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## AUDIT AND GOVERNANCE COMMITTEE 10/02/22

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Present:

Councillors: Chair: Councillor John Pughe Roberts,

Alwyn Gruffydd, John Brynmor Hughes, Peredur Jenkins, Aled Wyn Jones, Berwyn P Jones, Huw W Jones, Sion W Jones, W G Roberts, Paul Rowlinson, Angela Russell and Gethin Glyn Williams

Sharon Warnes (Lay Member)

Officers:

Dewi Morgan (Head of Finance Department), Ffion Madog Evans (Senior Finance Manager), Delyth Jones-Thomas (Investment Manager), Caren Rees Jones (Group Accountant - Capital and Management), Luned Fôn Jones (Audit Manager), Aron John (Cynllun Yfory: Finance Professional Trainee), Iwan Evans (Head of Legal Services), Geraint Owen (Head of Corporate Support Department) and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Councillor Ioan Thomas (Cabinet Member for Finance)  
Councillor Nia Jeffreys (Cabinet Member for Corporate Support)  
Llywela Owain (Senior Language and Scrutiny Adviser)  
Bethan Adams (Scrutiny Adviser)  
Jeremy Evans (Audit Wales)  
Yvonne Thomas (Audit Wales)  
Morwena Edwards (Corporate Director)  
Dewi Wyn Jones (Council Business Service Support Manager)

### 1. DECLARATION OF PERSONAL INTEREST

- a) Councillor Gethin Glyn Williams, in relation to item 5, as a member of his family was employed by the Council

The Member was of the opinion that it was a prejudicial interest, and withdrew from the meeting during the discussion on the item.

- b) Councillor W Gareth Roberts in relation to item 5 on the agenda, as a member of his family was employed by the Council

The Member was of the opinion that it was a prejudicial interest and he withdrew from the meeting.

### 2. APOLOGIES

Apologies were received from Councillors Aled LI Evans and Selwyn Griffiths

### 3. URGENT ITEMS

None to note

#### 4. MINUTES

The Chair signed the minutes of the previous meetings of this committee, held on 18 November 2021 as a true record

#### 5. CABINET DECISION 18/01/2022 ITEM 6 - CELEBRATING ST. DAVID'S DAY

The Monitoring Officer highlighted the fact that the Audit and Governance Committee, in its role to scrutinise corporate matters, had the right to call in the Cabinet's decision for review, and to receive further information that was relevant to aspects of that decision.

Councillor Nia Jeffreys (Cabinet Member for Corporate Support) was invited to present the information and explain the background of the decision.

Members were reminded that on 7 October 2021, the Full Council had decided unanimously to ask the Cabinet to consider officially recognising St David's Day as an official holiday for its workforce. At the Cabinet meeting held on 18 January 2022, it was decided to designate St David's Day as an additional holiday for Council staff. It was noted that a request had been received for more details about the cost (approximately £200k) of implementing the decision, and also an observation that the money could be used for another purpose for the benefit of Gwynedd's residents.

The Cabinet Member explained that there was no cost of allowing an additional day's holiday on 1 March 2022 to staff who worked in an office or from home - the day would be added to their annual entitlement. There would be a direct cost in relation to care staff and waste collection staff who would receive an additional day to be taken at a future date. For these staff, cover costs would need to be paid (an additional cost of approximately £45k (Care) and £30k (Highways and Municipal)). It was reported that teaching assistants and school ancillary staff had the right to an additional day, but they had to work within the school terms - and they would receive an amendment to their salaries (a cost of approximately £90k). With Teachers' working conditions decided nationally, they could not be included in the decision.

It was explained that a corporate underspend would be used to pay these costs - money that would normally transfer to reserves, as opposed to money paid from individual services. It would be a one-off payment, with no impact on the 2022/23 budget. The estimated total cost was £200k. The money would not be released to the departments until the expenditure had been made.

The officers were thanked for responding to the decision by taking action and holding discussions with the Unions to ensure that the aspiration was realised. It was emphasised that the Cabinet had responded in good will to the Full Council's unanimous decision.

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

- Supported celebrating St David's Day, but it should be made a day's national holiday for everybody.
- The public response had been fairly negative
- The timing of the decision caused concern - in a period of tax and living cost increases, from where had the money come?
- Agree with the concept, but it was the wrong time

- Need to pressurise the Government again to reconsider making it an official holiday
  - No information about the cost of an additional day's holiday had been submitted or discussed in the Full Council - would the result of the vote have been different?
  - Proposals in the Full Council were out of control - a need to consider what was legal.
  - £200k was a significant sum – there had been no consultation with staff
  - Could better use be made of the money? Was this a misuse of public money?
  - Did the Council have the necessary powers to grant an additional day's holiday?
  - The matter should be referred back to Cabinet, in order to change the decision and continue to lobby Westminster
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- The members expressed their thanks for the explanation and the clarification. It was accepted that there was a right to scrutinise the decision, but there was surprise that the matter had been called in by some members
  - The Cabinet had responded to a unanimous motion by the Full Council
  - The reasons cited by Paul Scully SM for rejecting to formally recognise St David's Day as a Bank Holiday were insulting
  - Celebrating St David's Day was a reason to take pride in our culture
  - Giving staff an additional day's holiday was a means of appreciating their efforts over the past two years.
  - Other employers supported the decision and were following by example
  - The Holiday needed official recognition
  - It was a matter of pride that Gwynedd was taking the lead.

In response to an observation that notices of motion were becoming out of control in the Full Council, the Monitoring Officer noted that this specific notice of motion had been appropriately framed and that the Council's request for the Cabinet to consider the motion was also appropriate. It was added that the Full Council had the right to state a view, but did not have the power to make a decision.

In the context of statutory aspects, it was noted that the Council's powers to employ staff and set working conditions (including dates of holidays) fell under section 112 of the Local Government Act 1972. It was noted that the Council had a fundamental right to employ staff and set reasonable conditions under this Act.

In response to an observation about General Competence, it was explained that the Local Government and Elections Act 2021 had introduced a General Power of Competence that noted that the Council could not use its power to do something where previous Legislation restricted its ability to act. It was considered that the Power was not relevant in this case as the 1972 Act gave the Council the right to determine holidays.

It was added that the Wednesbury Principles, which noted that the Council had to come to a decision by considering only what was relevant, disregarding irrelevant arguments, had also been considered. The Monitoring Officer's view was that the Cabinet's decision continued to be within the authority's statutory powers as there was an appropriate funding source in place, and that the matter related to setting holiday dates for staff within the Council's jurisdiction. It was considered that the Cabinet's decision was not therefore illegal nor inappropriate.

In response to a comment that there had been no staff consultation, it was noted that officers had consulted with the recognised Labour Union representatives in accordance with the usual consultation arrangements.

It was proposed and seconded that the Cabinet should be asked to reconsider its decision to give staff a day's holiday as the cost of £200k was significant.

A vote was taken on the proposal.

## **RESOLVED**

### **To accept the Cabinet's decision 18-01-2022**

## **6. REVENUE BUDGET 2021/22 – END OF NOVEMBER 2021 REVIEW**

A report was presented by the Senior Finance Manager, detailing the latest review of the Council's revenue budget for 2021/22, and the projections for the end of the financial year.

It was noted that the financial impact of Covid-19 had been substantial for the Council - a combination of additional costs, loss of income (to the value of over £20 million in 2020/21 and £10 million this year to date). It was added that applications for compensation from Welsh Government's Hardship Fund were being submitted on a monthly basis.

Despite creating an amended programme of savings for 2021/22 by cancelling, slipping and re-profiling savings schemes in January 2021, it was explained that there remained a delay in implementing savings in some fields, with delays as a result of the crisis an evident factor. Attention was drawn to a summary of the final position of all departments and further details of the main matters where there had been significant differences, and recommendations.

- Adults, Health and Well-being Department - an overspend of almost £1 million was forecast this year (£995k), with a failure to realise savings worth £855k being an obvious factor of the overspend. The main overspend fields - older people, learning disabilities and community care services with the impact of Covid remaining to have a significant impact on the Department. Again this year, a value of over £3 million had been claimed from the Welsh Government for the additional costs for the period. Bids to the value of over £1.6 million had been approved for the increasing pressure on the 2021/22 budget at the beginning of the financial year.
- Children and Families Department - £1.8 million in additional funding had been allocated to the Children and Families department in the 2021/22 funding cycle in order to meet the increasing pressure, as well as cancelling savings schemes to the value of £1.1 million that had not been achieved. Subsequently, the current financial projections were very promising.
- Highways and Municipal Department – overspend problems in the field of waste collection and disposal continued, and difficulties in realising financial savings in a number of fields (to the value of £666k). The department had also faced additional costs relating to Covid, but was confident that the Welsh Government would continue to compensate for the rest of the year.
- Corporate - prudent projections when setting the 2021/22 budget were responsible for additional tax yields and contributed to the underspend on Council Tax Reductions - the pressures on a number of budgets were not as severe as had been anticipated this year.

It was added that the Council's financial position was balanced as a result of an underspend on Corporate budgets and underspends by the majority of departments.

Thanks were expressed for the report.

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

- The Head of Highways and Municipal had appeared before the Controls Improvement Working Group to discuss improving compliance with the controls and/or introducing new controls to reduce the risks the service was vulnerable to - had this been completed?
- Was it possible to analyse overspend problems in order to examine the long-term overspend projections (e.g. increases in fleet costs, costs of treating more waste etc.) separately to savings matters? This could highlight savings or the need to reconsider the budget
- Was there sufficient money in the budget, given that the same headings arose each year, while accepting that setting a budget for the Adults and Well-being Service was difficult.

In response to the observations, it was noted that the Adults, Health and Well-being Department were overspending due to a delay in realising savings - Adults, Health and Well-being had schemes to the value of £855k, while Highways and Municipal Department had £666k. Attention was drawn to the list of bids, and it was noted that consideration had been given to the pressures on services during the year as part of the bid arrangements, that the bids had then been effectively prioritised, in the hope that the funding would reach the areas of greatest need. It was added that this had succeeded when prioritising the 2021/22 bids for the Children and Families Department

In response to a question about the mandate from the Cabinet for the Chief Executive and the Head of Finance Department to get to the root of the problems in the Adults, Health and Well-being Department, it was confirmed that the system for gathering data and financial information was now operational and had improved the situation.

## **RESOLVED**

- **To accept the report and note the relevant risks in the context of the budgets of the Council and its Departments.**
- **To accept the Cabinet's decision 18/01/2022**

## **7. CAPITAL PROGRAMME 2021/22 –END OF NOVEMBER 2021 REVIEW**

A report was presented by the Senior Finance Manager on the amended capital programme (position as at end of November 2021) and approval of relevant funding sources. Attention was drawn to the impact of the Covid-19 crisis on the capital programme, and it was highlighted that only 37% of the budget had been spent up to the end of November 2021, compared with 31% over the same period last year and 51% two years ago (2019/20 before the interruption of Covid19). It was added that an analysis per Department of the £127.7 million capital programme for the 3 years 2020/21 - 2023/24 had been included in the report.

Reference was made to the sources to fund the net increase of approximately £3.7 million since the last review, and it was added that the main conclusions were that the Council had specific plans in place to invest approximately £52.1 million this year, with £27.4 million of it, namely 53%, funded by attracting specific grants.

It was explained that £22.1 million in proposed spending had been re-profiled from 2021/22 to 2022/23 and 2023/24, with the main plans including

- £6.2 million in Housing Strategy Plans

- £5.8 million in Flood Prevention Schemes
- £5.4 million in 21st Century Schools Plans and Others (21st century).

Attention was drawn to the main plans, as well as the additional grants list that the Council had succeeded in attracting since the last review, including:

- £2.3 million School Maintenance Grant
- £1.4 million Welsh Government Grant towards Flood Prevention
- £0.4 million Economic Stimulation Fund Grant
- £0.3 million Ysgol Treferyth Childcare Grant.

At the meeting of the Cabinet (18 January 2022), it was resolved to accept the report and approve all the recommendations.

Thanks were expressed for the report

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

- The report reflected good news
- The staff who found and succeeded in attracting additional funding should be congratulated - it was a significant sum and was an investment in the Council's capabilities.

In response to a question regarding 2022/23 schemes that had been re-profiled since the original budget (and that the figure was the same from year to year), and whether the implications of increasing costs / prices had been built into the likely plan or slippage, it was noted that inflation was at its highest for many years and therefore, while there was a specific sum in the budget for capital items, there were limitations on how far the funding would stretch. Reference was made to a discussion in the Cabinet in October 2021 on the end of August capital budget review where the Chief Executive noted that an intentional decision had been made to try to slip some capital schemes, in order to wait for the prices of some commodities, such as timber, to stabilise. It was added that a reflection of these slippages had been included in the figures.

#### **RESOLVED**

- **To accept the report and note the relevant risks in the context of the capital programme of the Council and its Departments.**
- **To accept the Cabinet's decision 18/01/2022**

## **8. SAVINGS OVERVIEW - PROGRESS REPORT ON REALISING SAVINGS SCHEMES**

Mr Dewi Morgan was welcomed to the meeting in his new role as Head of the Finance Department.

The report was presented by the Cabinet Member for Finance and it was noted that since 2015/16, as part of the Council's financial strategy, savings to the value of £35m had been approved to be realised during the 2015/16 - 2021/22 period. It was reported, in referring to the savings schemes for the period from the 2015/16 financial year to the 2020/21 financial year, where it appeared that 96%, namely over £32 million of the £34 million savings, had been realised. The main schemes that were yet to be achieved were schemes in the Adults, Health and Well-being Department and the Highways and Municipal Department.

The Head of Finance added that as the Council's Departments had focused on the

response to the crisis since April 2020, the impact of Covid-19 had contributed to a slippage in the savings programme, as the Council had given utmost priority to safeguarding the health and lives of the people of Gwynedd.

It was reported that 45% of 2021/22 savings, namely the current financial year, had been achieved, with a value of £436k out of a total of £967k. It was added that the departments with the highest value of schemes that were yet to be achieved were the Highways and Municipal Department and the Adults, Health and Well-being Department.

It was acknowledged that realising savings to the value of £32.8 million (out of a total of £35 million) since April 2015 had been challenging, and although there were £1m of delayed savings schemes now moving onwards, it was considered that there were some risks in relation to realising schemes worth £0.8 million.

In the context of the savings schemes for 2022/23, it was reported that a recent review of the savings schemes scheduled for 2022/23 had been conducted by the Chief Executive, Corporate Director and Finance Officers. It was highlighted that it must be acknowledged that the situation had now changed so much that two savings schemes to the value of £489,750 - the 'End to End' review with a value of £279,750 in the Children and Supporting Families Department, and the 'Transfer of Playing Fields to others' in the Highways and Municipal Department could not be delivered. At the Cabinet's meeting on 18 January 2022, it was decided to abolish these two schemes from the budget and re-profile some savings schemes (worth £1,290,250) to 2023/24 and subsequent years. It was noted that the savings value of the remaining schemes to be deducted from the 2022/23 budget was £595,000.

Thanks were expressed for the report.

#### **DECISION:**

- **To accept the report and note the relevant risks in the context of the savings overview.**
- **To accept the Cabinet's decision 18/01/2022**

#### **9. OUTPUT OF THE INTERNAL AUDIT SECTION**

The Audit Manager presented a report updating the Committee on the internal audit work for the period from 1 February 2021 to 30 January 2022. It was highlighted that 7 audits from the operational plan had been completed, in addition to one grant audit.

Reference was made to every audit in turn - there were no matters arising

Thanks were expressed for the report.

#### **RESOLVED**

- **To accept the report**
- **To support the actions that have already been agreed with the relevant services**

#### **10. INTERNAL AUDIT PLAN 2021/22**

Submitted, for information, a report of the Audit Manager updating the Committee on the current situation in terms of completing the Internal Audit Plan 2021/22. Reference was

made to the status of the work and the time spent on each audit. It was highlighted, as at the end of January 2022, that 45.24%, or 19 out of the 42 individual audits in the plan, had been released in a final version.

It was reported that 14 audits had been cancelled, due to staff from the unit being redirected to assist with the Track, Trace and Protect service and to assist the Benefits service to deal with Winter Fuel Assistance Scheme and Self-isolation Support Payments.

It was noted that it was intended to submit the Audit Plan 2022/23 to the next committee meeting

Thanks were expressed for the report

**RESOLVED:**

- **To accept the report, noting the progress made against the Audit Plan 2021/22**

**11. 2022/23 BUDGET**

A report was presented by the Cabinet Member for finance, noting that the Council had received a grant increase of 8.8%, equivalent to an £18.1m increase in external funding (9.4% was the average for Wales) for 2022/23, a significant improvement on previous years. Despite this year's reasonable settlement, it was reported that there were a number of factors that would create additional spending pressures on Council services in 2022/23. In addition to the highest inflation rates for a number of years, there was an opportunity to deal with wider expenditure pressures, including addressing continued costs stemming from the Covid-19 crisis, and cancelling or delaying savings schemes that were not practicable to realise in 2022/23.

At its meeting on 15/02/22, the Cabinet would be requested to recommend to the Full Council on 3/03/22 to establish a budget of £295.2m for 2022/23, to be funded by £213.2 of Government Grant, and £82m of Council Tax income (with an increase of 2.95%) and to establish a capital programme of £59m in 2022/23.

It was explained that Additional Expenditure Requirements had been considered in the budget (totalling £20.2m), and attention was drawn to four headings of increases.

- Salary Inflation of £8.5m – the budget set aside an estimated increase of 4% in the 2022/23 pay agreement for the whole workforce and an increase of 1.25% in National Insurance contributions that would become effective in April 2022.
- Other Inflation of £4m - A sum that included provision for the impact of the 'living wage' on costs and fees payable to private suppliers together with inflationary increases on fuel and energy budgets and prices following re-tendering.
- Pressure on Services of £6.7m - it was recommended that bids worth £6.7m for additional permanent resources submitted by Council departments to meet inevitable pressures on their services were approved. In addition to the permanent bids, it was also recommended that 'one-off' bids worth £6.2m should be funded from the Transformation Fund. It was noted that the submitted bids had been thoroughly challenged by the Leadership Team, prior to their recommendation by the Cabinet.
- Covid-19 pressures of £1.4m. Since April 2020, the Welsh Government had compensated local authorities for the additional costs and loss of income due to the pandemic from the Hardship Fund (the total assistance from the Government in 2020/21 was approximately £20m, and approximately £14.4m during 2021/22).

However, the Welsh Government Finance Minister had stated unequivocally that this support would cease on 31 March 2022 and local authorities would be expected to fund any additional costs or loss of income due to the pandemic thereafter. It was noted, although £1.4m had been provided to establish a corporate fund in order to cope with the situation, the Head of Finance did not anticipate that it would be sufficient in itself to deal with the pressures, although he highlighted that other funds were available to assist. It was added that a Covid Recovery Fund had been established when the 2020/21 accounts were closed, and the Financial Strategy Reserve could be used if necessary.

In the context of the savings schemes, it was noted that Gwynedd Council had realised £32.8m of savings schemes since 2015/16. As a result of the flexibility that this year's settlement had offered, it was noted that savings worth £1.8m, originally planned to be realised in 2022/23, would no longer contribute to closing the budgetary gap in 2022/23. Consequently, savings schemes worth £595,000 remained in the programme to be taken out of the 2022/23 budget rather than £2.4m.

The Head of the Finance Department was invited in his role as statutory finance officer to express his view on the robustness of the estimates that were the basis to the budget, along with the potential risks and mitigation steps. The Head of Finance was of the view that the budget was balanced and placed the Council in a robust situation, and despite the increase in Council Tax (which was lower than the all-Wales average) it would decrease pressures on the departments to make savings and would provide a better foundation to continue to provide services to the residents of Gwynedd.

Thanks were expressed for the report

In response to a question regarding demography and the statement that there was a net reduction in the numbers of primary pupils, and whether this was anticipated to be a long-term pattern, with fewer children and fewer families and fewer workers in the future? It was noted that although the situation fluctuated, there was a trend and concern that this reduction was a long-term reduction. The Head of the Finance Department noted that he would share the relevant data with the Councillor.

#### **RESOLVED:**

- **To accept the report and to note the content**
- **To accept the financial propriety of the proposals and the relevant risks**
- **To present observations from the discussion on the options for the Cabinet to consider when discussing the 2022/23 Budget at its meeting on 15/2/22**

## **12. CAPITAL STRATEGY 2022/23 (INCLUDES INVESTMENT AND BORROWING STRATEGIES)**

The Investment Manager presented a report, providing an overview of the Council's Capital activities and treasury management. Members were reminded that they had received a presentation by Arlingclose, the financial consultants, explaining the detail behind the strategy in an understandable and comprehensive manner. Reference was made to the capital activities and attention was drawn to the fact that the Council intended to make capital spending of £64.1 million in 22/23, with the main schemes listed in the report, along with the funding sources. It was noted that the external resources were mainly from Welsh Government and the funds were our own resources. The remainder of the funding came from loans that would be repaid over a number of years, normally from revenue resources or from income from the sale of assets, which

was consistent with the actions of previous years. This meant that the indicator - Council's Capital Funding Requirement, would be £176.6 million by the end of the 22/23 financial year, namely the level that the Council's long-term borrowing should remain below.

In the context of the Borrowing Strategy, it was recently highlighted that there had been no long-term borrowing strategy, only a short-term, low-cost requirement over the end of the financial year. It was reiterated that this would continue, with only long-term borrowing being anticipated for Gwynedd Council activities, and that the Council's debt remained under the Capital Funding Requirement.

Reference was made to one change to the liability benchmark, namely the introduction of the impact of the North Wales Economic Ambition Board's borrowing, and the need for future borrowing. It was noted that it was likely that the Joint Committee would move to the Corporate Joint Committee before any borrowing would be necessary. Consequently, the Council would expect its borrowings to be higher than its liability benchmark as the Council had a higher level of reserves.

In the context of the investment strategy, the Council's policy was to prioritise security and liquidity over yield to ensure that money was available to pay for Council services. It was noted that £10m was being kept to ensure continuous liquidity and considering the uncertain period and current low returns, it was considered that retaining liquidity and security was a priority.

Reference was made to the risk management and governance, and the details of the long-term commitments of the Council e.g. to redress the deficit in the Pension Fund, and the impact of the funding costs on cash flow. It was also confirmed that officers had the relevant knowledge and skills, and that Arlingclose would continue to provide a financial advisory service to the Council for the coming years.

Thanks were expressed for the report

**RESOLVED:**

- **To accept the report and to note the information and relevant risks**
- **To support the Cabinet Member for Finance's intention to submit the Strategy to the Full Council for approval**

**13. WORKING FOR THE FUTURE AND THE MENTAL WELLBEING SUPPORT**

The Head of Corporate Support Department presented a report in response to the request of committee members for information on the Council's plan in relation to future working arrangements and also the provision for supporting staff mental wellbeing. It was reported that the vision for working in the future would be presented formally to a meeting of the Cabinet on 15 February 2022.

It was reported that regular meetings were held to discuss well-being matters, working arrangements and to construct new methods of service provision. Reference was made to the main drivers for adopting new working arrangements for the future, and some of the principles that were the foundations for flexible working arrangements. It was emphasised that, where the circumstances of the post allowed, any flexible working arrangement would be voluntary for staff. It was highlighted that staff were encouraged to discuss their situation regularly with their line managers, with staff well-being at the centre of the new arrangements. Consultation had taken place with staff, and in response to the vision of future working, it was noted that offices were being adapted to

facilitate the new working arrangements, a number of working conditions and employment policies were being reviewed, and a training programme would be provided that would include leadership skills and holding hybrid teams.

It was noted that the vision aligned with Welsh Government's commitment to develop a remote working strategy, with the aim of enabling 30% of the Welsh workforce to work close to or from their homes. It was added that the support provided for the health and wellbeing of staff by the Council had been recognised by Welsh Government as "Gold Level" Corporate Health Standard.

The members expressed their thanks for the report.

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

- The workforce had been forced to cope with the costs of heating, electricity and telephones over the period of the pandemic - a need to consider the impact of the income tax contributions in future.
- There would be a new Council in May - the importance of face-to-face contact and joint discussions
- In the context of staff well-being, it was difficult to identify problems when working from home
- Supported the vision and the emphasis on flexibility
- Anticipated that there would be opportunities for workers from the south of the county to apply for 'central' jobs
- Need to ensure that an element of team working was maintained
- A request to ensure that apprentices were given suitable opportunities to develop their characters and to collaborate within a team

In response to an observation that significant work would be required to make the offices secure, it was noted that the Housing and Property Department were leading the work, but they had only begun to identify the needs and the shape of the offices. It was noted that one office had already been adapted, and would be used as a template for the others.

In the context of income tax, it was noted that staff had been informed of HMRC regulations and a percentage had taken advantage of support / tax allowance for working from home. In the context of travel costs and a reference in the report, '*every member of staff will continue to have a named corporate workplace, and they can claim travel and sustenance costs from this location, and therefore no changes will be made to the existing policy on claiming travelling costs*' it was noted that discussions had been held with Unions, but no amendments would be made to employment contracts in relation to business travelling costs. The matter would need to be revisited if the 'work place' was changed in future.

The observations about the advantages of face-to-face communication were accepted and the importance of holding discussions between staff and Members, and offering support to apprentices were recognised. The Head of Corporate Support promised that every effort would be made to respond positively to this.

**RESOLVED:**

- **To accept the report and to note the plans for working for the future and note the support offered to staff in relation to mental well-being.**

## 14. AUDIT WALES REPORTS

Four reports had been submitted by Audit Wales updating the Committee on the Audit Wales work programme for Quarter 3 and reports published recently.

Jeremy Evans (Wales Audit) was welcomed to present the reports.

1. Quarterly Update - Quarter 3 (up to 31 December 2021)

The quarterly report was now part of the Committee's arrangements for receiving information about the work undertaken locally, regionally and nationally.

The information was accepted.

2. Commissioning Placements in Care Homes for Older People

It was noted that the report noted the findings of the Auditor General's review of arrangements for commissioning placements in care homes across North Wales. The work was part of the statutory programme of local audit work in each of the local authorities in North Wales and Betsi Cadwaladr University Health Board. The findings were presented, and also recommendations for strengthening the method of commissioning placements in care homes and associated arrangements for working in partnership across North Wales.

On the whole, it was found that partners were working individually and jointly to provide suitable placements, but were also carrying significant risks. One of the highlighted risks was the structure of the Regional Partnership Board (RPB) - although it brought partners together to 'think regionally', its structures, largely set out by the Welsh Government, were extensive and complex, and lines of accountability needed to be strengthened.

In response, an observation was made that the report highlighted the weakness of the Cardiff Government's policy that forced regional working, creating a structure that prevented the Council from working effectively. Reference was made to work by the council, in collaboration with Betsi Cadwaladr University Health Board, to establish a new domiciliary care model in Gwynedd that would assist people to live their lives as fully as possible within their communities. The new model would improve the way that domiciliary care was organised and provided in Gwynedd, by keeping the arrangements as local as possible. Should these arrangements be adopted across North Wales?

In response to a question regarding how the North Wales Strategy for Commissioning Placements could be scrutinised, and whether it was the responsibility of the Audit and Governance Committee within each individual council or more widely, it was noted that a robust structure and clear accountability was needed - it was suggested that the structure of the Economic Ambition Board or other good examples could be examined and recommended to the RPB.

Morwena Edwards (Corporate Director) expressed thanks for the report and noted that this field was not easy to analyse, with a number of discussions having been held about implementing Welsh Government policy. She highlighted the importance of providing nursing and residential places as locally as possible, so that family and friends were supportive of the provision, while accepting the need to collaborate regionally to provide specialist care. It was added that this was not one solution by one region. It would be necessary to work with neighbouring councils e.g. Ceredigion, Conwy and Anglesey to

ensure good quality and financial viability, whether internally or externally. Agreement should be reached, and the right relationship established.

The information was accepted.

### 3. Review of the Council's Performance Management

It was reported that the Council's performance management framework was developing well, although implementation was varied under the current circumstances, and some departments had considerable work to be done. Attention was drawn to the findings and the recommendations.

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

- Everyone should be eager to ensure the best performance - need to secure accurate information and data to make decisions
- A need to ensure that managers had used robust and appropriate information as the basis for decision-making, e.g. that there was value for money

In response to an observation about the functions and responsibilities of those who managed performance, it was noted that performance management was the responsibility of all - officers under the supervision of the Chief Executive should ensure that there was high quality information available so that councillors could make prudent decisions, scrutinise performance and note areas for improvement.

### 4. A summary of the work of Audit Wales 2021

Submitted - an annual summary of Audit Wales' work completed since the last Annual Audit in January 2021. It was noted that the report referred to the local, regional and national work that had been completed, as well as the summary of the main messages.

#### **RESOLVED:**

#### **To accept the reports**

The meeting commenced at 10.00 am and concluded at 1.10 pm

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**CHAIRMAN**