

CYNGOR SIR YNYS MÔN

ADRODDIAD I:	CYNGOR LLAWN	
DYDDIAD:	10 MAWRTH 2016	
PWNC:	ADRODDIAD ADOLYGU CANOL BLWYDDYN AR GYFER RHEOLI TRYSORLYS 2015/16	
AELOD(AU) PORTFFOLIO:	CYNGHORYDD H E JONES	
PENNAETH GWASANAETH:	MARC JONES	(EST. 2601)
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AELODAU LLEOL:	d/b	
A - Argymhelliad/Argymhellion a Rheswm/Rhesymau		
<ul style="list-style-type: none"> • Ystyried cynnwys yr adroddiad • Caiff yr adroddiad i anfon i'r Pwyllgor Archwilio iddynt ei adolygu a rhoi atborth • Adolygu'r adroddiad er mwyn bod yn gyson â chanllawiau proffesiynol ac er mwyn cydymffurfio gydag argymhellion Côd Ymarfer CIPFA ar Reoli Trysorlys. 		
B - Pa opsiynau eraill wnaethoch chi eu hystyried a beth oedd eich rhesymau dros eu gwrthod ac/neu ddewis yr opsiwn hwn?		
d/b		
C - Am ba reswm y mae hwn yn benderfyniad i'r Pwyllgor Gwaith?		
Er mwyn cydymffurfio â'r cynllun dirprwyo, fel nodwyd yn y Datganiad ar Strategaeth Rheoli Trysorlys 2015/16, a gymeradwywyd gan y Cyngor ar 26 Chwefror 2015.		
CH - A yw'r penderfyniad hwn yn gyson â'r polisi a gymeradwywyd gan y Cyngor llawn?		
Ydi		
D - A yw'r penderfyniad hwn o fewn y gyllideb a gymeradwywyd gan y Cyngor?		
d/b		
DD - Gyda phwy wnaethoch chi ymgynghori?		Beth oedd eu sylwadau?
1	Prif Weithredwr / Uwch Dim Arweinyddiaeth (UDA) (mandadol)	
2	Cyllid / Adran 151 (mandadol)	d/b – adroddiad y Swyddog Adran 151 yw hwn
3	Cyfreithiol / Swyddog Monitro (mandadol)	
4	Adnoddau Dynol (AD)	
5	Eiddo	
6	Technoleg Gwybodaeth Cyfathrebu TGCh)	
7	Sgriwtini	
8	Aelodau Lleol	
9	Unrhyw gyrff allanol / arall/eraill	
E - Risgiau ac unrhyw gamau lliniaru (os yn berthnasol)		
1	Economaidd	
2	Gwrthdodi	
3	Trosedd ac Anhrefn	
4	Amgylcheddol	
5	Cydraddoldebau	
6	Cytundebau Canlyniad	
7	Arall	

F - Atodiadau:

- Atodiad 1 - Adroddiad Adolygu Canol Blwyddyn Rheoli Trysorlys 2014/15
- Atodiad 2 - Perfformiad Economaidd hyd yma a'r rhagolygon
- Atodiad 3 - Sylwadau ar y rhagolygon diweddaraf ar raddfeydd llog
- Atodiad 4 - Crynodeb Benthycia a Buddsoddi – Chwarteri 1 a 2 2014/15
- Atodiad 5 - Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuron a ddelir gyda phob un ar 30 Medi 2015
- Atodiad 6 - Graddfeydd Credyd Cyfatebol (Fitch, Moodys, S & P)
- Atodiad 7 – Crynodeb o'r benthyciadau a gymerwyd i gyllido'r Setliad CRT
- Atodiad 8 – Gwledydd a gymeradwywyd i bwrpas buddsoddi

FF - Papurau Cefndir (cysylltwch os gwelwch yn dda gydag awdur yr Adroddiad am unrhyw wybodaeth bellach):

- Datganiad ar y Strategaeth Rheoli Trysorlys (DSRhT) ar gyfer 2015/16 a gymeradwywyd gan y Cyngor hwn ar 26 Chwefror 2015

1. Rhagarweiniad

Mae'r Cyngor yn gweithredu cyllideb gytbwys sydd, yn gyffredinol, yn golygu y bydd yr arian a godir yn ystod y flwyddyn yn cwrdd â'r gwariant. Mae rhan o'r gweithgareddau rheoli trysorlys yn sicrhau fod y llif arian hwn yn cael ei gynllunio'n ddigonol gydag unrhyw arian sydd dros ben yn cael ei fuddsoddi mewn gwrthbartïon risg isel gan ddarparu hylifedd digonol yn y lle cyntaf cyn ystyried cael y dychweliadau mwyaf posib ar fuddsoddiadau.

Ail brif swyddogaeth y gwasanaeth rheoli trysorlys yw cyllido cynlluniau cyfalaf y Cyngor. Mae'r cynlluniau cyfalaf hyn yn darparu canllawiau mewn perthynas ag angen y Cyngor i fenthyca, sef, yn ei hanfod, cynllunio llif arian ar gyfer y tymor hwy fel y gall y Cyngor gwrdd â'i weithgareddau gwariant cyfalaf. Efallai y bydd rheoli arian yn y tymor hwy yn golygu trefnu benthyciadau tymor hir neu dymor byr neu ddefnyddio gwaged llif arian am y tymor hwn ac ar adegau, gellir ailstrwythuro unrhyw ddyled i gwrdd â risgiau neu amcanion cost y Cyngor.

O'r herwydd, diffinnir rheoli trysorlys fel:-

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Cefndir

Dyma brif ofynion y Côd:

1. Creu a chynnal Datganiad o Bolisi Rheoli Trysorlys sy'n nodi polisiau ac amcanion gweithgareddau rheoli trysorlys y Cyngor.
2. Creu a chynnal Arferion Rheoli Trysorlys sy'n nodi'r modd y bydd y Cyngor yn ceisio cyflawni'r polisiau a'r amcanion hynny.
3. Bod y cyngor llawn yn derbyn Datganiad Blynyddol ar Strategaeth Rheoli Trysorlys sy'n cynnwys y Strategaeth Fuddsoddi Flynyddol a'r Polisi ar y Ddarpariaeth Refeniw Isaf ar gyfer y flwyddyn i ddod, Adroddiad Adolygu Canol Blwyddyn (sef yr adroddiad hwn) ac Adroddiad Blynyddol yn sôn am weithgareddau'n ystod y flwyddyn flaenorol.
4. Y Cyngor i ddirprwyo cyfrifoldebau ar gyfer gweithredu a monitro polisiau ac arferion rheoli trysorlys ac am weithredu a gweinyddu penderfyniadau mewn perthynas â rheoli trysorlys.
5. Y Cyngor i ddirprwyo'r swyddogaeth ar gyfer sgrwtineiddio strategaeth a pholisiau rheoli trysorlys i gorff penodol. Yn achos y Cyngor hwn, y corff hwnnw yw'r Pwyllgor Archwilio.

Mae'r adroddiad canol blwyddyn hwn wedi cael ei baratoi mewn cydymffurfiaeth gyda Chôd Ymarfer CIPFA ar Reoli Trysorlys, ac mae'n cynnwys yr isod:

- Diweddariad economaidd am y chwe mis cyntaf, gan edrych ymlaen hefyd i ail hanner 2015/16;
- Adolygiad o'r Datganiad ar y Strategaeth Rheoli'r Trysorlys a'r Strategaeth Fuddsoddi Flynyddol;
- Gwariant cyfalaf y Cyngor (dangosyddion darbodus);
- Adolygiad o bortffolio buddsoddi'r Cyngor ar gyfer 2015/16;
- Adolygiad o strategaeth fenthyca'r Cyngor ar gyfer 2015/16;
- Adolygiad o unrhyw ad-drefnu dyled a ddigwyddodd yn ystod 2015/6;
- Crynodeb o weithgareddau ers chwarter 2;
- Edrych ymlaen i'r flwyddyn nesaf; ac
- Adolygiad o gydymffurfiaeth gyda Therfynau Trysorlys a Darbodus ar gyfer 2015/6.

3. Diweddariad Economaidd

3.1 Mae ymgynghorwyr trysorlys y Cyngor wedi paratoi crynodeb ychydig ar ôl diwedd y chwarter cyntaf o'r perfformiad economaidd hyd yma a'r rhagolygon, gweler Atodiad 2. Hefyd, yn ddiweddar, maent wedi darparu'r rhagolygon isod.

	Rhagfyr 2015	Mawrth 2016	Mehefin 2016	Medi 2016	Rhagfyr 2016	Mawrth 2017	Mehefin 2017
Cyfradd Banc(%)	0.50	0.50	0.75	0.75	1.00	1.00	1.25
Cyfradd 5 mlynedd PWLB(%)	2.30	2.40	2.60	2.70	2.80	2.80	2.90
Cyfradd 10 mlynedd PWLB(%)	2.90	3.00	3.10	3.20	3.30	3.40	3.50
Cyfradd 25 mlynedd PWLB(%)	3.60	3.70	3.80	3.90	4.00	4.10	4.10
Cyfradd 50 mlynedd PWLB(%)	3.50	3.60	3.70	3.80	3.90	4.00	4.00

3.2 Yn ddiweddar cafwyd sylwadau gan ymgynghorwyr trysorlys y Cyngor mewn perthynas â'r rhagolygon ar gyfer y graddfeydd llog uchod. Gweler y sylwadau hyn yn Atodiad 3.

3.3 Mae'r rhagolygon o ran cyfraddau'r Banc wedi aros yn debyg i'r rhagolygon a wnaed yn ystod cyfnod gosod y gyllideb; o'r herwydd, mae'r incwm buddsoddi a ragamcendir yn parhau i fod yn unol â'r gyllideb.

4. Datganiad ar y Strategaeth Rheoli Trysorlys a Diweddariad ar y Strategaeth Fuddsoddi Flynyddol

4.1 Cymeradwywyd y Datganiad ar y Strategaeth Rheoli Trysorlys (DSRhT) ar gyfer 2015/16 gan y Cyngor hwn ar 26 Chwefror 2015. Nid oes unrhyw newidiadau polisi i'r DSRhT; mae'r manylion yn yr adroddiad hwn yn diweddarau'r sefyllfa yn wyneb y sefyllfa economaidd ddiweddaraf.

5. Sefyllfa Gyfalaf y Cyngor (Dangosyddion Pwylllog)

5.1 Mae'r rhan hon o'r adroddiad wedi ei strwythuro i ddiweddarau:-

- Cynlluniau gwariant cyfalaf y Cyngor;
- Sut mae'r cynlluniau hyn yn cael eu cyllido;
- Effaith y newidiadau yn y cynlluniau gwariant cyfalaf ar y dangosyddion pwylllog a'r angen sylfaenol i fenthyca; a
- Cydymffurfiaeth gyda'r terfynau sydd wedi eu sefydlu ar gyfer gweithgareddau benthyca.
- Diwygio CRT

5.2 Dangosydd Pwylllog ar gyfer Gwariant Cyfalaf

Mae'r tabl isod yn dangos yr amcangyfrifon diwygiedig ar gyfer gwariant cyfalaf o gymharu â'r gyllideb gyfalaf.

Gwariant Cyfalaf	Amcangyfrif Gwreiddiol 2015/16 £m	Y sefyllfa ar 30 Medi 2015 £m	Amcangyfrif Cyfredol 2015/16 £m
Cronfa'r Cyngor	23,470	6,835	19,000
CRT	10,260	2,364	7,900
Cyfanswm	33,730	9,199	26,900

5.2.1 Mae'r amcangyfrif cyfredol ar gyfer gwariant cyfalaf is o gymharu â'r amcangyfrif gwreiddiol oherwydd y llithriad a ragwelir gyda'r ddau brosiect Ysgolion yr 21ain Ganrif.

5.3 Newidiadau i Gyllido'r Rhaglen Gyfalaf

5.3.1 Nid oes unrhyw newidiadau sylweddol i gyllido'r rhaglen gyfalaf i adrodd yr adeg yma.

5.3.2 Mae'r Tabl isod yn dangos yr amcangyfrif cyfredol ar gyfer cyllido Rhaglen Gyfalaf 2015/16 o gymharu â'r rhagolygon gwreiddiol. Mae'r prif wahaniaeth yn ymwneud â'r tanwariant a ragwelwyd ym mhrosiectau Ysgolion yr 21ain Ganrif a phrosiectau'r Cyfrif Refeniw Tai. Bydd y tanwariant ar Ysgolion yr 21ain Ganrif yn arwain at lai o Fenthyca Digefnogaeth ac at dderbyn llai o Grant yn 2015/16. Bydd y tanwariant a ragwelir ym mhrosiectau'r Cyfrif Refeniw Tai yn arwain at lai o gyfraniad o Refeniw.

Cyllido Cyfalaf	Gwreiddiol 2015/16	Amcangyfrif Diwygiedig 2015/16 £m ('000)
Grantiau Cyfalaf	14,720	11,870
Derbyniadau Cyfalaf	4,650	4,650
O'r Arian Wrth Gefn	190	190
Cyfraniad Refeniw	7,600	5,240
Benthyca gyda Chefnogaeth	0	1,215
Benthyca Digefnogaeth	6,570	3,735
Cyfanswm	33,730	26,900

5.4 Newidiadau i'r Dangosyddion Pwylllog ar gyfer y Gofynion Cyllido Cyfalaf (GCC), Dyled Allanol a'r Terfyn Gweithredol

5.4.1 Mae'r tabl sy'n dilyn yn dangos y GCC, sef yr angen allanol sylfaenol i fenthyca i bwrpas cyfalaf. Mae hefyd yn dangos y sefyllfa o ran dyled a ddisgwyllir dros y cyfnod. Yr enw ar hyn yw'r Terfyn Gweithredol.

5.4.2 Dangosydd Pwylllog – Gofyniad Cyllido Cyfalaf

5.4.2.1 Rydym ar y trywydd iawn i gyflawni'r Gofyniad Cynllunio Cyfalaf a ragwelwyd yn wreiddiol.

5.4.3 Dangosydd Pwylllog – Dyled Allanol / y Terfyn Gweithredol

	Amcangyfrif Gwreiddiol 2015/16 £m	Sefyllfa GCC ar 30 Medi 2015 £m
GCC – Cronfa'r Cyngor	92,787	87,268
GCC – CRT	43,836	43,367
Cyfanswm GCC	136,623	130,635
Symudiad net yn y GCC	21,863	22,053
	Amcangyfrif Gwreiddiol 2015/16 £m	Sefyllfa Benthyca ar 30 Medi 2015 £m
Benthyca	157,000	110,748
Ymrwymadau tymor hir eraill	3,000	Nil
Cyfanswm Dyled 31 Mawrth	160,000	110,748

5.5 Cyfyngiadau ar Weithgareddau Benthyca

5.5.1 Yr elfen gyntaf allweddol o reolaeth dros y gweithgareddau trysorlys yw dangosydd pwylllog i sicrhau na fydd benthyca net (benthyciadau llai buddsoddiadau), dros y tymor canol, ond yn cael ei wneud i ddiben cyfalaf. Ni ddylai benthyciadau allanol net, ac eithrio yn y tymor byr, fod yn uwch na'r cyfanswm GCC yn y flwyddyn flaenorol ynghyd ag amcangyfrifon unrhyw GCC ychwanegol ar gyfer 2015/16. Mae hyn yn caniatáu peth hyblygrwydd ar gyfer benthyca buan cyfyngedig ar gyfer blynyddoedd y dyfodol. Mae'r Cyngor wedi cymeradwyo polisi o fenthyca cyn i'r angen godi a glynir wrth y polisi hwnnw os gwelir bod hynny'n ddoeth.

	Amcangyfrif Gwreiddiol 2015/16 £m	Y sefyllfa ar 30 Medi 2015 £m
Benthyca gros	136,623	110,748
Ymrwymadau tymor hir eraill	Nil	Nil
Benthyca gros	136,623	110,748
GCC (sefyllfa diwedd y flwyddyn)	136,623	n/a

5.5.2 Ni ragwelir anawsterau ar gyfer eleni o ran cydymffurfio gyda'r dangosydd pwylllog hwn.

5.5.3 Mae dangosydd pwylllog arall yn rheoli lefel gyffredinol y benthyca. Hwn yw'r terfyn awdurdodedig na chaniateir benthyca y tu draw iddo. Mae angen i Aelodau osod a diwygio'r terfyn hwn sydd, ar hyn o bryd, yn £165m. Mae'n adlewyrchu lefel y benthyca y gellid ei fforddio yn y tymor byr, er nad yw'n ddymunol, ond sydd ddim yn gynaliadwy yn y tymor hir. Hwn yw'r uchafswm benthyca gyda rhywfaint o ddarpariaeth wrth gefn ar gyfer symudiadau annisgwyl. Hwn yw'r terfyn statudol a benderfynir dan Adran 3(1) Deddf Llywodraeth Leol 2003.

Terfyn awdurdodedig ar gyfer dyled allanol	Dangosydd Gwreiddiol 014/15 (£m)	Y sefyllfa ar 30 Medi 2014 (£m)
Benthyca	162,000	110,748
Ymrwymadau tymor hir eraill	3,000	Nil
Cyfanswm	165,000	110,748

5.6 Diwygio'r CRT

5.6.1 Cafodd y trefniadau cymhorthdal CRT eu diwygio ar 2 Ebrill 2015. O ganlyniad, bu'n rhaid i'r Cyngor dalu arian i Lywodraeth Cymru i dynnu'r Cyngor o'r system gymhorthdal CRT, a thalwyd swm o £21.1m. Bydd hyn yn cael effaith ar strwythur cyfalaf y Cyngor (oherwydd bydd y Gofyniad Cyllido Cyfalaf ar gyfer y CRT yn cynyddu gan faint taliad Llywodraeth Cymru). Cafwyd benthyciad ar gyfer hyn ar 2 Ebrill 2015 drwy'r Bwrdd Benthyciadau Gwaith Cyhoeddus. Mae manylion am y benthyciad ar gael yn Atodiad 7.

6. Portffolio Buddsoddi 2015/16

6.1 Yn unol â'r Côd, blaenoriaeth y Cyngor yw sicrhau diogelwch cyfalaf a hylifedd, a chael dychweliad priodol, o'i gydbwysu yn erbyn awch y Cyngor i gymryd risg. Fel sydd wedi ei nodi yn Adran 3, mae'r farchnad fuddsoddi'n anodd iawn o ran denu'r cyfraddau llog a welwyd yn gyffredin yn y degawdau a fu oherwydd bod cyfraddau'n isel iawn ac yn gyson â Chyfradd Banc 0.5%. Mae'r posibilrwydd y bydd yr argyfwng dyled sofran yn ail-godi ym mharth yr Ewro a'i effaith bosib ar fanciau yn annog strategaeth risg isel a thymor byr. O gofio'r hinsawdd yma o risg, mae dychweliadau ar fuddsoddiadau yn debygol o barhau i fod yn isel.

6.2 Roedd gan y Cyngor £26.0m o fuddsoddiadau ar 30 Medi 2015 (£11.0m ar 31 Mawrth 2015) a'r elw o'r portffolio buddsoddi am chwe mis cyntaf y flwyddyn yw 0.38%. Gellir gweld rhestr lawn o'r buddsoddiadau ar 30 Medi 2015 yn Atodiad 5. Gellir gweld crynodeb o'r buddsoddiadau a'r cyfraddau yn Atodiad 4.

6.3 Ni aethpwyd dros ben y terfynau sydd wedi eu cymeradwyo ar gyfer y Strategaeth Fuddsoddi Flynyddol yn ystod y chwe mis cyntaf 2015/16.

6.4 Swm y dychweliad y mae'r Cyngor wedi cyllidebu ar ei gyfer o ran buddsoddiad am 2015/16 yw £0.1m ac mae perfformiad ar gyfer y flwyddyn hyd yma'n unol â'r gyllideb, gyda £0.048m wedi dod i law hyd at ddiwedd Chwarter 2.

6.5 Meini prawf gwrthbartïon buddsoddi

6.5.1 Mae'r prif asiantaethau graddio (Fitch, Moody's a Standard & Poor's) drwy ran helaeth o'r argyfwng ariannol, wedi codi graddfeydd rhai sefydliadau oherwydd y lefel o gefnogaeth sofran a oedd ymhlyg. Gan gychwyn yn 2015, ac mewn ymateb i'r drefn reoleiddiol sy'n esblygu, mae'r tair asiantaeth wedi dechrau gwneud i ffwrdd â'r "codiadau" hyn gydag amseriad y broses yn cael ei benderfynu gan gynnydd reoleiddiol ar lefel genedlaethol. Mae'r broses wedi bod yn rhan o ailasesiad ehangach o fethodolegau gan bob un o'r asiantaethau graddio credyd. Yn ychwanegol at wneud i ffwrdd â'r gefnogaeth a oedd ymhlyg, mae methodolegau newydd yn awr yn cymryd ffactorau eraill i ystyriaeth, megis lefelau cyfalaf rheoleiddiol. Mewn rhai achosion, mae'r ffactorau hyn wedi "netio'r" naill yn erbyn y llall sy'n golygu nad yw'r graddfeydd sylfaenol wedi newid o gwbl neu ond wedi newid rhyw fymryn. O ganlyniad i'r methodolegau newydd, nid yw graddfeydd Cefnogaeth a Dichonoldeb (Fitch) mor bwysig ac mae'r asiantaeth wedi tynnu graddfa Cadernid Ariannol (Moody's) yn ôl.

Yn unol â methodolegau newydd yr asiantaethau, mae'r elfen gredyd o'n broses asesu credyd ni ein hunain yn awr yn canolbwyntio'n unig ar raddfeydd Tymor Byr a Thymor Hir sefydliad. Er mai hon yw'r broses sydd wedi cael ei defnyddio bob amser gan Standard & Poor's, mae newid i'r defnydd a wneir o raddfeydd Fitch and Moody's. Mae'n bwysig pwysleisio nad yw elfennau allweddol eraill o'n proses, sef y broses o asesu a rhagamcan graddfeydd credyd ynghyd â'r 'Credit Default Swap' wedi newid.

Mae'r amgylchedd rheoleiddio sy'n esblygu, ar y cyd â methodolegau newydd yr asiantaethau graddio bellach yn golygu bod statws sofran bellach yn llai pwysig yn y broses asesu. Lle 'roedd cleientiaid, drwy'r argyfwng, fel arfer yn neilltuo'r statws sofran uchaf i'w meini prawf, mae'r amgylchedd rheoleiddio newydd yn ceisio torri'r cysylltiad rhwng cymorth sofran a sefydliadau ariannol domestig. Er bod yr awdurdod hwn yn deall y newidiadau sydd wedi digwydd, bydd yn parhau i bennu statws sofran Tymor Byr a fydd o leiaf F1 (Fitch), P-1 (Moody), A-1 (Standard & Poor), a statws sofran tymor hir a fydd o leiaf A (Fitch), A2 (Moody) ac A (Standard & Poor). Mae hyn oherwydd y bydd y cefndir domestig a, lle mae'n briodol, y cefndir rhyngwladol, economaidd a'r cefndir gwleidyddol a chymdeithasol ehangach yn parhau i gael dylanwad ar statws sefydliad ariannol.

Mae'n bwysig pwysleisio nad yw'r newidiadau hyn yn yr asiantaethau graddio yn adlewyrchu unrhyw newidiadau yn statws neu ansawdd credyd sylfaenol y sefydliad, dim ond ail-asesiad ydyw o'u methodolegau yng ngoleuni newidiadau a wnaed ac a ddisgwylir yn y dyfodol o ran yr amgylchedd rheoleiddio y mae sefydliadau ariannol yn gweithredu ynddo. Er bod rhai banciau wedi derbyn statws credyd is o ganlyniad i'r newidiadau hyn, nid yw hyn yn golygu eu bod yn sydyn yn llai teilwng o gredyd nag yr oeddent cynt. Yn hytrach, yn y mwyafrif o achosion, mae hyn yn bennaf yn adlewyrchu'r ffaith bod cefnogaeth sofran gan y llywodraeth, i bob pwrpas, wedi cael ei dynnu'n ôl o'r banciau. Erbyn hyn, disgwylir iddynt fod â mantolenni digon cryf i allu gwrthsefyll amgylchiadau ariannol anffafriol y gellir eu rhagweld heb gefnogaeth y llywodraeth. Yn wir, mewn llawer o achosion, mae mantolenni banciau'r yn llawer mwy cadarn rwan nag yr oeddent cyn argyfwng ariannol 2008 pan oedd ganddynt raddfeydd uwch nag sydd ganddynt yn awr. Fodd bynnag, nid yw hyn yn wir am bob un ohonynt, gan adael rhai endidau gyda graddfeydd sydd yn gymedrol is nag oedd ganddynt drwy gyfnod yr argyfwng ariannol pan oeddent yn cael "cefnogaeth".

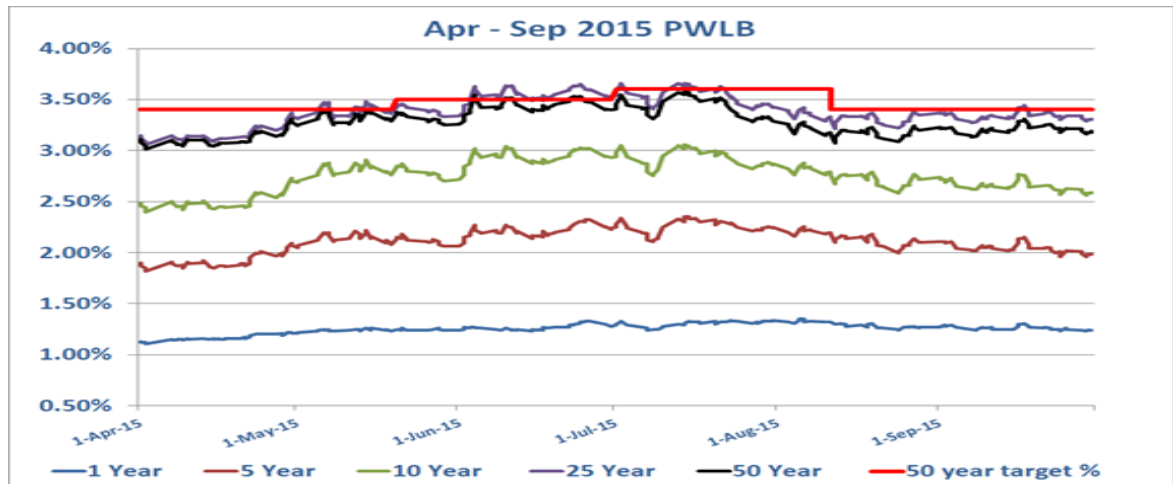
- 6.6** Yn ystod chwe mis cyntaf 2015/16, gwnaed buddsoddiad tymor penodol gyda Chymdeithas Adeiladu'r Nationwide am £5m ar gyfradd o 0.5% am 3 months (18/08/15 – 17/11/15).

7. Benthycia

- 7.1** Rhagwelir mai'r gofyniad cyllido cyfalaf (GCC) am 2015/16 yw £130.6m. Mae'r GCC yn nodi angen sylfaenol y Cyngor i fenthycia i ddiibenion cyfalaf. Os yw'r GCC yn gadarnhaol, gall y Cyngor fenthycia gan y BBGC neu'r farchnad (benthycia allanol) neu o falansau mewnlol am gyfnod dros dro (benthycia mewnlol). Fel arfer, mae'r balans o fenthyciadau allanol a mewnlol yn cael ei yrru gan amodau'r farchnad. Erbyn diwedd y flwyddyn, rhagwelir y bydd y Cyngor wedi benthycia £110.7m a bydd wedi defnyddio £19.9m o gyllid llif arian yn lle benthycia. Mae hwn yn ddull doeth a chost effeithiol yn yr hinsawdd economaidd sydd ohoni ond bydd angen parhau i fontiro upside risk to gilt yields prevails.
- 7.2** Oherwydd y Setliad CRT, cymerwyd benthyciad allanol newydd o £21.169m gan BBGC ar 02/04/2015. Cymerwyd y benthyciadau ar gyfraddau gwahanol ac am gyfnodau a symïau gwahanol ac maent wedi eu crynhoi yn Atodiad 7.
- 7.3** Rhagwelir na fyddwn yn cymryd unrhyw fenthyciadau pellach yn ystod y flwyddyn ariannol hon.
- 7.4** Mae'r graff a'r tabl isod yn dangos y symudiad yng nghyfraddau sicrwydd BBGC (lle mae'r llywodraeth wedi gostwng gan 20 o bwyntiau sylfaen (0.20%) y cyfraddau llog ar fenthyciadau i briaf awdurdodau lleol (gan gynnwys Cyngor Sir Ynys Môn) sydd yn darparu gwybodaeth yn ôl yr angen ar eu cynlluniau ar gyfer benthyciadau tymor hir a'r gwariant cyfalaf cysylltiedig) am chwe mis cyntaf y flwyddyn hyd yma:

PWLB certainty rates 1 April 2015 to 30 September 2015

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.11%	1.82%	2.40%	3.06%	3.01%
Date	02/04/2015	02/04/2015	02/04/2015	02/04/2015	02/04/2015
High	1.35%	2.35%	3.06%	3.66%	3.58%
Date	05/08/2015	14/07/2015	14/07/2015	02/07/2015	14/07/2015
Average	1.26%	2.12%	2.76%	3.39%	3.29%



8. Aildrefnu Dyledion

8.1 Ni chafodd unrhyw ddyledion eu haildrefnu yn ystod chwe mis cyntaf 2015/16. Cynhaliwyd ymarfer i benderfynu a fyddai'n werth aildrefnu peth o'r ddyled, fodd bynnag, ni fyddai hynny'n gost effeithiol oherwydd byddai ffi yn cael ei chodi ar adeg ad-dalu dyled yn gynamserol a fyddai'n fwy na'r arbedion mewn taliadau llog.

9. Gweithgaredd ers Chwarter Dau

9.1 Yn ychwanegol at y trosglwyddiadau arferol rhwng cyrifon galw a ddyluniwyd i sicrhau'r Incwm Buddsoddi mwyaf posibl, ers chwarter 2, aeddfedodd buddsoddiad tymor penodol a wnaed gyda Chymdeithas Adeiladu'r Nationwide am £5m ar gyfradd o 0.5% ar 17/11/15. Cafodd y buddsoddiad hwn ei gario drosodd gyda Chymdeithas Adeiladu'r Nationwide am 3 mis arall hyd at 16/02/16 ar gyfradd o 0.51%.

10. Cynlluniau ar gyfer y flwyddyn nesaf

10.1 Yn ei gyfarfod yn Chwefror, bydd y Pwyllgor hwn yn ystyried y cynlluniau ar gyfer benthyca a buddsoddi ar gyfer y flwyddyn ariannol nesaf. Yn ôl y strategaeth cyllideb refeniw cyfredol, y cynlluniau cychwynnol yw:-

- i ddefnyddio'r swm angenrheidiol o'r dyraniad benthyca gyda chefnogaeth cyffredinol sydd ar gael o £2.189m (£2.189m yn 2014/15) ynghyd ag unrhyw ddyraniad y flwyddyn gyfredol sydd heb ei ddefnyddio;
- i fenthyca, ar sail ddi-gefnogaeth, i gyllido blaenoriaethau buddsoddi cyfalaf, gan gysylltu i mewn i'r amcanion trawsnewid.

11. Argymhellion

11.1 I ystyried cynnwys yr adroddiad a'i gyfeirio i gyfarfod nesaf y Cyngor Sir ynghyd ag unrhyw sylwadau.

11.2 Cyfeirio'r adroddiad i'r Pwyllgor Archwilio i'w adolygu a rhoi atborth i'r Pwyllgor Gwaith.

Perfformiad Economaidd hyd yma a'r rhagolygiad/ Economic performance to date and outlook**1. U.K.**

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% though there was a rebound in quarter 2 to +0.7%. The Bank of England's August Inflation Report included a forecast for growth to remain around 2.4 – 2.8% over the next three years. However, the subsequent forward looking Purchasing Manager's Index, (PMI), surveys in both September and early October for the services and manufacturing sectors showed a marked slowdown in the likely future overall rate of GDP growth to about +0.3% in quarter 4 from +0.5% in quarter 3. This is not too surprising given the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets creating headwinds for UK exporters. Also, falls in business and consumer confidence in September, due to an increase in concerns for the economic outlook, could also contribute to a dampening of growth through weakening investment and consumer expenditure. For this recovery to become more balanced and sustainable in the longer term, the recovery still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly over the last few years although it has now ticked up recently after the Chancellor announced in July significant increases planned in the minimum (living) wage over the course of this Parliament.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. It has therefore been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which slipped back to zero in June and again in August. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn. The August Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. Despite average weekly earnings ticking up to 2.9% y/y in the three months ending in July, (as announced in mid-September), this was unlikely to provide ammunition for the MPC to take action to raise Bank Rate soon as labour productivity growth meant that net labour unit costs appeared to be only rising by about 1% y/y. However, at the start of October, statistics came out that annual labour cost growth had actually jumped sharply in quarter 2 from +0.3% to +2.2%: time will tell if this is just a blip or the start of a trend.

There are therefore considerable risks around whether inflation will rise in the near future as strongly and as quickly as previously expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as had previously been expected, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets. On the other hand, there are also concerns around the fact that the central banks of the UK and US have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are therefore arguments that they need to raise rates sooner, rather than later, so as to have ammunition to use if there was a sudden second major financial crisis. But it is hardly likely that they would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has therefore progressively been pushed back during 2015 from Q4 2015 to Q2 2016 and increases after that will be at a much slower pace, and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20.

2. U.S.

GDP growth in 2014 of 2.4% was followed by first quarter 2015 growth depressed by exceptionally bad winter weather at only +0.6% (annualised). However, growth rebounded very strongly in Q2 to 3.9% (annualised) and strong growth was initially expected going forward. Until the turmoil in financial markets in August caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. might start to increase rates in September. However, the Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, and due to a 20% appreciation of the dollar which has caused the Fed to lower its growth forecasts. Since then the nonfarm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to significantly weaken. This has pushed back expectations of the first rate increase from 2015 into 2016.

3. Eurozone

The ECB fired its big bazooka by announcing a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government debt of selected EZ countries. This programme started in March and will run to September 2016. This seems to have already had a beneficial impact in improving confidence and sentiment. There has also been a continuing trend of marginal increases in the GDP growth rate which hit 0.4% in quarter 1 2015 (1.0% y/y) and +0.4%, (1.5% y/y) in Q2 GDP. The ECB has also stated it would extend its QE programme if inflation failed to return to its target of 2% within this initial time period.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

4. China and Japan

Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth. In Q2 2015 growth was -1.6% (annualised) after a short burst of strong growth of 4.5% in Q1. During 2015, Japan has been hit hard by the downturn in China. This does not bode well for Japan as the Abe government has already fired its first two arrows to try to stimulate recovery and a rise in inflation from near zero, but has dithered about firing the third, deregulation of protected and inefficient areas of the economy, due to political lobbies which have traditionally been supporters of Abe's party.

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the current year and to bring some stability after the major fall in the onshore Chinese stock market. Many commentators are concerned that recent growth figures around that figure, could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer. Overall, China is still expected to achieve a growth figure that the EU would be envious of. However, concerns about whether the Chinese cooling of the economy could be heading for a hard landing, and the volatility of the Chinese stock market, have caused major volatility in financial markets in August and September such that confidence is, at best, fragile.

5. Emerging countries

There are considerable concerns about the vulnerability of some emerging countries and their corporates which are getting caught in a perfect storm. Having borrowed massively in western currency denominated debt since the financial crisis, caused by western investors searching for yield by channeling investment cash away from western economies with dismal growth, depressed bond yields (due to QE), and near zero interest rates, into emerging countries, there is now a strong current flowing to reverse that flow back to those western economies with strong growth and an imminent rise in interest rates and bond yields. This change in investors' strategy and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US and UK, has helped to cause the dollar and sterling to appreciate. In turn, this has made it much more costly for emerging countries to service their western currency denominated debt at a time when their earnings from commodities are depressed. There are also going to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates, if available at all.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by sovereign wealth funds of countries highly exposed to falls in commodity prices which, therefore, may have to liquidate investments in order to cover national budget deficits.

Rhan o gyngor dderbyniwyd gan / An extract from advice received from: Capita Asset Services

Sylwadau ar y rhagolygon diweddaraf ar raddfeydd llog/ Commentary on the latest interest rates forecasts

The Councils treasury advisors undertook its last review of interest rate forecasts on 11 August shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below the above forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

Despite market turbulence since late August causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The disappointing US nonfarm payrolls figures and UK PMI services figures at the beginning of October have served to reinforce a trend of increasing concerns that growth is likely to be significantly weaker than had previously been expected. This, therefore, has markedly increased concerns, both in the US and UK, that growth is only being achieved by monetary policy being highly aggressive with central rates at near zero and huge QE in place. In turn, this is also causing an increasing debate as to how realistic it will be for central banks to start on reversing such aggressive monetary policy until such time as strong growth rates are more firmly established and confidence increases that inflation is going to get back to around 2% within a 2-3 year time horizon. Market expectations in October for the first Bank Rate increase have therefore shifted back sharply into the second half of 2016.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:-

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows;
- UK economic growth turns significantly weaker than we currently anticipate;
- Weak growth or recession in the UK's main trading partners - the EU, US and China;
- A resurgence of the Eurozone sovereign debt crisis;
- Recapitalisation of European banks requiring more government financial support;
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:-

- Uncertainty around the risk of a UK exit from the EU;
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ;
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities;
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Crynodeb Benthycyca a Buddsoddi – Chwarteroedd 1 a 2 2015/16
Borrowing and Investment Summary – Quarters 1 and 2 2015/16

	30 Medi / Sept 2015		30 Mehefin / June 2015	
	£m	% (paid on borrowing and received on investment)	£m	% (paid on borrowing and received on investment)
Benthycyca – graddfa sefydlog Borrowing – fixed rate	110.7	5.42	110.7	5.42
Benthycyca – graddfa amrywiol Borrowing – variable rate	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Adneuon – galw hyd at 30 diwrnod Deposits – Call to 30 days	21.0	0.36	25.0	0.34
Adneuon – Tymor sefydlog < 1 bl. Deposits – Fixed Term < 1 year	5.0	0.5	0.0	nil
Adneuon – Tymor sefydlog 1 bl. + Deposits – Fixed Term 1 year +	Dim / Nil	d/b / n/a	Dim / Nil	d/b / n/a
Cyfanswm Adneuon Total Deposits	26.0	0.38	25.0	0.34
Cyfartaledd Adneuon yn y Chwarter Highest Deposits in the Quarter	33.4	d/b / n/a	32.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Lowest Deposits in the Quarter	25.5	d/b / n/a	11.0	d/b / n/a
Cyfartaledd Adneuon yn y Chwarter Average Deposits in the Quarter	28.0	0.34	26.5	0.34

Ni thorwyd unrhyw un o'r dangosyddion trysorlys yn ystod hanner cyntaf y flwyddyn.
None of the treasury indicators were breached during the first half of the year.

APPENDIX 5

Graddfeydd Credyd Gwrthbartion buddsoddi a'r adneuron a ddelir gyda phob un ar 30 Medi 2015* Credit ratings of investment counterparties and deposits held with each as at 30 September 2015*

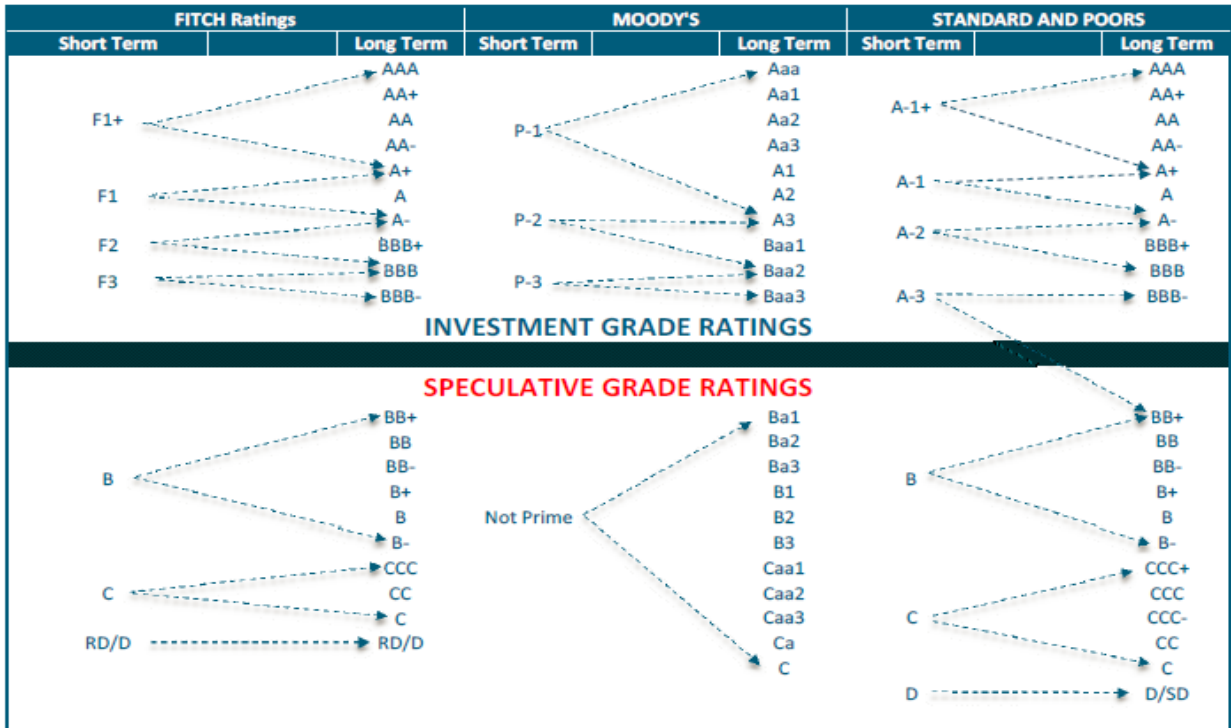
Grŵp Bancio/ Banking Group	Sefydliad/ Institution	Adneuron / Deposit £'000	Hyd (Galw tymor sefydlog) / Duration (Call / Fixed Term**)	Cyfnod (O/I)/ Period (From / To)	Graddfa Dychweliad/ Rate of Return %	Graddfa Tymor Hir Fitch Long Term Rating	Graddfa Tymor Byr Fitch Short Term Rating	Graddfa Tymor Hir Moody's Long Term Rating	Graddfa Tymor Byr Moody's Short Term Rating	Graddfa Tymor Hir Standard & Poor's (S&P) Long Term Rating	Graddfa Tymor Byr Standard & Poor's (S&P) Short Term Rating	Lliw Sector/ Hyd Awgrymedig/ Sector Colour / Suggested Duration
Lloyds Banking Group plc	Bank of Scotland plc	7,488	Galw/ Call	n/a	0.40	A+	F1	A1	P-1	A	A-1	Coch - 6 mis/ Red - 6 months
HSBC Holdings plc	HSBC Bank plc	500	Galw/ Call	n/a	0.25	AA-	F1+	Aa2	P-1	AA-	A-1+	Oren – 12 mis / Orange – 12months
Santander Group plc	Santander UK plc	7,198	Galw/ Call	n/a	0.40	A	F1	A1	P-1	A	A-1	Coch – 6 mis/ Red - 6 months
The Royal Bank of Scotland Group plc	The Royal Bank of Scotland plc	5,789	Galw/ Call	n/a	0.25	BBB+	F2	A3	P-2	BBB+	A-2	Glas - 12 mis / Blue - 12 months
Nationwide Building Society	Nationwide Building Society	5,000	Fixed Term	18/08/2015 – 17/11/2015	0.50	A	F1	A1	P-1	A	A-1	Coch – 6 mis/ Red - 6 months

* Ceir y Rhestr Benthycu Cymeradwyedig yn Atodiad 6 o'r Datganiad Strategaeth Rheoli Trysorlys 2015/16/Strategaeth Buddsoddi Blynnyddol/The Approved Lending List can be found at Appendix 6 of the 2015/16 Treasury Management Strategy Statement / Annual Investment Strategy

** Sef tymor ar pwynt y buddsoddi/Being term at the point of investment.

- Yn Atodiad 5 ceir y graddfeydd credyd cyfatebol ar gyfer y 3 asiantaeth graddio y cyfeirir atynt uchod./The equivalent credit ratings for the 3 rating agencies referred to above can be found at Appendix 6.

Graddfeydd Credyd Cyfatebol/
Equivalent Credit Ratings (Fitch, Moodys, S&P)



1. This comparison highlights the differences and similarities in the use of nomenclature between the rating agencies
2. The lines linking the short-term and long-term indicate normal (although not absolute) relationships between the two rating scales at each agency

APPENDIX 7

**CRYNODEB O'R BENTHYCIADAU A GYMERWYD AR GYFER Y SETLIAD CRT
SUMMARY OF THE LOANS TAKEN OUT TO FUND THE HRA SETTLEMENT**

Date of Loan	Maturity Date	Interest Rate %	Amount (£)
02/04/2015	01/04/2026	3.67	527,601.00
02/04/2015	01/04/2027	3.73	490,601.00
02/04/2015	01/04/2028	3.80	262,440.00
02/04/2015	01/04/2029	3.85	684,697.00
02/04/2015	01/04/2030	3.91	450,706.00
02/04/2015	01/04/2031	3.96	660,449.00
02/04/2015	01/04/2032	4.01	314,886.00
02/04/2015	01/04/2033	4.05	636,565.00
02/04/2015	01/04/2034	4.09	623,834.00
02/04/2015	01/04/2035	4.13	611,357.00
02/04/2015	01/04/2036	4.16	599,130.00
02/04/2015	01/04/2037	4.18	587,147.00
02/04/2015	01/04/2038	4.20	225,467.00
02/04/2015	01/04/2042	4.25	999,781.00
02/04/2015	01/04/2043	4.25	1,020,120.00
02/04/2015	01/04/2044	4.25	1,009,718.00
02/04/2015	01/04/2045	4.25	11,464,215.00
			<u>21,168,714.00</u>

Approved countries for investments

Based upon lowest available sovereign credit rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- Saudi Arabia