Public Document Pack

CYNGOR SIR YNYS MÔN
ISLE OF ANGLESEY COUNTY COUNCIL

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RHYBUDD O GYFARFOD	**NOTICE OF MEETING**
PWYLLGOR LLYWODRAETHU AC ARCHWILIO	**GOVERNANCE AND AUDIT COMMITTEE**
DYDD LLUN, 28 MEDI 2026 am 2:00 y. p.	**MONDAY, 28 SEPTEMBER 2026 at 2.00 pm**
YSTAFELL BWYLLGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL AR ZOOM	**COMMITTEE ROOM, COUNCIL OFFICES AND VIRTUALLY ON ZOOM**

Swyddog Pwyllgor	**Ann Holmes 01248 752518**	**Committee Officer**

AELODAU / MEMBERS
Cynghorwyr / Councillors:-

PLAID CYMRU / THE PARTY OF WALES

Geraint Bebb, Euryn Morris ***(Dirprwy Gadeirydd/Deputy Chair)***, Margaret M. Roberts, *Sedd Wag/Vacant Seat*

Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP

Gwilym O. Jones

LLAFUR CYMRU/WELSH LABOUR

Keith Roberts

ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS

Paul Ellis, Kenneth Hughes

AELODAU LLEYG / LAY MEMBERS

Adam Jones, Dr Geraint Jones***(Cadeirydd/Chair),*** William Maund, William Parry

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A G E N D A

1 DECLARATION OF INTEREST

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

2 MINUTES OF THE PREVIOUS MEETING (Pages 1 - 12)

To present the minutes of the previous meeting of the Governance and Audit Committee held on 16 July 2026.

3 GOVERNANCE AND AUDIT COMMITTEE ACTION LOG (Pages 13 - 14)

To present the report of the Head of Audit and Risk.

4 ANNUAL SCRUTINY REPORT 2025/26 (Pages 15 - 34)

To present the report of the Scrutiny and Committee Services Manager.

5 STATEMENT OF THE ACCOUNTS 2025/26, ANNUAL GOVERNANCE STATEMENT 2025/26 AND ISA 260 REPORT (Pages 35 - 212)

To present the following –

- The report of the Director of Function (Resources)/Section 151 Officer – Statement of the Accounts 2025/26.
- The Annual Governance Statement 2025/26.
- The report of Audit Wales on the audit of the financial statements – ISA 260 report.

6 INTERNAL AUDIT UPDATE (Pages 213 - 218)

To present the report of the Head of Audit and Risk.

7 OUTSTANDING INTERNAL AUDIT ISSUES, RISKS AND OPPORTUNITIES (Pages 219 - 230)

To present the report of the Head of Audit and Risk.

8 SELF-ASSESSMENT AND PERFORMANCE (WELL-BEING) REPORT 2025/26 (Pages 231 - 284)

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

9 EXTERNAL AUDIT: BUDGETING FOR DEMAND? USING DATA TO PLAN ADULT RESIDENTIAL CARE (Pages 285 - 300)

To present the report of Audit Wales.

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10 **EXTERNAL AUDIT: AUDIT WALES WORK PROGRAMME AND TIMETABLE 30 JUNE 2026** (Pages 301 - 320)

To present the report of Audit Wales.

11 **REVIEW OF FORWARD WORK PROGRAMME 2026/27** (Pages 321 - 328)

To present the report of the Head of Audit and Risk.

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GOVERNANCE AND AUDIT COMMITTEE

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

PRESENT:	Dr Geraint Jones (Lay Member) (Chair) Councillor Geraint Bebb (Deputy Chair for this meeting only) Councillors Kenneth Hughes, Gwilym O. Jones, Keith Roberts, Margaret M. Roberts Lay Members: Adam Jones, William Maund, William Parry
IN ATTENDANCE:	Director of Function (Resources)/Section 151 Officer Director of Education, Skills and Young People (for item 5) Head of Internal Audit & Risk (MP) Head of Digital, Modernisation and Performance (for items 8 & 9) Head of Housing Services (for item 4) Head of Human Resources, Communications & Customer Experience (for item 11) Chief Public Protection Officer (TO) (for item 12) Principal Corporate Health & Safety Advisor (SN) (for item 12) Strategic Performance and Projects Manager (GP) (for item 8) Housing Service Manager (Strategy, Commissioning & Policy) (ELl) (for item 4) Education Business and Performance Manager (LT) (for item 5) Committee Officer (ATH) Webcasting Officer (FT)
APOLOGIES:	Councillor Euryn Williams (Deputy Chair)
ALSO PRESENT:	Councillor Robin Williams (Deputy Leader & Portfolio Member for Finance, Corporate Business and Customer Experience), Lora Williams (Audit Wales), Rachel Freitag (Audit Wales), Accountancy Services Manager (BHO), Finance Manager (CK) Principal Auditor (NW), Senior Auditor (AM) (IoACC)

In the absence of the Deputy Chair, Councillor Geraint Bebb was elected to serve as Deputy Chair for this meeting only.

1. DECLARATION OF INTEREST

No declaration of interest was received.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meetings of the Governance and Audit Committee held on 25 June, 2026 were presented and were confirmed as correct.

3. GOVERNANCE AND AUDIT COMMITTEE ACTION LOG

The report of the Head of Audit and Risk incorporating the committee action log was presented for consideration. The report updated the Committee on the status and progress of the actions and decisions it had agreed upon.

The Head of Audit and Risk confirmed that all actions on the log had been completed, including the finalisation of the AI policy (action 24). A Generative AI policy, together with staff guidance on its use was launched today, 16 July, 2026.

It was resolved to note the actions detailed in the action log table and to confirm that the committee is content that the actions have been implemented to its satisfaction.

4. INTERNAL AUDIT OF DISABLED FACILITIES GRANTS – PROGRESS UPDATE

The report of the Head of Housing Services on progress since the previous update to the committee's meeting on 25 June 2026, in addressing the outstanding issues and risks identified by the internal audit of Disabled Facilities Grants, was presented for consideration. The report provided a further update on the steps taken to strengthen record-keeping, financial controls, and monitoring and oversight arrangements.

The Head of Audit and Risk confirmed that the identified contractor overpayment of £775 had been recovered, and that a recovery approach using credit notes had been agreed with the service. In response to a Member request, she outlined the preventative controls now in place to avoid duplicate DFG payments leaving the council's accounts, noting that all work is now raised through purchase orders, which include an inbuilt mechanism to detect duplicate payments and thereby reduce risk.

It was resolved to note the progress made to date.

5. INTERNAL AUDIT UPDATE

The report of the Head of Audit and Risk providing an update as at 30 June 2026 on the audits completed since the previous update as at 28 April 2026 was presented for the committee's consideration. The report also set out the current workload of Internal Audit and its priorities for the short to medium term going forward. Members of the committee were provided under separate cover with a copy of the five assurance reports finalised in the period in relation to School Fund Certificates (Reasonable Assurance), Early Education and Childcare Grant Programmes (First Follow Up) (Reasonable Assurance), Secondary Schools ICT Security (First Follow Up) (Reasonable Assurance), Managing the Strategic Risk: Safeguarding (Supply Teachers) (Limited Assurance) and Financial Systems – Creditors (Limited Assurance).

The Head of Audit and Risk reported that good progress had been made in implementing the actions from the Secondary Schools ICT Security first follow up review, enabling the assurance rating to be raised from Limited to Reasonable.

She outlined the findings of the Supply Teacher Safeguarding Limited assurance review, noting that five major and one moderate issues/risks were raised, with an action plan and target completion dates of September 2026 for four actions and November 2026 for the remaining action. A follow up review will be undertaken and reported back to the committee at its February 2027 meeting.

With regard to the Creditors Limited Assurance review, she explained that assurance varied across the three areas examined – Service Compliance, Policy, and the Payroll and Payments Team. She referred to the most significant concerns relating to inconsistent compliance by services with required procedures along with outdated guidance for non-financial users. Overall, six issues/risks were raised including five major requiring management and whole council engagement. An action plan has been agreed for completion by June 2027 with a follow up review scheduled for December 2026 which will be reported to the committee in February 2027.

During discussion of the **Supply Teacher Safeguarding Limited assurance review**, the committee queried whether Internal Audit was satisfied that all schools held complete DBS information, noting two instances in the sample where DBS and EWC renewals had not been completed. The Head of Audit and Risk advised that, without reviewing all schools she could not provide definitive assurance; however, the sample indicated weaknesses in DBS and EWC recording processes.

In response to questions about reminding schools of the need to maintain up to date DBS records for all individuals on school premises, the Director of Education, Skills and Young People confirmed that reminders had been issued. He noted that schools engage supply teachers in different ways – individually, via agencies, or through the Teacher Booker system - and he expressed confidence that all schools would be fully compliant by September 2026. He encouraged Members in their role as school governors, to reinforce the message and highlighted differences in practice between the primary and secondary sectors.

Members also asked whether the issue was one of individual responsibility rather than process. The Director of Education, Skills and Young People emphasised that the authority has a role in providing assurance and support to schools to ensure processes are understood and consistently followed, with school governors also holding accountability. The authority is proactively addressing the need to tighten arrangements.

In response to a question about whether someone could teach without DBS clearance, the Head of Audit and Risk clarified that in the cases identified, DBS checks had expired after the three year period rather than not being undertaken at all. The weakness lay in the absence of a process to ensure timely renewal. She noted that DBS checks provide only a point in time snapshot.

Members expressed concern that given the two expired DBS checks found in the sample, they would have expected headteachers to be asked to confirm that all DBS records had been checked promptly. The Director of Education, Skills and Young People reaffirmed that the headteachers had been reminded of expectations and he noted that safe recruitment also includes references, EWC registration and individual declarations. He remained confident that processes would be more robust by September. The Education Business and Performance Manager added that revised procedures are being introduced within the Learning Service to strengthen oversight of DBS arrangements, including alerts for upcoming renewals.

The committee while noting that responsibility sits at several levels expressed concern regarding the situation and given the number of supply days, members emphasised the need for schools to have a firm understanding of DBS arrangements. Where schools use the same individuals regularly, they should be added to the register so renewal dates can be tracked and assurance maintained that the system is fit for purpose.

With regard to the **Financial Systems – Creditors Limited assurance review**, the committee asked how Management ensures that service managers follow agreed procurement procedures. The Head of Audit and Risk advised actions are already underway, including raising the findings of the audit at the Management Team meeting to highlight the importance of improving compliance. The Procurement Handbook will be updated once the Civica payments system is upgraded and migrated to the Cloud, although technical issues have delayed this work.

The committee also queried whether the action plan timeline should be brought forward given the risks identified. It was explained that internal checks within the Payments Team verify the accuracy of payments and prevent duplication, providing an end of process

control. Transitioning to the new system will mean updating guidance and training for staff. Work is additionally required to strengthen procurement compliance in schools. Members were assured that although the action plan completion date is June 2027, actions are already being progressed. A follow up review will be undertaken in December 2026 to monitor progress.

It was resolved to note the outcome of Internal Audit's engagements, the assurance provided and its priorities going forward.

6. ANNUAL TREASURY MANAGEMENT REVIEW 2025/26

The report of the Director of Function (Resources)/Section 151 Officer incorporating the treasury management review for the 2025/26 financial year was presented for the committee's consideration. The report set out in line with statutory requirement, how the Council managed its treasury activity during 2025/26 including borrowing and investments.

The Director of Function (Resources)/Section 151 Officer reported on the external factors that influence treasury management decisions. He confirmed that during 2025/26 no new borrowing was undertaken with the intention being to delay any borrowing for as long as possible as interest rates continued to fall. An underspend of approximately £16m on the 2025/26 capital budget meant that external borrowing was not required. Additionally in March 2025, the Council's cash balances were significantly increased on receipt of £11m of capital seed funding for the Freeport which allowed the Council to postpone additional borrowing planned for March 2026.

The Council's investments through fixed term investment, call accounts and current accounts generated £1.006m in interest. The Council prioritises the security of investments while also ensuring that investments take account of the Council's need to access a level of cash instantly. The yield generated is the final consideration.

The review confirms that the Council's treasury activities during 2025/26 complied with the prudential indicators and authorised limits as well as the Council's own treasury management strategy. It concludes that the Council maintained a low risk approach and managed its treasury management activities in a controlled way ensuring the financial security of the Council.

The committee considered the treasury management review for 2025/26 and members raised questions on the pattern of loan repayments in appendix 1, specifically repayment peaks in certain years; the reasons for capital underspend and cashflow management.

The Director of Function (Resources)/Section 151 Officer clarified that the large loan repayment scheduled for 2045/46 represents the final instalment of the loans taken out to fund the Council's exit from the HRA subsidy scheme. As the repayment date approaches, the Council will either refinance and roll the borrowing forward or restructure it into smaller repayments over time. Early repayment is considered where financially advantageous but only undertaken when early repayment premiums do not make it uneconomical.

He explained that slippage arises from a variety of factors including regulatory requirements, involvement of third parties, late receipt of grants, internal capacity constraints, and timing issues particularly around school refurbishment programmes. For grant funded schemes, grant conditions allow funding to be carried forward and the Council prioritises expenditure against grant resources.

As regards cashflow management, the Council aims to maintain £10m in liquid cash. If cash balances fall below this threshold, internal borrowing is converted into external borrowing.

Cashflow is monitored daily and the Council has a clear understanding of major outgoing and incoming payments, excepting some grants which are not always known in advance. He confirmed that no project had been deferred in order to maintain the treasury management strategy principle of not borrowing ahead of need. Where a project is included in the approved capital programme, the Council will ensure that the necessary cash is available. The Council will borrow when there is a genuine need.

It was resolved to note the Treasury Management Review report for 2025/26.

7. DRAFT ANNUAL STATEMENT OF THE ACCOUNTS 2025/26

The report of the Director of Function (Resources)/Section 151 Officer incorporating the draft annual Statement of the Accounts for 2025/26 was presented for the committee's consideration.

The Director of Function (Resources)/Section 151 Officer presented the report, noting that the Statement of the 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. The figures in the report are unaudited and may change once the external audit is completed.

He explained that the report is required under the Accounts and Audit (Wales) Regulations which state that the Section 151 Officer must sign the accounts and confirm that they present a true and fair view of the financial position of the Council. Although Welsh Government has extended the draft accounts deadline from 31 May to 30 June, the deadline for publishing the audited final accounts has been reduced to 30 September. As the revised draft accounts deadline has not been written into regulations, each council must publish a notice explaining the delay from the original date of 31 May.

The draft accounts were signed by the Section 151 Officer on 30 June, 2026 and the audit of the accounts commenced on 1 July 2026 and is ongoing. The Section 151 Officer thanked the Finance Service team for their work in producing the draft accounts by 30 June.

Referring to the draft Comprehensive Income and Expenditure Account he explained that although it shows a surplus of £30.622m, once the required accounting adjustments are applied, the movement in reserves and balances is a reduction of £245k.

In response to a question by the committee about how the accounts can be communicated to local taxpayers in a clearer and more accessible way, the Section 151 Officer explained that the content and format are prescribed nationally by the regulations and CIPFA Code of Practice. The quarterly budget monitoring reports to the Executive provide a more straightforward picture of how the Council manages its finances.

The committee noted that the final audited Statement of the Accounts for 2025/26, together with the auditors' report would be presented in September for final scrutiny and approval.

It was resolved to note the draft unaudited main financial statements for 2025/26.

8. DRAFT ANNUAL GOVERNANCE STATEMENT 2025/26

The report of the Head of Digital, Performance and Modernisation incorporating the draft Annual Governance Statement for 2025/26 was presented for the committee's consideration.

The Strategic Performance and Projects Manager presented the report noting that it outlines how the Council ensures its business is conducted in accordance with the law and proper

standards, that public money is safeguarded and properly accounted for, and that resources are used economically, efficiently and effectively.

The Statement sets out the governance arrangements in place during 2025/26 and evaluates their effectiveness against the seven core principles in the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government, with the work this year supported extensively by the internal Governance Group. It also includes the professional assessments of the statutory officers, providing assurance on the effectiveness of the Council's risk management and governance arrangements. While no significant governance issues were identified, several areas for improvement have been highlighted, and an update on progress against the governance matters reported last year is also provided.

In response to a question about any risk in meeting the requirements of the new Procurement Act 2023, the committee was advised that the newly appointed Procurement Manger is reviewing processes and documentation and is introducing the new system. The team will be strengthened by an additional post, with an appointment pending, which will increase capacity and allow the manager to focus on strategic matters. It was confirmed that the Act has not been breached.

It was resolved to approve the Draft Annual Governance Statement for 2025/26 that will form part of the 2025/26 Statement of the Accounts.

9. STRATEGIC RISK REGISTER UPDATE

The report of the Head of Audit and Risk incorporating the strategic risk register (Appendix B) as at 30 June 2026 was presented for the committee's consideration.

The Head of Audit and Risk reported on the ongoing work to strengthen the risk management framework as set out in section 2 of the report. She noted that the Direction of Travel Report at Appendix A shows that the overall residual risk profile remains broadly stable with most risks rated as Moderate or Major. Two risks are rated Critical – physical assets and the newly identified cyber-attack and data breach risk which has been separated from Digal Resilience to provide greater clarity over the Council's digital and cyber risk profile and to highlight cyber security and data breach as key areas requiring senior oversight. This has resulted in reducing the residual risk rating for Digital Resilience from Critical to Moderate.

- Members sought clarification on how often the Strategic Risk Register is reported to the committee and were assured that the Register is presented for review by the committee twice a year and the Risk Framework once a year. The Executive Manager also meets with the Executive to review portfolio risks.
- The committee questioned what assurance exists that the Council is staying on top of mitigating actions, particularly for Critical risks with completion dates extending into 2027 and beyond. It was suggested that milestones should be introduced to provide clearer oversight of long-term mitigating actions.
- The committee also queried whether an addendum should be provided setting out how the Council intends to move from the current position to the actions scheduled for 2027 and beyond.

  The Head of Audit and Risk confirmed that she would relay those points to the Executive Manager.

- A further question was raised about whether anything could be done to accelerate the response to the Cyber Attack and Data Breach risk given that some actions run to 2027.

The Head of Digital, Performance and Modernisation advised that work to strengthen the Council's cyber posture is progressing in three areas - additional staff resources, specialist software and a retained service that can be called upon in the event of a cyber-attack. Funding has been approved by the Council. The remaining steps relate to the procurement process for the retained service and software, and to the employment market for the required staff resources. He confirmed that the timescales set out in the register are achievable.

It was resolved to confirm that the committee takes assurance from the work that has been undertaken to date as part of the wholesale review of the strategic risk register, the reconfiguration of the risk management system, the staff training and the continuous review of the strategic risk register.

Additional action – the Head of Audit and Risk to raise with the Executive Manager the possibility of incorporating milestones to ensure that long term actions can be monitored more clearly along with an addendum to show the interim steps for delivering long term mitigating actions.

10. ANNUAL COUNTER FRAUD, BRIBERY AND CORRUPTION REPORT 2025/26

The report of the Head of Audit and Risk incorporating the Annual Counter Fraud, Bribery and Corruption Report for 2025/26 was presented for the committee's consideration The report provided an overview of Internal Audit's counter fraud, bribery and corruption activity during 2025/26.

The Head of Audit and Risk presented the report noting that Internal Audit continued to deliver the Counter Fraud, Bribery and Corruption Strategy 2025-2028 and associated Delivery Plan during the year. She summarised the main areas of activity and highlighted the Fraud Reporting Tool introduced in November 2024 as a key development. It received 61 allegations during the year mostly relating to council tax. She also referred to proactive counter fraud reviews, including one of the Council's administration of the Homes for Ukraine Thank You payment schemes which found that controls were operating effectively.

The Head of Audit and Risk responded to questions by the committee on the annual report as follows –

- Regarding malicious allegations, she noted that these are typically submitted anonymously, whereas valid concerns are more often raised by identifiable individuals. Reports received through the Fraud Reporting Tool are triaged by the Counter Fraud Officer who assesses whether there is any supporting evidence before determining the next steps.
- In relation to Cabinet Office estimates of likely losses to fraud in government spend of between 0.5% and 5% of expenditure (between £1.39m and £13.9m per annum for Anglesey based on the Council's gross revenue budget), she explained that the Council operates in a different environment and culture compared to larger cities, and losses to fraud locally are not on that scale.
- Regarding the outstanding action from the Managing the Risk of Fraud in Procurement action plan, she noted that competing priorities and capacity constraints have meant that establishing a formal Counter Fraud Working Group has not yet been possible. The revised implementation date of December 2026 reflects these pressures. Now that a dedicated Counter Fraud Officer is in post, it is anticipated that this work can progress, although collaboration across services already takes place informally.
- She provided clarification of paragraphs 43 and 44 of the report and noted that Internal Audit through the Counter Fraud Strategy aims to reduce the risk of fraud, not eliminate it entirely, which is not possible.

- In relation to the adequacy of resources dedicated to counter fraud work, she stated that funding must be proportionate, given the Council's competing priorities. Fraud is a national issue and historically the Council did have dedicated counter fraud team, but the resource was transferred to the DWP in 2014 as part of establishing a single fraud investigation service.
- In relation to Audit Wales sharing best practice from its reviews, she confirmed that Audit Wales is currently reviewing fraud arrangements across all councils in Wales. Their wider report on fraud in the public sector in Wales recommended that Welsh Government adopt an all Wales approach to fighting fraud. Locally, Heads of Audit across North Wales share fraud information and the North and Mid Wales Audit Partnership includes a subgroup on fraud. The Council also continues to engage with the National Fraud Initiative.
- She confirmed that statistics relating to employee perpetrated fraud are included in the annual report, and that no such cases were reported during the year.

It was resolved to note the activity carried out during 2025/26 to minimise the risk of fraud, bribery and corruption occurring within and against the Council, and to accept the assurance provided on the effectiveness of the Council's arrangements to minimise the risk of fraud.

11. AUDIT WALES: RECRUITMENT AND RETENTION CHALLENGES – ISLE OF ANGLESEY COUNTY COUNCIL

The report of Audit Wales on recruitment and retention challenges faced by the Isle of Anglesey County Council along with Management's response were presented for the committee's consideration. The report examined how the Council understands and responds to its recruitment and retention challenges, and whether it evaluates the value for money of its approaches.

The Strategic Performance and Projects Manager presented the report and noted that although the review found that the Council is taking a wide range of actions to tackle its recruitment and retention challenges many of which have been successful, it does not generally assess the value for money of those approaches. Audit Wales recommends the Council should ensure it has the information and data it needs to enable it to understand current and future recruitment and retention trends and should develop an approach to assessing the value for money of its recruitment and retention activities. Management accepts the recommendations and has developed a plan of action in response.

- The committee asked how emerging workforce risks are being monitored given that the agreed workforce data will not be available until December 2026. The Head of Human Resources, Communications & Customer Experience explained that the Council already collects workforce data and monitors trends so it is not starting from a zero base. It now needs to bring this information together at a strategic level to better inform future recruitment decisions.

- Members suggested that exit interviews should be undertaken for all staff leaving the Council, ideally by a manager other than their line manager, to gain a clearer insight into reasons for leaving. They also emphasised the need for a more proactive approach to recruitment and retention, given the cost of recruitment, ongoing recruitment challenges and the risks associated with single point of failure posts.

  The Head of Human Resources, Communications & Customer Experience agreed on the importance of understanding why staff leave, and to use this intelligence to inform recruitment and retention strategies. However, the Council cannot compel staff to participate in exit interviews. He confirmed that the aim is to anticipate workforce risks earlier and develop proactive, forward looking workforce plans.

- The committee asked about the success of the graduate trainee scheme. The Head of Human Resources, Communications & Customer Experience reported that the scheme is successful and attracts high calibre candidates, with the challenge being to retain them by creating long-term career opportunities. He added that robust data is needed to demonstrate that the scheme provides value for money.

- Members asked what data could be provided to give assurance on recruitment and retention initiatives. The Head of Human Resources, Communications & Customer Experience said that as a single example of what could be possible and useful, reliable information is needed on the time taken to fill vacancies across services to tighten processes and achieve a consistent recruitment dataset.

- The committee also enquired about long-term vacancies in specialist areas. The Head of Human Resources, Communications & Customer Experience confirmed that hard to fill roles such as in legal and social services are recognised in the report and are difficult to fill nationally. Although councils are working to address these issues, national action on pay and working conditions is required particularly in the care sector, alongside continued collaboration with other councils and the WLGA.

  Lora Williams, Audit Wales noted that the review had been undertaken across every council in Wales and that the overall findings would be used to develop good practice, to be shared with HR managers at an event in December 2026.

  It was resolved –

- **To note the Audit Wales report and to take assurance from its findings.**
- **To endorse the proposed actions in response to the review's recommendations as appropriate.**

12. ANNUAL CORPORATE HEALTH AND SAFETY REPORT 2025/26

The report of the Head of Regulation and Economic Development incorporating the annual corporate health and safety report for 2025/26 was presented for the committee's consideration. The annual report set out the Council's health and safety performance during the year, outlining key achievements, incident trends, governance arrangements and future priorities. Also included was a draft Health and Safety Strategic Plan for 2026 to 2031.

The report was presented by the Chief Public Protection Officer.

- Members commented that the annual report was overly general, with limited root case analysis. While it provided information on trends, it did not give assurance on what arrangements were being put in place to address areas of concern, the timelines for action, and progress where measures had already been introduced.

  Members suggested that including mitigating actions would give the committee a more rounded oversight of how areas of concern are being managed.

  The Health and Safety Advisor said that future reports could include more details. Where issues arise, the service responds, but once the strategy is in place the aim is to adopt a more proactive approach, identifying potential problems earlier and putting preventative measures in place. The Chief Public Protection Officer added that several projects are underway but bringing them to completion takes time and requires input from other services.

- The committee sought assurance that the Council is robust in managing incidents of abuse towards staff.

  The Health and Safety Advisor explained that the service plans to trial an electronic reporting system linked to the Risk of Violence Marker process. A test system is in place, which will allow a clearer indication of the completion timescale. He added that many assault incidents relate to schools, with an increasing trend in the primary sector. He described ongoing work with the Learning Service, including monthly meetings, analysis of incidents and pupils, and expansion of support through the Early Intervention Team.

  Members noted that, while they looked forward to fuller and more detailed reports in future, they acknowledged that good work is being undertaken.

  It was resolved subject to the additional action below –

  - **To note the Annual Corporate Health and Safety Report 2025/26 including the Council's activities to address the risks and priorities of the Council.**
  - **To confirm that the committee takes assurance that reasonable measures are in place to manage health and safety risks to an acceptable level.**

  Additional action – to request that future Corporate Health and Safety annual reports include details on root cause analysis, mitigations put in place, timelines for completing actions, and progress on measures implemented in order to provide clearer assurance on how risks are being managed.

13. REVIEW OF FORWARD WORK PROGRAMME 2026/27

The report of the Head of Audit and Risk incorporating the committee's Forward Work Programme for 2026/27 updated to reflect the most recent changes, was presented for the committee's consideration. A members' development programme was included at Appendix B.

It was resolved to confirm the Forward Work Programme for 2026/27 as meeting the committee's responsibilities in accordance with its terms of reference.

Dr Geraint Jones
(Chair)

DRAFT

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	28 September 2026
Subject:	Governance and Audit Committee Action Log
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting: This report informs the members of the Governance and Audit Committee about the status of the actions / decisions it has agreed upon.	

1. Introduction

1.1. This action log is updated prior to each meeting to enable the committee to monitor the progress and completion of the actions/decisions it has agreed upon.

2. Recommendation

2.1. That the Governance and Audit Committee notes the actions detailed in the following table and is content that the actions have been implemented to its satisfaction.

Governance and Audit Committee Action Log

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
35	16/07/26	9	The Head of Audit and Risk to raise with the Executive Manager the possibility of incorporating milestones to ensure that long term actions can be monitored more clearly along with an addendum to show the interim steps for delivering long term mitigating actions.	Head of Audit and Risk / Executive Manager (Leadership Team)	On 24/07/26, the Head of Audit and Risk raised this matter with the Executive Manager (Leadership Team). The Executive Manager (Leadership Team) confirmed that they would work on incorporating milestones, showing the interim steps for delivering long-term mitigating actions. The next Strategic Risk Register update will be submitted to the Governance and Audit Committee on 3 December 2026.	In progress
36	16/07/26	12	To request that future Corporate Health and Safety annual reports include details on root cause analysis, mitigations put in place, timelines for completing actions, and progress on measures implemented in order to provide clearer assurance on how risks are being managed.	Chief Public Protection Officer / Corporate Health and Safety Manager	The next annual Corporate Health and Safety report will be submitted to the Governance and Audit Committee's July 2027 meeting.	

ISLE OF ANGLESEY COUNTY COUNCIL	
Committee:	Full Council
Date:	24.09.26
Title of report:	Annual Scrutiny Report 2025 / 2026
Purpose of report:	To report on the work of the Scrutiny Committees and Panels during 2025 / 2026 and identify future work priorities
Author:	Angharad Fflur Hughes, Scrutiny and Committees Service Manager

1. Background

   The Scrutiny Committees must report annually to full Council on the work that has been undertaken during the previous civic year and the intended work programme for the following year.

2. Subject matter

   This report identifies the work undertaken by the two Scrutiny Committees and the three Panels during 2025/26, including the key achievements and the impact the work has had on decision making and service improvement. The report identifies how the chairs of both scrutiny committees led on the work of developing forward work programmes. During 2025/26 the forward work programmes were submitted to regular meetings of the Scrutiny Committee Chairs and Vice- chairs Forum and for approval at every meeting of the scrutiny committees. In November 2025, a Performance Panel Assessment was undertaken, resulting in recommendations to strengthen the Council's scrutiny arrangements. In response, a new action plan was developed to address these recommendations and this action plan is reflected in this report as part of the work programme for 2026/27.

3. Recommendation

   Full Council is requested to:

   1. Approve the Scrutiny and Overview Annual Report for 2025/26

2. Note the continued progress made in implementing our Scrutiny journey and the impact this is having on practice
3. Appoint the chair of the Corporate Scrutiny Committee as the Scrutiny Champion for the period May 2026 to May 2027

Appendix: Overview and Scrutiny Annual Report for 2025/26

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Scrutiny Annual Report 2025/2026

CYNGOR SIR YNYS MÔN
ISLE OF ANGLESEY COUNTY COUNCIL

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Introduction

Scrutiny is an essential role in the decision making processes within Isle of Anglesey County Council, it holds the Executive to account for their decisions, policies and the performance of Council Services.

The role of Scrutiny is to provide constructive challenge and support improvement across services and although scrutiny cannot take decisions it can make recommendations and publish findings.

This report gives an overview of the work carried out by the two Scrutiny Committees and the three Scrutiny Panels for the last civic year, May 2025 to April 2026.

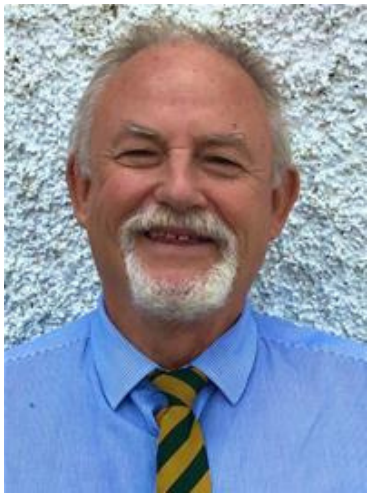
The report also outlines how members have been supported to allow them to effectively scrutinise, how other stakeholders including citizens and partnerships have been involved and what the priorities are for future work programmes.

"Performance is well scrutinised in committees and panels."
— Care Inspectorate for Wales Report January 2026



"The Council works well, there is strong scrutiny..."
The Chair of the Council - Councillor Non Dafydd
Full Council Meeting,
May 2026

Foreword from the Chair of the Corporate Scrutiny Committee



Councillor Jeff Evans, Chair, Corporate Scrutiny Committee

This is my first year as the Chair of the Corporate Scrutiny Committee, I have enjoyed the opportunity and the challenge that comes with this role and I am pleased to present this foreword for the 2025/26 Annual Scrutiny Report.

Over the past year, the Committee has continued to play an important role in supporting transparent, accountable and effective decision-making across the Council. Through constructive challenge and evidence-based scrutiny, Members have sought assurance that services are performing well, that risks are being managed, and that improvement activity is focused on delivering positive outcomes for the residents and communities of Anglesey.

During 2025/26, the Committee considered a wide range of matters linked to the Council's strategic priorities, including corporate performance, financial planning, social services, housing, governance, safeguarding, and the delivery of key corporate plans. Members have given particular attention to areas where performance required further improvement, seeking clarity on the actions being taken, the timescales for delivery and the impact on residents.

The Committee has also continued to strengthen its approach to forward work programming, ensuring that scrutiny is timely, focused and aligned with the Council Plan. This has helped Members to concentrate on the areas where scrutiny can add most value, whether by providing assurance, contributing to policy development, or making recommendations to the Executive.

Foreword from the Corporate Scrutiny Committees Chair

I would like to thank my vice chair during 25/26 Councillor Sonia Williams and congratulations to Councillor Geraint Bebb on his appointment as vice chair for 26/27 and also like to thank all Members of the Corporate Scrutiny Committee, and Resources and Social Service Panels for their commitment, preparation and thoughtful contributions throughout the year. I am also grateful to Portfolio Holders, officers, partners and invited contributors for attending meetings, presenting information and responding openly to Members' questions.

Looking ahead, effective scrutiny will remain essential as the Council continues to respond to financial pressures, increasing demand for services and the need to deliver continuous improvement. The Corporate Scrutiny Committee will continue to provide constructive challenge, support good governance and help ensure that decisions are informed by evidence, performance information and the needs of our communities.

Foreword from the Chair of the Partnership and Regeneration Scrutiny Committee



Councillor Dylan Rees, Chair, Partnership and Regeneration Scrutiny Committee

Before introducing this report, I would like to pay a special tribute to Councillor Ken Taylor, a loyal and highly respected Member of our Committee. Throughout his time with us, Councillor Taylor gave his utmost to our work, approaching his role with a deep sense of commitment, an unwavering sense of responsibility along with his warmth and good humour. His contribution will be greatly missed.

I believe that effective scrutiny is a cornerstone of the Council's corporate governance arrangements. It plays a vital role in holding decision-makers to account, providing constructive challenge, and ensuring that the views of residents and communities are reflected in the decision-making process.

I would like to thank Members of the Partnership and Regeneration Committee for their contributions and commitment to the work of the Committee which has added value in terms of fulfilling the Council Plan, maintaining standards of our public services and scrutinizing the work of our Key External Partners. The Committee has made fair, robust recommendations to the Executive on a number of key topics and service areas during this period.

Over the past 12 months, the Partnership and Regeneration Scrutiny Committee scrutinised the work of several key partners and strategic areas linked to the Council Plan 2023–2028. Key partners invited included North Wales Police and the Police and Crime Commissioner, Grŵp Llandrillo Menai and Bangor University, Betsi Cadwaladr University Health Board and the Welsh Ambulance Services University NHS Trust, as well as representatives linked to economic development and Prosperity Fund activity.

Members considered priorities, partnership working, future opportunities, risks and challenges across these areas. They also provided constructive challenge on health and emergency care, post-16 education, innovation projects, economic development programmes, the Anglesey Freeport and changes to Local Growth Funding arrangements. Concerns about funding changes and governance arrangements led to correspondence being sent to both UK and Welsh Governments seeking reconsideration and greater clarity.

Foreword from the Partnership and Regeneration Scrutiny Committees Chair

The Committee also scrutinised key strategic plans supporting the Council Plan, particularly in relation to the Welsh language and education. This included consideration of the Welsh Standards Annual Report, the Welsh in Education Strategic Plan, school improvement guidance, the Education Digital Strategic Plan and the Education Scrutiny Panel Progress Report. Overall, the scrutiny work focused on strengthening partnership accountability, supporting strategic objectives and improving outcomes for Anglesey residents.

I would like to extend my sincere thanks to the members of the Education Scrutiny Panel for their commitment, collaboration and dedicated service over the past year. Their valuable contributions, insight and constructive challenge have been critical in advancing the work of the Committee, supporting the delivery of the Council Plan and helping to maintain high-quality public services for the residents of Anglesey.

I would also like to express my gratitude to my Vice-Chair, Councillor Gwilym Owen Jones, for his continued support and valued contribution throughout my final year as Chair of the Partnership and Regeneration Scrutiny Committee. It has been a privilege to work alongside him and Committee members in strengthening the scrutiny function and promoting positive outcomes for the residents of Anglesey.

Finally I would like to take this opportunity to congratulate Councillor Sonia Williams on her election as the new Chair of the Partnerships and Regeneration Scrutiny Committee. I am fully confident that her chairing skills will ensure that the Committee continues to provide added value to the scrutiny process.

How to get involved

Participating in Scrutiny gives people the opportunity to voice their opinions and get involved in the Council's decision making processes. Participation can also support the shaping of policies and services, improves transparency and trust and promotes accountability.

These are some of the ways that scrutiny engages with the stakeholders and the public;



- Having a specific web page called "Getting involved with Scrutiny" which identifies how the public can get involved
- Having a Protocol for Public Speaking in Scrutiny Committees
- Publishing each Committee's forward work programme on the Council's website to inform the public of our forthcoming work
- Inviting key partners to contribute at public meetings in order to broaden our understanding, inform discussions in the Council and add value to our partnership working locally
- Having co-optees on our Scrutiny Committees representing the Church in Wales, Catholic Diocese and parent governors
- Questioning strategies which include questions of public interest
- Site visits to local services to observe frontline service delivery
- Ensuring transparency by webcasting our Committee meetings for public viewing
- Publicising our Committee meetings on social media in order to encourage engagement
- Having a specific Scrutiny contact point via the Council's Customer Relationship Management System which provides the public with an accessible point of contact specifically related to the democratic process



Scrutiny Behind the Scenes

The Scrutiny team sits within the Democratic Services and is a small team consisting of two officers. In October 2025 there was a change in the team due to the Scrutiny Manager retiring, this led to the Scrutiny officer undertaking additional responsibilities until a new Scrutiny Manager was appointed in February 2026.

Some of the key achievements from 2025/2026 include;

- Scrutiny structures and processes were reviewed and recommendations made from both an external consultant and a Panel Performance Assessment. An improvement plan has been put in place to respond to these recommendations, and this plan is being monitored through the chair and vice chair forum meetings.

- Work is ongoing to raise awareness of the forward work plan and scrutiny structures and processes, this work includes presentations to all leadership and management teams within the authority.

- New members and new chairs have been supported in their new roles. This support has included face to face meetings and support to identify any training needs, and arrangements made to provide any identified training needs.

- Processes for tracking and monitoring actions raised in committees and panels have been reviewed, and improvements have been made to ensure that any actions raised are tracked and completed and reported back to the relevant committee or panel.

- Training sessions on questioning strategies were made available to all scrutiny committee members.

- Pre-committee meetings are arranged prior to every committee meeting to support members with the planning and to support effective scrutiny within the committees.

- Meetings are held with the Chairs prior to the committee meetings to brief the chair on the agenda and the items to be presented and to discuss any support needed prior to and during the committee meetings.

- Officers, Chairs and Vice Chairs meet bi-monthly to review forward work plans, to communicate any relevant information and to work in partnerships to review and improve scrutiny structures and processes.

Scrutiny in Numbers

17 Committee Meetings held

Chair and Vice-Chair Forum Meetings

5

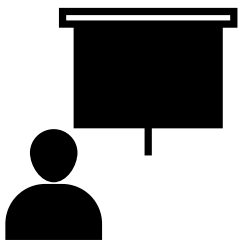


Corporate

8

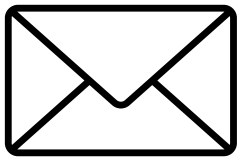
Partnership and Regeneration

9



Briefing Sessions

20



Letters sent on behalf of Committees to Uk and Welsh Government

3

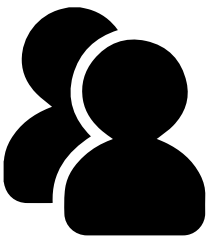
Actions raised and Actioned



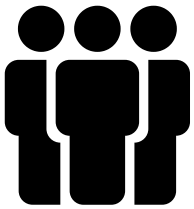
Committee Attendance

Officers **84**

Other Members **86**



External Stakeholders **18**



Reports Presented



Scrutiny Webcasting Views in Numbers

Scrutiny Committee meetings are webcasted to support openness, accountability and public engagment in decision-making.

Webcasting enables residents and stakeholders to observe discussions, understand how decisions are reviewed and challenged, and access proceedings more conveniently, helping to strengthen transparency and trust in local governance.

The information below brings together data from the two Scrutiny Committee meetings that were webcasted during 2025–2026. It presents the relevant details in one place, providing a clear overview of the data and figures for ease of reference and review.



17 hybrid meetings held







Hours of webcasting views = 487



77 Average views per webcast meetings

Impact of Scrutiny

Scrutiny creates impact by monitoring and challenging service performance, improvement and decision making, it raises awareness of partnership working and what is working well. Scrutiny can also strengthen accountability, allows more peoples voices to be heard and ensures that the work of the Council is open and transparent to the public. Below are some specific examples of how Scrutiny has had an impact in 2025/26;

Theme	Action	Impact
Partnership Working	Following the Local Health Board's annual attendance at the Scrutiny Committee in 2024, Elected Members identified the need for more regular dialogue on local health care provision. As a result, briefing and forum-style drop-in sessions were arranged in November 2025, giving Members the opportunity to raise experiences, concerns and questions directly with Health Board representatives.	The sessions strengthened partnership working between the Authority and the Local Health Board, improved communication on local health matters, and provided a more responsive way for Members to raise issues affecting residents. Positive feedback from the sessions has led to a commitment to hold them annually, with consideration being given to introducing similar arrangements with other key partners.
Service Improvement	During school visits, Members noted inconsistencies in the transition opportunities offered across primary and secondary schools. This was recorded as an action and communicated to the Learning Service.	As a result, the Service Manager responsible for this area has begun collating information from all schools. This work will be used to introduce common transition principles, supporting greater consistency in the transition experience for learners across schools.
Strengthening Accountability	The Education and the Social Services Scrutiny Panels have worked in partnership to scrutinise Corporate Safeguarding reports before they are presented to the Scrutiny Committee. The Panels have met twice as part of this approach and have agreed to continue working in partnership.	This joint approach has strengthened accountability by enabling Members from both Panels to consider safeguarding matters collectively, share insight across service areas, and provide more robust challenge before reports are presented to the Scrutiny Committee.

Overview of Corporate Scrutiny Committee



Chair, Councillor Jeff Evans



Vice Chair, Councillor Sonia Williams













Members of the Committee; Councillors Llio Angharad Jones, Dafydd Rhys Thomas, John Ifan Jones, Arfon Wyn, Keith Roberts, Alwen Watkin, Geraint Bebb, Robert Llewelyn Jones, Jackie Lewis, Aled Morris Jones (first part of the year), Celfyn Furlong (second part of the year)






Co-opted Members of the Committee; Christina Williams, Kathryn Seeney, John Tierney, Wenda Owen

The Purpose of the Corporate Scrutiny Committee is to;

- Scrutinise the performance / delivery of all services,
- Ensure the Council achieves its corporate and service objectives
- Scrutinise the Corporate Business Plan, Annual Budget, Budget and Policy Framework, Performance Management Framework, Corporate Policies or their successor plans and policies.

Corporate Scrutiny Committee Key Achievements 2025/26

The Corporate Scrutiny Committee has provided constructive challenge, sought assurance and influenced improvement across key Council priorities during the year;

Education and Young People: Members provided robust challenge on the future of post-16 education provision and the proposal for a new secondary school building in the Holyhead area, seeking assurance on engagement, Welsh language considerations, affordability, risks, compliance with the School Organisation Code and the impact on learners and communities.

Performance Improvement: The Committee scrutinised the Corporate Scorecard and highlighted key areas requiring improvement, including swimming lesson participation, housing voids, Disabled Facilities Grants, NEET figures, school exclusions, waste recycling, fleet emissions and FOI performance.

Strategic Planning: The Committee reviewed and endorsed key strategic documents, including the Annual Delivery Document 2025/26, the Self-Assessment and Performance (Wellbeing) Report 2024/25, the Housing Revenue Account Business Plan 2026–2056 and the initial draft Revenue Budget proposals for 2026/27.

Housing: The Committee welcomed progress on housing voids and allocations, scrutinised the Housing Revenue Account Business Plan, and sought assurance on rent affordability, maintenance access, housing stock improvements, energy efficiency and the impact of new social housing developments on communities.

Net Zero Strategic Plan 2026-2031: Members scrutinised the plan, raising important questions about value for money, emissions data, renewable technology, solar panel and battery recycling, electric vehicle charging, education, and the scale of investment required to upgrade housing stock.

Regional Emergency planning Service: The Committee reviewed the Regional Emergency Planning Service Annual Report and challenged issues relating to bridge closures, Holyhead Port disruption, equality considerations in emergencies, and cyber security resilience.

Budget Challenge: Members examined the 2026/27 draft revenue budget proposals, questioning Council Tax premiums, grant funding, additional learning needs funding, inflationary pressures, reserves, service pressures, cyber security investment, public conveniences, member allowances and the potential need for a crematorium facility on the Island.

Secured follow-up and future scrutiny: The Committee requested further updates and reports, including progress on flood management schemes, annual monitoring of the Smallholdings Management Strategic Plan, and he Towards Net Zero Strategic Plan.

Overview of Partnership and Regeneration Committee



Chair, Councillor Dylan Rees



Vice Chair, Councillor Gwilym Jones












Members of the Committee; Councillors Non Dafydd, Douglas Fowlie, John Ifan Jones, Euryn Morris, Pip O'Neill, Derek Owen, Margaret Roberts, Sonia Williams, Liz Wood, Ken Taylor






Co-opted Members of the Committee; Christina Williams, Kathryn Seeney, John Tierney, Wenda Owen

The Purpose of the Partnership and Regeneration Scrutiny Committee is to;

- Ensure the interests of the citizens of the Isle of Anglesey are promoted.
- Ensure the Council's priorities and resources are most beneficially reflected, in the partnerships, joint working, collaboration and external agency arrangements.
- The remit of the Committee will extend to local, regional and national arrangements and will include (but will not be limited to) those areas in which the Council has a statutory duty such as crime and disorder matters.

Key Achievements of Partnership and Regeneration Committee 2025/2026

The Partnership and Regeneration Committee has provided constructive challenge, sought assurance and influenced improvement across key Council priorities during the year;

Economic Development: items were discussed as part of the Committee's commitment to scrutinise the work made by the department which included: Prosperity Fund Enterprise, UK Government Funded Programme and the Anglesey Freeport. Members raised concerns regarding the recent changes to the Local Growth Funding arrangements, including the impact of revisions to grants on revenue-funded posts and services on Anglesey, and the lack of clarity around the Corporate Joint Committee's future decision-making role. These concerns led to letters being sent to both the UK and Welsh Governments, requesting that the issues be reconsidered and seeking greater clarity on the implications of the proposed arrangements.

Council Plan: 2023-2028: Members scrutinised a number of key strategic plans which will enable the Local Authority to realise the 6 key strategic objectives of the Council Plan for 2023-2028:

Welsh Language: The Committee looked at the Welsh language which is one of the six strategic objectives of the Council Plan for 2023-2028 . It is an integral part of our identity, culture and heritage and we have a responsibility to ensure that it continues to develop and thrive. The areas in particular which were scrutinised by Members include the following

- Welsh Standards Annual Report: 2024/25
- Welsh in Education Strategic Plan 2024/25 - Measuring Progress.

Education: As a Council, we are committed to supporting children and young people to be: ambitious and capable learners ready to learn and play a full part in both life and work. The areas scuritinised by the committee included:

- School improvement guidance: framework for evaluation, improvement and accountability
- Education Digital Strategic Plan.
- Education Scrutiny Panel Progress Report.
- ALN and Inclusion Service

The **external partners** who have appeared before the Committee during 2025/2026 include:

North Wales Police and North Wales Police and Crime Commissioner: Members scrutinised the priorities of the North Wales Police and Crime Commissioner, along with the collaboration between the two, noting future working opportunities along with risks and challenges.

Grwp Llandrillo Menai & Bangor University: Members invited these key partners to appear before the Committee for the first time to present and be scrutinised on the work of the University and College, including their collaborative arrangements with the Council in delivering innovative projects on the Island, as well as opportunities for post-16 learning and further education.

Betsi Cadwaladr University Health Board and Welsh Ambulance University Trust: Members scrutinised progress against Audit Wales' 2024 report, Urgent and Emergency Care: Flow Out of Hospital in the North Wales Region, during a joint discussion with key partners. Members provided constructive challenge and explored key issues with a shared commitment to improving health outcomes, promoting independence, and enhancing the wellbeing of Anglesey residents.

Scrutiny Panels

There are three panels supporting the work of the Scrutiny Commitees, these panels meet less frequently than the Committees and a lot of the work carried out by the panels happens out in the community. All the members who sit on the panels must also be a member of one of the Scrutiny Committees. Each panel is supported by robust governance arrangements which ensure a clear focus, remit and work programme and there are reporting and escalation processes in place to ensure that the work of scrutiny panels is reported regularly to the two Parent Committees.

Resource Panel

The Resource Panel has 6 members and meets 6 times a year, it is responsible for scrutinising the Council budget. Having a separate panel ensures that members are given sufficient time to complete detailed scrutiny on the the Council spend.

Education Panel

The Education Panel has 8 members and meets 4 times a year, they have a 2 year forward work programme and during 2025/2026 the panel scrutinised various themes both in the committee room and by visiting a selection of primary and secondary schools. The Panel also scrutinise schools causing concern and any schools placed in Estyn Category. During the year visits were arranged to 8 schools and the following themes were scrutinised;

- Effective Transitioning between Phases
- Improving Attendance
- Curriculum for Wales - Experiences that are related to the working world

Social Services Panel

The Social Services Panel has 8 members and meets 2 times a year, they have a 2 year forward work programme and during 2025/2026 the panel scrutinised various themes both in the committee room and by visiting existing services and new provision in the community. Visits were made to services to scrutinise the following;

- Anglesey Mental Wellbeing Team
- Supported housing for individuals with mental health needs
- Community support for individuals with mental health needs
- Learning Disability Day Opportunities
- Respite services for children with disabilities

Looking Ahead - Priorities and Recommendations for 2026/ 2027

For 2026/2027 we will continue to build on the work that has been undertaken during 2025/2026 and our priorities for 2026/2027 are;

- Continue to programme work in advance by keeping the forward work programme under review at each meeting, ensuring that all relevant stakeholders are given the opportunity to suggest relevant topics for scrutiny. We will also continue to share the programme as widely as possible to raise awareness of the content.

- We will deliver the new improvement plan and ensure that recommendations are implemented including the recommendation from the Performance Panel Assessment looking at how we can ensure that the scrutiny structure effectively scrutinises economic development priorities.

- With new Members likely to join the Council following the May 2027 elections, a comprehensive induction, training and development plan will need to be established. This plan should be developed in partnership with officers, with the views and experiences of current Members playing a crucial role in ensuring that it is focused, relevant and effective in meeting its aims.

- Continue working closely with ADSO (The Association for Democratice Services) and collect and share best practices across other authorities, and also implement any findings and improvements identified as a result of the work carried out as part of the Participation working group.

- Review and update the website ensuring that all information is current and relevant and can be easily found.

- Continue to work in partnership with our stakeholders to ensure the forward work programme for briefing sessions contains sessions that are relevant and of interest to the members and the public.

- Following the drop in sessions that were held with the Health board in November 2025 and the positive feedback received from both the members and officers from the health board, we will look to expand this type of session to other partnerships.

ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	**GOVERNANCE AND AUDIT COMMITTEE**
DATE:	**28 SEPTEMBER 2026**
SUBJECT:	**STATEMENT OF ACCOUNTS 2025/26**
PORTFOLIO HOLDER(S):	**CLLR ROBIN W. WILLIAMS – DEPUTY COUNCIL LEADER & PORTFOLIO HOLDER – FINANCE & CORPORATE BUSINESS & CUSTOMER EXPERIENCE**
LEAD OFFICER(S):	**R MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER**
CONTACT OFFICER(S):	**BETHAN HUGHES-OWEN / CLAIRE KLIMASZEWSKI** Bethanowen2@ynysmon.gov.wales
Nature and reason for reporting Covering report for the presentation of the Statement of Accounts, commenting on the main issues arising since presentation of the draft Statement of Accounts 2025/26.	

1. Background

1.1 The Isle of Anglesey County Council's draft Statement of Accounts 2025/26 was presented to the Council's external auditors, Audit Wales, for audit on 30 June 2026. The detailed audit work is now substantially complete.

1.2 Subject to the Governance and Audit Committee's confirmation, the final audited accounts will be signed by the Director of Function (Resources) / Section 151 Officer and the Council's Chair and will be published following the receipt of the Auditor's final opinion.

2. Revised Welsh Government Deadline

2.1 The statutory deadline for the completion of the audited accounts for the financial year 2025/26 is 30 September 2026 for all Welsh Councils.

3. Amendments to the Accounts since Draft Accounts were published in June 2026

3.1 Audit Wales completed detailed testing of the 2025/26 draft Statement of Accounts. Given the limited timetable for closing the accounts, this audit was essential to confirm that the accounts are materially correct and give a true and fair view of the Council's financial performance. Audit Wales completed a robust audit by the shortened Welsh Government (WG) deadline of 30 September 2026.

3.2 The audit testing identified some changes needed, and all material errors which the audit team recommended were amended, except for one, to ensure that the Accounts are materially correct. The uncorrected misstatement relates to the Houses-into-Homes loans from WG which had historically been treated as agency arrangements. The team appreciates Audit Wales bringing this issue to their attention. After reviewing the documentation from WG, it became clear that the Council bears the risk of the loans not being repaid, therefore, the Council is the principal, and the accounting treatment needs to properly reflect this. These loans will no longer be accounted for as agency arrangements. The team will complete a thorough review of the Houses-into-Homes loans and, in addition, similar schemes funded by different sources.

3.3 In addition to the Houses into Homes issue, a summary of the material changes or corrections is included in Audit Wales **ISA260 Audit report in Appendix 2 from page 17.** The audit and final Statement of Accounts increased the Council's outturn by £4k, increasing the 2025/26 underspend to £3.636m. Most amendments related to balance sheet changes and had no revenue impact.

3.4 A revised IAS19 report was required during the audit period, which resulted in corrections across the IAS19 pensions entries, reserves and related disclosures following the receipt of an amended actuarial report from the Council's actuary.

The pension fund valuation again produced a net asset, which accounting standards prevent the Council from recognising in its accounts. However, the Council must recognise its unfunded obligations, which decreased from £9.259m last year to £9.107m at 31 March 2026. This was the pension liability included in the draft accounts. The more significant change relates to a new requirement to report on the fund's potential exposure to agreed past service contributions following the results of the Triennial Valuation 2025. Therefore, the pension liability has increased by £9.186m, to £18.293m.

3.5 The value of Council dwellings on the balance sheet reduced by £7.438m following managerial review.

3.6 Short-term creditors on the balance sheet were increased by £2.705m as the accumulated absences accrual was amended to include accrued credits under the Council's flexible working scheme and time off in lieu (TOIL) earned rather than annual leave only.

3.7 The Council is the trustee for several trusts, most of which are small value, with two larger trusts, i.e. the Isle of Anglesey Further Education Trust and the Anglesey Welsh Church Acts Fund Trust. The Council holds cash on behalf of the trusts and should be reported as creditors on the balance sheet. For the Further Education Trust, debtors and creditors were classed on the balance sheet depending on whether the balance was a debit or credit. These individual balances should have been aggregated and included as a net creditor; therefore, short-term debtors have decreased by £1.267m, and short-term creditors have increased by £1.267m.

3.8 The North Wales Economic Ambition Board (NWEAB) was a joint committee of the six North Wales Councils and other partners. Gwynedd Council was the lead authority for this committee. All six Councils reported their share of the NWEAB income, expenditure, assets, liabilities and reserves in their respective accounts. The NWEAB transferred to the North Wales Corporate Joint Committee (NWCJC) on 1 April 2025, which is also comprised of all six Councils and other partners. The NWCJC is a legal public sector body created by WG legislation. Now that the NWEAB is a function of the NWCJC, the Council, along with the other North Wales councils and partners, is no longer required to include the net value of NWEAB assets in the accounts. Whilst the results of the NWEAB for 2025/26 were not included in the statement of accounts, £913k net debtor balance and the equivalent value of the earmarked reserves remained in the draft accounts. This and all other NWEAB balance sheet items have been removed from the final statement of accounts and have had a minimal impact on revenue as a debtor covered most of the value of the reserves, therefore, there was no cash transfer to the NWCJC.

3.9 There were amendments to the value of some Council buildings and some reclassifications between categories of Council assets. The largest value of these was £621k. The details of these are included in the audit report on pages 19 and 20.

3.10 A small number of errors in the notes to the accounts were also identified by the Auditor, and are noted in the Auditor's report.

4. Recommendations

4.1 To accept the Statement of Accounts 2025/26 and recommend that the Chair, Isle of Anglesey County Council and the Director of Function (Resources) / Section 151 Officer are given the authority to sign the final audited accounts for 2025/26.

MARC JONES
DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
28 SEPTEMBER 2026

CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

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 reported an underspend of £2.636m against a planned activity of £195.442m (net budget).

The table below reflects the final service budgets 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, Property and Waste	20,495	20,384	(111)
Regulation and Economic	6,083	6,034	(49)
Transformation	8,110	7,527	(583)
Resources	3,906	3,909	3
Corporate Services	6,241	6,572	331
Total Council Services	**178,931**	**177,982**	**(949)**

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 £2.636m, this increased the general reserve balance to £19.051m 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	(2,636)	-	-	-	-	-	4,890	-	2,254
Council Balance after over / (underspend)	(20,796)	(20,759)	(5,074)	(2,616)	(538)	(913)	(3,087)	-	(53,783)
Net transfers from/(to) Reserves for approved funding	1,745	(3,676)	746	(165)	(697)	913	-	-	(1,134)
General Reserve Balance at 31 March 2026	(19,051)	(24,435)	(4,328)	(2,781)	(1,235)	-	(3,087)	-	(54,917)

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 £19.051m, which equates to 9.75% 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 £2.636m 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 to £949k.

In addition, 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 resulting in a total underspend of £2.636m for 2025/26.

Housing Revenue Account

The Council's Housing Revenue Account balance stood at £3.087m 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 another 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 £0.269m to £2.585m. Insurance coverage was increased to £738k in line with estimated need. The total short-term provisions amounted to £1.123m, to accommodate expected future costs that may arise from past liabilities. The total provision for Penhesgyn Waste Site was reduced by £0.106m due to the cost of improvement works undertaken on the landfill site in 2025/26 and removing £0.036m 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 and was last completed in 2025 with an effective date from 1 April 2026. 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 to £0. However, the actuary has advised that the net liability of unfunded obligations and also past service contribution liabilities should be shown on the balance sheet. Therefore, a liability of £18.293m (£9.259m in 2024/25) is included in the long-term pensions liability on the balance sheet funded by the pensions unusable reserve. In addition, from 2025/26 The full results of the accounting valuation is reported in the Local Government Pensions note 34.

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.

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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 £1.120m but remain robust at £54.917m. The increase in the Council's general reserve from £18.160m to £19.051m 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:

The report of the Auditor General for Wales to the members of Isle of Anglesey County Council

Opinion on financial statements

I have audited the financial statements of Isle of Anglesey County Council for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

Isle of Anglesey County Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Isle of Anglesey County Council as at 31 March 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of Isle of Anglesey County Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Isle of Anglesey County Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Isle of Anglesey County Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing Isle of Anglesey County Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Isle of Anglesey County Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, Isle of Anglesey County Council's Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Isle of Anglesey County Council's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations:
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals;
- obtaining an understanding of Isle of Anglesey County Council's framework of authority as well as other legal and regulatory frameworks that Isle of Anglesey County Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Isle of Anglesey County Council; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Isle of Anglesey County Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Isle of Anglesey County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Catherine Mealing-Jones

Auditor General for Wales

29 September 2026

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

The maintenance and integrity of Isle of Anglesey County Council's website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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
95,205	(17,963)	77,242	Education, Young People and Skills		93,410	(19,892)	73,518
60,083	(19,107)	40,976	Adult Services		55,416	(17,620)	37,796
25,386	(7,107)	18,279	Children's Services		23,108	(6,760)	16,348
10,543	(7,738)	2,805	Housing		10,372	(8,162)	2,210
36,645	(11,965)	24,680	Highways, Property and Waste		31,689	(9,688)	22,001
22,380	(14,606)	7,774	Regulation and Economic		21,940	(16,089)	5,851
7,536	(443)	7,093	Transformation		7,079	(562)	6,517
24,029	(12,849)	11,180	Resources		25,884	(14,832)	11,052
2,582	(224)	2,358	Council Business		2,596	(545)	2,051
1,634	(856)	778	Corporate and Democratic Costs		349	(268)	81
863	(12)	851	Corporate Management		741	(10)	731
160	-	160	Non-distributed costs		242	-	242
16,808	(23,925)	(7,117)	Housing Revenue Account (HRA)		16,364	(23,083)	(6,719)
303,854	**(116,795)**	**187,059**	**Deficit on Continuing Operations**		**289,190**	**(117,511)**	**171,679**
		19,793	Other operating expenditure	10			19,279
		4,415	Financing and investment income and expenditure	11			2,031
		(234,877)	Taxation and non-specific grant Income	12			(234,111)
		(23,610)	**(Surplus)/Deficit on Provision of Services**				**(41,122)**
		18,492	Impairment losses on non-current assets charged to the Revaluation Reserve				15,865
		(18,224)	Surplus on revaluation of non-current assets				(20,007)
		173,935	Write-off Net Pension Asset	9c & 34			139,086
		(159,169)	Re-measurement of net Pension liability	9c & 34			(138,345)
		15,034	**Other Comprehensive Income and Expenditure**				**(3,401)**
		(8,576)	**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.

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
71,096	6,146	77,242	Education, Young People and Skills	67,309	6,209	73,518
41,268	(292)	40,976	Adult Services	37,626	170	37,796
18,536	(257)	18,279	Children's Services	16,304	44	16,348
2,921	(116)	2,805	Housing	2,254	(44)	2,210
17,918	6,762	24,680	Highways, Property and Waste	16,058	5,943	22,001
7,111	663	7,774	Regulation and Economic	5,250	601	5,851
6,904	189	7,093	Transformation	6,228	289	6,517
11,387	(207)	11,180	Resources	11,150	(98)	11,052
2,468	(110)	2,358	Council Business	2,087	(36)	2,051
861	(83)	778	Corporate and Democratic Costs	676	(595)	81
721	130	851	Corporate Management	751	(20)	731
-	160	160	Non-distributed costs	-	242	242
15,900	(23,017)	(7,117)	Housing Revenue Account (HRA)	16,535	(23,254)	(6,719)
197,091	**(10,032)**	**187,059**	**Net Cost of Services**	**182,228**	**(10,549)**	**171,679**
(195,971)	(14,698)	(210,669)	Other Income and Expenditure	(188,427)	(24,374)	(212,801)
1,120	**(24,730)**	**(23,610)**	**(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)		
1,120			Less (Surplus)/Deficit on General Fund and HRA Balance in Year	(6,199)		
(54,917)	Comprised of:		**Closing Council Fund Balances and HRA Balance at 31 March**	**(56,037)**	Comprised of:	
51,830	Council Fund			(48,060)	Council Fund	
3,087	HRA			(7,977)	HRA	
54,917				**(56,037)**		

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	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	5,483	-	-	-	-	-	5,483	18,127	-	**18,127**	**23,610**	-	23,610
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	-	(15,034)	(15,034)
Total Comprehensive Income and Expenditure	**5,483**	**-**	**-**	**-**	**-**	**-**	**5,483**	**18,127**	**-**	**18,127**	**23,610**	**(15,034)**	**8,576**
Adjustments between accounting basis and funding basis under regulations (Note 6)	(1,766)	-	165	(112)	-	-	(1,713)	(23,017)	-	**(23,017)**	**(24,730)**	24,730	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	**3,717**	**-**	**165**	**(112)**	**-**	**-**	**3,770**	**(4,890)**	**-**	**(4,890)**	**(1,120)**	**9,696**	**8,576**
Net transfer to/(from)													
Transfers to/(from) Reserves	(2,826)	3,676	-	809	(746)	(913)	-	-	-	-	-	-	-
(Decrease) / Increase In Year	**891**	**3,676**	**165**	**697**	**(746)**	**(913)**	**3,770**	**(4,890)**	**-**	**(4,890)**	**(1,120)**	**9,696**	**8,576**
Balance 31 March 2026	**19,051**	**24,435**	**2,781**	**1,235**	**4,328**	**-**	**51,830**	**3,087**	**-**	**3,087**	**54,917**	**439,755**	**494,672**

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	603,794	580,318
Heritage assets	15	2,301	2,299
Investment property	16	10,201	10,068
Intangible assets		111	175
Long-term debtors	18	2,169	1,625
Long-term Right of Use Assets	43	2,749	1,857
Long-term Assets		**621,325**	**596,342**
Assets held for sale		813	833
Inventories		313	421
Short-term debtors	18	53,206	67,895
Short-term Investments	35a	-	-
Cash and cash equivalents	19	20,234	13,571
Current Assets		**74,566**	**82,720**
Short-term borrowing	35b	(2,507)	(2,206)
Short-term creditors	20	(49,260)	(41,257)
Short-term provisions	21	(1,123)	(749)
Short-term grants receipts in advance	30	(4,914)	(13,104)
Short-term Right of Use liabilities	43	(446)	(427)
Current Liabilities		**(58,250)**	**(57,743)**
Long-term creditors	20	(261)	(255)
Long-term provisions	21	(1,463)	(1,567)
Long-term borrowing	35b	(121,049)	(121,726)
Long-term grants receipts in advance	30	-	(1,349)
Other long-term liabilities	34	(18,293)	(9,259)
Long-term Right of Use Liabilities		(1,903)	(1,067)
Long-term Liabilities		**(142,969)**	**(135,223)**
Net Assets		**494,672**	**486,096**
Usable reserves	MIRS	54,917	56,037
Unusable reserves	9	439,755	430,059
Total Reserves		**494,672**	**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		**23,610**	**41,122**
Non Cash Items charged to the Income and Expenditure Accounts	22	29,087	28,946
Cash items not charged to the Income & Expenditure Account	22	(13,744)	(12,774)
Movements in Net Current Assets	22	12,991	(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 £'000	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Education, Young People and Skills	7,106	(1,161)	201	6,146
Adult Services	647	(1,018)	79	(292)
Children's Services	342	(603)	4	(257)
Housing	46	(156)	(6)	(116)
Highways, Property and Waste	6,354	(581)	989	6,762
Regulation and Economic	1,244	(574)	(7)	663
Transformation	494	(329)	24	189
Resources	-	(275)	68	(207)
Council Business	(1)	(104)	(5)	(110)
Corporate and Democratic Costs	871	(954)	-	(83)
Corporate Management	-	-	130	130
Non-distributed costs	-	160	-	160
Housing Revenue Account (HRA)	(22,626)	(459)	68	(23,017)
Net Cost of Services	**(5,523)**	**(6,054)**	**1,545**	**(10,032)**
Other Income and Expenditure from the Funding Analysis	(15,015)	322	(5)	(14,698)
Difference between General Fund and HRA (Surplus) or Deficit and the Comprehensive Income and Expenditure Statement (Surplus) or Deficit	**(20,538)**	**(5,732)**	**1,540**	**(24,730)**

2024/25

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes £'000	Net Change for the Pensions Adjustments £'000	Other Differences £'000	Total Adjustments £'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 £155.642m. This surplus has been reduced to nil because of pensions rules restricting the reporting of a net pension's 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 £138.345m excluding unfunded obligations was reported for the value on 31 March 2025). A net liability of £18.293m (£9.259m on 31 March 2025) remains on the pension liability for unfunded obligations and past service contribution liabilities 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 September 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							
	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	Movement in Unusable Reserves £'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	17,999	-	-	17,999	3,711	-	3,711	(21,710)
Revaluation (gains)/losses on Property, Plant and Equipment	(496)	-	-	(496)	(16)	-	(16)	512
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	**2,035**	**165**	**(112)**	**2,088**	**(22,626)**	**-**	**(22,626)**	**20,538**
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)	7,414	-	-	7,414	598	-	598	(8,012)
Employer's pensions contributions and direct payments to pensioners payable in the year	(12,687)	-	-	(12,687)	(1,057)	-	(1,057)	13,744
Total pensions adjustments	(5,273)	-	-	(5,273)	(459)	-	(459)	5,732
Adjustment involving the Accumulating Compensated Absences Adjustment Account				-		-	-	-
Adjustments in relation to short-term compensated absences	1,472	-	-	1,472	68		68	(1,540)
Total other adjustments	1,472	-	-	1,472	68	-	68	(1,540)
								-
Total Adjustments	**(1,766)**	**165**	**(112)**	**(1,713)**	**(23,017)**	**-**	**(23,017)**	**24,730**

2024/25	Usable Reserves							
	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	Movement in Unusable Reserves £'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	14,647	-	-	14,647	3,700		3,700	(18,347)
Revaluation (gains)/losses on Property, Plant and Equipment	334			334			-	(334)
Movements in the market value of Investment Properties loss/(gain)	(2,295)			(2,295)				2,295
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(20,453)			(20,453)	(17,430)		(17,430)	37,883
Revenue expenditure funded from capital under statute	999			999			-	(999)
Derecognition	712			712			-	(712)
Carrying amount of non-current assets sold	235			235	843		843	(1,078)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:				-			-	-
Minimum Revenue Provision for Capital Funding	(1,569)			(1,569)	(141)		(141)	1,710
Minimum Revenue Provision for Capital Funding - Leasing	(327)			(327)	(13)		(13)	340
Capital expenditure charged against the Council Fund and HRA balances	(2,155)			(2,155)	(9,126)		(9,126)	11,281
Adjustments involving the Capital Receipts Reserve:				-			-	-
Proceeds from Sale of Non-Current Assets	(258)	258		-	(632)	632	-	-
Use of the Capital Receipts Reserve to finance capital expenditure		(32)		(32)		(1,141)	(1,141)	1,173
Use of capital reserve to finance capital expenditure	464		(464)	-			-	-
Other Capital Receipts	-			-			-	-
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	**(9,680)**	**226**	**(464)**	**(9,918)**	**(22,804)**	**(509)**	**(23,313)**	**33,231**
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)	10,863	-	-	10,863	(93)	-	(93)	(10,770)
Employer's pensions contributions and direct payments to pensioners payable in the year	(12,774)	-	-	(12,774)	-	-	-	12,774
Total pensions adjustments	(1,911)	-	-	(1,911)	(93)	-	(93)	2,004
Adjustment involving the Accumulating Compensated Absences Adjustment Account				-			-	-
Adjustments in relation to short-term compensated absences	389			389	(77)		(77)	(312)
Total other adjustments	389	-	-	389	(77)	-	(77)	(312)
				-			-	-
Total Adjustments	**(11,202)**	**226**	**(464)**	**(11,440)**	**(22,974)**	**(509)**	**(23,483)**	**34,923**

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 and March 2024 fallen below £500k	1,483	21	(198)	1,306	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	264,374	238,941
Financial Instruments Adjustment Account	(271)	(289)
b) Revaluation Reserve	199,010	204,192
c) Pensions Reserve	(18,293)	(9,259)
ch) Accumulating Compensated Absences Adjustment Account	(5,065)	(3,526)
Total Unusable Reserves	**439,755**	**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	(21,710)		(18,347)	
Derecognised assets	3		(712)	
Revaluation (losses) / gain on Property, Plant and Equipment	512		(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)	
		(22,001)		**(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		**(17,089)**		**(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		**264,374**		**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	(270)	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	**199,010**	**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 £'000	2024/25 £'000
Balance at 1 April	**(9,259)**	**(10,522)**
Re-measurement of net defined (liability)/asset	159,169	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	(8,012)	(10,770)
Employers' pension contribution, direct payment to pensioners payable in the year and other cash flows	13,744	12,774
Asset ceiling adjustment	(173,935)	(139,086)
Balance at 31 March	**(18,293)**	**(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	(5,065)		(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		(1,539)		(312)
Balance at 31 March		**(5,065)**		**(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 Corporate 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	348	453
Interest receivable and similar income	(1,305)	(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	**4,415**	**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	17,570	3,368	2,381	596	13,857	-	**37,772**
Revaluation inc./(decr.) to Revaluation Reserve	(22,983)	(5,804)	-	-	-	(25)	**(28,812)**
Revaluation inc./(decr.) to (Surplus) / Deficit on the Prov. of Services	-	(2,606)		-	-	(5)	**(2,611)**
Derecognition - Disposals	-	-	(483)	-	-	-	**(483)**
Derecognition - other	-	-	-	-	-	-	-
Derecognition - replaced parts	-	-	-	-	-	-	-
Reclassification	8,879	2,134	2,280	297	(13,590)	-	-
Reclassified (to) / from Infrastructure	-	-	-	-	-	-	-
Reclassified (to) / from Assets Held for Sale	-	-	-	-	-	-	-
Reclassified (to) / from Investment Property	-	-	-	-	-	-	-
Reclassified (to) / from Heritage Assets	-	-	-	-	-	-	-
Balance as at 31 March 2026	**220,751**	**253,847**	**26,809**	**1,604**	**40,560**	**1,537**	**545,108**
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	-	893	-	-	**1,601**
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**	**1,345**	-	**28**	**15,586**
Net Book Value							
Balance as at 31 March 2026	**220,751**	**253,847**	**12,596**	**259**	**40,560**	**1,509**	**529,522**
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							-
Derecognition - other						(6)	(6)
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 £603.794m recognised as Property, Plant and Equipment (PPE). This includes £74.272m 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 – INFASTRUCTURE 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
Reclassifcation	0	0
Depreciation	(4,356)	(4,249)
Net Book Value at 31 March	**74,272**	**71,937**

Total PPE Assets

	2025/26 £'000	2024/25 £'000
Infrastructure assets	74,272	71,937
Other PPE assets	529,522	508,381
Total PPE assets	**603,794**	**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 £12.987m 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	9,271
Development of New Properties - HRA	1,306
Refurbiushment of Existing Properties - HRA	224
Heat Pump Installation	1,605
Energy Projects	581
Total	**12,987**

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	47,975	63,578
Total	**2,169**	**1,625**	**53,206**	**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	-	-	(3,253)	(2,783)
Other Payables	(261)	(255)	(46,007)	(38,474)
Total Creditors	**(261)**	**(255)**	**(49,260)**	**(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)	-	-	-	-	86	-	86
ADY Strategaeth Provision	-	81	-	81	-	-	81
Care Fees Provision	-	-	-	-	218	-	218
Total Short-Term Provisions	**456**	**408**	**(202)**	**662**	**631**	**(170)**	**1,123**
Long-Term Provisions							
Penhesgyn Waste Site (Long Term)	4,247	(2,464)	(129)	1,654	(123)	(69)	1,462
Total Provisions	**4,703**	**(2,056)**	**(331)**	**2,316**	**508**	**(239)**	**2,585**

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	21,710	18,347
Downward/(upwards) revaluations and non-sale derecognitions	(512)	1,046
(Increase)/decrease in Inventories	108	(21)
(Increase)/decrease in debtors	14,145	(17,837)
Increase/(decrease) in creditors	8,008	1,185
Increase/(decrease) in grants receipts in advance	(9,539)	340
Transactions within the CIES relating to retirement benefits	(5,732)	(2,004)
Transactions within the CIES relating to Right of Use Assets	(64)	-
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	73	1,078
Increase/(Decrease) in Provisions	269	(2,386)
Movement in value of investment properties - Impairment and downward revaluations (and non-sale derecognitions)	(132)	(2,295)
Total	**28,334**	**(2,547)**
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	125,607	120,285
Other services	156,537	150,558
Depreciation, amortisation, impairment & movement in market value of investment properties	21,578	16,077
Interest Payments	32,167	23,183
De-recognition and Impairment of Financial Assets	320	545
Precepts and levies	19,941	18,546
Loss / (Gain) on the disposal of assets	(148)	796
Total Expenditure	**356,002**	**329,990**
Income		
Fees, charges and other service income	(42,703)	(41,669)
Interest and investment income	(27,941)	(19,428)
Income from Council Tax, Non-Domestic Rates	(98,155)	(92,948)
Government grants and contributions	(210,813)	(217,067)
Total Income	**(379,612)**	**(371,112)**
Surplus or Deficit on the provision of services	**(23,610)**	**(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	65	31
£65,000 to £69,999*	8	2	15	23
£70,000 to £74,999*	1	2	26	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**	**142**	**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 £'000	2024/25 £'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:		**9,697**	**10,350**
Total grants and contributions credited to services		**74,091**	**75,905**
Total		**235,909**	**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	11,425	10,249
Payments Received	12,495	5,139
Amounts owed by the Council	13,508	6,280
Amounts owed to the Council	1,940	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	-	-	-
Canolfan Ucheldre	Member has declared an interest	20	-	-	-
Cylch Meithrin Llanerchymedd	Member has declared an interest	76	-	-	1
Antur Waunfawr	Officer has declared an interest	14	-	2	-
Porthladd Rhydd Ynys Môn Ltd	Officer has declared an interest	-	11,567	-	-
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.

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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. During 2025/26, the Council received £11.6m on behalf of the Porthladd Rhydd from the Welsh Government. This is to be used to deliver Porthladd Rhydd's capital projects.

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	204	97	3,528	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 - Unaudited	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 £8.701m 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 DEFNIED 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.

The impact of the asset celling in 2024/25 has been restated due to a change in how the figure is presented in 2025/26. This is to ensure that 2024/25 is presented in the new format for comparison purposes.

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	8,054	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	**8,012**	**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	26,920	64,491
Total re-measurement of net defined benefit liability - Asset	**14,766**	**741**
Total Post-employment benefits charged to the Comprehensive Income and Expenditure Statement	**22,778**	**11,511**
Reversal of net charges made for retirement benefits in accordance with the code	(5,732)	(982)
Actual amount charged against the Council Fund balance for pensions in the year:		
Employers' contributions payable to scheme	13,744	11,752
Total Post-employment benefits charged to the Surplus or Deficit on Provision of Service	**8,012**	**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)
Impact of the Asset Ceiling	(173,935)	(139,086)
Net Asset/(liability) arising from defined obligation	**(18,293)**	**(9,259)**

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	18,737	17,843
Contributions from scheme participants	3,817	3,624
Remeasurement losses / (gains)	7,854	(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 £173.935m which will bring the asset to nil on the balance sheet on page 18. 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 £18.293m 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:		
Longevity at 65 current pensioners:		
Men	21.0 years	20.7 years
Women	23.7 years	23.5 years
Longevity at 65 for future pensioners:		
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 triennial valuation was 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 £155.642m 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 £18.293m 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 £10.348m 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 Penson 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												
Rents	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 Instrumer	**47,024**	**47,024**	**61,374**	**61,374**	**619,153**	**619,153**	**594,717**	**594,717**	**666,177**	**666,177**	**656,092**	**656,092**
Total Assets	**74,566**	**74,566**	**82,720**	**82,720**	**621,323**	**621,323**	**596,342**	**596,342**	**695,889**	**695,889**	**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 £95.893m, lower than the carrying value on the Balance Sheet of £123.556m at 31 March 2026. The fair value of the assets is £27.663m 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	90,524	117,690	94,009	119,519	92,381	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**	**93,378**	**121,726**	**97,266**	**123,556**	**95,893**	**123,932**	**99,481**
Creditors												
Trade	2,302	2,302	1,957	1,957	-	-	-	-	2,302	2,302	1,957	1,957
Other Creditors	30,322	30,322	20,355	20,355	-	-	-	-	30,322	30,322	20,355	20,355
Total Financial Liabilities - Creditors	**32,624**	**32,624**	**22,312**	**22,312**	**-**	**-**	**-**	**-**	**32,624**	**32,624**	**22,312**	**22,312**
Total Financial Liabilities	**35,130**	**35,138**	**24,518**	**24,526**	**121,049**	**93,378**	**121,726**	**97,266**	**156,179**	**128,516**	**146,244**	**121,793**
Total Liabilities not defined as Financial Liabilities	**23,119**	**23,119**	**33,137**	**33,137**	**21,920**	**21,920**	**13,585**	**13,585**	**45,039**	**45,039**	**46,722**	**46,722**
Total Liabilities	**58,249**	**58,257**	**57,655**	**57,663**	**142,969**	**115,298**	**135,311**	**110,851**	**201,218**	**173,555**	**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).

The notional income and expenditure for the pooled budget is as follows:

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 form 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 it's 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:

	2025/26			
Grant Title	**Payments Made £'000**	**Grant (Received)/Repaid from Government £'000**	**Admin Fee Received £'000**	**Balance due (to)/from Welsh Government at 31 March £'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

	2024/25			
Grant Title	**Payments Made £'000**	**Grant Received from Welsh Government £'000**	**Admin Fee Received £'000**	**Balance due (to)/from Government at 31 March £'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, £2,143.94 (£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	Multiplyer	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	**65,750**	**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 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
- Were 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 of 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

Value of arrears	**Impairment Loss Allowance**
£0.01 to £49.99	10%
£50 to £99.99	20%
£100 to £249.99	30%
£250 to £499.99	45%
£500 to £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.

The Financial Statements

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 evets 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
Expenditure		
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	68	(76)
Accounting Adjustment IAS19	(486)	(120)
Total Expenditure	**16,703**	**16,462**
Income		
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	**(7,222)**	**(6,621)**
HRA Services' Share of Corporate and Democratic Core	89	56
Net Expenditure of HRA Services	**(7,133)**	**(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	27	27
Interest Payable and Similar Charges	1,344	1,380
Interest and Investment Income	(186)	(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	**(18,127)**	**(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	(18,127)	(22,762)
Adjustments between Accounting and Funding Bases under Statute	23,017	22,974
Net (increase)/decrease before Transfers to/from Reserves	**4,890**	**212**
Transfers to/(from) Earmarked Reserves	-	-
Net (Increase)/Decrease in Year on the HRA	**4,890**	**212**
Adjustment to Reserve	**-**	**-**
Balance on the HRA at the end of the Current Reporting Period	**(3,087)**	**(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	514	673
Impact of pension fund business combinations and disposals	35	-
Unfunded costs	76	73
Total IAS19 service costs	625	746
Less: actual employer's contributions	(1,057)	(866)
Movement to pensions reserve	(432)	(120)
Current service cost included in movement in reserves statement	432	120
Pension net interest cost	27	(27)
Pension net interest cost included in movement in reserves statement	(27)	27
Total impact on usable reserve	-	-

APPENDIX 1

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	
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	
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

The 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.

Annual Governance Statement 2025/26

Prepared by: Governance Group

Publication date: September 2026

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

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Scope of Responsibility

The Isle of Anglesey County Council is responsible for ensuring that it conducts its business in accordance with the law and proper standards, and that it safeguards and properly accounts for public money, and how public money is used.

The Council also has a duty under the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.

The Council approved and adopted a revised local code of corporate governance in March 2022, which is consistent with the seven core principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government, including the updated guidance set out in the CIPFA/SOLACE Addendum on the Annual Governance Statement. The Council continues to review and strengthen its governance arrangements in line with evolving good practice, including the requirements of the CIPFA/SOLACE Addendum and the formation of an internal Governance Group.

This statement explains how the Council has complied with the code and meets the requirements of non-statutory proper practice encouraging the publication of an Annual Governance Statement. It also meets the requirement of regulation 5 of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control.

The Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness.

Political Governance

The Council was deeply saddened by the passing of two serving Elected Members, Cllr Trevor Ll Hughes in November 2025, who represented the Ynys Gybi ward, and Cllr Ken Taylor in May 2026, who represented the Bro'r Llynnoedd ward. The Council's Democratic Services team enacted necessary protocols to manage these vacancies. Both seats have now been filled following local by-elections: Cllr Celfyn Furlong was elected to represent the Ynys Gybi ward, and Cllr Jon Paul Taylor was elected to represent the Bro'r Llynnoedd ward. Throughout this period, the Monitoring Officer and Democratic Services have ensured that political balance is actively managed and that all statutory committee quorums have been successfully maintained to ensure legally robust decision-making. There have been no changes to the committee structures over the past year.

Organisational Structure Changes

During 2025/26, the Council reviewed and strengthened its Management Team capability and capacity to better align with its strategic priorities and modernisation agenda. Following the departure of the Head of Profession for HR and Transformation, the former Transformation Service was restructured into two distinct, focused services. The new services are the 'Digital, Performance and Modernisation' service and the 'Human Resources, Communication and Customer Experience' service. This strategic realignment provides dedicated leadership capacity to drive the digital modernisation while simultaneously ensuring robust oversight of the workforce and customer engagement frameworks.

Furthermore, during the year, the Council formally transitioned its school improvement and educational support functions fully in-house, moving away from the previous regional consortium model. From a governance perspective, this strategic shift consolidates risk management and ensures that the Council's Learning Service now holds direct, localised accountability and oversight for school performance and capacity building.

Review of Effectiveness

The Isle of Anglesey County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework has been evaluated by a combination of:

- the statutory Panel Performance Assessment (PPA), which provided independent external assurance on the Council's governance, performance and capacity arrangements;
- the results of the regular in-year review and monitoring by officers and committees;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Council Plan;
- reviews of feedback from external auditors and inspectorates, including Audit Wales, Estyn and Care Inspectorate Wales (CIW);
- the scrutiny panels on the work in relation to Finance, Education and Social Services;
- discussions with, and receiving comments from, groups of officers and members including the Leadership Team and the Executive.

In addition, regular in-year review and monitoring includes:

- formal risk management activity, including specific consideration of those risks linked to governance processes;
- internal audit, whose work includes auditing the highest risks identified in the Strategic Risk Register, including risk management, in accordance with the annual internal audit strategy, and which includes 'follow-up' work to ensure that senior officers address agreed 'Issues / Risks';
- the work of the Council's Scrutiny and Governance and Audit and Standards committees and other Committees;
- the opinions and recommendations of the Council's external auditors and other review agencies and inspectorates;
- the regular monitoring of improvement and performance against the Council Plan and its supporting strategic plans by members and senior managers.

Annual Review of the Effectiveness of the Council's Governance Framework

Conclusion of Assessment

The following table provides the conclusion of the assessment for 2025/26:

Core Principles of the Framework	Conclusion of the assessment
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The Council continues to uphold strong ethical standards and respect for the rule of law. These arrangements are supported by the Council's Constitution, Codes of Conduct and Standards framework, alongside ongoing updates to counter fraud strategies and constitutional arrangements to strengthen oversight. A key governance priority for the year ahead is ensuring full organisational readiness and statutory compliance with the Procurement Act 2023, which is being actively managed at a strategic level to embed consistent practices across all services. The Council continues to promote a strong organisational culture underpinned by its values, with the Panel Performance Assessment highlighting constructive member–officer relationships, a committed workforce, and positive collaborative working across the organisation.
Principle B: Ensuring openness and comprehensive stakeholder engagement	The Council demonstrates a strong commitment to openness, accessibility and active public engagement. Collaborative partnerships and public consultations continue to shape service delivery and community resilience initiatives. The Council maintains effective arrangements to ensure that residents can access information and influence decision-making, supported by performance monitoring of information requests to ensure responsiveness and transparency.
Principle C: Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits	The Council's commitment to delivering sustainable economic, social, cultural and environmental benefits is clearly articulated through the Council Plan. Strategic intent remains strong, supported by whole council initiatives to streamline resident support and tackle poverty. To ensure these outcomes are fully realised, the Council is focusing on embedding the Socio-economic Duty more consistently into high-level decision-making and strengthening the use of measurable outcomes to drive service delivery. The Council Plan has been developed in line with the sustainable development principle set out in the Wellbeing of Future Generations (Wales) Act, ensuring that long-term, preventative and collaborative approaches are embedded across the organisation.
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	The Council maintains a well-established performance management framework aligned to the Council Plan, ensuring that service interventions are appropriately targeted and informed by evidence. To further strengthen governance and decision-making, the Council is refining its data validation processes to ensure that the Executive and Scrutiny functions are supported by robust, high-quality information to enable effective challenge, accountability and strategic oversight.

Core Principles of the Framework	Conclusion of the assessment
Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	Leadership and workforce capacity are well managed, supported by established talent and development programmes that are now embedded as business-as-usual. The Council recognises the increasing complexity of statutory data protection requirements, and a key governance priority for 2026/27 is strengthening Information Governance resilience. This includes developing sustainable capacity models for specialist statutory roles and reinforcing a culture of data security and compliance across the organisation. Workforce capacity, including recruitment, retention and leadership continuity, continues to be monitored through the Council's Strategic Risk Register, ensuring appropriate oversight and management of these strategic challenges.
Principle F: Managing risks and performance through robust internal control and strong public financial management	The Council's financial controls operate to a high standard of effectiveness. This is evidenced through post-payment audit work demonstrating high levels of transactional accuracy, alongside an unqualified opinion from Audit Wales on the annual Statement of Accounts, confirming no material weaknesses in internal controls. The Council demonstrates compliance with the CIPFA Financial Management Code. Medium-term financial resilience continues to be actively managed, including responding to the challenges of single-year funding settlements through the development of a cross-cutting Modernisation Strategic Plan, as recommended by the Panel Performance Assessment, to support long-term sustainability. Strategic risk management arrangements are well established, with the Strategic Risk Register subject to regular scrutiny by the Leadership Team and the Governance and Audit Committee. While service-level risk management arrangements are in place, some inconsistency in the review of Service risk registers has been identified, with an improvement plan in place for 2026/27.
Principle G: Implementing good practices in transparency, reporting, and audit to deliver	Accountability, transparency and reporting arrangements are robust and effective, supported by strong internal and external audit processes and a high level of management engagement in addressing identified risks and control weaknesses. Internal Audit provides established third-line assurance through its risk-based audit work and overall annual opinion. The Council's governance arrangements have also been externally validated through the statutory Panel Performance Assessment. External review has identified opportunities to further strengthen the effectiveness of the Council's Scrutiny function, and this remains a key governance priority for 2026/27. While significant progress has been made in reviewing the first and second lines of assurance, completing a comprehensive Council-wide assurance mapping framework remains a priority. During the year, the Council responded to a regulatory investigation relating to Building Control functions. Enhanced governance arrangements and oversight mechanisms have been established to ensure compliance with statutory requirements and strengthen internal control. No significant governance issues were found during the year.

Statutory Officers' Statements

Head of Paid Service



Dylan Williams
Chief Executive

"As the Chief Executive of the Isle of Anglesey County Council, I take pride in ensuring that effective governance arrangements are in place to uphold transparency, accountability, and the highest standards of public service.

My role is to provide strategic leadership to the organisation, working closely with elected members, officers, and our regional partners. I am satisfied that our governance framework is robust, a fact validated this year by the independent assurance gained through our statutory Panel Performance Assessment. We do not, however, stand still. Local government continues to face unprecedented demand, and we are committed to addressing this through the development of a cross-cutting Modernisation Strategic Plan.

Through regular engagement with stakeholders, we have fostered a culture of open communication and continuous improvement. I am confident that our governance arrangements provide the strong foundation needed to deliver our strategic objectives, adapt to future challenges, and fulfil our responsibilities to the residents of Anglesey."

Section 151 Officer



Marc Jones
Director of Function (Resources)

"As the Section 151 Officer, I hold statutory responsibility for overseeing the Council's financial management and ensuring the proper, efficient use of public funds.

I am pleased that the Council's core financial controls and strategic risk management frameworks continue to operate to a highly effective standard, providing a robust foundation for financial stewardship. This is evidenced by exceptionally strong transactional accuracy and the independent assurance provided by our internal and external auditors.

However, ensuring long-term financial sustainability remains a significant challenge. Highly detailed long-term financial planning continues to be inherently constrained by the reliance on single-year funding settlements from the Welsh Government, coupled with ongoing economic pressures. Despite this, I am confident that through diligent medium-term financial planning, disciplined budgetary control, and our commitment to service transformation, our governance arrangements safeguard the Council's resources and support prudent, resilient financial management."

Monitoring Officer



Lynn Ball
Director of Function (Council Business)

"As Monitoring Officer one of my key roles is to work closely with elected members and officers to promote good governance, ensure lawful decision-making, and uphold the Constitution across the Council.

The Council maintains a robust governance framework, and we actively ensure that our working culture reflects those requirements, promoting the accountability, transparency, and integrity of our democratic processes.

This year, we have continued to refine our constitutional arrangements to ensure they remain agile and fit for purpose. Nurturing high standards of ethical behaviour and ensuring readiness for new statutory frameworks such as the Procurement Act 2023 and ongoing data protection resilience is crucial. I am satisfied that our governance arrangements provide the necessary legal and ethical safeguards to allow the Council to discharge its responsibilities effectively and lawfully."

Head of Internal Audit



Marion Pryor

"As the Head of Audit and Risk, my statutory role is to provide an independent, objective annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management, and control. Based on the internal audit work undertaken during the year, my formal conclusion is as follows:

'For the 12 months ended 31 March 2026, the Isle of Anglesey County Council's Head of Audit and Risk's opinion is that the organisation has an adequate and effective framework for risk management, governance and internal control. While I do not consider any areas of significant concern, some areas require the introduction or improvement of internal controls to ensure the achievement of objectives, and these are the subject of monitoring. There are no qualifications to this opinion."

Governance matters identified

Progress on Identified Governance Matters as noted last year

The table outlines the governance matters identified last year and an update on progress can be found below:

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
1. The Council must ensure that it meets the requirements of the new Procurement Act 2023	Resources	The Council has continued to implement the Procurement Improvement Plan, despite initial challenges in recruiting to the Procurement Manager role. Interim arrangements have maintained continuity, with agency staff supporting delivery of the action plan while policies and procedures have been reviewed and updated in line with the requirements of the Procurement Act 2023. Training has also been rolled out across the Authority to strengthen staff understanding and compliance. The appointment of a permanent Procurement Manager, who took up post in April 2026, provides additional capacity to further develop procurement across the Council. The Council approved an increase in the Procurement Team budget in 2026/27 to allow an additional member of staff to be employed and to invest in procurement systems which will ensure greater compliance, improved management information, greater management of contract performance and better management and reporting on social value and community benefits. These actions demonstrate that, although progress has been slower than anticipated, the key foundations are being put in place to embed compliant and consistent procurement practices across the Council.	Behind Schedule
2. The Council needs to respond to identified workforce planning challenges including its age profile in some services and recruitment and retention problems in others	Human Resources, Communication and Customer Experience	The Council has made positive progress in responding to workforce planning challenges, particularly in addressing recruitment and retention pressures within key services. A targeted recruitment approach has been delivered through the Denu Talent Programme, part of the Dyfodol Môn Scheme, which has now been successfully implemented over two consecutive years. This initiative has strengthened the pipeline of future employees by attracting young people from sixth forms, colleges and universities, with a number progressing into employment with the Council or expressing an	Complete for 2025/26. Process is now considered business as usual

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
		interest in future careers in areas such as social work. The Learning and Development Team will continue to build on this approach during 2026 in collaboration with Social Services, helping to sustain workforce capacity and strengthen the Council's attractiveness as an employer. In addition, the Council has embedded a more structured approach to workforce planning through regular engagement between Human Resources, Directors, Heads of Service and Business Managers, ensuring that workforce challenges are routinely reviewed and reported to the Leadership Team. Alongside this, the Dyfodol Môn Graduate Programme has been launched, with the first cohort of graduates appointed across key professional areas including accountancy, engineering and economic development. The programme will continue during 2026, providing ongoing opportunities to develop specialist skills internally and support succession planning. Collectively, these actions demonstrate that the Council is taking a proactive and sustainable approach to growing its own workforce and addressing longer-term recruitment and retention challenges.	
3. The Council needs to manage and rationalise assets to ensure that they are needed, are fit for purpose and if not identify the work required to bring them up to standards.	Highways, Waste & Property	The Council has progressed actions to strengthen the management and long-term sustainability of its asset base, including the development and formal adoption of the Asset Management Strategic Plan, the Smallholdings Management Strategic Plan, supported by additional one-off funding, and continued implementation of the Computer Aided Facilities Management System. Core functionality is now operational, with further enhancements underway to improve asset data, monitoring and integration with other council systems. The Council's physical assets are recognised as a strategic risk and are subject to strategic oversight, ensuring appropriate governance and prioritisation. While these developments provide a strong foundation for improved asset management, the rationalisation of Council assets remains at an early stage and will require improved data quality and greater system maturity to inform future decisions. It	Behind Schedule

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
		is also recognised that maintaining the long-term sustainability of the Council's asset base will require informed strategic decisions on investment and prioritisation.	
4. The financial resilience of the Council is under pressure due to the cost-of-living crisis and a decrease in funding	Resources	The Council has taken a structured and proactive approach to strengthening its financial resilience in response to ongoing cost-of-living pressures and reduced funding. A key area of focus has been maximising external income, with continued efforts to secure available grants, particularly capital funding. This has been supported by the introduction of a formal protocol to authorise bids and robust monitoring arrangements to ensure full compliance with grant conditions and to avoid any loss of funding. Alongside this, the Medium-Term Financial Plan (MTFP) was refreshed and adopted by the Executive in September 2025, providing an updated strategic framework for managing future financial pressures, with further refinement planned once the 2026/27 budget is confirmed. In parallel, the Council has delivered tangible financial improvements through the identification of £975k of savings as part of setting the 2026/27 revenue budget, which has been reinvested into priority services. Broader efficiency measures are also being embedded across services, including investment in digital and operational improvements such as enhanced telephony systems, wider use of CRM, secure payment solutions and income collection technologies. These initiatives are supported by the allocation of reserve funding to enable service modernisation and are contributing to more efficient and effective service delivery. Collectively, these actions demonstrate that the Council is actively managing financial pressures while maintaining service sustainability.	Complete for 2025/26. Process is now considered business as usual
5. The Council needs to continue modernising its digital and data infrastructure	Digital Board	The Council has continued to progress the modernisation of its digital and data infrastructure, with a particular focus on strengthening its data capability. Additional resources have been approved within the 2026/27 budget to establish a Data Manager role, who will be responsible for developing, securing approval for and implementing a Data Strategic Plan.	On Track – target date of March 2027

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
		Ongoing delivery of the Digital Strategic Plan has resulted in improvements to systems, security and customer-facing services, supporting service modernisation and enhanced use of digital tools across the organisation. Targeted work has also been undertaken to review the Customer Contact Centre model, with agreed opportunities for improvement informing the next phase of development. In contrast, the previously proposed chatbot solution has been reassessed, with the current approach no longer considered viable and alternative options will be explored. Overall, these actions demonstrate continued progress in digital transformation, while recognising that some elements will require further refinement as the programme develops.	
6. The Council does not map all sources of assurance	Chief Executive Office / Digital, Performance and Modernisation / Resources	Progress has been made towards strengthening the Council's approach to mapping sources of assurance, although key elements remain in development. Work to review the Strategic Risk Register was completed, which was a fundamental prerequisite for establishing a robust and coherent approach to assurance mapping. Alongside this, the newly established Governance Group has begun to play a coordinating role, with responsibility for reviewing the Council's lines of assurance as part of its wider work programme, which includes the Annual Governance Statement, Local Code of Governance and Self-Assessment & Performance (Wellbeing) Report processes. Work on the first and second lines has started following the completion of the Strategic Risk Register. Progress on the assurance mapping exercise has been slower than anticipated and remains behind schedule. The Governance Group is expected to take this work forward during 2026/27 where a comprehensive and systematic mapping of assurance sources across the Council will be undertaken. These actions will be important in strengthening oversight, improving governance arrangements and providing clearer visibility of how risks are managed and controlled across the organisation.	Behind Schedule

Other notable governance work undertaken during the year

Panel Performance Assessment

In November 2025, the Council commissioned a statutory Panel Performance Assessment (PPA) via the Welsh Local Government Association, in accordance with the Local Government and Elections (Wales) Act 2021. This independent peer review provided robust, high-level assurance regarding the Council's overall performance, capacity, and governance arrangements. The Panel highlighted numerous strengths across the organisation but also issued eight recommendations to ensure continued modernisation and resilience. To ensure complete strategic alignment between external peer review and internal self-assessment, the specific governance recommendations arising from the PPA have been directly incorporated into the Council's Identified Governance Matters Action Plan for 2026/27

Identified Governance Matters 2025/26

While no issues meet the threshold of 'significant governance issues' as defined by CIPFA guidance, a few governance improvement areas have been identified. These reflect risks and control weaknesses identified through internal audit work, external review and the Council's wider assurance framework and are subject to ongoing monitoring through the Council's governance arrangements.

Note: To avoid duplication the operational performance risks, economic strategies, and service modernisation projects are monitored via the Council's statutory Self-Assessment & Performance (Wellbeing) report. The matters tracked below are strictly those relating to the Council's internal control environment, statutory compliance, peer-reviewed governance arrangements, and assurance frameworks.

Governance matters identified	Improvement actions identified	Lead Officer / Service / Board	What will happen if these are not achieved?	By When
1. The Council must ensure effective and compliant procurement and contract management arrangements.	• Implement the remaining agreed actions from the Procurement Strategic Plan • Develop and Implement a Social Value Strategy to ensure consistent and meaningful inclusion of Social Value in procurement processes • Develop and implement a Contract Management Policy outlining how a contract should be managed based on its risk profile	Resources	• Failure to comply could lead to fines and penalties, legal action and regulatory scrutiny • Reputational damage • Possible service failure • Inability to achieve wider social value aims	March 2029
2. The Council must strengthen its assurance and Service risk management arrangements	• Complete the assurance mapping exercise for the Council • Implement the service-level risk management improvement plan to ensure	Governance Group / Chief Executive Office / Resources	• Reduced assurance over governance arrangements • Inconsistent application of risk management • Increased risk to service delivery	March 2027

Governance matters identified	Improvement actions identified	Lead Officer / Service / Board	What will happen if these are not achieved?	By When
	consistent application across services			
3. The Council must strengthen Information Governance resilience regarding statutory compliance and capacity	• Implement targeted data breach awareness training for staff to reinforce internal reporting culture • Establish a sustainable, long-term capacity model for the statutory Schools Data Protection Officer (DPO) role	Council Business / Learning	• Unmitigated data breaches leading to severe UK GDPR penalties and reputational harm • Single point of failure for statutory data protection oversight in schools	March 2027
4. The Council must strengthen its Scrutiny function to effectively respond to organisational priorities	• Strengthen the member development programme as part of the induction for members following the 2027 local elections • Review scrutiny governance arrangements and consider how scrutiny of economic issues can be strengthened	Council Business	• Ineffective democratic oversight and challenge of executive decisions • Failure to hold the organisation accountable for economic and strategic outcomes	June 2027
5. The Council must refine its Performance Monitoring framework	• Review the performance monitoring framework to strengthen assurance through effective monitoring and reporting of progress against the Council Plan and Strategic Plans	Chief Executive Office / Digital, Performance and Modernisation	• Disconnect between daily operations and long-term strategic goals • Resources allocated to low-impact areas • Impaired strategic decision-making by the Executive	July 2027

Governance matters identified	Improvement actions identified	Lead Officer / Service / Board	What will happen if these are not achieved?	By When
	• Strengthen the link between risk management, financial management and performance monitoring • Ensure strategic plans inform the development of strategic objectives and key performance indicators for the next Council Plan (from 2028)			
6. The Council must ensure compliance with the Operational Standards Rules (Wales) 2024 in relation to Building Control functions, following a regulatory investigation by Welsh Ministers.	• Implement and monitor the agreed improvement actions, including strengthened governance arrangements and oversight through the Building Control Response Group	Regulation and Economic Development / Building Control Response Group	• Failure to achieve compliance could result in continued regulatory intervention, increased legal and safety risks, and reputational damage	December 2026

Certifying the Annual Governance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance and Audit Committee, based on the assurances provided through the Review of Effectiveness and the Head of Internal Audit's annual opinion, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in the document.

While no issues meet the threshold of 'significant governance issues', a few governance improvement areas have been identified, and we propose to take appropriate steps to address these and further enhance our governance and assurance arrangements in the forthcoming year.

We will monitor the implementation and operation of improvements through the Governance and Audit Committee and as part of our next annual review.

On behalf of the Isle of Anglesey County Council





Cllr Gary Pritchard
Leader, Anglesey County Council
September 2026

Dylan Williams
Chief Executive, Anglesey County Council
September 2026

Appendix 1

CIPFA Financial Management Code (2019)

CIPFA's Financial Management Code (2019) is designed to support good practice in financial management and assist local authorities in demonstrating long-term financial sustainability. The Code requires councils to demonstrate ongoing compliance against six core principles: Leadership, Accountability, Transparency, Professional Standards, Assurance, and Sustainability.

Following its initial declaration of full compliance in 2022, the Isle of Anglesey County Council ensures ongoing adherence to the FM Code through continuous internal review and rigorous external scrutiny. During the 2025/26 period, the Council's financial resilience was tested by two external reviews and one relevant Internal Audit review:

- Audit Wales Financial Sustainability Assessment: Concluded that the Council maintains good arrangements to respond to financial challenges in the short to medium term. While Audit Wales recommended formalising longer-term financial strategies, the Governance and Audit Committee formally noted that highly detailed long-term financial planning remains inherently constrained by the Welsh Government's reliance on single-year funding settlements.
- Independent Panel Performance Assessment (November 2025): To mitigate the constraints of single-year settlements and further strengthen the FM Code's 'Sustainability' principle, the Panel recommended the development of a cross-cutting Modernisation Plan strictly aligned to the Medium-Term Financial Plan (MTFP). This ensures resources are efficiently prioritised to meet future funding gaps and is now a formally tracked priority within the 2026/27 AGS Action Plan.
- Internal Audit 'Financial Management: budget monitoring and forecasting': The report concluded that "the council's arrangements for budget management, financial forecasting and performance monitoring are operating effectively." The report highlights "some areas for improvement in respect of targeted training for officers with delegated budgetary responsibility, action tracking for meetings of the Resources Scrutiny Panel and options to improve financial monitoring information, which provide an opportunity to strengthen current arrangements."

Statutory Conclusion:

Considering internal controls and recent external peer reviews, the Director of Function (Resources) / Section 151 Officer confirms that the Council proactively manages its medium-term financial pressures, maintains a robust framework of internal controls, and demonstrates compliance with the core principles of the CIPFA Financial Management Code, with ongoing actions in place to further strengthen arrangements where opportunities for improvement have been identified.

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Archwilio Cymru
Audit Wales

Audit of Accounts Report – Isle of Anglesey County Council

Audit year: 2025-26

Date issued: September 2026

Publishing Reference: 5461A2026



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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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

Introduction



Catherine Mealing-Jones

Auditor General for Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2025-26 accounts. My team have already discussed these findings with the Accountancy Services Manager.

My team have completed the audit work as set out in my Audit Plan dated May 2026.

Since my Audit Plan, I have updated materiality to reflect the 2025-26 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1.**

I am required to provide an opinion on whether the accounts have been properly prepared and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined on page 23.

It is the responsibility of those charged with governance, i.e. the Governance and Audit Committee to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Isle of Anglesey County Council (the Council) for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance

We intend to issue an **unqualified opinion** on the accounts.

See **Appendix 3**

There are no **other significant matters** to report.

See **Audit findings**

There is one **uncorrected misstatement** in the accounts which we wish to draw to your attention.

See **Audit findings**

We are aiming to certify your accounts on **29 September 2026**, which is ahead of the deadline of **30 September 2026**.

Materiality

We use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and include in this report matters that exceed my reporting threshold, as set out below:

Materiality	Reporting threshold (trivial)
Set at 1% of gross expenditure based upon the 2025-26 draft financial statements	Set at 5% of materiality
£3.253 million	**£0.162 million**

There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:

Senior Officer Remuneration	Related party disclosures
£1,000 (or nearest correct banding)	£10,000 (relating to individuals)

Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

There were some misstatements identified in the accounts.

Uncorrected misstatements

The Houses into Homes scheme is a Welsh Government initiative under which the Council receives loan funding from Welsh Government and then issues loans to property owners to support the restoration of properties within the area.

In accounting terms, an agent administers transactions on behalf of another party and does not normally bear the main financial risks or benefits. By contrast, a principal is responsible for the transaction and recognises the related assets, liabilities, income and expenditure where it controls the rights and obligations.

Our review of the underlying agreement indicates that the substance of the scheme is consistent with the Council acting as principal, rather than as agent, as the Council bears the financial risks associated with the borrowing and lending arrangements. The accounting treatment should therefore reflect the economic substance of the transactions and the Council's rights and obligations arising from the loans.

The Council participates in four similar arrangements: Houses into Homes, Home Improvement Loans, Empty Homes Renovation Scheme and Town Centre Scheme. These are presented in note 38, with total balances of £1.809 million disclosed in relation to the schemes.

While the substance of the arrangements would require that the Council should recognise a loan from Welsh Government and then corresponding loans issued to individuals, the current treatment has been applied such as an agency transaction, with net amounts recorded within the balance sheet.

Establishing the correct accounting position would require a detailed review of historic loan agreements, transactions and repayments. Officers

have advised that this work would require significant resources and is not expected to be completed before preparation of the 2026-27 financial statements.

As a result, there remains uncertainty over the precise accounting adjustment required. However, the Council have provided confirmation from Welsh Government that the gross value of the relevant loans was £1.55 million. On this basis, we are satisfied that any potential adjustment would not be material to the Council's financial statements. Consequently, no amendment has been made to the 2025-26 accounts, and the matter has been reported as an uncorrected misstatement. We have recommended that the Council undertake a detailed review of the scheme before preparation of the 2026-27 financial statements.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Council's financial reporting process.

There were no such issues identified during the audit.

Proposed audit opinion

Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4.**

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: My local audit team

Engagement Lead	Matthew Edwards matthew.edwards@audit.wales
Audit Manager	Rachel Freitag rachel.freitag@audit.wales
Audit Lead	David Tomalin david.tomalin@audit.wales

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Staff secondment

As disclosed in our Audit Plan, an employee of Audit Wales was on secondment with you until June 2026. In order to safeguard against any potential threats to auditor independence and objectivity, the following restrictions applied in line with the Financial Reporting Council's Revised Ethical Standard 2024:

- the secondee did not undertake any management responsibilities; and
- the secondment was for 6 months, which is within the maximum of 12 months allowable by the standard.

Appendix 1 – Audit risks and outcomes

My Audit Plan (issued in May 2026) set out the risks of material misstatement for the audit of the Council's accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 2: Audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	My audit team: • tested the appropriateness of journal entries and other adjustments made in preparing the financial statements; • reviewed accounting estimates for bias; and • evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Valuation of pension fund net liability/surplus

The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements is a material estimate.

The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.

A triennial valuation of the scheme has been undertaken as at 31 March 2025, which will impact upon disclosures in the Council's financial statements for the first time in the 2025-26 financial year.

There are also several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the liability/surplus is materially misstated.

My audit team:

- evaluated the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the valuations;
- assessed the accuracy and completeness of the information provided by the Council the actuary to estimate the liability;
- tested the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;
- assessed the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor's expert) and undertaking any additional procedures required;
- undertook a programme of work to provide assurance over the data used by the actuary to undertake the triennial valuation; and
- assessed whether any legal cases could have a material impact on the net liability, and if so, confirmed that this was

See **Appendix 2** for details of my findings in relation to the valuation of the pension fund net liability.

	appropriately recognised and disclosed within the financial statements.	
Valuation of land and buildings The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations. Assets are required to be revalued every five years, and for the 2025-26 financial year CIPFA have introduced new requirements for the subsequent measurement of assets, including the application of indexation. This will introduce additional judgements and calculations for finance teams to undertake.	My audit team: • reviewed the information provided to the valuer to assess for completeness; • evaluated the competence, capabilities and objectivity of the professional valuer; • tested a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process were reasonable, and the revaluations were correctly reflected in the financial statements; • reviewed the approach taken to the application of indexation to ensure that it complied with the relevant standards and resulted in a reasonable estimate; and • tested the reconciliation between the financial ledger and the asset register.	See **Appendix 2** for details of my findings in relation to the valuation of land and buildings.

Senior Officer Remuneration Even though there are no significant changes in senior officers for 2025-26, remuneration paid to senior officers continues to be of high interest and is material by nature. In addition, errors were identified within the disclosures in the 2024-25 financial statements. Therefore, there is a risk that even low value errors in the disclosure could result in a material misstatement.	My audit team: • understood the movements in the senior management team during 2025-26; • ensured that remuneration disclosed was consistent with supporting evidence; • ensured that amounts paid were consistent with those approved by the Council; and • ensured that disclosures were complete based on the team's knowledge and were prepared in accordance with requirements.	My audit work did not identify any issues with the disclosures relating to Senior Officer Remuneration.

Related party disclosures The financial statements must disclose any related party relationships along with the transactions and balances between the Council and the other body/party. The Council has many relationships that could be considered a related party. Many are well known for example, the Welsh Government as funder. However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature. There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.	My audit team: • reviewed the Council's process for identifying related party relationships and associated transactions and balances; • undertook procedures to confirm the completeness of related party relationships; and • ensured disclosures were complete, accurate, consistent with evidence and were in accordance with the Local Government Code.	See **Appendix 2** for details of my findings in relation to the disclosures relating to Related Party Transactions.

Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Amendments impacting the Primary Statements

Value of correction	Accounts area	Explanation
£9,186,000	**Balance Sheet** Other Long-Term Liabilities: Increased by £9,186,000 *This issue affected all pension related discloses and reserves balances. As a result, a number of related amendments were required throughout the accounts, including Other Compressive Income, Movement in Reserves Statement, notes 4, 6, 9 and 34.*	Corrections were required across the IAS 19 pension entries, reserves and related disclosures following receipt of an amended actuarial report from Hymans Robertson.
£7,438,000	**Note 13a – Non-Current Assets** Council Dwellings: Decreased by £7,438,000 **Unusable Reserves** Revaluation Reserve: Decreased by £7,438,000	The valuation of Council dwellings was amended to reflect their valuation as at 31 March 2026.
£2,705,000	**Balance Sheet** Short term Creditors: Increased by £2,705,000	The accumulated absences accrual was amended to ensure it is prepared in accordance

	Comprehensive Income & Expenditure Statement Cost of Services: Increased by £2,705,000 **Unusable reserves** Accumulated absences adjustment account: Increased by £2,705,000	with the Code of Practice on Local Authority Accounting.
£1,267,000	**Balance Sheet** Short Term debtors: Decreased by £1,267,000 Short term Creditors: Increased by £1,267,000	The Council provides financial services for several trust funds disclosed in note 32. While the trusts' underlying income, expenditure, assets and liabilities remain outside the Council's financial statements, cash held on their behalf is recognised within the Council's cash and cash equivalents and should be matched by a net creditor balance. Our testing found that these balances had been split between debtors and creditors rather than presented as a net creditor, and the correction brings the treatment into line with the Code of Practice on Local Authority Accounting.

£913,000	**Balance Sheet** Short Term Debtors: Decreased by £911,000 Short Term Creditors: Decreased by £4,000 **Comprehensive Income & Expenditure Statement** Regulation and Economic expenditure: Increased by £907,000 **Movements In reserves statement** Council fund Balance: Increased by £908,000 NWEAB Reserve: Decrease by £913,000 Accumulated Absences Adjustment Account: Decrease by £5,000.	Balances relating to the North Wales Economic Ambition Board were removed from the Council's financial statements, as they their operations are now part of the North Wales Corporate Joint Committee.
£621,000	**Note 13a – Non-Current Assets** Land & Buildings: Decreased by £621,000 **Unusable Reserves** Revaluation Reserve: Decreased by £621,000	The gross book value of Council garages was amended to reflect their valuation as at 31 March 2026.
£616,000	**Note 13a – Non-Current Assets** Land & Buildings: Decreased by £616,000 Council Dwellings: Increased by £616,000	Non-current assets were reclassified to ensure they are presented in accordance with the Code of Practice on Local Authority Accounting.
£571,000	**Note 13a – Non-Current Assets** PPE Assets under contribution: Reclassification to Vehicles, Plant & Equipment: Decreased by £571,000	Assets had been reclassified as operational during the year, although they remained assets under

		construction at 31 March 2026. The classification was amended accordingly.
£297,000	**Note 13a – Non-Current Assets** PPE Assets under construction: Reclassification to Community Assets Increased by £297,000	An asset previously presented as an asset under construction was reclassified as a community asset to reflect its operational status at 31 March 2026.
£278,000	**Note 13a – Non-Current Assets** Land & Buildings: Increased by £278,000 **Unusable Reserves** Revaluation Reserve: Increased by £418,000 **Comprehensive Income & Expenditure Statement** Surplus on Revaluation of Non-Current Assets: Decreased by £140,000	The valuation of four assets reclassified from ‘assets under construction’ to ‘land and buildings’ was amended to ensure they were valued correctly and presented appropriately in the financial statements.
£219,000	**Note 13a – Non-Current Assets** Council Dwellings: Decreased by £219,000 Land & Buildings: Increased by £219,000	Non-current assets were reclassified to ensure they are presented in accordance with the Code of Practice on Local Authority Accounting.

Amendments impacting disclosure notes

Value of correction	Accounts area	Explanation
£14,616,000	**Note 39 – Council Tax** Council tax awarded to residents: Decreased by £14,616,000	Council Tax Reduction awarded to residents was incorrectly added to, rather than deducted from, council tax proceeds within the Council Tax disclosure. The disclosure was corrected to present the balance correctly.
£4,732,000	**Note 14 – Significant Capital Commitments** Increased by £4,732,000	The capital commitments disclosure was amended to include two commitments that had omitted from the draft Statement of Accounts.
£600,000	**Note 35b – Financial Liabilities Held by the Council** PWLB: Long Term Fair value disclosure: Decreased by £600,000	The fair value disclosure for borrowing was amended to ensure the amount disclosed was correctly stated.
Various	**Note 32 – Related Party Transactions** Ucheldre Centre expenditure: Increased by £21,000 Cylch Meithrin Llannerchymedd expenditure: Increased by £76,000	The related party disclosure was amended to ensure that all identified related party transactions and balances were fully and accurately dislcosed.

	Cylch Meithrin Llannerchymedd amounts owed by: Increased by £1,000 Porthladd Rhydd Mon amounts owed to: Increased by £11,557,000	
Various	Various	Several minor amendments to improve clarity for the reader and presentation were also made.

Appendix 3 – Proposed audit report

Proposed audit report

The report of the Auditor General for Wales to the members of Isle of Anglesey County Council

Opinion on financial statements

I have audited the financial statements of Isle of Anglesey County Council for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

Isle of Anglesey County Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Isle of Anglesey County Council as at 31 March 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit

of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of Isle of Anglesey County Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Isle of Anglesey County Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise

appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Isle of Anglesey County Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing Isle of Anglesey County Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Isle of Anglesey County Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, Isle of Anglesey County Council's Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Isle of Anglesey County Council's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations:
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals;
- obtaining an understanding of Isle of Anglesey County Council's framework of authority as well as other legal and regulatory frameworks that Isle of Anglesey County Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Isle of Anglesey County Council; and
- obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Isle of Anglesey County Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Isle of Anglesey County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Catherine Mealing-Jones

Auditor General for Wales

29 September 2026

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

Appendix 4 – Letter of representation

Final letter of representation

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Date

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements of Isle of Anglesey County Council for the year ended 31 March 2026 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Isle of Anglesey County Council and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.
- Our knowledge of all possible and actual instances of irregular transactions.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.
The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures, are appropriate to

achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor, accounted for, and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There is one uncorrected misstatement in the financial statements. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Governance and Audit Committee

We acknowledge that the above representations made by management have been discussed with us. We acknowledge our responsibility for ensuring that the company maintains adequate accounting records.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Isle of Anglesey County Council on 28 September 2026.

We confirm that we have taken all necessary steps to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:	Signed by:
Director of Function (Resources) – Section 151 Officer	Chair of the Governance and Audit Committee

Date: 28 September 2026 Date: 28 September 2026

Audit quality

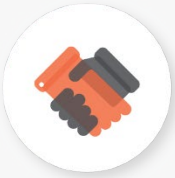
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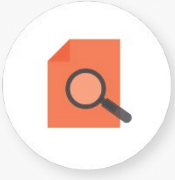
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- Selection of right team
- Use of specialists
- Supervisions and review



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Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
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Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	28 September 2026
Subject:	Internal Audit Update
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales

Nature and Reason for Reporting:
The Governance and Audit Committee's terms of reference has an explicit requirement for the committee to oversee the council's internal audit arrangements as part of its legislative duties under the Local Government (Wales) Measure 2011. (3.4.8.10.1)

The committee is required to consider updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work. It is required to consider summaries of specific internal audit reports as requested, including the effectiveness of internal controls and will monitor the implementation of agreed actions. (3.4.8.10.10)

This report fulfils the requirements of the Global Internal Audit Standards (UK public sector) consisting of the Global Internal Audit Standards (GIAS) of the IIA, the Application Note: Global Internal Audit Standards in the UK public sector and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.

It is also consistent with the recommended practices for the oversight of internal audit as determined in CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.

1. Introduction

1.1 Standard 11.3 of the Global Internal Audit Standards (GIAS) requires the chief audit executive to communicate the results of internal audit services to the board and senior management periodically and for each engagement. In addition, Standard 15.1 requires the chief audit executive to disseminate the final communication to parties who can ensure that the results are given due consideration.

1.2 This report updates the committee, as of 31 August 2026, on the audits completed since the last update as of 30 June 2026, the current workload of internal audit and our priorities for the short to medium term going forward.

2. Recommendation

2.1 That the Governance and Audit Committee considers:

- the outcome of Internal Audit's engagements,
- the assurance provided and
- our priorities going forward.

Internal Audit Update

September 2026



Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit & Risk



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Summary of Assurance Work Completed Since Last Update

This section provides an overview of assurance reports finalised since the meeting in July 2026, including the overall assurance rating and the number of issues, risks and opportunities raised.

We have finalised **three** pieces of work in the period, summarised below and discussed in more detail later in the report:

Title	Assurance Level	Critical	Major	Moderate
Continuous Monitoring – Duplicate Invoices	**Reasonable**	0	0	0
Primary School Voluntary Fund	**n/a**	0	0	7
Adult Social Care Finance: Financial Assessments – Residential and Nursing Care (First Follow Up)	**Limited**	0	2	3

Continuous Monitoring – Duplicate Invoices

	Issues / Risks / Opportunities	
Reasonable Assurance	0	Critical
	0	Major
	0	Moderate

Our review sought to answer the following key question:

Has the Council paid any invoices where a payment has previously already been made, whether by fraud or error?

Our review confirmed that controls are effective in reducing duplicate invoice payments.

Testing of 71,000 invoices worth £439 million identified 14 duplicates, totalling £8,836, including one undetected duplicate of £2,040, for which recovery is planned. The remaining duplicates had already been identified by the Payments Team and the suppliers. Further checks ruled out similar matches and confirmed the following key controls are operating effectively:

- Invoice validation checks by Payments Assistants at or after scanning.
- Greater scrutiny by the Senior Payroll and Payments Officer and Payroll and Payments Manager.
- Consistent pre-payment review of Duplicate Payment and Fuzzy Match reports.

A review of progress made with recovering the duplicate payments identified during previous data analytical testing identified that £94k of duplicate payments have been recovered and approximately £60k remains outstanding and requires further action. The Payments Team will continue to pursue the remaining duplicate payments as workloads allow.

Further data analysis in conjunction with the Payments Team will take place in 12 months.

Primary School Voluntary Fund

	Recommendations	
Investigation (Assurance rating not applicable)	0	Critical
	0	Major
	7	Moderate

Following a request from the Headteacher, we carried out a review of the administration of a primary school's voluntary school fund as some income could not be accounted for.

We found that cash income and expenditure had not been fully and properly accounted for during the period reviewed as no complete digital or alternative record existed to evidence cash received, cash spent, or cash held.

Based on reports provided to governors and available banking records a small amount of cash income has been unaccounted for. The absence of complete records means the actual shortfall cannot be confirmed. Although some cash may have been used for legitimate school expenditure, this could not be robustly verified because receipts, reconciliations, and supporting records were not consistently retained.

The weaknesses identified included inadequate segregation of duties, poor record-keeping, insufficient reconciliation, weak controls over cash held in the safe, use of personal debit cards for school purchases, and limited governor oversight. These weaknesses exposed the fund to a heightened risk of error, loss, unauthorised expenditure, and misappropriation.

The priority now is to ensure that lessons are learned and that the school implements robust controls over all voluntary fund income and expenditure. Our report makes seven recommendations for improvement in the voluntary fund's administration and support has been offered to the school going forward.

Adult Social Care Finance: Financial Assessments – Residential and Nursing Care (First Follow Up)

Original (June 2025)

	Issues / Risks / Opportunities	
Limited Assurance	0	Critical
	2	Major
	5	Moderate

First Follow Up (July 2026)

	Issues / Risks / Opportunities	
Limited Assurance	0	Critical
	2	Major
	3	Moderate

Our review sought to answer the following key question:

Has management addressed the 'Issues, Risks and Opportunities' raised in the 'Limited Assurance' report issued in June 2025?

Progress has been made through training, stronger review and authorisation, and improved property checks. Changing the method it pays residential care homes to gross instead of net of client contributions to gross payments for care homes should further strengthen control over assessments and income recovery.

Significant risks remain; assessment backlogs, incomplete cases, inconsistent escalation, capacity pressures and delayed debt recovery. Arrangements are not yet consistent enough to improve the assurance rating and the rating remains **Limited Assurance**.

A further follow-up is proposed for December 2026.

The Head of Service and relevant portfolio holders have been invited to attend the committee meeting to discuss the report and action plan.

Work in Progress

The following pieces of work are currently in progress:

Area	Reason for Audit	Stage
The Management of Council-owned Trees	IA Strategic Priority 2026-27	Draft report
Financial Management in Schools	IA Strategic Priority 2025-26	Fieldwork
IT Audit: Strategic IT Asset Management	Strategic Risk Register (YM3)	Delayed
Regulation and Economic	Investigation – requested by Director of Function (Resources) / Section 151 Officer	Fieldwork
Construction Industry Tax Scheme	IA Strategic Priority 2026-27	Fieldwork
Safeguarding in School Transportation	Requested by Service Manager (Safeguarding and Practice Quality)	Fieldwork
Homelessness and the use of temporary accommodation	IA Strategic Priority 2026-27	Fieldwork
Continuous monitoring - Payroll	IA Strategic Priority 2026-27	Fieldwork
Disabled Facilities Grants	Third Follow Up	Fieldwork
Corporate Purchasing Cards	IA Strategic Priority 2026-27	Scope agreed
Safeguarding in School Governing Bodies	Requested by Director of Function (Council Business) / Monitoring Officer	Scoping

Outstanding Actions

Work is progressing to support services with addressing all 'Issues, Risks and Opportunities' raised and implementing all outstanding actions.

A separate report, detailing all outstanding actions is submitted separately to this meeting.

Priorities

Short/Medium Term Priorities

Our current workload can be seen in Work in Progress detailed earlier in this report. Delivery of the Internal Audit Strategy for 2026-27 is progressing well.

Work continues with the Counter Fraud, Bribery and Corruption Strategy 2025-2028.

Longer Term Priorities

Implementation of the requirements of the new Global Internal Audit Standards in the UK Public Sector continues.

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	Governance and Audit Committee	
Date:	28 September 2026	
Subject:	Outstanding Internal Audit Issues, Risks and Opportunities	
Head of Service:	Marc Jones Director of Function (Resources) / Section 151 Officer MarcJones@anglesey.gov.wales	
Report Authors:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales	Nanette Williams Principal Auditor NanetteWilliams@anglesey.gov.wales

Nature and Reason for Reporting:
This report meets the requirements of the Local Government (Wales) Measure 2011, which sets out the legislative duties to be performed by a council's audit committee, specifically, to oversee the authority's internal audit arrangements.

The Governance and Audit Committee's terms of reference provide a responsibility for it to monitor the implementation of agreed actions (3.4.8.10.10). This report provides an update on the status of the outstanding issues, risks and opportunities that Internal Audit has raised.

This report also fulfils the requirements of the new Global Internal Audit Standards (GIAS) in the UK Public Sector, which require the chief audit executive to establish a methodology to confirm that management has implemented internal audit recommendations or management action plans. This includes enquiring about progress on implementation, performing follow-up assessments using a risk-based approach and updating the status of management's actions in a tracking system (Standard 15.2). Internal audit's existing follow up arrangements fully conform with the new GIAS in the UK Public Sector.

1. Introduction

1.1. Internal Audit, on behalf of the Council, monitors issues and risks identified during audit work via its action tracking system, 4action.

1.2. A dashboard displays a real-time snapshot of current performance in addressing outstanding actions and allows effective tracking and reporting of this information. The Head of Audit and Risk regularly shares this dashboard with the Governance and Audit Committee as part of her internal audit update reports.

1.3. In addition, the Governance and Audit Committee receives a separate, detailed report outlining overall performance in addressing audit actions, twice a year.

2. Recommendation

2.1. That the Governance and Audit Committee:

- considers the Council's progress in addressing the outstanding Internal Audit 'Issues / Risks / Opportunities' and determines whether this is satisfactory.

Outstanding Internal Audit Issues, Risks and Opportunities

September 2026



Marion Pryor BA MA CMIIA CPFA ACFS

Nanette Williams MSc CMIIA CIA



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Appendix 1: Status of Outstanding 'Major' Rated Issues / Risks / Opportunities _____ 6

Introduction

1. The Governance and Audit Committee's terms of reference include a responsibility for it to monitor the implementation of actions taken by management to address issues, risks and opportunities raised by Internal Audit during the course of its work.

2. To discharge this duty, the committee requested that it receives a detailed report showing the council's performance in addressing outstanding actions twice a year, at its meetings in April/May and September.

3. In addition, standard 15.2 of the Global Internal Audit Standards (GIAS) requires Internal Audit to "confirm that management has implemented internal auditors' recommendations or management's action plans following an established methodology, including inquiring about progress on the implementation, performing risk-based follow-up assessments and updating the status of actions in a tracking system."

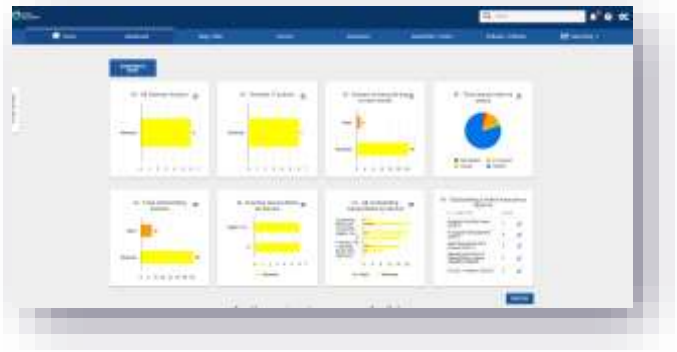
4. As previously reported, Internal Audit has moved away from making recommendations to reporting 'Issues' and 'Risks' and more recently 'Opportunities'. To encourage management to have ownership for these risks, it is their responsibility to develop an action plan to address the issues, risks and opportunities identified, and we monitor how these have been addressed.

5. Reports which have received 'Limited' or 'No' Assurance are subject to a formal follow up review by Internal Audit, with an audit report produced and an assurance rating given.

6. We continuously monitor 'overdue' actions to enable us to promptly obtain progress updates from management.

7. We monitor all other issues, risks and opportunities using the council's corporate action tracking system (4action).

8. We have developed and refined a user dashboard on 4action (below), which displays a real-time snapshot of current performance in addressing outstanding actions and enables effective tracking and reporting of this information.

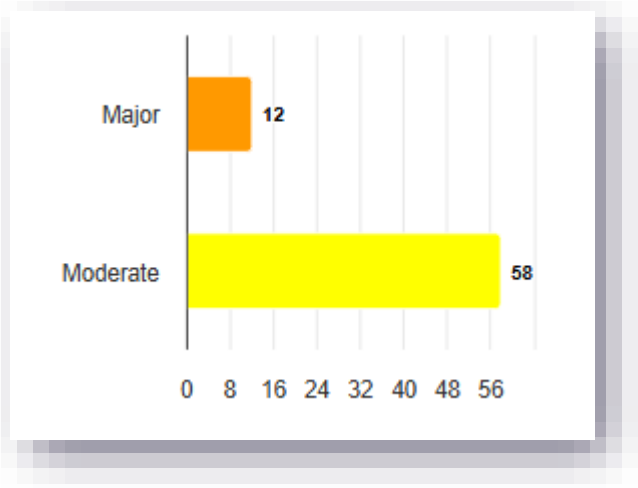


Current Performance

9. The following five graphs show the outstanding actions across the council as of 31 August 2026. A detailed status update of the 12 outstanding 'major' rated issues / risks / opportunities is also shown at Appendix 1.

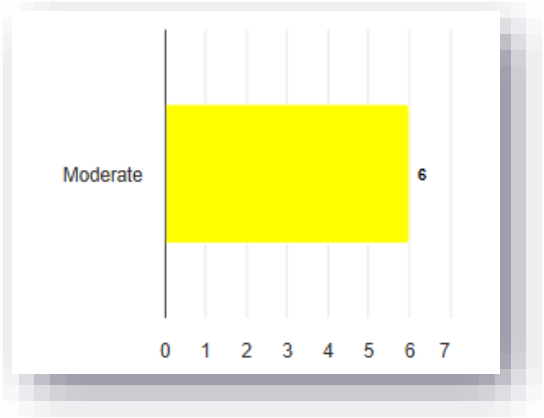
10. It should be noted that no 'Red' or 'Critical' issues / risks / opportunities were raised during the year and there are no Red or 'Critical' 'issues / risks / opportunities' currently outstanding.

Graph 1 – Total Outstanding Actions



11. As of 31 August 2026, we are tracking 70 outstanding actions. Of these, 12 are assessed as 'major' (amber) and 58 'moderate' (yellow) risks.

Graph 2 – Overdue Actions

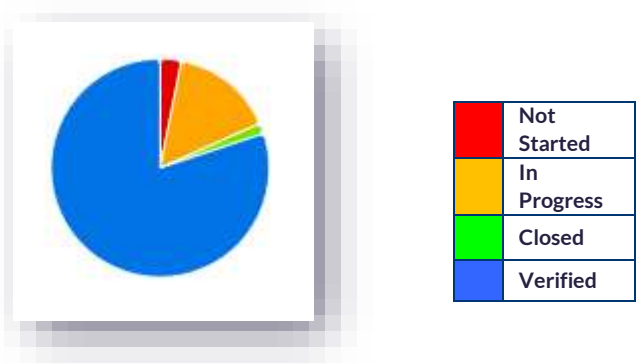


12. We actively monitor all actions and pursue them with management when they become due to ensure they are addressed. There are currently six actions that have reached the date management were due to finish implementation and are now 'overdue'.

13. These actions relate to six issues and risks assessed as 'moderate' in risk priority, which were raised during an audit of IT Service Desk Management. They focus on operational improvements of the Council's IT Service Desk such as aligning standard operating procedures with current practices, strengthening ticket lifecycle oversight, enabling robust trend analysis and reporting, and incorporating user feedback to drive service improvements.

14. At the time of writing, we had requested a progress update with addressing these actions but had not yet received confirmation from the service.

Graph 3 – Total Issues / Risks / Opportunities by status



15. Graph 3 shows the status of all outstanding actions (irrespective of the date by when management agreed to address them). It shows that management have now addressed 82% of their agreed actions and Internal Audit has verified 80%[1].

[1] Internal Audit verifies all 'closed' actions to ensure we are satisfied that the action taken by management has addressed the risk originally identified.

16. The remaining 2% yet to be formally verified relate to actions from two audits: 'Managing the Risk of Safeguarding: Supply Teachers' and 'Secondary Schools ICT Security'.

17. We will be conducting a formal follow up audit of Managing the Risk of Safeguarding: Supply Teachers in December 2026 and will verify that management has successfully implemented these actions during this piece of work.

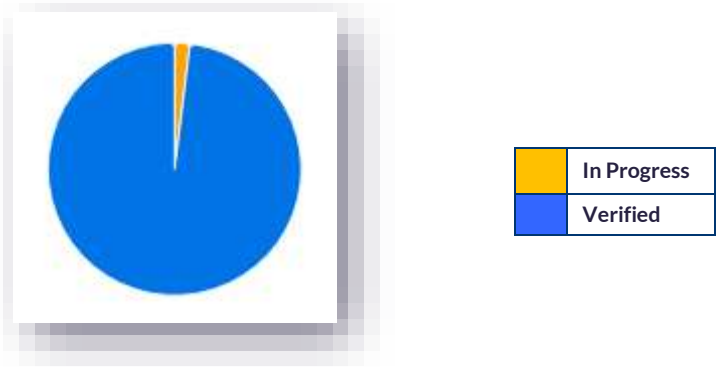
18. Due to the technical nature of some IT audit actions, we have commissioned Salford Technical Audit Services to verify completion of these actions on a quarterly basis. The actions above from the Secondary Schools ICT Security audit will be included in their work in this area during the autumn.

19. The actions showing as 'not started' relate to several recently completed audits where the actions identified have not yet reached their anticipated completion dates. These include:

    - Financial Systems: Creditors
    - Financial Systems: Payroll
    - Financial Management: budget monitoring and forecasting
    - School Fund Certificates

20. When these dates approach, we will actively pursue updates from management to determine progress.

Graph 4 – Total Issues / Risks / Opportunities by status (where due)

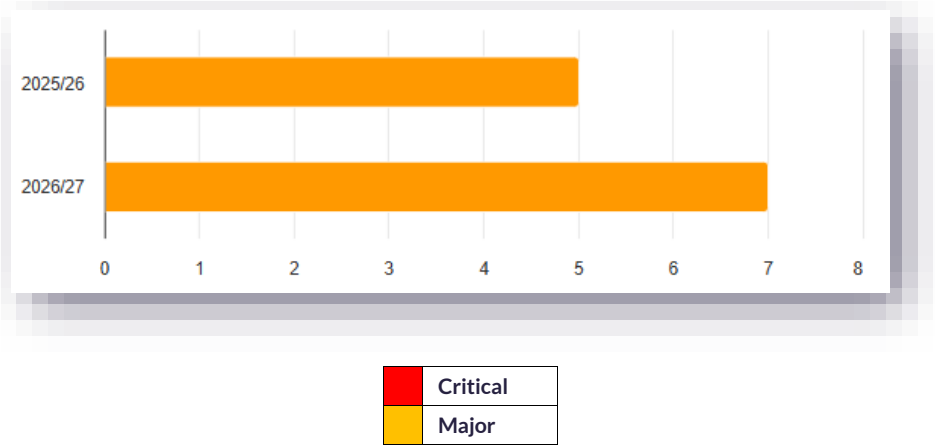


21. In contrast, Graph 4 shows the status of all actions that have reached their target date. It shows that where due, 98% have been addressed.

22. Of these, Internal Audit has verified virtually all. The actions showing here as 'in progress' are those that are overdue, as detailed in paragraph 13.

23. We will extend completion dates for some actions, but only if the service can demonstrate a legitimate reason for the extension, e.g., it becomes clear that the original target date is unachievable, as significantly more work is needed.

Graph 5 – 'Critical' and 'Major' outstanding Issues / Risks / Opportunities by year



24. Twelve outstanding actions rated as 'major' have yet to be fully completed, and there are no red or 'critical' 'issues / risks / opportunities' currently outstanding.

25. Graph 5 shows the financial year where the 'major' rated issue, risk or opportunity was originally identified during our audit work.

26. There are no 'major' rated issues, risks or opportunities dating back further than 2025-26. This demonstrates that management are prioritising addressing risks of higher priority.

27. In addition, to ensure that services are successfully addressing their issues, risks and opportunities promptly, where a 'critical' or 'major' rated issue / risk / opportunity is still not resolved 12 months after the original completion date has passed, action owners are asked to provide an update to the committee on the reasons for the delay in it being addressed.

28. There is currently one 'major' rated risk to which this applies. This relates to the audit of Adult Social Care Finance, in particular aged debtor cases relating to financial assessments / deferred charges where the client is deceased.

29. We include more detail on progress with addressing this risk in our final follow up report, included as part of the Head of Audit and Risk's update report to this meeting. The Director of Social Services and the Director of Function (Resources) and Section 151 Officer will be in attendance at the meeting of the Committee to provide a further update.

30. A detailed status update of all outstanding 'major' rated issues, risks and opportunities currently being tracked follows at Appendix 1.

31. We will endeavour to pursue all outstanding actions to ensure completion.

Appendix 1: Status of Outstanding 'Major' Rated Issues / Risks / Opportunities

Issue / Risk / Opportunity Summary	Current Target Date	Current Status	Progress Update
Adult Social Care Finance (Limited Assurance) – June 2025			
The council has several aged debtor cases relating to financial assessments / deferred charges where the client is deceased.	31/12/26	In progress	We recently carried out a formal follow up review of Adult Social Care Finance. We provide the Committee with a more detailed update in our final follow up report, included as part of the Head of Audit and Risk's update report.
Backlog of financial assessment cases awaiting processing.	30/06/27	In progress	We recently carried out a formal follow up review of Adult Social Care Finance. We provide the Committee with a more detailed update in our final follow up report, included as part of the Head of Audit and Risk's update report.
Early Education and Childcare Grant Programmes (Reasonable Assurance) – April 2025			
The council does not make the Childcare Offer – Education element (10 hours) accessible to all private childcare providers and childminders, contrary to WG guidance.	01/10/26	In progress	The Learning Service is liaising with the Procurement Team and the Supporting Families Unit to develop a consistent process that is compliant with legislation and the council's policies and procedures. Progress has been delayed temporarily due to key staff leave over the summer break. Work to address will resume at the start of the new academic year in September.
Performance Management (Reasonable Assurance) – October 2025			
The Corporate Performance team has limited resources to perform extensive quality assurance of performance data provided quarterly by services for inclusion in the corporate performance scorecard. The absence of a dedicated performance management system further limits capacity.	01/09/27	In progress	The service has secured funding to create a new Data Manger post, which will lead and coordinate the development of a whole council data-informed approach to performance management and improvement. The role will work with services to ensure data collected is accurate, accessible and effectively used to support evidence-based decision making, performance management and service improvement.
There is a lack of consistency of effective performance monitoring processes across service areas.	01/09/27	In progress	As above.

Issue / Risk / Opportunity Summary	Current Target Date	Current Status	Progress Update
Managing the Risk of Safeguarding: Supply Teachers (Limited Assurance) – June 2026			
Responsibility for ensuring supply teachers receive essential safeguarding training is unclear. Inconsistent record keeping of training increases the risk that supply teachers may miss mandatory or local safeguarding training, weakening compliance and assurance that learners are kept safe.	30/11/26	In progress / on track	Annual group B training session is planned for 02/11/26 with an invitation sent to all supply teachers and supply classroom assistants. A link to the online group A safeguarding training has been shared again with all supply teachers known to the Council. All relevant staff have been asked to provide proof of training completed by November. A register of attendance of above training session will be retained.
Current arrangements for vetting and recording supply teacher checks are fragmented, increasing the risk that not all supply teachers used by schools are captured, particularly where schools make direct or agency arrangements outside the 'Teacher Booker' system.	01/01/27	In progress / on track	The 'Teacher Booker' system will continue to be used until January 2027 and all data on the central system has been updated over the recent summer break. Final decision on the new system to be made before January 2027.
Financial Systems: Creditors (Limited Assurance) – June 2026			
Services are not consistently following procurement and payment requirements, with supplier setup, purchase orders and goods-received processes often completed late or bypassed. This weakens financial control and creates significant financial, reputational and legislative risks, including potential non-compliance with the Procurement Act 2023 and council policy.	01/03/27	Action not yet due for completion	We are due to carry out a formal follow up review of this area in December 2026, where we will obtain a progress update on addressing all issues, risks and opportunities identified during our original review.
Clear, accessible creditors guidance is not available beyond initial Civica training, leaving non-financial users reliant on informal advice. This increases inconsistent practice and the risk of error.	01/03/27	Action not yet due for completion	
Current Civica guidance is difficult to navigate, assumes prior knowledge and contains outdated information, making it hard for both experienced and new users to follow correct processes.	01/03/27	Action not yet due for completion	

Issue / Risk / Opportunity Summary	Current Target Date	Current Status	Progress Update
Supplier set-up checks do not clearly confirm whether services have completed financial due diligence, creating uncertainty over responsibility and increasing the risk of unsuitable suppliers, error or fraud.	01/03/27	Action not yet due for completion	
There is currently no formal escalation process available to the Payroll and Payments Team to escalate persistent non-compliance or serious issues with purchase order and goods-received requirements directly to heads of service and, where necessary, the Leadership Team.	01/06/27	Action not yet due for completion	

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	28 September 2026
Subject	Self-assessment and Performance (Wellbeing) report 2025/26
Head of Service	Huw Ynyr
Report Author	Gwyndaf Parry

Reason for Reporting
This report is being presented to the committee for their feedback on it's content. Paragraph 3.4.8.15.3 of the Committee's Terms of Reference states that "It will review the draft report and make recommendations for changes to the conclusions, or to anything included by way of intended actions".

The committee should review the report and be assured that the self-assessment provides an accurate reflection of how the council is performing towards achieving our strategic objectives in the Council Plan.

1.0 INTRODUCTION

1.0 This report reflects the outcome of Isle of Anglesey County Council's self-assessment as expected under the Local Government and Elections (Wales) Act 2021

1.1 The Act requires each council to keep under review the extent to which it is fulfilling the 'performance requirements', that is the extent to which it is:

- exercising its functions effectively;
- using its resources economically, efficiently and effectively;
- has effective governance in place for securing the above.

2.0 RECOMMENDATION

2.1 That the Governance and Audit Committee:

- Reviews the report and provides any recommendations for changes to the Executive.
- Report should be endorsed and recommended to the Executive.

Self-Assessment and Performance (Wellbeing) Report 2025/26

DRAFT

Prepared by – Digital, Performance and Modernisation

Publication date – September 2026

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

Note: This document contains content generated by Artificial Intelligence (AI). AI generated content has been reviewed by the author for accuracy and edited/revised where necessary. The author takes responsibility for this content.

Summary

This report provides an assessment of the Council's performance, governance, use of resources and improvement activity during 2025/26 as required by the Local Government and Elections (Wales) Act.

Summary Dashboard

Overall conclusion: Level 3 – Integrated and Effective

Arrangements are embedded and actively used to manage resources, understand demand and cost drivers, plan workforce needs, respond to feedback and identify risks before they escalate into wider corporate issues.

How well are we doing?

The Council's self-assessment process concluded that arrangements for service planning, financial planning, workforce planning and governance are embedded and actively used to manage resources, support decision-making, deliver priorities and identify opportunities for improvement.

How do we know?

- Annual Delivery Document and Corporate Scorecard monitoring.
- Service Self-Assessments and Service Reviews undertaken with senior officers and elected members
- Financial, workforce and governance evidence
- Internal Audit, External Audit and regulatory inspection activity
- Annual Governance Statement, committee reports; and
- Panel Performance Assessment

What and how can we do better?

Improvement priorities for 2026/27 include:

- Modernisation, digital services and evidence-based decision-making
- Place-based leadership, economic development and community engagement
- Workforce resilience and organisational capacity
- Partnership working and internal communication; and
- Asset management



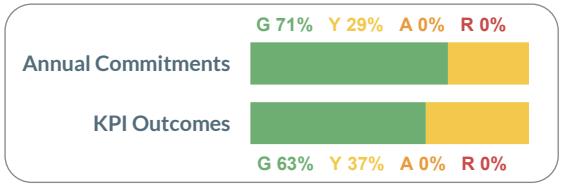
Performance Highlights 2025/26

How the Council's performance contributed towards the Wellbeing Objectives

WELLBEING OBJECTIVE 1

1

The people of Anglesey are educated to reach and fulfil their long-term potential



KPI HIGHLIGHTS

100%
Children met Welsh Language Unit immersion targets

0.6%
Year 11 leavers not in education, employment or training

82
Officers received Welsh language training

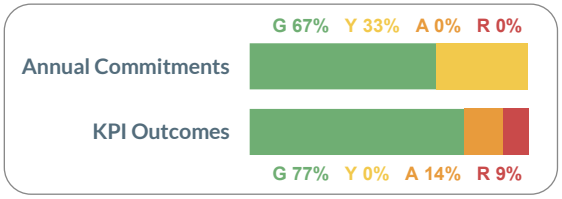
97.9%
Library users rated the service good or very good



WELLBEING OBJECTIVE 2

2

The people of Anglesey are safe, healthy and as independent as possible



KPI HIGHLIGHTS

90.17%
Statutory visits to children in care completed in time

95%
Households successfully prevented from becoming homeless

619,301
Participations in Môn Actif activities

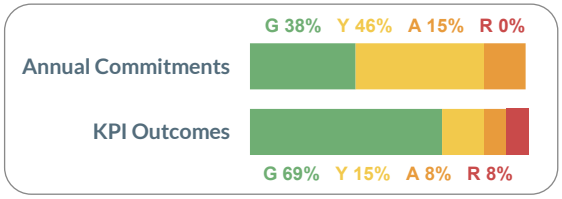
86%
Tenant satisfaction with responsive repairs



WELLBEING OBJECTIVE 3

3

The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations



KPI HIGHLIGHTS

100%
Council business units and commercial space occupied

96%
Planning applications determined within timescale

99.9%
Of streets were clean when inspected

64.17%
Household waste reused, recycled or composted



Introduction

This report provides an overview of how Isle of Anglesey County Council has performed during 2025/26 and how effectively it is delivering against the commitments set out in the Council Plan. It brings together the Council's annual Self-Assessment and Performance (Wellbeing) reporting arrangements into a single document, providing a comprehensive assessment of performance, governance, use of resources and continuous improvement.

The council's work is guided by its vision "**to create an Anglesey that is healthy and prosperous where people can thrive**". The Council Plan sets out the strategic objectives that will help achieve this vision and provides the framework for planning, delivering and monitoring the Council's priorities. These objectives are aligned to the Well-being of Future Generations (Wales) Act 2015 and support the Council's ambition to improve outcomes for current and future generations.

The report demonstrates how the Council is meeting its responsibilities under the Local Government and Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015. It assesses how effectively the Council is delivering its functions, using its resources, supporting good governance and contributing towards the long-term wellbeing of the people of Anglesey.

In addition to reporting on performance, the report reflects the findings of the Council's annual Self-Assessment process. This includes evidence gathered through Service Self-Assessments, Service Reviews, performance monitoring, financial management, workforce planning, governance arrangements and assurance activity. Together, these provide an assessment of how well the Council is operating, identify areas of good practice and highlight where further improvement is required.

The report focuses primarily on the Council's delivery and performance against the commitments it set itself during the year. While it highlights progress towards longer-term outcomes, many wider community outcomes are influenced by factors beyond the Council's direct control, including national policy, economic conditions and the actions of partner organisations.

The report also demonstrates the importance of partnership working in delivering positive outcomes for residents, communities and businesses across the Island. It provides an overview of progress against the commitments contained within the Annual Delivery Document 2025/26, progress towards achieving the Council Plan objectives by 2028, and the Council's contribution towards its Wellbeing Objectives. It also identifies the key areas where the Council will focus its improvement activity during 2026/27 and beyond.

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The Council's Wellbeing Objectives

The Council's strategic objectives and the council plan have been produced to support the Council's duty to meet the wellbeing objectives for the benefit of current and future generations. The Council's Wellbeing Objectives are:

1. The people of Anglesey are educated to reach and fulfil their long-term potential
2. The people of Anglesey are safe, healthy and as independent as possible
3. The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations

The table below shows how the wellbeing objectives align with the Welsh Government's national wellbeing objectives and the Council's strategic objectives:

The Council's Wellbeing Objectives	Council Plan Strategic Objectives	Prosperous	Resilient	Healthier	More Equal	Cohesive Communities	Vibrant Culture & Thriving Welsh Language	Globally Responsive
Wellbeing Objective 1 - The people of Anglesey are educated to reach and fulfil their long-term potential	Welsh Language, Social Care and Wellbeing, Education, Housing and Economy	✓	✓	✓	✓	✓	✓	✓
Wellbeing Objective 2 - The people of Anglesey are safe, healthy and as independent as possible	Social Care and Wellbeing, Education and Housing		✓	✓	✓	✓	✓	
Wellbeing Objective 3 - The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations	Welsh Language, Economy, Climate Change	✓	✓	✓	✓	✓	✓	✓

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Council Plan 2023-2028 - Strategic Objectives

The Council Plan is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.

At its core is our desire to work with Anglesey residents, communities and partners to ensure the best possible services, improve the quality of life for all and create opportunities for future generations.

Its six main objectives reflect the key areas the Council should be focusing its efforts on.

The Council Plan's vision is to:

'Create an Anglesey that is healthy and prosperous where people can thrive.'

The Welsh Language

Increase the opportunities to learn and use the language.

Social Care and Wellbeing

Providing the right support at the right time.

Education

Ensuring an effective provision for today and for future generations.

Housing

Ensuring that everyone has the right to call somewhere home.

Economy

Promoting opportunities to develop the Island's economy.

Climate Change

Responding to the crisis, tackling change and working towards becoming net zero organisation by 2030.

Our method of Self-Assessment

As part of the Local Government and Elections (Wales) Act 2021 monitoring the performance of all local authorities based on a self-assessment was set out.

The council undertake a comprehensive review of the self-assessment process on an annual basis including identifying lessons learnt during the previous year as well as utilising feedback from the Corporate Scrutiny Committee, Leadership Team and elected members.

During 2025/26, we further developed our approach to Service Self-Assessment and Service Review. Following feedback from the previous year, the assessment framework moved away from the previous "Outstanding / Exceeds Expectations / Meets Expectations / Needs Improvement" descriptors and introduced a clearer four-level maturity model. This was designed to help services consider not only whether core arrangements are in place, but also how well those arrangements are embedded, integrated and used to support improvement.

Services continued to assess themselves against four key areas. Each area has its own detailed scoring prompts to reflect the different evidence needed for that theme, while still providing a consistent framework for challenge and comparison across services. The four areas can be seen below. Service Review meetings continued to provide challenge and moderation, using the evidence submitted by services alongside performance, financial, workforce and governance information.



Service Planning and Performance



Workforce Planning



Financial Planning



Governance; Procurement & Contract Management and Risk & Audit Management

Self-evaluation is an integral part of any organisation's improvement process, and its primary purpose is for self-assurance; however, it is recognised within the Isle of Anglesey County Council that if self-evaluation is done well, it can also provide assurances to external audiences, including partners, regulators and indeed residents.

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Each of the nine Services was asked to complete a self-evaluation against the updated framework. Services selected a level for each of the four key areas and provided supporting evidence through the template. They were then challenged on their findings through the Service Review process by a group of officers and elected members. The revised approach is intended to support a more rounded assessment of service maturity, resilience and effectiveness.

Performance Level	Description
Level 4 – Optimising and Leading	Arrangements are mature, proactive and innovative. The service uses data and evidence to anticipate demand, plans over the longer term, has a strong workforce culture, demonstrates agile governance and can evidence leading or externally recognised practice.
Level 3 – Integrated and Effective	Arrangements are embedded and actively used to manage resources, understand demand and cost drivers, plan workforce needs, respond to feedback and identify risks before they escalate into wider corporate issues.
Level 2 – Embedding and Functional	Core statutory duties and corporate requirements are met, and basic arrangements are in place. However, improvement activity is often transactional or reactive rather than fully strategic.
Level 1 – Developing and Reactive	Arrangements are focused mainly on day-to-day delivery, with reliance on key individuals, limited planning or limited resilience. Improvement is needed to move from reactive delivery towards stable and sustainable arrangements.

The overall service rating was calculated using a moderation principle: the overall score can only be one level higher than the lowest individual theme score. This helps ensure that significant weakness in one area is not masked by stronger performance elsewhere and supports a balanced view of overall service resilience and effectiveness.

The detailed results for each Service against the four self-assessment themes are provided in Appendix 1. These results informed the Council's overall assessment and provide a summary of service performance across the four self-assessment areas during 2025/26.

Individual Services were asked to identify areas for improvement that they needed to focus on to improve performance into the future. These areas for improvement have been included in this self-assessment; however, some have been included in a wider area for improvement for the Council and will be managed by a lead service which are identified in the 'Identified Areas for Improvement' section of this report.

Individual service areas for improvement are monitored as part of the Service Review process.

This self-assessment summarises the conclusion of the work for 2025/26 and evaluates the overall performance of the Council, answering at the simplest level, the following questions –

- How well are we doing?
- How do we know?
- What and how can we do better?

The Self-assessment forms an essential part of our performance management arrangements as can be seen in the diagram below –



For more details on how we monitor and assess performance, please visit www.anglesey.gov.wales/en/Council/Performance/Council-Plan/Performance-management .

External Assurance and Panel Performance Assessment

In addition to the Council's annual Self-Assessment process, a Panel Performance Assessment (PPA) was undertaken during November 2025 under the Local Government and Elections (Wales) Act 2021. Facilitated by the Welsh Local Government Association (WLGA), the assessment considered how effectively the Council exercises its functions, uses resources and governs itself.

The panel concluded that the Council is performing well and exercising its functions in line with its performance duties, highlighting strong governance arrangements, constructive member-officer relationships and a clear trajectory of improvement. The assessment also identified a number of recommendations relating to modernisation, performance monitoring, place-based leadership, workforce resilience, project delivery and economic development.

Actions identified in response to the PPA have been incorporated into Service Delivery Plans and the Annual Delivery Document and will be monitored through the Council's existing performance management arrangements. Further information can be found in the published Panel Performance Assessment report and Council response.

Key Themes Identified by the Panel

The Panel Performance Assessment identified a number of strengths and opportunities for improvement relating to:

Strengths Identified by the Panel	
Strong governance arrangements	Strong partnerships
Constructive member-officer relationships	Strong place-based identity
Clear trajectory of improvement since 2018	

Recommendations made by the Panel	
Place-based leadership and community engagement	Internal communication and staff engagement
Organisational modernisation and long-term sustainability	Scrutiny arrangements and member development
Economic development and growth opportunities	Performance monitoring and use of performance information
Project delivery capacity and organisational resilience	Partnership working and collaboration

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Service Planning and Performance Management

Level 3 – Integrated and Effective

How well are we doing?

Service planning is an essential tool for performance management. It sets out what services will deliver, provides a clear roadmap for achieving the objectives of the Council Plan, and ensures accountability for outcomes. Performance management then brings this into practice by enabling the council and its staff to plan, monitor and review priorities through strategic, service and individual objectives, ensuring that resources are used effectively to drive continuous improvement.

The evidence supports an overall conclusion that the Council's service planning and performance management arrangements are **Level 3 – Integrated and Effective**. The Council has clear corporate planning arrangements through the Council Plan, Annual Delivery Document, Service Delivery Plans and Corporate Scorecard. These arrangements provide a consistent framework for setting priorities, monitoring progress and reporting performance.

The Service Review process provides an additional opportunity to test how well these arrangements are embedded across services. The evidence shows examples of mature and proactive practice, but also areas where the use of data, insight, benchmarking and continuous improvement could be strengthened further.

During 2025/26, the Council also strengthened strategic management capacity by restructuring the former Transformation Service into two focused services: Digital, Performance and Modernisation, and Human Resources, Communication and Customer Experience. This provides clearer leadership capacity for digital modernisation, performance, workforce, communication, customer experience and wider organisational improvement.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Clear Objectives and Key Performance Indicators – The Council has a clear corporate planning framework, with strategic objectives supported by annual delivery commitments, Service Delivery Plans and key performance indicators. These arrangements align corporate priorities with service delivery and provide a basis for monitoring progress.	• Council Plan and Annual Delivery Document • Council Values • Strategic plans • Modernising Learning Communities and Developing the Welsh Language Strategy • Local Code of Governance – pages 12-16, 20-22 • Corporate Scorecard • Service Delivery Plans

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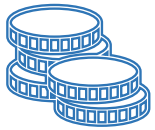
Identified Strengths	Examples of Supporting Evidence
Data Collection, Analysis and Benchmarking – The Council is developing its use of data, analysis and benchmarking to support evidence-based decision-making. Performance is monitored regularly through corporate and service indicators, with benchmarking used where reliable comparative data is available.	• Quarterly Scorecard Monitoring • Service Performance Indicators • Service Review evidence and Service Self-assessments • PowerBI Dashboards; net zero, tackling poverty, customer experience. • Stats Wales • Data Cymru / WLGA • Data Cymru / WLGA - Benchmarking Clubs (data is not available to the public) • Local Code of Governance - page 9 • Council Committee Decisions • Council Committee Minutes
Regular Monitoring and Reporting – The Council monitors and reports progress through established corporate arrangements, including the Corporate Scorecard, Annual Delivery Document updates, annual performance reporting, scrutiny and Executive reporting.	• Annual Performance Report • Annual Governance Statement • Annual Directors Report on the effectiveness of Social Services • Anglesey and Gwynedd Public Services Board Annual Report • Quarterly Scorecard Monitoring • Annual Delivery Document monitoring updates • Corporate Scrutiny Committee and Executive reports • Survey of tenants and residents (STAR) survey results
Stakeholder Engagement – The Council uses a range of engagement and feedback mechanisms to understand the views of residents, service users, tenants, partners, businesses and staff, and to inform service planning and improvement.	• Public Consultations • Survey of tenants and residents (STAR) survey results • Local Code of Governance - page 9 • National Resident Survey • Staff Survey • Service user feedback, complaints and compliments
Innovation and Adaptability – The Council can evidence examples of innovation and adaptation across services, particularly in response to climate, digital, community wellbeing, economic and service delivery challenges.	• Solar car port in council carparks • Net Zero Ysgol y Graig 'Graig Fach' Unit • Freeport • Digital Strategic Plan and CRM developments

Identified Strengths	Examples of Supporting Evidence
Compliance with Legal and Regulatory Standards – The Council has established arrangements to support compliance with relevant legislation, statutory duties, audit requirements and regulatory standards, and to provide transparency in decision-making.	• External Audit: Annual Audit Summary • Isle of Anglesey County Council Constitution • Local Code of Governance - page 7
Continuous Improvement Culture – The Council has arrangements in place to support continuous improvement, including regular performance reporting, service self-assessment, scrutiny, audit and review activity. The 2025/26 Service Review process has strengthened the evidence base and helped identify where improvement activity needs to be further embedded.	• Quarterly Scorecard Monitoring • Local Code of Governance - pages 14-16, 20-22 • Service Self-Assessment and Service Review process

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Financial Planning

Level 3 – Integrated and Effective



How well are we doing?

Financial planning involves the strategic management of finances. It encompasses assessing the current financial situation, delivering objectives, and creating comprehensive plans to allocate resources whilst maintaining fiscal stability. This process includes short (up to 1 year), medium (1-3 years) and long term (3+ years) financial forecasting to ensure the council can meet its obligations and deliver services to the community.

The evidence supports an overall conclusion that the Council's financial planning arrangements are **Level 3 – Integrated and Effective**. The Council has established arrangements for budget management, financial monitoring, medium-term planning and resource allocation. Services demonstrate a good understanding of financial pressures, cost drivers and funding opportunities, and are increasingly using financial information to support service planning and decision-making.

While the Council continues to face significant financial challenges, including inflation, asset maintenance pressures and uncertainty around future funding streams, the evidence indicates that services are actively managing these risks and identifying opportunities to improve financial sustainability.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Budget Management – The council has a strong budget management process in place that aligns with the strategic objectives and service priorities, whilst minimising the risk of overspending or underfunding.	• Medium Term Financial Strategy and Budget • Local Code of Governance – pages 20-22
Financial Stability – The council has arrangements in place to support financial resilience and sustainability through prudent financial management, reserve planning and medium-term financial forecasting.	• Medium Term Financial Strategy and Budget • Statement of Accounts • Treasury Management Strategy Statement 2026/27 • Local Code of Governance – pages 20-22
Effective Resource Allocation – The council has an effective allocation of its financial resources to meet service demand and delivery requirements, whilst maximising its value for money. The council has good arrangements to respond to financial challenges in the short to medium term.	• Budget Book • Local Code of Governance – pages 14-16 • Medium Term Financial Strategy and Budget • Treasury Management Strategy Statement 2026/27 • Capital strategy • Procurement Strategic Plan 2024 to 2029

Identified Strengths	Examples of Supporting Evidence
Financial Monitoring, Transparency and Accountability – The Council has established arrangements for monitoring, reporting and scrutinising financial performance through regular budget reporting, public accountability and governance arrangements.	• Statement of Accounts • Local Code of Governance – pages 23-24 • Budget Setting Process • Quarterly Financial Monitoring Reports to the Executive
Financial Governance, Audit and Compliance – The Council has established arrangements to ensure compliance with financial regulations, accounting standards and legal requirements, supported by internal and external audit activity that provides independent assurance over financial management arrangements.	• Annual Governance Statement • Local Code of Governance - page 7 • Annual Report of the Governance and Audit Committee • Internal Audit Annual Report • External Audit: Annual Audit Summary
Income Generation and External Funding - The council actively seeks external funding opportunities and generates income from a range of sources to support service delivery, investment and long-term sustainability.	• Medium Term Financial Strategy and Budget • Grant funding programmes • Freeport Programme • Shared Prosperity Fund (SPF) • Levelling Up Fund (LUF) • Housing and regeneration grant funding • Service Review Self-Assessments

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Workforce Planning

Level 3 – Integrated and Effective



How well are we doing?

Workforce planning is a process where the council can analyse its current and future workforce needs against its commitments, plans and objectives. It enables the council to plan how it will recruit, support, develop and retain the employees it needs for the future, reflecting the long-term planning principle of the Wellbeing of Future Generations Act.

The evidence supports an overall conclusion that the Council's workforce planning arrangements are **Level 3 – Integrated and Effective**. The Council has established arrangements to support workforce planning, recruitment, retention, learning and development, succession planning and employee wellbeing. Services demonstrate a good understanding of their workforce challenges and are increasingly using workforce information to support planning and decision-making.

The Service Review process identified examples of strong workforce planning practice across the Council, including graduate, trainee and apprenticeship opportunities, succession planning and targeted learning and development activity. However, the evidence also highlights ongoing challenges in some services, including recruitment and retention of specialist staff, ageing workforce profiles and workforce resilience in key professional and technical roles.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Training and Development – The Council provides a range of learning, training and development opportunities to support professional development, leadership, succession planning and future workforce needs.	• Welsh Language Annual Report • Local Code of Governance – pages 17-19 • Member Development and Training Programme • Academi Môn • Short courses for Staff
Workforce Planning – The Council is committed to ensuring it has the right people, with the right skills, in the right place, at the right time. Workforce planning arrangements support services to identify future workforce requirements, succession risks and skills needs, while investing in the development of future talent through graduate, trainee and apprenticeship opportunities.	• Workforce Planning Strategy • Strategic People Plan 2025 • Local Code of Governance – pages 17-19 • Denu Talent Programme • Dyfodol Môn Graduate Programme • Academi Môn • Graduate, trainee and apprenticeship opportunities across services

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Identified Strengths	Examples of Supporting Evidence
Work Benefits – The council offers many benefits to staff including flexible working, hybrid working, wellbeing support and occupational health, work pension as well as many other policies designed to improve the work-life balance of its staff	• Flexible working (Hybrid / Flexible working options / flexible retirement) • Cycle to work scheme • Manteision Môn
Performance Review – The Council has arrangements in place to support employee performance, development and alignment with Council priorities through annual development conversations, workforce reviews and talent management activity.	• Appraisal system • Corporate Safeguarding Annual Report • Local Code of Governance – pages 17-19
Employee Engagement and Satisfaction – The Council uses a range of communication, engagement and feedback mechanisms to support employee wellbeing, engagement and organisational development.	• Staff Attendance • Staff Retention • Staff Survey • Members Briefing Sessions • Fforwm Môn • Y Ddolen • Chief Executive Update • Local Code of Governance – pages 17-19

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Governance; Risk, Audit, Procurement & Contract Management

Level 3 – Integrated and Effective



How well are we doing?

Risk Management deals with identifying and managing uncertainties that could impact on the councils' objectives in a positive or negative way. Internal Audit involves providing independent, objective assurance and consulting activities to add value and improve the council's operations. It helps the council to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. External audit and regulators scrutinise management and governance processes, ensure service quality and compliance with legal and regulatory standards. Together, they maintain council accountability and service effectiveness and provide assurance that public funds are used responsibly. Procurement management focuses on the initial acquisition of goods or services, while contract management concentrates on the ongoing management and compliance of those agreements once they are in place. Both processes are critical to acquire and manage the resources that the council needs to operate and achieve key objectives efficiently and effectively.

The evidence supports an overall conclusion that the Council's governance, risk management, audit, procurement and contract management arrangements are **Level 3 – Integrated and Effective**. The Council has established governance structures, risk management arrangements, internal audit functions and procurement processes that support effective decision-making, accountability and compliance with statutory requirements.

The Council continues to maintain positive relationships with regulators, inspectors and auditors, and receives assurance from a range of internal and external review activity. Assurance is obtained through service review activity, internal audit, external audit, regulatory inspections and the Annual Governance Statement process. However, the Service Review process and Annual Governance Statement identify areas where arrangements can be strengthened further, including procurement and contract management, service-level risk management, information governance resilience and the continued development of performance and assurance arrangements.

How do we know?

Identified Strengths	Examples of Supporting Evidence
Risk Identification – The council have robust processes in place to identify and assess risks across all areas of operations, including financial, operational, strategic, and compliance risks.	• Risk Management Policy and Strategy • Risk management framework • Strategic Risk Register • Service Risk Register • Project Risk Register • Local Code of Governance - pages 12-24

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Identified Strengths	Examples of Supporting Evidence
Risk Mitigation – The council demonstrates proactive risk management practices aimed at minimizing the likelihood and impact of adverse events by developing and implementing effective risk mitigation strategies and controls to address them.	• Risk Management Policy and Strategy • Risk management framework • Strategic Risk Register • Service / Project Risk Registers • Local Code of Governance - pages 12-24
Internal Audit Function – The Council has an independent and objective internal team that provides assurance and advice to all levels of management and elected and lay members on the quality of operations within the Council and is one of the key elements of the Council's governance framework. Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.	• Internal Audit Strategy • Internal Audit Charter • Internal Audit Updates • Annual Report of the Governance and Audit Committee • Local Code of Governance - pages 20-24 • Internal Audit Annual Report
External Audit and Regulators – The council fully supports and is transparent with its external auditors and regulators on all aspects of council business including finance, education, social services, and other corporate activities which in turn provides independent validation of its internal controls and practices.	• External Audit – Monitoring Report • External Audit: Annual Audit Summary • Estyn Reports • Care Inspectorate Wales Reports • Panel Performance Assessment
Compliance with Regulations and Ethical Procurement – The council has arrangements in place to support compliance with procurement legislation, regulations and corporate procedures. Procurement activity is supported by policies, guidance and governance arrangements that promote transparency, fairness and value for money.	• Procurement Handbook • Procurement Strategic Plan 2024 to 2029 • IT Procurement Policy • Data processing policy and agreement • Annual Governance Statement • Safeguarding in procurement and contracting • Sustainable Procurement Policy • Local Code of Governance - page 7
Contract Management and Performance Monitoring – The council have robust contract management practices to monitor supplier performance against agreed terms, service level agreements (SLAs), and KPIs, ensuring contracts deliver quality outcomes and are properly managed throughout their lifecycle.	• Contracts Management Strategy • Annual Report of the Governance and Audit Committee

What and how can we do better?

The Council is committed to continuous improvement and uses a range of assurance and review processes to identify opportunities for further development. During 2025/26, improvement matters were identified through the Service Self-Assessment and Service Review process, alongside governance matters identified through the Annual Governance Statement (AGS) and recommendations arising from the Panel Performance Assessment (PPA).

Governance matters identified through the AGS will continue to be monitored and reported through the Council's established governance arrangements, including the Governance and Audit Committee. The improvement matters below represent the key corporate areas for improvement identified through the Self-Assessment process and the Council's response to the Panel Performance Assessment. Actions identified as (PPA) relate directly to recommendations made through the Panel Performance Assessment and will be monitored throughout 2026/27 through the Council's existing performance management throughout 2026/27.

Improvement matters identified	Actions identified to address weaknesses	Lead Officer / Service / Board	By when
1. **The Council needs to continue modernising its services, systems and use of organisational insight to support effective decision-making, customer experience and long-term sustainability**	• Develop and implement a Modernisation Strategic Plan (PPA) • Continue delivering the Digital Strategic Plan and AI Action Plan • Strengthen cyber resilience across the Council and schools • Develop organisational data capability and capacity • Improve the use of data, insight and performance information to support decision-making and service improvement (PPA) • Review performance arrangements and indicators in preparation for the next Council Plan (PPA)	Digital, Performance and Modernisation	July 2027
2. **The Council needs to build on its place-based leadership and engagement arrangements whilst**	• Develop place-making plans and supporting place-based guidance (PPA)	Regulation and Economic Development / Leadership Team	March 2028

Improvement matters identified	Actions identified to address weaknesses	Lead Officer / Service / Board	By when
developing a long-term vision for economic growth and community wellbeing	• Improve the use of demographic and community intelligence to support planning and decision-making (PPA) • Develop a long-term Economic Development Strategic Plan (PPA) • Strengthen community engagement arrangements to support local priorities and service delivery (PPA)		
3. **The Council needs to improve workforce resilience and organisational capacity to better understand future workforce risks, support succession planning and ensure sufficient capacity to deliver priorities and strategic projects**	• Develop a core workforce dashboard, indicator set and reporting framework • Undertake workforce resilience reviews and succession planning across services • Identify and monitor recruitment, retention and ageing workforce risks • Evaluate the effectiveness and value for money of workforce attraction and retention initiatives • Review organisational capacity and ensure sound governance to support delivery of strategic projects and modernisation programmes (PPA)	HR, Communications and Customer Experience	March 2027
4. **The Council needs to continue developing partnership working, collaboration and internal communication arrangements to support delivery of its priorities and improve organisational effectiveness**	• Continue to implement the new Internal Communications Plan (PPA) • Continue to strengthen partnership working with local, regional and national partners (PPA) • Continue to promote collaborative approaches to delivering shared priorities and outcomes (PPA) • Continue to support the delivery of partnership plans including Age Friendly and Trauma Informed initiatives (PPA)	Leadership Team / HR, Communications and Customer Experience	March 2027

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Improvement matters identified	Actions identified to address weaknesses	Lead Officer / Service / Board	By when
5. **The Council needs to continue improving the sustainability, condition and long-term management of its assets and infrastructure**	• Continue implementing the Computer Aided Facilities Management System. • Undertake rationalisation of Council assets in line with the Asset Management Strategic Plan 2024-2029. • Improve asset information to support long-term investment planning and decision-making	Highways, Waste & Property	March 2028

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Progress against identified improvement matters from the previous self-assessment

The table outlines the improvement actions identified last year and an update on progress can be found below

Improvement matters identified	Lead Officer / Service / Board	Update on progress
1. **The Council needs to continue modernising its digital and data infrastructure**	Digital Board	The Council has continued to modernise its digital and data infrastructure. Additional resources have been approved within the 2026/27 budget to establish a Data Manager role, which will support the development and implementation of a Data Strategic Plan. Delivery of the Digital Strategic Plan has continued, improving systems, security and customer-facing services. Work has also reviewed the Customer Contact Centre model, while the previously proposed chatbot solution has been reassessed and alternative options will be explored. Status: On Track – target date March 2027.
2. **The Council must ensure that it meets the requirements of the new Procurement Act 2023**	Resources	The Council has continued to implement the Procurement Improvement Plan, with interim arrangements maintaining continuity while recruitment to the Procurement Manager post was progressed. Agency staff supported delivery of the action plan, policies and procedures were reviewed and updated in line with the Procurement Act 2023, and training was rolled out across the Authority. A permanent Procurement Manager took up post in April 2026, and the Council approved additional budget for 2026/27 to strengthen staffing and procurement systems. Status: Behind Schedule.
3. **The financial resilience of the Council is under pressure due to the cost-of-living crisis and a decrease in funding**	Resources	The Council has taken a structured approach to strengthening financial resilience, including maximising external income and grant funding through formal bid authorisation and monitoring arrangements. The Medium-Term Financial Plan was refreshed and adopted by the Executive in September 2025. The Council identified £975k of savings as part of setting the 2026/27 revenue budget, with wider efficiency and modernisation measures supported by investment in digital and

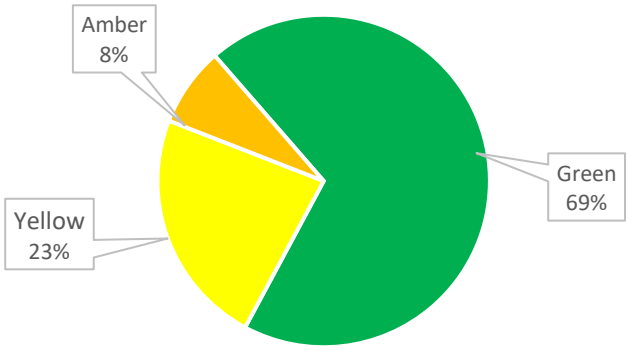
		operational improvements. Status: Complete for 2025/26 – process now considered business as usual.
4. **The Council needs to manage and rationalise assets to ensure that they are needed, are fit for purpose and, if not, identify the work required to bring them up to standard.**	Highways, Waste & Property	The Council has strengthened the management and long-term sustainability of its asset base through the development and adoption of the Asset Management Strategic Plan and Smallholdings Management Strategic Plan, supported by additional one-off funding. The Computer Aided Facilities Management system is now operational, with further enhancements underway to improve asset data, monitoring and integration. Asset rationalisation remains at an early stage and will require improved data quality and greater system maturity to inform future decisions. Status: Behind Schedule.
5. **The Council needs to respond to identified workforce planning challenges, including its age profile in some services and recruitment and retention problems in others**	Human Resources, Communication and Customer Experience	The Council has made positive progress in responding to workforce planning challenges. The Denu Talent Programme, part of the Dyfodol Môn scheme, has been delivered over two consecutive years and has strengthened the future workforce pipeline. Workforce planning is now supported through regular engagement between Human Resources, Directors, Heads of Service and Business Managers, with challenges reported to the Leadership Team. The Dyfodol Môn Graduate Programme has also been launched, with graduates appointed across key professional areas. Status: Complete for 2025/26 – process now considered business as usual.

Performance Report

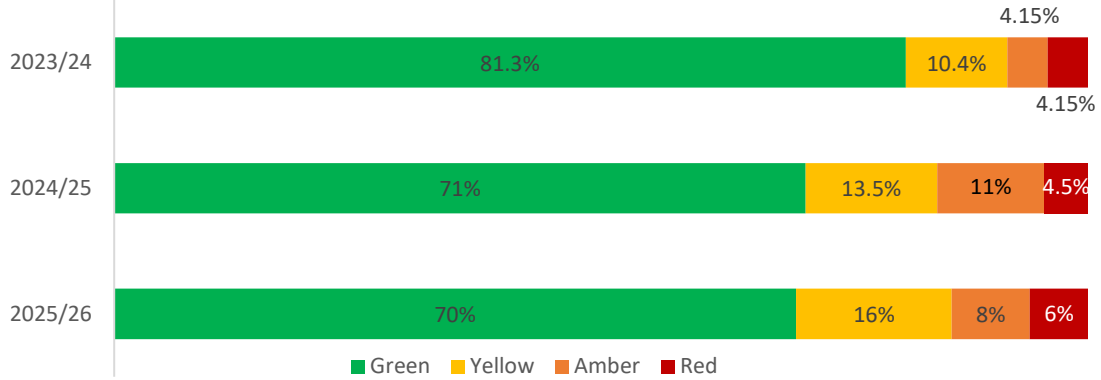
Key Performance Highlights

Some of the key highlights for this year's performance can be found below.

Progress against the Annual Delivery Document



Key Performance Indicators Results 2023/24 to 2025/26



Understanding RAYG status used in this section		
Status	**Annual Delivery Document**	**Key Performance Indicators**
Green	Nearly all planned work has been completed, with very few exceptions to be completed in the following year.	Performance is above target or meeting target.
Yellow	70% to 90% of the work has been completed, with remaining work scheduled for the following year.	Performance is within the agreed tolerance, usually within 5% of target.
Amber	50% to 70% of the work has been completed, with remaining work scheduled for the following year, or some work delayed.	Performance is below the agreed tolerance and requires management attention.
Red	Less than 50% of the work has been completed, the work has not yet been undertaken, or has been cancelled.	Performance is significantly below target and requires corrective action.

Progress against the Council's Wellbeing Objectives

The following pages summarise the Council's progress in 2025/26 towards achieving its three Wellbeing Objectives, the Council Plan and its longer-term outcomes for 2028.

The detailed evidence and updates that sit behind these summaries are available in Appendix 2 where RAYG status and progress against each action in 25/26 is explained in full.

Together, these sections show how the Council is progressing from **short-term annual actions** (25/26 commitments) towards achieving its **long-term objectives** (outcomes by 2028).

The following diagram demonstrates how the information in this section connects to the detailed updates in Appendix 2, shown as 25/26 Commitments below.



Each table below sets out:
- what the Council aims to achieve **by 2028** (the long-term outcomes),
- what we **committed to deliver in 2025/26** (from the Annual Delivery Document 25/26), and
- how much progress has been made during the year.

Wellbeing Objective 1 - The people of Anglesey are educated to reach and fulfil their long-term potential

Strategic Objective	Outcome by 2028, we will have:	Long-term Progress	In 25/26 we committed to:	RAYG (25/26)
Welsh Language	Ensured that when our Welsh language promotion strategy is revised in 2026 it is appropriate to respond to the results of the last census	On-track	• Undertake an undercover shopper review of Welsh language provision. • Undertake a self-assessment of compliance against the Welsh Language Standards.	Green
Welsh Language	Updated our Welsh language policy and developed a new policy on the use of Welsh in the workplace	On-track	• Implement the Welsh Language Policy. • Test staff awareness and understanding of the Welsh Language Standards and policy.	Yellow
Welsh Language	Expanded our training offer to create increased opportunities for our staff, councillors, partners and the island's residents to develop their Welsh language skills	On-track	• Host five Welsh language training classes for staff and elected members. • Run regular campaigns, at least monthly, to encourage the use of Welsh. • Work with partners to increase the use of Welsh in the workplace. • Support and facilitate arrangements for the 2026 Anglesey Urdd Eisteddfod.	Green
Education	Ensured that the communities for learning modernisation strategy creates effective schools with strong leadership and an appropriate teaching environment	On-track	• Consult on a proposal for a new Ysgol Uwchradd Caergybi and prepare and submit a Strategic Outline Business Case to Welsh Government. • Produce and implement a new strategic plan to develop closer working between current post-16 education providers.	Green

Strategic Objective	Outcome by 2028, we will have:	Long-term Progress	In 25/26 we committed to:	RAYG (25/26)
Education	Developed the Welsh language across all learning settings by realising the aims, objectives and outcomes set in the 'Welsh in Education Strategic Plan'	On-track	• Immerse 96 pupils with little or no Welsh language skills through language centres. • Develop a five-year Welsh language improvement scheme in Ysgol Llanfawr, Ysgol Santes Fair and Ysgol Uwchradd Caergybi. • Ensure that 100% of Year 6 learners receive a Welsh language participation and proficiency assessment.	Green
Education	Ensured the best possible experiences and progress for children and young people by delivering the Curriculum for Wales in all learning communities across the island	On-track	• Implement a strategic plan and work with schools to increase attendance in Anglesey schools to 95%. • Ensure that Curriculum for Wales, assessment and transition processes are in place in all schools. • Ensure that each catchment area works together from school to school to support children and young people in developing their key and digital skills. • Work towards 100% completion of Group A, B and C safeguarding training for relevant staff. • Work towards becoming a Trauma Informed Island by supporting two more schools to achieve TIS accreditation. • Review delivery map processes for Additional Learning Needs and Inclusion in schools.	Yellow
Education	Increased educational opportunities for adults so that Anglesey's residents can continue to develop personally throughout their lives	On-track	• Set up a programme of activities at the Creu / Ffiws Café at Holyhead Market Hall in partnership with Menter Môn and Mencap Môn.	Green

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Strategic Objective	Outcome by 2028, we will have:	Long-term Progress	In 25/26 we committed to:	RAYG (25/26)
			• Support children and families to access educational and community activities outside traditional school hours through Community Schools. • Fully implement the Lifelong Learning Course Scheme through partnership with Grŵp Llandrillo Menai.	

Wellbeing Objective 2 - The people of Anglesey are safe, healthy and as independent as possible

Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
Social Care and Wellbeing	Reviewed and modernised the way we provide care and support	On-track	• Work together to be an age-friendly island through preventative activities. • Transform day services by continuing to work with partners to maintain day activities in community locations in the Holyhead area and expand the model in central and east Anglesey. • Work to maintain the improved lower numbers of school and care leavers who are NEET and reduce further where possible. • Welcome over 500,000 visits to Môn Actif centres. • Invest £1m in Môn Actif facilities. • Ensure that a modern Social Care database, Connecting Care, is in place to replace WCCIS, including successful data and information transfer.	Green
Social Care and Wellbeing	Improved and extended the supported housing provision	On-track	• Modernise and optimise Supported Housing by creating 12 additional high-quality units at Valley, Rhostrehwfa	Yellow

Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
			and Gwalchmai, and progress provision in Holyhead and Llangefni. • Identify an additional programme of three suitable properties to meet the lifetime requirements of service users.	
Social Care and Wellbeing	Extended opportunities for people to receive care closer to their local communities	On-track	• Increase participation in integrated community hubs, maintain a minimum of six community forums and provide social prescribing services in some hubs. • Open Canolfan Glanhwfa Community Hub to host the Anglesey Dementia Centre. • Expand the Nifty60s programme to a further six communities. • Work with Seiriol Alliance to pilot a community transport project. • Reduce loneliness and isolation by organising intergenerational events, including sporting memories, Boccia and Dawns i Bawb activities. • 500 to take part in the Dementia Active programme	Green
Social Care and Wellbeing	Developed additional internal provision for looked after children, Cartrefi Clyd and foster carers	On-track	• Identify properties for two further Cartrefi Clyd homes on the island. • Aim to secure seven additional foster care placements during 2025/26. • Extend and improve childcare provision, including eligibility, take-up, quality and parental satisfaction.	Green

Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
Housing	Opened a third extra-care housing scheme with plans in place for a fourth	Behind Schedule	• Secure funding and planning permission for a new Extra Care development at Tyddyn Mostyn, Menai Bridge.	Green
Housing	Agreed the priorities for tenant participation activities and the allocation of resources to include the voice of our tenants in our services	On-track	• Deliver the Customer Experience Plan, including increasing CRM contacts from tenants. • Review performance management reporting to strengthen the data-led approach and improve lower-performing areas. • Complete Telecare digitalisation by September 2025.	Green

Wellbeing Objective 3 - The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations

Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
Housing	Addressed the energy efficiency/fuel poverty agenda and will be working towards achieving the Welsh Housing Quality Standards 2023	On-track	• Increase the number of Council properties complying with the WHQS 2023 SAP 75 energy target from 30% to 40%. • Progress the North Anglesey Poverty Action Plan as a whole-Council approach to improving socio-economic factors. • Ensure all Council properties have Target Energy Pathways	Green
Housing	Conducted a housing market needs assessment, together with an annual housing prospectus, allowing us to report on the increase in the supply of affordable housing	On-track	• Deliver the void turnaround action plan	Amber

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Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
Housing	Increased the choice and number of homes available for the island's residents, together with assisting households to purchase their first homes	On-track	• Review the Common Housing Allocation Policy to incorporate learning from the current policy and legislative changes, and launch a new policy in 2025. • Develop 45 new housing units. • Facilitate the renovation of 60 empty homes. • Assist up to six first-time buyers to enter the housing market.	Yellow
Economy	Supported low carbon energy production schemes	On-track	• Work with partners to realise a potential new nuclear project at Wylfa in a way that minimises impact and maximises socio-economic benefits for local people. • Provide support and advice to Menter Môn on the development of the Hydrogen Hub in Holyhead. • Influence and collaborate with UK Government, Welsh Government and other stakeholders on large-scale energy developments. • Work with the developer of Maen Hir Solar Farm and other stakeholders during the DCO process.	Green
Economy	Worked together to realise circular economy objectives	On-track	• Extend arrangements to collect items that can be reused rather than recycled, including creating a dedicated role to collect items for reuse at Penhesgyn.	Green
Economy	Developed new business units to help local businesses grow and develop	On-track	• Secure capital funding to construct 10 new business units in Amlwch. • Secure capital funding to redevelop the Marine Terminal building in Amlwch. • Continue to progress the North Anglesey Economic Regeneration Plan. • Oversee the delivery of Anglesey's Town Centre Improvement Strategy.	Yellow

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Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
			• Continue to allocate grants and lead on town centre interventions through SPF and Welsh Government Transforming Towns funding.	
Economy	Capitalised on additional investment for the benefit of the local economy	On-track	• Collaborate with key stakeholders to move forward, secure and establish a successful Ynys Môn Freeport Programme and establish robust governance arrangements. • Secure external funding to address the needs of the Island and economic opportunities on Anglesey, including SPF and LUF. • Maintain a commercial approach in relation to the management of leisure centres.	Green
Economy	Grown and promoted the visitor economy in a respectful and sustainable manner to secure benefits for our communities and visitors	On-track	• Deliver the Designated Landscapes action plan to meet Council and Welsh Government priorities for nature recovery and climate change mitigation. • Work with partners to deliver tree planting programmes and river catchment work to help improve water quality. • Offer farmers more opportunities in the Designated Landscapes and buffer zone to improve habitats. • Work with farmers to deliver a sustainable farming model through the Ffermio Bro trial of the Sustainable Farming Scheme. • Provide a range of activities to protect and enhance the special qualities of the AONB. • Manage the Destination Management Plan 2023–2028 and establish a new Destination Partnership. • Deliver key projects to improve infrastructure and visitor experience while reducing negative pressure,	Yellow

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Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
			including work with Welsh Government on cruise activity at Holyhead. • Continue to review proposals relating to the introduction of a Visitor Levy. • Focus on Coastal Path enhancements through external funding and link improvements with nature enhancement projects.	
Economy	Redeveloped redundant industrial sites and brownfields	On-track	• Support landowners to redevelop redundant industrial and brownfield sites, including the former Anglesey Aluminium site, Two Sisters site, Rhosgoch, Octel, the former Peboc site in Llangefni and the former Lairds industrial site in Beaumaris.	Yellow
Climate Change	Minimised our direct carbon emissions to ensure that the net zero 2030 target is achievable	On-track	• Publish a Net Zero Strategic Plan 2025–2030. • Establish a Biodiversity Group. • Progress the Fleet Transformation Plan by increasing the number of low carbon vehicles. • Install low carbon heating systems in 24 Council buildings.	Green
Climate Change	Increased recycling rates	Behind Schedule	• Work towards achieving the Welsh Government target to recycle 70% of household waste and waste from Council buildings. • Increase recycling rates for waste collected from Council buildings to 60%. • Reduce fly-tipping incidents by 10% compared with 2024/25.	Red

Strategic Objective	By 2028 we will have:	Long-term Progress	In 25/26 we committed to:	RAYG
Climate Change	Ensured that services consider climate change and biodiversity as fundamental issues when reaching decisions	On-track	• Implement flood control plans across the island, subject to Welsh Government funding. • Bring SAB arrangements in-house by developing and implementing new arrangements, including income generation through pre-application consultation.	Yellow
Climate Change	Creating extensive low carbon travel options for the island's residents and visitors	On-track	• Implement active travel plans between Malltraeth and Newborough. • Trial a community transport scheme to link rural areas with main transport routes. • Implement changes to the 20mph speed limit in 27 locations. • Install public EV charging points at up to 14 sites across the island, subject to external funding and appointment of a suitable supplier.	Green

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The Corporate Scorecard and Key Performance Indicators

The Corporate Scorecard Quarter 4 report for 2025/26 provides the year-end position against the Key Performance Indicators used to monitor delivery of the Council Plan. Overall, 87% of indicators with targets monitored performed well against target, being either Green or Yellow, meaning they were above target or within 5% tolerance.

The Council's year-on-year performance for all comparable indicators, 48 in total, demonstrates that 20 indicators, or 42%, improved during the year, 24 indicators, or 50%, declined and 4 indicators, or 8%, maintained their performance levels.

Although more comparable indicators declined than improved, the overall position remains positive. Of the indicators that declined, 62% continued to perform above target or within 5% tolerance, 21% were Amber or Red against target, and 17% did not have a target set.

The scorecard report highlights some of the good performance some of these highlights include:

- Welsh language training activity continued during the year, with 82 officers receiving training, while 86% of posts continued to be advertised with Welsh language requirements at level 3 or above.
- 100% of children met their targeted expectations through the Welsh Language Unit immersion indicator.
- The number of adults in receipt of Direct Payments was 249, exceeding the target of 224.
- The proportion of Year 11 leavers not in education, employment or training was 0.6%, improving on 1.9% in 2024/25 and 4% in 2023/24.
- The library service performed well, with 97.9% of adult users rating the service as good or very good, and users aged 16 or under awarding an average satisfaction score of 9.5 out of 10.
- Housing responsive repairs were completed within target timescales, at 17 days against a target of 18 days, and tenant satisfaction with responsive repairs was 86%, above the 85% target.
- All high-risk food hygiene inspections were completed by the end of the year following focused service action during Quarter 4.
- All road condition categories were Green against target, with only 1.5% of A roads, 1.1% of B roads and 5.4% of C roads in poor condition.

The report also highlights eight indicators that require further management attention. These were considered by the Corporate Scrutiny Committee and the Executive, with improvement activity to be explored, investigated and monitored by the Leadership Team. The indicators are:

1. Social Care and Wellbeing – The percentage of referrals of children that are re-referrals within 12 months.
2. Housing – The average number of calendar days to re-let units of accommodation, excluding difficult to let units.
3. Housing – The average number of calendar days taken to deliver Medium Disabled Facilities Grant adaptations.
4. Housing – The average number of calendar days taken to deliver Large Disabled Facilities Grant adaptations.
5. Housing – The number of new Council homes developed and former Council homes purchased and brought back into Council rented homes.

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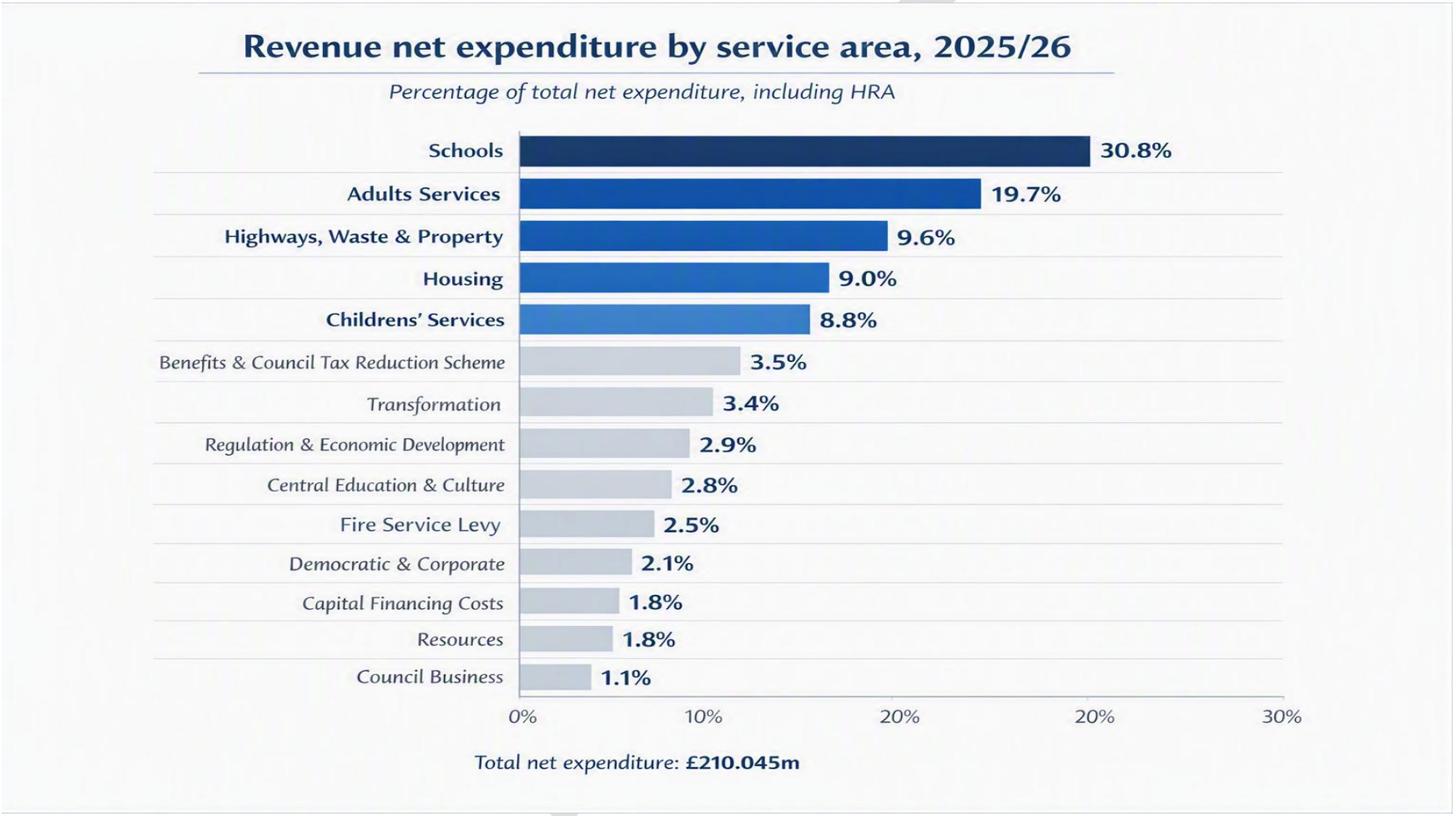
6. Economy – The total number of customers with annual mooring contracts.
7. Climate Change – The percentage of domestic waste reused, recycled or composted.
8. Whole Council Health – The percentage of FOI requests responded to within timescale.

Further information, including all indicators, can be found in the Q4 Scorecard for 2025/26.

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Financial Revenue Outturn 2025/26

The revenue outturn split per Service for the financial year ending 31st March 2026, including the Housing Revenue Account (HRA), can be found in the chart below:



Further information on the Revenue Outturn for 25/26 and the HRA

Appendix 1 - The Council's Service Output Position Statement – 2026

Please note below the response of each service against the categories of evidence for 2026

Service	Service planning and performance	Financial planning	Workforce planning	Governance; procurement & contract management and Risk & Audit
Adult Services	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Children & Families Service	Level 4 – Optimising and Leading	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Council Business	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Highways, Waste & Property	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 2 – Embedding and Functional	Level 3 – Integrated and Effective
Housing	Level 3 – Integrated and Effective	Level 4 – Optimising and Leading	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Learning	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Regulation & Economic Development	Level 3 – Integrated and Effective	Level 4 – Optimising and Leading	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Resources	Level 3 – Integrated and Effective	Level 4 – Optimising and Leading	Level 4 – Optimising and Leading	Level 3 – Integrated and Effective
Transformation (now split into two Services – HR, Communications and Customer Experience / Digital, Performance and Modernisation)	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective	Level 3 – Integrated and Effective
Overall Output	**Level 3 – Integrated and Effective**	**Level 3 – Integrated and Effective**	**Level 3 – Integrated and Effective**	**Level 3 – Integrated and Effective**

Appendix 2 - Detailed updates on work undertaken in 2025/26

A RAYG (Red, Amber, Yellow, Green) system has been designed to summarise performance –

RAYG	Description
Green	Nearly all (90%+) of the planned work has been completed with very few exceptions to be completed in the following year
Yellow	70% to 90% of the work has been completed with remaining work scheduled to take place in the following year
Amber	50% to 70% of the work has been completed with remaining work scheduled to take place in the following year or some work delayed
Red	Less than 50% of the work completed, the work has not yet been undertaken or has been cancelled

Wellbeing Objective 1 - The people of Anglesey are educated to reach and fulfil their long-term potential

Strategic Objective	Key Action	Update	Status
Welsh Language	Undertake an undercover shopper review of Welsh language provision.	A mystery shopper review of social media accounts was carried out. The findings showed a high level of compliance. Examples of non-compliance with the language policy were shared with the relevant services and corrections were made.	Green
Welsh Language	Undertake a self-assessment of compliance against the Welsh Language Standards.	An assessment of the Council's compliance was shared with the Welsh Language Commissioner. No significant areas of concern were identified and feedback from the regulator is expected.	Green
Welsh Language	Implement the Welsh Language Policy.	A revised Welsh Language Policy has been in place since March 2025.	Green
Welsh Language	Test staff awareness and understanding of the Welsh Language Standards and policy.	Testing staff understanding of the Welsh Language Standards and policy through the Policy Portal has been delayed following the introduction of new mandatory policies by the Leadership Team.	Yellow
Welsh Language	Host five Welsh language training classes for staff and elected members.	Four entry-level classes, foundation and intermediate classes were held weekly through partnership with the National Centre for Learning Welsh.	Yellow
Welsh Language	Run regular campaigns, at least monthly, to encourage the use of Welsh.	A Welsh language challenge was shared monthly with staff by email through Y Ddolen and on paper.	Green

Strategic Objective	Key Action	Update	Status
Welsh Language	Work with partners to increase the use of Welsh in the workplace.	The Anglesey Language Forum workplaces sub-group action plan was updated and work continued on the 'Breaking Myths' project, which aims to challenge misconceptions about the use of Welsh at work and in staff recruitment.	Green
Welsh Language	Support and facilitate arrangements for the 2026 Anglesey Urdd Eisteddfod.	A joint fundraising event with the Urdd and Learn Welsh North West was held at Anglesey Business Centre. A joint task group with key Council officials and Urdd representatives has met regularly since September 2025. The Council tent structure has been agreed, an activities sub-group has been established, and liaison with the Safety Advisory Group is ongoing.	Green
Education	Consult on a proposal for a new Ysgol Uwchradd Caergybi and prepare and submit a Strategic Outline Business Case to Welsh Government.	A statutory notice for the new Ysgol Uwchradd Caergybi building was issued on 6 November 2025, followed by a 28-day objection period. An objections report was prepared for the Executive Committee and sent to Welsh Government on 6 January 2026. Formal approval was received from Welsh Government in April 2026. The Strategic Outline Case was prepared for submission and was due to be presented to Welsh Government on 7 May.	Green
Education	Produce and implement a new strategic plan to develop closer working between current post-16 education providers.	Regular meetings between the school and the college continued to explore closer working arrangements, including use of college resources and sharing staff expertise. A Task and Finish Group was established to identify effective virtual learning practices, and work is underway to develop a collaborative strategy with concrete steps.	Yellow
Education	Immerse 96 pupils with little or no Welsh language skills through language centres.	The language centre numbers were on target, including work in Ysgol Uwchradd Caergybi with more than 30 secondary pupils.	Green
Education	Develop a five-year Welsh language improvement scheme in Ysgol Llanfawr, Ysgol Santes Fair and Ysgol Uwchradd Caergybi.	The tutor based at Ysgol Uwchradd Caergybi has left post and the service is working with Bangor University to appoint a new tutor. Support for school staff will continue once a tutor is in place.	Yellow

Strategic Objective	Key Action	Update	Status
Education	Ensure that 100% of Year 6 learners receive a Welsh language participation and proficiency assessment.	School processes confirm that all primary schools assess Welsh language proficiency.	Green
Education	Implement a strategic plan and work with schools to increase attendance in Anglesey schools to 95%.	Attendance targeting processes are in place. The team is at full capacity and is gathering data on schools requiring additional input.	Yellow
Education	Ensure that Curriculum for Wales, assessment and transition processes are in place in all schools.	The service is collaborating with Neath Port Talbot County Council to trial a new national AI resource to support schools' curriculum planning. A group of primary schools has started a research project with Wrexham University on assessment processes and a shared understanding of progress.	Yellow
Education	Ensure that each catchment area works together from school to school to support children and young people in developing their key and digital skills.	Senior leaders are holding catchment discussions to review transition arrangements following feedback from the Scrutiny Panel. Collaboration plans are being implemented and a self-evaluation matrix is in place, with system leaders taking ownership of its content.	Yellow
Education	Work towards 100% completion of Group A, B and C safeguarding training for relevant staff.	Group A safeguarding training is now mandatory through Learning Pool. 60% of the Education team have completed Group A training. Schools have begun training Group B staff, and more than 190 people have attended parts 1 and 2 of Group C training.	Yellow
Education	Work towards becoming a Trauma Informed Island by supporting two more schools to achieve TIS accreditation.	Ysgol Gynradd Kingsland and Ysgol y Graig have expressed interest in working towards accreditation and a plan is in place. The VR programme continues to be popular, with more than 750 trained since April. Ysgol David Hughes and Ysgol Cybi have completed training.	Yellow
Education	Review delivery map processes for Additional Learning Needs and Inclusion in schools.	Work is ongoing to monitor and adapt the funding formula for provision mapping through the ALN Forum. Mapping work will need to continue alongside the financial work, and further discussion is required on nominating a system leader for each catchment.	Amber

Strategic Objective	Key Action	Update	Status
Education	Set up a programme of activities at the Creu / Ffiws Café at Holyhead Market Hall in partnership with Menter Môn and Mencap Môn.	Activities delivered included 12 group sessions, 20 individual machine orders and six workshops. Overall, 38 activities were held with 180 participants.	Green
Education	Support children and families to access educational and community activities outside traditional school hours through Community Schools.	Arrangements are underway for Food and Fun 2026, including potential provision in the Amlwch catchment. Work has started on a 7-a-side 3G pitch at Ysgol Gyfun Llangefni and tennis court improvements through Community Focused Schools capital funding. Other activities are being planned, including a Year 6 transition event.	Yellow
Education	Fully implement the Lifelong Learning Course Scheme through partnership with Grŵp Llandrillo Menai.	Ten courses were held for 74 learners, including five one-day courses with 19 learners and three taster courses with 17 learners. In total, 110 learners received 1,566 hours of teaching across eight locations.	Green

Wellbeing Objective 2 - The people of Anglesey are safe, healthy and as independent as possible

Strategic Objective	Key Action	Update	Status
Social Care and Wellbeing	Work together to be an age-friendly island through preventative activities.	An Ageing Well Open Day was held over the winter at Hafan Cefni, Llangefni, the first in a series of 10 events. A reminiscing visit was also held at Oriel Môn with a dementia group from Llangoed.	Green
Social Care and Wellbeing	Identify a convenient location that offers opportunities to assess, promote and develop independent living skills.	The Glanhwfa Centre Phase 2 was completed. The Centre will offer a dedicated area to encourage independent living skills for people with dementia and learning disabilities.	Green
Social Care and Wellbeing	Transform day services by continuing to work with partners to maintain day activities in community locations in the Holyhead area and expand the model in central and east Anglesey.	Service transformation continued with a focus on creating personal opportunities, developing life skills and offering diverse community activities in partnership with organisations such as Mencap Môn. Work on the Gors Felen extension and specialist	Green

Strategic Objective	Key Action	Update	Status
		changing room has commenced and is due to be completed by the end of summer.	
Social Care and Wellbeing	Welcome over 500,000 visits to Môn Actif centres.	Môn Actif Leisure Centres recorded 170,212 visits during Quarter 4 and 575,194 visits between Quarter 1 and Quarter 4.	Green
Social Care and Wellbeing	Invest £1m in Môn Actif facilities, including Plas Arthur, Holyhead, Amlwch and swimming pool inspections.	Alliance Leisure has been appointed to support the Plas Arthur project, with building surveys being completed and construction expected in autumn 2026. New fitness equipment and modernisation of the fitness space at Holyhead Leisure Centre has been completed. Work has not started on Amlwch changing rooms because school projects are currently being prioritised. Swimming pool inspection work will not be completed in 2025/26 due to budget constraints.	Amber
Social Care and Wellbeing	Ensure that a modern Social Care database, Connecting Care, is in place to replace WCCIS, including successful data and information transfer.	The project is underway across Wales, led by WLGA on behalf of local authorities. Confirmation of £20.9m from local authorities to WLGA has been received, with confirmation of the Council's percentage for 2026/27 awaited. Data migration from WCCIS to Mosaic is ongoing, with phases 1 and 2 complete. The estimated go-live date has moved from September to early 2027.	Amber
Social Care and Wellbeing	Modernise and optimise Supported Housing by creating 12 additional high-quality units at Valley, Pencoed and Maes y Ffridd, and progress provision in Holyhead and Llangefni.	The Valley project is active and people have settled. Pencoed construction work is complete. Building adaptations at Maes y Ffridd are underway and must be completed before people move in. Planning applications for Holyhead and Llangefni have been submitted, with work expected to continue during 2026/27.	Yellow
Social Care and Wellbeing	Identify an additional programme of three suitable properties to meet the lifetime requirements of service users.	The intention is to try to purchase one new building from the open market every year for the next three years.	Amber
Social Care and Wellbeing	Increase participation in integrated community hubs, maintain a minimum of six	An Ageing Well Open Day was held at Hafan Cefni, Llangefni as the first in a planned series of 10 such events.	Green

Strategic Objective	Key Action	Update	Status
	community forums and provide social prescribing services in some hubs.		
Social Care and Wellbeing	Open Canolfan Glanhwfa Community Hub to host the Anglesey Dementia Centre.	Construction was completed at the Glanhwfa Centre.	Green
Social Care and Wellbeing	Expand the Nifty60s programme to a further six communities.	Nifty60s weekly workshops are running at nine venues: Amlwch, Llangefni, Rhosneigr, Llanddona, Llanfairpwll, Benllech, Llangaffo, Llanfaethlu and Holyhead, with five sessions per week in Holyhead. The programme reaches over 350 people per week.	Green
Social Care and Wellbeing	Work with Seiriol Alliance to pilot a community transport project.	The community transport project launched on 2 June for a three-month trial and has been extended to April 2026.	Yellow
Social Care and Wellbeing	Reduce loneliness and isolation by organising intergenerational events, including sporting memories, Boccia and Dawns i Bawb activities.	Two 'parti paned' events were held at Canolfan Glanhwfa in Llangefni, and Dance for All activities continued in care homes with children from local schools attending occasionally.	Yellow
Social Care and Wellbeing	Identify properties for two further Cartrefi Clyd homes on the island.	A further property has been identified and work is underway with the Council's Property Department to establish whether it is a viable option for the final Cartref Clyd.	Amber
Social Care and Wellbeing	Aim to secure seven additional foster care placements during 2025/26.	From 1 April 2025 to date, two general foster carer beds and 12 connected person foster carer beds have been secured.	Green
Social Care and Wellbeing	Extend and improve childcare provision, including eligibility, take-up, quality and parental satisfaction.	190 children received Flying Start childcare; 60 children received two-year-old childcare through the childcare expansion programme; 344 children had a Childcare Offer agreement in place; 71 group sessions and 33 structured informal courses were offered to parents; four training courses were offered, with 26 childcare staff undertaking safeguarding and first aid training; and two new all-day childcare settings were created.	Green

Strategic Objective	Key Action	Update	Status
Housing	Secure funding and planning permission for a new Extra Care development at Tyddyn Mostyn, Menai Bridge.	A suitable drainage plan has been identified. The grant application for design and build has been approved by Welsh Government. Full planning permission was granted in April 2026 and building work has started on site.	Green
Housing	Deliver the Customer Experience Plan, including increasing CRM contacts from tenants.	The online housing application form went live on 20 October 2025 to reduce customer calls and paper applications. The process for receiving complaints to the department has been live on the Corporate CRM since 1 October 2025.	Green
Housing	Review performance management reporting to strengthen the data-led approach and improve lower-performing areas.	A review has been completed, resulting in a new performance management recording and reporting template. The template presents clear data across all performance areas and provides managers with space to comment on underperforming areas.	Green
Housing	Complete Telecare digitalisation by September 2025.	The Telecare scheme has been completed for every tenant who agreed to change provision from Tunstall to Chiptech.	Green

Wellbeing Objective 3 - The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations

Strategic Objective	Key Action	Update	Status
Housing	Increase the number of Council properties complying with the WHQS 2023 SAP 75 energy target from 30% to 40%.	Housing is confident that the target for 40% of housing stock to comply with the WHQS energy target of SAP 75 by 31 March 2026 has been reached and surpassed. New energy performance certificates linked to renewable measures installed during 2025/26 will continue to be formally lodged during Quarter 1 2026/27.	Green
Housing	Progress the North Anglesey Poverty Action Plan as a whole-Council approach to improving socio-economic factors.	Funding has been secured for two employment unit schemes in Amlwch.	Green

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Strategic Objective	Key Action	Update	Status
Housing	Ensure all Council properties have Target Energy Pathways by 31 March 2026.	All housing stock has a Target Energy Pathway: 83% are considered full TEPs and 17% are in draft format.	Green
Housing	Review the Common Housing Allocation Policy to incorporate learning from the current policy and legislative changes, and launch a new policy in 2025.	Scoping work is progressing on the requirements of new homelessness legislation due in February 2027.	Amber
Housing	Develop 45 new housing units.	A total of 31 properties were delivered against the target of 45. Performance was under target due to on-site complications; the target is expected to be achieved by September 2026.	Amber
Housing	Facilitate the renovation of 60 empty homes.	A total of 55 empty properties were returned to use.	Yellow
Housing	Assist up to six first-time buyers to enter the housing market.	Twelve people bought a home through the empty homes purchase assistance grant and three bought a home through the Môn Help to Buy Scheme.	Green
Housing	Deliver the void turnaround action plan by 31 March 2026.	More elements of the plan have been completed and some elements have begun.	Amber
Economy	Work with partners to realise a potential new nuclear project at Wylfa in a way that minimises impact and maximises socio-economic benefits for local people.	GBE-N has confirmed that the proposed technology is SMR, with Rolls-Royce identified as the technology provider. The Council continues to engage regularly with GBE-N and relevant stakeholders to understand opportunities and implications for the Island.	Green
Economy	Provide support and advice to Menter Môn on the development of the Hydrogen Hub in Holyhead.	The Energy Island Team continues to liaise with Menter Môn on the prospective Hydrogen Hub. A planning application has now been submitted and validated.	Green
Economy	Influence and collaborate with UK Government, Welsh Government and other stakeholders on large-scale energy developments.	Following the Wylfa announcement, links with UK Government and Welsh Government are being established and formalised. The Council's Strategic Forum was held and included an update on the Wylfa site from GBE-N. Influencing and collaboration remain key priorities for the Energy Island Programme.	Green

Strategic Objective	Key Action	Update	Status
Economy	Work with the developer of Maen Hir Solar Farm and other stakeholders during the DCO process.	Work on Maen Hir continues, although the DCO submission has not yet been made. The project continues to experience delays from the developer, and the Energy Island Programme continues to liaise with Lightsource bp.	Amber
Economy	Extend arrangements to collect items that can be reused rather than recycled, including a dedicated reuse role at Penhesgyn.	An additional container, shelving and hand tools were purchased for Penhesgyn. By Quarter 4, 42 tonnes of items had been collected and reused. Reuse logos and banners were installed, a 'Give a Second Life to Good Things!' campaign was held, two site workers completed bicycle handling training and the Reuse Enhancement site worker agreements were extended to March 2027.	Green
Economy	Secure capital funding to construct 10 new business units in Amlwch.	The North Anglesey Sites and Premises project secured £6.994m of capital funding from Ambition North Wales and £920,000 from Welsh Government Transforming Towns. Welsh Government Ministers have approved in principle a £1.5m joint venture contribution for the units. Designs are complete to RIBA 4 and the tender process has been completed, with work expected to commence in May.	Yellow
Economy	Secure capital funding to redevelop the Marine Terminal building in Amlwch.	The Marine Terminal refurbishment forms part of the North Anglesey Sites and Premises project, which has secured external capital funding from Ambition North Wales and Welsh Government Transforming Towns. Project design and procurement activity has progressed, with work expected to commence in 2026/27.	Yellow
Economy	Continue to progress the North Anglesey Economic Regeneration Plan.	Funding of £351,000 over three years was secured from the NRS to fund a North Anglesey Officer and project development work. Development work to identify new projects is underway.	Yellow
Economy	Oversee the delivery of Anglesey's Town Centre Improvement Strategy.	Town centre planning preparation work is underway for the five town centres. Collaboration continues with partners, including Môn CF, through SPF and Welsh Government funds to improve town centres through direct interventions.	Yellow
Economy	Continue to allocate grants and lead on town centre interventions	Significant Transforming Towns and placemaking grants have been secured to drive visual improvements in town centres. The 'Lle Da'	Yellow

Strategic Objective	Key Action	Update	Status
	through SPF and Welsh Government Transforming Towns funding.	SPF project will continue through 2026/27 to support town centre activities, interventions, surveys and schemes. Further funding has been secured for schemes in Llangefni, Beaumaris and Amlwch.	
Economy	Collaborate with key stakeholders to move forward, secure and establish a successful Ynys Môn Freeport Programme and establish robust governance arrangements.	The Full Business Case has been formally signed off by both Governments. Landowner agreements have been signed by all parties, the formal Anglesey Freeport company has been established, and a Memorandum of Understanding was signed with both Governments in March 2026.	Green
Economy	Secure external funding to address the needs of the Island and economic opportunities on Anglesey, including SPF and LUF.	Ongoing discussions continue with both Governments and other partners to identify external funding opportunities for the Council. The LUF programme is nearing completion in June 2026.	Yellow
Economy	Deliver the Designated Landscapes action plan to meet Council and Welsh Government priorities for nature recovery and climate change mitigation.	The action plan has been undertaken in line with SLSP core funding and Welsh Government allocation, with a focus on habitat restoration, removal of harmful alien species, catchment work and implementation of the Sustainable Farming Scheme trial.	Yellow
Economy	Work with partners to deliver tree planting programmes and river catchment work to help improve water quality.	Work continues on river fencing, habitat improvement and tree planting on the Wygyr, Braint and Alaw catchments.	Green
Economy	Offer farmers more opportunities in the Designated Landscapes and buffer zone to improve habitats.	Planning is underway to distribute grants to farms offering significant opportunities for habitat improvement linked to sustainable farming models. Best practice information will be shared with the farming community through training linked to the scheme.	Yellow
Economy	Work with farmers to deliver a sustainable farming model through the Ffermio Bro trial of the Sustainable Farming Scheme.	Ffermio Bro is the Welsh Government's trial of the Sustainable Farming Scheme. It takes place in National Landscapes and aims to provide nature-sensitive farming at a landscape scale. It will provide training opportunities for farmers, including work on soil health, economics and nature conservation.	Yellow

Strategic Objective	Key Action	Update	Status
Economy	Provide a range of activities to protect and enhance the special qualities of the AONB.	The team is involved in five partnership projects, including Corsydd Calon Môn and Glasffordd Môn, to collaboratively enhance the AONB and its connections with the wider island. Educational packs focusing on the natural environment, climate and water quality have been developed and are available to primary and secondary schools. Ongoing work includes access improvements, safety signs on the coast, website updates and improved communication through social media.	Yellow
Economy	Manage the Destination Management Plan 2023–2028 and establish a new Destination Partnership.	The Destination Management Plan continues to be delivered with a focus on sustainable destination offers based around green infrastructure. More than £1m of external funding has been invested over the last 12 months to improve access to the countryside, including boardwalks, Coastal Path improvements and re-established circular walks. The Destination Partnership has been approved to be reformed, but its formation has been delayed until after the Senedd elections.	Amber
Economy	Deliver key projects to improve infrastructure and visitor experience while reducing negative pressure, including work with Welsh Government on cruise activity at Holyhead.	The Destination Team continues to work with services to deliver proactive solutions to visitor management issues in Niwbwrch, Rhosneigr, Trearddur Bay and Benllech. Visit Anglesey web and social media feeds are active and provide key messaging. For the 2026 cruise season, over 70 vessels are confirmed and the team is working with local visitor attractions to develop new offers.	Yellow
Economy	Continue to review proposals relating to the introduction of a Visitor Levy.	Visitor Levy consultation is planned for early 2026/27, subject to approval from Full Council.	Yellow
Economy	Focus on Coastal Path enhancements through external funding and link improvements with nature enhancement projects.	Boardwalks are being built in Newborough and on Lôn Las Cefni to improve access. Significant work to improve the accessibility of the Coastal Path is underway throughout the year.	Green

Strategic Objective	Key Action	Update	Status
Economy	Support landowners to redevelop redundant industrial and brownfield sites.	Officers continue to engage with and support landowners to redevelop brownfield sites where capacity allows. The Peboc site has been purchased, external capital funds through Freeport and Ambition North Wales have been secured, and progress on land remediation and demolition is set to begin in summer 2026.	Yellow
Climate Change	Publish a Net Zero Strategic Plan 2025–2030.	The Towards Net Zero Strategic Plan 2026–2031 has been formally adopted by the Executive Committee.	Green
Climate Change	Progress the Fleet Transformation Plan by increasing the number of low carbon vehicles.	An order for 12 new electric vehicles, including one new library vehicle, has been placed using SPF funding.	Green
Climate Change	Explore a pilot for a home charging scheme for the Council's electric vehicle fleet.	Initial discussions have taken place with partners. A number of factors need to be considered, including safeguarding, liability, legal, maintenance and health and safety issues. Further work is required to assess value for money.	Amber
Climate Change	Complete and commission the solar car ports in Llangefni.	Structures in the upper car park have been completed, resurfacing has been completed, and battery installation and electrical work have been completed and commissioned. Full completion and commissioning has been delayed until Quarter 1 2026/27.	Amber
Climate Change	Install low carbon heating systems in 24 Council buildings.	Sixteen sites have been completed and commissioned, with a further 18 planned for 2026/27.	Amber
Climate Change	Work towards achieving the Welsh Government target to recycle 70% of household waste and waste from Council buildings.	Doorstep intervention work continues to reduce residual waste and increase doorstep recycling. A six-week consultation on potential changes to the recycling and waste collection service was held in Quarter 4. WRAP Cymru and CRS are preparing an analysis of the consultation. A substantial ISPA funding application has been approved by Welsh Government to move to the next Outline Business Case stage.	Red
Climate Change	Increase recycling rates for waste collected from Council buildings to 60%.	Current performance is 44%, below the 60% target.	Red

Strategic Objective	Key Action	Update	Status
Climate Change	Reduce fly-tipping incidents by 10% compared with 2024/25.	A responsibilities matrix has been drafted and shared, with feedback awaited before the final version is published. A guidance leaflet has been shared with Council sites, with further information to follow as needed.	Yellow
Climate Change	Implement flood control plans across the island, subject to Welsh Government funding.	Draft design documents for Menai Bridge have been submitted to Welsh Government for review, with negotiations with homeowners required next. The Llanfairpwll design and layout is temporarily paused due to lack of capacity. The Lôn Trearddur and Bodffordd schemes are being built, and work at Porth Diana is complete.	Yellow
Climate Change	Bring SAB arrangements in-house by developing and implementing new arrangements, including income generation through pre-application consultation.	SAB appeal issues have delayed the provision of reports for new SAB arrangements. The SAB officer is on sabbatical for 12 months and the Council continues to rely on support from YGC in the meantime.	Amber
Climate Change	Active travel plans put in place between Malltraeth and Newborough	Active Travel scheme between Newborough and Malltraeth completed	Green
Climate Change	Pilot of community transport scheme to link rural areas with main transport routes	Pilot is underway in Seiriol area	Green
Climate Change	Implementation of changes to the 20mph speed limit in 27 locations	Changes to the 20mph speed limits implemented in the planned areas	Green
Climate Change	Installation of electric vehicle charging points at 14 locations across the island (subject to external funding and appointment of a suitable supplier)	Tender applications in the process of scoring for assessment appointment. Majority of planned actions completed for 2025/26.	Yellow

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	28 September 2026
Subject	Budgeting for demand? Using data to plan adult residential care
Head of Service	Huw Ynyr Head of Digital, Performance and Modernisation
Report Author	Gwyndaf Parry Strategic Performance and Projects Manager
Reason for Reporting Paragraph 3.4.8.11.3 of the Committee's Terms of Reference states that "The committee will oversee external audit arrangements, comment on the scope and depth of external audit work and ensure it gives value for money. It will consider external audit reports and will monitor their recommendations.	

1.0 Introduction

1.1 The audit looked at whether Isle of Anglesey County Council (the Council) uses data to plan its adult residential care service budgets effectively.

1.2 The audit looked at whether the Council has the information it needs to plan well. It also looked at if and how, it uses data to help it to plan the resources it will need to meet the demand for the service and help it to be financial sustainable in the long-term.

1.3 We also reviewed whether the Council knows if its planning is effective or not.

1.4 We completed this review across all the six North Wales councils between March and June 2026.

2.0 Findings

2.1 The Council uses data on projected number of clients and compares costs with other providers to plan its adult residential care service budgets. The Council identifies financial risks within its Medium-Term Financial Plan and relies on general balances to mitigate them when needed.

2.2 We have not made a recommendation to the Council on this occasion. This is because the Council has already strengthened its approach to ensuring value for money.

3.0 Recommendation

3.1 That the Governance and Audit Committee:

- Considers the audit examination and has assurance from its findings.

Archwilio Cymru
Audit Wales

Budgeting for demand? Using data to plan adult residential care

Isle of Anglesey County Council

August 2026

We have prepared and published this report under section 17(2)(d) requires the Auditor General to satisfy himself that the Council has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. Our findings might also inform the Auditor General's work in assessing the Council's actions in taking steps to meet its well-being objectives, under Section 15(1)(b) the Well-being of Future Generations (Wales) Act 2015.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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

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Audit snapshot

What we looked at

1 We set out to review whether Isle of Anglesey County Council (the Council) uses data to plan its adult residential care service budgets effectively. The audit looked at whether the Council has the information it needs to plan well. It also looked at if and how, it uses data to help it to plan the resources it will need to meet the demand for the service and help it to be financial sustainable in the long-term. We also reviewed whether the Council knows if its planning is effective or not.

2 We completed this review across all the six North Wales councils between March and June 2026.

Why this is important

3 The law requires to set a balanced budget each year.[1] This process involves forecasting the income and spending a council will make to meet service demand and legal requirements. Councils must do this within their available resources and think about external pressures, like inflation. Councils can use a range of financial and performance data to help them do this. This can include its past spending, its expected demand trends, inflation, and funding allocations.

4 Across councils, several services are overspending in areas where demand for services drives costs, such as social care. Not having robust plans based on demand can lead to financial pressures, reduced service quality, or missed opportunities to support those who need help most. Addressing this will be key to improving both financial sustainability and outcomes for service users.

[1] Local Government Finance Act 1992

What we have found

5 The Council uses data on projected number of clients and compares costs with other providers to plan its adult residential care service budgets. The Council identifies financial risks within its Medium-Term Financial Plan and relies on general balances to mitigate them when needed.

What we recommend

6 We have not made a recommendation to the Council on this occasion. This is because the Council has already strengthened its approach to ensuring value for money.

Our findings

The Council has succeeded in planning a balanced budget for adult residential care in recent years

7 7 Since 2023-24, the Council has succeeded in balancing its adult residential service budget (**Exhibit 1**). The total year-end variance for this three-year period is approximately £100,000. This has reduced the pressure on the Council's use of its reserves.

Exhibit 1: adults' residential care revenue spending compared to budget, 2023-24 to 2025-26 (£ million)

	2023-24	2024-25	2025-26	Total
Budget	13.3	15.6	17.8	46.7
Actual spending	13.6	15.8	17.2	46.6
Difference	-0.3	-0.2	+0.6	+0.1
Percentage difference	2%	1%	3%	0.3%

Source: Isle of Anglesey County Council

8 As a demand-led service, it is challenging for the Council to accurately forecast and plan its adult residential care budget. We recognise that, as a result, it would be unrealistic for councils to achieve plan these budgets exactly. However, having a robust, evidence-based best estimate to inform budget planning supports councils to minimise over or underspending. Understanding the reasons for this is key to improving future planning.

The Council does not have all the information it requires to plan its adult residential services budget

9 The Council understands some of its key demand pressures in the medium to long-term for the adult residential care service. This is based on expected demographic changes. For example, it has projected that the island will see a 28% increase in the oldest age group of the population by 2032. Similarly, the Council holds data on projected future Dementia rates. This means it has a good high-level view for how demand will change and how it will impact its spending.

10 The Council also understands its current position. It maintains data for elderly residential and nursing placements based on current client numbers. This includes average weekly income, actual and net unit costs. The Council compares its fees and staff costs with the other North Wales councils. This provides the Council with a clear view of its current service pressures.

11 The Council has improved its understanding of its monthly costs by reviewing its approach to payments. It has recently reviewed and changed its client payment arrangements with a view to improve in-year cash flow.

12 The Council can strengthen its approach by adding some further longer-term information. For example, the Council does not know how its fees from service users may change. It has limited data on which funding methods future service users are likely to use for the medium to long term. This means it does not have clarity about some future income and how this may change.

13 Unless the Council has a full complement of the data it needs, it can’t be assured that it effectively plans its demand-led budgets as effectively as possible.

The Council uses the data that it collects to plan its short-term adult residential care budgets

14 The Council uses data on the costs of care and its capacity to provide care to inform its budget for the next year. For example, it applies assumptions for changes to pay, cost of purchases and demand for the service when setting its budget. While predicting the future perfectly is not possible, using data to support assumptions support the Council in setting the best estimate of the resources it needs.

15 The Council has included the growing demand for residential care in its medium-term financial planning. The Council has planned for 13% growth between 2026 and 2029. By using information on future demand in its financial planning, the Council has more time to plan how it can deliver the service sustainably in the future.

16 The Council has identified the financial risks that will impact the service and its budget. These include:

- the condition of the care homes it owns;
- care staff recruitment, retention, and sickness absence costs;
- whether grant funding will continue; and
- demand growing more than expected.

17 However, the Council does always show how it will reduce these risks. Its budget papers describe the results of risk occurring rather than their prevention or reduction. This can place a reliance on reserves. We noted in our September 2025 report on the Council's strategic management of reserves that it effectively manages, and reviews reserves regularly but would benefit from establishing formal protocols for their use and replenishment.

18 The Council has planned its expenditure on facilities to meet future residential care needs on the island. It has mapped its existing care home facilities to devise a programme of repairs and maintenance. It has used data on future population needs as the basis for a business case to build a new residential home. This could mean it has the facilities needed to provide the services required in the future.

19 By anticipating the types of care people will want and need in the future, and how these will be funded, the council could be better positioned to plan its budget, adapt its services, and meet future demand.

The Council has processes to help it review its adult residential care budgets and has used this knowledge to produce its future budgets

20 The Council has processes in place which helps to regularly review its spending compared to its budget. For example, the Senior Finance Officer and Head of Service meet monthly to discuss the service spending report. They also meet at the end of each quarter to hold a more detailed discussion and report variances. This enables officers to keep aware of where there are significant variances to the planned budget. As these meetings are not recorded it is difficult to see how the information is used to improve budget estimates for future years.

21 The Council understands the root cause of some its budget variances. For example, its budget monitoring report for 2024-25 noted that the Council received additional grants to help with staffing costs and using external providers resulted in reduced waiting lists and providing the service required. It also noted other variances due to legal costs, vacant posts, and from higher-than-expected client contributions from their estate.

22 Shortly after we visited the Council to gather evidence, the finance department finalised a budget for the adult residential service. Using a ‘zero-based budget’ approach, the Council considered data on demand levels, costs, and fee income, as it had done in 2023. By using the latest information to update its budgetary assumptions, the Council is unlikely to carry forward errors from previous years' assumptions, which can help the Council budget more accurately.

23 However, for other budget variances the Council has not explained the reasons in detail. The Council noted, ‘this is a demand led service’ or ‘high-cost low volume placements’. As this does not set out the root cause, it limits how the Council can learn from the variances to improve its future budget planning.

24 The Council links its service reporting to its objectives to show how its spending supports them. For example, in a business case for a new residential home (and extra care housing) on the island, the Council demonstrates how the development would align with various strategic objectives. Senior leaders are informed about how adult residential services contribute to the Council’s strategic objective of ‘providing the right support at the right time’ and ‘protecting and supporting the vulnerable’. For instance, the Council’s corporate scorecard includes a measure of the number of older people supported by the authority in care homes. However, the Council does not present this data alongside the cost. Combining data on outcomes for people with costs to the Council helps the Council assess value for money.

Appendices

1 About our work

Scope of the audit

The audit covered the Council's use of data when planning its budgets for its demand led adult residential care service. This included residential and nursing care for adults aged over 18 - both in facilities provided by the Council and those commissioned from other partners.

It looked at whether the Council has the information it requires, and if and how it uses data to inform the resources required in demand-led services to support long-term financial sustainability. It also reviewed whether the Council has arrangements to help it to ensure that its budget planning is effective.

Audit questions and criteria

Questions

Our audit answered the following questions:

- Does the Council have the information it requires in the planning of its budget in demand led service?
- Does the Councils use data to inform the resources required in demand-led services?
- Does the Council have arrangements to ensure that the planning of budgets in demand-led services is effective?

Criteria

In developing the audit criteria, we have drawn on November 2020 guidance from the Chartered Institute for Public Finance and Accounting (CIPFA) on planning to deliver good value in demand led service. We also added to this with our cumulative audit knowledge and experience, which we gain from completing financial and performance audits.

Methods

The audit used the following methods:

- document review – we reviewed the Council's relevant documents, such as budget and committee papers;
- interviews – we interviewed key officers; and
- data analysis – we looked at data used by the Council when setting its budget.

About us

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

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

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

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Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg. P2242

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report To	Governance and Audit Committee
Date	28 September 2026
Subject	**For information** - Audit Wales – Audit Wales Work Programme and Timetable – 30 June 2026
Head of Service	Huw Ynyr Head of Digital, Performance & Modernisation huwynyr@ynysmon.gov.wales
Report Author	Gwyndaf Parry Strategic Performance and Projects Manager gwyndafparry@ynysmon.gov.wales
Nature and reason for reporting The Terms of Reference of the Governance and Audit Committee (3.4.8.11.3) require it to oversee the external audit arrangements, comment on the scope and depth of the external audit work and ensure that it delivers value for money. It will consider external audit reports and will monitor their recommendations.	

1.0 PRESENTATION

1.1 This report sets out details of the proposed and recent work of Audit Wales, Care Inspectorate Wales and Estyn, where relevant.

1.2 It identifies the areas of work including the following:

1.2.1 Annual Audit Summary – January 2027

1.2.2 Financial audit work (p1) – September 2026

1.2.3 Performance audit work (p3), to include:

1.2.3.1 Thematic review – recruitment and retention challenges – June 2026
1.2.3.2 Using data in budgeting – September 2026
1.2.3.3 Recycling Performance Management April 2026
1.2.3.4 Value for money Cartrefi Clyd Programme – November 2026
1.2.3.5 Risk Management Arrangements – January 2027
1.2.3.6 Investment buildings – June 2027

1.3 The report also notes (page 5) planned local government national studies and Audits by other auditors (page 7).

2.0 RECOMMENDATION

2.1 That the Governance and Audit Committee will:

- Consider the report and provide feedback on the proposed audit work for 2026/27.

Audit Wales Work Programme and Timetable – Isle of Anglesey County Council – 30 June 2026

Below are details of planned and recent work where relevant of Audit Wales, Care Inspectorate Wales and Estyn. We will provide a further update on progress and future plans at the end of December 2026.

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in January 2026.	January 2027	2026 summary not produced

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2025-26 statement of accounts	The Statutory audit of the Council's Financial Statements and Annual Governance Statements	September 2026	Fieldwork ongoing.

Description	Scope	Timetable	Status
Certification of grant returns: **Housing Benefit Subsidy 2023-24**	Certification that nothing has come to our attention to indicate that the return is: • not fairly stated; • is not in accordance with the relevant terms and conditions.	Certified July 2026	Closed
Certification of grant returns: **Housing Benefit Subsidy 2024-25**	Certification that nothing has come to our attention to indicate that the return is: • not fairly stated; • is not in accordance with the relevant terms and conditions.	September 2026	There is one task outstanding which must be completed before certification. We will complete this alongside the audit of the 2025-26 financial statements.
Certification of grant returns 2025-26	• NDR3 Grant 2025-26 • Teachers' Pension Grant 2025-26	November 2026	Fieldwork has commenced.
Certification of grant returns: **Housing Benefit Subsidy 2025-26**	Certification that nothing has come to our attention to indicate that the return is: • not fairly stated; • is not in accordance with the relevant terms and conditions.	January 2027	Testing to commence autumn 2026.

Performance Audit work

2025-26 Performance Audit work	Scope	Timetable	Status
Thematic review – recruitment and retention challenges	A review focusing on how councils' arrangements for addressing recruitment and retention challenges apply value for money considerations and the sustainable development principle.	A local report was published in June 2026.	Audit Wales will share the national themes and findings during the Human Resources Directors Wales Network meeting in September 2026.
Use of data in budget planning	We reviewed the use of data by North Wales councils when planning budgets for one demand-led service—Adult Residential Care. It was assessed whether or not the Council has arrangements in place to ensure effective budget planning for Adult Residential Care.	The work was carried out between March and June 2026.	The final report for IoACC was published in August 2026. A blog summarising and comparing the regional findings will appear on the Audit Wales website during 2026.
Recycling performance management	The audit looked at how the Council manages the performance of its recycling service. The audit focussed on the Council's arrangements for: • understanding recycling performance; • strategic and operational planning and communication; and • value for money.	Final report was published April 2026.	N/A

2026-27 Performance Audit work	Scope (Draft – to be confirmed)	Timetable	Status
Value for money of Cartrefi Clyd scheme	The audit will examine the arrangements the Council had in place to plan, deliver, and review its Cartrefi Clyd scheme, including the outcomes for children and young people. The audit will assess the extent to which the Council's arrangements ensured value for money during each of these stages.	Fieldwork and drafting of the report to be completed by November 2026.	Final brief shared with the Council in September 2026.
Risk management arrangements	The audit will focus on the Council's corporate and departmental risk management arrangements. The audit will not include arrangements relating to the management of risks associated with specific programmes or projects.	Fieldwork and drafting of the report to be completed by January 2027.	Audit planning documents prepared. Draft brief to be shared with the Council in September 2026.
Investment buildings	The audit will examine the arrangements the Council has in place to deliver its investment property activity. It will assess the extent to which the Council's arrangements for purchasing and deriving benefit from investment properties ensure value for money. We will consider evidence regarding the arrangements in place for properties the Council has purchased solely for commercial letting.	Fieldwork and drafting of the report to be completed by January 2027.	Audit planning documents prepared. Draft brief to be shared with the Council in September 2026.

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Isle of Anglesey County Council
Local government funding arrangements	Focus on the Welsh Government's arrangements for funding principal councils and how this supports councils to deliver value for money.	Publication planned for July 2026.	Report clearance	Interviews undertaken at each council.
Corporate Joint Committees Follow Up	To be confirmed	Project paused pending Welsh Government's review of CJCs	N/A	N/A
Childrens' Services	Focus on preparedness for implementing the Health and Social Care (Wales) Act 2025.	Publication planned for September 2026	Drafting	Interviews undertaken at each council.

Study	Scope	Timetable	Status	Fieldwork planned at Isle of Anglesey County Council
Ageing population	Scope to be confirmed. Likely to focus on exploring if there are opportunities to improve value for money in how councils are responding to the impacts of an ageing population.	To be confirmed	Scoping	To be confirmed
Fly tipping	Scope to be confirmed. Likely to focus on exploring if there are opportunities to improve value for money in how councils prevent and respond to fly tipping.	To be confirmed	Scoping	To be confirmed
Discretionary/ preventative services	Scope to be confirmed.	To be confirmed	To be confirmed	To be confirmed

Estyn

During the 2025-2026 academic year, Estyn has continued to inspect and engage with local authorities through core inspections of local government education services and youth services, enhanced local authority link inspector visits, follow-up activity and joint inspection work.

In the autumn term, Estyn conducted core inspections of both the Youth Service and the Local Government Education Services in Monmouthshire. The reports, published in January 2026, identified a coherent and strategically led approach to improving outcomes for children and young people, supported by strong collaboration, effective school improvement arrangements and a positive safeguarding culture. The local authority was asked to improve the consistency with which it evaluates the impact of its work, improve attendance and continue to address school budget deficits. The youth service inspection highlighted effective work to enable young people to influence decisions, provide targeted mental health and well-being support and use evidence systematically to plan and improve its provision. Neither service requires follow-up activity.

Estyn also worked alongside Care Inspectorate Wales to inspect safeguarding arrangements in Gwynedd Council. The inspection found that the council had taken significant steps to strengthen its safeguarding systems and that senior leaders demonstrated a clear commitment to improvement. It also identified important areas requiring further attention, including measuring the impact of safeguarding work, ensuring that children's voices influence strategic and operational decisions consistently, strengthening procedures and commissioning arrangements, and evaluating the impact of safeguarding training. Safeguarding remains central to every inspection we undertake, and we are committed to supporting continuous improvement so that children and young people are protected effectively.

During the spring term, Estyn conducted core inspections of Bridgend's Youth Support Service and its Local Government Education Services. The reports, published in May, recognised a strong collaborative culture and productive relationships between local authority officers, schools and other partners. The LGES inspection identified particular strengths in provision for pupils with additional learning needs, pupils educated other than at school and vulnerable pupils, as well as robust safeguarding arrangements. It recommended that the authority sharpen its self-evaluation and improvement planning so that evaluations focus more consistently on the impact of its work on children and young people. The youth inspection highlighted effective preventative youth work and strong partnership arrangements that help vulnerable young people access coordinated support. Neither service requires follow-up.

Estyn also carried out an enhanced local authority link inspector visit to Swansea in February. This focused on the authority's support and challenge for secondary schools and its work to support and develop the use of Welsh. Inspectors recognised positive relationships with school leaders and a strong commitment to expanding Welsh-medium education. They also identified the need to evaluate the impact of recent changes to school improvement arrangements more rigorously and to strengthen understanding of the factors influencing families' decisions about Welsh-medium education.

Estyn continued its follow-up engagement with Powys County Council following the 2025 inspection, which identified the authority as causing significant concern. This engagement forms part of Estyn's ongoing scrutiny of the authority's progress in responding to the inspection recommendations. At the time of writing, a further monitoring report has not been published on the Estyn website.

In the summer term, Estyn carried out an enhanced local authority link inspector visit to Torfaen, focusing on additional learning needs and inclusion and the authority's approaches to improving attendance. Inspectors found that the authority had strengthened strategic leadership, collaboration and

statutory arrangements for additional learning needs, and that schools valued the accessibility and expertise of the authority's support. The visit also recognised the authority's high priority for attendance and its positive relationships with schools, while identifying further questions around inclusive teaching, increasing demand for specialist provision and the use of comparative attendance information. The visit letter was published in July.

Estyn also conducted a core inspection of Local Government Education Services in Flintshire during July. The inspection findings have not yet been published. The report is scheduled for publication on 21 August 2026.

Care Inspectorate Wales (CIW)

	Scope	Timetable	Status
Regional Adoption Collaboratives (RACs)	The programme has re-established inspection coverage of local authority adoption services, strengthened assurance arrangements and is informing a national overview report. Regional reports have been published: • South East Wales Adoption Service • Western Bay Adoption Service • North Wales Adoption Service • Vale, Valleys and Cardiff Adoption Service • Mid and West Wales Adoption Service	April 2025 – March 2026	Published
	National overview report	September 2026	Being developed
National Thematic Reviews Programme	CIW has agreed a forward programme of thematic reviews: • 2026-27 – People in Positions of Trust (Section 5) • 2027-28 – Adult Safeguarding (including Section 5) • 2028-29 – National Commissioning Framework • 2029-30 – Carers • 2030-31 – Children Looked After Programme priorities may be adjusted periodically to reflect emerging national priorities, sector intelligence, risk and evidence arising from inspection and assurance activity.	From 2026 onwards	Programme being developed and planned

	Scope	Timetable	Status
Community Learning Disability Team (CLDT) / Community Mental Health Team (CMHT) Inspections	Joint programme with Healthcare Inspectorate Wales focusing on CLDT and CMHT services across Wales.	July 2025 – June 2026	Published and ongoing activity set out below
Child Protection Rapid Review	National safeguarding improvement work with Regional Safeguarding Boards and partners. Child Protection Rapid Review Progress Update	February 2026	Published
Local Authority Inspection and Assurance Activity (January – June 2026)	RCT CMHT	January 2026	Published
	Isle of Anglesey Children's Services (joint with fostering) Assurance Check	January 2026	Published
	Conwy and BCUHB (CLDT)	February 2026	Published
	Blaenau Gwent Children's Services (Assurance Check)	February 2026	Published
	Flintshire Adult Services (Improvement Check)	March 2026	Published
	Swansea Children's Services (Assurance Check)	March 2026	Published
	Powys Adult Services (Assurance Check)	April 2026	Published

	Scope	Timetable	Status
	Wrexham Adult Services (Assurance Check)	April 2026	Published
	Merthyr Tydfil Children's Services (Assurance Check)	May 2026	Activity completed – drafting
	Swansea Bay (Neath Port Talbot) CLDT	June 2026	Activity completed – drafting
	Monmouthshire Adult Services (Improvement Check)	June 2026	Activity completed – drafting

Audit Wales national reports and other outputs published in 2026

Report title	Publication date and link to report
NHS urgent and emergency care – a system under constant pressure	June 2026
NHS planned care – fit for the future?	June 2026
Additional Learning Needs: Do public bodies know if the system is working? (report and data tool)	April 2026
Managing the Regional Integration Fund	March 2026
Challenges and opportunities for Welsh public services – Auditor General for Wales letter to Senedd committees (building on material that informed the earlier podcast series)	February 2026
Affordable housing – follow-up article	February 2026
Examining decision-making for the new Velindre Cancer Centre	February 2026
Capital Planning in Local Government	January 2026
Findings from GP registration data matching pilot	January 2026

Audit Wales national reports and other outputs (work in progress / planned)[1, 2]

Title	Indicative publication date
NHS finances release and data tool update	Summer 2026
NHS bodies' approaches to digital transformation (themes from local audit work)	Early autumn 2026
Higher and further education finances – Medr's oversight	Early autumn 2026
The National Fraud Initiative	Autumn 2026
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	Autumn 2026
Welsh Government support for business – Economy Futures Fund	Autumn 2026

[1] We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow-up work could also lead to other outputs, as may other investigative audit work and local audit work where we consider there is merit in a national summary output of some kind (for example, from current local work on cancer services and NHS estates management, also from planned future work on managing and preventing diabetes).

[2] Our Annual Plan 2026-27 also lists plans for new work to start during 2026-27. At this stage, we have only included in this paper coverage of those projects where fuller scoping work is underway with a view to future national reporting. Where national/thematic work has progressed through the planning stage, a brief summary about its focus and planned timetable is also now available on our website work programme pages.

Title	Indicative publication date
Public sector readiness for net zero carbon by 2030 – follow-up	Autumn 2026
Core Valley Lines rail improvement (previously listed as support for bus and rail services)	Winter 2026
The senior public service	To be confirmed (scoping)
Flood risk management follow-up	To be confirmed (scoping)
Tackling fly-tipping (central government bodies)	To be confirmed (scoping)
Young people not in education employment or training	To be confirmed (scoping)
NHS digital – national systems	To be confirmed (scoping)
Welsh Government support for renewable energy generation	To be confirmed (scoping)
Welsh Government – setting of well-being objectives	To be confirmed (scoping)

Good Practice Exchange events and resources

Title	Link to resource
Podcast: Tackling Fraud in Wales In this episode, we're talking about fraud in the public sector in Wales. We chat to Rachel Kostick and Steve Benson-Davison, Tarian Regional Organised Crime Unit at South Wales Police, Graham Dainty, NHS Counter Fraud Service (Wales), and Steve Tooby, Welsh Government. We cover the current fraud risks, the role of leaders and frontline staff, and some of the challenges and opportunities for public sector organisations.	**Podcast: Tackling Fraud in Wales**
Podcast: AI and Public Services A conversation between Peter Thomas (Centre for Digital Public Services) and David Teague (Information Commissioner's Office), discussing the opportunities and potential pitfalls for public services in the new AI driven world.	**Podcast: AI and Public Services**
Podcast: Wellbeing through prevention This episode examines prevention from a wellbeing angle. It features an interview with Catryn Holzinger explaining why Audit Wales has chosen to focus on prevention in its 'No Time To Lose' report. The episode also looks at the long established Designed to Smile project with Mary Wilson of Public Health Wales, and the RSPB's Nature Prescription project with David Llewellyn.	**Podcast: Wellbeing through prevention**
Podcast: Working preventatively with Actif North Wales (Welsh language episode) This episode looks at prevention. Active North Wales work across the north Wales counties, working with communities to promote and facilitate wellbeing through physical activity. We spoke to Meg Moores of Grwp Cynefin, Aled Williams of Denbighshire Leisure and Manon Rees O'Brien of Active North Wales.	**Podcast: Working preventatively with Actif North Wales (Welsh language episode)**
Podcast: AI and Welsh language (Welsh language episode) A conversation recorded in Welsh with Gruff Prys, Head of Language Technologies at Canolfan Bedwyr, Bangor University.	**Podcast: AI and Welsh language (Welsh language episode)**

Title	Link to resource
Podcast: Fraud prevention in the NHS in Wales (Welsh language episode) A conversation with Ben Rees, Head of Local Counter Fraud Services, Hywel Dda University Health Board, discussing Fraud and counter fraud work in the NHS.	**Podcast: Fraud prevention in the NHS in Wales (Welsh language episode)**

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	28 September 2026
Subject	Review of Forward Work Programme for 2026-27 v4
Head of Service	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting A Forward Work Programme for 2026-27 is provided to the members of the Governance and Audit Committee to assist them in fulfilling the Committee's Terms of Reference.	

1.0 INTRODUCTION

1.1 A forward work programme is attached at Appendix A, along with a development programme at Appendix B.

1.2 The programme has been developed considering the Committee's terms of reference and its responsibilities under the Local Government and Elections (Wales) Act 2021.

2.0 RECOMMENDATION

2.1 That the Governance and Audit Committee:

- considers whether the Forward Work Programme proposed for 2026-27 meets the Committee's responsibilities in accordance with its terms of reference.

Appendix A – Forward Work Programme 2026-27 v4

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Composition and arrangements (3.4.8.2)						Annual Review of Committee's Terms of Reference (3.4.8.2.1) Private meeting with internal and external audit without officers present (3.4.8.2.6) (3.4.8.10.15) (3.4.8.11.5)
Accountability arrangements (3.4.8.3)	Action Log Review of Forward Work Programme 2026-27 v2 (3.4.8.3.2) Annual Chair's Report 2025-26 (3.4.8.3.1/2)	Action Log Review of Forward Work Programme 2026-27 v3 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2026-27 v4 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2026-27 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2026-27 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2027-28 (3.4.8.3.2)
Governance (3.4.8.4)		Draft Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2)	Final Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2) Annual Scrutiny Report 2025-26 (3.4.8.4.4)			

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Treasury Management (3.4.8.5)		Annual Report 2025-26 (3.4.8.5.1/2/3/4)		Mid-year Report (3.4.8.5.3)	Strategy and Prudential Indicators 2027-28 (3.4.8.5.1/3/4)	
Value for money (3.4.8.6)	*Annual Internal Audit Report 2025-26 (3.4.8.10.6/7/8/9/12 /14/15) (3.4.8.6.3)*	*Draft Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3)* *Draft Statement of Accounts 2025-26 (3.4.8.12.1/2) (3.4.8.6.1/2/3)*	*Final Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3)* *Final Statement of Accounts 2025-26 (3.4.8.12.1/2) (3.4.8.6.1/2/3)* *Audit of Accounts Report (3.4.8.11.2/3) (3.4.8.6.3)*		*Annual Audit Summary 2026 (3.4.8.11.2/3) (3.4.8.6.3)*	
Assurance Framework (3.4.8.7)		Annual Health & Safety Report 2025-26 (and Corporate Health and Safety Strategic Plan) (3.4.8.7.1/2/3)		Annual Information Governance (SIRO) Report 2025-26 (3.4.8.7.1/2/3) Annual Information Governance in Schools Report 2025-26 (3.4.8.7.1/2/3) Annual ICT Security Report 2025-26 (3.4.8.7.1/2/3)		Annual Insurance Report 2026-27 (3.4.8.7.1/2/3)

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Risk Management (3.4.8.8)		Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)		Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)	Annual Review of Risk Management Framework (3.4.8.7.1/2) (3.4.8.8.1)	
Countering Fraud and Corruption (3.4.8.9)		Annual Counter Fraud, Bribery and Corruption Report 2025-26 (3.4.8.9.4/5/6)		*Annual Concerns, Complaints & Whistleblowing Report 2025-26 (3.4.8.9.1) (3.4.8.14.2)*		National Fraud Initiative 2026-28 Outcomes – Progress Report (3.4.8.9.6)
Internal Audit (3.4.8.10)	Annual Internal Audit Report 2025-26 (3.4.8.10.5/6/7/8/11/14/15) (3.4.8.6.3) Internal Audit Strategy and Annual Plan 2026-27 (3.4.8.10.1/2/4/5) Review of Internal Audit Charter (3.4.8.10.2/12)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3) Outstanding Issues / Risks / Opportunities (3.4.8.10.9/10)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3) Internal assessment of conformance with the Global Internal Audit Standards in the UK Public Sector (3.4.8.10.1/2/8/11/13)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3) Outstanding Issues / Risks / Opportunities (3.4.8.10.11)
External Audit (3.4.8.11)		Recruitment and Retention (Local Report) (3.4.8.11.1/2/3)	Work Programme and Timetable – Quarterly Update (Q1 2026) (3.4.8.11.2/3)	*National Reviews and their Related Recommendation (3.4.8.11.3) (3.4.8.13.1)*	Work Programme and Timetable – Quarterly Update (Q3 2026) (3.4.8.11.2/3)	Annual Audit Plan 2027 (3.4.8.11.1/3)

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
			Audit of Accounts Report (3.4.8.11.2/3) (3.4.8.6.3) (3.4.8.12.4) Financial planning in adult residential care (Local Report) (3.4.8.11.2/3)		Annual Audit Summary 2026 (3.4.8.11.1/2/3) (3.4.8.6.3)	
Financial Reporting (3.4.8.12)		Draft Statement of Accounts 2025-26 (3.4.8.12.1/2/3/5) (3.4.8.6.1/2/3)	Final Statement of Accounts 2025-26 (3.4.8.12.1/2/3/5) (3.4.8.6.1/2/3)			
Other regulators and inspectors (3.4.8.13)				National Reviews and their Related Recommendation (3.4.8.11.3) (3.4.8.13.1)		
Complaints Handling (3.4.8.14)				Annual Concerns, Complaints & Whistleblowing Report 2025-26 (3.4.8.14.1/2) Annual Letter of the Public Services Ombudsman for Wales 2025-26 (3.4.8.14.1)		

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Self-assessment (3.4.8.15)			Draft Annual Self-assessment and Performance (Wellbeing) report 2025-26 (3.4.8.15.1/2/3)			
Panel Performance Assessment (3.4.8.16)[1]	Panel Assessment Report (3.4.8.16.1/2/3)					
Auditor General Special Inspection (3.4.8.17)[2]						
Substantive Items	**5**	**8**	**9**	**9**	**6**	**7**

[1] At least once during an electoral cycle a panel performance assessment will take place in the period between ordinary elections of councillors to the council. The council may choose to commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation. (The Local Government and Elections (Wales) Act 2021). The council must make a draft of its response to the panel performance assessment available to its Governance and Audit committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.

[2] If the Auditor General carries out a special inspection (as it considers the Council is not, or may not, be meeting its performance requirements, and a report is sent to Council, as soon as reasonably practicable after receiving such report, the Council must make it available to the Governance and Audit Committee.

Appendix B – Development Programme (3.4.8.2.10)

Committee-specific training

Area	Date provided scheduled	Medium	Provider
Introduction to Artificial Intelligence and Risk Mitigation	February 2025	Briefing session	Chief Digital Officer
Understanding Local Authority Accounts for Councillors	June 2023 August 2023	Training session	CIPFA
Treasury Management	September 2023	Briefing session	Richard Bason, Link Group
Effective Chairing Skills	October 2023	Training session	WLGA
Countering Fraud and Corruption	December 2023	Training session	Paul Stratton, 'The Fraud Nerd'
Risk Management	March 2024 December 2025	Training session Training session	WLGA Zurich Resilience Solutions
Statement of Accounts	October 2025	Briefing session	Director of Function (Resources) and Section 151 Officer
Councillors' Guide to Understanding Local Authority Accounts	25 August 2026 10 September 2026	Training session	CIPFA
Introduction to the Knowledge and Skills of the Audit Committee	17 September 2026	Training session	CIPFA
Voting Procedure in Committee Meetings	18 September 2026	Training Session	Head of Democratic Services

Mandatory training

Area	Medium	Provider	Date Provided / Scheduled
General Data Protection Regulations (GDPR)	eLearning	Internal	Available any time
Cyber Ninjas for Councillors	eLearning	Internal	Available any time
Basic Safeguarding Awareness (Group A)	eLearning	Internal	Available any time
Violence Against Women, Domestic Abuse and Sexual Violence (optional for lay members)	eLearning	Internal	Available any time
Prevent (optional for lay members)	eLearning	Internal	Available any time
Modern Slavery (optional for lay members)	eLearning	Internal	Available any time

Committee-specific briefings

Title	Area	Medium	Provider	Date Provided
Audit Committee Update – Issue 40: New Internal Audit Standards	Forthcoming changes to the internal audit standards and how that will impact on audit committee members.	Briefing note	CIPFA	24/12/24
CIPFA Better Governance Newsletter	Information for audit committees regarding the publication of the CIPFA Code of Practice to support authorities in establishing and maintaining their internal audit arrangements, along with information about the consultation on the Addendum to the 2016 Governance Framework covering the annual review of governance and the annual governance statement.	Newsletter	CIPFA	07/02/25
Audit Committees: effective practices and a positive impact pocket guide	Audit Wales has published a pocket guide which summarises effective practices for audit committees.	Pocket guide	Audit Wales	25/02/25
Audit Committee Update – Issue 42: Governance of Internal Audit	The new Code of Practice on the Governance of Internal Audit that comes into effect from 1 April 2025.	Briefing note	CIPFA	17/04/25
CIPFA Public Finance Article – AI adoption 'could save English and Welsh councils £8bn a year'	Article which estimates that local authorities in England and Wales could save £8bn annually by integrating artificial intelligence into their operations.	Professional magazine article	CIPFA	15/05/25
CIPFA / Solace Delivering Good Governance in Local Government: Publication of Addendum	Publication of new guidance on the annual review of governance and internal controls and the preparation of the annual governance statement (AGS) that comes into effect for the 2025-26 financial year.	Publication	CIPFA	20/05/25
CIPFA Public Finance Article – Tech rules: the importance of having an AI policy	Article on the importance of organisations having an Artificial Intelligence (AI) policy.	Professional magazine article	CIPFA	15/07/25
North Wales Corporate Joint Committee - FAQs	Information about the role of the North Wales Corporate Joint Committee (NWCJC) and the Governance and Audit Committee sub-committee.	Frequently asked questions	NWCJC	02/12/25
CIPFA Strategic Internal Audit Planning in UK Local Government	The briefing considers internal audit's strategic plans and the role of the audit committee; considering both the requirements of the GIAS in the UK public sector and internal audit's mandate, as set out in statutory regulations.	Briefing note	CIPFA	21/08/26