

GOVERNANCE AND AUDIT COMMITTEE

Decision Notice – Hybrid meeting, 17th February, 2025.

The Committee agenda is available [here](#).

The recording of the meeting is available [here](#).

Present: G. Chapman (Chair and Lay Member); N. Ireland (Vice-Chair and Lay Member); Councillors P. Drake, E. Goodjohn, M.J. Hooper, J.M. Norman, J. Protheroe and N.J. Wood and M. Evans (Lay Member).

Also present: Councillors H.C. Hamilton, W.A. Hennessy, G. John (cabinet Member for Leisure, Sport and Wellbeing) and E. Williams (Cabinet member for Social Care and Health).

AGENDA ITEM 2. MINUTES –

RESOLVED – T H A T the minutes of the Reconvened meeting held on 6th January, 2025 be approved as a correct record.

AGENDA ITEM 3. DECLARATION OF INTEREST –

The Chair, G. Chapman, declared a personal interest in relation to Agenda Item No. 5 – Vale of Glamorgan Council Panel Performance Assessment. The nature of the interest was that the Chair had a previous working relationship with one of the Panel members but the interest was not a prejudicial one so the Chair remained in the meeting for consideration of the report.

AGENDA ITEM 4. PRESENTATION: CARDIFF REGION CITY DEAL – ACCOUNTS 2023/24 –

RESOLVED –

- (1) T H A T the contents of the presentation be noted.
- (2) T H A T the Section 151 Officer for the Cardiff Region City Deal be thanked for their attendance.

Reason for decisions

(1&2) Having regard to the contents of the presentation and discussions at the meeting.

AGENDA ITEM 5. VALE OF GLAMORGAN COUNCIL PANEL
PERFORMANCE ASSESSMENT (REF) –

RESOLVED –

- (1) T H A T the contents of the report and appendices be noted.
- (2) T H A T the comments of the Governance and Audit Committee be referred to Cabinet for its consideration. A summary of the key comments is as follows:
- The findings of the assessment demonstrated the values of the organisation, and so thanks should be passed onto the staff and Elected Members.
 - It was important to recognise that after 15 years of austerity, the level of resource and the capacity of local government across Wales had been reduced. It was also important how the change agenda was signalled to the public. The move to a county wide approach rather than focusing on the Council as an organisation was welcomed, and it was important to ensure that the public were aware of the key Council priorities and changes to service delivery, particularly in the context of diminished resources.
 - The Council needed to improve public communication, particularly in relation to the requirement for the Council to achieve a balanced budget. Engagement with communities should take place first to ascertain what their needs were, which should then be followed up with consultation on specific proposals and Council plans.
 - Working in collaboration with partners and stakeholders was extremely important.
 - It was important for the Council to consider findings of the Audit Wales report around financial sustainability of public bodies in Wales with reference to the difficulties that Councils were facing in terms of medium- and longer-term financial planning.
 - There was a need to improve the Scrutiny function but a key element of that was ensuring that Committee members engaged more at meetings and asked appropriate questions.
 - In terms of Community Asset Transfers and wider community work, it was important to ensure that certain vulnerable groups were not excluded from the ability to become volunteers and take part in projects.
 - The assessment represented an opportunity to change the Scrutiny function and the way that the Council performed through its new Corporate Plan. However, it should be recognised that there was a need for build-up capacity within the Council in order to achieve its objectives.
 - The Council also required more capacity in order to improve public engagement in order to have sufficient reach within communities.
 - The Council needed to be bolder when it came to decisions around service delivery, particularly in the context of increased demands within

certain service areas. It may be necessary for the Council to stop delivering non-statutory services which also required an honest conversation with the public around why the Council had chosen to stop provided a service. That required a culture shift.

- Within the Council's response to the Panel Performance Assessment, there was no explicit mention of young people and so there was scope to look at how young people were engaged and their voices heard.
- There should also be consideration of the areas of partnership working that may not add real value and represented a drain on resources.
- In terms of budgetary savings and pressures, there was scope for conversations with Health about the contribution that Council run services such as Social Care and Leisure made in support of health related services.
- The Council's actions in response to the Panel Performance Assessment should be incorporated in the Regulatory Report tracker and be reported to the Governance and Audit Committee.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) In order for Cabinet to be aware of the Committee's comments.

AGENDA ITEM 6. AUDIT WALES: FINANCIAL SUSTAINABILITY OF LOCAL GOVERNMENT, DECEMBER 2024 (REF) –

RESOLVED –

- (1) T H A T the findings of the Audit Wales report on Financial Sustainability of Local Government, December 2024 be noted.
- (2) T H A T the report and the comments of the Corporate Performance and Resources Scrutiny Committee be referred to Cabinet for its consideration.
- (3) T H A T in addition to the comments of the Corporate Performance and Resources Scrutiny Committee, the comments of the Governance and Audit Committee also be referred to Cabinet. The comments of the Governance and Audit Committee related to the following:
 - There was a role of central Government to ensure that Local Authorities were sufficiently resourced.
 - It was noted that in terms of useable reserves, some Local Authorities in Wales had very little useable reserves available whilst some Councils had reserves in excess of £200m. Therefore, there was opportunity for Welsh Government to consider the level of useable reserves within Councils as part of the budget settlement process.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2&3) In order for Cabinet to be aware of both Committees' comments.

AGENDA ITEM 7. TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2025/26 AND UPDATE FOR 2024/25 (DCR) –

RESOLVED –

- (1) T H A T the Treasury Management Interim Report for the period 1st April to 31st December, 2024 be noted.
- (2) T H A T the revised policy for making minimum revenue provision from 2024/25 onwards be noted.
- (3) T H A T the Treasury Management Policy statement set out in Appendix 3 to the report be noted, and be referred to Cabinet for approval.
- (4) T H A T the proposed 2025/26 Treasury Management and Investment Strategy including the following specific resolutions (detailed in Appendix 2 to the report) be noted and referred to Cabinet for approval:
- * The Treasury Management Policy Statement set out in Appendix 2 to the report be noted;
 - * The Prudential Indicators set out in Appendices 1 and 2 to the report be approved;
 - * The Authorised Limit for External Debt be set at £261.462m for 2024/25, £282.62m for 2025/26, £317.495m for 2026/27 and £367.171m for 2027/28;
 - * The Operational Boundary for External Debt be set at £245.238m for 2024/25, £266.332m for 2025/26, £300.094m for 2026/27 and £349.825m for 2027/28;
 - * The Section 151 Officer be granted delegated authority within the total Authorised Limit and Operational Boundary as estimated for individual years to effect movement between the separately agreed limits for borrowing and other long term liabilities;
 - * An upper limit of £0m for 2024/25, £10m in 2025/26, £10m in 2026/27 and £10m in 2027/28 be set for total principal sums invested for over 364 days
 - * The amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate for 2024/25 be set as:

Table 1 – Upper and lower Limits for fixed rate borrowing 2025/26

	Upper Limit	Lower Limit
Under 12 months	20%	0%

12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	100%	0%

Any breaches of the Prudential Indicators will be reported through to the next meeting of Cabinet, with the exception of the Authorised Limit for External Debt which would require prior Council approval.

Reasons for decisions

(1&2) Having regard to the contents of the report and discussions at the meeting.

(3&4) To ensure that the Treasury Management and Annual Investment Strategy is prepared as required by the Local Government Act 2003.

AGENDA ITEM 8. Q3 PROGRESS AGAINST EXTERNAL REGULATORY RECOMMENDATIONS AND PROPOSALS FOR IMPROVEMENT (DCR) –

RESOLVED –

(1) T H A T the progress to date in addressing existing recommendations and improvement proposals made by the Council's external regulators be noted.

(2) T H A T Cabinet be advised of the Governance and Audit Committee's recommendation endorsing the removal of completed actions from the Strategic Insight Board (SIB) Insight Tracker.

Reasons for decisions

(1) Having regard to the contents of the report and discussions at the meeting.

(2) To ensure that the Council's SIB Insight Tracker reflects the most up to date position on the Council's regulatory recommendations.

AGENDA ITEM 9. PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN (HRIAS) –

RESOLVED – T H A T the contents of the report and the progress made against the Internal Audit Risk Based Plan 2024/25 be noted.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

AGENDA ITEM 10. RECOMMENDATION MONITORING (HRIAS) –

RESOLVED –

- (1) T H A T the position statement on Internal Audit recommendations made, implemented and outstanding as at 31st December, 2024 be noted.
- (2) T H A T the Head of Human Resources and Organisational Development be thanked for their update report.
- (3) T H A T the Operational Manager – Strategy and Resources attend the next meeting of the Governance and Audit Committee in relation to the follow up audit for Ysgol y Deri and St. Cyres building compliance.

Reason for decisions

- (1-3) Having regard to the contents of the report and discussions at the meeting.

AGENDA ITEM 11. FORWARD WORK PROGRAMME (HRIAS) –

RESOLVED –

- (1) T H A T the draft Forward Work Programme for 2024/25 and the draft timetable for 2025/26 be noted.
- (2) T H A T the schedule of items for the next meeting on 24th March, 2025 be endorsed subject to the removal of a presentation on the new Global Internal Audit Standards (to be presented to members prior to the next meeting), and to note that the Operational Manager – Strategy and Resources to be in attendance to report progress on the Ysgol y Deri and St. Cyres building compliance follow up work.

Reason for decisions

- (1&2) Having regard to the contents of the report and discussions at the meeting.