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## GOVERNANCE AND AUDIT COMMITTEE

6 February 2025

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**Attendance:**                   **Chair:**                   Carys Edwards  
**Vice-chair:**               Rhys Parry

**Councillors:** Menna Baines, Elfed Wyn ap Elwyn, Elwyn Jones, Dafydd Meurig, Edgar Wyn Owen, Arwyn Herald Roberts, Huw Rowlands, Ioan Thomas and Rob Triggs.

**Lay Members:** Sharon Warnes and Eifion Jones

**Officers:** Dewi Morgan (Head of Finance), Ffion Madog Evans (Assistant Head of Finance - Accounting and Pensions), Delyth Jones-Thomas (Investment Manager), Caren Rees Jones (Group Accountant - Capital and Management), Heledd Thomas (Senior Accountant - Resources and Corporate), Gwyn Llŷn Parry (Group Accountant - Accounting and Financial), David Lloyd Williams (Group Accountant), Nel Gwynn Povey (Cynllun Yfory Professional Trainee - Finance), Bleddyn Rhys (Internal Audit Leader), Eva Williams (Internal Audit Leader), Geraint Owen (Corporate Director), Eleri Jones (Senior Executive Officer) and Lowri Haf Evans (Democracy Services Officer).

**Others invited:** Councillor Huw Wyn Jones (Cabinet Member - Finance)

Item 5:                           Cllr Nia Jeffreys (Cyngor Gwynedd Leader), Dafydd Gibbard (Chief Executive), Ffion Mai Jones (Operational Support Team Leader) and Meinir Owen (Senior Projects Practitioner)

Item 10:                         Dafydd Gibbard (Chief Executive), Aled Davies (Head of Adults, Health and Well-being Department) and Councillor Beth Lawton (Chair of the Care Scrutiny Committee)

Item 11:                         Alan Hughes (Audit Wales) and Dewi Wyn Jones (Council Business Service Support Manager) and Dewi Wyn Jones (Council Business Service Support Manager)

Item 12:                         Iwan Evans (Head of Legal Services) and Erin Haf (Solicitor)

### 1. APOLOGIES

Apologies were received from Councillors Meryl Roberts, Angela Russell and Richard Glyn Roberts

### 2. DECLARATION OF PERSONAL INTEREST

None to note

### 3. URGENT ITEMS

None to note

#### 4. 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 decision made with the intention of removing the item / decision when the action had been completed.

Matters arising from the ensuing discussion and responses to requests for updates:

Annual Performance Report and Cyngor Gwynedd Self-assessment (draft) - *the Committee needed to be included earlier in the process – it was suggested that a workshop was held with the Members so that they have input and a better opportunity to offer recommendations* - it was noted that work was progressing in an attempt to identify best practice - needed to consider the Committee's role here and whether it was appropriate to offer input and scrutinise the self-assessment later? It was reiterated that it was possible to present a draft version of the self-assessment at a Members' workshop

Ffordd Gwynedd Training - *the Committee's desire to receive Ffordd Gwynedd training* - it was noted that Ffordd Gwynedd training had been reviewed and amended recently and that a date for the Cabinet to receive training had been earmarked by the Learning and Development Department. Subsequently, a similar session would be arranged for the Governance and Audit Committee to receive training.

In response to a concern that there were two empty Lay Member seats on the Committee, it was noted that there was a permanent advertisement on the website, but no response had been received. A further comment was made, should the problem continue, that consideration should be given to reviewing the number of Members on the Committee - 18 members seemed high compared with other Counties.

#### RESOLVED

- **To accept the contents of the report**

Note:

Two empty seats for Lay Members on the Committee. The Head of Finance, the Democracy and Language Manager and the Propriety and Elections Manager to discuss and try to motivate interest.

#### 5. SAVINGS AND CUTS 2025/26

A report was submitted by the Leader of the Council, asking the Committee to consider the propriety of the process of identifying the savings, and submitting observations to the Cabinet for consideration, before coming to a decision at their meeting on 11-02-25. It was reported that it was not the Committee's role to express an opinion on what the size of the savings should be, or the features of individual proposals being recommended as savings, but rather to ensure that the Cabinet was clear of the facts that were presented to them, so that the decision taken was based on robust information.

When introducing the background to the work, it was noted that the Council had been delivering savings for many years now and the challenge of delivering those savings without harming services for the County's residents, was more difficult. It was explained that the Council was now aware of the Revenue Maintenance Grant (RMG) level from the Welsh Government for 2025/26 (a 3.2% increase), and that it would be substantially lower than what would be needed to maintain existing service levels. It was noted that detailed work had been done with all Council Departments to identify savings and cuts schemes.

The Chief Executive added that the Council also faced a situation where departments were overspending, mainly due to a continued increase in the demand for their services; it was now impossible for some services, such as homelessness, children care services, adults care services and school transport, to be able to operate within their current budget. This would lead to overspending this year of approximately £8m and a vast part of this deficit derived from the lack of budget to meet the higher demand for services and in most cases, deciding not to provide those services was not an option. As a result, reserves would need to be used to cope with the situation.

Reference was made to the substantial increase in staffing costs as a result of a Westminster policy change to increase employer National Insurance contributions. As an employer of 6,000 staff, this would add up to £4.5M to staffing costs. Although the Council would meet the cost, the Welsh Government (as a result of the consequential provision in the Westminster Government's announcement to meet additional costs for National Insurance employer contributions in the public sector in England), may possibly contribute around £3.5m.

As a result of providing a higher budget for the Departments that could not cope with their current budget and the low Revenue Maintenance Grant amount from the Government, the 2025/26 financial deficit would be around £8.77m.

In order to identify savings, 39 proposals were submitted by the Council's Departments (worth £1.89m). Cuts panels were held with every Department where the information submitted was challenged in the context of staff, function, expenditure and income. At these meetings, it was highlighted that very few could not be completely implemented as a whole. Every proposal had been assessed by the Chief Executive or by one of the Corporate Directors and had been placed in four categories to assist Members to prioritise savings schemes for 2025/26, with an awareness of what the level of risk would be from implementing any individual proposal. A Public Consultation was held, explaining the Council's financial position and the likelihood that there would be an onus to implement cuts as a part of the effort to address the financial deficit in 25/26. A total of 627 responses were received.

During the workshops and 1:1 sessions held with the Members, all proposals were submitted and Members were asked to note whether they would be willing to implement each of the 39 proposals, or, if they were unwilling to implement them, accept that the council tax needed to be increased by a sum equal to the financial value of the cut in question. It was reported that the rough consensus amongst the members in terms of what plans should be prioritised, was that there was not a desire to implement many cuts. It was noted that 21 of the 39 options were ones where over half the members did not support their implementation; there was consensus for only 9 options amongst 80% of members that they were willing to implement - with a value of £519k.

It was reiterated that a legal, equality and language impact assessment had been completed during the process, as well as responding to the requirements of The Well-being of Future Generations (Wales) Act (2015)

The members thanked the officer for the report

In response to a question regarding the vision for the future, it was noted that some of the plans were small-impact cuts, and that removing the resource entirely would have a greater impact on the County's residents. It was reiterated that things would not be so good for 2026/27 with political factors, such as elections, likely to have a further impact. Nevertheless, it was noted that the Council was preparing to make difficult decisions, and similarly it hoped for a better settlement from the Welsh Government.

In response to a question regarding discussing with every Department, but not with services collectively, and whether rationalising services was something to consider in the future, it was noted that rationalising services had been considered in the past as efficiency savings. However, this year, the discussions had been held per Department and the panels identified comparisons and considered merger opportunities.

In response to a question regarding risk considerations for schools as a result of abolishing GwE and that the cut would affect pupils in the County, it was noted that the risk had been considered. It was reiterated that the national procedure was changing and that the Service was being internalised in individual Councils. Gwynedd's decision was to implement a small cut in percentage terms, with the intention of reviewing the procedure as the Service stabilised itself.

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

- Welcomed an invitation for the workshops to share information - this had been beneficial
- The financial deficit had reduced, but the reserves were reducing.
- Welcomed the fact that a public consultation had been held - why were the public not asked about their views on the Council Tax rate?
- Had those proposals that were refused been considered in full? Were there further details? Had the Cabinet obtained clear guidance on those proposals?
- Despite the saving of £519k, only £100k could be implemented in 2025/26.
- Welcomed a medium-term financial plan - this gave departments time to adapt

In response to an observation regarding the public consultation, it was noted that the public consultation had taken many forms over the years, and certainly the procedure was to be reviewed again in the future. It was noted that it would be difficult for the public to make a decision on the Council Tax - if the tax reduced, then this would lead to further cuts.

In response to a question as to whether the cuts panel was confident that everything had been sieved through thoroughly, considering that a period of approximately 5-6 months had passed without any Member input, the Leader of the Council noted, whilst acknowledging that the process had been long, that she was happy with the information submitted and that the Members had been given an opportunity to provide input. The Chief Executive reiterated that the settlement confirmation slowed down the process, and despite the ability to theorise and have a range of options, additional matters arose from the settlement.

The Leader reiterated that it was disheartening to have to implement cuts annually, despite the aspiration to sustain quality services and offer a low Council Tax. The vision was to work cross-departmentally - one Council, one Team.

#### **RESOLVED:**

- **That reasonable steps, under challenging circumstances, had been taken to draw up the Savings Plan**
- **That the savings proposed were reasonable and achievable**
- **That the risks and implications of the decision were clear**
- **That the report was adequate to enable the Cabinet to make a decision on the Savings Plan**
- **To submit observations from the discussion on the report to the Cabinet for their consideration when discussing the 2025/26 Savings Plan at its meeting on 11/02/25**

- **Welcomed an invitation for the workshops to share information**

Note:

- To consider reviewing the public consultation in the future to seek the views of residents about the council tax level.
- To encourage more effort to rationalise services

## 6. 2025/26 BUDGET

Submitted - a report by the Cabinet Member for Finance, noting that the Council had received a Government grant increase of 3.1% for 2025/26, which equated to an increase worth £7.5m in external funding. It was reported that many factors would create additional spending pressures on the Council's services in 2025/26, with the need to increase spending by £24.2m to meet the pressures on the services' budgets. As well as addressing the demand on services and the high level of inflation, there would be a need to consider a combination of a Council Tax increase and a new programme of savings and cuts. With a recommendation of an 8.66% increase in Council Tax, more savings and cuts would be required to set a balanced budget, with projections suggesting that there would be further pressures in aiming to set a balanced budget for 2026/27.

It was highlighted that the Committee's role was to scrutinise the information and ensure that the Cabinet and Council were clear of the facts presented to them so that the decision was based on robust information.

The Head of Finance Department was invited in his role as statutory finance officer to present the information, express his views and provide details on the robustness of the estimates that formed the basis to the budget, along with the potential risks and mitigation measures.

He highlighted that the Cabinet (meeting on 11/02/25) would recommend to the Full Council (06/03/25) that a budget of £355,243,800 should be established for 2025/26 to be funded by a £246,818,190 Government Grant and £108,425,610 of Council Tax income (which was an increase of 8.66% to an individual residence's tax), and establishing a capital programme of £53,736,190 in 2025/26.

It was explained that Additional Expenditure Requirements had been considered in the budget, and those areas were highlighted;

- Salary Inflation of £8.6m - the budget earmarked a pay agreement for 2025/26 of 3.5% for the whole workforce and teachers
- Adjustment to the threshold and rate of national insurance paid by the employer.
- A budget of £4.6m had been set on the grounds that the cost would be funded in part by the Government, i.e., a value of £3.5 million
- Increase in Levies to relevant bodies - £506k
- Demography - reduction in pupil numbers at the schools - £643k
- Pressures on Services - recommend approving bids totalling £7.7m for additional permanent resources submitted by Council departments to meet unavoidable pressures on their services. It was noted that the bids submitted had been thoroughly challenged by the Leadership Team, prior to recommending their approval by the Cabinet.
- Further considerations - £2.2m (adjustments to various budgets across the Council, which included the impact of a reduction in interest receipts of £2.3m in returns when investing the Council's balances and cash flow.

Reference was made to the 2024/25 Overspend Projections in the Adults, Health and Well-being Department and Children and Families Department, noting the proposal to fund the overspend through the use of reserves (worth £8,294m).

In the context of the savings schemes, reference was made to new savings and cuts schemes to reduce the funding gap of £519k which would be presented to the Cabinet 11-02-25 (although £100k could be removed from the 2025/26 budget).

It was reported that the remainder of the deficit would have to be met through the Council Tax, and consequently, the Cabinet would recommend to the Full Council that it raises the tax by 8.66% in order to meet the pressures on services when setting a balanced budget.

Reference was made to the required work that had been undertaken to report on the robustness of the estimates on which the budget had been based, and having considered all risks and the mitigation measures, the Head of Finance was of the opinion that the budget for 2025/26 was robust, sufficient and achievable.

The members expressed their gratitude for the presentation.

Observations arising from the ensuing discussion:

- That the tax level was high - difficult for Gwynedd ratepayers, considering that the circumstances in the coming years seemed to be getting worse. There was a need to avoid raising Council tax again.
- Welcomed the fact that the budget was balanced, but the situation needed to be monitored, considering that house prices in Gwynedd were high, and salaries were low.
- Expressed thanks for the thorough work of preparing the budget.
- That using £8.8m from reserves seemed substantial - highlighted concerns that the overspending continued. The Departments needed to try and work within their budgets.
- There was a need to ensure that reserves were available for emergencies.
- If more money was received from the Welsh Government, was there an intention to use it to strengthen the reserves, instead of using bids?

In response to a question regarding paying inflation on salaries, the Head of Finance noted that salary increases were set nationally and it was difficult to anticipate that increase. It was reiterated that an amount, and not a percentage, had been implemented in the past, and although it was difficult to set a percentage, the Council was not in a position to refuse to implement the increase.

In response to the comments, the Leader of the Council noted that Gwynedd had support from other rural counties, such as Monmouthshire and Powys, and were pressing on the WLGA to set a minimum for the settlement. It was also acknowledged that there was increasing financial pressure on Gwynedd residents and that the choice between maintaining services and offering a reasonable level of taxation was a difficult one.

#### **RESOLVED:**

- **To accept the report and note the content**
- **To accept the financial propriety of the proposals and the relevant risks**
- **To submit observations from the discussion on the report to the Cabinet for their consideration when discussing and approving the 2025/26 Budget at its meeting on 11/02/25**
- **To thank the Finance Department for their thorough work in preparing the Budget.**

Note:

The overspend situation was concerning - there was a need to ensure that less use was made of the reserves.

## **7. CAPITAL STRATEGY 2025/26 (INCLUDING INVESTMENT AND BORROWING STRATEGIES)**

A report was submitted by the Investment Manager providing an overview of the Council's Capital and treasury management activity, and as noted above, the Members had received a presentation from the financial advisers, Arlingclose, explaining the details behind the strategy in a comprehensive and easy-to-understand manner.

Reference was made to the capital activities and attention was drawn to the fact that the Council intended to make capital expenditure of £53.7m in 25/26 with the main plans listed in the report regarding funding sources. It was noted that the main external resources were the Welsh Government, and the funds were Cyngor Gwynedd resources. The remainder of the funding came from loans that would be repaid over a number of years, normally from revenue resources or from income from the sale of assets, which was consistent with the actions of previous years. This meant that the indicator - the Council's Capital Funding Requirement, would be £191.7 million by the end of the 25/26 financial year, namely the level below which the Council's long-term borrowing should remain.

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

The Manager referred to the Liability Benchmark which was now reported to the Committee on a quarterly basis. The Council expected its borrowing to remain above its liability benchmark up until 2025, since the Council had a high level of reserves.

With regard to the Investment Strategy, it was noted that the Council's policy was to prioritise security and liquidity over yield in order to ensure that money was available to pay for the Council's services. It was noted that sums were always kept to ensure liquidity.

Reference was made to risk management and governance, together with details of the Council's long-term liabilities e.g. to cover the deficit in the Pension Fund, and the impact of the funding costs on cash flow where the percentage appeared low and fairly consistent with previous years. It was also confirmed that officers had the relevant knowledge and skills, and that Arlingclose provided a financial advisory service to the Council.

**The members thanked the officer for the report**

**RESOLVED:**

- **To accept the report and to note the information and relevant risks**
- **To support the Cabinet Member for Finance's intention to submit the Strategy to the Full Council for approval on 6 March 2025**

## **8. INTERNAL AUDIT OUTPUT**

Submitted, for information, the report of the Audit Manager Leader updating the Committee on the internal audit work for the period from 1 October 2024 up to 27 January 2025. It was highlighted that nine 2024/2025 Action Plan audits had been completed, with

five of them showing an adequate assurance level and four showing a limited assurance level. It was reiterated that there were 17 schemes in progress.

The members thanked the officer for the report

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

- SCHOOL ORGANISATION PROJECT MANAGEMENT - need to ensure that DBS checks were carried out.
- WHISTLEBLOWING POLICY
  - Concern about a reduction in the number of staff who are aware of the Whistleblowing Policy. Need to ensure that the policy is strong and robust.
  - Need to restore the confidence of employees in the policy and consider matters of concern to staff.

In response, it was noted that there was a desire to improve the policy and that Ffordd Gwynedd Training reflected that - culture and staff trust was essential to the Ffordd Gwynedd way of working. Results of the Voice of Staff Survey to be published soon, with important messages certain to derive from the survey.

- CAR PARKS
  - Lack of enforcement staff. How can the situation be supported?
- 2022/23 HOMELESSNESS PREVENTION GRANT
  - Important that grant claims were submitted promptly

In response to a question on whether the grant was substantial, it was noted that there were two certificates to complete and that this was as a result of staffing changes. It was noted that discussions were being held as there was a risk here of failing to adhere to the terms of the grant.

- MAINTAINING THE HOUSING WAITING LIST
  - A positive report
- GENERAL
  - That a lack of resources was impacting services.
  - That there was a need to continue to monitor the plans.
  - Accepted the recommendations, but an update was needed on progress / improvements.
  - That there was a need for a follow-up to the information being submitted, particularly for those schemes with a limited assurance level.
  - A timetable needed to be set for the high-risk plans.
  - That some actions were poor; Internal Audit needed to respond if the steps were insufficient to avoid further risks.

In response, it was noted that the actions were owned by the Departments, and that Internal Audit's work was to highlight the risks and evidence that arrangements were in place to receive assurance.

Bleddyn Rhys and Eva Williams were thanked for leading the service over the Audit Manager's period of sickness absence.

#### **RESOLVED:**

- **To accept the report and support the actions that that have already been agreed with the relevant services.**
- **That a schedule needed to be included for the actions.**
- **There was a need for a follow-up report on what had been delivered.**

## **9. INTERNAL AUDIT PLAN**

Submitted, for information, a report from the Audit Manager updating the Committee on the current situation in terms of completing the 2024/25 Internal Audit Plan. Reference

was made to the status of the work as well as the time spent on each audit. It was highlighted that 54% of the 37 individual audits in the plan, i.e., 20 audits, had been released in final form, or had been closed.

The members thanked the officer for the report

In response to a question regarding the 13 audits that had been cancelled for 2024/25, and whether they would be re-profiled for 2025/26, it was noted that a review of the 2025/26 audits was being implemented and if there was a high risk to the audits that were cancelled, then those areas with the greatest risk would be prioritised.

**RESOLVED:**

- **To accept and note the contents of the report**

## **10. SPECIAL AUDIT REPORT - DOMICILIARY CARE**

Following on from the findings of a Special Internal Audit commissioned by the Chief Executive into domiciliary care in Cyngor Gwynedd, an update was received from the Head of Adults, Health and Well-being Department on the detailed work programme that had been drawn up to prioritise and strengthen the provision, and to improve the effectiveness and efficiency of the Council's arrangements in the domiciliary care field. It was noted that the work programme included 63 Sub-projects within the work-streams of the Domiciliary Care Project Group (which had been established under the leadership of the Head of Department, to address the work and address the issues requiring attention in order to give confidence that the model of providing domiciliary care worked effectively). It was reiterated that there were three main streams to the work programme, which included internal provisions (15), systems and processes (22) and embedding the new model (26). Those sub-projects relating to the WAO Audit were submitted to the Committee only, i.e. waiting list, spending / financing and contract monitoring, and a progress report was provided on those projects.

In response to the Committee's observations in asking for assurances that the Care Scrutiny Committee had considered aspects of the domiciliary care field, the new model in general and its impact on residents, it was noted that a report had been submitted to the Scrutiny Committee in September 2024 to support the desire of the members of the Care Scrutiny Committee to weigh-up the effectiveness of the domiciliary care provision across the County, particularly in terms of maintaining and improving services for residents.

In response to the internal audit, it was noted that there were assurances and clarity from addressing the matters raised, and that there was an open invitation for internal audit to attend Project Group meetings.

In the context of the block hours, it was noted that the hours were regularly reviewed jointly with the Finance Department and that the risk register had now been simplified to reflect priorities and effort. It appeared that the waiting lists highlighted a trend / pattern of reduction, which gave the impression that the new model was going in the right direction.

It was reported that the Care Inspectorate Wales Inspection was keeping an eye on the quality and standards of the Service, and Audit Wales was publishing their findings on the arrangements for Domiciliary Care 06-02-25 - the recommendations of these inspections would also highlight matters to improve, which would need to be coordinated with the work programme.

The Head of Adults, Health and Well-being Department expressed that the domiciliary care field was volatile and challenging, and the issue was being given substantial attention and investment in order to improve. It was reiterated that the Department was taking the matter seriously and improvement priorities had been set.

The Chief Executive took the opportunity to reiterate that the efforts to seek order had derived from a response to a concern in the domiciliary care expenditure monitoring procedure and Internal Audit had been commissioned to look at the situation. As a result, it was noted that a work programme had been formulated and that changes were afoot in an attempt to improve the provision, accepting that some of the arrangements had been weak. Now, with the clear recommendations of Internal Audit, the problem had been identified and a remedy to the situation had been proposed - the block hours were being given particular attention and the waiting lists were reducing. He reiterated that an update on the situation was to be presented to him at the end of 2024/25, as well as ongoing discussions at the Department's performance meetings.

Gratitude was expressed for the update, the information and the full response to the situation.

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

- An adequate budget was needed for the work - the overspending was concerning
- That there were substantial shortcomings in the Department's administration - there was a need to ensure that the matter was being supervised. Were there assurances that the shortcomings had disappeared and/or assurances that the money being paid out was correct?
- That data was being used appropriately - accepted that information shortcomings had existed, but assurances were needed that the new model secured correct information in order to better manage and monitor the situation.
- That there was a need to ensure that success was being measured.
- That an update was needed on the progress and success of the work programme.

#### **RESOLVED:**

- **To accept and note the progress on the findings of the Internal Audit review of the Council's Home Care arrangements.**
- **The thorough Work Programme that was in place to improve the provision was welcomed.**
- **Further updates would be required in 12 months on the progress and the success of the work programme.**

## **11. RECOMMENDATIONS AND IMPROVEMENT PROPOSALS OF EXTERNAL AUDIT REPORTS**

Members were reminded that the item was to be considered as a governing role and not as a scrutiny role with a request that the Committee should be satisfied that there were appropriate arrangements in place to ensure that improvement proposals arising from external audits would be realised.

It was noted that the work of responding to most improvement proposals was ongoing work and that the Governance Group being chaired by the Corporate Director addressed the improvement proposals and the progress made with recommendations. Those audits that had been completed would be removed and would not receive further attention by the Committee.

Reference was made to response arrangements, noting that the organisation's response form (which included actions and a schedule), was being completed and that this had simplified the process. Consequently, and considering the substantial number of audits being submitted to the Committee, that there was an intention to report to the Committee on the progress of external audit reports every six months. In addition, responses to the reports would be submitted to the Performance Challenge and Support meetings of the relevant Department, with the intention of providing added assurances to the Committee that appropriate arrangements were in place.

Audit Wales reiterated that the arrangements had been amended with the response forms, time-frame and closing date being shared with the responsible officer who would respond to the audit's recommendation. It was reiterated that they welcomed the arrangement of challenging the progress at performance challenge meetings.

The members thanked the officer for the report.

In response to a question as to whether the new arrangements followed the patterns of other Councils, it was noted, in general, that responses were discussed around twice a year, with audit recommendations being discussed alongside the response. It was reiterated that this meant that the programme was easy to follow, with the response and completion dates set - milestones that were critical to the process. The fact that opportunities to refine the current arrangements were being taken, was welcomed.

#### **RESOLVED:**

- **To accept and note that the arrangements and processes were in place to ensure that the improvement proposals were being implemented.**
- **To welcome the new arrangements to report on the external audit reports every six months to the Committee.**
- **To welcome the decision that responses to the reports are submitted to the Challenge and Support Performance meetings of the relevant Department.**

## **12. CONTRACT PROCEDURE RULES**

The report was submitted by the Monitoring Officer to update the Committee on changes to the Contract Procedure Rules, taking place as a result of the Procurement Act 2023. It was explained that since the UK had left the European Union, the Government (UK) had seen this as an opportunity to review the legislation relating to public sector procurement. The 2023 Procurement Act was passed with the intention for the Act to come into effect in October 2024, but now it would come into force in February 2025. It was reiterated that the Welsh Government had passed the Social Partnership and Public Procurement (Wales) Act 2023, which placed more responsibilities and duties on public sector organisations in Wales, which were also related to procurement.

It was noted that the main objective of the work was to change the Council's Constitution and central arrangements to address the changes in the Act. It was reported that regional collaboration had taken place to address the changes and the Council's Procurement Department had been preparing for the change - failing to review and amend the Rules would give rise to a substantial risk for the Council; the Council would be open to a legal challenge for failing to comply with the legislation, and also likely to be criticised by auditors and regulators. It was highlighted that the work was an opportunity to ensure that the Contract Procedure Rules were flexible enough to allow officers to undertake a procurement exercise in the most efficient and effective way. In addition, the new legislation would ensure that there were controls in any procurement exercise and would ensure value for money for the Council. Further work would be to change the Council's constitution and central arrangements to meet the Act.

The members thanked the officer for the report.

**RESOLVED**

- **To accept the amended Contract Procedure Rules taking place as a result of the Procurement Act 2023.**

**13. THE COMMITTEE'S FORWARD PROGRAMME**

A forward work programme of items were submitted for the Committee meetings up to February 2026.

**RESOLVED:**

**To accept the Work Programme for May 2025 - February 2026.**

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

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**CHAIR**