Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Welsh Government issued new regulations in 2008/09 requiring local authorities in Wales to make a prudent provision for MRP, including an option to provide an MRP over the life of an asset. The policy also allows MRP to be deferred until the asset is commissioned.

The MRP charge on HRA borrowing has historically been charged at 2% of the HRA's proportion of Capital Financing Requirement (CFR). In 2015, Welsh Government changed the determination to allow the HRA MRP charge to be calculated by more options. It was recommended that the annuity asset life method would result in the highest NPV for both supported and unsupported borrowing, and the most affordable option for the present and future generations is the option where the annuity is based on 60-year asset lives, using the Council's average borrowing rate of 4.58%. Therefore, for both HRA supported and unsupported borrowing the annuity methods as recommended over 60 years at the interest rate of 4.58% should be implemented from 1 April 2022. It would allow a more prudent approach rather than a current one as, instead of the CFR taking 300 years to be reduced to zero, it would only take 60.

Transactions in relation to investment properties are recorded against the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement.

20. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that: -

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until the conditions attached to the grant or contribution have been met. Grant conditions are the requirements which have to be met in order to qualify for the grant, for example, the building of a school or key outcomes specified within the conditions. Monies advanced as grants and contributions, for which conditions have not been satisfied, are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Some grants' bodies impose restrictions which limit or direct the purposes for which the grant may be used but do not stipulate that the grant is to be repaid.

21. Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

22. Overheads and Support Services

The costs of overheads and support services are charged to services that benefit from the supply or service in accordance with the Authority's arrangements for accountability and financial performance for the purpose of full-cost accounting for the statutory statistical returns, for example, the annual RA and RO Government returns. However, for budget monitoring and the statutory annual accounts, recharges are excluded, and the corporate and support services are reported as service segments and held accountable for budget management.

23. Foreign Currency

The Council has a diminishing number of European grant aided schemes where the grants may be denominated in Euros. A Euro Bank account was opened to support these schemes. The balance on this bank account at the year-end is converted at the spot exchange rate on 31 March with resulting gains or losses being recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

24. Employee Benefits

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, bonuses and non-monetary benefits 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, which employees can carry forward into the next financial year.

The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. To prevent fluctuations from impacting on Council Tax, the year-on-year change in cost generated by this accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the Accumulating Absences Adjustment Account, so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The Council does not award long-term employee benefits, i.e., those which are not expected to be paid or settled within 12 months of the Balance Sheet date.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Council can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions (usually in the form of added years), statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority 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.

Post-Employment Benefits

Employees of the Council are entitled to be members of two separate pension schemes: -

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education; and
- The Local Government Pension Scheme, administered by Gwynedd Council.

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

Teachers' Pension Scheme

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified to the Council. The scheme is, therefore, accounted for as if it were a defined contributions scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Lifelong Learning Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Agency in the year.

The Local Government Pension Scheme

All employees (other than teachers) and Councillors, subject to certain qualifying criteria, are able to join the Local Government Pension Scheme. The Scheme is known as the Gwynedd Pension Fund and is administered by Gwynedd Council in accordance with the Local Government Pension Scheme Regulations 2013 on behalf of all participating employers. Under International Accounting Standard (IAS19), the Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Gwynedd Pension Scheme 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 about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a real discount rate that is based on the indicative rate of return on UK Government bonds adjusted for an addition to the yield that reflects the extra risk involved in using AA Corporate Bond yields – known as the credit spread.

The assets of Gwynedd Pension Fund attributable to the Council are included in the Balance Sheet at their fair value: -

- Quoted securities – current bid price;
- Unquoted securities – professional estimate;
- Unities securities – current bid price; and
- Property – market value.

The change in the net pension liability is analysed into four components: -

- a) 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.
- b) 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 Non-Distributed Costs. Net interest on the net defined benefit liability, i.e., the net interest expense for the Council - the change during the period in the net defined benefit liability that arises from the passage of time, is 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 liability at the beginning of the period (considering any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments).
- c) Benefit liability (asset) during the period as a result of contributions and benefit payments).
- d) Re-measurement comprising: -
 - The return on plan assets (excluding amounts already included in the net interest on net defined benefit) which is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - Actuarial gains and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- e) 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 General Fund Balance to be charged with the amount payable by the Authority 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 transfers 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 negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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 employee (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.

25. Exceptional Items

Where items of income and expense are material in the context of these accounts, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council’s financial performance.

26. Accounting for NDR (Non-Domestic Rates)

As the Council acts as an agent in the collection of NDR income, it does not include the financial position with regard to the ratepayers and only reports the net cash position with Welsh Government in its Balance Sheet. Therefore, if the amount collected from NDR taxpayers by the Authority (net of the cost of collection allowance) exceeds that paid to Welsh Government on 31 March, the amount not yet paid to the Welsh Government is included in the Balance Sheet as a creditor. Similarly, if the cash paid to Welsh Government exceeds the cash collected from NDR taxpayers (net of the cost of collection allowance), the excess is included in the Balance Sheet as a debtor. The Council maintains records of NDR arrears, impairment allowances, prepayments, and overpayments in its underlying accounting records; however, for final accounts purposes, these balances are consolidated into a single agency account, with the figures netting down to the debtor/creditor to the national pool. The cost of collection allowance received by the Isle of Anglesey County Council is the billing Council’s income and is included in the Comprehensive Income and Expenditure Statement.

Cash collected from NDR taxpayers is not included in the Cash Flow Statement except for the cash retained in respect of the cost of collection allowance. Any difference between the cash collected from NDR taxpayers and the cash paid into the NDR Pool is included within financing activities in the Cash Flow Statement.

27. Agency Income and Expenditure

Under various statutory powers, a Council may agree with other local authorities, water companies and government departments to do work on their behalf. The body conducting agency services is reimbursed by the responsible body to the extent of approved expenditure together with any agreed contribution towards

administrative costs. Only the amounts relating to the Council, for example the fees earned for providing the agency services, will be included in the Council's Comprehensive Statement of Income and Expenditure.

SUPPLEMENTARY FINANCIAL STATEMENT

HOUSING REVENUE ACCOUNT (HRA)

Income and Expenditure Statement for the year ended 31 March 2026

	2025/26 £'000	2024/25 £'000
<u>Expenditure</u>		
Management and Maintenance - Repairs and Maintenance	6,417	6,183
Management and Maintenance - Supervision and Management	6,878	6,508
Rents, Rates, Taxes and Other Charges	133	102
Depreciation, Impairment and Revaluation Losses of Non-current Assets	3,696	3,700
Debt Management Costs	12	12
Movement in the Impairment Allowance for Bad Debts	(15)	153
Movement in the Accumulated Absences Accrual	16	(76)
Accounting Adjustment IAS19	(486)	(120)
Total Expenditure	16,651	16,462
<u>Income</u>		
Dwelling Rents	(23,067)	(22,184)
Non-dwelling Rents	(266)	(264)
Charges for Services and Facilities	(264)	(176)
Contributions towards Expenditure	(212)	(292)
Other	(116)	(167)
Total Income	(23,925)	(23,083)
Net Expenditure of HRA Services as included in the Whole Authority Comprehensive Income and Expenditure Statement	(7,274)	(6,621)
HRA Services' Share of Corporate and Democratic Core	89	56
Net Expenditure of HRA Services	(7,185)	(6,565)
HRA Share of the Operating Income and Expenditure included in the Whole Authority Comprehensive Income and Expenditure Statement		
(Gain) / loss on sale of HRA Non-current Assets	-	211
Pension net interest cost	(600)	27
Interest Payable and Similar Charges	1,344	1,380
Interest and Investment Income	(162)	(385)
Capital Grants and Contributions receivable:		
- Major Repairs Allowance	(3,581)	(3,816)
- Other	(8,598)	(13,614)
Surplus for the Year on HRA Services	(18,782)	(22,762)

Statement of Movements on the HRA Balance

Items included in the HRA Income and Expenditure Account but excluded from the movements on HRA Balance for the year

	2025/26 £'000	2024/25 £'000
Balance on the HRA at the end of the Previous Reporting Period	(7,977)	(8,189)
(Surplus)/Deficit for the Year on HRA Services	(18,782)	(22,762)
Adjustments between Accounting and Funding Bases under Statute	23,696	22,974
Net (increase)/decrease before Transfers to/from Reserves	4,914	212
Transfers to/(from) Earmarked Reserves	-	-
Net (Increase)/Decrease in Year on the HRA	4,914	212
Adjustment to Reserve	-	-
Balance on the HRA at the end of the Current Reporting Period	(3,063)	(7,977)

NOTES TO THE HOUSING REVENUE ACCOUNT (HRA)

NOTE 1 – HOUSING REVENUE ACCOUNT

The Housing Revenue Account is a record of expenditure on, and income from, the provision of local Council housing, and the form and content of the Account is prescribed by statute. The Housing Revenue Account is “ring-fenced” and must be self-supporting. Contributions both to and from the Housing Revenue Account (e.g., from the Council Fund) are limited to special circumstances.

NOTE 2 – HOUSING STOCK

As at 31 March 2026, the number of dwellings was 4,026, which is an increase of 46 properties from the year 2024/25. The breakdown by type of dwelling is as follows:

	31 March 2026	31 March 2025
Council Owned Stock		
Houses	2,162	2,137
Bungalows	1,069	1,065
Flats	787	770
Bedsits	8	8
Total Council Owned Stock	4,026	3,980

NOTE 3 – HOUSING REVENUE ACCOUNT CAPITAL EXPENDITURE

	2025/26 £'000	2024/25 £'000
Capital Expenditure		
Land	593	1,388
Dwellings	22,281	24,496
Other - Disabled Facilities and Adaptations	499	474
Other - Office Buildings	-	229
Other - Social Care Facilities	1,209	909
Other - Garages	163	103
Other - Vehicles	369	-
Other - Car Parking Areas	-	99
	25,114	27,698
Sources of funding		
Government grants and other contributions	(12,179)	(17,430)
Capital receipts		(1,141)
Direct Revenue Financing	(12,935)	(9,127)
Total Funding	(25,114)	(27,698)

The Major Repairs Allowance for 2025/26 of £3.581m was used in full during the year (£3.816m in 2024/25).

NOTE 4 – DEPRECIATION, IMPAIRMENT AND REVALUATION LOSSES OF PROPERTY, PLANT AND EQUIPMENT

	2025/26 Revaluation £'000	2025/26 Depreciation £'000	2025/26 Total £'000	2024/25 Revaluation £'000	2024/25 Depreciation £'000	2024/25 Total £'000
Land	-	-	-	-	-	-
Dwellings	-	3,240	3,240	-	3,261	3,261
Other Property - Operational Assets	(16)	448	432	-	418	418
	(16)	3,688	3,672	-	3,679	3,679

NOTE 5 – CAPITAL RECEIPTS

There were no capital receipts in 2025/26. Five dwellings were sold in 2024/25 with £632k capital receipts, which was utilised in full to fund the capital programme in 2024/25.

NOTE 6 – RENT ARREARS AND IMPAIRMENT LOSS ALLOWANCE

During 2025/26, total rent arrears increased by £9k. A summary of rent arrears is shown in the following table:

Rent Arrears	2025/26 £'000	2024/25 £'000
Current Tenant Arrears	730	786
Former Tenant Arrears	326	261
Total Rent Arrears	1,056	1,047

Allowance has been made in the Balance Sheet for bad and doubtful debts. These stood at £745k against rents (£771k in 2024/25).

NOTE 7 – PENSION COSTS

As part of the terms and conditions of employment of its officers, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in the Local Government Pension Scheme administered by Gwynedd Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against the Housing Revenue Account is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Housing Revenue Account after Net Operating Expenditure. The following transactions have been made in the Housing Revenue Account during the year: -

Pensions	2025/26 £'000	2024/25 £'000
Current service cost included in movement in reserves statement		
IAS19 current service cost	531	673
Impact of pension fund business combinations and disposals	(35)	-
Unfunded costs	76	73
Contributions in respect of undunded benefits paid	(76)	-
Total IAS19 service costs	496	746
Less: actual employer's contributions	(981)	(866)
Movement to pensions reserve	(485)	(120)
Current service cost included in movement in reserves statement	485	120
Pension net interest cost	(600)	(27)
Pension net interest cost included in movement in reserves statement	600	27
Total impact on usable reserve	-	-

RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS	
Anglesey Access Group	Liz Wood
Anglesey Agricultural Show	Dafydd Roberts
Anglesey and Gwynedd Community Safety Partnership	Carwyn Jones
Anglesey Citizen's Advice Bureau (CAB)	Robin Wyn Williams
Anglesey Language Forum	Gwilym O Jones, Gary Pritchard, Arfon Wyn, Dafydd Roberts
Area of Outstanding Natural Beauty Joint Advisory Committee (Ynys Môn)	Paul Ellis, John Ifan Jones, Pip O'Neill, Alun Roberts, Dafydd Rhys Thomas
Betsi Cadwaladr Stakeholder Reference Group	Neville Evans
Champion for Additional Learning Needs	Arfon Wyn
Champion for Adults Safeguarding	Neville Evans
Champion for Carers	Trefor Lloyd Hughes MBE
Champion for Children and Young People	Llio Angharad Owen
Champion for Children in Care	Dyfed Wyn Jones
Champion for Climate Change	Geraint ap Ifan Bebb
Champion for Equalities & Diversity	Alun Roberts
Champion for Members	Dylan Rees
Champion for Scrutiny	Jeff M Evans, Dylan Rees
Champion for the Armed Forces	Glyn Haynes
Court of Governors, Bangor University	Dafydd Roberts
Cwmni Frân Wen	Gary Pritchard
Cyngor Llyfrau Cymru	Dafydd Roberts
Destination Anglesey Partnership (DAP)	Alun Roberts
Fostering Panel	Gary Pritchard
Friendly Age Champion	Gwilym O Jones
Grŵp Llandrillo/Menai	Dafydd Roberts
GwE Joint Committee	Dafydd Roberts
Gwynedd & Anglesey Adoption Panel	Alun Roberts

RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS	
Gwynedd & Anglesey Youth Justices Service	Dyfed Wyn Jones
Gwynedd Pensions Fund Committee (Gwynedd Council)	Robin Wyn Williams
Liaison Council for Wales	Carwyn Jones, Robin Wyn Williams
Medrwn Môn	Gary Pritchard
Member Board of the Consortium of Local Authorities in Wales (CLAW)	Ieuan Williams
Menter Môn	Gary Pritchard
North and Mid Wales Trunk Road Joint Committee	Ieuan Williams
North Wales Community Health Council (Anglesey Local Committee)	Non Dafydd, Jeff M Evans
North Wales Economic Ambition Board	Gary Pritchard
North Wales Fire and Rescue Authority	Jeff M Evans, John Ifan Jones, Dylan Rees
North Wales Fire and Rescue Authority Audit Committee	Jeff M Evans
North Wales Fire and Rescue Authority Executive Panel	John Ifan Jones, Dylan Rees
North Wales Housing Association	Carwyn Jones
North Wales Police and Crime Panel	Non Dafydd
North Wales Regional Leadership Board (Care & Wellbeing)	Gary Pritchard
North Wales Regional Waste Plan Review Steering Group	Ieuan Williams
North Wales Residual Waste Treatment Joint Committee	Nicola Roberts, Ieuan Williams
North Wales Tourism Partnership	Alun Roberts
Owen Lloyd Penrhoslligwy Educational Trust	Margaret Murley Roberts
Public Service Board (Anglesey & Gwynedd)	Gary Pritchard
Regional Partnership Board (Part 9 Social Services & Wellbeing Act Wales 2014)	Neville Evans, Dyfed Wyn Jones
Safer North Wales Partnership Board	Carwyn Jones
The Harbour Trust, Caernarfon	Alun Roberts
Voluntary Sector Liaison Committee	Jeff M Evans, Gwilym O Jones, Jackie Lewis, Keith Roberts, Arfon Wyn

RELATED PARTY DISCLOSURE - STAKEHOLDER REPRESENTATION WITH THIRD PARTY ORGANISATIONS	
Welsh Local Government Association	Gary Pritchard, Robin Wyn Williams
Wylfa Site Stakeholder Group	Kenneth Hughes, Aled Morris Jones, Gwilym O Jones, Jackie Lewis, Llio Angharad Owen, Derek Owen, Liz Wood

GLOSSARY

MONTH EXPECTED CREDIT LOSSES

This is the portion of lifetime expected credit losses that represent the expected credit losses that result from default on a financial instrument which are possible within the 12 months after the reporting date.

ACCOUNTING PERIOD

This is the period of time covered by the accounts, normally a period of 12 months, commencing on 1 April. The end of the accounting period is the Balance Sheet date, usually 31 March of the following year.

ACCRUALS

Sums included in the final accounts to recognise goods/services received in the year or income and expenditure earned or incurred in the financial year but for which actual payment had not been received or made as of 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits 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.

AGENCY SERVICES

These are the services provided by the Council to a third party on behalf of another organisation.

APPROPRIATIONS

These are the amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

ASSET

An asset is an item having value to the Council in monetary terms. Assets are categorised as either current or non-current: -

- A current asset will be used or be of minimal value within the next financial year (e.g., cash and inventories);
- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible (e.g., a community centre), or intangible, (e.g. computer software licences).

AUDIT OF ACCOUNTS

This is an independent examination of the Council's financial affairs.

BALANCE SHEET

The Balance Sheet is a statement of the true and fair value of the recorded assets, liabilities, and other balances at the end of the financial year.

BUDGET

The Budget is a statement of how much the Council has allocated to each service and function to spend or raise in income for the financial year.

CAPITAL EXPENDITURE

Capital expenditure is expenditure on the purchase of a non-current asset, which will be used in providing services beyond the current financial year, or expenditure which adds to, and not merely maintains, the value of an existing non-current asset. Examples include: the building of a new school, the purchase of IT equipment, a major refurbishment of a care home.

CAPITAL FINANCING

Funds that are available 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 FINANCING COSTS

Capital Financing costs are any additional costs arising from borrowing to fund capital projects. These tend to be interest payable on loans taken out and the Marginal Revenue Provision (MRP) charge on projects financed by borrowing. The MRP is the minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

CAPITAL RECEIPTS

Capital receipts represent the proceeds from the disposal of land or other non-current assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government, but they cannot be used to finance revenue expenditure.

CASH AND CASH EQUIVALENTS

This is cash-in-hand, cash overdrawn, cash held in bank accounts and short-term (for example three months) investments which are readily converted into known amounts of cash.

CASH FLOW STATEMENT

The cash flow statement shows the changes in cash and cash equivalents of the Council during the financial year.

CIPFA

This is The Chartered Institute of Public Finance and Accountancy, the lead professional and regulatory body for local Authority accounting.

COMMUNITY ASSETS

Community assets are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This is one of the main financial statements of the Council which records all the income and expenditure for the Council categorised on the basis of standard CIPFA requirements to enable comparisons to be made between authorities.

CONSISTENCY

This represents the concept that the accounting treatment of like items, within a financial year and from one year to the next, is the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

CONTINGENT LIABILITY

A contingent liability is either: -

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or

- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities is, thus, over and above those which would be incurred by a series of independent single-purpose, nominated bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

CREDIT LOSS

This is the difference between the cash amounts due to the Authority in accordance with the contract and all cash flows that the Authority expects to receive, discounted at the original effective interest rate.

CREDITOR

The amount owed to individuals or other organisations by the Council for work done, goods received or services provided within the financial year but for which payment has not been made by the end of that financial year.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current year.

DEBTOR

The amount owed to the Council from individuals or other organisations for works done, goods received or services provided within the financial year, but for which payment has not been received by the end of that financial year.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the financial year, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

These represent the retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Final Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXPENDITURE AND FUNDING ANALYSIS

This statement aims to show how annual expenditure is used and funded from resources. The first column, the net expenditure chargeable to the General Fund and HRA balances, shows the true impact of the cost of providing services for the year, excluding accounting adjustments.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

FINANCE LEASE

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

GOING CONCERN

This represents the concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HERITAGE ASSETS

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by central government.

HOUSING REVENUE ACCOUNT (HRA)

The HRA is a separate account to the Council Fund, and includes the income and expenditure arising from the provision of housing accommodation by the Council.

IMPAIRMENT

Impairment is a reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet. This is usually due to an event which has substantially reduced the value of the asset, for example, a fire or if an asset has become obsolete.

INFRASTRUCTURE ASSETS

Non-current assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the financial year of the present value of the scheme liabilities because the benefits are one financial year closer to settlement.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the share of the pension scheme assets associated with their underlying obligations.

INTEREST RECEIVABLE OR PAYABLE

The effective interest rate method is used to measure the carrying value of a financial asset or liability measured at cost less accumulated amortisation, and to allocate associated interest income or expense to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the

expected life of the financial instrument to equal the amount at initial recognition. The effective interest is adjusted to the actual interest payment or receipt through the Movement in Reserves Statement to ensure only actual interest is charged to Council Tax.

For financial assets and liabilities carried at cost because the effective rate of interest is the same as the carrying rate of interest, the carrying value is adjusted for accrued interest.

INVENTORIES

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and work-in-progress.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next financial year, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which, by arrangement, is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either: -

- Readily convertible to known amounts of cash at, or close to, the carrying amount; or
- Traded in an active market.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which, together, constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one financial year.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted or mis-stated, could be expected to lead to a distortion of the financial statements and, ultimately, mislead a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement from the start of the year to the end of the year for all the usable reserves held by the Council which can be used to fund Council costs or reduce local taxation, and unusable reserves.

NET BOOK VALUE

The amount at which non-current assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Net Debt is the Council's borrowings less cash and liquid resources.

NET WORTH

The Net Worth is the Council's value of total assets less total liabilities.

NON-DISTRIBUTED COSTS

These are overheads for which there are no direct user benefits and, as such, are not apportioned to services.

NON-DOMESTIC RATES (NDR)

The Non-Domestic Rate is a levy on businesses based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of central government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Non-current assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

An Operating lease is where the ownership of the non-current asset remains with the lessor.

OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior financial years arising in the current financial year as a result of the introduction of, or improvement to, retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

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

PRIOR YEAR ADJUSTMENT

A Prior Year Adjustment is a material adjustment applicable to previous years arising from changes in accounting policy or from the correction of a fundamental error. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain, or very likely, to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOANS BOARD (PWLB)

A Central Government Agency which provides loans for one year and/or more to authorities at interest rates only slightly higher than those at which the government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NDR purposes.

RELATED PARTIES

There is a detailed definition of related parties in IAS 24. For the Council's purposes, related parties are deemed to include Central Government, Local Authorities, and other bodies, either precepting or levying demands on the Council. Related Parties can also include subsidiary and associated companies, joint venture, and joint venture parties and particularly Members and chief officers of the Council.

When considering who is a related party, regard is also taken of transactions involving members of the close family or household of any individual listed.

RELATED PARTY TRANSACTIONS

The Statement of Recommended Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to, or receivable by, an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

Reserves are the accumulation of surpluses, deficits, and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves, such as the Revaluation Reserve, cannot be used to meet current expenditure.

RESIDUAL VALUE

The residual value of an asset is the net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

Revenue Expenditure represents the day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)

Expenditure which can be properly deferred (i.e., treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

SUPPORTED BORROWING

Council borrows money to fund part of its capital programme. This borrowing is funded by Welsh Government as part of its calculation of the formula funding for the Council.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

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

UNSUPPORTED BORROWING

The Council can borrow additional money to the borrowing supported by Government to finance its capital expenditure as long as it is affordable and sustainable. This power is governed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code, with which the Council fully complies.

UNUSABLE RESERVES

Unusable Reserves are those reserves used to absorb the differences between the outcome of applying proper accounting practices and the requirement of statutory arrangements for funding expenditure. Such reserves include the unrealised gains and losses in relation to revaluations of property, plant, and equipment where the value only becomes available if the asset is sold.

USABLE RESERVES

Specific amounts set aside for future policy purposes or to cover contingencies. They can be used to fund expenditure or reduce taxation.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a non-current asset.

WORK-IN-PROGRESS (WIP)

The cost of work performed on an uncompleted project at the Balance Sheet date.

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Isle of Anglesey County Council

Report to:	The Executive
Date:	Tuesday, 21 st July 2026
Subject:	Panel Performance Assessment (PPA) – final report and Council response.
Portfolio holder(s):	Councillor Robin Williams
Head of service / director:	Dylan Williams Chief Executive
Report author:	Gwyndaf Parry Strategic Performance and Projects Manager
Local members:	n/a

A – Recommendation(s) and reasons

In November 2025, the Council participated in a Panel Performance Assessment (PPA) under the Local Government and Elections (Wales) Act 2021. Facilitated by the Welsh Local Government Association (WLGA), the assessment evaluated how effectively the Council exercises its functions, uses resources, and governs itself.

The Council proactively scoped the assessment to focus on:

- **Arrangements for achieving the Council Plan’s strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently?**
- **Is the Council working effectively with our communities and partners to achieve the Council Plan’s strategic objectives?**

The Assessment provides high level external assurance that Anglesey is performing well, in a challenging economic climate, and the Panel concluded that the Council is delivering its functions in accordance with the performance duties. The Report includes 8 recommendations, and the action plan (Appendix 2) specifies how each recommendation will be implemented.

The Executive is requested to review and agree the Action Plan setting out the Council’s response to the eight recommendations, as set out in Appendix 2.

B – What other options did you consider and why did you reject them and/or opt for this opinion?

n/a

C – Why is this a decision for the Executive?

This matter is delegated to the Executive as set out in the Local Government and Elections (Wales) Act 2021

Ch – Is this decision consistent with policy approved by the full Council?

Statutory requirement

D – Is this decision within budget approved by the Council?

N/A

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

A PPA supports a culture where councils are open to challenge, whether presented from within the authority or, in this case, externally.

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

The purpose of the PPA is to provide guidance and recommendations to the Council and provide assurance in relation to:

“To what extent are we using our resources economically, efficiently and effectively.”

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

This assessment was facilitated by the Welsh Local Government Association (WLGA)

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

As part of the assessment, the panel interviewed

- Councillors
- Senior officers
- Staff
- Residents
- Businesses
- Trade unions
- Public Services Board partners
- Community and town councils / Voluntary groups

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

An equality impact assessment will be completed where relevant when the work is carried out in response to the eight recommendations

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

N/A

7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

N/A

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (mandatory)	Comments reflected in the Action Plan
2. Finance / 151 Officer	Comments reflected in the Action Plan
3. Legal / Monitoring Officer (mandatory)	Comments reflected in the Action Plan
4. HR	
5. Property	
6. IT	
7. Procurement	
8. Scrutiny	
9. Local members	
10. Governance & Audit Committee	The report and action plan were considered by the committee on Thursday, 25th June 2026 the following comments were raised: • R4 – update on progress – a review of governance is expected to be completed by end of July. • R3 – does the Council have necessary skills to lead on large scale capital projects. A – Budget provision has been allocated in 26/27. • Do we need an Economic scrutiny panel? A – We will review scrutiny plans to ensure appropriate measure in place from 2027. • Communication – Current arrangements are considered robust. A new communication plan is currently being developed to address this.

F – Appendices

PPA Final Report (Appendix 1)
Council Response (Appendix 2)

Ff – Background papers (contact the report author for more information)

The Executive 17 July 2025 - [Panel Performance Assessment.pdf](#)



Panel Performance Assessment Report

Isle of Anglesey County Council: November 2025

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1.0 Introduction

- 1.1 In accordance with the performance duties under the Local Government & Elections (Wales) Act 2021, Isle of Anglesey County Council (IACC) commissioned a Panel Performance Assessment (PPA) via the Welsh Local Government Association (WLGA).
- 1.2 The onsite assessment was completed over a four-day period concluding on 13th November 2025 with a feedback presentation provided to the council outlining the key recommendations detailed within this report. The report was issued to the council in February 2026.
- 1.3 The assessment was undertaken based on the council's agreed scoping document and the WLGA's PPA methodology, which was developed with the sector. The WLGA PPA methodology provides the panel with an overarching framework: the lines of enquiry are not prescriptive but provide guidance to the panel on the areas that could be explored to meet the statutory duty. However, the extent to which the panel explores those areas should be proportionate to the council's scope but sufficient to enable the panel to form a conclusion.
- 1.4 In accordance with the statutory guidance the PPA is not an audit or an inspection and does not seek to duplicate work undertaken by regulators and other bodies. Whilst the panel has undertaken a corporate assessment, this assessment was not in-depth and should be considered alongside other sources of assurance such as the council's own self-assessment, internal audit reviews, external audit and regulatory reviews.
- 1.5 In preparing for the PPA, the council scoped their requirements to maximise the value and impact of the assessment to the council. The specific areas of focus identified by the council are reflected in paragraph 4.2.
- 1.6 This report provides a summary overview of the conclusions of the panel reported by exception.

Executive Summary

2.0 Overall Conclusion

- 2.1 Overall, against a challenging economic backdrop, the panel concluded that the Council is exercising its functions in line with the performance duties outlined within the Local Government and Elections Act 2021. The Council demonstrates sound governance, constructive member–officer relationships, and a clear trajectory of improvement since 2018. This trajectory enables the Council not only to champion its good work but also articulate its role as a trusted place-based leader for the island.
- 2.2 However, the council faces tightening financial pressures and persistent workforce challenges, underscoring the need for accelerated organisational transformation. The panel recommends broadening the impact of the Improvement and Modernisation Programme Board through a high-level, cross-cutting modernisation plan aligned to the Medium-Term Financial Plan. This will strengthen resilience and enable the council to adapt to financial constraints while seizing opportunities for sustainable growth.
- 2.3 Economic development emerged as a critical priority. The council should articulate a compelling economic narrative and develop an aspirational economic strategy that leverages nationally significant opportunities such as the Wylfa SMR nuclear plant, Anglesey Freeport, and the proposed AI Data Centre. Linking this narrative to performance monitoring and KPIs will reinforce accountability and demonstrate progress on strategic priorities.
- 2.4 Partnership working, particularly with the voluntary sector, is a notable strength of the council. To maximise impact, the council should now deepen regional collaboration to influence and shape the conditions necessary for long-term economic renewal. With major opportunities emerging, including Wylfa's SMR development, the Anglesey Freeport and wider North Wales growth initiatives, the council will need to assert its priorities confidently within regional plans. Strengthening these partnerships will help ensure Anglesey's needs are recognised, sustain momentum behind its economic ambitions, and reinforce the council's role as an influential place-based leader.
- 2.5 Taken together, the panel concluded that Anglesey is in a strong position to build on its progress and respond effectively to the challenges ahead. The council benefits from solid governance, an engaged workforce, respected partnerships, and a clear sense of place-based identity. However, financial pressures, demographic change, workforce scarcity and the scale of emerging economic opportunities mean that the next phase of the council's journey will require confident leadership, accelerated modernisation, and a clearer articulation of its long-term ambitions.
- 2.6 By implementing the recommendations set out in this report—strengthening organisational confidence, developing a high-level modernisation plan, articulating an aspirational economic strategy, refining performance monitoring, and deepening

regional collaboration—the council can enhance its resilience and maximise its impact. This will enable the organisation to champion its achievements more confidently, lead economic renewal, and deliver sustainable, long-term outcomes for the residents and communities of Anglesey.

3.0 Panel

3.1 The following peers were commissioned by the WLGA to undertake the assessment. Selection of the peers was agreed and at the discretion of the council, based on suitability of skills and experience:

- Independent Chair: Emlyn Dole (Former Council Leader: Carmarthenshire County Council)
- Senior Member Peer: Catrin M S Davies (Cabinet Member: Ceredigion County Council)
- Senior Officer Peer: Rob Thomas, (Chief Executive, Vale of Glamorgan County Council)
- Wider Public, Private, or Voluntary Sector Peer: Sara Powys (Consultant)

The panel were supported by Joseph Lewis (Senior Policy Officer: Improvement).

4.0 Scope and Approach

4.1 The panel were required to assess the extent to which the council:

- Is exercising its functions effectively;
- Is using its resources economically, efficiently and effectively; and
- Has effective governance in place for securing the above.

4.2 The council identified the following questions, for the panel to consider as part of the assessment:

- a. Arrangements for achieving the Council Plan's strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently**
- b. Is the Council working effectively with our communities and partners to achieve the Council Plan's strategic objectives**

4.3 In undertaking the assessment the panel conducted a desktop review of the council's documents, data, external reports and other relevant intelligence. The onsite stage of the review involved a series of individual meetings and focus groups with the following stakeholders:

- Council Leader and Cabinet
- Chief Executive Officer and Leadership Team including Monitoring Officer and S151 Officer
- Heads of Service and Key Officers of the Council
- Opposition Members
- Staff Representatives
- Trade Unions
- Business Forum
- Public Services Board (PSB)
- Regional CEOs
- Chair/Vice Chair: Governance & Audit Committee

- Chair/Vice Chair: Scrutiny Committees
- Residents
- Town and Community Council representatives

5.0 Political Organisation

5.1 At the time of the Panel Performance Assessment, the makeup of the council was as follows:

Group Name	Number
Plaid Cymru	20
Labour	3
The Independent Group	4
Anglesey Independents	8
Total	35

5.2 At the time of the Panel Performance Assessment, the makeup of the council's Executive was as follows:

Role	Name	Political Affiliation
Leader and Economic Development Portfolio Holder	Councillor Gary Pritchard	Plaid Cymru - The Party of Wales
Deputy Leader, Finance, Corporate Business and Customer Experience Portfolio Holder	Councillor Robin Wyn Williams	Plaid Cymru - The Party of Wales
Children, Young People and Families Portfolio Holder	Councillor Dyfed Wyn Jones	Plaid Cymru - The Party of Wales
Planning and Public Protection Portfolio Holder	Councillor Nicola Roberts	Plaid Cymru - The Party of Wales
Adult Services Portfolio Holder	Councillor Neville Evans	Plaid Cymru - The Party of Wales
Highways, Waste and Climate Change Portfolio Holder	Councillor Ieuan Williams	Y Grŵp Annibynnol (The Independent Group)
Housing and Community Safety Portfolio Holder	Councillor Carwyn Elias Jones	Plaid Cymru - The Party of Wales

Leisure, Tourism and Maritime Portfolio Holder	Councillor Alun Roberts	Plaid Cymru - The Party of Wales
Education and the Welsh Language Portfolio Holder	Councillor Dafydd Roberts	Y Grŵp Annibynnol (The Independent Group)

5.3 The council has the following Scrutiny Committees;

- Corporate Scrutiny Committee
- Partnership and Regeneration Committee

These are supported by three thematic panels covering Education, Social Services, and Resources.

6.0 Corporate Organisation

6.1 The council's Chief Executive is Dylan Williams.

6.2 The CE leads a Leadership Team consisting of:

- Chief Executive
- Deputy Chief Executive
- Director of Function (Council Business) and Monitoring Officer
- Director of Function (Resources) and Section 151 Officer
- Director for Education, Young People and Skills
- Director for Social Services

6.3 The council has set out its vision as "Creating an Anglesey that is healthy and prosperous where people can thrive".

7.0 National and Local Challenges

7.1 The council operates within a complex and evolving environment shaped by both national and local pressures. At a national level, the continuing financial constraints across Welsh local government present significant challenges to long-term sustainability. The Local Government Settlement remains a critical determinant of the council's financial position, yet the sector-wide outlook is characterised by tightening budgets, rising demand for services, and inflationary pressures that impact core costs. These factors underscore the need for proactive transformation and robust financial planning to maintain service quality and resilience.

7.2 Locally, demographic trends exert additional pressure on services. An ageing population is increasing demand for adult social care, while recruitment challenges affect the council's ability to secure and retain skilled staff in key roles. Economic conditions also present a mixed picture: while strategic opportunities such as the

Wylfa nuclear development and the Anglesey Freeport offer potential for growth, they require coordinated planning, investment, and partnership engagement to realise their benefits fully.

- 7.3 Transport and connectivity remain recurring themes raised by the council and stakeholders alike. Limited infrastructure and connectivity constraints risk impeding economic development and access to services, reinforcing the importance of regional collaboration to secure investment in transport improvements.
- 7.4 In this context, the council must balance immediate operational pressures with the need to position itself for long-term success. Strengthening organisational resilience, accelerating modernisation, and leveraging strategic opportunities will be essential to mitigate risks and deliver sustainable outcomes for the residents of Anglesey.

8.0 Strengths and Areas of Innovation

- 8.1 The panel noted areas of strength across the council, including a clear evidence of organisational improvement and development which the panel felt contributed to the organisation's robustness and ability to meet future changes. A strong and impassioned workforce, which shares the council's sense of identity, and which is committed to the delivery of high-quality services for the island's residents.
- 8.2 The panel also impressed by the council's strong local partnerships, particularly with the voluntary sector, which the council has demonstrated in its Placeshaping Plan, co-developed with Medrwn Môn, enabling a bottom-up framework for the identification local and county-wide priorities.

Case Study: Trauma Informed Practice

Anglesey County Council has been involved in Adverse Childhood Experiences (ACE) awareness and trauma-informed projects and programmes for many years. These include the Police and Partners Early Action Together Programme and participation in a multi-site pilot of ACE enquiry in General Practices in 2018 led by Public Health Wales and Betsi Cadwaladr Health Board. The Gwynedd and Anglesey Public Service Board (PSB) Wellbeing Plan for 2023-28 commits to the PSB being trauma-informed and raising awareness in the system about the impacts of ACEs and trauma on children and young people, and the opportunities to prevent exposure, mitigate risks and address harms.

Overview of Findings

9.0 Performance Requirement: Is exercising its functions effectively

- 9.1 The panel's review of the regulatory reports from the past four years, and interviews onsite, concluded that there was evidence to demonstrate that the council is exercising its statutory functions effectively. The panel have put forward a number of recommendations which focus on non-statutory areas, specifically the council's modernisation and economic development efforts, which it believes will support the council in meeting its corporate objectives.
- 9.2 The panel saw clear evidence of the improvement journey the council has been on since 2018, and felt that the council should be more confident in highlighting its good practice work, reinforcing its corporate value of championing the council and the island. The panel recognised that the council's historic experience of being placed under a Recovery Board by Welsh Ministers has understandably contributed to a cautious organisational culture, with officers and members sometimes hesitant to promote their achievements. However, the progress demonstrated through recent regulatory findings and stakeholder feedback indicates that the council is now well-placed to communicate its strengths more proactively and confidently.
- 9.3 The panel considered that the council has an opportunity to articulate a clearer and more compelling narrative, that addresses demographic challenges and sets out an ambitious vision for the future, underpinned by a defined future operating model. This narrative should capitalise on the island's economic opportunities, which the council has been involved in developing, and the island's strong sense of identity, whilst building trust, demonstrating accountability, and deepening community engagement. By communicating achievements, challenges, and future ambitions effectively, the council can help residents understand the value of its work and the impact of its decisions. A strong narrative will also reinforce the council's role as a place-based leader and serve as a beacon for investment and partnership

Modernisation

- 9.4 As is noted in 10.4, the council has drawn on £10.7 million from reserves over the past three years to balance its budget. This underscores the sustainability challenges faced by the council, and local government more broadly, without significant organisational transformation. As is also noted in 10.2, the council's position in regards to its reserves remains healthy compared to the wider sector position. While any reliance on reserves is clearly unsustainable in the medium to long-term, it represents to the panel a time-sensitive opportunity to invest in the strategic areas that will support the council to realise its target operating model.
- 9.5 The panel noted that the council's Improvement and Modernisation Programme Board is driving a range of positive initiatives, signalling a proactive approach to modernisation. Building on this progress will be critical to shaping a future operating model that supports resilience, financial sustainability, and the delivery of strategic objectives.

- 9.6 The council has an opportunity to strengthen this programme by explicitly linking its future operating model to its long-term vision. By mapping the council's modernisation ambitions against future ways of working it can ensure it remains well-positioned to deliver high-quality public services for future generations.
- 9.7 This Modernisation Plan should be closely aligned with the council's evolving Medium-Term Financial Plan (MTFP), which sets out key themes and priorities for change. The plan should be high-level, cross-cutting, and place the council's future operating model at its core.
- 9.8 Although recruitment into key strategic roles was underway during the panel's assessment, the council should nonetheless ensure it has the corporate capacity to seize new opportunities and progress its Modernisation agenda with urgency and confidence,

Economy

- 9.9 The panel identified a council with a clear sense of its challenges, with those relating to the budget and demography coming through most clearly. Interviewees consistently highlighted the sense that the council was at demographic and economic 'cross-roads', felt across the island, but most acutely in the north. The panel identified a clear recognition from its senior leadership, corporate and political, that the economic development of the county would be instrumental in shaping its future, and meeting the council's vision and strategic objectives.
- 9.10 The panel recognised the work the council is undertaking on the economy through its key strategic plans and programmes. However, it felt the council now has an opportunity to use recent nationally significant developments to strengthen its economic vision and ensure a clearer economic 'golden thread' runs through its strategic plans and informs the KPIs within the Corporate Scorecard.
- 9.11 For example, the council's Destination Management Strategic Plan articulates a strong vision for "a visitor economy that is empathetic to the island's sense of place." While this ambition is clear, the panel were unsure whether this vision was shared across the council and noted that the absence of relevant Key Performance Indicators within the corporate scorecard linked to the delivery of the Destination Management Strategic Plan.
- 9.12 As the council recognises, Local Government acts as convenors of place, shaping the conditions for growth through their planning functions and supporting the development of transport, energy and digital infrastructure that enables businesses to thrive. However, as is also clear, the ability of councils to drive inclusive growth is shaped by interdependent systemic factors that are out of any single body's control. Councils therefore operate in dynamic and context-specific environments, which require them to balance local priorities with regional strategies, resource constraints, and the expectations of both Welsh and UK Governments.
- 9.13 Recognising these wider influences will support the council in ensuring that its KPIs not only reflect internal organisational priorities but also position the council to respond to external opportunities and constraints. By aligning performance

measures with the broader conditions that enable local growth, such as effective regional collaboration, streamlined funding arrangements and strong place-based leadership, the council can reinforce its strategic narrative and better demonstrate how its Corporate Scorecard contributes to long-term economic resilience and inclusive growth for the island.

9.14 Recommendations

1	The council should seek opportunities to reinforce and further develop its role as a place-based leader, further promoting and championing its long-term vision for the island by looking to strengthen its approach to communication and engagement, with a particular focus on promoting its good work.
2	The Council should develop a clear, coherent modernisation plan that sets out its key themes and priorities for change. The Plan should: • Be high level and cross-cutting across the organisation, and, • Be aligned to and resourced through the Medium-Term Financial Plan, and in turn, • Ensure the long-term financial sustainability of the organisation.
3	To support place-based leadership and the council's strategic objective relating to the economy, the Council should develop a clear and aspirational economic development strategic plan that highlights the area's strengths, opportunities, and priorities for growth. The Council should reflect risks and opportunities associated with the island's economy in its Strategic Risk Register.
4	The Council should accelerate its capacity and resilience in delivering projects and transforming the way services are delivered, fully aligned with the Council Plan, Strategic Risks and the Modernisation agenda, by embedding proven internal good practices such as the social care capacity-building initiatives.

10.0 Performance Requirement: The extent to which the council is using its resources economically, efficiently, and effectively

- 10.1 Overall, the panel concluded that the council is effectively managing its economic resources despite confronting the significant challenges that are common across councils in Wales. While governance and understanding of the medium-term position are robust, the absence of an agreed longer-term framework risks undermining the future resilience and the council's efforts in this area should be accelerated at pace.
- 10.2 Ynys Môn County Council entered 2025/26 in a relatively strong, but tightening financial position. The Council's general balances at the start of 2025/26 stood at £18.166 million, which equates to 9.77% of the council's net budget.

- 10.3 The panel noted that the council closed the 2024/25 financial year with a £3.873 million underspend, further strengthening reserves.
- 10.4 However, the panel also noted that the council has used £10.7 million from reserves over the past three years to balance budgets, highlighting the council's sustainability challenge and the need for a comprehensive strategy for service Modernisation.
- 10.5 For 2025/26, the Council set a net revenue budget of £195.443 million, funded by Aggregate External Finance (AEF) of £135.881 million, Council Tax (including premium) of £57.102 million and using £2.460 million of General Reserves.
- 10.6 Budget monitoring for Quarter 1 (April to June) of 2025/26 suggests a projected underspend of £1.551 million (0.79%), reflecting continued strength in corporate budgets due to higher investment returns and lower borrowing costs.
- 10.7 The Medium Term Financial Plan projects a funding gap of £7.3m in 2026/27 and £1.3m in 2027/28, assuming an increase of 2% and 0.6% in AEF in 2026/27 and 2027/28 and a 5% increase in Council Tax in both years. This suggests to the panel that continued reliance on reserves or above-inflation tax rises are unlikely to be sustainable without Modernisation or service redesign

Staff

- 10.8 The panel noted a strong and consistent recognition across the Council's Leadership Team and Cabinet of the vital role staff play in enabling the organisation to deliver its strategic objectives.
- 10.9 The panel recognised the council as facing many of the same recruitment challenges being experienced across the sector. The panel also noted that the council faces additional challenges owing to its geographical location, a well-recognised demographical challenge of outward migration of the island's young people, and the need for Welsh Language requirements in both frontline and key strategic roles.
- 10.10 The panel noted a clear recognition of these recruitment challenges from the council's leadership team, and noted the positive work the council is engaged in to establish clear pathways of training and development into key roles, via initiatives like Dyfodol Môn.
- 10.11 The panel noted that the council has processes in place to engage its staff, including staff surveys, service meetings and cross-service groups, such as Fforwm Mon, which facilitate knowledge and good-practice sharing and enabling individuals to raise concerns and propose solutions.
- 10.12 The panel met with a range of staff members, via focus groups arranged by the council. Overall, the panel felt the council staff shared a clear sense of pride relating to working for the council, and an understanding of the council's core mission.
- 10.13 Staff suggested that the council benefits from a relatively visible and accessible Leadership Team. But also felt that the organisation could benefit from more frequent internal communication methods, such as newsletters, intranet

updates, and targeted briefings, all of which would provide a more consistent flow of information and reduce uncertainty.

- 10.14 Staff feedback also indicated that recruitment challenges identified at a strategic level were evident in the delivery of frontline services. This was recognised by staff as a further risk to the sustainability of council services, and a potential area of misalignment between organisational capacity and the council's strategic ambitions.

Trade Unions

- 10.15 The panel also met with representatives of the Trade Unions recognised by the council. Overall representatives felt that the council could be doing more to meet the principles of Social Partnership and felt the council could do more to engage trade unions on policy issues, particularly pertaining to schools, the workforce, and more meaningful and timely engagement around the budget.

5	The Council should strengthen its internal communication and engagement by building on areas of good practice.
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Residents

- 10.16 During its site visit, the panel engaged with residents through a council-organised focus group. Residents highlighted demographic change as a critical challenge, particularly the need to retain young people on the island. This was seen as essential for sustaining important local services (such as youth clubs), the local economy and building a future workforce. Residents noted that limited employment opportunities and transport connectivity influence outward migration.
- 10.17 Residents emphasised the importance of the Welsh language and opportunities for learning, recognising the council's role in promoting language use and its link to economic participation and employment barriers. The panel noted a strong sense of community pride and belonging, which it regarded as a significant asset for the council.
- 10.18 Residents expressed clear recognition of the council's work and its partnerships, particularly with the third sector. However, they suggested that communication and engagement could be strengthened through a more proactive and targeted approach. While the council's online consultation portal was acknowledged as useful, residents felt that additional methods—such as face-to-face engagement and greater use of social media—would enhance inclusivity and impact, particularly in reaching younger audiences.
- 10.19 Residents also raised concerns about short-termism in decision-making, noting that a stronger emphasis on long-term planning and sustainability would help the council address future challenges more effectively.

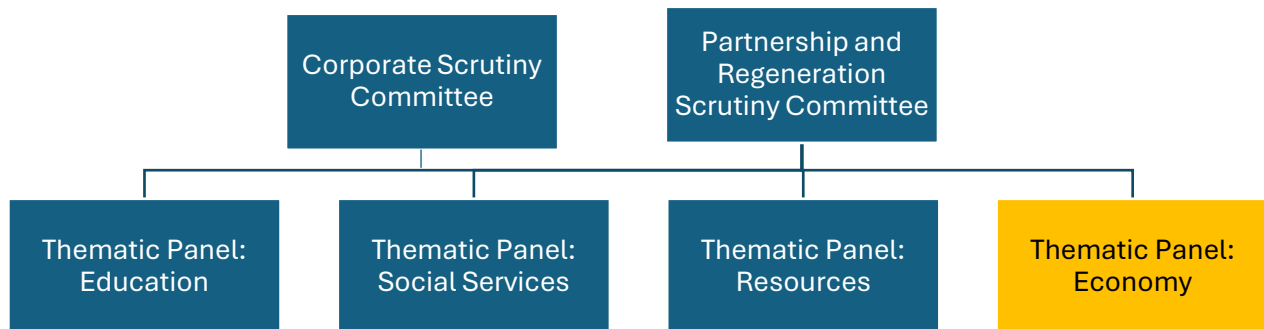
Business Forum

- 10.20 The panel had the opportunity to meet with local businesses, in a focus group organised by the council. It should be noted that the panel met with the Business Forum before the public announcement of the opening of the SMR site in Wylfa. The panel concluded that the strong alignment of priorities between the council and the business community, and that the council's accessibility and emerging economic initiatives, provides a solid foundation for further partnership work to deliver sustainable growth for the island.
- 10.21 The panel noted that the business community echoed many of the challenges identified by the council and its residents, reinforcing the shared understanding of the island's priorities. Businesses highlighted concerns around economic pressures, recruitment and retention and the importance of improving transport connectivity to support trade and investment. They also emphasised the need for a skilled workforce aligned with emerging sectors, recognising that skills development and youth retention are critical to sustaining local enterprises and driving long-term economic growth.
- 10.22 Forum Representatives who met with the panel also indicated that the council could do more to define and communicate a clear economic vision for the island. They emphasised that a well-articulated vision is essential for providing confidence to investors, businesses, and communities. Representatives also suggested that the council's approach to key areas of the local economy —particularly its destination management offer—appeared fragmented at times. They stressed that this needs to be resolved at pace to ensure the island can capitalise on its tourism potential and position itself competitively within the regional economy
- 10.23 Business forum representatives acknowledged that the island had experienced a challenging economic period, marked by the loss of major employers such as Anglesey Aluminium and the secondary jobs these industries supported. However, they also recognised that recent initiatives supported by the council—such as the Anglesey Energy programme—have the potential to diversify the economy, attract new investment, and lay the foundations for future growth. The panel considered this alignment between the council and the business community as a positive platform for collaborative action to drive economic resilience and regeneration.
- 10.24 Business representatives highlighted the council's relative accessibility to the business community, highlighting regular formal engagement with the council's leadership, including the Chief Executive. They felt that the council's willingness to engage directly with businesses created opportunities to co-design solutions to shared challenges, such as workforce development, infrastructure investment, and sector diversification.

11.0 Performance Requirement: Has effective governance in place

- 11.1 Overall, the panel concluded the council has effective governance in place, with some identified areas of improvement within the Council's Scrutiny function.

- 11.2 The council has a constitution and a scheme of delegation, which clearly outlines decision-making responsibilities. The Council also regularly evaluates its own performance against a framework of self-evaluation.
- 11.3 The council has developed a Council Plan shaped by the Well-being of Future Generations Act and aligned with local well-being priorities. The panel observed that the plan is well-recognised internally by staff and acknowledged externally, reflecting the strength of the island's 'Ynys Môn' brand.
- 11.4 The panel felt the council's leadership position on the island enables it to leverage a vision for modernisation and economic development, which can be shared across the island, including its residents, businesses and third sector partners.
- 11.5 The panel noted that sound governance across the council was reinforced by collaborative relationships between members and officers, characterised by trust, professionalism, and a shared commitment to delivering for Anglesey residents.
- 11.6 The panel noted a broad acknowledgement among elected members that the council's Democratic Services Team were well regarded for their professionalism, responsiveness, and impartial support. Members emphasised that the team plays a crucial role in enabling effective governance by ensuring that democratic processes run smoothly and that councillors receive timely, accurate advice and guidance.
- 11.7 The panel recognised that the council's scrutiny arrangements, while lean, are underpinned by a clear structure and a strong commitment to effective governance from officers and elected members.
- 11.8 The council operates with two Scrutiny Committees, supported by three thematic panels covering Education, Social Services, and Resources. The panel felt this lean structure, while understandable, given the council's overall size, had the potential to introduce governance risks to the organisation, as the ability to provide robust and timely scrutiny can be constrained.
- 11.9 To strengthen governance and maximise the value of scrutiny, the council should prioritise its training and development offer for committee members, particularly chairs and vice-chairs, so they have the skills, confidence and resources to deliver comprehensive, consistent and effective scrutiny.
- 11.10 The panel identified an opportunity to strengthen the role of scrutiny in shaping and overseeing the council's economic ambitions. By deepening the connection between scrutiny and the council's strategic priorities, particularly those linked to economic development, the council can ensure that critical issues such as transport, infrastructure, destination management, and skills receive robust, cross-cutting challenge.
- 11.11 The council should consider, establishing a dedicated Economy Panel that could provide a structured platform for this work, enabling scrutiny to apply its distinctive role in testing assumptions, monitoring progress, and engaging external stakeholders.



11.12 The panel also considered the council's high-level Performance Management arrangements, with an emphasis on those associated with the delivery of its Council Plan and included within its Corporate Scorecard.

11.13 The panel noted that the Corporate Scorecard approach used by the council creates a transparent framework for tracking progress against the council's strategic objectives, shared and understood by officers and councillors alike.

11.14 This framework ensures that organisational effort is focused on actions with it recognises as having the greatest impact, supporting alignment between day-to-day delivery and long-term priorities. This approach enhances accountability by enabling members, officers, and stakeholders to monitor performance consistently, while also supporting evidence-based decision making.

11.15 The panel concluded that the Corporate Scorecard provides a clear and accessible framework for tracking progress against the Council Plan. Building on this strong foundation, the council now has an opportunity to adopt a more strategic and streamlined approach by prioritising the KPIs that have the greatest impact on delivering its strategic objectives. Not all indicators carry equal weight, and focusing on a concise set of high-impact measures would improve the clarity of reporting, concentrate organisational effort where it adds most value, and strengthen the line of sight between performance information and decision-making. This refinement would support a more focused and outcome-driven approach to monitoring progress against the Council Plan.

11.16 Recommendations

6	The council should look to strengthen its approach to scrutiny by: - enhancing its member development programme - give serious consideration to the need to establish a Panel for the economy.
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	Strengthening the development of the work programme, ensuring it is strategically aligned and responsive to organisational priorities and communicated effectively across the council.
7	The council should refine its approach to Performance Monitoring, focussing on high priority actions with the biggest impact in the context of its Council Plan, ensuring these priorities are clearly reflected in KPIs on the Corporate Scorecard.

12.0 Arrangements for achieving the Council Plan's strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently

12.1 The panel concluded that the council has appropriate arrangements in place to provide assurance on delivering its Council Plan. However, to strengthen these arrangements further, the panel has set out a series of recommendations designed to enhance governance and strategic capacity. These include improving scrutiny performance (Recommendation 6), developing an aspirational economic development strategy (Recommendation 3), establishing a clear and coherent modernisation plan (Recommendation 4), accelerating organisational capacity (Recommendation 5), and refining performance monitoring to ensure alignment with strategic priorities (Recommendation 7).

13.0 Is the Council working effectively with our communities and partners to achieve the Council Plan's strategic objectives

13.1 When considering the effectiveness of the council's engagement with its communities and partners, the panel identified areas of good practice particularly at a local level, but also opportunities to extend its influence. Engaging more robustly at a regional level to deliver local priorities for Anglesey residents.

13.2 Through its interviews, the panel identified a council that is valued and respected by its partners in the public, private and voluntary sector, who recognise the council's important role in delivering key public services.

13.3 The council has established a Town and Communities Liaison Forum, providing a structured platform for dialogue with town and community councils. Feedback from representatives and OneVoice Wales confirmed that these forums work well and are a model of regional good practice which the council could distribute across the sector.

13.4 The panel noted particularly strong working relationship with the voluntary sector, which the council views as a critical partner in advancing its preventative agenda. The breadth of engagement demonstrated through the Place Shaping Plan was highlighted as an example of good practice.

13.5 As noted elsewhere in this report, partners from the voluntary sector highlighted that the Council could strengthen its approach to communication by adopting more timely and proactive engagement. This includes improving participation in formal

consultations and Council forums, particularly on issues of importance to the third sector, such as the annual budget and the allocation of Council grants.

13.6 Partners acknowledged that the council's online consultation portal was functional but recommended strengthening engagement through complementary methods, such as increased targeted face-to-face interaction and greater use of social media.

13.7 The panel shared the council's view, that critical infrastructure projects, such as improving transport links and addressing connectivity constraints, cannot be delivered in isolation. The panel consistently heard that improved infrastructure is a shared priority among officers, members, residents, and partners. Regional collaboration provides the council with a stronger, collective voice to influence investment decisions and secure funding from Welsh and UK Governments. The council should maintain its momentum, in working with neighbouring authorities and regional bodies, such as Ambition North Wales/Uchelgais Gogledd Cymru (the Corporate Joint Committee), the council can further position Ynys Môn as an integral part of North Wales' economic growth strategy, ensuring that projects like bridge improvements are prioritised within wider transport and connectivity plans.

13.8 As the council's leadership is acutely aware, the council is operating at a demographic and economic crossroads, with nationally significant developments such as Wylfa's SMR nuclear power station and the Anglesey Freeport creating clear opportunities for growth. However, these opportunities will only be fully realised if supported by robust infrastructure. Regional collaboration enables the council to align its infrastructure ambitions with economic priorities across North Wales, creating a compelling case for investment that links transport improvements to job creation, inward investment, and long-term sustainability.

13.9 Working regionally enhances the council's ability to overcome resource constraints and capacity challenges. Large-scale infrastructure projects require significant technical expertise, financial resources, and political influence, elements that are amplified through regional partnerships. By embedding collaborative approaches evident in existing good practice, the council can extend its influence beyond local boundaries, ensuring that the island's needs are reflected in regional transport strategies and funding bids.

13.10 **Recommendations**

8	The Council should seek to embed the good practice evident across a range of partnerships currently in place by: • Continuing to lead the way in regional partnerships, driving collaboration and ensuring Ynys Môn has a strong, influential voice across North Wales and beyond. • Replicating the strong partnership working evident within the third sector and social care, ensuring these collaborative approaches are extended to community level groups and organisations.
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14.0 Acknowledgements

- 14.1 The Panel and the WLGA would like to extend their thanks to the council, its members and officers for the support in coordinating documentation requests, responses to queries, arranging meetings and workshops and providing responsive onsite support.
- 14.2 The Panel would also want to extend their thanks to the organisations, partners and interviewees they met with whilst on site.

Appendix 2

Panel Performance Assessment: Final Report and Council Response

1. Introduction

In November 2025, the Council participated in a Panel Performance Assessment (PPA) under the Local Government and Elections (Wales) Act 2021. Facilitated by the Welsh Local Government Association (WLGA), the assessment evaluated how effectively the Council exercises its functions, uses resources, and governs itself.

This report presents the Council's proposed response to its first Panel Performance.

The Council proactively scoped the assessment to focus on:

- **Arrangements for achieving the Council Plan's strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently?**
- **Is the Council working effectively with our communities and partners to achieve the Council Plan's strategic objectives?**

The PPA provides a high level of external assurance that Anglesey is performing well, against a challenging economic backdrop, the panel concluded that the Council is exercising its functions in line with the performance duties .

2. Key Findings

Overall, against a challenging economic backdrop, the Council demonstrates sound governance, constructive member–officer relationships, and a clear trajectory of improvement since 2018.

This enables the Council not only to champion its good work but also articulate its role as a trusted place-based leader for the island.

Economic development emerged as a critical priority, with a need to develop a compelling economic narrative and develop an aspirational economic strategic plan. The panel identified nationally significant opportunities such as the Wylfa SMR nuclear plant, Anglesey Freeport, and the proposed AI Data Centre.

However, the council faces tightening financial pressures and persistent workforce Challenges. The panel recommends developing a high-level, cross-cutting modernisation Strategic plan aligned to the Medium-Term Financial Plan. This will strengthen resilience and enable the council to adapt to financial constraints while seizing opportunities for sustainable growth.

The panel concluded that Anglesey is in a strong position to build on its progress and respond effectively to the challenges ahead. The council benefits from solid

governance, an engaged workforce, respected partnerships, and a clear sense of place-based identity.

3. Next Steps

The draft response and action plan is set out in section 4.

Once approved, and in line with the statutory guidance for PPAs, the documents will be published on the Council's website to facilitate transparency and public engagement.

A copy of the Council's approved response and action plan will be formally sent to the members of the Panel, the Auditor General for Wales, Her Majesty's Chief Inspector of Education and Training in Wales, and the Welsh Ministers.

The actions identified in response to the recommendations will be embedded into and monitored through the Annual Delivery Document and Service Delivery Plans.

4. Action plan

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
1.	The council should seek opportunities to reinforce and further develop its role as a place-based leader , further promoting and championing its long-term vision for the island by looking to strengthen its approach to communication and engagement, with a particular focus on promoting its good work.	Agree	We will develop and adopt place-making plans for the five towns on the island. Establish and communicate clear, coordinated place-based guidance that reinforces the Council's leadership and long-term vision, aligns place initiatives, and ensures ongoing engagement with communities and partners. We will make better use of ONS demographic data in our decision making process, becoming a data informed organisation.	Christian Branch	Fon Roberts, Susan O Jones, Management Team	December 2026 July 2027 Ongoing
2.	The Council should develop a clear, coherent modernisation plan that sets out its key themes and priorities for change. The Plan should: Be high level and cross-cutting across the organisation, and,	Agree	We will develop and publish a Modernisation strategic plan. It will identify our modernisation priorities for improvement and identify when and how	Huw Ynyr	Rhys H Hughes, Management Team	December 2026

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
	- Be aligned to and resourced through the Medium-Term Financial Plan, and in turn, - Ensure the long-term financial sustainability of the organisation.		they will be implemented. It will be aligned with our financial planning to ensure we meet our commitments within the current and future Council Plan. The new Modernisation Strategic Plan will inform our strategic aims and commitments in the new Council Plan from 2028.			
3.	To support place-based leadership and the council's strategic objective relating to the economy, the Council should develop a clear and aspirational economic development strategic plan that highlights the area's strengths, opportunities, and priorities for growth. The Council should reflect risks and opportunities associated with the island's economy in its Strategic Risk Register.	Agree	We will review our current baseline and complete a SWOT analysis to understand our strengths, weakness, opportunities and threats in relation to current economic challenges. Review and reflect key economic risks and opportunities within the	Christian Branch	Management Team	December 2026 December 2026

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
			Council's Strategic Risk Register. Develop a clear and ambitious economic development strategic plan that outlines how the Council will contribute towards realising opportunities for growth. It will inform the new Council Plan from 2028			July 2027
4.	The Council should accelerate its capacity and resilience in delivering projects and transforming the way services are delivered, fully aligned with the Council Plan, Strategic Risks and the Modernisation agenda, by embedding proven internal good practices such as the social care capacity-building initiatives.	Agree	We will review our governance arrangements for strategic projects in line with strategic aims and Council Plan. In line with our commitment to develop a new Modernisation Strategic Plan we will acknowledge and priorities resources to deliver key strategic projects.	Huw Ynyr	Rhys H Hughes, Management Team	July 2026 December 2026

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
5.	The Council should strengthen its internal communication and engagement by building on areas of good practice.	Agree	A new internal communications plan is being developed. Once adopted, it will be utilised to improve internal communications with all staff.	Eurig Williams	Gethin Jones, Lee Jones, Management Team	December 2026
6.	The council should look to strengthen its approach to scrutiny by: - enhancing its member development programme - give serious consideration to the need to establish a Panel for the economy. - Strengthening the development of the work programme, ensuring it is strategically aligned and responsive to organisational priorities and communicated effectively across the council.	Agree	We will strengthen our member development programme as part of our induction for members following the 2027 local elections. We will review our scrutiny governance arrangements and consider how scrutiny of economic issues can be strengthened.	Dyfan Sion	Lynn Ball	March 2027

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
7.	The council should refine its approach to Performance Monitoring , focusing on high priority actions with the biggest impact in the context of its Council Plan, ensuring these priorities are clearly reflected in KPIs on the Corporate Scorecard .	Agree	We will review our performance monitoring framework to ensure our processes give assurance that we are progressing to achieve our Council Plan. We will strengthen the link between risk management, financial management and performance monitoring. The two strategic plans developed in response to recommendation two, three and four will inform our reviewed strategic aims as part of the new Council Plan from 2028 which will also inform our revised key performance management indicators.	Huw Ynyr	Rhys H Hughes , Gwyndaf Parry, Dyfan Sion, Susan O Jones	December 2026 July 2027

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
8.	The Council should seek to embed the good practice evident across a range of partnerships currently in place by: - Continuing to lead the way in regional partnerships, driving collaboration and ensuring Ynys Môn has a strong, influential voice across North Wales and beyond. - Replicating the strong partnership working evident within the third sector and social care, ensuring these collaborative approaches are extended to community level groups and organisations.	Agree	We are committed to working in partnership with local, regional and national stakeholders and partners, including strengthening our alliance with Medrwn Môn and Môn CF to deliver our Age Friendly and Trauma Informed Strategic Plans. We will continue to promote and encourage partnership working in line with our Council values across the Council through the Leadership and Management team.	Leadership Team	Management Team	Ongoing

Isle of Anglesey County Council

Report to:	The Executive
Date:	July 2026
Subject:	Resilience of the Menai Crossing
Portfolio holder(s):	Councillor Gary Pritchard Leader and Portfolio Holder for Economic Development Councillor Ieuan Williams Portfolio Holder for Highways Waste and Property
Head of service / director:	Christian Branch – Head of Service Regulation & Economic Development Service Huw Percy – Head of Service for Highways, Waste and Property
Report author:	Tudur H. Jones – Chief Officer Economic Development
Local members:	Relevant to all

A – Recommendation(s) and reasons

Recommendations:

- 1) To raise awareness and the profile of the report by sharing with all regional stakeholders (public sector i.e. North Wales Police, Betsi Cadwaladr Health Board etc.) and private sector partners
- 2) To share the report with UK Government's Secretary of State for Wales, and Welsh Government's Cabinet Minister for Enterprise, Connectivity & Energy and the Deputy Minister for Transport
- 3) To secure a meeting with the above Ministers to discuss a collaborative approach to the issue of the Menai Crossing, agree governance structures and a proposed timetable for next steps and ensure progress.

This report builds upon the previous papers presented to the Executive on the 18th of July 2023 ([Executive 18072023](#)) and also on the 29th February 2024 ([Executive 29022024](#)) whereby serious concerns and reservations surrounding the resilience of the Menai Crossing have been made.

There has not been a new bridge built across the Menai Strait since 1850. The Menai Bridge was originally completed in 1826, making it 200 years' old this year. The Britannia Bridge was completed in 1850, albeit some of it was rebuilt after a fire in the 1970s. The Green Book (2026) advises a project lifecycle of 60 years for infrastructure projects – this means that the Menai Bridge has already been operating for 3.3 times its anticipated lifecycle (and that is the expected lifecycle for a bridge that opens now with modern design and technology). The Britannia Bridge has been operating for 2.9 times its anticipated lifecycle.

The negative impacts from the sudden closure of the Menai Bridge in October 2022 (four years ago) cannot be underestimated. These impacts were made significantly worse in the week of the Eisteddfod yr Urdd when the Menai Bridge was forced to close 3 times in 24hrs because of overweight vehicles crossing. What should have been a celebration of Welsh

language, arts and culture and the Island in itself, was partially over shadowed by the chaos caused by the closure of the Menai Bridge.

A Third Menai Crossing is not a typical road scheme – it is not (only) about traditional transport user benefits but also provides long term resilience for access between Anglesey and the mainland and would also enable and facilitate:

1. Economic growth
2. Societal benefits
3. Transport related benefits
4. Environmental benefits

The Council has made clear its reservations over the findings of the North Wales Transport Commission (NWTC) in its previous report in February 2024. Whilst it was the Council's opinion none of the recommendations would resolve the issue of the resilience of the Menai Crossing, it is disappointing that no progress at all on implementing any of the recommendations has been forthcoming.

The ongoing congestion and lack of resilience is severely limiting and having a profound negative impact on social, economic, educational, health and cultural connections to and from the rest of the country.

It is also hampering the island's ability to attract the businesses and economic activity it needs to reduce a cycle of job losses, lower on-island employment and increasing reliance on off-island jobs. Tourism is an important sector to the Anglesey Economy, repeated closures including short notice closures and the issues it causes negatively affects the attractiveness of Anglesey as a tourist destination.

The ongoing lack of resilience exacerbates the challenges faced by the island's economy and hinder the successful implementation of key policy decisions that seek to rebuild our employment base and reduce the need of our residents to leave the island to work. This is now pressing against the backdrop of recent policy announcements (of which the Council has worked tirelessly to secure) aimed to stimulate economic activity such as the Porthladd Rhydd Ynys Môn (Anglesey Freeport), the AI Growth Zone and of course the Wylfa Small Modular Reactor investment.

Each of these will increase demand for travel by both businesses and residents and therefore increase pressure and reliance on the crossings.

But the vital need for a Third Crossing is not only about Anglesey's socio-economic future – it is also about North Wales as a region (as well as Welsh, UK-wide and international connectivity). Affecting not only Anglesey, the current situation introduces an undesirable fragility to regional resilience as a whole.

Regionally, across North Wales, many businesses from neighbouring counties serve, service and benefit from a market on Anglesey. Many larger businesses from, for example, Northeast Wales trade further afield with various markets in Ireland (and vice versa).

A Third Crossing thus becomes vital to achieving regional coherence and resilience, as well as outcomes from, for example, the North Wales Growth Deal. Key regional partners delivering vital services, engaging with customers and clients, and drawing workforce daily across the Menai Straits (such as those outlined in Recommendation 1 above), thus

constitute an essential part of the conversation in moving this matter forward and need to be involved.

The long-term solution is a third crossing of the Menai Strait. The case for this has already been made by Welsh Government through previous studies which in 2016 concluded that “Do nothing” was not an option. In the intervening 10 years, the situation has worsened.

The Council therefore welcomes the announcement made by Welsh Government on the 9th June 2026 that “*Looking at the longer term, we will now start looking at detailed options for a third Menai crossing, building on the work already undertaken*” and that we will continue to work with the Welsh Government on this critical infrastructure and ensure that meaningful progress is made in its development.

B – What other options did you consider and why did you reject them and/or opt for this opinion?

Doing nothing is not an option – given the historical issues with the resilience of the crossing to the mainland, the Council must continue to respond robustly to this ongoing issue.

C – Why is this a decision for the Executive?

Securing the formal support and endorsement of the Executive is important given the importance of the subject at hand and the high degree of local stakeholder interest.

This also builds on previous discussions held, including that at the Full Council on 23rd May 2023

<https://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=127&MId=4173&Ver=4&LL=0>

Also, 18th July 2023

<https://democracy.anglesey.gov.uk/ieListDocuments.aspx?CId=134&MId=4208&Ver=4&LL=0>

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within budget approved by the Council?

No impact on internal budgets.

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

Securing the resilience of the Menai Crossing is essential to the future of Anglesey and its residents.

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

Addressing the resilience of the Menai Crossing has the potential to prevent future costs/dependencies on the Authority by stimulating economic growth and prosperity and removing barriers that currently exist.

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

Yes – there has been previous working with key partners and stakeholders across North Wales.

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

This aspect will come further however we are cognisant of the strength of feeling that exists at the lack of resilience.

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

This has the potential to have significant positive impacts for all our residents.

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

We envisage that this has the potential to have potential positive impacts for all citizens especially considering that Anglesey suffers from deprivation and a number of its residents are at a socio-economic disadvantage.

7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

N/a.

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (mandatory)	Supportive
2. Finance / 151 Officer	Supportive
3. Legal / Monitoring Officer (mandatory)	Supportive
4. HR	N/A
5. Property	N/A

6. IT	N/A
7. Procurement	
8. Scrutiny	
9. Local members	

F – Appendices

The Case for a Third Crossing (June 2026)

Ff – Background papers (contact the report author for more information)

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Ynys Môn

THE ISLE OF Anglesey

DRAFT: The Case for a Third Menai Crossing

JUNE 2026



CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

www.ynysmon.llyw.cymru

www.anglesey.gov.wales

1 Introduction

‘People in Ynys Môn and across north Wales have been let down for too long when it comes to the resilience of the Menai crossings. This new Welsh Government will act with greater urgency and focus.’

Deputy Minister for Transport, Mark Hooper MS, Written Statement - 28th May 2026

‘Looking at the longer term, we will now start looking at detailed options for a third Menai crossing, building on the work already undertaken.’

Deputy Minister for Transport, Mark Hooper MS, Oral Statement – 9th June 2026

- 1.1 **The Isle of Anglesey County Council (IACC) welcomes the recent written and oral statements released by Mark Hooper MS** which acknowledges both the lack of progress that has been made to date, and the need for Welsh Government to act with greater urgency and focus to deliver short term and long term solutions.
- 1.2 In particular, we welcome the commitment to look at detailed options for a Third Menai Crossing. The intention is that the evidence set out in this document helps to make the case for a Third Menai Crossing more quickly and we look forward to collaborating with the Welsh Government to do so.
- 1.3 **There has not been a new bridge built across the Menai Strait since 1850.** The Menai Bridge was originally completed in 1826, making it 200 years’ old this year. The Britannia Bridge was completed in 1850, albeit some of it was rebuilt after a fire in the 1970s. The Green Book (2026) advises a project lifecycle of 60 years for infrastructure projects – this means that the Menai Bridge has already been operating for 3.3 times its anticipated lifecycle (and that is the expected lifecycle for a bridge that opens now with modern design and technology). The Britannia Bridge has been operating for 2.9 times its anticipated lifecycle.
- 1.4 **The Menai Bridge was built for horse and cart.** The approach of the previous Welsh Government was to extend further the bridge’s life through a programme of maintenance that has been proven not to work – the bridge is still frequently shut and the problems caused during Urdd Eisteddfod have shone a spotlight on the issues. Extending the life of a bridge that is 200 years’ old, and that was built for horse and cart, is an ineffectual response to a much bigger problem.
- 1.5 Our position is that the only pragmatic solution is to **progress urgently work on the Third Crossing project**, ensure that **short term measures are implemented to mitigate existing issues** as much as possible, and for the **Menai Bridge to be for cars, walking and cycling**, supporting tourism and community wellbeing. We welcome that the Welsh Government appear to be of the same view and are looking at detailed options for a Third Menai Crossing.
- 1.6 The Island is at a critical point in determining its future trajectory. After decades of major business closures and job losses that have led to a significant loss of its working age population, it now has the opportunity to secure major inward investment that is likely to

significantly increase traffic flows to and from the Island. A new crossing is therefore required to:

- Ensure that the **Island does not continue its economic decline** – with the knock-on effects on the **Welsh language** and community cohesion as people are forced to leave the Island for work
- To maintain and grow the role of **Holyhead Port** both for the north Wales economy but also acknowledging its strategic importance to the UK economy providing a key connection in the “land bridge” from Ireland to the rest of Europe and as the UK’s second largest roll-on roll-off ferry port after Dover.
- To ensure that delivery of benefits of the transformational, Welsh Government supported, projects including the **Freeport** (which will deliver 5,000 jobs) and the **North Wales Growth Deal**
- To ensure that the resilience and reliability of the crossings **do not stifle the ability of residents of North Wales to take advantage of employment opportunities** on the Island, including as a result of the transformational projects set out above
- **Support the delivery of Wylfa** and ensure that any **cost savings are realised** associated with combining elements of the projects
- To ensure that the **communities both sides of the Menai Strait can assess the community services they require** and to safeguard provision (by enabling people to get to their place of work)

1.7 **The Isle of Anglesey County Council has consistently advocated for a long-term solution to the reliability and resilience of the Menai Crossings** and we look forward to working closely with this new Welsh Government to ensure that the short term and long-term measures that are required are delivered.

1.8 The remainder of this report sets out

- 1.8.1 **The Problem (Section 3)** – the issues with the bridges, the direct economic and social consequences and the long-term implications of not progressing the Third Menai Crossing.
- 1.8.2 **The Solution (Section 4)** – the long-term solution is a third crossing of the Menai Strait, closing the Menai Bridge to traffic heavier than cars and making it a walking and cycling option and implementing short term measures to mitigate immediate impacts. This section sets out this case.
- 1.8.3 **The Roads Review (Section 5)** – We welcome the Government’s change of approach reverse the previous Welsh Government’s decision to cancel the proposed Third Menai Crossing project – we summarise our position in this section.
- 1.8.4 **Next steps (Section 6)** – We support the Government’s approach to urgently progress the implementation of short and longer term plans, and look forward to working collaboratively to do so.

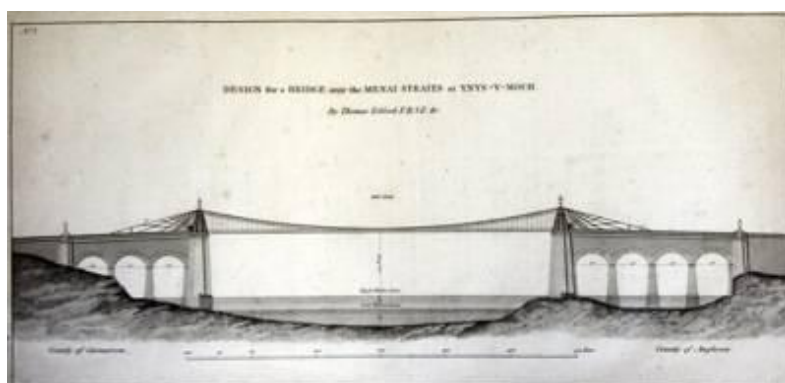
2 The Problem

- 2.1 There has not been a new bridge built across the Menai Strait since 1850 – before roads were designed for cars. Currently there are two bridges that connect Anglesey to the mainland – both are old, not designed for the uses required today, and far beyond their reasonable use.
- **The Menai Suspension Bridge (A5)** – between Bangor and Menai Bridge.
 - **Britannia Bridge (A55)** – between Capel-y-graig and Llanfairpwllgwyngyll.
- 2.2 The A55 / E22 Britannia Bridge is a main arterial route in Anglesey connecting the mainland with the Port of Holyhead.

The Menai Bridge

- 2.3 The Menai Bridge was originally completed in 1826, making it 200 years' old this year. It was designed for horse and cart.
- 2.4 As Mark Hooper MS (Deputy Minister for Transport) set out in the Senedd on the 9th June 2026: ***'This is a 200-year-old structure never designed for modern traffic demands, and it will continue to present challenges.'***

Figure 2-1: Telford's original design of the Menai Bridge



- 2.5 The Green Book (2026) advises a project lifecycle of 60 years for infrastructure projects – this means that the Menai Bridge has already been operating for 3.3 times its anticipated lifecycle (and that is the expected lifecycle for a bridge that opens now with modern design and technology).
- 2.6 The Bridge is in a state of near continuous maintenance with a combination of longer planned and shorter unplanned periods of closure since its full closure of 6 months in October 2022. Both have a knock-on impact on the wider road network, the traffic flows over the Britannia Bridge.
- 2.7 Short term closures are becoming increasingly common and there are more frequent occurrences of drivers disregarding the rules. This was highlighted recently during Urdd

Eisteddfod – disappointingly what should have been a celebration of Welsh language, arts and culture was partially over shadowed by the chaos caused by the closure of the Menai Bridge, which was closed three times over a 24-hour period.

2.8 Between the 10th April and the 2nd June, the Menai Bridge was shut six times as a result of suspected overweight vehicles (10th April, 27th April, 26th May, 2th May twice and the 2nd June). There were also maintenance works that either partially or fully closing the crossing:

- 13 and 14 May between 10am and 6pm – lane closure, traffic lights facilitate travel in both directions
- 15 May from 2pm until 16 May at 6pm - full bridge closure
- 17 May from 8pm until 18 May at 6am – lane closure, traffic lights facilitate travel in both directions
- 18 to 21 May, daily between 10am and 6pm lane closure, traffic lights facilitate travel in both directions

Figure 2-2: BBC news



- 2.9 The closures caused by suspected overweight vehicles crossing the bridge, violating the 7.5t restriction, resulted in the Welsh Government to release the following statement:

"We reiterate that only vehicles under 7.5 tonnes may use the bridge. Following recent breaches, traffic lights will operate for the duration of the Urdd Eisteddfod. Overweight vehicles will be turned away, with non-compliance referred to the police. We have increased Police and Welsh Government Traffic Officer presence to ensure safety and keep the crossing open.

We urge the public to respect those working on the bridge and follow their instructions."

- 2.10 The overlap with the Urdd Eisteddfod has both put issues of resilience in the spotlight and has both highlighted and escalated the frustration of the local community – but this is not a new issue.

- 2.11 The problems are exacerbated when there is an issue on the Britannia Bridge.

The Britannia Bridge

- 2.12 The Britannia Bridge was completed in 1850, albeit some of it was rebuilt after a fire in the 1970s. It has already been operating for 2.9 the expected lifecycle of a bridge built today. It has not had any major maintenance work for several years and is therefore vulnerable to closures due to wind, incidents and accidents.
- 2.13 While the Britannia Bridge has not had the extreme issues seen at the Menai Bridge in recent years – we cannot and should not take for granted its structural integrity. It is a vital part of the strategic transport network connecting the Island to the mainland, Holyhead Port to the rest of the UK, and linking people, economies and communities on both sides of the Menai Strait. As set out below, when there are issues with the Britannia Bridge – the knock on effects are significant, and this would be even greater if it coincided with a closure of the Menai Bridge. There has not been any long term closures required for maintenance of the Britannia Bridge in recent years but that is not to say that there will not be in the future and therefore effective and proactive planning is required now.
- 2.14 The Britannia Bridge is the only single carriageway section of the A55 and acts as a significant bottleneck to commuter, port and holiday traffic. It is therefore more vulnerable to accidents compared to dual carriageways, especially on the approaches.
- 2.15 Given the design and (necessary) weight restrictions on the Menai Bridge, it is the only connection between the mainland and Anglesey, and importantly Holyhead Port, which can carry wide, high or heavy loads. Congestion on the bridge increases around the times that a ferry is arriving or leaving.
- 2.16 During particularly high winds (gusts above 70mph) the bridge is fully closed – with no possible diversion route for vehicles over 7.5 tonnes. This creates issues as HGVs wait on the A55.
- 2.17 In May 2023 there was unfortunately a fatal road collision near the Britannia Bridge. This resulted in the closure of the bridge from 03:00 until 12:35 and the effects were significant on the residents of Anglesey including the students of David Hughes who were sitting important,

external exams. There were also wider secondary issues on the diversion of traffic through Llanfairpwll which forced all vehicles on the old A5 which is no longer fit-for-purpose for those volumes and vehicle types.

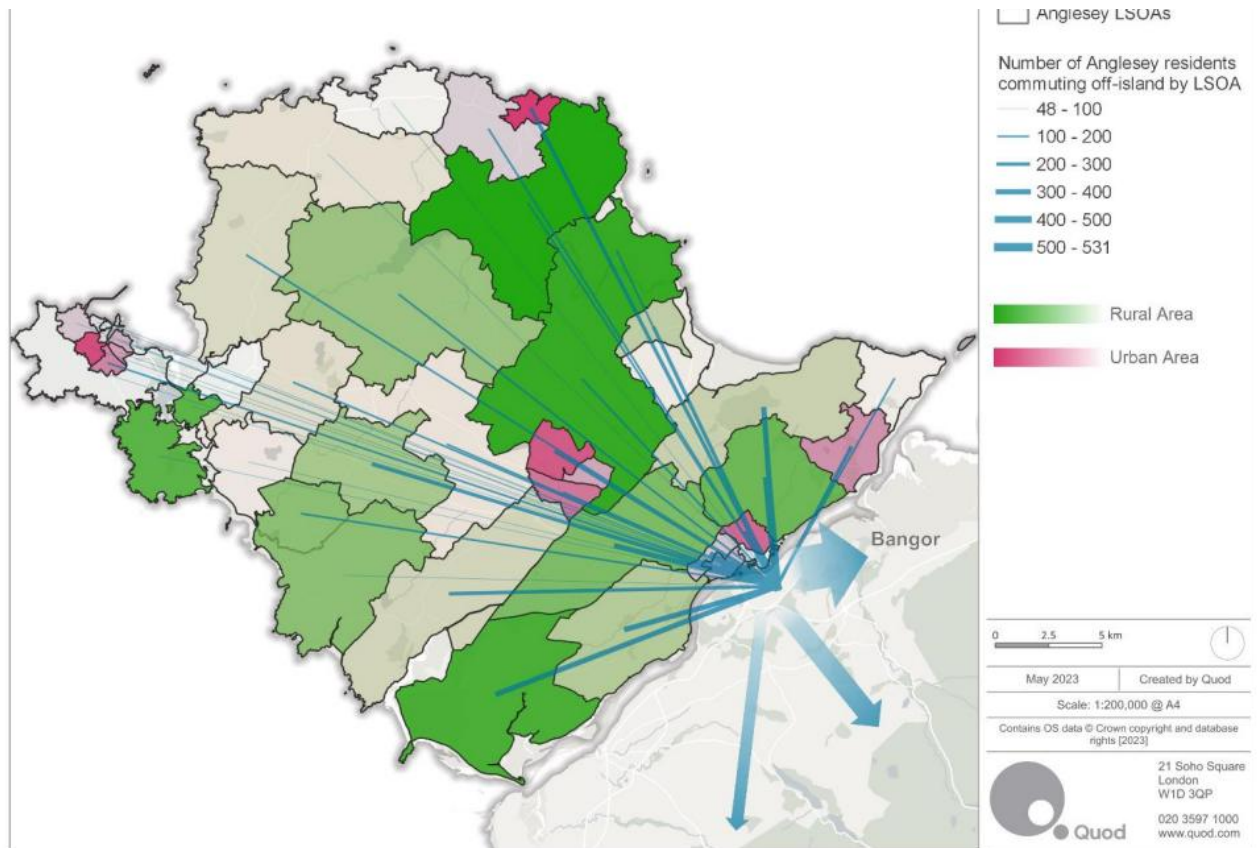
The consequences

2.18 The immediate and direct consequences of the closures are economic and social.

Direct economic consequences

- 2.19 **Repeated closures undermine the competitiveness of Holyhead Port** – this is a national issue given the strategic importance of the Port providing a key connection in the “land bridge” from Ireland to the rest of Europe and as the UK’s second largest roll-on roll-off ferry port after Dover. It is not just the actual delays (which have time and cost implications), it is also the perception or risk of delays that also impact the competitiveness. As set out above the Menai Bridge was shut six times between the 10th April and the 2nd June as a result of suspected overweight vehicles in addition to several periods where it was fully or partially shut for maintenance.
- 2.20 **This makes it more difficult to attract businesses and inward investment, including to the Freeport and it makes constructing the SMR project at Wylfa more difficult.** Anglesey has suffered from repeated factory closures over the last 20 years – most recently the 2-Sisters site in Llangefni shut (moving its operations closer to Chester) in part due to transport costs. There is office demand from businesses in established areas all along the A55 from Chester to Conwy in North Wales, but not further. This is likely to be driven by the difficulty of accessing Anglesey and the high transportation cost of getting to the Island
- 2.21 Tourism is also an important sector to the Anglesey Economy, repeated closures including short notice closures and the issues it causes negatively **affects the attractiveness of Anglesey as a tourist destination**. Since tourists add to the strain on the crossings, the issues are exacerbated at peak times and holiday periods. This affects both tourists (who tend to be in the area at points when the issues are worst) and residents / businesses (who experience even worse effects during the tourism season).
- 2.22 **It severs a functional economic area and makes it more difficult to live in Anglesey and work on the mainland (and vice versa).** Nearly 40% of Anglesey residents commute off the Island for work and mostly reside close to the existing two bridges. Anglesey has the only travel to work area (TTWA) in the Wales that is severed by water. This means that an area that is functionally economically linked is severed by a lack of reliable crossing.
- 2.23 It also limits the ability of residents of North Wales to take advantage of employment opportunities on the Island, including as a result of the transformational projects including Wylfa and the Freeport.

Figure 2-3: Residents commuting off the island



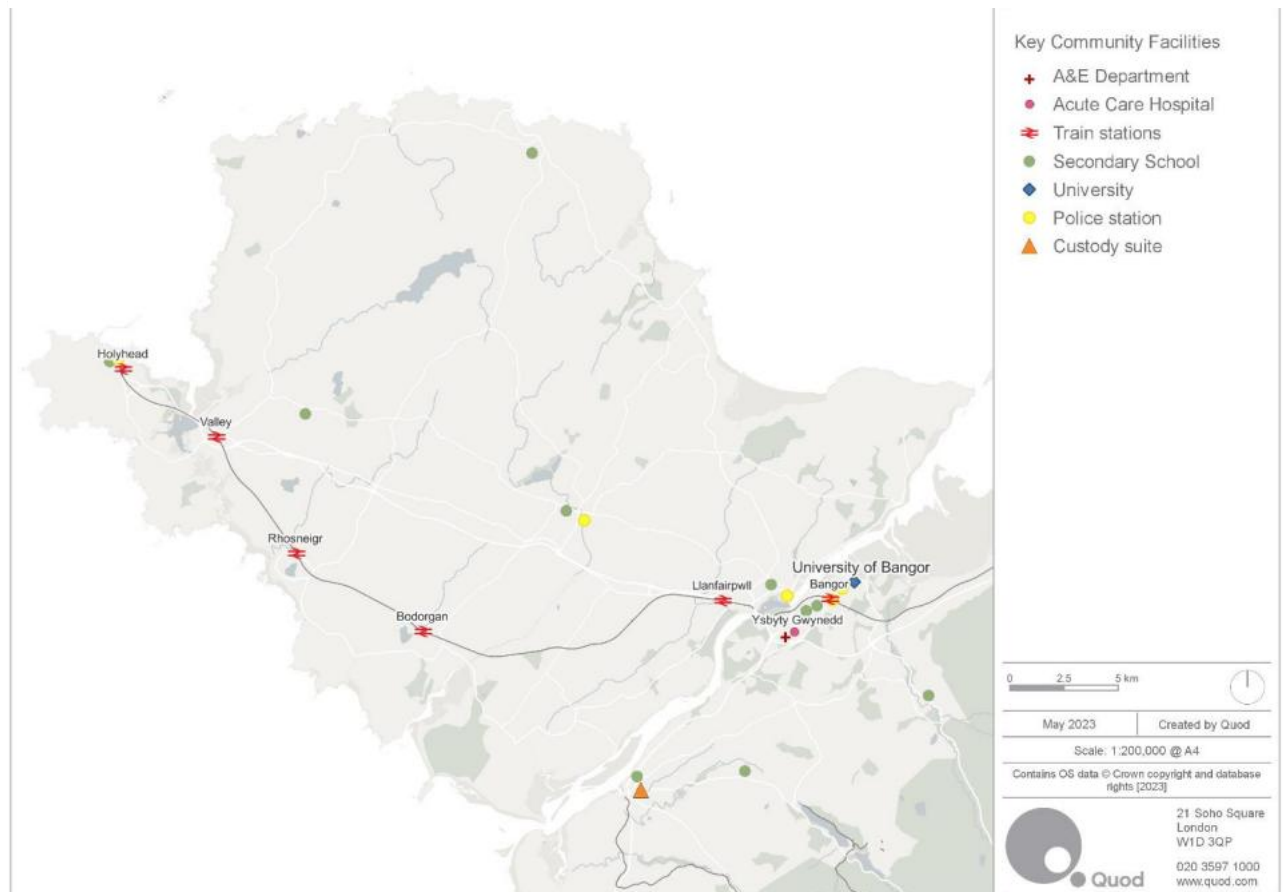
Direct social consequences

2.24 Anglesey residents are unusually reliant on the bridges. Many key healthcare, educational and crime and justice facilities are located on the mainland. Social consequences include:

- Impact on emergency services access since the closest A&E is on the mainland with both staff and patients unable to access Ysbyty Gwynedd.
- Impact on education due to school with students and staff unable to access schools and especially Ysgol David Hughes, Menai Bridge Primary, Ysgol Llanfairpwll and Bangor.
- Road safety concerns outside schools due to lack of alternative routes and rat running of HGVs when disruption occurs.
- Increased air and noise pollution – particularly Lon Refail in Llanfairpwllgwyngyll, which runs alongside the A55 between J8 and J8a has increased air pollution, noise and vibration levels for local residents.
- Poor resilience for all journeys including public transport, thus disincentivising the use of buses, which can only cross on the Britannia Bridge due to weight restrictions.

2.25 The closest community facilities such as an A&E department, acute care hospital and a university are all located on the mainland in Bangor. The closest custody suite is located in Caernarfon (on the mainland), which is even further from the two crossings and the emergency mental health services are in Ysbyty Gwynedd. Access to these critical facilities is dependent on the reliability and resilience of the existing crossings across the Menai Strait. These are shown in Figure 3.4.

Figure 2-4: Most Community Facilities are on the mainland



Longer term implications

- 2.26 Ultimately the long-term risk is a continued decline in job opportunities and out-migration, which in turn has effects on community resilience, healthcare and the Welsh Language, particularly if generations of young people move out.
- 2.27 This results in risks and challenges for the Anglesey community associated with:
- increased pressures on healthcare facilities
 - a rise in the dependency ratio and the need for care
 - reduction in the size of the labour market
 - loss of Welsh culture and speakers of the Welsh language
- 2.28 The competitiveness of, and growth of the Port of Holyhead, also risks being restricted if logistics firms seek more reliable routes for trade (including outside the UK).

The opportunity – and the importance of getting this right now

- 2.29 Anglesey is a potentially at a turning point – significant work undertaken by the Council and its partners alongside UK and Welsh Governments means that Anglesey has a genuine opportunity to reverse some of the significant economic decline that it suffered after the decommissioning of Wylfa and the string of factory closures. We do not want that success to be in any way undermined by the publicity of repeated closures impacting the Island's image, profile and reputation as a place to live, work, invest and do business.
- 2.30 The Freeport will support 5,000 jobs onsite and is of strategic national importance in regard of the land bridge via Holyhead Port.
- 2.31 The North Wales AI Growth Zone, backed by the Anglesey Freeport, means Anglesey and North Wales is at the forefront of digital research and development.
- 2.32 An SMR nuclear development at Wylfa will be one of the UK's most significant infrastructure projects in terms of size, scale and complexity, and is critical to energy security and net zero ambitions
- 2.33 Each of these will increase demand for travel by both businesses and residents and therefore increase pressure and reliance on the crossings.
- 2.34 It is crucial that the lack of reliable crossing does not risk maximising the benefit of these interventions or make their delivery significantly more difficult.

3 The Solution

- 3.1 The long-term solution is a third crossing of the Menai Strait, closing the Menai Bridge to anything heavier than cars and making it a walking and cycling option.
- 3.2 The case for the Third Crossing has already been made by the Welsh Government and a Strategic Outline Case was produced in 2016 – this is summarised below.
- 3.3 In the short term, we would ask the Welsh Government to:
 - 3.3.1 Consider improvements to the Britannia Bridge to improve reliability
 - 3.3.2 Better manage the weight restriction across the Menai Bridge.

The case for a third crossing

- 3.4 In 2016, a Strategic Outline Case (SOC) was produced by AECOM for a Third Menai Crossing.

The ‘Do Nothing’ option was unacceptable in 2016 and is an even worse option now

- 3.5 The SOC identified the key problems associated with the current travel situation. These primarily relate to congestion and rat running (affected by daily commuting, holiday peaks, and freight traffic) and poor network resilience due to safety requirements and resulting bridge closures.
- 3.6 The Strategic Case of the SOC identified that a ‘Do Nothing’ option would be unacceptable. Not addressing the current issues and projected traffic growth would be a major risk to economic growth and regeneration of Anglesey.
- 3.7 The identified impacts of doing nothing include:
 - Worsening traffic congestion on the existing bridges
 - Diversion of trade away from the Port of Holyhead, as a result of comparative advantage of alternative freight distribution routes.
 - Loss of economic competitiveness, leading to businesses locating elsewhere.
 - Congestion worsening accessibility for local residents, including for work opportunities and day-to-day services
 - Congestion affecting attractiveness of the area for tourists, resulting in loss in visitor spending.
- 3.8 These issues have become more acute – the regular closure of Menai Bridge and issues with the Britannia Bridge means disruptions and congestion have got worse with more significant impacts on local people, businesses, tourists and the operation of the port. The strategic importance of the Port of Holyhead has also grown since 2016 post Brexit and a result of the Freeport.

The economic case was strong – even though it likely underestimated the benefits

- 3.9 The SOC concluded that a third crossing would double the capacity of the A55, improve journey times (and journey time reliability), improve the accessibility and service quality for non-motorised users, as well as reduce frequency and severity of accidents.
- 3.10 The scheme has a good Benefit Cost Ratio (BCR) of between 1.8 and 2.26 with 90% of total benefits from journey time savings.
- 3.11 This BCR is likely to be understated because:
- Resilience and reliability benefits are not fully captured by Welsh Transport Appraisal Guidance (WelTAG)
 - The WelTAG underweights the value of freight. The Port of Holyhead is the UK's second largest roll-on roll-off ferry port after Dover.
 - The benefits do not capture effects on business investment and land use changes, e.g. changes in freight trips. This will underestimate the role of a resilient crossing in maximising the benefits of the Freeport, making the delivery of Wylfa easier and supporting growth at the port.
- 3.12 A Third Menai Crossing is not a typical road scheme – it is not (only) about traditional transport user benefits but also provides long term resilience for access between Anglesey and the mainland and enables economic growth. A typical transport appraisal would fail to capture the full economic, social and community benefits of the scheme.
- 3.13 Many of these issues have been considered and addressed in England for the recently approved Lower Thames Crossing (LTC). That project seeks to address similar issues to the Menai Crossing including port access, reliability issues and supporting growth in a key part of the country addressing severance within a labour market area. The LTC has strong support for the UK Government and it has a much lower BCR than the proposed Third Menai Crossing.
- 3.14 The benefits to the economy, society, environment and transport network are set out below – these are clearly inter-related.

3.15 Benefits to the economy:

- **Supporting employment opportunities through inward investment** and land use development in North Wales. A more resilient and reliable crossing will help reduce out-commuting from Anglesey and increase travel to Anglesey due to job creation:
- **Freeport** – The Anglesey Freeport is now in its operational phase and is forecast to bring 5,000 jobs to the tax sites and further indirect jobs throughout north Wales. The Freeport, and the customs sites, will also support growth in competitiveness of Holyhead Port. A reliable crossing will ensure the benefits of the Freeport are maximised.
- **Anglesey Energy Island Programme** – Anglesey's geography means it has a uniquely placed to delivery energy projects. This includes nuclear SMR at Wylfa but also hydrogen and tidal (Anglesey has the largest consented tidal scheme in the world). This is important not just to Anglesey and North Wales but the UK as a whole.

- **Visitor economy** – the number of visitors travelling to Anglesey has increased in recent years and it is one of the largest employment sectors. The third crossing will ensure that visitor numbers can remain high (as the resilience of the road network will improve) and the popularity of the island as a sustainable visitor destination remains.
- **Connecting communities and commodities** – the Port of Holyhead is the second busiest roll-on roll-off port in the UK (after Dover) and is a critical part of the “land bridge” between Ireland, the UK and mainland Europe. Reliability and resilience of this link is crucial to support growth and strategic importance of the area.
- **Reduced goods / services prices due to improved journey times.**
- **Reduced transport / logistics costs.**

3.16 Society benefits:

- Social inclusion: improved connectivity and permeability will improve social inclusion by better connecting communities.
- Physical fitness – segregated facility for pedestrians and cyclists will encourage more use of active modes across the Menai Strait, which will improve physical fitness. Currently, pedestrians banned from the Britannia Bridge. This would be further improved if the Menai Bridge was restricted to no vehicles heavier than cars and walking and cycling.
- Improved access to work, education, health and leisure activities – including access for emergency services vehicles and residents’ access to emergency healthcare

3.17 Transport related benefits:

- Improved journey times and journey time reliability along the A55 during peak periods - this includes for residents, tourists, business and emergency services
- Improved resilience of the network to events such as scheduled maintenance and emergencies such as accidents or the impacts of bad weather.
- improving the safety of the crossing through e.g. improved junction designs etc.

3.18 Environmental benefits:

- Less queuing traffic and idling means more efficient engine operation and fewer emissions.
- The segregated facility for pedestrians and cyclists will encourage the use of active modes of transport, which in turn will reduce emissions. While private vehicles are still (necessarily) be dominant, increased uptake of active modes of transport is still beneficial for the environment. Again, this would be further improved if the Menai Bridge was restricted to walking and cycling.

4 The Roads Review

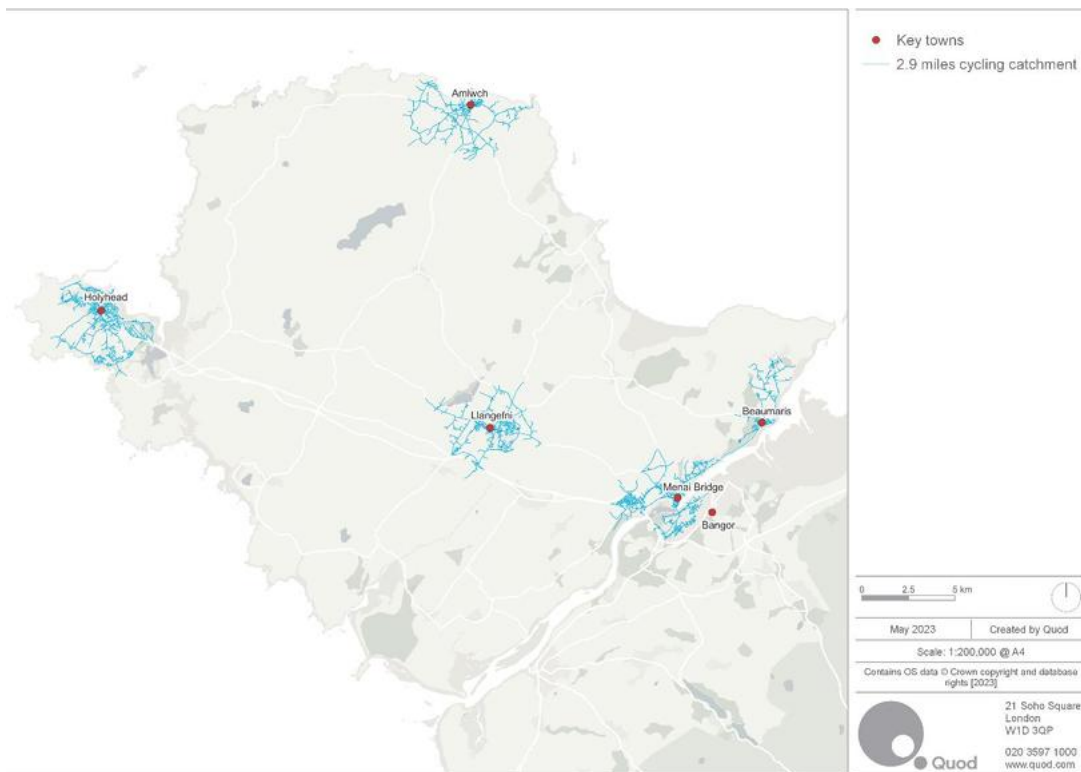
- 4.1 We welcome the Government's commitment **to looking at detailed options for a third Menai crossing**, thereby reversing the previous Welsh Government's decision (informed by the Roads Review) to cancel the proposed Third Menai Crossing project.
- 4.2 This report builds on the two previous reports submitted by the IACC to the previous Welsh Government:
 - 4.2.1 One in 2023 'Improving reliability and resilience across the Menai Strait' - a detailed evidence base to support the IACC's submission to the North Wales Transport Commission (NWTC) on the need for an improved multi-modal crossing of the Menai Strait.
 - 4.2.2 The second in 2024 which set out IACC's response to the NWTC's report 'Improving the Resilience of Connections Across the Menai Strait'. The Council had two fundamental concerns with, and challenges of, the report. Firstly, it did not consider options in the round since a third crossing appeared to have been ruled out at the outset. This leads to recommendations that are completely inadequate for addressing the challenges facing Anglesey and the wider area.
- 4.3 Whilst IACC shared the previous Government's commitment to tackling climate change, it does not believe that a blanket ban on new road construction is an appropriate response. IACC strongly supports the promotion of active travel and public transport, but policy has to recognise the places where they can make a bigger contribution and those (particularly rural areas) where road transport will remain relatively more important, especially for businesses, but also for residents.
- 4.4 IACC strongly agrees with the position set out in the National Infrastructure Commission Wales (NICW) Roads Review Response¹ which emphasised that urban and rural areas will make different contributions to reducing carbon emissions. Whilst the NICW report is not specific about its focus areas, it is notable that the review is illustrated by a single picture - of the Menai Bridge.
- 4.5 We also agree with the NICW's point that, "it is likely that active travel and public transport is less practical for more journeys than in Wales' urban areas." This is true of rural areas generally, but it is particularly true of Anglesey and the Menai Crossings. As the Commission recognises, access to public transport services in our sub-region is probably the worst of all the sub-regions and that bus services on Anglesey are infrequent and have limited operating hours (p.16). The crossings are vulnerable pinch-points where public transport and active travel do not provide adequate alternatives for private car and freight users.
- 4.6 Car travel is dominant in Anglesey because of a lack of realistic alternative. Nearly 85% of Anglesey households own at least one car or van. This is higher than the proportion for Wales

¹ [Reviewing the Roads Review – The National Infrastructure Commission for Wales](#)

as a whole (81%) and considerably higher than England and Wales (77%)². This further indicates that private car is the first choice of transportation means.

- 4.7 According to National Travel Survey, the average commute by bike is 2.9 miles. Figure 4.1 below demonstrates that such distance does not get people very far on Anglesey, where distances between towns and to the mainland are long.

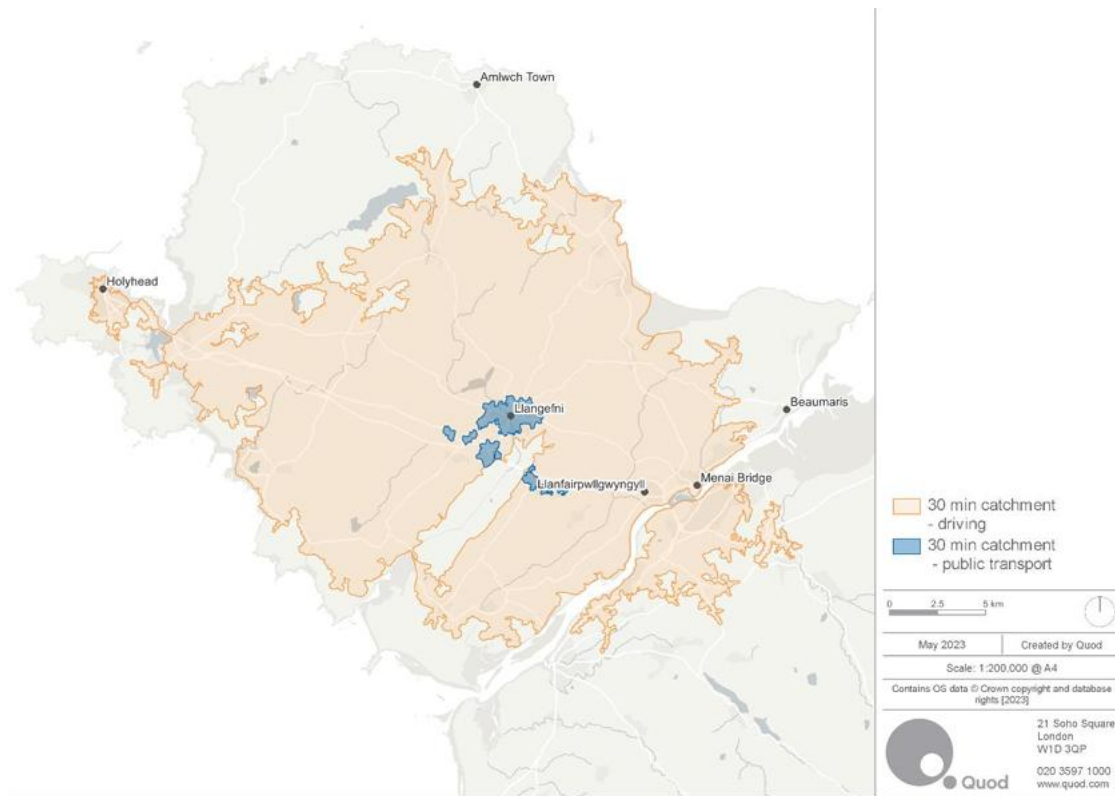
Figure 4.1: Cycle catchment from Anglesey's towns



- 4.8 Bus services on Anglesey are infrequent and have limited operating hours. The low ridership means they need to be heavily subsidised and many routes have been cut in recent years. Rail services are unlikely to make a significant impact. In a 30-min travel window, commuters are unable to travel far on a bus or a cycle compared to a private vehicle, which means they are likely to only use a bus or cycle for commuting from areas such as Menai Bridge to Bangor (close to the bridges on the mainland).
- 4.9 By way of example the map below shows a 30-minute travel on the bus (in blue) during the morning peak (08:30-09:00) from Llangefni compare to drive time (orange).

² Census 2021

Figure 4.2: Bus versus driving catchment from Llangefni



4.10 For reasons set out in the previous sections, we support the Government’s decision to progress work on the Third Menai Crossing and to deliver short term improvements to improve resilience in the meantime.

4.11 This is also in line with the North Wales Regional Transport Plan 2025 to 2030³ which is ‘*guided by a vision to create a safe, sustainable, affordable, resilient, and effective integrated transport network that supports our economy to thrive*’ and of particular relevance states that:

- The Strategic Road Network should be maintained to ensure that routes remain safe and reliable.
- The case for a Third Menai Crossing should be progressed.
- Measures that will improve resilience of the Menai Crossings should be progressed

³ <https://ambitionnorth.wales/media/o25b1eck/north-wales-regional-transport-plan-2025-2030-final.pdf>

5 Next steps

- 5.1 As set out in at the beginning of this report, the Isle of Anglesey County Council welcomes the recent statement made by the Welsh Government, in particular that:

“This new Welsh Government will act with greater urgency and focus.

Deputy Minister for Transport, Mark Hooper MS, 28th May 2026

‘Looking at the longer term, we will now start looking at detailed options for a third Menai crossing, building on the work already undertaken.’

Deputy Minister for Transport, Mark Hooper MS, Oral Statement – 9th June 2026

- 5.2 **We support the Government’s decision to progress work on the Third Menai Crossing and ask that it commits the resources to undertake the design, assessments and consenting process and consider funding opportunities, including via the UK Government.**

- 5.3 We also welcome the Government’s approach to consider measures to mitigate the impacts in the short term, as long as this is alongside progressing the Third Menai Crossing as a long term solution. Some of traffic management option can and should be implemented quickly.

- 5.4 Some options were considered within the NWTC’s report ‘Improving the Resilience of Connections Across the Menai Strait’. While our overarching view was that these measures would have a limited effect in the context of the overall scale of the issue (and we raised some issues around deliverability) we agree that is merit in bringing forward some of these interventions in the short term. Our view on the effectiveness and deliverability risk of intervention is set out in our response to the NWTC’s report and we would welcome collaboration with the Welsh Government on these options.

- 5.5 In the **short term**, we would therefore ask the Welsh Government to:

5.5.1 Collaborate on the improvements to the Britannia Bridge to improve reliability

5.5.2 Better manage the weight restriction across the Menai Bridge.

- 5.6 We look forward to working closely with the Welsh Government to deliver short term and long term solutions to provide a reliable and resilient crossing across the Menai Strait of benefit of the local and national economy and the community of Ynys Môn.

- 5.7 We echo the Welsh Government position that:

“Communities on both sides of the Strait deserve reliable connections, and we are determined to provide them.”

Deputy Minister for Transport, Mark Hooper MS, 28th May 2026

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