



Complete Agenda

Democratic Services
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

GOVERNANCE AND AUDIT COMMITTEE

Date and Time

10.00 am, THURSDAY, 10TH OCTOBER, 2024

Location

Virtual Meeting

*** NOTE ***

*** For public access to the meeting, please contact us***

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(DISTRIBUTED 03/10/24)

GOVERNANCE AND AUDIT COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (8)

Councillors

Ioan Thomas
Menna Baines
Huw Rowlands

Edgar Wyn Owen
Elfed Wyn ap Elwyn
Vacant seat

Arwyn Herald Roberts
Meryl Roberts

Independent (4)

Councillors

Angela Russell
Rob Triggs

Richard Glyn Roberts
Elwyn Jones

Lay Members (6)

Mrs Clare Hitchcock
Mr Elwyn Rhys Parry
Carys Edwards
Sharon Warnes
Hywel Eifion Jones
Vacant Seat

Ex-officio Members

Chair and Vice-Chair of the Council

A G E N D A

1. APOLOGIES

To receive apologies for absence.

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest.

3. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so they may be considered.

4. MINUTES 5 - 15

The Chairman shall propose that the minutes of the meeting of this committee, held on the 5th of September 2024, be signed as a true record.

5. IMPELEMENTING THE DECISIONS OF THE COMMITTEE 16 - 19

To consider the report and offer comments.

6. URGENT AND EMERGENCY CARE: FLOW OUT OF HOSPITAL - NORTH WALES REGION' 20 - 84

To consider and accept the report

7. OUTPUT OF THE INTERNAL AUDIT SECTION 85 - 114

To accept this report on the work of the Internal Audit Section in the period from 1 April 2024 to 30 September 2024, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

8. INTERNAL AUDIT PLAN 2024/25 115 - 117

To note the contents of this report as an update on progress against the 2024/25 audit plan, offer comments thereon and accept the report.

9. SAVINGS OVERVIEW: PROGRESS REPORT ON REALISING SAVINGS SCHEMES 118 - 127

To note the position and the relevant risks regarding the Savings Overview, consider the decisions for the Cabinet and comment as necessary.

10. CAPITAL PROGRAMME 2024/25 – END OF AUGUST 2024 REVIEW 128 - 142

To note the position and any risks regarding the Council's capital

programme, scrutinise the decisions for the Cabinet, and comment as necessary.

11. REVENUE BUDGET 2024/24 – END OF AUGUST 2024 REVIEW 143 - 167

To note the situation and the relevant risks regarding the budgets of the Council and its departments, consider the decisions for the Cabinet and comment as necessary.

12. TREASURY MANAGEMENT QUARTERLY UPDATE 168 - 173

To consider and receive the report for information.

13. NORTH WALES CORPORATE JOINT COMMITTEE ESTABLISHMENT OF GOVERNANCE AND AUDIT SUB COMMITTEE 174 - 183

That the Committee nominates one councillor to serve on the Governance & Audit Sub Committee of the North Wales Corporate Joint Committee and one councillor to act as a substitute for that member.

That the Committee decides whether it wishes to nominate a Lay Member to the Governance & Audit Sub Committee of the North Wales Corporate Joint Committee.

14. FORWARD WORK PROGRAMME 184 - 185

To consider the work programme

GOVERNANCE AND AUDIT COMMITTEE 5 September 2024

Attendance:

Councillors: Elwyn Jones, Edgar Wyn Owen (from item 12 onwards), Meryl Roberts, Richard Glyn Roberts, Huw Rowlands, Angela Russell, Ioan Thomas and Elfed Wyn ap Elwyn

Lay Members: Sharon Warnes, H Eifion Jones, Clare Hitchcock, Carys Edwards and Rhys Parry

Officers: Dewi Morgan (Head of Finance Department), Ffion Madog Evans (Assistant Head of Finance Department - Accountancy and Pensions), Delyth Thomas Jones (Investment Manager), Caren Rees Jones (Group Accountant - Capital and Management), Ceri Williams (Assistant Accountant), David Lloyd-Williams (Senior Auditor – Internal Audit) and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Councillor Paul Rowlinson (Cabinet Member – Finance) and Geraint Owen (Corporate Director)

Items 9 and 10: Alan Hughes and Yvonne Thomas (Wales Audit) Dewi Jones (Business Support Service Manager)

Item 11: Marian Parry Hughes (Head of Children and Supporting Families Department) and Stephen Wood (Gwynedd and Anglesey Youth Justice Service Manager)

Item 12: Cllr Dyfrig Siencyn (Council Leader), Cllr Nia Jeffreys (Deputy Council Leader) and Dewi Jones (Council Business Support Service Manager)

1. APOLOGIES

Apologies were received from y Councillors Rob Triggs, Menna Baines and Arwyn Herald Roberts

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair accepted the minutes of the previous meeting of this committee, held on 23 May, as a true record.

5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

A report was submitted providing an outline of how the Council's departments had responded to the decisions of the Governance and Audit Committee so that Members

could be assured that their decisions were being addressed. It was noted that the report gave Members an opportunity to consider the decisions made with the intention of removing the item / decision when the action had been completed.

Attention was drawn to a request made at the last meeting to hold an information session on homelessness. The member needed assurance that the matter would not go amiss and suggested including the matter in the agenda if not in the record of resolutions.

It was highlighted that a request had been made for Committee Members to receive a training session on Ffordd Gwynedd principles

RESOLVED

To accept the contents of the report.

Note:

- That an information session on the field of homelessness needs to be held for Committee members to better understand the field and to understand the reasons why costs in the field are so high.
- The Committee's desire to receive Ffordd Gwynedd training.

6. STATEMENT OF ACCOUNTS FOR 2023/24 (SUBJECT TO AUDIT)

The Assistant Head of Finance Department - Accountancy and Pensions explained that the accounts had been completed and released for audit by Wales Audit, our external auditors, since mid-June. It was added that there had been an extension again this year to the statutory timetable to audit accounts, with the intention of completing the audit and this Committee approving the accounts on 28 November 2024.

Members were reminded that the end of year financial position for 2023/24 had been submitted to the Committee on 23 May in the form of a simple out-turn report, but the Statement of Accounts, for external and governance purposes, had to be completed in CIPFA standard form. It now appeared as a lengthy and technically complex document.

The content of the report was reported upon explaining that six sets of accounts for 2023/24 were being completed:

1. Gwynedd Council
2. Gwynedd Pension Fund
3. GwE (substantially-sized joint committee and therefore Full Statements had been prepared)
4. North Wales Ambition Board (substantially-sized joint committee and therefore Full Statements had been prepared)
5. Gwynedd Harbours and
6. North Wales Corporate Joint Committee

Reference was made to the Narrative Report that provided information about the Accounts and on the vision and priorities of Gwynedd, the Financial Strategy and the financial performance measures. Members were guided through the report and details were provided on some elements:

- Summary of capital expenditure. Expenditure amounted to £57 million during the year compared to £37 million in the previous year.
- The main financial statements included Income and Expenditure Statement, Balance Sheet, Cash-flow etc.
- Movement in Reserves Statement which was an important statement and summarised the Council's financial position. It was highlighted that the Council's general balances were £7.9 million at the end of March 2024, namely the same

level as March 2023 and March 2022. That Reserves highlighted a reduction in the £104 million funds at the end of March 2023 to £102 million by the end of March 2024.

- School balances where a reduction was seen in school balances - £17 million at the end of March 2024 compared to £12 million by the end of March 2023 and £9 million by the end of 2024 which highlighted a picture that was nearer to pre-Covid balance levels. It was explained that this was the general picture in Wales as school balances had been high due to a number of grants provided in light of Covid.
- In relation to the balance sheet and the change in pension figures, it was noted that 2022 / 23 was a year where a situation of pension asset rather than commitment was seen, an unprecedented situation, due to market conditions and high inflation. It was explained that the actuary's valuation used corporate bonds, and because these had yielded high, it had led to high accounting discount rates, which made the pension liability values substantially less. It was reiterated that the situation was not unique to Gwynedd but meant there had been considerable discussions on its treatment in last year's accounts, and therefore guidance had been sought from CIPFA and Audit Wales' Technical Team. It was noted that this year, the Actuary had provided more guidance on the handling of the situation and Wales Audit had provided a confirmation of the preferred calculation method. Consequently, the accounts would be amended to reflect this with the change affecting the main statements and the associated notes.

Reference was made to Note 10 - Detailed information about earmarked contingency funds, including Reserves: School Balances, Earmarked Reserves including analysis of the £102 million reserves (including the principal reserves, namely capital reserves, the Council plan reserve, supporting the financial strategy reserve and the Council's Tax Premium reserve).

Reference was made to Note 15 - Property, Plant and Equipment which presented an analysis per category: land and buildings, vehicles, plant and equipment etc. Capital Liabilities which included capital work at Ysgol Treferyth, Cricieth - the amounts and payments so far.

Note 22 Provisions related to Waste Sites and insurance claims and Note 32 details on Grant Income receipts (over \$145 million in 2023/24 compared with £108 million in 2022/23).

The Chair thanked the Department for the detailed work and invited questions and observations from members. During the discussion, the following matters were raised:-

- The Assistant Head of Finance was congratulated on submitting the report in an interesting and coherent manner. The report was comprehensive.
- Congratulated the Department on completing the work within a tight schedule.

In response to a question regarding what else the applicant needed to deal with the situation, the Assistant Head noted, in accordance with relevant standards to preserve trees, that an appropriate arrangement would enable suitable pruning methods to protect the health of the trees. It was reiterated, should this debt continue to increase, we would have to look at the situation in greater detail.

In response to a question regarding contingent liabilities and a suggestion that a note should be included about compensation claims here, the Head of Finance Department noted that the insurance liabilities were relevant to the insurance procedures of former Authorities (pre 1996), but should a case be brought against the Council, it would be referred to the Insurance Company. It was reiterated if there was protection in place, it

would be addressed through the insurance policy or funded through a fund set up for this purpose. In response to a supplementary question regarding claims of compensation claims made against the Council and whether or not this would be identified as a risk, the Head of Finance Department noted that discussions had been held and that he did not anticipate the matter as a matter of risk for now and that the insurance protection included public liability.

In response to a request for background information for the Capital grants and whether these grants had been identified by the Council in response to Council priorities, it was noted that some of the grants were made available by Welsh Government for specific fields and that the Council received a certain amount earmarked by the Government, while other grants were selected by the Local Authorities to apply for an allocation and there was an element of competition between authorities. It was reiterated, in discussions with the Government, there was a wish to see more grants included in the annual settlement, and that the grants to some extent were a response to decisions the government had made rather than responding to local need and priorities.

In response to a question regarding insurance for the implications of the Article 4 challenge appeal, it was noted that the Council had not prepared a note for the Article 4 element as it did not currently anticipate any costs. If Wales Audit were to view the situation differently, contingency liabilities would be considered.

RESOLVED:

To accept the report

To approve:

- **Revenue Income and Expenditure Account 2023/24.**
- **Annual Return for the Year ending 31 March 2024, subject to audit by Audit Wales.**

Staff were thanked for completing the accounts accurately and in a timely manner.

7. GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2023/24

The Statement was presented by the Head of the Finance Department. He explained that the statement, although not part of the accounts, was a statutory document which needed to be published with the accounts. In accordance with the Accounts and Audit (Wales) Regulations and the CIPFA Code of Practice, all Local Authorities must ensure that a statement of internal management is in place. It was reported that the Chief Executive and the Council Leader were required to sign the statement, although the Governance and Audit Committee's approval was needed.

Some of the background to the statement was given. The statement which was based on the CIPFA/SOLACE Framework identified seven core principles for good governance and these had been divided further into sub-principles. It was highlighted that the Governance Arrangement Assessment Group had considered these principles and sub-principles and had created a Governance Risk Register, which was part of the Council's Corporate Risk Register. Risks had been identified in 24 different areas of governance, identifying the controls that the Council had in place to mitigate these risks.

It was reported that risk management arrangements had given consideration to two factors when scoring the extent of the risk, namely the impact of the event should the risk be realised and the likelihood of the risk being realised. Attention was drawn to the changes since the 2022/23 statement highlighting risk score adjustments in Finance and in Health, Safety and Well-being and it was reported that the Assessment Group had concluded

there was one field with very high risks, 4 high risk fields, 10 medium risk fields and 9 low risk fields.

The members expressed their thanks for the report. Reference was made to each risk in turn giving Members an opportunity to enquire about that area.

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

Finance - that the 2022/23 risk score had been too low. Welcomed the adjustment and was satisfied with the assessment - it would be fair to retain the risk score at 20.

Finance - there was a need to amend the English report to reflect the 'very high risk' rather than 'medium risk'

Lawfulness - the likelihood of 1 was misleading

Health - suggested that the risk should be greater than 15? Had staff been fully trained?

General - that the headings were 'scholastic' suggesting that some were more important than others. Should the focus be on the matters that are of central importance rather than on the 'soft industrial'?

General - there was a need to use headings that referred to the conclusion. E.g. Finance matters clear and explanatory but with elements such as Housing and / or Growing Older, more background or a summary of areas within the field was needed. Need to consider reviewing questions and amending the document to be clear to Gwynedd residents.

In response to a comment on the risks in Health, the Head of Finance noted that the score was a general one and had been scored by Health and Safety experts within the context of Council arrangements for safe operation. He reiterated there was a work programme in place with actions to reduce the likelihood score.

In response to a question on how often the risks were updated, the Head of Finance Department noted that the risk scores were reviewed continuously and that the high-risk fields were areas where long term plans had been identified to improve the situation. Meanwhile, Heads of Department would report on the action and ensure the work was going in the right direction. He reiterated that the scoring process would be guided by a combination of findings or events and there was an element of objectivity as well as science behind the process.

In response to the general comments regarding the format of the statement, the Head of Finance Department noted there was an element of flexibility to the scoring and an attempt to follow CIPFA guidelines. It was accepted that the impact varied from field to field and it was difficult to generalise this. It was highlighted that it was intended to review the document, simplify it and combine it with Cyngor Gwynedd's self-assessment to secure one clear document for the people of Gwynedd and eliminate the element of duplicating work for officers.

RESOLVED:

To accept the report

To approve the Annual Governance Statement and recommend that it is signed by the Council Leader and Chief Executive.

Note:

Need to re-consider the Lawfulness likelihood score.

Need to consider reviewing the questions and adapting the document to be clear for residents - although compliant with CIPFA guidelines, a suggestion to consider combining with the assessment of governance arrangements included in Cyngor Gwynedd's Self-assessment to avoid duplicating work

8. TREASURY MANAGEMENT

The Investment Manager presented a report on the actual results of the Council's treasury management during 2023/24, against the strategy approved by the Full Council on 3 March 2024. It was reported that it had been a very busy and prosperous year for the Council's treasury management activity as the activity had remained within the constraints originally set. It was confirmed that there were no defaults by institutions in which the Council had invested money with.

It was reported that £3.5m in interest had been received on investments, which was higher than the £3.2m included in the budget. It was noted, at the start of the financial year the Bank Rate had been set at 4.25%, however the Bank of England's Monetary Policy Committee increased the Bank Rate to 5.25% in August 2023 and the Bank Rate was kept at 5.25% until March 2024.

On 31 March 2023, the Council was in a very strong position with net investments, which had resulted from a high level of investments and operational capital. This included £56 million of the Ambition Board's funding and £31 million of the Pension Fund. It was reiterated that the lending activity had been very quiet in the year with only loan repayments taking place.

It was reported, in the context of investments, that the Council had continued to invest with Banks and Housing Associations, Financial Market Funds, Pooled Funds, Local Authorities and Debt Management Office which was consistent with the type of investments made for a number of years now. It was noted that the pooled funds were mid/long-term investments which brought in a very good income level, and with the Council's funding levels healthy, the Investment Unit was considering a further investment in these funds in the near future.

In the context of the compliance report and indicators, it was reported that all activities had complied in full with the CIPFA code of practice and the Council's treasury management strategy - this was good news and showed that there was robust management of the funding. Reference was made to the indicators where it was highlighted that every indicator complied with the expectation except for one (Interest Rates Disclosure). It was explained that this indicator had been set during low interest conditions in March 2023 and, therefore, it was reasonable that the amounts were slightly higher than expected.

The members thanked the officer for the report.

In response to a question regarding selling or disposing of investment before the maturity date (pooled investments) and although it seemed to highlight a loss of £70K on the face of things, it still paid a good interest rate of 5.8%, the Investment Manager noted that these investments were medium term / long-term investments with significant interest income and performed very positively at the end of their term. Although no profit had been received to date, the situation was being monitored continuously and regular advice provided by Arlingclose.

DECISION:

To accept the report for information

9. AUDIT WALES - QUARTER 4 UPDATE

Alan Hughes and Yvonne Thomas from Audit Wales Office were welcomed to the meeting to present the report.

Submitted - a quarterly update (up to 30 June 2024) on the work programme and timetable of Audit Wales. A discussion was held on the financial audit and local performance audit work, highlighting that the Annual Report would be published in November 2024.

Reference was made to the Thematic Review - Unscheduled Care and the Thematic Review - Financial Sustainability highlighting an intention to submit the conclusions to the Committee soon. Reference was made to planned local government national studies, along with national reports and other outputs that had been published by Audit Wales since June 2023.

The members thanked the officer for the report.

In response to a question about Audit Performance Work 2023/24 - Local Project - Waste and Recycling, it was confirmed that the timetable continued to be in a 'to be confirmed' status but that discussions were being held to find a way forward. It was reiterated that this was a project that was local to the Council and that Audit Wales would review the Council's arrangements to improve its waste management service and meet statutory recycling targets. In response to the Officer's comments, the Member noted that the field had received a lot of attention by the Committee and there was a need to press on completing the review.

DECISION:

To accept the report and it was noted that the content of the work programme was interesting

Note:

Performance Audit Work of 'Local Project – Waste and Recycling' – pressure needed to confirm timetable.

10. AUDIT WALES – CYNGOR GWYNEDD'S ANNUAL AUDIT SUMMARY 2023 AND DETAILED AUDIT PLAN 2024

Cyngor Gwynedd - Annual Audit Summary 2023

A report was submitted by the Wales Audit Officers summarising the findings and conclusions for the work completed since April 2023 in Cyngor Gwynedd. It was reiterated that the summary was part of the duties of the Auditor General for Wales.

Reference was made to the Auditors' work of auditing the Council's financial statements annually and it was reported, again this year, that the Auditor-General had given an unqualified accurate and fair opinion on the Council's financial statements, on 22 January 2024. It was noted that the accounts complied with appropriate practices and that Audit Wales worked to a level of 'relevance'.

The members thanked the officer for the report.

Cyngor Gwynedd's Detailed Audit Plan 2024

A report was submitted by the Audit Wales officers detailing the work Audit Wales intended to do to address the audit risks for Cyngor Gwynedd 2024/25. It was stated that an audit of the financial statements would be completed along with performance audit work to assess assurance and risk.

In the context of the relevance of financial statements it was noted that relevance was calculated using gross 2023-24 of £570.3 million and reference was made to the significant risk and audit risks. It was reiterated that the significant risk of override controls by management was one that was included in each Authority's detailed plan. It was also stated that the audit risk of the pension fund net liability and valuation of land and buildings were also generic risks.

It was highlighted that certification work on Cyngor Gwynedd's grant claims, which would include Housing Benefits, Teachers' Pensions and Non-Domestic Rates would also be carried out.

Attention was drawn to the fees, stating that Internal Audit would make no profit from the work and referred to the names and contact details of members of the team who would audit Gwynedd.

The members thanked the officer for the report

In response to a question regarding a reference to 'several legal LGPS cases that can affect the valuation of the Pension Fund' and whether a new case other than the Mc Cloud Case had come to light, the Head of Finance Department confirmed that the Mc Cloud Case was the historical case and that no other case existed at the moment. He reiterated that Cyngor Gwynedd's Pensions Department had been doing a lot of work with the recommendations of the McCloud Case.

In response to a question regarding why the fees did not include VAT given that all businesses were required to pay VAT, the Head of Finance Department noted that although the Council paid the VAT it had the legal right to reclaim the tax and therefore as it was the fee before VAT that hit the revenue expenditure it was more meaningful to show that in the document.

RESOLVED:

- **To accept the 2023 Summary**
- **To accept the Detailed Plan**

11. REPORT ON THE INSPECTION OF GWYNEDD AND YNYS MÔN YOUTH JUSTICE SERVICE

A report was submitted by the Head of Children and Supporting Families Department and the Manager of Gwynedd and Anglesey Youth Justice Service updating the Committee on the findings and recommendations of the Inspection of the Service carried out in November 2023.

It was reported that The Gwynedd and Anglesey Youth Justice Service (YJS) Management Board was extremely pleased with the overall 'Good' rating issued following the Inspection and thanked partners of both Local Authorities, the Local Criminal Justice network, and the Voluntary Sector for their support during the preparation work and during the Inspection week. It was noted that the inspectorate identified many areas of good practice including strong partnership arrangements that inform and provide resources for working effectively with children and families; a group of staff who are well supported and supervised, and evidence that children and parents are actively involved in planning and delivering support.

Reference was made to the areas for improvement, the improvement plan drawn up in response to the seven inspection recommendations along with the next steps. It was noted

that the Improvement Plan in collaboration with members of the Management Board, Executive Management Group and Service staff following a meeting at the end of January to review the draft report and initiate the process of formulating a response so that the ownership to implement the Improvement Plan is accepted throughout the Service and partners.

Officers were thanked for the report and staff were congratulated on the encouraging and positive results of the inspection – it was a pleasure to read the report. The inspection highlighted a good, caring outcome with dedicated staff.

In response to a comment regarding who would monitor the progress of the Improvement Plan, it was noted that the Improvement Plan had been approved by the Management Board in April 2024 and would be reviewed regularly at meetings of the Management Board.

Although praising that the score for the planning (domain 3: Out-of-Court disposals) on the element that the 'planning focused on supporting the child's desistance' was 100%, concern was highlighted that 'planning is focused sufficiently on keeping the child safe' received a score of 58%. In response to a question of whether the 58% reflected a percentage that the processes did not pose a risk and whether it was a risk of administrative work or a risk of care work, it was noted that the element expressed that sufficient work was being done to keep the child safe but that staff needed to improve the safeguarding plan records attached to the child's case. It was reiterated that the matter had been addressed in the implementation plan.

It was suggested that in the Information and Facilities - Staff Diversity and Children domain, it was necessary to include details of the percentage of staff who spoke Welsh and the percentage of children who requested a service in Welsh. In response, it was noted that around 95% of service staff spoke Welsh and 60% of children received a service in Welsh. It was reiterated that the Criminal Justice System did not offer itself to Welsh and that many service users used English technical terms to the ease the situation.

In response to a comment that the absence of the Education Department at Strategic Management Board meetings highlighted that there was no link between the service's work and the education service and that a good opportunity was being missed here to interconnect good practice and messages, it was noted that this element had now been addressed and despite the absence, it was the duty of the Strategic Management Board to share messages and feed the information back to the Education Department. It was accepted that messages about policies and good practice that would strengthen the messages could be shared with the Education Departments of both Counties and that a meeting could also be held with Heads of Education to discuss this particular service.

In response to the number of actions in the Implementation Plan and whether the challenging timetable was realistic to resolve some issues along with adequate resources to complete them, the Service Manager agreed that the timeline of operations for some issues was ambitious and that the Board needed to adjust this. He reiterated that links with other Services can also be challenging and that training arrangements take time to be put in place but some improvements had already been completed.

In response to a comment about the Service's location and that there were no good network connections to the site, it was noted that the office was not suitable for public transport users and particularly for individuals under 16, but that the service was peripatetic; the third sector, Police and Health services offered rooms to use. He reiterated that despite the high travel costs, the regime was well-managed.

RESOLVED:

- **To accept the report on the outcome and recommendations of the inspection.**
- **Congratulate the Service on the results of the inspection.**

Note:

- Add percentage of users who receive a Welsh language service to the statistics.

12. CYNGOR GWYNEDD ANNUAL PERFORMANCE REPORT AND SELF-ASSESSMENT 2023/24

Cllr Dyfrig Siencyn (Leader of the Council), Cllr Nia Jeffreys (Deputy Leader of the Council) and Dewi Jones (Council Business Support Service Manager) were welcomed to the meeting.

A draft of Cyngor Gwynedd's Annual Performance Report and Self-Assessment 2023/24 was submitted for the Committee's consideration asking them to provide comments and recommendations on the content of the report. It was reported that the Self-Assessment was a statutory requirement under the Local Government and Elections (Wales) Act 2021 which also states that the Committee needs to be involved in the self-assessment process.

Attention was drawn to the fact that the Council was already collecting a lot of evidence and published documents containing the type of information expected to be included within the self-assessment – documents such as (but not limited to) the annual reports on Performance, Equality, Director of Social Services and Annual Statement of Accounts. It was also noted that this document was closely related to the Annual Governance Statement (see item 7) and as a result, an effort had been made to keep the self-assessment document relatively concise with reference to a number of the documents where further information could be obtained to try to avoid duplication.

The members gave thanks for the report.

During the ensuing discussion, the following observations were noted:

- That the Committee needed to be involved earlier in the process - the suggestion of holding a workshop in the future so that Members had the opportunity and time to discuss the report and offer input and recommendations was made
- That the format of the report was clear and easy to understand – orderly and neat
- That the report gave an honest picture of the situation
- That the assessment was very detailed, difficult to review without a full understanding of areas
- That it needed to be ensured that residents received information about the services - needed to ensure good communication
- Words such as 'strategy has been formulated' – needed to see more action
- Active travel - clearly more resources for urban / highly populated areas, but needed to see more effort on rural active travel issues across the County
- When presenting data - needed to ensure that a full explanation was given e.g., avoid linguistic categories in secondary schools
- Increasing Housing Supply for Local People - needed to highlight the impact and not numbers only.
- Gwynedd Yfory Projects
 - Modernisation of Buildings and Learning Environment - add that a RAC inspection had been undertaken.
 - Promoting the Well-being of Children and Young People - add that schemes / campaigns are in place by the Education Department to improve pupil attendance.

- Extending Opportunities for Play and Socialising – add that additional financial support has been provided by the Council to Byw'n Iach Centres – this has been a positive decision.

In response to a question if consultation had been undertaken with local people, local businesses, staff and trade unions, it was noted that a specific consultation on performance had not been undertaken but feedback and information from numerous other consultations across the Council had been considered. It was reiterated that a consultation on performance was carried out in May 2023 and that very little feedback had been received at that time (the feedback feeding into the 2022/23 Self Assessment period).

The Leader reported that discussions had been held with the Welsh Government who intended to carry out a national residents survey and that Gwynedd would be able to register with the survey so that feedback could be received to feed into the Self-Assessment. The requirements of the Act are to prepare a Self-Assessment within the financial year and therefore if a consultation were to take place later in the year consideration could be given to including the feedback at that time.

In response to a comment about active travel, it was noted that various Welsh Government guidance relating to active travel emphasises the 'travel to work' element and therefore it was difficult to obtain funding for rural schemes. However, it was reiterated that discussions were ongoing to try to change the guidelines.

The Deputy Leader thanked Members for their contribution and noted that the comments would be incorporated into the report or receive future attention. The comment that the people of Gwynedd needed to be involved in the process and the need to highlight the impact of the work was accepted. The suggestion to hold a workshop with Members in future was welcomed. If the Committee wanted to make further representations they would have to do so as individual Members and not as a Committee

DECISION

To accept the Annual Performance Report and Self-assessment (draft) 2023/24.

Note:

Need to consider appropriate consultation arrangements for the future to ensure Gwynedd residents' input in the process.

Need to involve the Committee earlier in the process – a suggestion to hold a workshop with Members so that the Committee has input and a better opportunity to offer recommendations.

When presenting data - need to ensure that a full explanation is given e.g., avoid linguistic categories in secondary schools

Increasing Housing Supply for Local People - need to highlight the impact and not numbers only.

Gwynedd Yfory Projects

- Modernisation of Buildings and Learning Environment - add if a RAC inspection had been undertaken.
- Promoting the Well-being of Children and Young People - add that schemes / campaigns are in place by the Education Department to improve pupil attendance.
- Extending Opportunities for Play and Socialising – add that additional financial support has been provided by the Council to Byw'n Iach Centres – this has been a positive decision.

13. THE GOVERNANCE AND AUDIT SCRUTINY COMMITTEE'S FORWARD WORK PROGRAMME UP TO FEBRUARY 2025

A forward work programme of items were submitted for the Committee meetings up to February 2025.

DECISION:

To accept the Work Programme for September 2024 - September 2025

Note:

Consider when it would be suitable to review the Committee's Self-Assessment Work Programme

The meeting commenced at 10:00 and concluded at 13:30

CHAIR

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	10 OCTOBER 2024
TITLE	IMPELEMENTING THE DECISIONS OF THE COMMITTEE
PURPOSE OF REPORT	TO PRESENT AN UPDATE ON IMPLEMENTING THE COMMITTEE'S PREVIOUS DECISIONS
AUTHOR	DEWI MORGAN, HEAD OF FINANCE
ACTION	FOR INFORMATION

1. INTRODUCTION

- 1.1 The purpose of this report is to outline how Council departments have responded to the decisions of the Government and Audit Committee, so that members can receive assurance that their decisions are being addressed.
- 1.2 This contributes to reassuring members that the Council's governance is operating effectively.
- 1.3 This item is an opportunity for all members of the Governance and Audit Committee to consider the decisions made. Where the action has been completed, or where further action was not necessary, the line is removed from the table after the Committee has considered the matter.

2. DECISIONS SINCE ESTABLISHING THE NEW COUNCIL (MAY 2022)

Meeting of 9 February 2023

Item	Decision	Update
UPDATE ON THE REPORTS RECENTLY PUBLISHED BY AUDIT WALES	<ul style="list-style-type: none"> To accept the report and the managers' response to the recommendations in 'Arrangements for Responding to the Local Government and Elections (Wales) Act 2021' To present a report in six months' time to update the Committee with regard to transferring the functions of the North Wales Economic Ambition Board to an empowered sub-committee of the North Wales Corporate Joint Committee, to streamline governance and avoid duplication between both bodies To accept the report and the managers' response to the recommendations in 'Update on Decarbonisation Progress' 	In respect of transferring the functions of the North Wales Economic Ambition Board to an empowered sub-committee of the North Wales Corporate Joint Committee, the project is progressing at a regional level. The target date of transfer is now 1 November 2024.

Meeting of 25 May 2023

Item	Decision	Update
ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT	<ul style="list-style-type: none"> To accept the report in accordance with the requirements of the Public Sector Internal Audit Standards for the 2022/23 financial year. To re-establish the Controls Improvement Working Group. 	The Controls Improvement Working Group will be established when areas are identified.

Meeting of 5 September 2024

Item	Decision	Update
IMPLEMENTING THE DECISIONS OF THE COUNCIL	<p>To accept the contents of the report.</p> <p>Note: Add to the decision notice:</p> <ul style="list-style-type: none"> That an information session on the field of homelessness needs to be held for Committee members to better understand the field and to understand the reasons why costs in the field are so high. The Committee's desire to receive Ffordd Gwynedd training. 	Work is currently ongoing to identify and devise information sessions with the intention of holding them during autumn 2024.
STATEMENT OF ACCOUNTS	<p>To accept the report.</p> <p>To approve:</p> <ul style="list-style-type: none"> Revenue Income and Expenditure Account 2023/24. Annual Return for the Year ending 31 March 2024, subject to audit by Audit Wales 	No further action
CYNGOR GWYNEDD'S ANNUAL GOVERNANCE STATEMENT FOR 2023/24	<p>To accept the report.</p> <p>To approve the Annual Governance Statement and recommend that it is signed by the Council Leader and Chief Executive.</p> <p>Note:</p> <ul style="list-style-type: none"> Need to re-consider the Lawfulness likelihood score. Need to consider reviewing the questions and adapting the document to be clear to Gwynedd residents - although compliant with CIPFA guidelines, a suggestion to consider combining with the assessment of governance arrangements which is included in Gwynedd Council's Self-Assessment to avoid duplication of work 	<p>The Lawfulness score has been considered by the Governance Group (including the Monitoring Officer) and has concluded that the current score is appropriate.</p> <p>The format of the document will be considered when preparing the 2025 Statement.</p>
TREASURY MANAGEMENT 2023/24	To accept the report for information.	No further action
AUDIT WALES – QUARTER 1 UPDATE	<p>To accept the report.</p> <p>Note:</p> <ul style="list-style-type: none"> Performance Audit Work of 'Local Project – Waste and Recycling' – need to press on confirming timetable. 	It is anticipated that confirmation if the work goes ahead or not will be included in the Quarter 2 update.

AUDIT WALES – CYNGOR GWYNEDD'S ANNUAL AUDIT SUMMARY 2023 AND DETAILED AUDIT PLAN 2024	To accept the 2023 Summary and to accept the Detailed Plan.	No further action
REPORT ON THE INSPECTION OF GWYNEDD AND YNYS MON YOUTH JUSTICE SERVICE	To accept the report on the outcome and recommendations of the inspection. Congratulate the Service on the results of the inspection.	No further action
CYNGOR GWYNEDD ANNUAL PERFORMANCE REPORT AND SELF- ASSESSMENT (draft) 2023/24	<p>To accept the Annual Performance Report and Self-assessment (draft) 2023/24.</p> <p>Note:</p> <ul style="list-style-type: none"> • Need to consider appropriate consultation arrangements for the future to ensure Gwynedd residents' input in the process. • Need to involve the Committee earlier in the process – a suggestion to hold a workshop with Members so that the Committee has input and a better opportunity to offer recommendations. • When presenting data – need to ensure a full explanation e.g., avoiding linguistic categories in secondary schools. • Increasing Housing Supply for Local People - need to highlight the impact and not numbers only. <p>Gwynedd Yfory Projects</p> <ul style="list-style-type: none"> • Modernisation of Buildings and Learning Environment – to add that a RAC inspection had been undertaken. • Promoting the Well-being of Children and Young People – to add that schemes / campaigns are in place by the Education Department to improve pupil attendance. • Extending Opportunities for Play and Socialising – to add that additional financial support has been provided by the Council to Byw'n Iach Centres – this has been a positive decision. 	<p>1. There is an intention to take part in the National Resident Survey co-ordinated by Data Wales and the Welsh Local Government Association early in 2025. Any feedback will be presented in future self- assessments.</p> <p>2. Work is ongoing to identify the best way to obtain input from the Committee earlier in the process.</p> <p>3. The draft version submitted to the Governance and Audit Committee has been updated before presenting to the Cabinet and the Full Council.</p> <p>4. This will happen verbally when submitting the report to the Cabinet and the Full Council.</p>

THE COMMITTEE'S FORWARD PROGRAMME	<p>To accept the Work Programme for September 2024 - September 2025.</p> <p>Note:</p> <ul style="list-style-type: none"> Consider when it would be suitable to review the Committee's Self-Assessment Work Programme 	<p>An item has been included in the forward programme which is a separate item on the Committee agenda, to be discussed at the meeting of 15 January 2025.</p>
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3. RECOMMENDATION

- 3.1 The Governance and Audit Committee is asked to consider the contents of the tables above and to offer comments.

MEETING	Governance and Audit Committee
DATE	10 th October 2024
TITLE	Audit Wales Reports
AMCAN	Provide an update on report(s) recently published by Audit Wales – Urgent and Emergency Care: Flow out of Hospital – North Wales Region
RECOMMENDATION	Members are asked to accept the report.
AUTHOR	Dewi W. Jones, Council Business Support Service Manager/Alan Hughes, Audit Lead, Audit Wales

1. BACKGROUND

- 1.1. The Audit and Governance Committee has a role to review and assess the risk management, internal control, performance management and corporate governance arrangements of the Council and as part of this role there is an expectation to consider the reports of external review bodies such as Audit Wales, Estyn and Care Inspectorate Wales (CIW).
- 1.2. As well as actively considering reports the committee are expected to assure themselves that there are arrangements in place to monitor and evaluate progress against any recommendations contained in them.
- 1.3. A report on 'Urgent and Emergency Care: Flow out of Hospital – North Wales Region' has been included as **Appendix 1** with the organisational response document included as **Appendix 2** which outlines what we as a Council propose to do in response to the recommendations within the report. **Dylan Owen, Corporate Director and Aled Davies, Head of Adults, Health and Well-being** will attend the meeting to expand on the response, set context and respond to any questions if necessary.

Urgent and Emergency Care: Flow out of Hospital – North Wales Region

Date issued: February 2024

Document reference: 4081A2024

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting to the Senedd on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

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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.

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Summary report

About this report

- 1 Once a patient is considered medically or clinically well enough to leave hospital (also referred to as medically fit or clinically optimised) the timely discharge of that patient to the right setting for their ongoing needs is vital. Timely, effective, and efficient moving of patients out of an acute hospital setting holds important benefits for patient care and experience as well as for the use of NHS resources.
- 2 When the discharge process takes longer than it should there can be significant implications for the patient in terms of their recovery, rehabilitation, and independence. Delayed discharges will also have implications for other patients coming into the urgent and emergency care system¹ who need a hospital bed. Poor patient “flow” creates bottlenecks in the system that contribute to well documented problems such as over-crowded emergency departments and an inability to secure timely handover of patients from ambulance crews.
- 3 The Auditor General had originally included work in his 2021 local audit plans to examine whole system issues affecting urgent and emergency care services, including the discharge of patients from hospital. The COVID-19 pandemic resulted in this work being postponed and brought back on stream in 2023. Our work has sought to examine whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital. The approach we adopted to deliver our work is set out in **Appendix 1**.
- 4 This work is part of a broader programme of work the Auditor General is currently undertaking in respect of urgent and emergency care services in Wales. We are also examining the arrangements in place to help manage urgent and emergency care demand, and to direct patients to the care setting that is most appropriate to their needs. The findings from that work will be reported separately in 2024.
- 5 The Auditor General’s work on urgent and emergency care is designed to help discharge his statutory duties. Specifically, this work is designed to satisfy the Auditor General that NHS bodies and local authorities have proper arrangements in place to secure the efficient, effective, and economical use of resources, as required by sections 17 and 61 of the Public Audit Wales Act 2004.
- 6 This report sets out the findings from the Auditor General’s review of the arrangements to support effective flow out of hospital in the North Wales region (the region). The region encompasses:
 - Betsi Cadwaladr University Health Board (the Health Board);
 - Conwy County Borough Council;

¹ Urgent and emergency care describes any unplanned, urgent, and emergency care provided by health and social care services. The unscheduled care system is complex with numerous organisations involved in providing services and it deals with acutely unwell, vulnerable, and distressed people in need of urgent assistance.

- Denbighshire County Council;
 - Flintshire County Council;
 - Cyngor Gwynedd;
 - Isle of Anglesey Council; and
 - Wrexham County Borough Council.
- 7 In undertaking this work, we have also considered progress made by the Health Board against previous recommendations made in our [2017 report on discharge planning](#). Our findings from this work are set out in a separate report to the Health Board.

Key messages

- 8 Overall, we found that **while partners understand and show a commitment to improving patient flow out of hospital, performance remains extremely challenging with adverse effects for patient experience and care. Partners must continue to work individually and collaboratively to set and implement clear guidance, mitigate the challenges posed by reduced capacity and increased complexity of care, and ensure the impact of activities is continually monitored, challenged, and maximised.**
- 9 The extent of discharge delays in North Wales has grown significantly in recent years and between April 2023 and February 2024, each month there were on average 334 medically fit patients whose discharge was delayed, with completion of assessments the main cause for delay. For the year to date, up to and including February 2024, the total number of bed days that had been lost to delayed discharges was 71,871 with a full-year cost equivalent of £39.202 million. The consequent impact on patient flow within hospitals and the urgent and emergency care system is significant, with waiting times in emergency departments and ambulance handovers falling well short of national targets. In February 2024, there were over 8,000 lost ambulance hours because of handover delays, and the average wait within the Health Board's emergency departments was around 8.5 hours. Difficulties with discharge are also impacting on the ability of partner organisations to meet some patients needs effectively, especially in the west of the region where a significant proportion of patients are placed in temporary accommodation post hospital discharge.
- 10 Several factors are contributing to delayed discharges. Many patients, especially elderly people with mental health problems, have complex needs that are not easily met by the services that are available. There are also workforce challenges within the social care sector, particularly in the areas of Conwy, Denbighshire, and Gwynedd. Our work identified numerous weaknesses in the practice and documentation of discharge planning and a need to implement the Discharge to Recover and Assess (D2RA) model as intended. Work is also needed to address an absence of jointly agreed training and guidance on discharge planning for

health and social care staff, and to overcome difficulties in communicating and sharing information across organisational boundaries.

- 11 Improving patient flow is a key feature of plans across the partners which align to the Welsh Government's six goals for urgent and emergency care². Partners are working together, both strategically and operationally, to improve patient flow, however, pressures on the system are creating an unhelpful blame culture. Financial resources are being applied to improve discharge planning, although financial constraints in partner bodies is leading to the continual roll forward of schemes and ultimately leaves little space for new ideas. Whilst there is regular monitoring of the position within individual organisations, partners lack arrangements to oversee patient flow across the whole health and care system. This limits opportunities to examine whole system solutions, embed learning and to focus on the impact of activity within performance and progress reports.
- 12 Partners also need to maximise the use of the Regional Integration Fund (RIF), improve oversight and impact of the initiatives that are being undertaken to support timely and effective discharge, and ensure learning from events is embedded into routine practice.
- 13 Taken together, the above demonstrates that despite hard work and good intentions on the part of organisations within the region, there is still much to do to improve discharge planning and processes. Continued action is needed across a range of areas to secure the improvements which are necessary for patients, their families, and the wider urgent and emergency care system.

Recommendations

- 14 Recommendations arising from this audit are detailed in **Exhibit 1**. The combined organisational response by the statutory bodies included in this review to these recommendations will be summarised in **Appendix 4** once considered by the relevant committees.

Exhibit 1: recommendations

Recommendations

Improving training and guidance

- R1 The Health Board, working with local authorities, should develop jointly agreed guidance to provide clarity to all staff on how the discharge planning

² Further information on the Welsh Government six goals for urgent and emergency care can be found via <https://www.gov.wales/written-statement-six-goals-urgent-and-emergency-care-programme-update>

Recommendations

process should work across the region. This should be based on the national guidance issued in December 2023 and should set out clearly defined roles and responsibilities, and expectations, including when referrals for ongoing care should be made.

- R2 The Health Board and local authorities should ensure processes are in place to communicate discharge planning guidance to all relevant health and social services staff, including those working on a temporary basis, supported by an ongoing programme of refresher training and induction training for new staff.

Improving compliance with policies and guidance

- R3 The Health Board should embed a regular cycle of audit to assess the effectiveness and consistency of the application of discharge policies and guidance, including the application of D2RA.
- R4 The Health Board should establish controls to prevent staff adding patients to multiple waiting lists, such as for reablement, home care packages and residential care to facilitate a speedy discharge, regardless of need. This will ensure that only those who need the services are on the relevant waiting lists.

Ensuring patient safety while awaiting care packages

- R5 The Health Board should ensure processes are in place to notify social services before patients are discharged home, where those patients require ongoing support in their own home, and where such support is not in place at the time of discharge.
- R6 The Health Board and local authorities should ensure mechanisms are in place to regularly monitor patients who are discharged home without arranged ongoing social care and to escalate issues to the appropriate service where necessary.

Improving the quality and sharing of information

- R7 The Health Board and local authorities should ensure that all relevant staff across each organisation has consistent access to up-to-date information on services available in the community that support hospital discharge. This will ensure that opportunities to discharge earlier with support from services beyond social care are not missed.
- R8 The Health Board should improve record keeping by:
- 8.1. ensuring all staff involved in discharge planning fully understand the importance of documenting comprehensive information in patient case-notes to support effective discharge planning.

Recommendations

8.2. establishing a programme of case-note audits focused on the quality of record keeping.

- R9 The Health Board and local authorities should implement ways in which information can be shared more effectively, including opportunities to provide wider access to organisational systems and ultimately joint IT solutions.
-

Addressing key gaps in capacity

- R10 The Health Board and local authorities need to work together to develop joint solutions to address key gaps in service capacity, in particular, domiciliary care and reablement services which would enable timelier discharge of patients to their own home.
-

Maximising the use of the Regional Integration Fund

- R11 The Health Board and local authorities, through the Regional Partnership Board (RPB), should demonstrate how it is working to increasingly mainstream long-standing schemes funded through RIF which are considered core services.
- R12 The Health Board and local authorities, through the Regional Partnership Board, should agree a process for utilising any future RIF slippage monies, ensuring that appropriate value and benefit is obtained from such spending.
- R13 To help inform decision-making and discussions, the Health Board and local authorities should:
- 13.1. ensure that the Regional Partnership Board has routine access to key performance indicators relevant to effective and timely flow out of hospital, including urgent and emergency care performance within the Health Board and waiting lists for social services and care packages; and
 - 13.2. use the Regional Partnership Board working arrangement to develop a regional risk register which pulls together the risks associated with delayed discharges.
-

Improving oversight and impact

- R14 The Health Board and local authorities should ensure that information setting out progress with significant activities and initiatives being undertaken to support effective and timely discharge is routinely available at a corporate and partnership level. This should include activities and initiatives undertaken individually and jointly, both within and outside of the RPB structure, their

Recommendations

impact and how they collectively contribute to addressing the challenges. This will help to provide assurance that resources are being invested to best effect.

Embedding learning from actions taken to address delayed discharges

- R15 The Health Board and local authorities should ensure that mechanisms are in place to implement learning from actions taken to address delayed discharges, such as the Multi Agency Discharge Events (MADE), and to maintain regular oversight to ensure the learning is being implemented.
- R16 The Health Board should strengthen escalation arrangements for reporting adverse incidents or concerns relating to discharge by:
- 16.1. addressing any outstanding adverse incidents or concerns, communicating clearly with the relevant local authority; and
 - 16.2. ensuring a consistent approach to reporting adverse incidents and concerns relating to discharge is in place across the Health Board.

Exhibit source: Audit Wales

Detailed report

What is the scale of the challenge?

- 15 This section sets out the scale of the challenge that the region is facing in respect of delayed discharges and the subsequent impact on patient flow and the patient experience.
- 16 We found that **there are significant numbers of delayed discharges across the region which are reducing patient flow through the hospitals with consequential impact on urgent and emergency care services and the ability to meet patients' needs.**

Delayed discharges

- 17 We found that **significant numbers of patients are not leaving hospital in a timely way once they are considered medically well enough to do so, with completion of assessments, social care worker allocations and waits for home care packages the main causes for delay.**
- 18 Delays discharging patients from hospital has been a longstanding issue for bodies in Wales and other parts of the UK. The available data shows that this issue has become significantly worse in recent years.
- 19 **Exhibit 2** sets out the number of delayed discharges experienced by the Health Board between April 2023 and February 2024, compared with other Health Boards across Wales. These relate to patients who are considered medically fit but remain in a hospital bed 48 hours after the decision was made that they were well enough to leave hospital. The rate of delayed discharges across the region is broadly in line with the average for Wales.

Exhibit 2: number of delayed discharges per 100,000 head of population (April 2023 – February 2024)

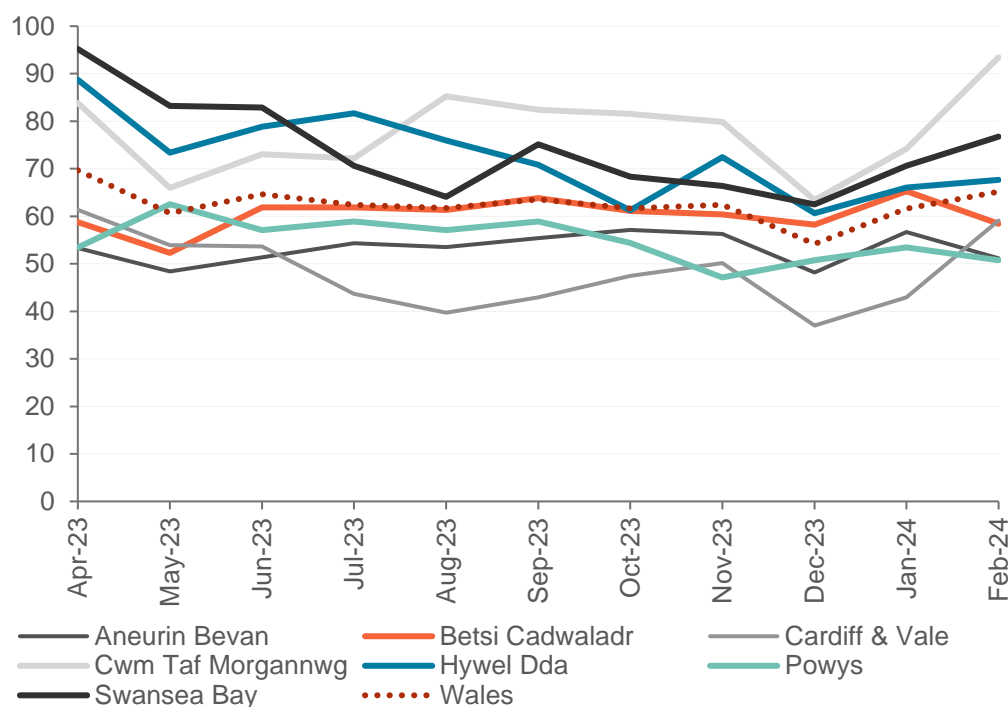


Exhibit source: Welsh Government

- 20 Since the pandemic, the way in which delayed discharges are measured has changed. No data on delayed discharges was formally reported between the period March 2020 and March 2023. Prior to the pandemic, delayed discharges were reported as 'delayed transfers of care' which were defined as those who continue to occupy a bed after the date in which the patient is declared to be ready to move on to the next stage of their care. This compares with the current method for counting delays which focuses on those who remain in a hospital bed 48 hours after being identified as 'medically fit'.
- 21 Although not a direct comparison, in February 2020 the Health Board reported 81 delayed transfers of care. The position at the end of February 2024 of 324 delayed discharges equates to 16.1% of the Health Board's total bed capacity³. However, this is below the all-Wales average of 17.9% (ranging between 13.7% and 31.3%) and the second lowest in Wales.

³ Based on general and acute bed availability data in July 2023, StatsWales website (<https://statswales.gov.wales/Catalogue/Health-and-Social-Care/NHS-Hospital-Activity/NHS-Beds/nhsbeds-by-organisation-site>)

- 22 The top five reasons for delays at the Health Board compared to the all-Wales position is set out in **Exhibit 3**, with the most common reasons being awaiting a joint assessment (between health and social care) and awaiting a social worker allocation. A full list of reasons for delay in the Health Board are set out in **Appendix 2**, and by local authority.

Exhibit 3: top five reasons for delayed discharge (February 2024)

Reason for delay	Percentage delayed	All-Wales average
Awaiting joint assessment	15.7	9.0
Awaiting social worker allocation	15.1	8.5
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	13.3	10.3
Awaiting start of new home care package	10.5	8.0
Awaiting completion of assessment by social care	5.6	15.7

Exhibit source: Welsh Government

- 23 When broken down by local authority, the rate of delayed discharges per 100,000 head of population is generally higher than the all-Wales position except for Flintshire. Awaiting joint assessment is the highest cause of delay in the west of the region, and in Denbighshire. Awaiting social worker allocation is the highest cause of delay in the east of the region. Awaiting clinical assessments is the highest cause of delay in Conwy, accounting for a quarter of all delays.
- 24 Based on data reported in February 2024, the total number of patients accounted for 6,524 bed days. Based on a typical cost per bed day⁴, this equates to costs in the region of £3.262 million, and a full year effect of £39.202 million.
- 25 Our hospital patient case note review relating to a sample of medical emergency patients identified that the length of time patients remained in a hospital bed after 48 hours of being declared medically fit varied across the Health Board's main hospital sites, with the average number of days patients remained in a hospital bed the longest at Ysbyty Maelor (**Exhibit 4**).

⁴ Based on £500 per bed-day as set out in the NHS Confederation [briefing for the statement by the Minister for Finance and Local Government on the 2023-24 financial position](#)

**Exhibit 4: average length of time after 48 hours of being declared medically fit
(based on a sample of patients with a length of stay greater than 21 days)**

Hospital site	Average number of days
Ysbyty Glan Clwyd	16
Ysbyty Gwynedd	20
Ysbyty Maelor	43

Source: Audit Wales

Impact on patient flow

- 26 We found that **delayed discharges are having a significant impact on patient flow with worrying knock-on effects elsewhere in the urgent and emergency care system.**
- 27 Delays in discharging patients from hospital have consequences for patient flow and in particular, the ability of patients to access services when they need them. Beds being used by patients who no longer need them means that they are not available for those who do, resulting, for example, in longer waits in emergency departments. This in turn impacts on the ability for ambulance crews to handover patients and respond to 999 calls in the community.
- 28 **Appendix 3** sets out the region's performance across a range of urgent and emergency care performance indicators in comparison to the position across Wales since April 2022. In summary:
- the percentage of ambulance red calls responded within 8 minutes has broadly been in line with the all-Wales position at around 50%, but below the national target of 65% (**Exhibit 20**);
 - the median amber response time has been significantly above the target of 20 minutes at around 3.5 hours, falling to around an hour over the summer of 2023, but rising again in recent months (**Exhibit 21**);
 - the percentage of ambulance handovers within 15 minutes at the Health Board's major emergency departments is generally below the all-Wales average and some of the lowest in Wales, particularly at Ysbyty Glan Clwyd and Ysbyty Maelor, and significantly below the national target (**Exhibit 22**);
 - the percentage of ambulance handovers taking over one hour has broadly been above the all-Wales average fluctuating between 38.5% and 55%, compared to a national target of zero (**Exhibit 23**);
 - the total number of hours lost following notification to handover over 15 minutes is well above the all-Wales average, fluctuating between 6,000 and 10,000 hours per month over recent months (**Exhibit 24**);

- once the patient is in the emergency department, the median time from arrival to triage has reduced and is now just below the all-Wales position at 21 minutes (**Exhibit 25**);
- the median time from arrival to being assessed by a senior clinical decision maker has been significantly higher than all other health boards, at around five and a half hours, but since March 2023 has reduced to around two hours which remains above the all-Wales average (**Exhibit 26**);
- the percentage of patients seen within 4 hours in a major emergency department is some of the lowest in Wales. Performance varies across the three hospital sites, with performance better in Ysbyty Maelor (**Exhibit 27**);
- the percentage of patients spending less than 12 hours in an emergency department is also some of the lowest in Wales, with performance worse at Ysbyty Glan Clwyd and Ysbyty Gwynedd (**Exhibit 28**); and
- the proportion of bed days accrued by patients with a length of stay over 21 days has been better than the all-Wales average (**Exhibit 29**).

- 29 Based on our analysis of Health Board data relating to all emergency medicine patients discharged in October 2022, we found the average total length of stay for patients staying over 21 days in the acute sites was 51 days (compared to 56 days across Wales). This varied across the three acute sites, with the average total length of stay increasing to 64 days at Ysbyty Maelor. The average total length of stay at Ysbyty Glan Clwyd and Ysbyty Gwynedd was 39 and 50 days, respectively.
- 30 The Health Board's total bed capacity has fluctuated over recent years, with 2,123 total beds available in 2022-23, with just under half allocated to acute medicine (975). Bed occupancy in the acute medicine beds has been at 88.3%, compared with an optimal level of 85%. The Health Board is one of four health boards to have community hospital beds managed by GPs. These beds provide step-down facilities for patients who no longer need acute care. However, the number of these beds available in the Health Board has reduced from 109 in 2019-20 to 88 in 2022-23, and occupancy levels have been running high at 97.2%. Most of these beds are in Denbighshire and Gwynedd.
- 31 Pressure on available beds because of delayed discharges means that health boards are not always able to ensure that patients are placed on the best wards for their clinical needs. For example, health boards will usually hold vacant beds on stroke units to ensure that stroke patients have fast and direct access, enabling them to access stroke specialists and equipment.
- 32 Health boards have increasingly experienced difficulties in admitting stroke patients to a stroke ward as problems with patient flow and bed availability mean that these beds have been needed for non-stroke patients. Over the last 12 months, only a quarter of stroke patients admitted to the Health Board have had direct admission to a stroke unit within four hours. Performance, however, is marginally better than the all-Wales position.

- 33 The impact of poor patient flow is also often felt within scheduled (or planned) care, as patients with their booked procedures are increasingly having their treatments cancelled due to the lack of available beds. During 2022-23, 641 planned care admissions were cancelled due to the lack of an available ward bed in the Health Board, with over half of those during December 2022 and January 2023. For the period, 2023-24 up to and including February 2024, 1,036 planned care admissions were cancelled. This level of cancellation represents poor patient experience and risks the conditions of planned care patients further deteriorating while they wait for their treatment to be rescheduled.

Meeting patients' needs

- 34 We found that **delayed discharges are impacting on the ability of organisations to meet some patients needs effectively with a significant proportion of patients in the west of the region being discharged into temporary accommodation.**
- 35 The pressure to discharge patients and the lack of available care options can lead to patients being discharged to settings that are not always the most appropriate ones for their needs including:
- being discharged home before a proper care package is in place;
 - being discharged to a residential care home when they could have gone home with a support package;
 - being discharged to a temporary residential care home to await availability of longer-term placement;
 - being discharged to a community hospital bed to await availability of a package of care; and
 - being discharged to a setting which is far away from family and friends.
- 36 Patients who are delayed within hospital can become deconditioned, are at higher risk of experiencing an injury from a fall or contracting a hospital acquired infection which can exacerbate their care needs, lengthening their hospital stay and making them more vulnerable to re-admission after they have been discharged.
- 37 Within the region, the impact of delays on patient experience and outcomes is something we found that both health and social care staff are very aware of and working hard to avoid. However, patient choice and experience are increasingly being compromised to secure a timelier patient discharge, and staff we spoke to often cited the increased need to manage patient and family expectations. With limited options for ongoing care, we found that staff are often left looking at alternative options to enable patients to be discharged. We heard examples of staff adding patients to multiple waiting lists, such as for reablement⁵, home care

⁵ Reablement describes services for people with poor physical or mental health to help them accommodate their illness by learning or re-learning the skills necessary for daily living.

packages and residential care, to facilitate a timelier discharge regardless of patients' specific needs.

- 38 We also heard of examples where patients were discharged home without support to await a package of care to become available. Partners work to minimise such cases as much as possible, adopting a risk-based approach and exploring various options to bridge gaps in the provision of formal support such as by requesting the patients' families or friends provide short-term support. While some councils, including Conwy, Gwynedd, and Wrexham, have arrangements in place to monitor the wellbeing of patients awaiting a package of care, some do not. We also heard of rare but concerning situations where patients are discharged home to await a package of care without social service teams being notified.
- 39 **Exhibit 5** sets out the extent to which unplanned short-term care home accommodation is used across the region. Since July 2023, the region has had some of the highest number of adults per 100,000 population placed in unplanned short term care home accommodation. This is particularly the case in the west of the region. The proportion of adults in unplanned placements longer than 6 months in Gwynedd is the highest in Wales, with the proportion of adults staying in temporary placements between 3 and 6 months on the Isle of Anglesey the second highest in Wales.

**Exhibit 5: number of adults per 100,000 head of population waiting in a care home with no planned end date, regardless of the reason they are waiting (+3 months)
July 2023 – February 2024**

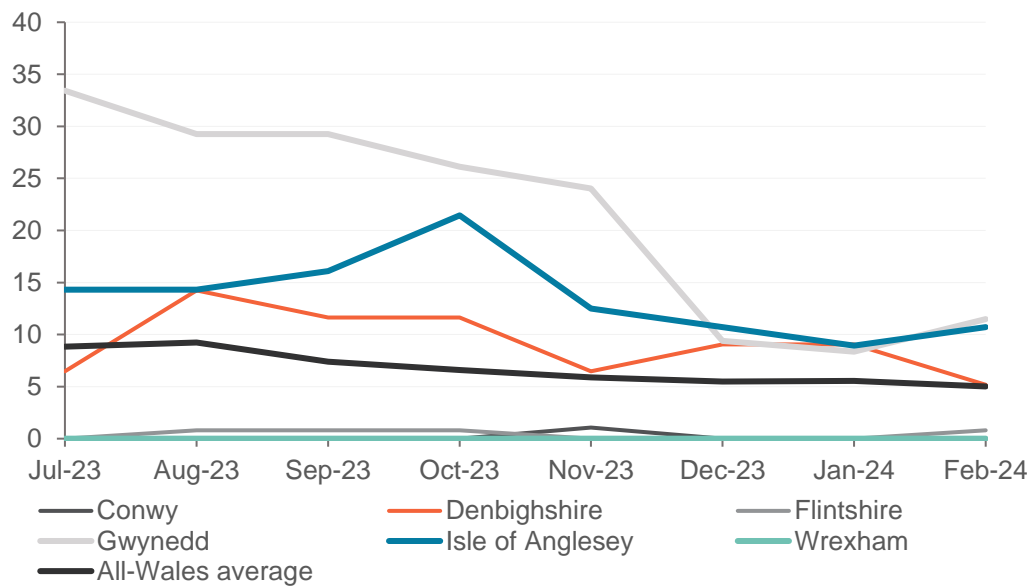


Exhibit source: Welsh Government

* Note – no data submitted for Wrexham for the period.

What is impacting effective and timely flow of patients out of hospital?

- 40 This section sets out the issues impacting on effective discharge planning and the timely flow of patients out of hospital across the region.
- 41 We found that **while complexity of demand is increasing, health and social care capacity has reduced leaving limited options for ongoing care and these challenges are exacerbated by a lack of information sharing and beginning discharge planning too late in a patient's journey.**

Volume and complexity of demand

- 42 We found that **there have been increases in the complexity of demand and the number of elderly patients with mental health problems.**
- 43 In North Wales people over the age of 65 accounted for 20% of the population in 2020, but that figure is expected to increase to 29% by 2040⁶. As people live for longer, there is a correlating increase in the numbers of people who live with multiple long-term conditions and complex health needs and who will therefore need to rely on health and care services for support.
- 44 Those we spoke to during this review spoke of significant increases they see in demand, particularly in terms of more complex, higher acuity demand. We were often told that patients come in with one problem, but routine tests can quickly uncover several other conditions that need to be treated and managed, which will typically require more complex discharge planning.
- 45 COVID-19 exacerbated this increase in complex demand. During the pandemic, demand for emergency departments declined rapidly as people followed national advice to protect core frontline services. In addition, families provided additional care and support to avoid their loved ones being admitted to hospital or long-term care out of fear of contracting COVID-19. We were told that as the pandemic eased, demand began presenting through the emergency departments which was much more complex than before as people's conditions had deteriorated at home.
- 46 Care homes have also seen increasing complexity amongst their patients. Elderly mental health was often raised as a significant pressure, with greater numbers of elderly patients presenting at hospital with mental health conditions which care homes find increasingly difficult or impossible to accommodate post discharge.

⁶ Population projection data sourced from the Older People's Commissioner for Wales <https://olderpeople.wales/wp-content/uploads/2023/01/221222-Understanding-Wales-ageing-population-24-November.pdf>

Workforce capacity

- 47 We found that **there are workforce capacity challenges, particularly within the Health Board and in Gwynedd and Wrexham adult social services, with waits for social care assessments in some councils amongst the highest in Wales.**
- 48 Increasingly staff involved in discharge planning are finding their capacity stretched due to factors such as high vacancy rates and unplanned absence rates. Reduced numbers of staff leads either to a reliance on agency staff or to fewer permanent staff attempting to manage increasingly complex patients and organise the ongoing care they need for discharge. High usage of agency staff has inevitable impacts on continuity within the workforce.
- 49 As of January 2024, the Health Board was reporting 9.0% vacancies as a percentage of its total establishment, with nursing and midwifery vacancies at 11.7%, and medical vacancies at 6.2%. Vacancy rates were highest in the centre of the region. The unplanned absence rate was at 6.7% for nursing and midwifery staff, but much lower at 2.2% for medical staff. Bank and agency use accounted for 8.9% of nursing and midwifery posts, with the greatest use of bank and agency also in the centre of the region.
- 50 In June 2023, the North Wales councils were reporting between 0%-45% vacancies in adult social services, with the highest rate of vacancies in Wrexham and the lowest in Flintshire⁷. In February 2024, the unplanned absence rate in adult social services ranged between 6%-10%, as shown in **Exhibit 6**.

Exhibit 6: percentage of unplanned absence in adult social services (February 2024)

Local authority	Unplanned absence
Conwy	7
Denbighshire	10
Flintshire	6
Gwynedd	10
Isle of Anglesey	8
Wrexham	8
All-Wales average	7.9

Exhibit source: Welsh Government

⁷ Flintshire 0%, Isle of Anglesey 5%, Conwy 6%, Denbighshire 6%, Gwynedd 9%, and Wrexham 45%. No data has been made available since June 2023.

- 51 Both Gwynedd and Wrexham have experienced higher rates of unplanned absence and vacancies compared with the all-Wales position, with Wrexham council carrying a significant level of vacancies for several months. The use of agency staff across the six authorities is generally low (ranging between 1%-3%), compared with the all-Wales position of 2%. The highest rate was reported in Conwy at 3%. For the previous six months, the agency rate in Gwynedd had been significantly higher, ranging between 11%-21% per month, reflecting the vacancy and unplanned absence rates that the council has been experiencing.
- 52 Workforce capacity constraints can adversely affect the discharge planning process. For example, pressure on ward nursing numbers means that time for proper discharge planning is constrained which may be exacerbated using agency staff who are less familiar with discharge processes, or social workers may not be able to complete assessments for a patient in a timely way. As highlighted in **Exhibit 3**, delays in joint assessments between health and social care staff and clinical assessments by hospital staff are some of the main reasons for delayed discharges across the region, accounting for 28% of all delays. Delays awaiting social care worker allocation and social care assessments account for a further 20.7% of all delays as of February 2024. **Exhibit 7** sets out the extent to which adult social services across the six local authorities can meet demand for assessment. The number of patients waiting for a social care assessment in hospital account for a small proportion of the total number of people waiting for assessment.

Exhibit 7: number of social care assessments completed and awaiting to be completed per 100,000 head of population per month (February 2024)

Local authority	Social care assessments completed	Adults waiting for a social care assessment	% of those waiting for a social care assessment that are in hospital
Conwy	252	48	4.3%
Denbighshire	263	178	0.7%
Flintshire	195	136	1.8%
Gwynedd	148	153	1.3%
Isle of Anglesey	298	226	3.1%
Wrexham	152	-	-
All-Wales average	250	125	8.7%

Exhibit source: Welsh Government

* Note - no data submitted by Wrexham for adults waiting.

- 53 Waiting lists for social care assessments are higher than the all-Wales average in Denbighshire, Flintshire, Gwynedd, and Isle of Anglesey, and some of the highest in Wales. The waiting list in Gwynedd is similar or higher than the number of assessments completed suggesting that it is struggling to keep on top of demand for social care assessments.
- 54 Conversely, although Wrexham has experienced a significant number of vacancies, the number of social care assessments completed during the summer of 2023 were some of the highest in Wales (at around 470 per month), dropping below the all-Wales average to be between 100 and 150 each month. To address staff shortfalls, Wrexham council has made use of micro enterprises to support its provision of social services, and complete social care assessments.

Care sector capacity

- 55 We found that **there is stretched capacity across the social care sector, particularly with respect to domiciliary care provision.**
- 56 Availability of home (domiciliary) care packages and long-term residential care home accommodation can be key causes of discharge delay across Wales. Within the region, during our interviews we repeatedly heard about the impact of shortages of domiciliary care staff across North Wales with delays starting new home care packages accounting for 10.5% of all delays in February 2024. Awaiting residential home availability accounted for a further 8.6% of all delays. **Exhibit 8** sets out the number of adults receiving care sector support and the extent to which there are waits for provision. **Appendix 4** sets out waiting list performance for social care assessments and care packages since November 2022.

Exhibit 8: number of adults receiving (and waiting for) care packages and placements per 100,000 head of population per month (February 2024)

Local authority	Domiciliary care ⁸ in receipt (waits)	Reablement ⁹ in receipt (waits)	Long-term care home accommodation ¹⁰ in receipt (waits)
Conwy	896 (39)	56 (4)	677 (5)
Denbighshire	534 (66)	17 (0)	625 (9)
Flintshire	615 (42)	34 (18)	494 (-)
Gwynedd	796 (123)	73 (-)	752 (27)
Isle of Anglesey	585 (42)	18 (7)	536 (19)

⁸ Includes domiciliary care both provided and commissioned by local authorities.

⁹ Includes reablement provided by local authorities.

¹⁰ Includes long-term care home accommodation commissioned by local authorities.

Local authority	Domiciliary care ⁸ in receipt (waits)	Reablement ⁹ in receipt (waits)	Long-term care home accommodation ¹⁰ in receipt (waits)
Wrexham	388 (21)	28 (21)	497 (-)
All-Wales average	665 (34)	46 (9)	536 (11)

Exhibit source: Welsh Government

- 57 The exhibit shows difficulties matching demand and capacity for domiciliary care and/or reablement services across most local authorities in North Wales, with the number of people waiting for care above the all-Wales position for some of these services. Conversely, the number of adults in receipt of domiciliary services in the Conwy and Denbighshire council and Cyngor Gwynedd areas, and reablement services in Conwy is higher than the all-Wales average, suggesting the availability of domiciliary care and reablement is greater in these areas than in other parts of Wales. The provision of long-term care home is also greater in the Conwy, Denbighshire, Gwynedd, and Isle of Anglesey council areas.
- 58 **Exhibit 9** indicates the extent to which there are domiciliary care hours unfilled, and the average number of hours provided per adult.

Exhibit 9: unfilled domiciliary hours and average hours of domiciliary care provided per adult, per 100,000 head of population (February 2024)

Local authority	Domiciliary care hours waiting to be filled	Average hours per adult in receipt of domiciliary care
Conwy	525	11.2
Denbighshire	875	9.5
Flintshire	481	12.7
Gwynedd	1001	10.9
Isle of Anglesey	356	12.7
Wrexham	165	15.3
All-Wales average	353	13.2

Exhibit source: Welsh Government

- 59 The data suggests a very mixed picture across the region with Wrexham reporting a low level of domiciliary care hours waiting to be filled, whilst the number of unfilled domiciliary care hours in Conwy, Denbighshire, Gwynedd, and Isle of Anglesey are amongst the highest in Wales. Interestingly the average number of domiciliary care hours provided per adult in some council areas is less than the all-

Wales average. Whilst this may reflect the care that people need, it could also be indicative of problems with the supply of domiciliary care with councils potentially trying to spread a limited resource thinly to ensure that as many people are being supported with domiciliary care but not necessarily at the level that they need.

Discharge process

- 60 We found that **there are weaknesses in the practice and documentation of discharge planning which are exacerbated by an overcautious approach and an absence of jointly agreed training and guidance.**
- 61 Good discharge planning is reliant on good communication and co-ordination across different professional groups, with consideration of discharge as soon as a patient is presented to services. Good discharge planning is also facilitated by having clearly documented processes which are shared with all staff involved to promote understanding and awareness of the different roles in the discharge process.
- 62 Our hospital patient case note review suggested that discharge planning is not considered early enough in the patient journey and is not well-documented. We found variable quality and completeness of discharge documentation between clinicians, wards, and sites. Referral information between specialties, as well as 'What Matters to Me'¹¹ forms were largely incomplete or absent in the notes we reviewed. Physiotherapy and occupational therapy notes were generally comprehensive and thorough, and we saw some notes had been completed by social workers.
- 63 However, further documentation that we expected to see, for example, Single Point of Access referrals or nursing assessments, were rare. None of the case notes we reviewed had a completed section within the Emergency Department form which gave an indication of a predicted date of discharge. Though we recognise it may not always be possible to provide this indication at such an early stage, it is good practice for discharge to be considered as soon as a patient encounters hospital services, and particularly at the point in which admission is deemed appropriate.
- 64 Largely, references to discharge planning within case notes occurred only once the patient was deemed medically fit for discharge, and often they simply referred to 'discharge planning' with lack of detail of what was required for ongoing care (if any) or what the patients and their families wishes were. While case notes showed some limited evidence of discussion with patients and families, insufficient use of 'What Matters to Me' conversations are hindering discharge planning as decisions for ongoing care are made without direct knowledge from the patient or their family of their capabilities, limitations, and usual home environment. Fewer than half the

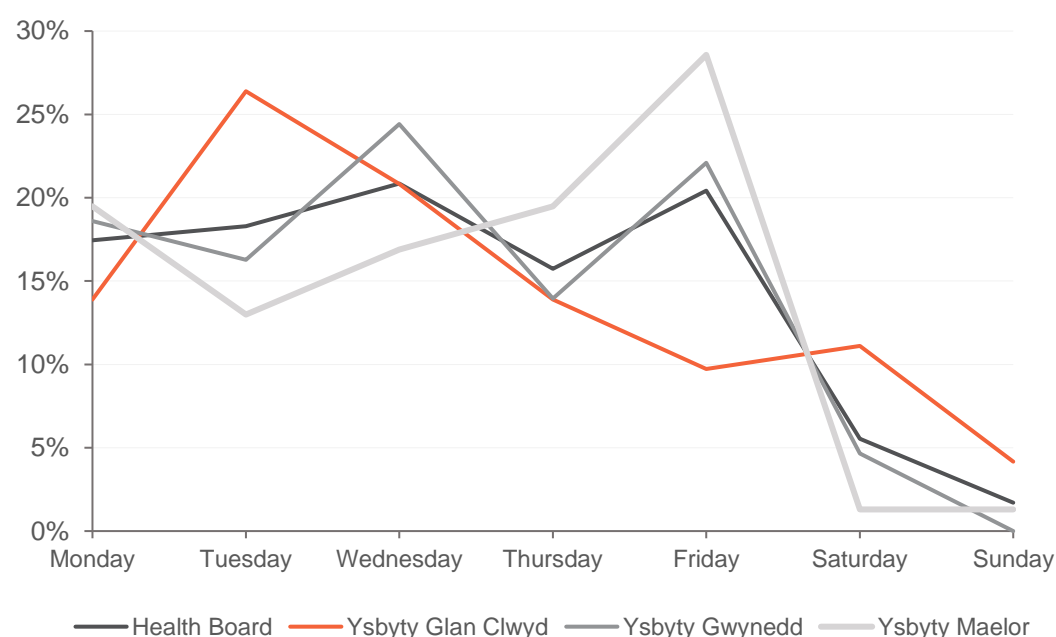
¹¹ What Matters to me refers to conversations' hospital staff are expected to undertake with patients. The conversations are structured around what the patient can do for themselves and what they will require ongoing support with.

case notes reviewed showed the family was kept informed of the patient's care plan.

- 65 Delays to discharges were not well described within case notes, often limited to references to 'awaiting packages of care' or 'awaiting best interest meetings'¹² without describing what was causing the delay and when next steps were anticipated to take place. The results of best interest meetings were not formally recorded in the case notes we reviewed. Once discharges were progressing, logistical arrangements were rarely described i.e., whether the patient required transport or whether their medications had been prepared. In some cases, it was unclear where the patient had been discharged to (i.e., lack of care transfer form or notes on form).
- 66 We also noted that discharging patients from hospital remains an activity which largely takes place on weekdays, with very few (and mostly simple) discharges occurring on weekends due to staff working patterns in both health and social care. A review of data relating to all patients discharged from the Health Board's acute sites in October 2022, indicated that only 7.2% of patients were discharged at the weekend (**Exhibit 10**). This is due to working patterns of staff within social services and within hospital settings, as well as the fact that most providers will not accept admissions over the weekend. During the week, discharges peak on a Friday across all the acute sites, with the greatest proportion of Friday discharges taking place at Ysbyty Maelor. Discharging on a Friday poses risks that necessary support services at home may not be available over the weekend period.

¹² A Best Interest Meeting is a multidisciplinary meeting that is arranged for a specific decision around a patient's care / treatment, when a person is deemed to lack the mental capacity to make that decision for themselves.

Exhibit 10: day of discharge of all patients discharged from acute hospital sites in October 2022, as a percentage of total discharges¹³



Source: Audit Wales

- 67 When we spoke to those involved in the discharge process from both a health and social care perspective, we found differences in perception about how the discharge process should work. Of primary concern were differences in opinion on when referrals should occur as part of discharge planning with concerns from social workers that they were either notified too early or too late to facilitate effective and timely flow out of hospital. These different perspectives are causing further delays in patient discharges as well as some tensions in the working relationships between health and social care workers.
- 68 Ward staff also spoke of a culture of risk aversion, whereby staff, particularly junior doctors, are reluctant to declare a patient medically fit and discharge them because they fear the patient may not cope as well at home. Whilst staff may be acting out of kindness, they may not be acting in a patient's best interest. Keeping patients in hospital for longer than they medically need has a negative impact on patient experience and outcome as well as broader patient flow within the hospital. While many we spoke to recognise the negative impact that delayed discharging has on the independence and wellbeing of patients, there is a continued reluctance to take

¹³ Excludes patients who died.

measured risks and to recognise the significant knock-on impact delayed discharges have on patient flow and the wider system.

- 69 Across North Wales, we found differences in arrangements between hospital sites and between local authorities in relation to discharging patients, including how referrals are made and to whom. High agency and bank staff usage in the Health Board adds to the challenge of maintaining a consistent and clear approach. Although training and guidance could address inconsistencies, during our fieldwork staff reported that they had not received discharge planning training. The Health Board recently introduced Criteria Led Discharge training, but awareness and completion rates vary across sites. A draft discharge standard operating procedure exists, specifying responsibilities and standards, but it appears unfinished, and many Health Board staff were unaware of its existence.
- 70 In 2018, the Welsh Government introduced the Discharge to Recover then Assess (D2RA) model, which is designed to support people to recover at home before being assessed for any ongoing need, thereby reducing length of stay in hospital. Implementation of the model was accelerated during the pandemic, and the Welsh Government has subsequently supported regions with additional monies to embed D2RA further.
- 71 National data submitted to Welsh Government in early 2023 indicates the Health Board has difficulty in discharging patients to an appropriate setting for their assessment, as is advocated by D2RA. Data for the Health Board showed it had high proportions of patients waiting to transfer to D2RA pathways. Many of these patients were waiting to be discharged to their own homes, which indicates delays due to factors such as awaiting social care assessments, packages of care or housing adaptations. Other patients are waiting to be discharged to step-down beds but are unable to leave hospital due to the lack of availability of such beds in the community.
- 72 The Health Board has been awaiting updated national guidance on D2RA before developing its own guidance which should support it to further embed the policy. However, given some of the disparities in understanding between health and social care about how the discharge process should work, jointly agreed guidance and training would help establish and clarify shared expectations to be used in practice by all staff involved in the discharge planning process. The national guidance was issued in December 2023.

Information sharing

- 73 We found that **difficulties in communicating and sharing information across organisational boundaries is adding to delays.**
- 74 Professionals within and across organisations will typically be required to share information about the patient to facilitate appropriate discharge arrangements and ongoing care, especially where the patient has more complex needs. During our fieldwork, we found that while arrangements for sharing information between staff

within hospitals are improving, sharing of information between organisations appears to be a significant barrier.

- 75 For patients who are likely to require ongoing social care support, the sharing of information from the hospitals to social services is not starting early enough following admission. In most cases, social workers will not become aware of a patient until the point the patient is considered medically well enough to leave hospital. Given the social care capacity constraints described in **Exhibit 6**, and the delays in social care assessments (**Exhibit 7**), it is important that referrals are made as early as possible in the patients' admission to enable effective planning and assessment. Once a referral has been made, ward and social services staff reported difficulty in contacting one another to discuss the patient's case, which can also cause delays. The Health Board has implemented a Home First Hub to help co-ordinate referrals, but this is not yet fully embedded and consistently used.
- 76 Systems holding patient information have not been connected or viewable to all staff involved in the care of individual patients as various IT systems have not been accessible across organisations. While four of the local authorities have implemented the Welsh Community Care Information System¹⁴, Denbighshire and Flintshire council have not and although the Health Board has committed to using the system and undertaken a small pilot in the community nursing and therapy teams, it has not yet implemented the system across the Health Board. While we saw the positive impact of the STREAM¹⁵ system in place within some hospital wards, this useful patient information was not able to be shared more broadly across the organisation or with key partners, such as social services. Since the time of our review, we have heard that the Home First teams have begun to have direct access to local authority client systems to enable better information sharing.
- 77 Services run by the voluntary sector along with community-based services are fundamental to supporting discharge for many patients. It is therefore best practice to involve these services in the discharge planning process. Understanding of the landscape of services outside of hospital however was patchy, meaning opportunities to discharge earlier with support from services beyond social care were missed. We found that access to information on community and voluntary services was often variable and there was an absence of training to provide information to relevant staff.

What action is being taken?

¹⁴ The Welsh Community Care Information System (WCCIS) is a single system and a shared electronic record for use across a wide range of adult and children's services. The idea being that all 22 local authorities and seven health boards should implement it, with the initial intended implementation date of the end of 2018.

¹⁵ STREAM is a clinical discharge planning tool that supports patient flow in an acute setting.

- 78 This section considers the actions being taken by the statutory organisations, including through the RPB to improve the flow of patients out of hospital.

Strategic and operational plans

- 79 We found that **improving patient flow is a key feature of plans across the partners which align to the Welsh Government's six goals for urgent and emergency care.**
- 80 We reviewed relevant health board and local authority plans in relation to discharge planning and unscheduled and social care more generally. We found that plans in the region reflect a good understanding of the challenges affecting the flow of patients out of hospital. Plans also reflect the commitment of partners to resolve some of the key challenges related to flow such as workforce gaps and limited care home availability. Plans are informed by data and demand projections, particularly from the North Wales Population Needs Assessment, developed by the RPB. Importantly, plans reflect key Welsh Government planning requirements, such as the six goals for urgent and emergency care, as well as the Welsh Government 1,000 bed challenge¹⁶.
- 81 Introduced in 2021, the six goals for urgent and emergency care programme contains two goals that are linked to improving discharge: 'goal five - optimal hospital care and discharge practice from the point of admission', and 'goal six: home first approach and reduce risk of readmission'. The Health Board's existing urgent and emergency care programme was reframed in 2022 to align to the six goals programme. The Health Board's plan contains a variety of schemes aligned to the six goals. For example, a commitment to maximising use of the discharge lounge, including developing a seven-day discharge lounge. The Health Board is also prioritising implementation of the STREAM system across each ward to consistently capture actions in patient care to facilitate discharge, as well as implementing the Optimal Flow Framework, including embedding SAFER¹⁷ patient flow principles across the Health Board.
- 82 The North Wales regional plan 2023-28 sets out high level principles, outcomes, and priorities for regional working across health and social care in North Wales, based on the Population Needs Assessment. While the plan does not discuss issues in relation to flow out of hospital directly, among its key priorities are working together to support people at home, as well as addressing the impact of wider social care workforce recruitment and retention on unpaid carers. It identifies that partners are committed to address these challenges through the RPB structure.

¹⁶ In July 2022 the Health and Social Care Minister set a challenge for Health Boards and Local Authorities to establish an additional 1,000 bed spaces or their equivalents to support timely discharge <https://www.gov.wales/written-statement-six-goals-urgent-and-emergency-care-programme-update>

¹⁷ Further information on the SAFER model can be found via <https://www.adss.cymru/en/blog/view/patient-flow/fileAttachment>

- 83 In our fieldwork, we examined the Health Board's winter plan for 2022-23, aligning with its urgent and emergency care and urgent and emergency care programme. However, some plan components aimed at enhancing routine practices rather than addressing surge demand. Examples include internal professional standards and a standard operating procedure for medically fit patients. The plan was approved by partners through the RPB in December 2022, potentially limiting its impact on managing demand for the winter. Local authorities' winter plans mirrored the Health Board's activities, emphasising capacity increase and providing alternatives for patients ready to leave the hospital. All plans acknowledged the need to boost staff capacity to handle demand.
- 84 Challenges in terms of recruitment and retention were recognised by partners as having a direct impact on service provision, particularly in relation to availability of domiciliary care and care home placements. The North Wales Social Care and Community Health Workforce Strategy 2018-21 aimed to develop a joined-up approach to the workforce challenges and opportunities. At the time of our fieldwork, the RPB's Workforce Board was working to refresh the strategy. Workforce challenges were referenced in most plans, strategies and reports we reviewed and was the focus of much activity including projects funded by the Regional Integration Fund (RIF) (such as Step into Work¹⁸) and activity commissioned by several groups and boards across the region.

Partnership working

- 85 We found that **partners are working together, both strategically and operationally, to improve patient flow, however pressures on the system create an unhelpful blame culture between the different parties involved in discharge planning.**
- 86 The structure and governance of the North Wales RPB is complicated due to the high number of groups locally and sub-regionally. However, feedback from members suggests that it has been successful in facilitating joint working on specific workstreams and partnership working more generally. More recently changes to membership following turnover of senior leadership, particularly within the Health Board, has presented a challenge in clarifying accountabilities and building relationships.
- 87 Minutes from the RPB, and the Leadership Group which reports to the RPB, reflect regular discussions around urgent and emergency care pressures and discharge planning, including regular updates surrounding the 1,000-bed challenge during late 2022. The Welsh Government requirement was for North Wales to supply 243

¹⁸ Step into Work is a collaborative project between Health and Social Care to provide training and placements for individuals that are interested in pursuing a career in care with the aim that they can secure employment and become part of the care workforce. <https://www.northwalescollaborative.wales/step-into-work/>

of the 1,000-beds by October 2022. In November 2022, the region reported that it had identified 203 beds. These beds remain in place for 2023-24.

- 88 We found evidence that partners are investing their time heavily in facilitating timely flow, particularly within hospitals. Our observations of the discharge process at the Health Board's acute hospitals showed significant attention and resource being deployed to manage flow across the site. We observed a multitude of operational meetings including site manager meetings and ward rounds which take place several times a day and include a wide range of professionals. There are also various meetings between the Health Board and local authorities either daily or several times a week to escalate and manage delayed discharges in each of the areas.
- 89 Operationally, relationships between health and social care staff appeared to vary. Due to the high volume of complex discharges which require input from various professionals, health and social care staff are in very regular contact, and many told us they had positive working relationships. However, it was clear from our fieldwork that as problems with discharge delays have become more acute, there is increased tension in working relationships. Staff spoke of the pressure they face to get patients out of hospital, and how that can lead to a blame culture between health and social care wherein another professional or their organisation is seen as the cause of the delay. This blame culture, in turn creates a defensiveness which can have a negative impact on how staff interact with each other during the discharge process.

Use of funding

- 90 We found that **financial resources are being applied to improve discharge planning, however, there are some challenges with RIF funded schemes and an overall need to report more clearly on whether the funded initiatives have had the desired impact.**
- 91 The region makes use of the Health and Social Care Regional Integration Fund (RIF) to support schemes aimed to improve discharge planning. The RIF is a Welsh Government 5-year fund to deliver a programme of change from April 2022 to March 2027. The aim of the fund is to establish and mainstream at least six new national models of integrated care to provide a seamless and effective service for the people of Wales. Two contain a clear link to improving flow out of hospital for patients, namely: Home from Hospital Services; and Accommodation Based Solutions. There is a clear expectation within the RIF guidance that partners 'match fund' projects up to 50% by the end of year 5, with Welsh Government funding for each project tapering each year to allow for successful projects to become business as usual.
- 92 For 2022-23, the region received £32.5 million of RIF funding in total, some of which was ringfenced at a national level to support specific services including dementia. The RPB approved its regional 2022-23 RIF programme with allocations to each of the six models of care. The 2022-23 programme included 40 regional

schemes aligned to the six models of care. Five schemes related to Home from Hospital Services which received over £5.6 million in investment (including £261,650 match funded money) and four schemes related to Accommodation Based Solutions with over £1 million in investment (including £40,739 match-funded money). A small number of projects also continued previous Right-sizing Communities¹⁹ work aimed at rebalancing care provision to meet demand. According to the RIF end of year report for 2022-23, partners contributed £13 million in total to schemes by way of match funding.

- 93 Although approved by the RPB, we found some limitations to the schemes that used RIF funding in 2022-23. For example, some schemes could be considered core services rather than new innovative projects, such as step-up beds, community resource teams and single point of access teams. We also found examples of schemes funded in 2022-23 which had previously been funded by the predecessor Integrated Care Fund in 2017-18. The continuous roll forward of schemes limits the potential to introduce new, innovative schemes to better manage demand. Those we spoke to explained that the requirement to match fund projects can create a reluctance to commit to new projects that will require match-funding in future years. In the context of the ongoing financial difficulties facing the partners in the region, they are finding it increasingly difficult to commit to future spending via new RIF projects.
- 94 The region submits financial information on how it is managing the RIF to Welsh Government each quarter and reports the latest position to its RPB meetings. At quarter three of 2022-23, the region was reporting slippage of £4.4 million. During our fieldwork we heard that it often takes longer to establish a project once it has been approved, including time to recruit, which can cause delays. We also heard that partners do not have an agreed process for utilising slippage, which is not covered by the national guidance. Some seek slippage to support community capacity in general, while others wish for slippage to be reallocated to existing successful projects for them to be expanded. Lack of an agreed process can be a cause of tension within the region and the risk that monies are not being used for their intended purposes.
- 95 The RIF Annual Report presents performance data for schemes, including the positive impact from two Home from Hospital schemes on 215 individuals²⁰. Although the region has collected over 70 case studies highlighting the positive impact of funded schemes on individuals, these are not included in public reports submitted to the RPB or partner bodies. Incorporating these case studies would enhance transparency. Additionally, collaborative efforts between the Health Board

¹⁹ Right-sizing communities refers to work to ensure that services are in line with true demand. It aims to ensure people are assessed in the most appropriate settings, that assessments are timely and are outcome focussed to maximise individual outcomes and patient flow.

²⁰ One scheme positively supported 146 individuals, and one scheme positively supported 69 individuals.

and local authorities outside the RPB structure focus on joint solutions for capacity, such as NHS-funded care homes and an integrated workforce. However, progress and impact of these initiatives are minimally reported within partner bodies.

Scrutiny and assurance

- 96 We found that **while there is regular monitoring within individual organisations, partners lack arrangements to oversee patient flow across the whole health and care system, embed learning and papers lack focus on the impact of activity.**
- 97 We reviewed the level of information that partners' committees, Board and Cabinet receive in relation to flow out of hospital and found a mixed picture. The Health Board monitors several indicators relating to urgent and emergency care and patient flow via the Board and, more specifically, the Performance, Finance, and Information Governance Committee, including:
- % of emergency ambulance responses to calls categorised as 'red' arriving within (up to and including) eight minutes;
 - median time from a patient's arrival at an emergency department to triage by a clinician;
 - % of patients who spend less than four hours in emergency units from arrival until admission, transfer, or discharge;
 - number of patients who spent 12 hours or more in emergency units from arrival to admission, transfer, or discharge; and
 - number of ambulance handovers over one hour.
- 98 Commentary within performance reports to the Committee provides additional information, such as numbers of medically fit patients remaining in a hospital bed. However, reports rarely discuss the differences between hospital sites. Reports do describe the actions that are in place across pathways to try and improve patient flow. The Committee also receives updates on Urgent and Emergency Care which include actions under the six goals programme. The Health Board's Partnerships, People and Population Health Committee routinely received updates relating to the work of the Regional Partnership Board during 2022. However, following the resignation of all the Health Board's previous Independent Members in February 2023, the committee was suspended, meaning that regular reporting of RPB activities to the Health Board was not received from March 2023. A new Planning, Population Health and Partnerships Committee has since been established and met for the first time in January.
- 99 Papers received by committees and Cabinets within the six local authorities contain many references to challenges related to social care aspects of patient flow. Performance reports contain indicators including the numbers of adults either accessing services or waiting to access services. More generally, papers often reference challenges in relation to lack of domiciliary care and care home provision. We found some instances of discussion within local authority papers of

the broader impact that lack of provision within social care and care homes has on patient flow. For example, Wrexham County Council's July and September 2023 meetings included updates on the challenges faced by Ysbyty Maelor Emergency Department and the activity underway to mitigate those challenges, including joint work between the Council and the Health Board.

- 100 Generally, however, partners' focus is on metrics and activity within their remit, rather than on the broader whole system picture. In addition, while we found evidence within some local authorities that they operationally monitor expenditure in relation to the RIF, we found little evidence of reporting of RIF schemes and their impact within the Board, Cabinet or committees of local authorities or the Health Board.
- 101 The RPB receives regular updates on RIF progress and periodic papers on key priority areas but does not receive regular operational performance reports. Consideration of performance reports would be valuable in understanding the impact of RIF activities on addressing long-standing performance challenges.
- 102 While partners generally have mechanisms to record key risks relating to delayed discharges, these again were very separate. Risks in relation to poor patient flow are documented within the Health Board with four tier one risks noted on the Corporate Risk Register, which includes a risk relating to the fragility of the independent sector, where activity taken with partners through the RPB is listed. There are also two strategic risks on the Health Board's Board Assurance Framework relating to the impact of poor flow on quality of care, safety, and patient experience. Challenges relating to aspects such as the fragility of the care home market and difficulty recruiting domiciliary care are documented on most local authority corporate risk registers. There is currently no mechanism for partners to agree and monitor shared risks in relation to delayed discharges. This is a weakness as it drives partners to focus on mitigating their own risks without consideration of how mitigation could impact on partners.
- 103 In line with the six goals for urgent and emergency care programme, the Health Board has established the Urgent and Emergency Care Board, chaired by the Executive Director of Operations²¹. This Board oversees the planning and delivery of the six goals programme, aiming to ensure collaborative planning and ownership among system-wide stakeholders. It replaces the previous six goals programme group which was in place prior to our fieldwork. Despite several requests to the Health Board, we were unable to observe the Board nor receive any relating documentation and as such, we were not able to review its effectiveness.
- 104 Various mechanisms exist within and between partners for monitoring and escalating issues related to discharge planning, but their effectiveness varies. Social services, in particular, use 'Adverse Discharge' forms to highlight poorly managed discharges. However, at Ysbyty Glan Clwyd, there was a lack of response to these forms, raising concerns about the accountability for discharge

²¹ Previously the Executive Director of Clinical Services

planning at a corporate level for this hospital. The Health Board did not respond to our requests to clarify the arrangements for processing these complaints or the accountability for discharge planning at a corporate level for this hospital.

- 105 The region took part in several Multi Agency Discharge Events (MADE) in 2022, which aimed to improve patient flow by providing protected time for partners to jointly recognise and agree to address challenges collaboratively. Those we spoke to as part of our fieldwork indicated that MADE discussions provide valuable opportunities for partners to work together and focus their resources on ensuring effective discharges take place. However, we found that areas for improvement that are identified through these events are not consistently actioned, with service pressures seemingly causing partners to continue with existing behaviours and practices. This was demonstrated through reports from the November 2022 MADE which reiterated several key issues that had been raised in September 2022 but not actioned, such as needing to use a multi-agency discharge approach and to continually monitor performance.

What more can be done?

- 106 Whilst there is a clear recognition by regional partners of the problems associated with discharge, a desire to sort them out, the right focus within strategies and plans, and the use of funding targeted schemes, none of these have driven any significant or sustainable improvement in the overall position. Our work has found that there are several further actions that could be taken which would help improve timely and effective flow out of hospital across the region and reduce some of the challenges currently being experienced by the health and social care system. These actions are explored in the following exhibit and align with the recommendations that are set out earlier in the report.

Exhibit 11: further actions for partners to help tackle the challenges for patient flow out of hospital

Improving training and guidance

Having access to **jointly agreed guidance** which clearly sets out roles and responsibilities, and expectations around when and how staff should share information, including referrals, is vital to ensuring consistency between wards, hospitals, professions, and organisations.

Offering a **comprehensive training programme** for everyone involved in patient flow, including bank and agency staff as well as new starters, also ensures guidance is embedded.

Improving compliance with policies and guidance

Having a **regular cycle of audit** to assess the effectiveness and consistency of the application of discharge policies and guidance, including the application of D2RA.

Minimising multiple referrals and ensuring only those people who need the service are on waiting lists for reablement, home care packages and residential care, minimises inefficiencies resulting from inappropriate referrals and provides better outcomes for patients.

Ensuring patient safety while awaiting care packages

Having **clear communication processes** in place to notify social services staff when patients are discharged to minimise the risks that patients are discharged without services in the community being notified.

Maintaining **regular communication with patients** awaiting packages of care once discharged home ensures that patients are safe whilst waiting and provides better outcomes.

Improving the quality and sharing of information

Having an improved **understanding of the range of community services** that could support effective and timely discharge and how these can be accessed, enables staff to make more informed decisions when planning for discharge.

Having **clear and comprehensive information** within patient case-notes which sets out the actions being taken to support discharge, enables a clearer understanding of what is happening with a patient and supports effective discharge planning by all professionals involved in the care of patients whilst in hospital.

Having **joined-up systems** that are accessible by all staff (regardless of organisation) involved in the care of individual patients enables effective and efficient methods of communication between organisations and supports effective flow out of hospital.

Addressing key gaps in capacity

Looking at joint solutions across sectors to **address key gaps** such as domiciliary care and reablement services would enable timelier discharge of patients' home.

Maximising the use of the Regional Integration Fund

The additional regional money provides opportunities to develop **innovative and transformational schemes** that can support effective and timely discharge. These opportunities are lost when the fund is used to support core services which should be mainstreamed.

Having clear processes in place to **manage slippage RIF money** enables streamlined decision-making which is supported by all partners.

Regularly considering **operational performance and capturing risks** at a regional level, enables more effective decision making across partners when considering how best to use the regional funding.

Improving oversight and impact

Ensuring that all initiatives being undertaken to support timely and effective flow out of hospital (both within and outside the Regional Partnership Board) and their associated impacts are **collated and reported openly**, minimises the risk of duplication and provides transparency.

Embedding learning from actions taken to address delayed discharges

Building in time after learning events such as the MADE to embed learning into day-to-day practice minimises the risk of repeatedly facing the same challenges and improves patient experience and outcomes.

Adverse incidents or concerns provide an opportunity to learn from when things go wrong with respect to discharge planning. Having clear processes to ensure consistent reporting of adverse incidents and concerns, along with timely responses enables lessons to be learnt.

Appendix 1

Audit methods

Exhibit 12 sets out the methods we used to deliver this work. Our evidence is limited to the information drawn from these methods.

Exhibit 12: audit methods

Element of audit methods	Description
Documents	<p>We reviewed a range of documents, including:</p> <ul style="list-style-type: none">• Board, Cabinet, and committee papers• Updates on the six goals programme and urgent and emergency care to committees• Operational and strategic plans relating to urgent and emergency care• RPB papers, including case studies• Standard Operating Procedure for discharge planning• Corporate risk registers• MADE reports
Interviews	<p>We interviewed the following:</p> <ul style="list-style-type: none">• Hospital Directors, East and Central• Interim Director of Regional Delivery• Programme Director for Urgent and emergency care• Clinical Lead for Urgent and emergency care• Deputy Executive Medical Director• Business Planning and Improvement Manager• Health Board lead for Ysbyty Glan Clwyd improvement work.• Health Board lead on care homes• Operational Leads for Emergency Department, Ysbyty Gwynedd, Ysbyty Glan Clwyd and Ysbyty Maelor• Directors of Social Services for Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, and Wrexham• Heads of Social Services for Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, and Wrexham• Lead for Regional Partnership Board• Chief Officer North Wales Community Health Council

Element of audit methods	Description
Observations	<p>We observed the following meeting(s):</p> <ul style="list-style-type: none"> • North Wales Regional Partnership Board • North Wales Leadership Group • Health Board Performance, Finance, and Information Governance Committee <p>We also observed the following individual(s):</p> <ul style="list-style-type: none"> • Head of Nursing and Site Manager, Ysbyty Gwynedd • Progress Chaser and Home Hub Officer, Ysbyty Maelor • Site Manager and Home First Officer, Ysbyty Glan Clwyd
Data analysis	<p>We analysed the following national data:</p> <ul style="list-style-type: none"> • Monthly social services dataset submitted to the Welsh Government • Monthly delayed discharges dataset submitted to the NHS Executive • StatsWales data • Ambulance service indicators <p>We also analysed data provided by the Health Board relating to all emergency medicine patients discharged in October 2022 with a length of stay greater than 21 days (excluding those who died)</p>
Focus groups	<p>We undertook focus groups with social workers from each of the local authority areas, except for Isle of Anglesey.</p>
Case note review	<p>We reviewed a sample of 32 case notes relating to emergency medicine patients discharged in October 2022 with a length of stay greater than 21 days (excluding those who died).</p>

Appendix 2

Reasons for delayed discharges

The following exhibit sets out the reasons for delayed discharges in the Health Board compared to the all-Wales position.

Exhibit 13: reasons for delayed discharges as a percentage of all delays (February 2024)

Reason for delay	Percentage delayed	All-Wales average
Awaiting joint assessment	15.7	9.0
Awaiting social worker allocation	15.1	8.5
Awaiting completion of clinical assessment (nursing /allied health professionals / medical / pharmacy)	13.3	10.3
Awaiting start of new home care package	10.5	8.0
Awaiting completion of assessment by social care	5.6	15.7
Awaiting nursing home availability	4.6	2.6
Awaiting residential care home manager to visit and assess (Standard 3 residential)	4.6	2.5
Awaiting Elderly Mental Illness (EMI) residential availability	4.3	2.3
Awaiting residential home availability	4.3	2.8
Awaiting reablement care package	3.1	3.0
Awaiting health completion of assessment/provision for equipment	2.8	1.4
Awaiting EMI nursing availability	1.9	2.0
Awaiting funding decision (funded nursing care (FNC) / continuing health care (CHC))	1.5	1.5
Awaiting completion of arrangements prior to placement	0.9	3.5
Awaiting funding decision	0.9	0.8
Awaiting nursing care home manager to visit and assess (Standard 3 residential)	0.9	2.1
Awaiting specialist bed availability	0.9	1.1
No suitable abode	0.9	2.3
Patient / family refusing to move to next stage of care/ discharge	0.9	1.6

Source: Welsh Government

Note: where the reasons for delay relate to two or less patients, these have been excluded to minimise any risk of identifying individual patients.

Top five reasons for delayed discharges by local authority

The following exhibits set out the top five reasons for delayed discharges for each of the local authorities compared to the Health Board wide and all-Wales position.

Exhibit 14: top five reasons for delayed discharges as a percentage of all delays (February 2024) – Conwy

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	25.5	13.3	10.3
Awaiting health completion of assessment/ provision for equipment	12.8	2.8	1.4
Awaiting residential care home manager to visit and assess (Standard 3 residential)	12.8	4.6	2.5
Awaiting joint assessment	8.5	15.7	9.0
Awaiting start of a new home care package	6.4	10.5	8.0

Source: Welsh Government

Exhibit 15: top five²² reasons for delayed discharges as a percentage of all delays (February 2024) – Denbighshire

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting joint assessment	18.8	15.7	9.0
Awaiting residential care home manager to visit and assess (Standard 3 residential)	15.6	4.6	2.5
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	12.5	13.3	10.3

Source: Welsh Government

²² All other reasons related to two or less patients

**Exhibit 16: top five reasons for delayed discharges as a percentage of all delays
(February 2024) – Flintshire**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting social worker allocation	20.4	15.1	8.5
Awaiting joint assessment	18.5	15.7	9.0
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	16.7	13.3	10.3
Awaiting start of new home care package	11.1	10.5	8.0
Awaiting completion of assessment by social care	5.5	5.6	15.7

Source: Welsh Government

**Exhibit 17: top five reasons for delayed discharges as a percentage of all delays
(February 2024) – Gwynedd**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting joint assessment	15.7	15.7	9.0
Awaiting start of new home care package	15.7	10.5	8.0
Awaiting nursing home availability	13.7	4.6	2.6
Awaiting social worker allocation	9.8	15.1	8.5
Awaiting EMI residential availability	7.8	4.3	2.3

Source: Welsh Government

**Exhibit 18: top five reasons for delayed discharges as a percentage of all delays
(February 2024) – Isle of Anglesey**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting joint assessment	22.7	15.7	9.0
Awaiting social worker allocation	18.2	15.1	8.5
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	11.4	13.3	10.3
Awaiting completion of assessment by social care	9.1	5.6	15.7
Awaiting start of new home care package	9.1	10.5	8.0

Source: Welsh Government

**Exhibit 19: top five reasons for delayed discharges as a percentage of all delays
(February 2024) – Wrexham**

Reason for delay	Percentage delayed	Health Board average	All-Wales average
Awaiting social worker allocation	21.6	15.1	8.5
Awaiting joint assessment	13.4	15.7	9.0
Awaiting completion of clinical assessment (nursing / allied health professional / medical / pharmacy)	11.3	13.3	10.3
Awaiting start of new home care package	11.3	10.5	8.0
Awaiting completion of assessment by social care	6.2	5.6	15.7

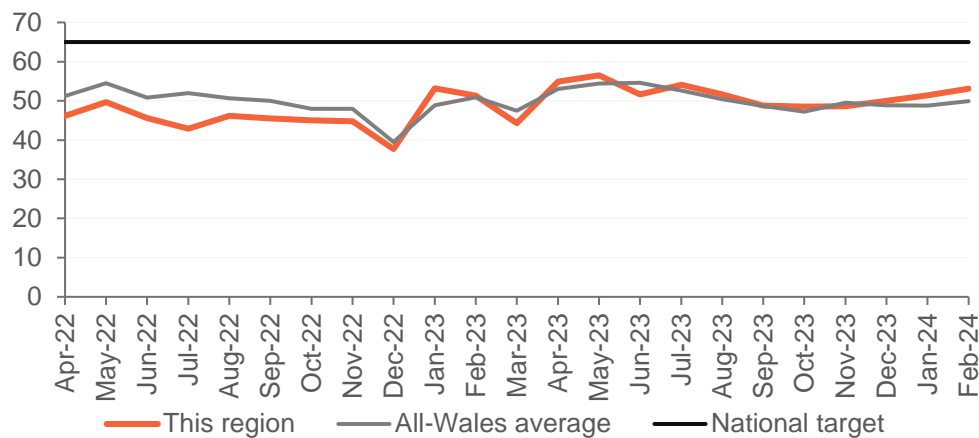
Source: Welsh Government

Appendix 3

Urgent and emergency care performance

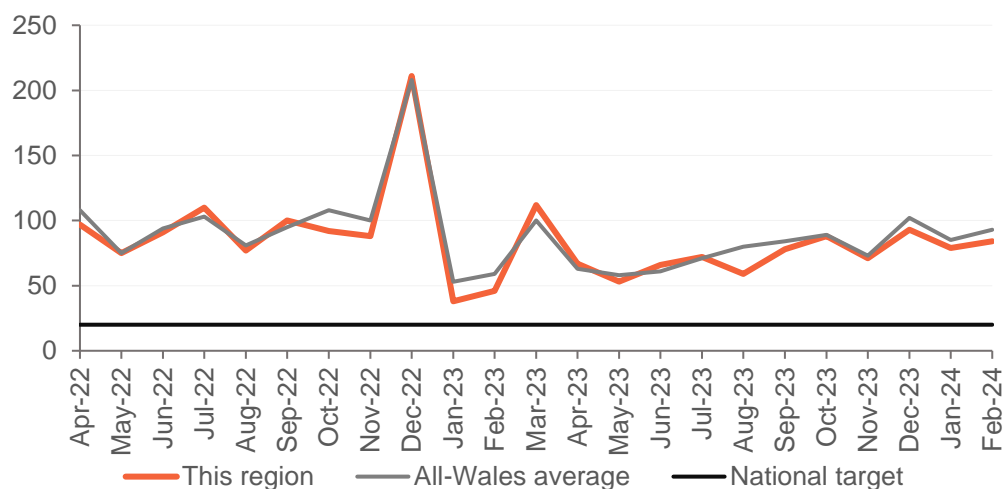
The following exhibits set out the region’s performance across a range of urgent and emergency care performance indicators in comparison to the position across Wales since April 2022.

Exhibit 20: percentage of emergency responses to red calls arriving within (up to and including) 8 minutes – national target of 65%



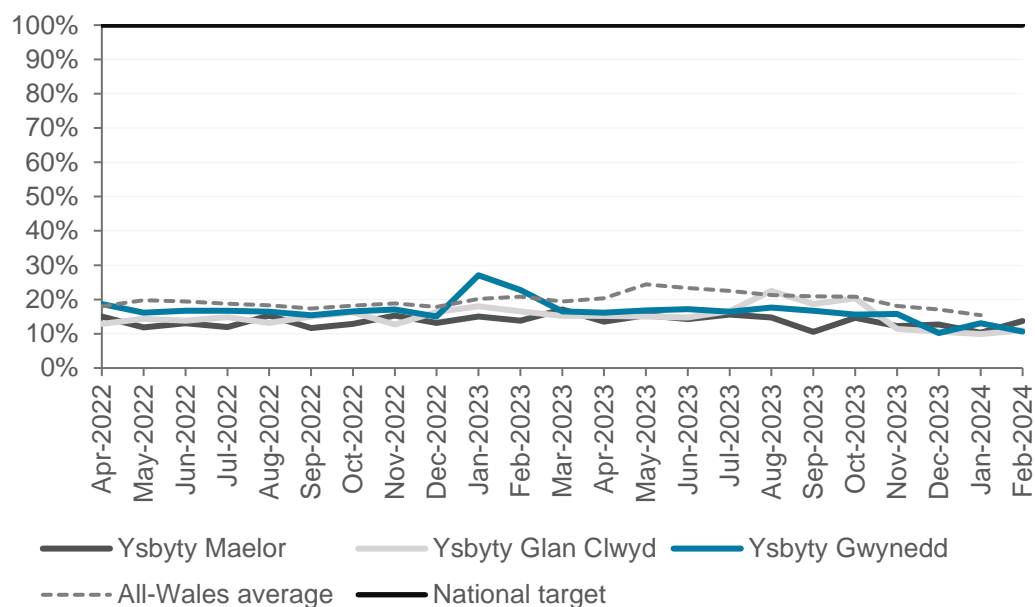
Source: Ambulance Services Indicators

Exhibit 21: median response time for amber calls (minutes) – 50th percentile – national target of 20 minutes



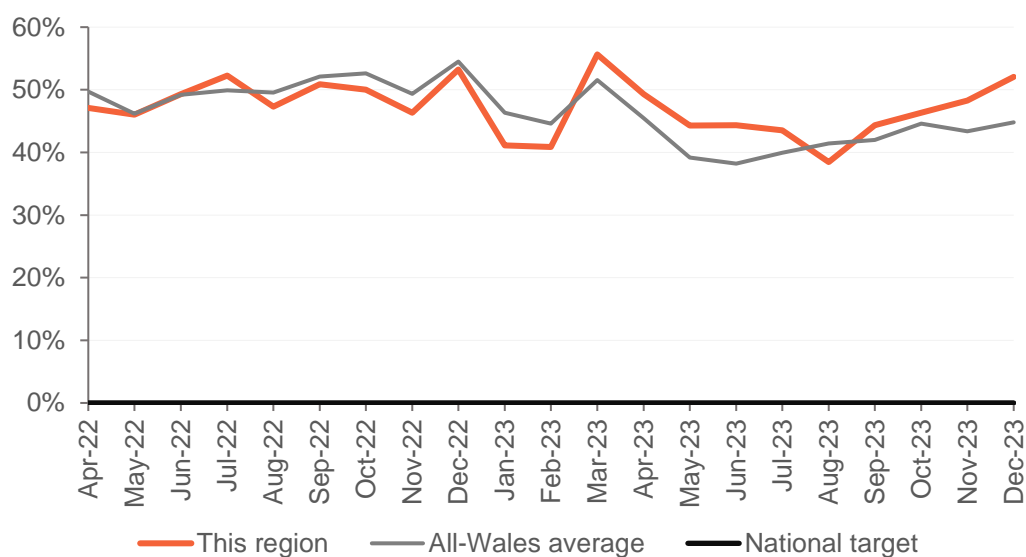
Source: Ambulance Services Indicators

Exhibit 22: percentage of ambulance handovers within 15 minutes at a major emergency department – national target of 100%



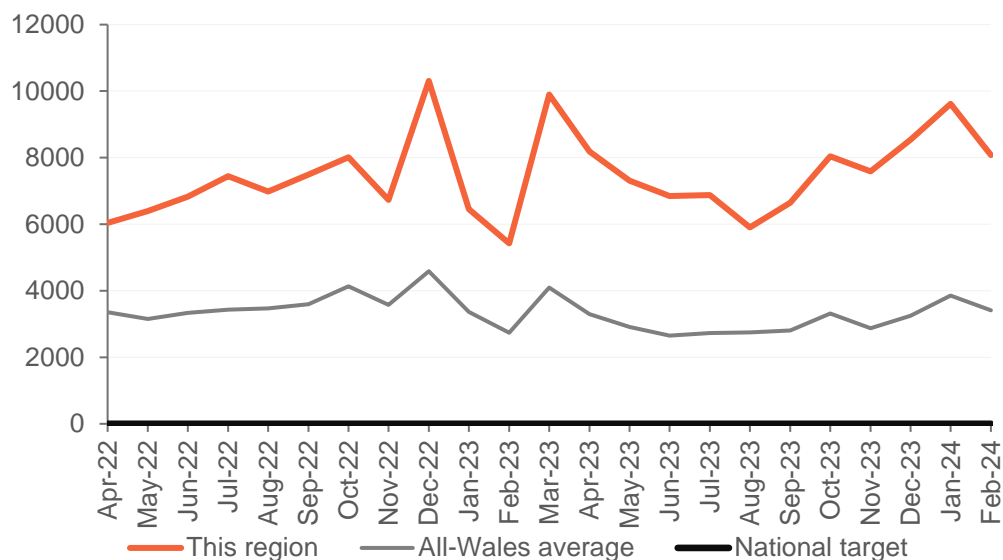
Source: Welsh Ambulance Services NHS Trust

Exhibit 23: percentage of ambulance handovers over 1 hour – national target of zero



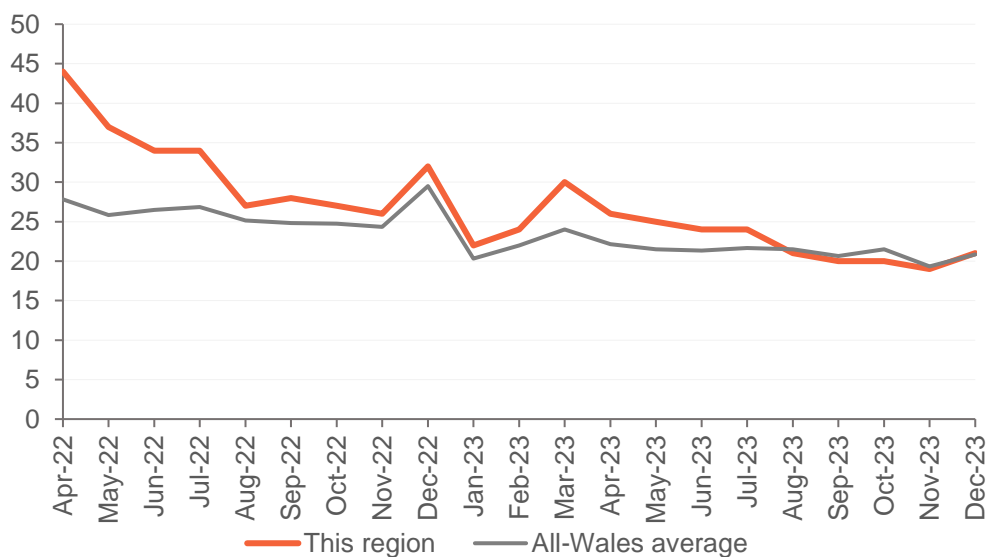
Source: Ambulance Services Indicators

Exhibit 24: total number of hours lost following notification to handover over 15 minutes



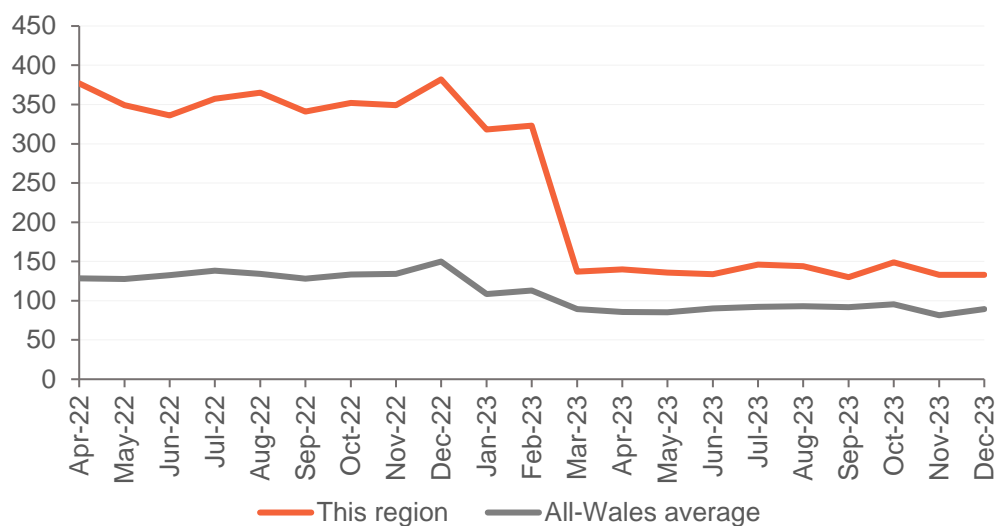
Source: Ambulance Services Indicators

Exhibit 25: median time (minutes) from arrival at an emergency department to triage by a clinician) – national target of 12-month reduction



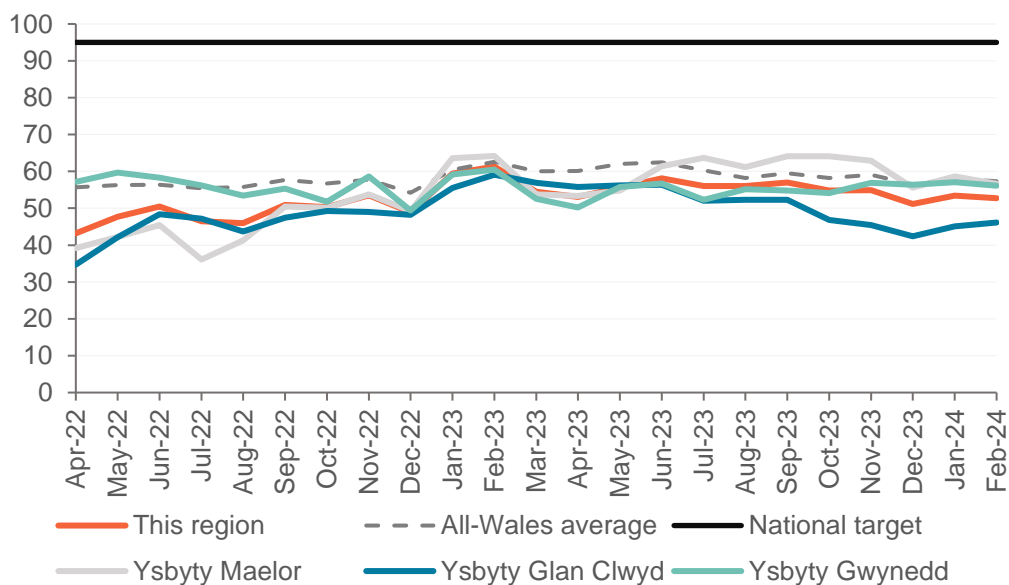
Source: StatsWales

Exhibit 26: Median time (minutes) from arrival at an emergency department to assessment by senior clinical decision maker – national target of 12-month reduction



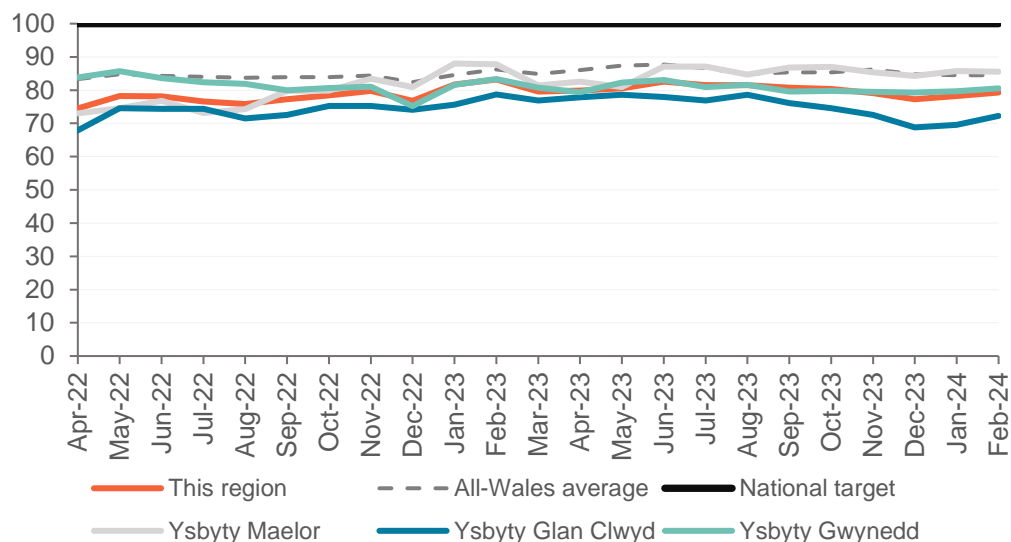
Source: StatsWales

Exhibit 27: Percentage of patients spending less than four hours in a major emergency department – national target of 95%



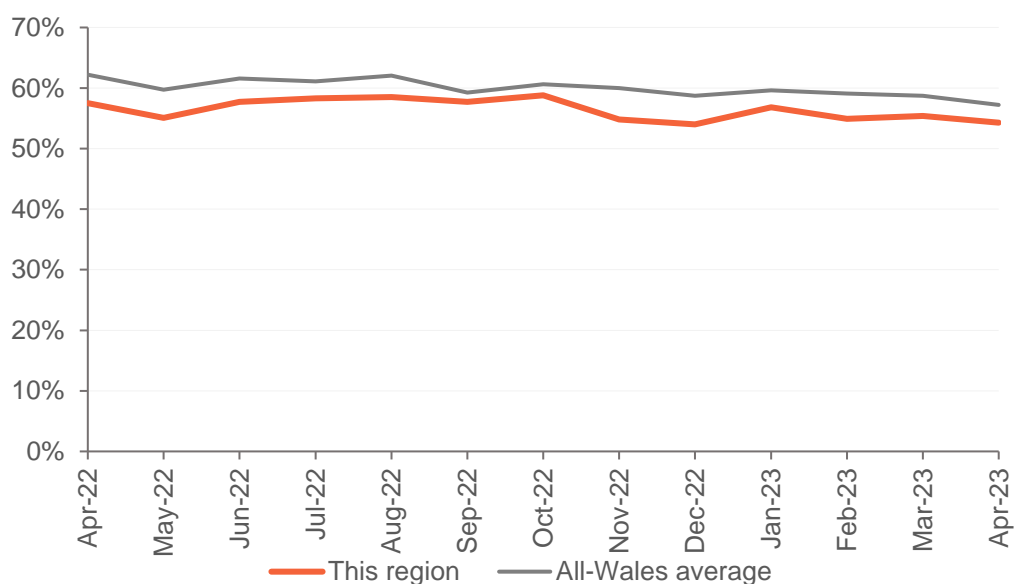
Source: StatsWales

Exhibit 28: Percentage of patients spending less than 12 hours in a major emergency department – national target of 100%



Source: StatsWales

Exhibit 29: Percentage of total emergency bed days accrued by people with a length of stay over 21 days – national target of 12-month reduction



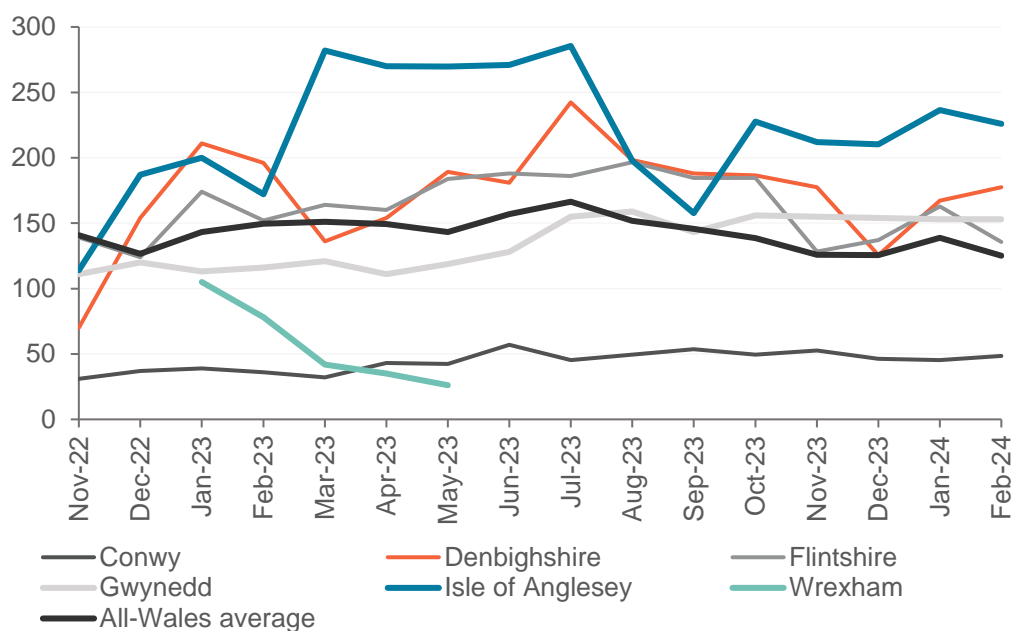
Source: StatsWales

Appendix 5

Waits for social care assessments and care packages

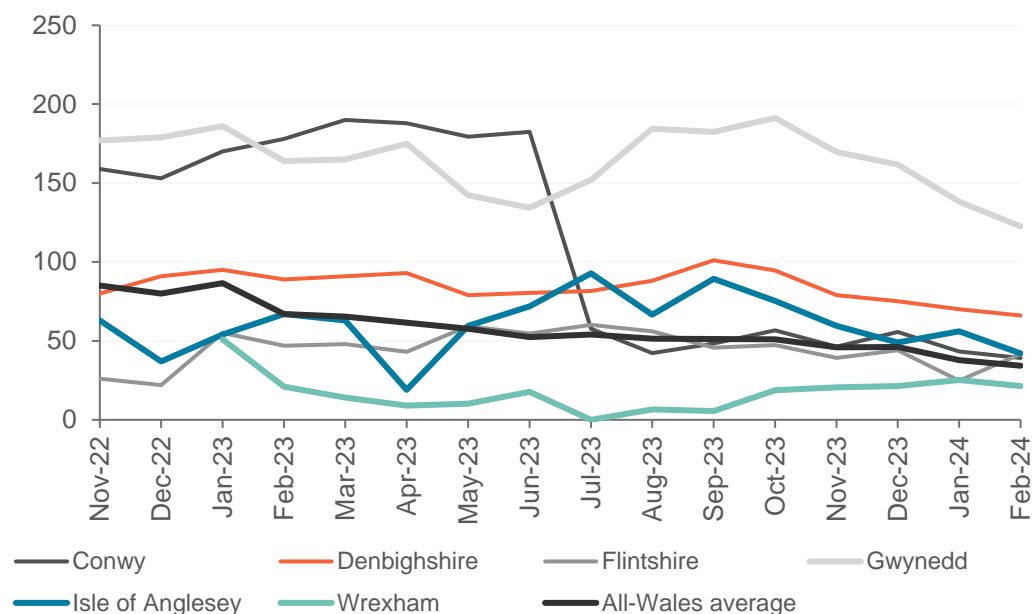
The following exhibits set out the region's waits performance for social care assessment and receipt of a range of care packages in comparison to the position across Wales since November 2022.

Exhibit 30: number of adults waiting for a social care assessment (per 100,000 head of population)



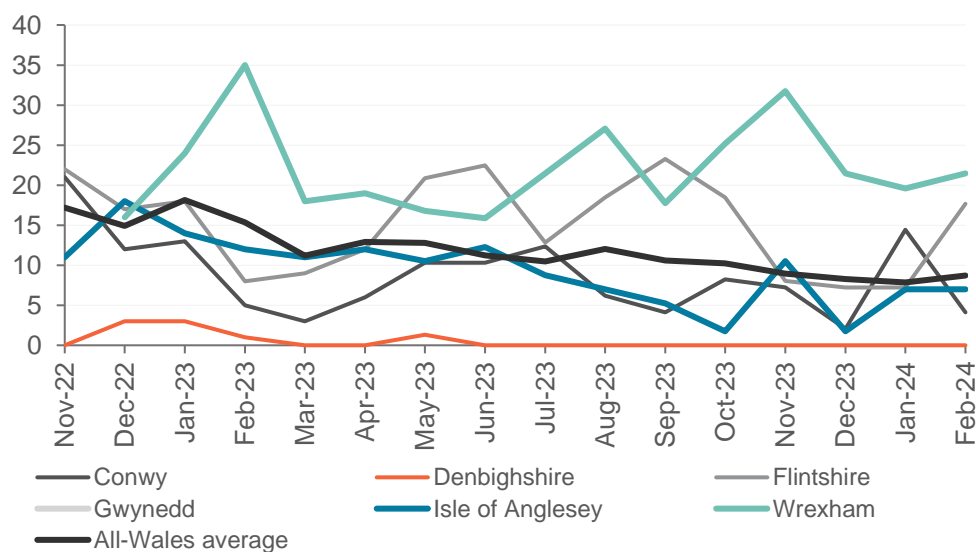
Source: Welsh Government

Exhibit 31: number of adults waiting for domiciliary care (per 100,000 head of population)



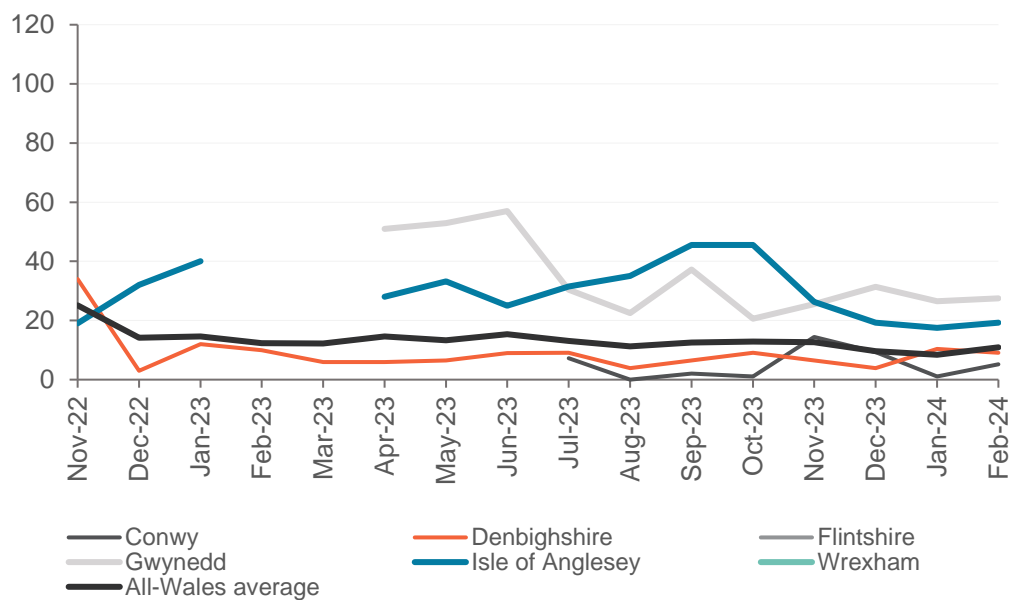
Source: Welsh Government

Exhibit 32: number of adults waiting for reablement (per 100,000 head of population)



Source: Welsh Government

Exhibit 33: number of adults waiting for long-term care home accommodation (per 100,000 head of population)



Source: Welsh Government



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

Combined organisational response to audit recommendations

Recommendation	Organisational response	Completion date	Responsible officer
<p>Improving training and guidance</p> <p>R1 The Health Board, working with local authorities, should develop jointly agreed guidance to provide clarity to all staff on how the discharge planning process should work across the region. This should be based on the national guidance issued in December 2023 and should set out clearly defined roles and responsibilities, and expectations, including when referrals for ongoing care should be made.</p>	<p>Sub-regional:</p> <p>The national guidance document will be utilised to create a summary of the key considerations. This summary will provide a reference to the full document on-line and refer to additional support and guidance available for specific circumstances such as when Best Interest Decisions are required which has been a focus of recent activity. The guidance will focus on the imperative for effective MDT and multi-agency working and incorporate references to support avoidance of adverse discharges.</p> <p>Central Denbighshire Conwy and Flintshire County Council and BCUHB will work together to develop a guidance adhering to the national guidance, in line with optimal patient Flow. Considering any existing guidance that may already be in place across BCUHB to support consistency across the Health Board with pathway of care delay reporting.</p> <p>Ynys Môn Council, Cyngor Gwynedd, and BCUHB West will further develop such a guidance adhering to the national guidance, having considered existing guidance that may</p>	<p>July 2024</p>	<p>Community Services Transformation Mgr, East IHC.</p>

Recommendation	Organisational response	Completion date	Responsible officer
	<p>already be in place in other parts of north Wales. Building upon existing arrangements the Local Authorities and Health Board will share all new guidance on transfer of care from hospitals to home. This will be an integral part of the development in response to R1 above.</p>		
<p>R2 The Health Board and local authorities should ensure processes are in place to communicate discharge planning guidance to all relevant health and social services staff, including those working on a temporary basis, supported by an ongoing programme of refresher training and induction training for new staff.</p>	<p>Sub-regional: The East area guidance document referred to in relation to R1 will be:</p> <ul style="list-style-type: none"> • Distributed to all social workers who support discharge planning in Wrexham and Flintshire • Incorporated into return to work discussions, supervision and other management approaches to ensure that team members are informed by the most up to date guidance. • Guidance will be referenced in induction information and staff bulletins and similar. • Home First leads will provide a constant reminder to all key staff members within East Area hospitals who support and lead on discharge planning. 	<p>From August / Sept 2024</p>	<p>Senior Manager for Adults FCC, Heads of Service for Older People WCBC, Associate Directors, Community Services BCUHB East</p>

Recommendation	Organisational response	Completion date	Responsible officer
	<ul style="list-style-type: none"> Opportunities explored to include guidance within training programme for all staff including wider teams such as Safeguarding and Commissioning. <p>Building upon existing arrangements and those noted previously, the Local Authorities (East, Central & West) and Health Board will share all new guidance on transfer of care from hospitals to home. This will be an integral part of the development in response to R1 above.</p>		
<p>Improving compliance with policies and guidance</p> <p>R3 The Health Board should embed a regular cycle of audit to assess the effectiveness and consistency of the application of discharge policies and guidance, including the application of D2RA.</p>	<p>Health Board:</p> <p>Draft revised BCUHB Hospital Discharge policy has been developed to replace the Covid discharge requirements.</p> <p>The revised draft policy will be presented through the Health Board's governance process for approval, this will include a consultation period on the BCUHB website and sign off by relevant Health Board committee.</p> <p>Other supporting documentation including Choice & Reluctant Discharge Guidance and Criteria Led discharge is also being reviewed as part of this review of discharge documentation.</p>	September 2024	Acting Assistant Director – Care Homes Support & CHC Commissioning

Recommendation	Organisational response	Completion date	Responsible officer
	As part of the discharge policy an audit cycle will be agreed and implemented	December 2024	
R4 The Health Board should establish controls to prevent staff adding patients to multiple waiting lists, such as for reablement, home care packages and residential care to facilitate a speedy discharge, regardless of need. This will ensure that only those who need the services are on the relevant waiting lists.	Health Board: As part of the D2RA Audit plan Management establish formal overarching policy or Standard Operating Procedure to support the operational management and controls to prevent patients on multiple waiting lists	December 2024	Acting Assistant Director – Care Homes Support & CHC Commissioning
Ensuring patient safety while awaiting care packages R5 The Health Board should ensure processes are in place to notify social services before patients are discharged home, where those patients require ongoing support in their own home, and where such	Health Board: Review of process and ensure this is included in the Discharge SOP	December 2024	Acting Assistant Director – Care Homes Support & CHC Commissioning


Recommendation	Organisational response	Completion date	Responsible officer
support is not in place at the time of discharge.			
R6 The Health Board and local authorities should ensure mechanisms are in place to regularly monitor patients who are discharged home without arranged ongoing social care and to escalate issues to the appropriate service where necessary.	<p>Sub-regional:</p> <p>Where appropriate and capacity allows, Home First support patients with an assessed need for a package of care who are awaiting the start of an arranged POC as a bridging the gap</p> <p>Where family/friends provide short term support or where patients self-discharge, telephone numbers are provided to report escalated needs. All people with assessed needs will have a point of contact once home and will be supported as soon as capacity is available.</p> <p>If individuals are transferred home from hospital without an assessment and required care package in place, the Local Authorities will monitor those situations. Completing adverse discharge form where required to support Learning across the services and improved patient journey cross ref R16</p>	<p>On-going</p> <p>June 2024</p> <p>On-going</p>	<p>Head of Nursing, Community.</p> <p>Senior Manager for Adults</p> <p>Heads of Service for Older People</p>

Recommendation	Organisational response	Completion date	Responsible officer
<p>Improving the quality and sharing of information</p> <p>R7 The Health Board and local authorities should ensure that all relevant staff across each organisation has consistent access to up-to-date information on services available in the community that support hospital discharge. This will ensure that opportunities to discharge earlier with support from services beyond social care are not missed.</p>	<p>Sub-regional:</p> <p>Dewis as the central point of information will continue to be promoted across all organisations.</p> <p>Guidance developed in response to R1 will refer to the fact that there are a broad range of community-based support on discharge and where to find information – direct to Dewis</p> <p>Councils operating sub-regionally operating together with the Health Board share such information on a regular basis via integrated working within the SPOA's of the Community Resource Teams, clinically optimised and length of stay and will continue to do so.</p>	<p>On-going</p> <p>July 2024</p> <p>On-going</p>	<p>BCU Associate Directors Community Services and LA Heads of Service for Older People.</p>
<p>R8 The Health Board should improve record keeping by:</p> <p>a. ensuring all staff involved in discharge planning fully understand the importance of documenting comprehensive information in patient case-notes to support effective discharge planning.</p>	<p>Health Board:</p> <p>As noted in R3, a draft revised BCUHB Hospital Discharge policy has been developed to replace the Covid discharge requirements.</p> <p>The revised draft policy will be presented through the Health Board's governance process for approval, this will include a consultation period on the BCUHB website and sign off by relevant Health Board committee.</p>	<p>September 2024</p>	<p>Acting Assistant Director – Care Homes Support & CHC Commissioning</p>

Recommendation	Organisational response	Completion date	Responsible officer
b. establishing a programme of case-note audits focused on the quality of record keeping.	<p>Other supporting documentation including Choice & Reluctant Discharge Guidance and Criteria Led discharge is also being reviewed as part of this review of discharge documentation</p> <p>As part of the discharge policy an audit cycle will be agreed and implemented</p>	December 2024	
R9 The Health Board and local authorities should implement ways in which information can be shared more effectively, including opportunities to provide wider access to organisational systems and ultimately joint IT solutions.	<p>Sub-regional:</p> <p>Cyngor Sir Ynys Môn, Cyngor Gwynedd and the Health Board already have an information sharing pilot in place awaiting evaluation.</p> <p>Conwy, Denbighshire & Flintshire local authorities and the Health Board have a WASPI in place since the implementation of the SPOAs</p> <p>Further work required to improve information sharing on presentation in ED due to organisational systems not available to all. An integrated information sharing systems is required to support this</p>	<p>October 2024</p> <p>October 2024</p>	<p>Heads of Services for Older People</p> <p>Director of Allied Health Professionals</p>

Recommendation	Organisational response	Completion date	Responsible officer
	<p>Central Area will consider how this can be incorporated into the scope of the new Connecting Care procurement process</p> <p>Seek options for Home First to be able to access Council WCCIS system in the East.</p> <p>Revisit schedule of multi-agency meetings to verify that those contact points achieve a shared position re updates on discharge planning as part of the ongoing Home First Review in the East</p> <p>Consider how the use of STREAM is consistently updated with potential for local authority access</p> <p>Actively seek ways to increase local authority access for systems held within BCUHB.</p>		
<p>Addressing key gaps in capacity</p> <p>R10 The Health Board and local authorities need to work together to develop joint solutions to address key gaps in service capacity, in particular, domiciliary care and reablement services which would enable timelier discharge of patients to their own home.</p>	<p>Sub-regional:</p> <p>Utilise Further Faster Funding and action planning</p> <p>In Central, D2RA team at the front door working as Trusted Assessors to address the gaps in assessment capacity working together with local authorities to support reablement provision ongoing work to support more timely discharge required for POC with agreed Trusted assessment pathways</p>	On-going	Leadership Group

Recommendation	Organisational response	Completion date	Responsible officer
	<p>Central Area Integrated Services Board considers the development of joint solutions to address key gaps in service capacity e.g the Denbigh Health and Social Care Programme.</p> <p>The Health Board have developed the Tuag Adref service in the West to provide for a reablement service and domiciliary care is now jointly commissioned by Local Authorities and the Health Board.</p>		
<p>Maximising the use of the Regional Integration Fund</p> <p>R11 The Health Board and local authorities, through the Regional Partnership Board (RPB), should demonstrate how it is working to increasingly mainstream long-standing schemes funded through RIF which are considered core services.</p>	<p>Regional Partnership Board:</p> <p>RPB and partners continue to make progress to mainstream long standing schemes funded through RIF. In 2023/24 there was £16.9m of investment in mainstreamed schemes.</p>	On-going	Regional Head of Collaboration

Recommendation	Organisational response	Completion date	Responsible officer
<p>R12 The Health Board and local authorities, through the Regional Partnership Board, should agree a process for utilising any future RIF slippage monies, ensuring that appropriate value and benefit is obtained from such spending.</p>	<p>Regional Partnership Board:</p> <p>The importance of appropriate use of slippage has been acknowledged and in response the '<i>Change Notification</i>' process was developed. The process is being audited and will be reviewed by the RPB's Leadership Group.</p> <div data-bbox="804 533 1010 652">  <p>RIF Change Notification Template</p> </div>	<p>On-going. Process to be reviewed Autumn 2024</p>	<p>Regional Head of Collaboration</p>
<p>R13 To help inform decision-making and discussions, the Health Board and local authorities should:</p> <ol style="list-style-type: none"> ensure that the Regional Partnership Board has routine access to key performance indicators relevant to effective and timely flow out of hospital, including urgent and emergency care performance within the 	<p>Regional Partnership Board:</p> <p>Quarterly data re: flow out of hospital to be presented to the RPB's Leadership Group (inclusive of IHC Directors)</p>	<p>On-going quarterly</p>	<p>Regional Head of Collaboration / Assistant Director – Care Homes Support & CHC Commissioning</p>

Recommendation	Organisational response	Completion date	Responsible officer
<p>Health Board and waiting lists for social services and care packages; and</p> <p>b. use the Regional Partnership Board working arrangement to develop a regional risk register which pulls together the risks associated with delayed discharges.</p>	<p>Risk register related to delayed discharges to be completed and presented to RPB twice annually</p>	<p>October / April annually</p>	<p>Regional Head of Collaboration</p>
<p>Improving oversight and impact</p> <p>R14 The Health Board and local authorities should ensure that information setting out progress with significant activities and initiatives being undertaken to support effective and timely discharge is routinely available at a corporate and partnership level. This should include activities and initiatives undertaken individually and jointly, both within and outside of the RPB structure, their impact and how they collectively</p>	<p>Sub-regional:</p> <p>The Pan Cluster Planning Group will become the leadership group to oversee partnership activity in this regard in the East.</p> <p>In addition to circulation of Key Performance Indicators outside of meetings (e.g Pathway of Care Delays Census Information), a standing item will be added to each agenda to consider current position, trends and responses required.</p> <p>Regular reporting mechanisms and performance and progress monitoring across the Local Authorities and Health Boards to continue with added focus in the West & Central.</p>	<p>From September 2024 onwards</p>	<p>PCPG Chair</p>

Recommendation	Organisational response	Completion date	Responsible officer
<p>contribute to addressing the challenges. This will help to provide assurance that resources are being invested to best effect.</p>	<p>This information is also considered at strategic integrated planning meetings.</p> <p>Work is ongoing to improve data analysis and reporting in order to provide further assurance across Local Authority governance.</p>		
<p>Embedding learning from actions taken to address delayed discharges</p> <p>R15 The Health Board and local authorities should ensure that mechanisms are in place to implement learning from actions taken to address delayed discharges, such as the Multi Agency Discharge Events (MADE), and to maintain regular oversight to ensure the learning is being implemented.</p>	<p>Regional Partnership Board:</p> <p>Aligned to R13. and the associated work, regular learning events and sharing of good practice to be considered regularly.</p>	<p>Quarterly – on-going</p>	<p>Head of Regional Collaboration / Assistant Director – Care Homes Support & CHC Commissioning</p>

Recommendation	Organisational response	Completion date	Responsible officer
<p>R16 The Health Board should strengthen escalation arrangements for reporting adverse incidents or concerns relating to discharge by:</p> <ul style="list-style-type: none"> a. addressing any outstanding adverse incidents or concerns, communicating clearly with the relevant local authority; and b. ensuring a consistent approach to reporting adverse incidents and concerns relating to discharge is in place across the Health Board. 	<p>Health Board:</p> <p>Each IHC to establish an Adverse Discharge Group with clear ToRs</p> <p>Hold Discharge webinars with Care Homes across each IHC to improve communication and build trust between Health and Providers</p>	October 2024	Acting Assistant Director – Care Homes Support & CHC Commissioning

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	10 OCTOBER 2024
TITLE	OUTPUT OF THE INTERNAL AUDIT SECTION
PURPOSE OF REPORT	TO OUTLINE THE WORK OF INTERNAL AUDIT FOR THE PERIOD TO 30 SEPTEMBER 2024
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	TO RECEIVE THE REPORT, COMMENT ON THE CONTENTS AND SUPPORT THE ACTIONS THAT HAVE ALREADY BEEN AGREED WITH THE RELEVANT SERVICES

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1.

CYFLWYNIAD
- 1.1

The following report summarises the work of Internal Audit for the period from 1 April 2024 to 30 September 2024.
2.

WORK COMPLETED DURING THE PERIOD
- 2.1

The following work was completed on the 2024-25 plan in the period to 30 September 2024:

Description	Number
Reports on Audits from the Operational Plan	11

Further details regarding this work are found in the body of this report and in the enclosed appendices.

2.2 Audit Reports

2.2.1 The following table shows the audits completed in the period up to September 30, 2024, indicating the relevant assurance level and a reference to the relevant appendix.

TITLE	DEPARTMENT	SERVICE	ASSURANCE LEVEL	APPENDIX
Post-16 Provision in Schools Grant	Education	Schools	High	Appendix 1
Car Parks	Environment	Transport	Satisfactory	Appendix 2
Staff Protection Register	Corporate Support	Support	Satisfactory	Appendix 3
Managing Absences and Referrals Arrangements (Part 1)	Corporate	Support	Satisfactory	Appendix 4
Freedom of Information Requests	Corporate	Research and Information	Limited	Appendix 5
Harbours Statement of Accounts 2023-24	Finance	Accountancy	High	Appendix 6
Welsh Church Fund	Economy and Community	Community Regeneration	High	Appendix 7
Lloyd George Museum Accounts	Economy and Community	Museums and Arts	High	Appendix 8
Plas Pengwaith	Adults, Health and Well-being	Adults	Limited	Appendix 9
Llys Cadfan	Adults, Health and Well-being	Adults	Limited	Appendix 10
Plas Hafan	Adults, Health and Well-being	Adults	Limited	Appendix 11

2.2.2 The general assurance levels of audits fall into one of four categories as shown in the table below.

LEVEL OF ASSURANCE	HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.
	SATISFACTORY	Controls are in place to achieve their objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.
	LIMITED	Although controls are in place, compliance with the controls needs to be improved and / or introduces new controls to reduce the risks to which the service is exposed.
	NO ASSURANCE	Controls in place are considered to be inadequate, with objectives failing to be achieved.

3. WORK IN PROGRESS

3.1 The following work was in progress as at 30 September 2024:

- Education Digital Standards (*Education*)
- General Schools (*Education*)
- School Transport (*Education*)
- School Transport Project Management (*Environment*)
- Car Parks (*Economy and Community*)
- Category Management Follow-up (*Corporate Support*)
- Absence Management and Referral Arrangements Part 2 (*Corporate Support*)
- Advice & Consultancy and Supporting Ffordd Gwynedd Reviews (*Corporate*)
- Safeguarding Arrangements - Establishments (*Corporate*)
- Proactive Prevention of Fraud and Corruption and the National Fraud Initiative (*Corporate*)
- Whistleblowing (*Corporate*)
- Use of External Meeting Rooms (*Corporate*)
- Mobile Phones (*Finance*)
- Creditors System – Key Controls (*Finance*)
- Public Toilets (*Highways, Engineering and YGC*)
- Street Cleaning (*Highways, Engineering and YGC*)
- Smallholdings – Follow-up (*Housing and Property*)
- Housing Waiting Register (*Housing and Property*)
- Gwynedd Homebuy (*Housing and Property*)
- Housing Support Grant (*Housing and Property*)
- Elections Act Wales (*Corporate Leadership Team*)

4. RECOMMENDATION

- 4.1 The Committee is requested to accept this report on the work of the Internal Audit Section in the period from 1 April 2024 to 30 September 2024, comment on the contents in accordance with members' wishes, and support the actions agreed with the relevant service managers.

POST-16 PROVISION IN SCHOOLS GRANT 2022-23

1. Background

- 1.1 Cyngor Gwynedd was allocated over £4m by the Welsh Government to provide post-16 education in mainstream schools. In addition, over £200k was allocated for the provision of adult learning.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to review the 'Sixth Form and Adult Learning in the Community' allocation certificate for the year 2023-24, ensuring that clear accounting records have been kept indicating that Welsh Government funding has been received and then distributed to schools and the Community Learning Service, for the purposes as stated in the award letter(s).

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

- 4.1 Assurance can be given that the 'Sixth Form and Adult Learning in the Community' allocation certificate for the year 2023-24 is appropriate. Based on the tests carried out, an appropriate audit trail for the figures was seen and the internal controls in place can be relied upon to achieve objectives.

CAR PARKS (ENVIRONMENT)

1. Background

- 1.1 The Council has 55 chargeable car parking sites under the care of the Environment Department with 89 parking fee collection machines. The Department has begun the process of upgrading their machines to be able to accept cards as well as cash. As an alternative, the Department has an agreement to collect fees over the internet with Pay By Phone, a company that accepts credit and debit cards over the internet. The Council has additional car parks that are managed by the Economy and Community Department who have separate arrangements to that of the Environment Department.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place to collect income from car parks, review a sample of new parking sites to ensure proper processes are in place for collection of monies, the prompt recovery of investment costs, identify any obstacles and /or ability to resolve promptly. To achieve this, the audit encompassed reviewing a list of chargeable car parks and ensuring that income was properly collected, review new car parks established to ensure proper processes were in place for timely collection of fees. The audit was limited to Council assets only i.e. the audit did not include private car parks under the Council's management agreements.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	0

5. Main Findings

- 5.1 During the audit (May 2024), the Environment Street Parking and Works Manager reported that the Service had begun to replace existing Pay and Display machines. At the time, it was reported that 10 machines were accepting credit cards as well as cash. An additional 15 machines with new 'card readers' were ordered. It was explained that there is no specific budget available for the replacing parking machines and that the Service uses the parking works budget to cover the costs (around £4,200 per machine), and therefore it will probably take a few years to upgrade every machine. Meanwhile, the "Paybyphone" app is available for people to use across the County. However, it was recognised under the Council's IT Digital Plan that one of its objectives is to improve customer engagement by providing payment machines. There is a possibility that the machines may be eligible for consideration to receive funding under the IT Digital Scheme.
- 5.2 A sample of contracts were reviewed and found to be appropriate.
- 5.3 In addition to a three-year maintenance agreement paid on a quarterly basis, the Department has an agreement for a web-based system for monitoring car park use. The Street and Parking Manager explained that the system was able to generate reports from simple data e.g. for reviewing fees, identifying times visitors were staying, which car parks were being used and how much visitors were willing to pay. The system also allows live verification of information, such as the ability to flag which ones are full/with spaces and can change the tariff themselves for summer and winter months on the machines instead of relying on the company to physically change the software of the machines twice a year.
- 5.4 However, the Council does not appear to be reconciling charges against the number of tickets being issued. The Street and Parking Manager explained that the data can be collected to carry out a reconciliation, but it is not reasonable to do so with the current resource. Tickets are only reconciled for third party car park agreements so that charges can be calculated.
- 5.5 Two new car parks that have recently been established namely, Y Glyn in Llanberis and the car park by the beach in Dinas Dinlle have been reviewed to ensure that cash collection machines have been installed promptly and that appropriate cash collection arrangements are in place. It was discovered during the audit that these car parks were managed by the Economy and Community Department which was outside the scope of this audit.

- 5.6 A Parking Strategy (effective from 1st April 2021) was found to be in place for car parks under the care of the Environment Department. It is set out under section 9.1 of the strategy

'Car park assets in other sections:

9.1 *The Council clearly owns a number of car parks in Country Parks, Leisure Centres etc. And obviously the management procedures of different Departments in the Council differ from each other in terms of how they deal with the assets.*

9.2 *As the Council is seen by the public as one single entity, it is considered worthwhile to adopt the proposals outlined in this review for all parking assets owned by the Council. It is also considered that it would be much more practical if the management of all assets sat under the Environment Department. This can ensure consistent management of the assets.*

9.3 *It is proposed that the Economy and Community Department transfer their assets under the management of the Environment Department and working together to ensure that an adequate income stream goes towards the Economy and Community Department's savings targets.'*

- 5.7 As of June 2024 the assets do not appear to have been transferred. The Assistant Head of Economy and Community explained that there has been limited discussion since the strategy was adopted between the departments but some of the management aspects from the Environment Department such as acting on enforcement arrangements may be of advantage to them.

6. **Actions**

The relevant Services are committed to implementing the following steps to mitigate the risks highlighted:

- Check whether pay and display machines can be funded through the IT Digital Strategy Plan to ensure Gwynedd car park machines are promptly refurbished.
- Continue to implement towards the strategy to offer options to collaborate/transfer assets for managing car parks with the Economy and Community Department to improve the Council's car park management processes where possible.

STAFF SAFETY REGISTER

1. Background

- 1.1 The Staff Safety Register contains information about individuals, animals or locations that may pose a risk to Cyngor Gwynedd staff members. It is available to any members of staff dealing with the public, or visiting domestic, private, or public settings, to identify any risks before meeting/visiting.

2. Purpose and Scope of Audit

- 2.1 The scope of the audit was to ensure that suitable arrangements were in place for identifying and mitigating the risks faced by Council staff working with the public. In addition, ensuring that relevant staff have access to the information in a timely manner, and that appropriate arrangements are in place for protecting staff wellbeing. To achieve this, the audit entailed reviewing arrangements for reporting and recording events, as well as selecting a sample of different risks recorded on the Staff Safety Register, ensuring that the expected documentation was present, and the record was detailed, up to date, and accurate.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	1

5. Main Findings

5.1 The Staff Safety Register is maintained on the Health and Safety Database, and an application must be made to gain access. On August 1st 2024, there were 54 entries on the register, a mix of incidents involving individuals, animals, and locations. A sample of 50% were selected for a detailed review, a total of 27 entries. It was observed that the time taken between the date of the event and the date of entry on the register varied between 0 and 282 days. The Health and Safety Team Leader explained that there are reasons why an event can take some time to be registered, such as:

- The original event does not reach the register criteria, but further events or patterns trigger an entry further on. Previous events continue to be included to show escalation or a pattern.
- A serious incident means that the department has looked back at the history and asked for evidence of a historical event for the record (perhaps from different departments), which can be time-consuming.
- Waiting for legal advice (e.g. because someone is under 18, an individual working for or with a close contact to the Council, sensitive information).
- Moved from the old system, so unmodified input date at the time.
- HS11 (incident reporting form) late arrival.

5.2 Event review/retention periods on the register are based on the risk category and commence from the date the entry is created on the register. For 3 out of 27 of the sample, it was found that the review date did not match the risk category or creation date, with the review date of 1 other event calculated using the HS11 date, not the date of creation of the event on the register. The Health and Safety Team Leader explained that records received reviews much more frequently when using the old system, and those review periods were transferred to the Health and Safety database, where the current register is maintained. As such, the staff responsible for updating the register have to adjust the review date themselves, with the wrong dates inputted for 4 in the sample. They were immediately corrected.

5.3 During the audit, 5 entries were found on the register with the date of review having expired, with one over 6 months old. It has been confirmed that the time taken to review records is dependent on Managers responding, and the amount of information that needs to be processed. The service works closely with and reports regularly to the Data Protection Team, who are satisfied with the service's data retention and disposal arrangements.

5.4 Following an application to the Information Technology service, a list of all staff with access to the register was received along with their access rights. It is possible to obtain the following rights:

- 'Search', which allows only to search for specific persons or locations.
- 'User', which allows access to the full register with key information only.
- An 'Administrator', who has full access to the register with all information, which is limited to service staff, and Health and Safety Forum staff members.

5.5 A sample of 32 staff members (5%) were selected from the system to be verified further. 6 were not considered as they had now left their employment with the Council. Of the remaining 26, given the nature of their posts, it is deemed acceptable for them to access the register, 25 of whom also have reasonable rights. However, there was 1 member of staff with 'Administrator' rights, despite not working for the service nor being a member of the Health and Safety Forum. The Health and Safety Team Leader confirmed that the member of staff involved had previously been a member of the Forum and would amend their rights immediately.

5.6 It was confirmed during the audit that the Information Technology service was in the process of creating a new system for the Health and Safety service, including the Staff Safety Register. The new system will enable definite review periods to be set and reminders sent when review dates are approaching. The Health and Safety Team Leader stated that staff awareness of the register was low, with a number of staff unaware of its existence, and others having forgotten that they had access.

5.7 It was found that face-to-face 'Personal Safety' training has not been offered to members of staff since 2018, but that an E-module of the same name is available on the E-learning Portal. Of the 26 users in the sample, their training records were reviewed and none had completed the 'Personal Safety' E-module. 12 have completed face-to-face training between 2013-2018, with 8 having completed some form of relevant training. 6 were not found to have completed any relevant training.

6. **Actions**

The Health and Safety Team Leader is committed to implementing the following steps to mitigate the risks highlighted:

- **Continue to collaborate with IT for the creation of a new system that will enable creating firm review dates, and send reminders when review dates are approaching, and in the meantime, remind administration staff to ensure review dates are calculated correctly.**
- **Continue to collaborate with IT for the creation of a new system that will enable the export of data in relation to users.**
- **Encourage department representatives in the Health and Safety Forum to arrange suitable training for any staff working with the public.**

MANAGING ABSENCES AND REFERRAL ARRANGEMENTS

1. Background

- 1.1 Cyngor Gwynedd has developed a managing absences module on the Council's self-service system which will replace the current paper regime of services completing SA1, SA2 and SA3 forms along with keeping a record of the absence on a separate document. It will abolish the administrative work within Services where administrators have to collect information from Team Managers and Leaders as well as having to submit an absence report on an Excel spreadsheet to the Support Service on a monthly basis.
- 1.2 The new policy - Managing Sickness Absences will come into force on 1st June 2024 and the new recording system will be in effect from 10th June 2024. Following a request from the Support Service Manager, it was agreed to conduct the audit in two parts. Part-one reviewing the processes of building and developing the system controls and the second part to measure the performance of the system when the system becomes operational.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that key controls had been established during the development of the management absences module on the self-service system. To achieve this, the audit included checking and reviewing the internal controls established during the development of the module.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
SATISFACTORY	There are controls in place to achieve objectives but there are aspects of the arrangements that need tightening to further mitigate the risks.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	4
LOW	0

5. Main Findings

- 5.1 The Auditor tested the staff sickness absence management test system and found the system to be operationally appropriate for recording staff sickness absences, completing the return-to-work form and referrals to Occupational Health.
- 5.2 New policies have been established, staff have been notified and comprehensive training provided on the new sickness management procedures along with information circulated to all Council staff.
- 5.3 The system has been developed in-house by the Council's IT Service. A project officer was responsible for coordinating the project with accountable officers responsible for development, testing and training.
- 5.4 Controls for confirming individuals' work patterns, entering mandatory information and 'triggers' on the system were in place to notify management of the next steps required/remind managers to update/ implement the next step on the system.
- 5.5 During the training on the new procedures and the use of the system, it was reported that users could export information and create reports, this was not tested during the audit. In addition, no confirmation has been received of the reminder emails that will be sent to staff and management to remind them/inform them of updating illness records. The Project Officer explained that the system currently allows the export of the sickness record document for recording only, the ability to create and run reports has not been built into the system by the IT developers but this is in the pipeline. The Project Officer reported that an audit trail existed for managing the risk of misuse e.g. exporting excess paper copies for recording sickness occurring unnecessarily.
- 5.6 The risk register was reviewed and confirmed that main risks / controls have been considered such as data protection regulations, sickness data record retention period including "fit notes" on iGwynedd, an audit trail for identifying personnel entering sickness data, delegation to officers down the management tree only with the confirmation emails to continue to be sent to the attention of the line manager. In addition, the system demonstrated that mandated boxes need to be completed and it was reported that individuals are unable to input sickness themselves.
- 5.7 The sickness recording system is based on the core data from the "System Swyddi Gwynedd (SSG) which is updated by the Payroll Service regularly through Cyborg. SSG operates on job numbers and therefore the permission rights on the sickness recording system have been set against job numbers designated for each officer. As a result, any adjustments by Payroll e.g. new starters, leavers etc. results in immediate updating of the sickness recording system. The Project Officer reported that the following departments/services are responsible as follows:

- Support Service responsible for receiving staff queries regarding the system's operation.
- Human Resources for any query regarding the sickness policy.
- Service Managers to report on their service's sickness statistics.
- HR with the role for monitoring compliance.

5.8 It was expressed that while the Support Service deals with system enquiries, the officers don't have any permission rights on the system to allow them to make changes on the system which means requests to implement changes on the system will then need to be forwarded to the system developers for implementation. A request from the Support Services Manager has been made for these rights to be permitted to the Support staff so that there is no reliance placed on the developer and their team to provide support to Managers/Leaders, and that Support Service can deal with these requests without reliance on the developers. Until this is operational, the team will need to manage the risk of sensitive data falling to the wrong departments/officers, i.e. ensure the support staff refer all requests directly to the developers and not the IT Helpdesk.

5.9 The base for the module appears to be functional but consideration should be given to the following key controls:

- Certainty over backup arrangements and data recovery.
- The ability to create reports, manage data and extraction of information is restricted to specific officer(s).

5.10 In addition, it was found adequate project management arrangements were in place based on the Agile methodology.

6. Actions

The Project Officer has committed to implementing the following steps to mitigate the risks highlighted:

- **Receive assurances from IT that information is successfully saved or that unsuccessful backups can be identified.**
- **Conduct a recovery test of backup data on the module and ensure that the data has been correctly recovered by confirmation with relevant service/s.**
- **Check compliance with Data Protection Regulations i.e. review a privacy statement.**
- **That an audit trail exists for identifying the person running reports and exporting forms.**
- **Communicate contact details for main officers that will be responsible for handling enquiries/operations in the system.**
- **Monitor system usage and compliance.**
- **Continue to develop and test the system to ensure bespoke sickness absence management reports can be generated.**

FREEDOM OF INFORMATION REQUESTS

1. Background

The Freedom of Information Act 2000 came into full force in January 2005. The Act gives the right to individuals to grant a request for a variety of information from a public authority and set the guidelines for how those requests should be responded to. The Act also outlines what kind of information is exempt from availability. The Act (Section 10) states that applicants have the right to expect a response by the twentieth working day after the application is received.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place for administering and processing requests for information through the Freedom of Information Act 2000. To achieve this, the audit encompassed reviewing the arrangements in place for receiving, distributing, collecting, and responding to requests under the Act, together with the recording of requests to produce statistics and performance assessment.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	Although controls are in place, compliance with the controls needs to be improved and / or introduce new controls to reduce the risks to which the service is exposed.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	2
LOW	0

5. Main Findings

- 5.1 In accordance with the Freedom of Information Act 2000, the target date for a response is 20 working days, but if it appears that the Council will not be able to respond within the target date, the applicant should be notified and the reason for the delay explained.

- 5.2 The Support Service has an information request system on a SharePoint system which was developed internally and purposefully for recording and tracking requests for information received. A dedicated officer has been appointed for tracking the applications on the central system and to forward the applications to the correct departments.
- 5.3 According to the UK Government's freedom of information statistics, in 2023, across all monitoring bodies, 81% of requests were responded to on time, which is down from 86% in 2022. It has been seen that Gwynedd's performance is slightly lower than these statistics with a timeliness rate of 77%. There were 1,160 applications received during the financial year 2023-24, and 267 of these applications did not receive a response within the permitted timeframe. These statistics are reported to the Governance Information Group and are reported to the performance challenging meeting of the Corporate Support Department.
- 5.4 The 'WhatDoTheyKnow' website facilitates requesting information from UK public authorities and publishes the applications online. A sample of 20 applications made through the website were reviewed, cross-referencing them with the Council's internal system, and it was found that only 1/20 of the applications received their response within the timeframe allowed by the Act. Of the 20 applications, 12/20 were found where the applications have been sent to specific officers but no response has been given, 1/20 are waiting for an internal review to be completed (where the applicant is unhappy with a response), 2/20 received a reply but there are follow-up questions from the applicant and no responses further given. There is no record of 3/20 being recorded on the Council's internal system, and one of the requests was not a freedom of information request but referred to the relevant service. One of the applications was found to date back to 2019, and no response has been given.
- 5.5 From the sample checked, it was seen that the Council refused to provide any answers that would be contrary to the General Data Protection Regulation and requests that are beyond the act, as well as not providing a full response if they do not have the data.
- 5.6 The Freedom of Information Act 2000 requires all public authorities to maintain a Publication Scheme approved by the Information Commissioner. The Publication Scheme describes the information the Council publishes or intends to publish. It was seen that Cyngor Gwynedd's Publication Scheme is on the Council's website. The Publication Scheme contains a list of the different areas of information that has been published and is available for public viewing, as well as points of contact for the different areas of information. It was found that the Scheme has not been updated but there are plans to do this.

6. Actions

The Research and Information Service has committed to implementing the following steps to mitigate the risks highlighted.

- **Continue to encourage departments to respond within the statutory timeframe.**
- **Maintain the departmental contact point network.**
- **Be proactive by providing more datasets on the website (open data).**
- **Update the Publication Scheme and keep it up to date on the Council's website.**
- **Ensure officers within departments respond to requests within the statutory requirements.**

HARBOURS' ACCOUNTING STATEMENT

1. Background

- 1.1 The Harbours Act 1964 requires that Gwynedd, as a harbour authority, prepares an annual statement of accounts relating to Pwllheli, Porthmadog, Abermaw and Aberdyfi harbour activities.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to confirm the accounts on the Harbours' annual accounting statement for the 2023/24 financial year, as well as to confirm that appropriate internal controls were in place.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

- 4.1 Assurance can be given that the Harbours' accounting statement for the 2023/24 financial year was appropriate. Based on the tests carried out, it was seen that there was an appropriate audit trail for the figures and that the internal controls could be relied upon to achieve their objectives. Appropriate accounts have been kept and bank reconciliations are made as part of Council wide bank reconciling.
- 4.2 Based on the tests carried out it was found that a sample of payments were supported with appropriate invoices or receipts, and that VAT had been properly treated. There was also an appropriate trail for a sample of other transactions, such as internal transfers.
- 4.3 Staff costs are administered through Cyngor Gwynedd's Payroll Unit where PAYE and National Insurance requirements have been appropriately applied. These staffing costs are appropriately recorded in the statement.
- 4.4 The fixed asset figure on the accounting statements is supported by an asset register.

WELSH CHURCH FUND

1. Background

- 1.1 The Welsh Church Fund derives from the Welsh Church Act 1914. Cyngor Gwynedd administrates the fund and allocates the interest as annual grants to registered charities in Gwynedd to promote and support activities which will benefit the people of Gwynedd and enrich the local communities. Organisations such as local Eisteddfodau, activities within the arts, education, leisure and sports, conservation, and charities that support sick or disabled individuals can apply for the grant. It's possible to apply for any amount, but individual grants will tend to be between £100 and £3,000.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to conduct the independent examination of the Welsh Church Fund accounts for the 2023/24 financial year, in accordance with the requirements of the Charity Commission.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Main Findings

- 4.1 In accordance with the requirements of the Charity Commission, an independent audit of the accounts must be carried out if the fund's annual income is over £25,000. Fund money was invested in order to attract interest, so the income threshold was exceeded in the 2023/24 financial year.
- 4.2 Assurance can be given that the Welsh Church Fund accounts for the 2023/24 financial year are appropriate. Based on the tests carried out, an appropriate audit trail for the figures were seen.

LLOYD GEORGE MUSEUM ACCOUNTS

1. Background

The Lloyd George Museum and his childhood home, Highgate, Llanystumdwy, traces the life of the former Prime Minister of the UK. The museum is a registered charity and is administrated by Cyngor Gwynedd with help from Friends of the Museum who support and assist with the development of the museum and its educational use. Because the museum's income exceeded the threshold of £25,000, the trustees' account and annual report for 2023-24 must be submitted to the Charities Commission, including an independent examiner's report of the accounts.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to complete the independent examiner's report on the museum's 2023-24 accounts, giving assurance that what is presented to the Charities Commission is correct. This was done by reconciling the accounts with the Council's main accounting system, ensuring that all transactions were relevant to the Museum.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
HIGH	Certainty of propriety can be stated as internal controls can be relied upon to achieve objectives.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	0
MEDIUM	0
LOW	1

5. Main Findings

- 5.1 The accounts for 2023-24 were found to be appropriate and the independent examiner's report was completed to state this.

- 5.2 Despite their efforts, the Museums and Arts Service has not been able to upload the 2022-23 accounts to the Charity Commission website, which currently indicates that they are late, as the deadline of 31 January 2024 has passed. The Service plans to revisit this.

6. Actions

The Service has committed to implementing the following steps to mitigate the risks highlighted.

- **Submit the charity's financial statements to the Charity Commission website.**

PLAS PENGWAITH

1. Background

Plas Pengwaith is located in Llanberis and provides care for up to 31 residents over the age of 18, specializing in supporting people living with dementia.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place for the proper management and maintenance of the home in accordance with applicable regulations and standards. To achieve this, the audit reviewed that the home's arrangements were adequate in terms of administration and staffing, budgetary control, procurement of goods and receipt of income, health and safety, performance monitoring along with ensuring that the service users and their properties were protected.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	Although controls are in place, compliance with the controls needs to be improved and/or new controls introduced to reduce the risks to which the service is exposed.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	3
MEDIUM	2
LOW	0

5. Main Findings

- 5.1 A sample of 10 invoices were reviewed, but as the home did not keep a record of the dates that orders were placed, it could not be confirmed that they had been placed before receiving the invoice. The Clerk confirmed that she receives several invoices to pay without an order to support them, but that on similar occasions, she asks the Manager or the kitchen staff (who have authority to raise an order) about the invoice before paying. It was agreed from now on to record the dates orders were raised.

- 5.2 During the visit it was seen that several fire alarms, emergency lights, escape routes, and fire extinguishers tests were missed. The Manager confirmed that she had recently delegated the duty of reviewing the Fire Log Book to a specific member of staff, in an effort to identify when tests are missed in the future.
- 5.3 The quantity of medicines did not reconcile with the records of the home on every occasion. A sample of 5 residents' medicines were reviewed during the visit, 7 different medicines in total. For one, there were 10 more Paracetamol tablets present which had not been recorded on the stock checks. The Assistant who was present at the time confirmed that this would be noted in the 'hand-over' notes. The Manager confirmed at our closing meeting that the records would be updated immediately.
- 5.4 Homes receive several Quality Assurance Inspections annually, carried out internally by the Adults, Health and Wellbeing Department, as well as Health and Safety Inspections from the Property Service, and Medicine Inspections from the NHS and the local pharmacy. If any element of the Internal Audit had already been checked recently as part of the Quality Assurance, Health and Safety, or Medicine Audits, it was decided to rely on the reports, accepting their assurance.
- 5.5 However, it appears that recommendations arising from Quality Assurance Audits or Medicine Audits are not implemented on every occasion. Checks on the temperature of the fridge and medicine room continue are not carried out on a daily basis, although the pharmacy highlighted this in their inspection dated January 10th 2024. In addition, staff supervision and appraisals continue not to be completed in a timely manner since a Quality Assurance Audit on 5th February 2024. The Manager explained that arrangements are already in place for holding supervisory meetings. Following the visit to the home, it was confirmed that all members of staff have received an appraisal.
- 5.6 Medicines are not kept at the correct temperature. The temperature of the medicine room is expected to be kept below 25°C, and the fridge between 2°C-8°C. On the day of the visit the room was 25.7°C, and the fridge 12.8°C. The records maintained confirmed that the temperatures were too high on several occasions. In addition, it was seen that the thermometer for measuring the temperature of the room was located in a different room to where the medicine is kept. Arrangements were made during the visit to move the thermometer to the correct room. Following the visit, the Manager discovered that the fridge had been switched off and since it was switched on, the temperature of the fridge has been within the correct range.
- 5.7 The Manager stated that she receives budgetary control reports from the Finance Department on a regular basis, but believes that due to a lack of appropriate training, further support is needed to understand them, and expressed an interest in receiving budgetary monitoring training.

6. Actions

The Manager and Clerk has committed to implementing the following actions to mitigate the risks highlighted.

- Ensure that an order is raised on every occasion when ordering goods, keeping a record of the date.
- Ensure that fire tests are carried out in a timely manner.
- Ensure that correct medication stock checks are carried out weekly, as well as monthly checks when ordering stock.
- Remind night staff to check and record the temperature of the fridge and medicine room daily, and to monitor for a period after the thermometer was moved and consider options for controlling the temperature if it is not within the expected ranges.
- Strive to act on the recommendations of external audits promptly, in particular staff supervision.

LLYS CADFAN

1. Background

Llys Cadfan is located in the town of Tywyn and provides care for up to 33 residents over the age of 18, specialising in supporting people living with dementia.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place for the proper management and maintenance of the home in accordance with applicable regulations and standards. To achieve this, the audit reviewed that the home's arrangements were adequate in terms of administration and staffing, budgetary control, procurement of goods and receipt of income, health and safety, performance monitoring along with ensuring that the service users and their properties were protected.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	While controls are in place, compliance with the controls needs to be improved and/or new controls introduced to reduce the risks to which the service is exposed.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	1
MEDIUM	6
LOW	1

5. Main Findings

- 5.1 Homes receive several Quality Assurance Audits annually, carried out in-house by the Adults, Health and Wellbeing Department, as well as Health and Safety Audits by the Property Service, and medicines inspections by the NHS and the local pharmacy. If any element of the Internal Audit had already been reviewed recently as part of the Quality Assurance Audit, Health and Safety Audit, or Medicine Audit, it was decided to rely on the reports, accepting their assurance.

- 5.2 A Quality Assurance Audit was carried out on staff files at Llys Cadfan Home in March 2024, where general training, Social Care Wales memberships, supervision and appraisal records, as well as employment agreements were reviewed. Although not everything was present and correct at the time, it was found that the recommendations from the Quality Assurance Audit had been implemented by the time the home was visited, and the staff files were complete.
- 5.3 A Medicine Audit was conducted by the local pharmacy in January 2024. It was noted that the home kept proper records, and that suitable arrangements were in place for the ordering, storing, administration, and disposal of medicines. It was confirmed in the report that staff training was up to date, and all staff had adopted the Medication Policy. However, during the visit, it was observed that the door to the medication room was unlocked. It was immediately closed by the Manager. It was noticed that there was already a note on the door reminding staff to lock it on all occasions.
- 5.4 It was found that the amounts of medications did not agree with home's records on all occasions. Medications for 6 residents were checked, 9 different medications overall. For one resident, records at the home confirmed 125 'Paracetamol' tablets for them, with only 121 in the box. Following the visit, the Manager confirmed that the discrepancy was due to the failure of one member of staff to identify the correct number of tablets on the records, but the records have now been corrected.
- 5.5 There was no 'Safeguarding' poster displayed at the home. However, 'Safeguarding' cards were kept near the visitors' book. The Manager confirmed that she would arrange for a poster to be displayed.
- 5.6 It was observed that visitors did not sign the visitors' book on all occasions when leaving the home. The Manager indicated that she would arrange for a poster to be placed next to the visitors' book reminding everyone to sign out.
- 5.7 Some of the home's generic risk assessments have not been reviewed since 2022 but are in the process of being updated.
- 5.8 It was found that the home's Asset Register was not up to date. However, the Manager confirmed that arrangements were already in place for night staff to update it.
- 5.9 A sample of 4 staff members' leave cards were checked during the visit, to ensure that the annual leave entitlement agreed with the formula. For one member of staff, the formula confirmed a leave entitlement of 270.1 hours, but the leave card stated only 240. The Manager confirmed that this was an error and corrected it immediately. She expressed that there was a risk of errors when calculating leave entitlement because the original formula document was received back in 2021, but since then, any modifications are being received through emails from the Human Resources Adviser, with the Manager having to update the original document.

The formula document was seen during the visit, and it was noticed that several formulas had been crossed out and new formulas added by hand. It is thought it would be easier if one official document is circulated along with clear guidelines.

5.10 It was observed that the Home has a comprehensive Statement of Purpose, but its quality is not up to the standard expected by the Authority, with font size and style varying throughout the document, capital letters in the middle of sentences, unhighlighted headings, and instructions on how to complete the document not deleted.

5.11 The Manager stated that she receives budgetary reports from the Finance Unit on a regular basis, and although she conducts a basic check, she has not received any relevant training. She expressed an interest in budgetary monitoring training.

6. Actions

The Manager is committed to implementing the following actions to mitigate the risks highlighted.

- **Staff have been reminded of the need to keep the door to the medication room locked.**
- **Ensure medication stock records are accurate and reconcile.**
- **Display a 'Safeguarding' poster in an appropriate place, where all staff can see it.**
- **Arrange for a poster to be placed next to the visitors' book reminding everyone to sign when leaving.**
- **Ensure risk assessments are up to date and receive regular review.**
- **Ensure that the Asset Register is updated and reviewed annually.**
- **Ensure accuracy in calculating staff leave entitlement.**
- **Review the standard of the Statement of Purpose.**

PLAS HAFAN

1. Background

Plas Hafan is located in Nefyn and provides care for up to 30 residents over the age of 18, and is under the management of a new Manager since February 2024.

2. Purpose and Scope of Audit

- 2.1 The purpose of the audit was to ensure that suitable arrangements were in place for the proper management and maintenance of the home in accordance with applicable regulations and standards. To achieve this, the audit reviewed that the home's arrangements were adequate in terms of administration and staffing, budgetary control, procurement of goods and receipt of income, health and safety, performance monitoring along with ensuring that the service users and their properties were protected.

3. Audit Level of Assurance

- 3.1 The controls for risk mitigation were examined. The auditor's assessment concludes that the level of assurance of the audit is as follows:

Assurance Level	Description
LIMITED	While controls are in place, compliance with the controls needs to be improved and/or new controls introduced to reduce the risks to which the service is exposed.

4. Current Risk Score

- 4.1 The audit's risks are as follows:

<u>Risk Level</u>	<u>Number</u>
VERY HIGH	0
HIGH	1
MEDIUM	5
LOW	1

5. Main Findings

- 5.1 Homes receive several Quality Assurance Audits annually, carried out in-house by the Adults, Health and Wellbeing Department, as well as Health and Safety Audits by the Property Service, and medicines inspections by the NHS and the local pharmacy. If any element of the Internal Audit had already been reviewed recently as part of the Quality Assurance Audit, Health and Safety Audit, or Medicine Audit, it was decided to rely on the reports, accepting their assurance.

A Quality Assurance Audit was carried out on the staff files of Plas Hafan in February 2024 where general training, Social Care Wales membership, supervision and appraisal records, as well as employment contracts were reviewed. It was noted that everything was present and up to date in their inspection.

- 5.2 The home has a comprehensive Statement of Purpose, but it has not been presented to the standard expected by the Authority, with the size and style of the font varying throughout the document, headings not highlighted, and guidelines on how to complete the document not deleted.
- 5.3 Resident care plans are not kept in a secure location. The plans have been kept in cupboards in the hallway. Although the cupboards are locked, the keys are kept on a hook above, where all visitors to the home have access. The Manager agreed to consider different options for better safe storage of the keys.
- 5.4 Residential homes have now disposed of staff time sheets, with the Managers recording their staff's hours in a spreadsheet to be submitted to the Payroll Service. A sample of 4 members of staff was selected, ensuring that their hours for April 2024 on the work 'rota' agreed with the spreadsheet. Of the sample, 3 out of 4 reconciled, with a discrepancy of 6 hours for one member of staff. The 'rota' for the week ending April 27th confirmed that 45 hours had been worked, with 51 hours recorded on the spreadsheet. The Manager suggested that the discrepancy arose from an error in the spreadsheet in March 2024, which has been corrected in April. However, no audit trail or supporting records were found for the adjustment.
- 5.5 The home's asset register is not reviewed annually. Several receipts were seen in the file for new items that had been purchased but had not been added to the register. The Manager explained that a review would be carried out in the near future.
- 5.6 A 'Safeguarding' poster was not displayed in the home. The Manager confirmed that it had only been received. Following the visit, a confirmation was received that the poster was now displayed.
- 5.7 For some medicines, a stock check had not been conducted for two weeks from the date of the visit, where they are expected to be carried out weekly. In addition, it was seen that several medicines did not reconcile with the records of the home on every occasion. 5 residents' medication was reviewed, 9 different medications in total. For one resident, there were 2 more 'Paracetamol' tablets than what had been recorded by the home, with another resident's 'Apixaban' tablets short by 28 compared to their records.

- 5.8 A sample of 10 members of staff was selected to review their training records, specifically, Fire, First Aid, Safeguarding, Movement and Handling, and Medicine training. Several members of staff training had either ended or had no relevant training at all. The Manager confirmed that she is aware of this and maintains a record of those staff for organizing training soon.
- 5.9 The Manager stated that budgetary control reports are received from the Finance Department on a regular basis, but believes that due to a lack of appropriate training, further support is needed to understand them, and expressed an interest in receiving budgetary monitoring training.

6. Actions

The Manager has committed to implementing the following actions to mitigate the risks highlighted.

- **Review the standard of presentation of the Statement of Purpose.**
- **Ensure that keys to the cupboards where care plans are kept, are kept in a safe place, out of reach of visitors, where only staff have access.**
- **That any adjustments to the hours of the work 'rota' are recorded, either on the 'rota' or on the payroll spreadsheet, so that any adjustments/discrepancies can be explained.**
- **Ensure that the Asset Register is updated and reviewed annually.**
- **Display a 'Safeguarding' poster in an appropriate place, where all staff members will see it.**
- **Ensure that medication stock checks are carried out weekly.**
- **Organize Fire, First Aid, Safeguarding, Movement and Handling, and medicine training, for the relevant staff members, ensuring that the training is regularly renewed.**

COMMITTEE	GOVERNANCE AND AUDIT COMMITTEE
DATE	10 OCTOBER 2024
TITLE	INTERNAL AUDIT PLAN 2024/25
PURPOSE OF REPORT	TO GIVE THE COMMITTEE AN UPDATE ON PROGRESS AGAINST THE 2024/25 AUDIT PLAN
AUTHOR	LUNED FÔN JONES – AUDIT MANAGER
ACTION	FOR INFORMATION

1. INTRODUCTION

1.1 This report is a progress report on completion of the 2024/25 Internal Audit Plan.

2. SUMMARY OF PROGRESS AGAINST THE PLAN

2.1 The 2024/25 internal Audit Plan is included in Appendix 1 reported with the status of the work as at 27 September 2024, together with the time spent on each project. The status of the work in the operational plan at that date was as follows:

Audit Status	Number
Planned	16
Field Work Started	13
Awaiting Review	4
Draft Report Issued	1
Closed	0
Final Report Issued	11
Total	45
 Cancelled	 3

2.2 The service aims to have 95% of the audits in the plan to be either closed or with the final report released by 31 March 2025. The quarterly profile of this indicator is as follows:

End of quarter 1	8%
End of quarter 2	20%
End of quarter 3	50%
End of quarter 4	95%

- 2.3 As seen from the table above, Internal Audit's actual achievement up to 27 September 2024 was **24%** - out of **45** individual audits contained in the 2024/25 plan, **11** had been released in a finalised version/completed or closed.

3. AMENDMENTS TO THE PLAN

- 3.1 Initially, an estimated 660 days of audit resources was available to complete the 2024/25 Audit Plan. This was based on the staff resources available, including reasonable allowances for 'non-productive' activities, such as annual leave, sickness, training, management, and meetings. However, additional audits have been added, therefore it is inevitable that changes are made to the Plan.

- 3.2 To reflect the above in the Audit Plan, it was decided to modify or following audits:

Audit	Days	Additional Adjusted/Cancelled
Category Management - Environment	20	Additional
Category Management – Corporate (Follow-up)	5	Additional
Staff Awareness of the Safeguarding Policy	15	Additional
Car Parks – Economy and Community	12	Additional
	52	
Unofficial School Funds (Follow-up)	-10	Adjusted
Advice & Consultancy and Supporting Ffordd Gwynedd Reviews	-10	Adjusted
Out of County Placements	-4	Adjusted
School Reserve Balances	-8	Cancelled
Traffic and Projects	-10	Cancelled
Elections Act 2022	-10	Cancelled
	52	

- 3.3 In accordance with best practice and the Public Sector Internal Audit Standards, the Internal Audit Plan is subject to continuous review to ensure that it remain current and reflect changes in the business environment. To this end, the Audit Plan needs to be flexible, and the plan is reviewed and updated on a regular basis.

4. RECOMMENDATION

- 4.1 The Committee is asked to note the contents of this report as an update on progress against the 2024/25 audit plan, offer comments thereon and accept the report.

							Appendix 1
Department	Audit	Original Plan	Adjusted Plan	Actual Days	Remaining	Audit Status	Assurance Level
Education	Post-16 Provision in Schools Grant	5	5	3.9	1.1	Final Report	High
	Unofficial School Funds (Follow-up)	30	20	1.8	18.2	Planned	
	Education Digital Standards	20	20	1.3	18.7	Field Work Started	
	Schools - General	5	5	0.4	4.6	Field Work Started	
	School Reserve Balances	8	0	0.0	0.0	Cancelled	
	Breakfast Clubs	25	25	9.9	15.1	Field Work Started	
	School Transport	15	15	11.0	4.0	Field Work Started	
Environment	Ash Dieback	15	15	1.7	13.3	Planned	
	School Transport Project Management	15	15	17.8	-2.8	Awaiting Review	
	Traffic and Projects	10	0	0.0	0.0	Cancelled	
	Arrangements for the Distribution of Bins	12	12	2.8	9.2	Planned	
	Car Parks	20	20	19.5	0.5	Final Report	Satisfactory
	Category Management - Environment		20	15.0	5.0	Field Work Started	
Corporate Support	Staff Protection register	10	10	11.4	-1.4	Final Report	Satisfactory
	Category Management - Corporate (Follow-up)	0	5	0.8	4.2	Planned	
Corporate	Advice & Consultancy and Supporting Ffordd Gwynedd Reviews	40	30	6.9	23.1	Planned	
	Safeguarding Arrangements - Establishments	3	3	0.2	2.8	Planned	
	Proactive Prevention of Fraud and Corruption and the National Fraud Initiative	50	50	6.4	43.6	Field Work Started	
	Information Management - Establishments	3	3	0.0	3.0	Planned	
	Absence Management and Referral Arrangements	15	15	12.0	3.0	Final Report	Satisfactory
	Absence Management and Referral Arrangements (Part 2)	15	15	1.1	13.9	Planned	
	Ceisiadau Rhyddid Gwybodseth	15	15	18.1	-3.1	Final Report	Limited
	Data Protection Arrangements	15	15	0.0	15.0	Planned	
	Whistleblowing	25	25	25.4	-0.4	Draft Report	
	Use of External Meeting Rooms	15	15	14.2	0.8	Awaiting Review	
	Use of Consultants	30	30	0.0	30.0	Planned	
	Staff Awareness of the Safeguarding Policy	0	15	0.0	15.0	Planned	
Finance	Mobile Phones	20	20	6.1	13.9	Field Work Started	
	Harbour Statement of Accounts 2023/2024	4	4	4.0	-0.0	Final Report	High
	Creditors System - Key Controls	15	15	9.4	5.6	Field Work Started	
Economy and Community	Welsh Church Fund	3	3	3.0	-0.0	Final Report	High
	Lloyd George Museum	3	3	3.0	-0.0	Final Report	High
	Shared Prosperity Fund	15	15	0.0	15.0	Planned	
	Car Parks - Economy and Community	0	12	8.4	3.6	Awaiting Review	
Adults, Health and Wellbeing	Plas Hafan	12	12	14.8	-2.8	Final Report	Limited
	Llys Cadfan	12	12	13.9	-1.9	Final Report	Limited
	Plas Pengwaith	12	12	13.4	-1.4	Final Report	Limited
	External Home Care	20	20	0.1	19.9	Planned	
Children and Supporting Families	Out of County Placements	24	20	0.0	20.0	Planned	
Highways, Engineering and YGC	Ffilyd - Defnydd Tanwydd	12	12	0.0	12.0	Planned	
	Public Toilets	8	8	13.2	-5.2	Awaiting Review	
	Street Cleaning	10	10	3.6	6.4	Field Work Started	
	Bereavement Service	10	10	0.0	10.0	Planned	
Housing and Property	Smallholdings - Follow-up	10	10	3.2	6.8	Field Work Started	
	Housing Waiting Register	10	10	7.9	2.1	Field Work Started	
	Gwynedd Homebuy	18	18	0.7	17.3	Field Work Started	
	Housing Support Grant	12	12	6.1	5.9	Field Work Started	
Corporate Leadership Team	Elections Act 2022	10	0	2.2	-2.2	Cancelled	
		656	656	294.8	361.2		

MEETING: GOVERNANCE AND AUDIT COMMITTEE

DATE: 10 OCTOBER 2024

TITLE: SAVINGS OVERVIEW:
PROGRESS REPORT ON REALISING SAVINGS SCHEMES

PURPOSE: Report on the Latest Position

ACTION: Receive the information, consider the general risks arising from the savings slippages

CABINET MEMBER: COUNCILLOR PAUL ROWLINSON

CONTACT OFFICER: FFION MADOG EVANS, ASSISTANT HEAD OF FINANCE

1. In accordance with the requirements of the Local Government (Wales) Measure 2011, the Governance and Audit Committee is expected to scrutinise some financial matters as appropriate.
2. The attached report (Savings Overview: Progress report on realising savings schemes) will be submitted to the Cabinet on 15 October 2024.
3. The Cabinet Member for Finance, and the Chairman of the Governance and Audit Committee have asked us to present this report to the Governance and Audit Governance Committee to be scrutinised.
4. The Governance and Audit Committee is requested to note the position and the relevant risks regarding the Savings Overview, consider the decisions for the Cabinet and comment as necessary.

Appendices:

Cabinet Report 15/10/2024: Savings Overview: Progress report on realising savings schemes

CYNGOR GWYNEDD – Report to Cyngor Gwynedd's Cabinet

Subject:	Savings Overview: Progress Report on Realising Savings Schemes
Cabinet Member:	Councillor Paul Rowlinson, Cabinet Member for Finance
Contact officer:	Ffion Madog Evans, Assistant Head of Finance - Accounting and Pensions
Date:	15 October 2024

1. The decision sought

- 1.1 To accept the information in the report and to note the progress towards realising the savings schemes for 2024/25 and previous years.

2. The reason why it is necessary that the Cabinet makes the decision

- 2.1 Realising the individual schemes is the responsibility of relevant Cabinet members, who challenge the performance of the departments including the progress of the savings schemes. It is the responsibility of the Cabinet Member for Finance to keep an overview of the whole picture.

3. Introduction and Rationale

Background / Introduction

- 3.1 This report provides an overview of the Council's savings' situation for 2024/25 and previous years following a review of the situation at the end of August 2024.
- 3.2 In the 2024/25 Budget report to the Full Cabinet on 7 March 2024, it was reported that savings totalling £5,648,890 were required for the 2024/25 financial year to help close the 2024/25 funding gap. The savings were a combination of £3,668,130 previously approved in Cabinet 14 February 2023 for the 2023/24 budget, a £15,000 scheme that has been deferred which received Cabinet approval on 19 February 2019, plus new savings approved in Cabinet on 20 February 2024 worth £1,956,760.

4. Rationale and justification for recommending the decision

The Council has financial planning arrangements that have already identified significant efficiency savings in recent years to reduce service cuts for Gwynedd residents. Recent

years have seen difficulties in realising savings in some areas and so during 2023/24 £2m worth of savings were deleted.

5. Historical Departmental Savings Schemes 2015/16 – 2024/25

5.1 Appendix 1 summarises the achievement of each department based on the August 2024 review, against the revised savings target that has been set for them, which **totals over £34m. It can be reported that the value of £33.7m, or 98% of these schemes have been realised**, but the risk of realising the savings on some of the schemes remains.

5.2 There are 6 schemes worth £393k that face risks of delivering; 3 schemes from the Adults, Health and Wellbeing Department (total of £223k), 2 schemes from the Economy and Community Department (total of £134k) and 1 scheme from the Finance Department (£25k).

5.3 4 schemes totalling £164k have slipped but the departments do not foresee a problem in realising them.

6. New Departmental Savings Schemes 2023/24 – 2024/25

6.1 In the full Council on 7 March 2024 the 2024/25 Budget report was approved which included efficiency savings schemes and cuts worth £5.2m, worth £2m of which was to be implemented to fund the 2024/25 funding gap.

6.2 Appendix 2 summarises the achievement of each department based on the August 2024 review against the savings target set for them, **totalling over £12m. It can be reported that nearly £8m or 65% of these schemes have already been realised, with a further £938k or 8% on track to deliver fully and in a timely manner.**

6.3 There are significant risks of realising 1 of the Corporate Support Department's schemes, which is Learning and Development of the Organization - cutting supply budgets, worth £42k. Following turnover within the service, detailed work has been carried out to assess the impact of the cut. As a result, commitments have been discovered where it appears they could not be cut without having an impact across the organisation. The service is carrying out a further review to identify the true amount that could be cut.

6.4 It is currently anticipated that there are some risks of realising almost £545k worth of savings schemes; 1 scheme from the Education Department (£41k), 4 from the Environment Department (£388k), 2 from the Finance Department (£53k), 1 from the Economy and Community Department (£3k) and 1 from the Highways and Engineering Department (£60k).

- 6.5** There is a slippage on some schemes totalling £632k which were profiled to be realised in 2023/24 and there is some delay in realising schemes worth £2.162k in 2024/25, so a total of £2.794k, but the departments do not foresee a problem to realise them. Most of this amount includes savings from the Adults, Health and Well-being Department (£1.2m) and £444k from schools, which is slipping as schools work within an academic year and so the realisation will slip into the next financial year.

7. Departmental Savings Schemes 2025/26 onwards

- 7.1** Due to the prospects for a poor financial settlement and the current challenging economic climate, it is inevitable that Local Authorities must look at savings and cuts to support the financial situation. Additional savings schemes and cuts for 2025/26 are already under consideration by the Council, which will be the subject of a report over the coming months.
- 7.2** The current savings for 2025/26 onwards, worth £3.9m are listed by department in **Appendix 3**, the historical savings worth £200k in Table 1 and the new savings worth £3.7m in Table 2, but it is currently premature to report on the status of these schemes.

8. Conclusion

- 8.1** It can be reported that a total of £41.7 million of savings have been realised since 2015/16, which is 90% of the required £46.6m over the period. It is inevitable that realising the savings has been challenging and I am grateful to all the departments and Cabinet Members for ensuring this success.
- 8.2** The table below summarises the latest position of the savings schemes since April 2015 with 90% of all schemes realised.

Table 1: Summary of the status of all savings schemes since April 2015

Status of Savings	Portal	£m	%
Have realised	1	41.7	89.5
On track to achieve savings in full and on time	2	0.9	2.0
Delay, but moving forward	3	3.0	6.4
Some risks to achieve - slip or fail	4	0.8	1.7
Significant risks to realise in full or partially	5	0.2	0.4
Total savings		46.6	100

8.3 Therefore, I ask the Cabinet to note the achievement outlined in this report towards realising the savings schemes.

9. Next steps and timetable

9.1 Act on the recommendations stated in this report and submit a follow-up report to Cabinet 25 January 2025 following a review of the situation at the end of November 2024.

10. View of the Statutory Officers

10.1 Head of Finance

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

10.2 Monitoring Officer

No observations to add in relation to propriety.

Appendices:

Appendix 1 - Overview of Historical Savings Schemes 2015/16 - 2024/25 per Department

Appendix 2 - Overview of New Savings Schemes 2023/24 - 2024/25 per Department

Appendix 3 - Table 1 - Overview of Historical Savings Schemes 2025/26 onwards per Department

- Table 2 - Overview of New Savings Schemes 2025/26 onwards per Department

OVERVIEW OF HISTORICAL SAVINGS SCHEMES FOR 2015/16 TO 2024/25 PER DEPARTMENT

Department	Total Savings 2015/16 to 2024/25 £ - number	Schemes that have realised £ - number	Schemes that have slipped but in the process of implementation. £ - number	Schemes with some risks in achieving the savings £ - number	Head of Finance's comments
Education	1,659,740	1,659,740	-	-	All schemes of the period have been achieved.
Schools	4,331,620	4,331,620	-	-	All schemes of the period have been achieved.
Environment	2,972,463	2,922,463	50,000	1	There has been a slippage on one scheme which is <i>To provide electric car charging points in car parks</i> (£50k).
Corporate Support	2,569,218	2,569,218	-	-	All schemes of the period have been achieved.
Finance	1,881,636	1,856,636	-	25,000	1 There are risks in realising the savings of the <i>Attracting additional income through an Internal Collection Agency</i> scheme (£25k)
Economy and Community	2,996,422	2,851,422	-	145,000	2 There are some risks in achieving the savings of 2 schemes; a scheme relating to <i>Neuadd Dwyfor</i> (£100k) and <i>Establish parking fees on Dinas Dinlle beach and increase launching fees across Gwynedd beaches from £10 to £15</i> (£45k).
Adults, Health and Well-being	6,594,981	6,293,051	79,360	222,570	3 There are some risks in achieving savings of 3 schemes namely <i>Improving work processes by undertaking the Ffordd Gwynedd review and using the finance modules of the new IT system within the Adult Department</i> (£40k), <i>Review of Continuing Healthcare packages</i> £47.57k) and <i>Review the operating arrangements within the Adult Department</i> (£135k). The 2 schemes <i>Restructuring the Business Service by reducing support for teams within the Department and the Children's Department</i> (£49k) and <i>Increase income and reduce other costs</i> with a balance of £30k, have slipped but the Department anticipates realising these during 2024/25.
Children and Supporting Families	2,318,908	2,318,908	-	-	All schemes of the period have been achieved.
Highways, Engineering and Gwynedd Consultancy	6,531,580	6,496,580	35,000	1	<i>The Barmouth Bridge scheme - not paying Network Rail for the right of way over the bridge</i> (£35k) has slipped but the department is still in discussions with Network Rail.

OVERVIEW OF HISTORICAL SAVINGS SCHEMES FOR 2015/16 TO 2024/25 PER DEPARTMENT

Department	Total Savings 2015/16 to 2024/25 £ - number	Schemes that have realised £ - number	Schemes that have slipped but in the process of implementation. £ - number	Schemes with some risks in achieving the savings £ - number	Head of Finance's comments
Corporate Management Team and Legal	403,240	403,240	-	-	All schemes of the period have been achieved.
Housing and Property	843,230	843,230	-	-	All schemes of the period have been achieved.
Sub-total	33,103,038	32,546,108	164,360	4	392,570 6
Managerial Savings	1,200,360	1,200,360	-	-	All schemes of the period have been achieved.
TOTAL	34,303,398	33,746,468	164,360	4	392,570 6 In financial terms (£), 98% of 2015/16 – 2024/25 historical savings schemes have been realised.

OVERVIEW OF NEW SAVINGS SCHEMES FOR 2023/24 AND 2024/25 PER DEPARTMENT

Department	Total of new savings for 2023/24 and 2024/25		Realised Schemes		Schemes on track to be completed on time		Schemes slipping and schemes with some risks of achieving the savings		Head of Finance's comments
	£ - number		£ - number		£ - number		£ - number		
Education	1,304,550	31	1,194,510	26	69,040	3	41,000	2	There is a delay on 2 schemes which have been profiled in 2024/25 namely <i>Cut 25% of the Key Stage 4 Behaviour hubs' budget</i> (£18k) and <i>Delete one level 3 assistant post in the Inclusion Team</i> (£23k). There are 2 schemes on track to deliver in a timely manner.
Schools	1,966,100	1 *	1,522,020	1	-		444,080	*	There has been a delay on part of the <i>school efficiency savings</i> scheme mainly because schools work within an academic year and therefore the remaining amount will materialise in 2025/26.
Environment	1,197,750	32	372,740	19	35,510	1	789,500	12	The department anticipates some risks of realising the savings of 4 schemes worth a total of £388k - <i>Rationalisation of departmental support arrangements</i> (£150k), <i>Increase income by collecting Commercial Waste from holiday accommodation</i> (£120k), <i>Parking and Streetworks - Extension of Parking Enforcement Hours at Council Short Stay Car Parks</i> (£38k) and <i>Parking and Street works - Adjustment to Band 2 Long Stay Fee Structure</i> (£80k). There is a slippage/delay on 8 schemes worth a total of £402k but they are moving forward. There is 1 further scheme on track to deliver in a timely manner.
Corporate Support	517,790	20	423,750	16	52,430	3 *	41,610	1	There are significant risks of realising the savings of the <i>Establishment's Learning and Development scheme - cutting supplies budgets</i> worth £41.6k. The service is carrying out a further review in order to identify the true amount that could be cut. It is anticipated that 3 schemes will be realised in a timely manner.
Finance	665,100	17 *	69,260	5	260,250	6 *	335,590	6 *	There are risks of achieving the savings of the <i>Electricity Savings scheme by switching off equipment outside of core hours</i> (£15k). There has been a slippage from 23/24 on 4 schemes worth a total of £262k, included here is the <i>departmental scheme - Increase income targets to be proportionate to the work</i> that is at risk to achieve a 24/25 target worth £38k. There is a delay on a 24/25 scheme worth £21k but is moving forward. There are significant risks to achieving the savings of the <i>IT scheme - income by sharing a data center with another body</i> (£35k) so the department has discovered an alternative way to realise the savings. A further 6 schemes are on track to materialize in a timely manner.

Economy and Community	513,760	36	483,120	32	9,530	1	21,110	3	There are some risks of delivering £3k of savings on the <i>Marketing & Events scheme - increasing advertising income on the Eryri/Snowdonia Mountain and Coast website</i> . There is a delay on 2 schemes totalling £18k but 1 scheme is moving forward and on track to deliver in a timely manner.
Adults, Health and Well-being	1,575,650	20	82,150	5	266,090	8	1,227,410	7	There has been a slippage from 2023/24 on 4 schemes; <i>Client Asset Management Unit: Charge property management fee in line with Court of Protection practice guidance</i> (£9k), <i>Make use of a national reimbursement scheme to fund 25% of support costs in substance misuse</i> (£25k), <i>Achieve efficiency savings by making better use of equipment/technology in supported accommodation for individuals with physical disabilities</i> (£10k) and <i>Mental Health, Protection and Quality Assurance: Achieve efficiency savings by making better use of equipment/technology in supported accommodation</i> (£10k). There is a delay in 2024/25 on 3 schemes totaling £1.173k and a further 8 schemes on track to realise in a timely manner.
Children and Supporting Families	238,140	6 *	80,180	5 *	157,960	1 *	-	-	£158k on track to realise in a timely manner.
Highways, Engineering and Consultancy	1,025,440	18	606,940	9	87,500	2 *	331,000	7	The department anticipates risks of realising 1 scheme namely <i>Improving efficiency/rationalisation of highway depot sites</i> scheme (£60k). There was a slippage from 2023/24 on 2 schemes namely <i>Stop lamp inspection work over the summer</i> (£5k) and <i>Raising CCTV service contributions to reflect the true cost</i> (£5k) with the remaining £10k to realise this year. There is a delay on 4 schemes this year with a total of £261k but they are moving forward and 2 further schemes with a total of £77.5k on track to realise in a timely manner.
Corporate Management Team and Legal	131,190	7	131,190	7	-	-	-	-	All schemes of the period have been achieved.
Housing and Property	760,350	13	610,850	11	-	-	149,500	2	There has been a delay on 2 schemes namely <i>Internalize more technical work on Disabled Facilities Grants schemes</i> (£54k) and <i>Reducing our office space due to new ways of working</i> (£95.5k), but they are moving forward.
Managerial Savings	2,400,000	1	2,400,000	1	-	-	-	-	The one scheme of the period has been achieved.
TOTAL	12,295,820	202	7,976,710	137	938,310	25	3,380,800	40	In financial terms (£), 65% of the new 2023/24 and 2024/25 savings schemes have already been realised and a further 8% are on track to be delivered on time by the end of the financial year.

* schemes with different status splits in the years they have been profiled

TABLE 1

OVERVIEW OF HISTORICAL SAVINGS SCHEMES 2025/26 ONWARDS PER DEPARTMENT

Department	2025/26	2026/27	Total 2025/26 and 2026/27 Savings	
	£	£	£ - number	
Adults, Health and Well-being	200,000	-	200,000	1
HISTORICAL SCHEMES TOTAL	200,000	0	200,000	1

TABLE 2

OVERVIEW OF NEW SAVINGS SCHEMES 2025/26 ONWARDS PER DEPARTMENT

Department	2025/26	2026/27	Total 2025/26 and 2026/27 Savings	
	£	£	£ - number	
Education	151,960	-	151,960	5
Environment	1,096,540	200,000	1,296,540	10
Corporate Support	248,620	-	248,620	7
Finance	292,540	-	292,540	8
Economy and Community	135,020	-	135,020	5
Adults, Health and Well-being	923,120	143,090	1,066,210	12
Highways, Engineering and Consultancy	462,500	-	462,500	5
NEW SCHEMES TOTAL	3,310,300	343,090	3,653,390	52
TOTAL	3,510,300	343,090	3,853,390	53

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	10 OCTOBER 2024
TITLE:	CAPITAL PROGRAMME 2024/25 – END OF AUGUST 2024 REVIEW
PURPOSE:	Monitoring Report on the Expenditure and Financing of the Capital Programme
ACTION:	Receive the information, consider the risks regarding the Capital Programme, and scrutinise the decisions for the Cabinet
CABINET MEMBER:	COUNCILLOR PAUL ROWLINSON
CONTACT OFFICER:	FFION MADOG EVANS, ASSISTANT HEAD OF FINANCE

1. In accordance with the requirements of the Local Government (Wales) Measure 2011, the Governance and Audit Committee is expected to scrutinise some financial matters including budget monitoring reports, as appropriate.
2. The attached report (Capital Programme 2024/25 – End of August 2024 Review) will be presented to the Cabinet on 15 October 2024 for decisions regarding the revised programme and its financing.
3. The Cabinet Member for Finance and the Chairman of the Governance and Audit Committee have asked us to present this report to the Governance and Audit Committee to be scrutinised.
4. The Governance and Audit Committee is asked to note the position and any risks regarding the Council's capital programme, scrutinise the decisions for the Cabinet, and comment as necessary.

Appendices:

Cabinet report 15/10/2024: Capital Programme 2024/25 – End of August 2024 Review

CYNGOR GWYNEDD – Report to Cyngor Gwynedd Cabinet

Item Title:	Capital Programme 2024/25 – End of August Review (31 August 2024 position)
Cabinet Member:	Councillor Paul Rowlinson, Finance Cabinet Member
Relevant Officer:	Ffion Madog Evans, Assistant Head of Finance
Meeting Date:	15 October 2024

1. Decision Sought:

- To accept the report on the end of August review (31 August 2024 position) of the capital programme.
- Approve the revision to the Capital Budget approved on 7 March 2024 from the programme's financing perspective (as shown in part 3.2.3 of the report), that is:
 - an increase of £370,000 in the use of borrowing
 - an increase of £17,080,000 in the use of grants and contributions
 - a decrease of £51,000 in the use of the capital reserve
 - an increase of £1,260,000 in the use of renewal and other reserves.

2. The reason why the Cabinet needs to make the decision:

It is the Cabinet's responsibility to act, as necessary, to secure appropriate control over the Council's budgets. It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital. The Cabinet has the authority to adapt the capital programme. Approval is sought for the proposed programme (part 3.2.2) and financing (part 3.2.3).

These are recommended steps to ensure definite sources of funding for the 2024/25 – 2026/27 capital schemes.

3. Introduction and Rationale

3.1 Background/ Introduction

This technical report is presented as part of the 2024/25 budget review. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3.2.2 and 3.2.3 of the report, with the recommendations in part 1:

- Part 3.2.2: Analysis by Department of the £169.729m capital programme for the 3 years 2024/25 – 2026/27.

- Part 3.2.3: The sources of finance for the net increase of approximately £18.665m since the opening budget.
- Part 3.2.4: Detail of additional grants since the opening budget.
- Part 3.2.5: Analysis of the capital prudential indicators.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of contributions and capital receipts.

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

3.2 Rationale of, and introduction to, the recommended decision

3.2.1 Main Findings

The main findings that arise from the revised position are:

- Clear plans are in place to invest approximately £117.0m in 2024/25 on capital projects, with £48.8m (42%) of it being financed by attracting specific grants.
- An additional £17.2m of proposed expenditure has been reprofiled from 2024/25 to 2025/26 and 2026/27, but no loss of funding was caused to the Council where schemes have slipped.

3.2.2 Capital Programme 2024/25 to 2026/27

See below the revised capital programme as at the end of August 2024:

Department	END OF AUGUST REVIEW				Increase/(Decrease) since the Budget £000	Reprofiling Adjustment £000	Technical Adjustment £000	Other Changes £000
	2024/25 £000	2025/26 £000	2026/27 £000	Total £000				
Education	23,529	8,666	2,795	34,990	14,173	2,213	-	11,960
Environment	8,399	1,446	1,742	11,587	5,598	2,062	-	3,536
Corporate Support	50	-	-	50	-	-	-	-
Finance	2,252	498	609	3,359	234	234	-	-
Economy and Community	34,372	9,166	-	43,538	11,219	9,440	-	1,779
Housing and Property	25,695	10,762	6,850	43,307	7,576	7,164	-	412
Adults, Health and Wellbeing	4,810	2,290	-	7,100	2,952	2,552	-	400
Children and Supporting Families	1,735	160	-	1,895	1,695	290	-	1,405
Highways, Engineering and Consultancy	12,151	2,518	4,244	18,913	5,865	5,237	-	628
Corporate	3,990	500	500	4,990	2,305	3,760	-	(1,455)
TOTAL	116,983	36,006	16,740	169,729	51,617	32,952	-	18,665

3.2.3 Changes to the Sources of Finance

The budget for the three year programme shows an increase of £51.617m since the opening budget position where £32.952m originates from the reprofiling at the end of the previous year. The proposed sources of financing for this are noted below :

Source of Finance	END OF AUGUST REVIEW				Increase/(Decrease) since the Budget £000	Reprofiling Adjustment £000	Technical Adjustment * £000	Other Changes £000
	2024/25 £000	2025/26 £000	2026/27 £000	Total £000				
Supported Borrowing	4,057	4,057	4,057	12,171	(9,272)	-	-9,272	-
Other Borrowing	13,376	2,930	4,119	20,425	2,410	2,040	-	370
Grants and Contributions	58,075	17,424	4,536	80,035	37,535	11,183	9,272	17,080
Capital Receipts	129	-	-	129	129	129	-	0
Departmental & Corporate Revenue	1,131	31	-	1,162	(44)	(50)	-	6
Capital Fund	14,393	6,756	-	21,149	8,823	8,874	-	(51)
Renewals & Other Funds	25,822	4,808	4,028	34,658	12,036	10,776	-	1,260
TOTAL	116,983	36,006	16,740	169,729	51,617	32,952	-	18,665

**The General Capital Grant from the settlement is shown on the Grants row rather than as part of the Borrowing/Settlement as in the 2024/25 budget.*

3.2.4 Additional Grants

Since setting the original budget, the Council succeeded in attracting additional grants totalling £17,230k, the largest of which are listed below. Several adjustments including a reduction on schemes lower than the original forecast brings the total movement to £17,080k (see Appendix 1 for more information):

- £7,044k Sustainable Communities for Learning Grant – adjustments and the addition of various schemes
- £2,000k Grants from the Welsh Government's Local Transport Fund (LTF) and Active Travel Fund (ATF) for several different schemes

- £1,325k Care Homes Fund Grant for children's homes from the Welsh Government
- £1,070k Schools Repairs and Maintenance Grant 2024/25
- £891k Additional Learning Needs Capital Grant
- £800k Initial part of the Sustainable Schools' Challenge Grant towards Ysgol Bontnewydd
- £762k Welsh Government Grant towards developing a library management system
- £700k Early Years Grant towards the Ysgol Hiraef scheme
- £580k Grant from Welsh Government towards the scheme to develop a Health and Wellbeing Centre in Bangor

3.2.5 Capital Prudential Indicators

The CIPFA Prudential Code notes the need to report these Prudential Indicators (see Appendix 4 for more information).

3.3 Next Steps

To implement the recommendations to finance the programme.

4. Comments by Statutory Officers

4.1 Principal Finance Officer

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

4.2 Monitoring Officer

No observations in relation to propriety.

Appendices List:

Appendix 1 – Details of Main Changes

Appendix 2 – Details of Budget Reprofileing

Appendix 3 – Capital Expenditure First 5 months 2024/25

Appendix 4 – Capital Prudential Indicators 2024/25

Background Documents List:

2024/2025 Budget : [Annual budgets \(llyw.cymru\)](#)

Capital Strategy 2024/25 : Full Council 07/03/24 : [Item 12 - Capital Strategy 2024-25 including Investment and Borrowing Strategies.pdf \(llyw.cymru\)](#)

Details of Main Changes

See below the relevant schemes that have caused the main changes to the sources of finance since the original budget:

	2024/25 £'000	2025/26- 2026/27 £'000
Other Borrowing		
<ul style="list-style-type: none"> Vehicles for use in the areas of highways, waste and recycling (<i>Highways, Engineering and Consultancy; Environment Departments</i>). 	370	
Grants and Contributions		
<ul style="list-style-type: none"> Schools Repairs and Maintenance Grant 2024/25 (<i>Education Department</i>). 	1,070	
<ul style="list-style-type: none"> Sustainable Communities for Learning Grant – adjustments and the addition of various schemes (<i>Education Department</i>). 	4,209	2,835
<ul style="list-style-type: none"> Additional Learning Needs Capital Grant (<i>Education Department</i>). 	891	
<ul style="list-style-type: none"> Initial part of the Sustainable Schools' Challenge Grant towards Ysgol Bontnewydd (<i>Education Department</i>). 	800	
<ul style="list-style-type: none"> Early Years Grant towards the Ysgol Hiraël scheme (<i>Education Department</i>). 	700	
<ul style="list-style-type: none"> Grant from Welsh Government towards the scheme to develop a Health and Wellbeing Centre in Bangor (<i>Economy and Community Department</i>). 	580	
<ul style="list-style-type: none"> Reprofile and increase the Grant from the UK Government's Levelling Up Fund (<i>Economy and Community Department</i>). 	505	(35)
<ul style="list-style-type: none"> Adjustment to the Grant from the UK Government's Shared Prosperity Fund - a sum is paid to Gwynedd Council to be distributed across the counties of north Wales (<i>Economy and Community Department</i>). 	(152)	
<ul style="list-style-type: none"> Contribution from the National Grid towards the resurfacing of a car park in Llanberis (<i>Economy and Community Department</i>). 	53	

<ul style="list-style-type: none"> Welsh Government Grant towards developing a library management system (<i>Economy and Community Department</i>). 	762
<ul style="list-style-type: none"> Sport Wales Grant towards the Arfon Tennis Centre (<i>Economy and Community Department</i>). 	106
<ul style="list-style-type: none"> Childcare Capital Grant from the Welsh Government (<i>Children and Supporting Families Department</i>). 	80
<ul style="list-style-type: none"> Care Homes Fund Grant for children's homes from the Welsh Government (<i>Children and Supporting Families Department</i>). 	1,325
<ul style="list-style-type: none"> Grant from the Welsh Government towards the residential scheme at Penrhos, Pwllheli (<i>Adults, Health and Wellbeing Department</i>). 	300
<ul style="list-style-type: none"> Welsh Government grant towards the Afon Cadnant flood alleviation scheme (<i>Highways, Engineering and Consultancy Department</i>). 	170
<ul style="list-style-type: none"> Correction of the 22/23 financing for Ultra Low Emission Vehicles (ULEV) with a grant received in 23/24, but unused at that point in time (<i>Children and Supporting Families; Highways, Engineering and Consultancy; Housing and Property Departments</i>). 	102
<ul style="list-style-type: none"> Road Safety Capital Grant from the Welsh Government for several different 20 miles per hour schemes (<i>Environment Department</i>). 	20
<ul style="list-style-type: none"> Grants from the Welsh Government's Local Transport Fund (LTF) and Active Travel Fund (ATF) for several different schemes (<i>Environment Department</i>). 	2,000
<ul style="list-style-type: none"> Grants and contributions from the Welsh Government, Natural Resources Wales and the Wales Council for Voluntary Action (CGGC/WCVA) towards countryside schemes (<i>Environment Department</i>). 	436
<ul style="list-style-type: none"> Welsh Government Grant towards the "Enable" scheme (<i>Housing and Property Department</i>). 	247
<ul style="list-style-type: none"> Leasing Scheme Wales Grant from the Welsh Government (<i>Housing and Property Department</i>). 	74

Departmental and Corporate Revenue

- Revenue contributions towards traffic schemes (Environment Department). 6

Capital Fund

- Correction of the 22/23 financing for Ultra Low Emission Vehicles (ULEV) with a grant received in 23/24, but unused at that point in time (Children and Supporting Families; Housing and Property Departments). (51)

Renewals and Other Funds

- Correction of the 22/23 financing for Ultra Low Emission Vehicles (ULEV) with a grant received in 23/24, but unused at that point in time (Highways, Engineering and Consultancy Department). (51)
- Adjustments to match funding / additional contributions towards various schemes (Economy and Community Department). (39)
- Vehicle and Equipment renewals from departmental funds (Highways, Engineering and Consultancy; Environment Departments). 607
- Contribution from the Climate Fund towards a renewals scheme to move to electric vehicles (Highways, Engineering and Consultancy; Adults, Health and Wellbeing; Environment; Housing and Property Departments). 742

Details of Budget Reprofileing

See below the main schemes that have been reprofiled since the original budget:

	2024/25	2025/26 - 2026/27
	£'000	£'000
Schools' Schemes (Sustainable Communities for Learning and Others) (<i>Education Department</i>)	(4,085)	4,085
Economic Stimulus Schemes and Industrial Units (<i>Economy and Community Department</i>)	(2,652)	2,652
Levelling Up Fund (<i>Economy and Community Department</i>)	(3,143)	3,143
Maritime, Country Parks and Leisure schemes (<i>Economy and Community Department</i>)	(168)	168
Maesgeirchen Integrated Centre scheme (<i>Children and Supporting Families Department</i>)	(160)	160
Penygroes Health and Care Hub (<i>Adults, Health and Wellbeing Department</i>)	(1,200)	1,200
Residential Establishments, Day Care and other schemes in the Adults area (<i>Adults, Health and Wellbeing Department</i>)	(1,090)	1,090
Vehicle and Equipment Renewals (<i>Highways, Engineering and Consultancy; Environment Departments</i>)	80	(80)
Coastal Risks and Flood Prevention schemes (<i>Highways, Engineering and Consultancy</i>)	(508)	508
Transport schemes (<i>Environment Department</i>)	(289)	289
Car Parks – Resurfacing (<i>Environment Department</i>)	(119)	119
Environment Department Specialist IT systems (<i>Environment Department</i>)	(48)	48
Waste and Recycling Schemes (<i>Environment Department</i>)	(174)	174
Housing Grants and Other Schemes (<i>Housing and Property Department</i>)	(179)	179
Disabled Adaptation and Offices Schemes (<i>Housing and Property Department</i>)	(154)	154

Council's Carbon Management and Solar Panel Schemes (<i>Housing and Property Department</i>)	(2,500)	2,500
Asbestos Disposal Schemes (<i>Housing and Property Department</i>)	(200)	200
Heating Decarbonisation Schemes (<i>Housing and Property Department</i>)	(600)	600

Note:

The above reprofiling will not result in any loss in grant.

There are a variety of valid reasons behind the reprofiling in many cases, but the delay prior to implementing these schemes can mean that the services must cope for longer with current assets which have not been improved.

Capital Expenditure First 5 Months 2024/25

SUMMARY	CAPITAL PROGRAMME FULL YEAR (reviewed August) 2024/25 £'000	ACTUAL EXPENDITURE FOR THE 5 MONTHS TO 31/08/2024 £'000
Education	23,529	3,014
Environment	8,399	2,584
Corporate Support	50	-
Finance (and Information Technology)	2,252	569
Economy and Community	34,372	5,511
Housing and Property	25,695	3,338
Adults, Health and Wellbeing	4,810	151
Children and Supporting Families	1,735	64
Highways, Engineering and Consultancy	12,151	2,722
Corporate	3,990	-
TOTAL	116,983	17,953

Note:

The percentage spent this year (15%) is higher than the position this time last year (amount spent in 5 months in 2023/24 was 11%), and higher than two years ago (11% in 2022/23).

APPENDIX 4

Capital Prudential Indicators 2024/25

The Council measures and manages its capital expenditure and borrowing with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a regular basis.

The latest position and information are reflected here.

Capital Expenditure

The Council has undertaken and is planning capital expenditure as summarised below.

	2023/24 Actual £m	2024/25 Forecast £m	2025/26 Budget £m	2026/27 Budget £m
General Fund Services	56.9	117.3	36.4	17.1
Leasing General Fund *	0.0	5.0	0.0	0.0
TOTAL	56.9	122.3	36.4	17.1

** Capital Expenditure for 2024/25 includes £5m due to a change in the accounting for leases and does not represent cash expenditure.*

The main General Fund capital projects in 2024/25 include (see the review reports for reprofiling details as applicable) :

- Housing Schemes/Strategy - £17.9m
- Shared Prosperity Fund Schemes - £16.4m
- Sustainable Communities for Learning Schemes - £16.1m
- Levelling Up Fund Schemes - £10.1m
- Coastal Flood Protection - £3.9m
- Property Schemes - £3.7m

Capital Financing Requirement

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (MRP) and capital receipts used to replace debt.

	31.3.2024 Actual £m	31.3.2025 Forecast £m	31.3.2026 Budget £m	31.3.2027 Budget £m
General Fund Services *	173.5	190.5	191.4	193.4

** The Capital Financing Requirement for 2024/25 and subsequent years includes a £5m increase due to a change in the accounting for leases.*

Gross Debt and the Capital Financing Requirement

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.3.2024 Actual £m	31.3.2025 Forecast £m	31.3.2026 Budget £m	31.3.2027 Budget £m	Debt at 31.08.2024 £m
Debt (including Private Finance Initiative (PFI) and leases)	101.3	98.7	94.0	88.6	100.0
Capital Financing Requirement	173.5	190.5	191.4	193.4	

Debt and the Authorised Limit and Operational Boundary

The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Maximum Debt 2024/25 £m	Debt at 31.08.2024 £m	2024/25 Authorised Limit £m	2024/25 Operational Boundary £m	Complied ?
Borrowing	94.3	94.3			
Private Finance Initiative (PFI) and Finance Leases	5.7	5.7			
Total Debt	100.0	100.0	200	190	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Proportion of Financing Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP) are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, National Non-Domestic Rates and general government grants.

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget
Financing Costs * (£m)	7.1	9.1	9.6	10.2
Proportion of Net Revenue Stream (%)	2.2%	2.8%	2.9%	3.0%

** Financing costs for 2024/25 and subsequent years includes a £0.7m increase due to a change in the accounting for leases.*

Treasury Management Indicators

These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments) are reported separately as part of the Treasury Management Report for the period under review.

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	10 OCTOBER 2024
TITLE:	REVENUE BUDGET 2024/24 – END OF AUGUST 2024 REVIEW
PURPOSE:	Monitoring Report on the Latest Financial Position
ACTION:	Receive the information, consider the risks arising from the forecast expenditure against the budget, and scrutinise the decisions to be presented to Cabinet regarding budget management by the Council and its departments
CABINET MEMBER:	COUNCILLOR PAUL ROWLINSON
CONTACT OFFICER:	FFION MADOG EVANS, ASSISTANT HEAD OF FINANCE

1. In accordance with the requirements of the Local Government (Wales) Measure 2011, the Governance and Audit Committee is expected to scrutinise some financial matters, including budget monitoring reports, as appropriate.
2. The attached report (Revenue Budget 2024/25 – End of August 2024 Review) will be submitted to the Cabinet on 15 October 2024.
3. The Cabinet Member for Finance and the Chairman of the Governance and Audit Committee have asked us to present this report to the Governance and Audit Committee to be scrutinised.
4. The Governance and Audit Committee is requested to note the situation and the relevant risks regarding the budgets of the Council and its departments, consider the decisions for the Cabinet and comment as necessary.

Appendices:

Cabinet report 15/10/2024: Revenue Budget 2024/25 – End of August 2024 Review

CYNGOR GWYNEDD - Report to Cyngor Gwynedd Cabinet

	Revenue Budget 2024/25 - End of August 2024 Review
Cabinet Member:	Councillor Paul Rowlinson, Cabinet Member – Finance)
Relevant officer:	Ffion Madog Evans, Assistant Head of Finance Department - Accountancy and Pensions
Date of meeting:	15 October 2024

1. Decision sought

- 1.1 Noting a forecasts of £7.6 million overspend by Council departments, to accept the report on the end of August 2024 review of the revenue budget, and support the steps the Chief Executive has put forward to address the significant overspend by the Adults, Health and Wellbeing Department, Children and Families Department, Highways, Engineering and YGC and the Environment Department.
- 1.2 To approve the transfer of £1,868k of underspend on corporate budgets to the Council's Financial Strategy Reserve.

2. The reason why the Cabinet needs to make the decision

- 2.1 It is the Cabinet's responsibility to take action, as necessary, to secure appropriate control over the Council's budgets (e.g., approval of significant virements or supplementary budgets).

3. Introduction and Rationale

Background / Introduction

- 3.1 The end of August report is submitted on the latest review of the Council's revenue budget for 2024/25, and a summary of the situation per Department is outlined in **Appendix 1**. The current projections suggest that six of the departments will overspend by the end of the year. Substantial overspending is projected for the Adults, Health and Well-being Department, Children and Families Department, Highways, Engineering and YGC Department and the Environment Department.
- 3.2 In **Appendix 2**, further details are provided relating to the main issues and the budget headings where significant variances are anticipated, along with specific recommendations where appropriate.

4. The reasoning and justification for recommending the decision

The Savings Situation

- 4.1** In the '2024/25 Budget' report to the Full Council on 7 March 2024, it was reported that savings worth £5,648,890 were required to assist to close the 2024/25 financial deficit. The budgets have been reduced by this amount; therefore, the situation is reported upon after considering the savings.
- 4.2** In recent years, we have reported on risks to achieve savings. Savings schemes to the value of £2 million were deleted during 2023/24. In terms of the remaining plans, there are risks relating to the delivery of some of the plans.
- 4.3** The latest situation in terms of savings is that £41.7 million, namely 90% of the amended savings schemes since 2015, have now been realised.

5. Council Departments

5.1 Adults, Health and Well-being Department

After the Department received an additional permanent budget allocation of over £3.2 million this year to meet pressures in various fields, the latest projections suggest that there will be an overspend of £2.7 million by the end of the year (compared with £3.9 million in 2023/24). The overspending comes as a result of a combination of different factors, including an increase in the pressures on the domiciliary care provision, with higher staffing costs, sickness levels and high rates of non-contact hours with the internal provision. The other main issues include direct payments, which overspends £1.3 million in the older people service, and supported accommodation in the learning disabilities service.

After work was commissioned by the Chief Executive last year to look at the department's financial position, the work is now being addressed.

5.2 Children and Families Department

The department's financial position has worsened substantially since the 2023/24 position, when an overspend of £2.6 million was reported, but which has now increased to £3.2 million; mainly as a result of an increase in out-of-county placement costs. An increase was seen in the complexities of packages and recent increased use of unregistered placements.

As a result of the exceptional overspending by the Children and Families Department, the Chief Executive has commissioned work to explain the details in the Children care picture, in order to obtain a better understanding of the issues and a clear programme of response. The work will be led by the Statutory Director of Social Services.

5.3 Education Department

Following an overspend of £1.5 million during the 2023/24 financial year on school transport, the field received an additional budget allocation this year of £896k on a permanent basis, and a further £896k for one-year only to address the pressures on the school bus and taxi field, following the re-tendering of contracts, therefore we report on a balanced financial position.

5.4 Byw'n lach

Over the past years, the income levels of Byw'n lach have been disrupted by Covid, the company has received annual financial support from the Council which was £550k in 2022/23 and £308k in 2023/24, which was above the contractual payment of the delivery contract, to enable them to maintain their services. The financial support continues this year and the required sum is £101k.

5.5 Highways, Engineering and YGC Department

An overspend of £649k is anticipated by the department, a reduction was seen in the work being commissioned by external agencies which is having a negative impact on the income of the highways services. In municipal, there are a combination of factors, including additional pressure on the budgets of street cleaning and cleaning public toilets. Income losses are issues for grounds maintenance and public toilets. Higher income projections by the bereavement services, and the staffing underspend in a number of fields is assisting the financial position.

5.6 The Environment Department

An overspend of £1,083k is forecasted, with the annual trend of overspend in the waste collection and recycling fields continues and is responsible for £664k of the overspend. Employment costs and sickness and overtime levels are problematic in this field; however, the matter is being addressed and therefore seems to be reducing. Additional fleet costs, in terms of vehicle hire, is another matter. Reduced parking income is also evident this year. A number of slipping savings schemes are also a part of the picture.

5.7 Housing and Property

The trend of significant pressure on the emergency accommodation service continues, with projections that spending in this field will be £6.4 million this year, compared with £6.8 million last year. The overspend of £227k reported comes after considering the additional budget of £3m which has been allocated from the council tax premium as well

as a one-off additional budget of £1.2 million allocated as a part of the bids procedure for 2024/25 to assist with the extra pressures.

5.8 Corporate

Underspend on corporate as a result of prudent projections when setting the 2024/25 budget and a reduction in the numbers who claim the council tax reduction compared with previous years. Underspend on other budgets assisting the financial position.

6. Conclusion

6.1 It is anticipated that many Council departments will be overspending by the end of the year with significant overspend in some fields. Significant overspend is forecasted by the Adults, Health and Wellbeing Department, Children and Families Department, Highways, Engineering and YGC and the Environment Department this year. As a result of the exceptional overspending by the Children and Families Department, the Chief Executive has commissioned work to explain the details in the Children care picture, to obtain a better understanding of the issues and a clear programme of response. This is consistent with the arrangements already in place in the other departments which are significantly overspending. The work will be led by the Statutory Director of Social Services.

A Medium-Term Financial Plan report was submitted to the Cabinet on 14 May 2024, which outlined the savings and cuts procedure in order to respond to the financial position. This included recommending freezing the spending during the year, should it become apparent that substantial overspend is likely. Considering the latest overspending projections, it is considered that such a measure is appropriate. Therefore, there will be a need for a combination of spending freeze arrangements and use the Council's reserves to fund the financial deficit projected for 2024/25.

In addition, the Council received a one-time rebate to all councils from the proceeds of the re-funding of Restoration Park, in Deeside. The contribution has been put into a fund, with the first call from it to be used to fund overspending in the waste area.

Some uncertainty remains nationally in terms of the pay settlement situation and in terms of the Welsh Government's contribution to increases to teacher pay and pensions, it is expected that the picture will be clearer by the end of November review.

7. Next steps and timetable

7.1 To act on the recommendations submitted and present a follow-up report to the Cabinet on 25 January 2025 following the end of November review.

8. Views of the Statutory Officers

8.1 Chief Finance Officer

I have collaborated with the Cabinet Member to prepare this report and I confirm the content.

8.2 Monitoring Officer

No comments to add in terms of propriety.

Appendices:

Appendix 1 - Summary of departmental budgets' net positions

Appendix 2 - Details of budgets and the significant variances

Revenue Budget 2024/25 - Summary of the position per Department

	End of August Review			
	2024/25 Proposed Budget	Gross Estimated Over / (Under) Spend 2024/25	Recommended Adjustments	Estimated Adjusted Over / (Under) Spend 2024/25
	£'000	£'000	£'000	£'000
Adults, Health and Well-being	78,788	2,673	0	2,673
Children and Families	23,473	3,205	0	3,205
Business Service and Care Commissioning	2,641	(97)	0	(97)
Education	117,900	(60)	0	(60)
Economy and Community	6,115	127	0	127
Highways, Engineering and YGC	18,692	649	0	649
Environment	17,138	1,083	0	1,083
Housing and Property	13,175	126	0	126
Corporate Management Team and Legal	2,786	(63)	0	(63)
Corporate Support	8,112	(23)	0	(23)
Finance (and Information Technology)	8,474	(18)	0	(18)
Corporate Budgets (Differences only)	*	(1,868)	1,868	0
Totals (net)	305,768	5,734	1,868	7,602

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Adults, Health and Well-being Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Adults Services</u>						
Older People's Services						
Residential and Nursing - Homes	24,394	23,520	(874)		(874)	(720)
Domiciliary Care	10,163	11,384	1,221		1,221	1,228
Physical Disabilities Services	3,471	2,492	(979)		(979)	(1,065)
Others	3,774	4,685	911		911	458
	41,802	42,081	279	0	279	(99)
Learning Disabilities Services	30,091	30,455	364		364	1,955
Mental Health Services	5,217	5,073	(144)		(144)	350
Department Management	589	466	(123)		(123)	(89)
<u>Adults Services Total</u>	77,699	78,075	376	0	376	2,117
<u>Provider Services (shows net budget)</u>						
Residential Care	0	211	211		211	270
Day Care	(9)	5	14		14	(113)
Community Care	139	1,761	1,622		1,622	1,780
Others	0	10	10		10	19
<u>Provider Services Total</u>	130	1,987	1,857	0	1,857	1,956

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Adults, Health and Well-being Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Other Services</u>						
Departmental Central Services (including Department savings)	959	1,399	440		440	38
Closure of 2023/24 Accounts Adaptation			0		0	(3,806)
<u>Other Services Total</u>	959	1,399	440	0	440	(3,768)
<u>Adults, Health and Well-being Total</u>	78,788	81,461	2,673	0	2,673	305

Adults, Health and Well-being

Older People - in residential and nursing, higher fee costs by private providers continues, but the implementation of legal arrangements relating to due deferred payments for residents is more effective. A permanent additional budget of £600k was given to this field for 2024/25 and therefore, an underspend is anticipated by the end of the year. An increase in the pressures on the domiciliary care budget when moving to the new provider model and therefore an overspend of £1.2 million. In the physical disabilities field, the trend is that there is less demand for domiciliary care but continued increasing pressure on direct payments. In 'Others', an overspend of £1.3 million on direct payments but this is reduced by an underspend on day services.

Learning Disability - following an overspend of £2m in this field in 2023/24, the service received an additional budget allocation of £1.68 million on a permanent basis for 2024/25 onwards, nevertheless it is estimated that there will be an overspend of £364k this year. Pressures continue in supported accommodation and field worker posts above the organisation contribute to the overspending.

Mental Health - the service received a permanent additional budget allocation of £419k for 2024/25, which has transformed the financial projection of the overspend position reported last year. It is anticipated that residential and nursing and field workers will underspend.

Department Management - an underspend on salaries, travelling and legal budget.

Provider Services - overspend on staff in residential care, which includes the use of agency staff. Despite an additional budget of £0.5 million being permanently invested in domiciliary care in 2024/25, higher staffing costs, with sickness levels and high non-contact hour rates continue to account for £1.6 million of the overspend. The day care provision has reduced over recent years, however there are residual running costs for some of the buildings.

Departmental Central Services - posts above the structure and failing to realise savings responsible for the £440k overspend.

Savings - in terms of the situation of realising savings for the department, savings to the value of £356k from previous years (after deleting savings to the value of £1.5 million in 2023/24), as well as £1.44 million in new savings for 2024/25, therefore a total of £1.8 million. The latest projections show that it will not be possible for 85%, namely £1.5m of these savings, to be realised this year.

In light of the exceptional overspend by the Adults, Health and Well-being Department in 2023/24, the Chief Executive commissioned work earlier on in the year to explain the complex detail in Adults care, in order to gain a better understanding of the issues and a clear agenda to respond. The work is being addressed and is being led by the Statutory Director of Social Services, with the intention to report on the findings soon.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Children and Families Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	688	645	(43)		(43)	(79)
Operational	2,638	2,957	319		319	555
Placements						
Out-of-County Placements	5,832	7,653	1,821		1,821	1,497
Small Group Homes	0	0	0		0	0
Fostering through an Agency	1,917	1,648	(269)		(269)	(228)
Fostering - Internal	3,057	2,838	(219)		(219)	(268)
Support Services and Others	2,099	2,484	385		385	196
	12,905	14,623	1,718	0	1,718	1,197
Post-16	1,710	1,712	2		2	122
Derwen Service	2,631	3,770	1,139		1,139	825
Youth Justice	288	247	(41)		(41)	(31)
Early Years	169	133	(36)		(36)	(83)
Workforce Development Unit	162	162	0		0	0
Others	2,282	2,429	147		147	105
Closure of 2023/24 Accounts Adaptation			0		0	(2,511)
Children and Families Total	23,473	26,678	3,205	0	3,205	100

Children and Families

Service Management - grant receipts to fund the core expenditure.

Operational - the overspending trend continues as a result of substantial pressure on support schemes support, as well as staffing above the budget for field workers.

Placements - a further increase was seen in the average number of out-of-county placements again this year to 34.1 (32.5 in 2023/24, 25.7 for 2022/23), and therefore an increase in the overspend since the 2023/24 position, with the overspend projections of £1.8 million for the year. Although £240k is the average cost of the placements, there are six exceptional placements this year, which cost between £472k and £800k each. An increase was seen in the costs due to the complexities of packages and recent increased use of unregistered placements, which are more costly.

Average numbers of Agency Fostering and Internal Fostering consistent with 2023/24 numbers but as there are several asylum seekers without parents or guardians receiving a service, the income receipt from the Home Office for them has resulted in an underspend. In the support service and others, there are increasing pressures on the budget of the placements team and support workers.

Small Group Homes - are in the process of being established in Gwynedd, which are an in-house provision which will mean that children can be placed in-house, instead of with external out-of-county providers, which in turn will reduce the existing overspending on placements.

Derwen - the overspend trend continues, and has intensified, with the costs of support plan workers and specialist support now overspending by £1 million. There was a change in the emphasis in terms of how the service is provided, with increased pressure on direct payments which is responsible for £192k of the overspend. Transport and property maintenance costs contribute to an overspend of £49k in the Short Breaks Unit.

Youth Justice - staff turnover and a reduction in the Council's contribution towards the partnership's running costs this year.

Early Years - grants available to fund core spending, leading to a projected underspend.

Others - combination of factors including overspending on staffing, specialist service fees and on the contributions of joint services.

As a result of the exceptional overspending by the Children and Families Department, the Chief Executive has commissioned work to explain the details in the Children care picture, in order to obtain a better understanding of the issues and a clear programme of response. The work will be led by the Statutory Director of Social Services.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW

Business and Care Commissioning Service	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Support and Commissioning	1,627	1,476	(151)		(151)	(172)
Income and Finance	784	714	(70)		(70)	(26)
Preventive Services	230	354	124		124	(7)
<u>Business and Care Commissioning Service Total</u>	2,641	2,544	(97)	0	(97)	(205)

Business and Care Commissioning Service

The Business and Care Commissioning Service has been moved from the Adults, Health and Well-being Department during the year to be accountable to the Statutory Director of Social Service, since their work field includes the care of both adults and children.

Support and Commissioning - underspend on a number of budget headings including staff costs, travelling, printing and services and supplies.

Income and Finance - many budget headings are underspending, including travelling and training and a saving which has been delivered in advance.

Preventative Services - the telecare plan is overspending by £83k because of a deficit in the contributions compared with the target, as well as spending above the equipment budget. Grant receipt of £48k within the figures which contributes to the costs of a post, therefore reducing the overspending reported. An overspend of £41k on preventative services following recent changes to the provision.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Education Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Devolved Schools	96,629	96,629	0		0	0
Schools Quality Services	(1,514)	(1,527)	(13)		(13)	(281)
Infrastructure and Support Services						
Transportation	8,536	8,536	0		0	1,509
Ancillary Services	957	929	(28)		(28)	(399)
Others	4,321	4,298	(23)		(23)	(16)
	13,814	13,763	(51)	0	(51)	1,094
Leadership and Management	2,667	2,643	(24)		(24)	(192)
Additional Learning Needs and Inclusion	5,294	5,342	48		48	(527)
Youth Service	1,010	990	(20)		(20)	1
Use of the Department's Underspend Fund			0		0	(95)
Use of Other Departmental Funds			0		0	0
Education Total	117,900	117,840	(60)	0	(60)	0

Education

Schools Quality Service - combination of income receipts and use of grant funding to fund core spending.

Transport - following an overspend of £1.5 million during the 2023/24 financial year, the field received an additional budget allocation this year of £896k on a permanent basis, and a further £896k for one-year only to address the pressures on the school bus and taxi field, following the re-tendering of contracts. Therefore, at present, it is anticipated that the financial position will be balanced.

The transport field has been the subject of a strategic review to try to control the increase in expenditure, so that it is possible to reduce overspending and take advantage of opportunities for efficiencies.

Infrastructure and Support Services - Ancillary Services - higher income for catering following a grant receipt for the unit price of primary schools' free school meals. Overspending on staff costs are school cleaning and caretaking issues. The care element of the breakfast clubs continues to overspend, with a projected overspend of £100k as a result of higher staff costs and lack of income.

Infrastructure and Support Services - Others - underspend on many various budgets.

Leadership and Management - saving derived from a system change.

Additional Learning Needs and Inclusion service - mixed picture which is a combination of staff turnover and grant receipt, however, pressure on several other various headings. The circumstances relating to one specific centre continues and is responsible for an overspend of £101k.

Youth Service - realising the 2025/26 savings scheme relating to staffing in advance.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Economy and Community Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	436	436	0		0	10
Community Regeneration and Support Programmes	474	464	(10)		(10)	(1)
Maritime and Country Parks	(153)	(25)	128		128	(10)
Byw'n Iach and Other Leisure Contracts	2,236	2,295	59		59	88
Economic Development Programmes	(72)	(147)	(75)		(75)	(99)
Marketing and Events	299	259	(40)		(40)	0
Gwynedd Libraries	1,832	1,772	(60)		(60)	(25)
Gwynedd Museums, Arts and Archives	1,010	1,188	178		178	124
Use of the Department's Underspend Fund	53	0	(53)		(53)	(87)
<u>Economy and Community Total</u>	6,115	6,242	127	0	127	0

Economy and Community

Community Regeneration and Support Programmes - grant money is funding core spending.

Maritime and Country Parks - impact of poor weather over the summer disrupted income levels, which has led to a lack of income at beaches and has contributed to a reduction in the income of Hafan, Pwllheli. Spending above the budget during the year are issues at Hafan, Pwllheli and Doc Fictoria, Caernarfon. Better projections with the Country Parks with an underspend of (£69k) as a result of a one-off income receipt from Netflix at Parc Padarn and a combination of grant receipts and higher income at Glynllifon.

Byw'n Iach and Other Leisure Contracts - the leisure provision was transferred to the Byw'n Iach Company in April 2019, but responsibility for the running costs of properties remained with the Council. Over the past years, the income levels of Byw'n Iach have been disrupted by Covid, the company has received annual financial support from the Council which was £550k in 2022/23 and £308k in 2023/24, which was above the contractual payment of the delivery contract, to enable them to maintain their services. The financial support continues this year, and the required amount has reduced to £101k.

Furthermore, there is an overspend of £59k on the running costs of Byw'n Iach properties.

Economic Development Programmes - success to attract grants which releases the Council's core budget.

Marketing and Events - job saving in advance which is a part of the 2025/26 savings schemes.

Gwynedd Libraries - vacant posts a part of the 2025/26 savings schemes, as well as less spending on many budget headings.

Gwynedd Museums, Arts and Archives - overspending mainly because of a lack of income is an issue at Neuadd Dwyfor £127k, Storiol £31k and Lloyd George Museum £16k.

In order to reduce the overspend reported, the department will use its departmental underspend fund in full, which is £53k this year.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW

Highways, Engineering and YGC Department (including Trunk roads)	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Services:</u>						
Highways (including Trunk roads)	12,183	12,411	228		228	337
Engineering	509	506	(3)		(3)	76
Municipal	5,734	6,125	391		391	335
Gwynedd Consultancy	266	299	33		33	(61)
Closure of 2023/24 Accounts Adaptation			0		0	(587)
<u>Highways, Engineering and YGC Total</u>	18,692	19,341	649	0	649	100

Highways, Engineering and YGC (including Trunk roads)

Highways Services - less work being commissioned by external agencies and, therefore, having a negative impact on the projected income, as well as increasing pressure on the lighting budget. Underspend on staff costs reducing the overspend reported.

Engineering Services - underspend on various headings.

Municipal Services - a mixed picture, which is a combination of factors, additional pressure on the budgets of street cleaning and cleaning public toilets. Income losses are issues for land maintenance and public toilets. Higher income projections by the bereavement services, and the staffing underspend in several fields is assisting the financial position.

Gwynedd Consultancy - projected lack of income by external organisations such as other Councils and Welsh Government on road building and roads and engineering services.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Environment Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	733	952	219		219	0
Planning and Building Control Service	631	866	235		235	116
Street Care and Transport Services						
Network Management (Transportation)	329	(210)	(539)		(539)	(169)
Parking and Parking Enforcement	(2,286)	(1,591)	695		695	541
Integrated Transport	2,586	2,639	53		53	42
	629	838	209	0	209	414
Countryside and Access	714	680	(34)		(34)	19
Public Protection	2,079	1,869	(210)		(210)	(263)
Waste	14,131	14,795	664		664	1,226
Use of the Department's Underspend Fund			0		0	(275)
Closure of 2023/24 Accounts Adaptation			0		0	(1,137)
Parc Adfer Refinance Gain Share	(1,779)	(1,779)	0		0	0
Environment Total	17,138	18,221	1,083	0	1,083	1,237

Environment

Department Management - a delay in realising savings schemes to the value of £200k as well as an overspend on staff and travelling costs.

Planning and Building Control Service - lack of income is an issue in Building Control, Development Control and Land Charges, but is reduced by an underspend on staffing costs.

Street Care and Transport Services

Network Management (Transportation) - exceeding the streetworks fees income, as well as vacant posts and underspend on many of the budget's headings.

Parking and Parking Enforcement - projected deficit in the parking income has increased to £824k, but its impact is reduced by an underspend on other budgets.

Integrated Transport - an additional one-off budget of £400k was allocated for 2024/25 following the additional pressures following the re-tendering of public bus contracts. Grant receipt from Transport for Wales is also helping to ease the situation. It is suggested that the review into the transport provision should continue.

Public Protection - vacant posts and less expenditure on several of the budget headings, including food and water samples, services and supplies. Projected income is down for the areas of licensing, markets, taxi licensing and food and water safety, but is more promising for trading standards.

Waste - the work of introducing changes to the field continues, and therefore there is a reduction in the overspend projections from the 2023/24 levels, with £664k projected by the end of the financial year. Number of matters responsible for the overspend, but mainly waste collection and recycling. Overspend also obvious in the running costs of recycling centres. Employment costs and sickness and overtime levels are problematic; however, the matter is being addressed and therefore seems to be reducing. Additional fleet costs, in terms of vehicle hire, is another matter. Several slipping savings schemes are also a part of the picture.

Parc Adfer Refinance Gain Share - one-off saving to all councils from the returns of refinancing Parc Adfer. The contribution has been placed in a fund, with the first call from it to be used to fund the overspending in the waste field.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Housing and Property Department	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	544	492	(52)		(52)	(72)
Housing Services						
Homelessness	6,475	6,702	227		227	1,996
Private Sector Housing	414	376	(38)		(38)	(15)
Others	364	326	(38)		(38)	10
	7,253	7,404	151	0	151	1,991
Property Services						
Property	5,381	5,395	14		14	(153)
Caretaking, Catering and Cleaning	(3)	10	13		13	64
	5,378	5,405	27	0	27	(89)
One-off Corporate Covid Provision			0		0	(1,400)
Use of the Department's Underspend Fund			0		0	(175)
Closure of 2023/24 Accounts Adaptation			0		0	(155)
<u>Housing and Property Total</u>	13,175	13,301	126	0	126	100

Housing and Property

Management - underspend on staffing costs and on services and supplies.

Homelessness - the trend of significant pressure on the emergency accommodation service continues, with projections that spending in this field will be £6.4 million this year, compared with £6.8 million last year. The overspend of £227k reported comes after considering the additional budget of £3m which has been allocated from the council tax premium as well as a one-off additional budget of £1.2 million allocated as a part of the bids procedure for 2024/25 to assist with the extra pressures.

Private Sector Housing - staff turnover and an underspend on supplies and services but a deficit in the disabled facilities grant income.

Housing Services, Others - grant receipts and underspend on staffing costs is reduced by a deficit in the contributions from housing associations.

Property Services - pressures on the services and supplies budget in Property and on vehicle costs in Pest Control, a one-off income receipt reduces the overspend.

Caretaking, Catering and Cleaning - overspend staffing costs is reduced by an income receipt which is higher than the target.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW

Central Departments	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	2,786	2,723	(63)		(63)	(11)
Finance (and Information Technology)	8,474	8,456	(18)		(18)	(7)
Corporate Support	8,112	8,089	(23)		(23)	(10)
Central Departments Total	19,372	19,268	(104)	0	(104)	(28)

Central Departments

Corporate Management Team and Legal - vacant posts in various fields as well as projected income above target (£38k) by the legal service. Additional pressures of £17k on the Gwynedd element of the Coroner's budget, reduces the underspend reported.

Finance (and Information Technology) - staff turnover, which is reduced by higher software costs in Information Technology and the Taxation, Benefits, Income and Payments Units. It is not anticipated that income targets will be met in several fields across the department by the end of the financial year.

Corporate Support - combination of reasons responsible for the situation, including vacant posts and staff turnover. The latest income projections of the Print-room suggest that the income target will be met, however, a deficit is projected in Customer Contact. A permanent bid was allocated for 2024/25 to address the added pressures on the counselling and physiotherapy budget, and therefore this has cancelled out the associated overspend.

REVENUE BUDGET 2024/25 - END OF AUGUST REVIEW						
Corporate (Reflects variances only)	2024/25 Proposed Budget	2024/25 Estimated Position	Estimated Over / (Under) Spend 2024/25	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2024/25	Net Over / (Under) Spend Final Position 2023/24
Maes:-	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(1,250)	1,250	0	0
Council Tax Reductions	*	*	(219)	219	0	0
Interest	*	*	363	(363)	0	0
Savings Provision	*	*	0	0	0	0
Budgets / Bids Returned	*	*	(1)	1	0	0
Others	*	*	(761)	761	0	0
<u>Corporate Total</u>	*	*	(1,868)	1,868	0	0

Corporate

Council Tax - additional council tax returns because of prudent projections when setting the 2024/25 budget. Nevertheless, a reduction of 239 in the numbers of premium second homes was seen in 2023/24; there has been an increase of 157 in the numbers to date this year. Furthermore, we saw 118 properties transferring from non-domestic rates to Council Tax up to the end of August (381 in 2023/24). However, on the other hand, the Valuer's Office permitted 83 properties to transfer from Council Tax to non-domestic rates, which is lower than in previous years (193 in 2023/24, 452 in 2022/23, 469 in 2021/22 and 506 in 2020/21). In 2024/25, £6m of Council Tax Premium has been earmarked for the Housing Strategy and a further £3m for the field of Homelessness.

Council Tax Reductions - a combination of setting prudent projections and a further reduction in the numbers who claim the reduction in Gwynedd compared with previous years. A campaign is in progress to target various groups to increase the number of applications.

Interest - balance levels in the bank to invest are lower than expected as we set the budget and therefore means that the interest receipts are underachieving.

Budgets / Bids Returned - the pressures on some budgets not as much as provided for.

Others - the demand on the provision was not as high as what was projected when setting the budget.

It is recommended that £1.868 million is transferred to the Council's Financial Strategy Reserve, so that it is available to assist to fund the financial deficit.

MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	10 OCTOBER 2024
TITLE:	TREASURY MANAGEMENT QUARTERLY UPDATE
PURPOSE:	CIPFA's Code of Practice requires that the prudential indicators are reported on a quarterly basis
RECOMMENDATION:	RECEIVE THE REPORT FOR INFORMATION
AUTHOR:	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. Introduction

The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve, as a minimum, treasury management semi- annual and annual outturn reports.

This quarterly report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators.

The Council's Treasury Management Strategy for 2024/25 was approved at Full Council on 7th March 2024. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

2. Economic Background

UK headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March to 2.0% in May, in line with the Bank of England's target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with stubbornly services price inflation at 5.7% in May, helped contribute to the BoE maintaining Bank Rate at 5.25% during the period, a level unchanged since August 2023.

Data released during the period showed that the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% (upwardly revised from the initial estimate of 0.6%) in the first quarter of the calendar year. Monthly GDP data showed zero growth in April following an expansion of 0.4% in the previous month.

Labour market data continued to provide mixed messages for policymakers, exacerbated by issues the Office for National Statistics is having compiling the labour force survey. In the three months between February and April 2024, unemployment was up, employment fell, while the decline in vacancies slowed and wage growth

remained elevated. Unemployment rose to 4.4% (3mth/year) while average regular earnings (excluding bonuses) was 6.0% and total earnings (including bonuses) was 5.9%. Adjusting for inflation, real regular pay rose by 2.3% and total pay by 2.2%. Given how keenly the 'second-round' impact of inflation on wages is watched by the BoE, policymakers will likely want to see more downward movement before cutting interest rates.

Having started the financial year at 5.25%, the Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at this level throughout the quarter. In line with expectations, at its June meeting, the Committee voted by a majority of 7-2 in favour of maintaining the status quo. The two dissenters preferred an immediate 0.25% reduction in Bank Rate to 5.0%. This continued dovish tilt by the Committee increased financial market expectations that the first cut in Bank Rate will likely be in August.

Earlier in May, in addition to an identical MPC rate decision and voting pattern, the Bank published the latest version of its Monetary Policy Report (MPR). Within the Report, the Committee noted that it expected four-quarter GDP growth to increase over the forecast period, reflecting the declining negative effects of past Bank Rate increases and the predicted downward path of interest rates which should provide support to economic activity. The trajectory of inflation was broadly similar to that in the previous MPR, albeit slightly lower towards the end of the forecast horizon due to the Committee's revised assessment of falling external inflationary pressures from past import price increases. This meant the Committee expected headline inflation to hit the 2% target two quarters sooner than in the February MPR. As was highlighted earlier, inflation data published in June showed that CPI inflation fell to the 2% target in May.

Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will most likely be cut later in H2 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and wage growth are still on the firmer side, the MPC could well delay before delivering the first rate cut.

The US Federal Reserve also maintained interest rates over the period, holding the Fed Funds Rate at 5.25%-5.50% for the seventh consecutive month in June, as was expected. US policymakers have maintained a relatively dovish stance throughout the period but have steadily reduced their predictions around the pace and timing of rate cuts in the face of higher inflation and firmer economic growth. At the meeting, economic projections pointed to one rate cut in calendar 2024 and four in 2025.

The European Central Bank cut rates in June, reducing its main refinancing rate from 4.50% to 4.25%. Inflation in the region fell to 2.5% in May, having increased in the previous month, but since February has been fairly sticky at between 2.4% and 2.6%. Economic growth in the region has picked up but remains weak, and with inflation above the ECB's target this continues put pressure on policymakers on how to balance these factors when setting monetary policy.

Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.

3. Treasury Management Summary

On 30th June 2024, the Council had net investments of £100.6m arising from its revenue and capital income and expenditure.

The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

	31.3.24 Balance £m	Movement £m	30.6.24 Balance £m
Long- term borrowing	94.0	(0.1)	93.9
Short-term borrowing	5.6	0.0	5.6
PFI	1.0	0	1.0
Total borrowing	100.6	(0.1)	100.5
Short-term investments	(97.6)	(46.1)	(143.7)
Cash and cash equivalents	(43.9)	(13.5)	(57.4)
Total investments	(141.5)	(59.6)	(201.1)
Net borrowing/ (investment)	(40.9)	(59.7)	(100.6)

Borrowing Strategy and Activity: No new long-term borrowing was undertaken in 2023/24 or the first quarter of 2024/25, with existing loans maturing without replacement. This strategy enabled the Council to reduce net borrowing costs (despite foregoing investment income) and reduce overall treasury risk.

Treasury Investment Activity: The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held for the North Wales Economic Ambition Board and Pension Fund. During the year, the Council's investment balances ranged between £106.8m and £235.8m due to timing differences between income and expenditure.

Treasury Investment Position

	31.3.24 Balance £m	Movement £m	30.06.24 Balance £m
Banks & building societies (unsecured)	5.9	6.5	12.4
Local Authorities	81.0	22.0	103.0
Money Market Funds	43.0	12.0	55.0
Debt Management Office	0.0	19.1	19.1
Pooled Funds	11.6	0.0	11.6
Total investments	141.5	59.6	201.1

4. Treasury Management Prudential Indicators

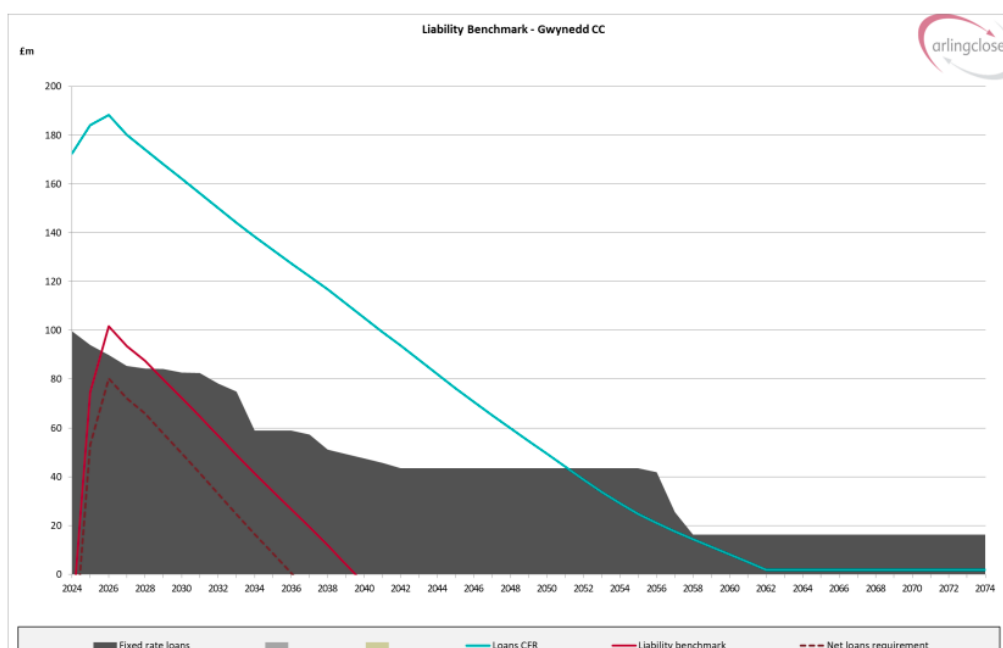
As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

- 1. Liability Benchmarking:** This new indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £21.5m required to manage day-to-day cash flow.

	31.3.24 Actual	31.3.25 Estimate	31.3.26 Estimate	31.3.27 Estimate
Loans CFR	172.5	184.1	188.4	180.1
Less: Balance Sheet resources	(214.0)	(131.1)	(108.1)	(108.1)
Net loans requirements	(41.5)	53.0	80.3	72.0
Plus: Liquidity allowance	21.5	21.5	21.5	21.5
Liability benchmark	(20.0)	74.5	101.8	93.5
Existing borrowing	100.0	94.5	90.4	94.3

The table shows that the Council expects to remain borrowed above its liability benchmark up until 2025. This is because the Council holds reserves, and cash outflows to date have been below the assumptions made when the loans were borrowed.

Following on from the medium-term forecast above, the long-term liability benchmark assumes no new capital expenditure funded by borrowing, minimum revenue provision on new capital expenditure based on a 50 year straight line method. This is shown in the chart below together with the maturity profile of the Council's existing borrowing.



The chart shows that there is no need to borrow long- term based on current projections, but maybe in the short term in the near future.

2. **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	30.6.24 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	5.62%	25%	0%	✓
12 months and within 24 months	4.04%	25%	0%	✓
24 months and within 5 years	5.86%	50%	0%	✓
5 years and within 10 years	25.19%	75%	0%	✓
10 years and above	59.30%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

3. **Long-term Treasury Management Investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No precise date
Actual principal invested beyond year end	£13m	£0	£0	£0
Limit on principal invested beyond year end	£40m	£20m	£20m	£20m

Complied	✓	✓	✓	✓
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Additional indicators:

The Council measures and manages its exposures to treasury management risks using the following indicators:

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the time-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment and taking the arithmetic average, weighted by the length of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.06.24 Actual	2024/25 Target	Complied
Portfolio average credit score	5.18	A score of 6 or lower	✓

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	30.6.24 Actual	2024/25 Target	Complied
Total cash available within 3 months	£159m	£10m	✓

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

	30.6.24 Actual	2024/25 Limit	Complied
Upper limit on one year revenue impact of a 1% rise in interest rates	£1,586,340	£2,290,000	✓
Upper limit on one year revenue impact of a 1% fall in interest rates	£1,586,340	£2,290,000	✓

5. Recommendation

To receive the report for information.

MEETING	Governance and Audit Committee
DATE	10 October 2024
TITLE	North Wales Corporate Joint Committee establishment of Governance and Audit Sub Committee
PURPOSE OF THE REPORT	To Nominate members for the Governance and Audit Sub Committee
RECOMMENDATION	<p>1. That the Committee nominates one councillor to serve on the Governance & Audit Sub Committee of the North Wales Corporate Joint Committee and one councillor to act as a substitute for that member.</p> <p>2. That the Committee decides whether it wishes to nominate a Lay Member to the Governance & Audit Sub Committee of the North Wales Corporate Joint Committee.</p>
AUTHOR	Ian Jones Head of Democratic Services

1. Background

- 1.1. The report is about the establishment of a Governance and Audit Sub Committee ('GAC') for the North Wales Corporate Joint Committee ('the NWCJC') and the nomination of members to serve on it. The Council has been asked to nominate members of the Committee to serve on the GAC of the NWCJC. The reason for this report is to seek nominations from the Committee.

2. Report details

- 2.1. The North Wales Corporate Joint Committee Regulations 2021 ('the Regulations') provided for the creation of the NWCJC in accordance with the provisions of the Local Government and Elections (Wales) Act 2021 ('the 2021 Act').
- 2.2. The Local Government (Wales) Measure 2011 provided that every principal council in Wales should have an Audit Committee. These committees were later renamed by the 2021 Act as Governance and Audit Committees.
- 2.3. The Regulations provide that the NWCJC must have its own GAC. The GAC must have one third of its membership made up of lay members.
- 2.4. The NWCJC has resolved to create a GAC. There are to be nine members of the GAC. The membership is to consist of six councillors, one from each of the constituent councils, and three lay members. The quorum for the GAC will be seven. A quorum will exist when there is a councillor from each of the constituent councils plus one lay member in attendance.
- 2.5. The GAC is expected to meet quarterly and each meeting is expected to last for approximately two hours. Meetings will take place remotely.
- 2.6. The NWCJC wishes to appoint members from the existing Governance and Audit Committees of the constituent councils. Each of the constituent councils has been asked to nominate a councillor from its own Governance and Audit Committee as its principal nominee plus a second councillor to act as a substitute in order that a quorum can be achieved when the principal nominee is unavailable.
- 2.7. The has also asked each of the constituent councils whether it would wish to nominate a lay member to serve on the GAC. The Independent Remuneration Panel for Wales has resolved that lay members may be paid an allowance in the same way as lay members of other Governance and Audit Committees. The work that they undertake. e The NWCJC has resolved to pay lay members an hourly rate.
- 2.8. If there are more nominations from across the constituent councils than the three required, then the NWCJC will select lay members based upon their resumés.

2.9. There is appended to this report as Appendix 1 a document produced on behalf of the NWCJC which contains a role description for lay members together with a terms of reference for the GAC.

1. That the Committee nominates one councillor to serve on the Governance & Audit Sub Committee of the North Wales Corporate Joint Committee and one councillor to act as a substitute for that member.

2. That the Committee decides whether it wishes to nominate a Lay Member to the Governance & Audit Sub Committee of the North Wales Corporate Joint Committee.

North Wales Governance and Audit Sub-Committee

Background information for Independent (lay) Members

The North Wales Corporate Joint Committee (NWCJC) is a new public regional body established by the North Wales Corporate Joint Committee Regulations 2021 further to the Local Government and Elections (Wales) Act 2021. The NWCJC's membership is comprised of 6 Council Members, one for each local authority in NW Wales, and a member from Eryri National Park Authority.

The NWCJC has responsibility for preparing Strategic Development Plans, Regional Transport Plans, and for doing whatever is deemed necessary to enhance or promote the economic well-being of the area.

NWCJC is looking for three independent members to join our new Governance and Audit Sub-Committee for a term of 4 years.

The Governance and Audit Sub-Committee will be a key component of NWCJC's corporate governance. The purpose of the Governance and Audit Sub-Committee will be to review and scrutinise the NWCJC's financial affairs and to provide an independent focus on the audit, assurance, performance and reporting arrangements that underpin good governance and financial standards.

The Governance and Audit Sub-Committee will have 9 members, including 6 Councillors and 3 independent (lay) members. The meetings are held quarterly in any calendar year, and are currently on-line.

Please find enclosed:

- The Sub-Committee's terms of reference - it will operate with due regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) good practice guidance.
- A role description and person specification – we are looking for independent-minded professionals, willing to support the Sub-Committee through their accumulated personal knowledge and experience in areas relevant to its role.

Whilst a detailed knowledge of local government is not necessary it would be expected that potential candidates would be interested in matters relating to the public sector and audit. Induction training will be provided to all new members. The Governance and Audit Sub-Committee will be chaired by a Lay Person, so a willingness and ability to fulfil this role is desirable.

North Wales Corporate Joint Committee

Governance and Audit Sub-Committee

Independent (Lay) Member Role Description and Person Specification

Accountabilities:

- To the CJC
- To the Chair of the Sub-Committee

General Responsibilities for Lay Members:

- Actively participate in Committee meetings and be objective, independent and impartial
- Have regard to the requirements of the Chair of the Sub-Committee and the professional advice of senior officers of the NWCJC
- To work according to the Terms of Reference of the Sub-Committee
- Contribute to the development of the forward work programme for the Sub-Committee
- Participate in any training and development required for the role
- Demonstrate independence, integrity, and impartiality in decision making according to legal, constitutional and policy requirements
- Uphold the Nolan principles of behaviour and act in accordance with the Constitution of the NWCJC and its Code of Conduct
- To report as required to the CJC
- To respond to any recommendations made by the Auditor General for Wales

Role purpose and activity

Review, scrutinise make reports and recommendations on the NWCJC's financial affairs:

- Oversee the authority's internal and external audit arrangements
- Work with internal and external auditors
- Review the financial statements prepared by the CJC

Review, assess make reports and recommendations on the NWCJC's performance management and corporate governance arrangements and its effectiveness:

- Contributing to the effective performance of the CJC
- Review the draft report of the CJC's annual self-assessment and make recommendations for changes to the conclusions or actions that the CJC intends to take
- Make recommendations in response to the draft report of the CJC's Panel Assessment

Review, assess make reports and recommendations on the NWCJC's complaints management process:

- Review and assess the CJC's ability to handle complaints effectively.
- Make reports and recommendations in relation to the authority's ability to handle complaints effectively.

Review and assess the Governance, Risk Management and Control of the CJC:

- Review and assess the risk management, internal control, and corporate governance arrangements of the CJC
- Make reports and recommendations to the CJC on the adequacy and effectiveness of those arrangements
- Review and assess the financial risks associated with corporate governance, and be satisfied that the CJC's assurance statements, including the Annual Governance Statement, reflects the risk environment and any activities required to improve it

Skills of Governance and Audit Committee Member

To provide challenge and support in your role of being an independent source of support for the Governance and Audit Sub-Committee:

- An ability to analyse complex information, question, probe and seek clarification to come to an independent and unbiased view.
- Strong interpersonal skills and the ability to work with, influence and advise diverse stakeholders
- Excellent communication skills and the ability to contribute to discussions
- Confidence to challenge and hold senior staff accountable
- Independence, objectivity, and discretion with sound judgment
- Ability to maintain strict confidentiality

Qualifications and Experience

You will ideally have experience of one or more of the following:

- A financial or audit type background and/or appropriate experience of financial management.
- Strong appreciation of governance principles, risk management and control, and their practical application
- Sound understanding of the roles of internal and external audit
- Knowledge of external reporting requirements under UK accounting standards
- Budget management and business planning experience
- Understanding of organisational structures, strategies, and objectives.
- Experience of working in or with large, complex organisations with an understanding of the political environment within which local government operates

Time Commitment

- Attending and preparing for Governance and Audit Sub-Committee meetings held virtually.
- The Sub-Committee will meet on a quarterly basis within any calendar year.
- Supporting the lay chair in their role and contributing on a regular basis as issues arise.
- Attending training/events by agreement.

Terms

- The successful candidate will be appointed for a four year term. Lay Members may spend up to a maximum of eight years on the committee.
- You will be expected to attend approximately four Sub-Committee meetings a year.
- The Sub-Committee will meet during the day, normally starting at 10am or 2pm. Meetings last 2 to 3 hours (but may be longer on occasion) and you would also need to allow for some preparation time. Formal meetings are held online and are webcast for the public to view.

- The position is a voluntary role, however you are entitled to remuneration for time preparing and attending the Sub-Committee. Lay chair of the Governance & Audit Sub-Committees hourly rate is £33.50; ordinary lay members hourly rate is £29.75.

Restrictions

You should not:

- Hold a current or prospective paid office or employment, appointment, or elected to the NWCJC or one of its sub-committees
- Be disqualified from being a Member of a constituent Council or Eryri NP
- have any criminal convictions or be an un-discharged bankrupt
- have any significant business dealings with the NWCJC or any of the six constituent councils

The Governance and Audit Sub-Committee

The North Wales CJC is required to establish a sub-committee to be known as the Governance and Audit Sub-Committee in accordance with paragraph 16(1) CJC Established Regulations. *(It is noted that in local government legislation this is referred to as a 'governance and audit committee', however as the North Wales CJC is itself a committee it is appropriate to refer to it as a sub-committee in relation to CJsCs.)*

Functions

The terms of reference of the sub-committee are stated in the CJC Establishment Regulations which state that the governance and audit sub-committee must:

- a) Functions under the Local Government Measure (Wales) 2011
- b) The committee is responsible for fulfilling the following statutory functions under Section 81 of the Local Government Measure (Wales) 2011 as amended:
 - c) review and scrutinise the CJC's financial matters,
 - d) make reports and recommendations in relation to the CJC's financial matters.
 - e) review and assess the CJC's risk management, internal control performance assessment and corporate governance arrangements,
 - f) make reports and recommendations to the CJC regarding the adequacy and effectiveness of those arrangements,
 - g) review and assess the CJC's ability to handle complaints effectively,
 - h) make reports and recommendations in relation to the CJC's ability to handle complaints effectively,".
 - i) inspect the CJC's internal and external audit arrangements, and
 - j) review the financial statements prepared by the CJC.
- k) Undertake the further functions of the Governance and Audit Committee under Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils)
- l) The committee will also be responsible for fulfilling the following functions:-
 - 1(i) to promote internal audit, establishing a timetable to conduct review control, develop an anti-fraud culture and review financial operations;
 - 2(ii) to consider observations and concerns on individual services at a county level, on the basis of reports by Council officers, the Audit Commission or the District Auditor and monitor the response and actions on the recommendations and findings.

Membership

Members of a CJC Governance and Audit Sub-Committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted member (co-opted member in this case means a person co-opted on to the CJC, or to participate in activities of the CJC, other than the Governance and Audit Sub-Committee).

Membership of the Governance and Audit Sub-Committee must be at least one third lay member and at least two thirds membership from the constituent councils. The appointment(s) will be made by the North Wales CJC.

The Chair of the Governance and Audit Sub-Committee must be a lay member.

Members of a CJC Governance and Audit sub-Committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted member (co-opted member in this case means a person co-opted on to the CJC, or to participate in activities of the CJC, other than the governance and audit committee).

The Governance and Audit Sub-Committee should be established by the CJC comprising of lay members to be drawn from constituent councils governance and audit committees (or externally advertised if this is not possible) and members from each constituent council.

The Governance and Audit Sub-Committee may not exercise its functions if the membership contravenes these requirements.

Guidance of the Welsh Ministers

The Governance and Audit Sub-Committee must have regard to any guidance given by the Welsh Ministers under Section 85(1) Local Government (Wales) Measure 2011.

Quorum

The quorum for the governance and audit sub-committee shall be 7 members with at least one member present from each Constituent council and at least one Lay Member.

Standing Orders

2.22 Governance and Audit Sub-Committee

2.22.1 The CJC must establish a sub-committee (known as the Governance and Audit Sub-Committee)

2.22.2 The Terms of Reference of the Governance and Audit Sub-Committee are set out in Part 4 of this Section 5 and those terms of reference may be amended by the CJC from time to time within statutory requirements.

2.22.3 The membership of the Governance and Audit Sub-Committee shall consist of 9 Members 6 of whom shall be elected members drawn from and nominated by the Governance and Audit Committees of each of the 6 Constituent Councils and 3 of whom shall be Lay Members.

Meetings

2.23 The Governance and Audit Sub-Committee are required to meet once every calendar year as a minimum.

Forward Programme of the Governance and Audit Committee to October 2025

28 November 2024

Implementing the Decisions of the Committee
Final Accounts for the Year Ended 31 March 2024 and Relevant Audit
Treasury Management 2024-25 Mid-Year Review
Internal Audit Output
Internal Audit Plan 2024/25
Audit Wales Reports - Q2 Update on the Work Programme and Timetable
Recommendations And Improvement Proposals of External Audit Reports
The Council's Arrangements for Dealing with Complaints
Review of Constitution
The Committee's Forward Programme

16 January 2025

Implementing the Decisions of the Committee
Review of the Committee's Self-Assessment Work Programme
Revenue Budget 2024/25 – End of November 2024 Review
Capital Programme 2024/25 – End of November 2024 Review
Savings Overview: Progress Report On Realising Savings Schemes
Audit Wales Reports
The Committee's Forward Programme

6 February 2025

Implementing the Decisions of the Committee
Savings 2025/26
Capital Strategy 2025/26 (including Investment and Borrowing Strategies)
Budget 2025/26
Governance Risks Mid-Year Update
Recommendations And Improvement Proposals of External Audit Reports
Audit Wales Reports - Q3 Update
The Committee's Forward Programme

22 May 2025

Elect Chair
Elect Deputy Chair
Implementing the Decisions of the Committee
Annual Report of the Governance and Audit Committee 2024-25
Gwynedd Harbours' Final Accounts for the Year Ended 31 March 2025
Final Accounts 2024/25 - Revenue Outturn
Capital Programme 2024-25 – End of Year Review (31 March 2025 Position)
Output of the Internal Audit Section

Head of Internal Audit Annual Report 2024/2025
Medium-Term Financial Plan
Internal Audit Charter
Internal Audit Strategy and Annual Internal Audit Plan 2025/26
Audit Wales - Quarter 4 Update
Audit Wales - Cyngor Gwynedd Annual Audit Summary 2024
Audit Wales Reports and Organisational Response
Treasury Management Quarterly Report
The Committee's Forward Programme

September 2025

Implementing the Decisions of the Committee
Statement of Accounts 2024/25 (Subject to Audit)
Gwynedd Council's Annual Governance Statement For 2024/25
Treasury Management 2024/25
Audit Wales - Cyngor Gwynedd Annual Audit Summary 2024
Audit Wales Reports - Q1 Update
Audit Wales Report - Detailed Audit Plan 2025
Annual Performance Report and Cyngor Gwynedd Self-Assessment 2024/25
Recommendations And Improvement Proposals of External Audit Reports
The Council's Arrangements for Dealing with Complaints
The Committee's Forward Programme

October 2025

Implementing the Decisions of the Committee
Revenue Budget 2025/26 – End of August 2025 Review
Capital Programme 2025/26 – End of August 2025 Review
Savings Overview: Progress Report on Realising Savings Schemes
Treasury Management Quarterly Report
Internal Audit Output
Internal Audit Plan 2025/26
Audit Wales Reports
The Committee's Forward Programme