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## AUDIT AND GOVERNANCE COMMITTEE 6/6/17

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**Present:** Councillor R. Medwyn Hughes (Chair)  
Councillor John Brynmor Hughes (Vice-chairman)

**Councillors:** Stephen Churchman, Aled Ll. Evans, Aeron M. Jones, Aled Wyn Jones, Charles Wyn Jones, Huw G. Wyn Jones, Berwyn Parry Jones, Peter Read, John Pughe Roberts, Paul Rowlinson, Angela Russell, Cemlyn Williams and Gethin Glyn Williams.

**Lay Member:** John Pollard

**Others invited:** Councillors Steve Collings, Alwyn Gruffydd, Annwen Hughes, Elwyn Jones, Cai Larsen, Catrin Wager, Gareth Williams and Owain Williams (Local Members) along with Peredur Jenkins (Cabinet Member for Finance).

**Also in Attendance:** Dafydd Edwards (Head of Finance Department), Ffion Madog Evans (Finance Senior Manager - for Items 9 and 10 on the agenda), Dewi Morgan (Senior Revenue and Risk Manager), Luned Fôn Jones (Audit Manager); Sion Huws (Senior Solicitor (Corporate)), Arwel Ellis Jones (Senior Corporate Support Manager) Vera Jones (Members Manager - Democracy Service) and Dilwyn Williams (Chief Executive) – for Item 8 on the Agenda; and Bethan Adams (Member Support Officer).

**Apologies:** Councillors Dewi Wyn Roberts, Anwen Davies, Anne Lloyd Jones, Eryl Jones-Williams, W. Roy Owen and Mair Rowlands (Local Members).

### 1. CHAIR

**RESOLVED to elect Councillor R. Medwyn Hughes as Chairman of the Committee for 2017/18.**

### 2. VICE-CHAIR

**RESOLVED to elect Councillor John Brynmor Hughes as Vice-chair of the Committee for 2017/18.**

### 3. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any members present.

### 4. MINUTES

The Chairman signed the minutes of the meeting of this Committee held on 2 February 2017, as a true record.

### 5. FUNCTION OF THE AUDIT AND GOVERNANCE COMMITTEE

The Senior Revenue and Risk Manager gave a presentation on the functions to be carried out by the Committee. He drew attention to the fact that the committee was now known as the Audit and Governance Committee and the change of name reflected the evolution of the committee's role and functions since establishing the Audit Committee in 1999. He noted, following the decision by the Council in its meeting on 2 March 2017, that the committee had the added function of scrutinising issues involving the Council's internal operations.

He mentioned that training for committee members about the committee's responsibilities would be held on 14 June. He explained that the members would, ideally, have received training before the first meeting, but that this would not be possible because of the need to arrange this meeting so that the Council could respond to the Boundaries Commission about the review of election boundaries in Gwynedd in good time.

He presented the Committee's draft Operational Arrangements for comment and adoption. He provided details on the new draft Operational Arrangements which are based on the requirements of the Local Government Measure (Wales) 2011 and the Statutory Guidelines which support it. He emphasised that the committee was not a scrutiny committee as was required by the act and that scrutiny was an additional role. He explained that the committee, in accordance with the measure, had been scrutinising financial matters but that the committee, henceforth, would also scrutinise matters involving the Council's internal operations such as corporate strategies, partnerships, consultation, business transformation, efficiency arrangements and the workforce. He mentioned that an informal workshop for committee members would be held, after the formal meeting of the Council on 22 June, to identify scrutiny matters for the year.

A member noted that she was glad that this committee would be undertaking the additional scrutiny role, and taking a high level overview of the Council's operations.

A member enquired as to the committee's requirement to raise awareness across the Council of matters involving risk management, internal management and corporate governance in order to fully carry out its function. In response, the Senior Revenue and Risk Manager noted that one way the committee could raise awareness was through the Controls Improvement Working Group, where officers were called before the committee if the committee was dissatisfied with the arrangements for managing risk, internal management or governance within the Council's departments.

In response to an observation by a member about the consistency of arrangements when preparing for scrutiny committees, and the arrangements of the Audit and Governance Committee as it undertook the additional scrutiny role, the Members Manager - Democracy Service stated that a workshop would be held to identify matters to be scrutinised by the committee for the forward work programme for the year in accordance with the arrangements for the scrutiny committees. It was noted that the arrangement of holding preparatory meetings five weeks in advance of the scrutiny committee meetings had ended and that a meeting to prepare for items for scrutiny at the following meeting would be held at the end of the committee meeting. This arrangement would also be put in place for this committee.

A member noted that the committee should operate from a position of having an overview of risk to the Council, rather than focusing on individual matters. The Senior Revenue and Risk Manager reiterated the comment and noted that the committee's role was to look at the Council's day to day arrangements, not individual risks.

**RESOLVED to adopt the Operational Arrangements.**

## **6. REVIEW OF GWYNEDD ELECTORAL BOUNDARIES**

The Senior Corporate Support Manager submitted the report, and noted that the Full Council at its meeting on 2 March had accepted a report on the review. He explained that the timetable for the Council to submit draft proposals to the Boundaries Commission had been extended to mid-June on account of the election period.

He noted that the committee had been asked to consider the draft proposals and the possible options noted in this report and propose recommendations to the Full Council in its meeting on 15 June, then the Council would submit proposals to the Boundaries Commission. Furthermore, to recommend to the Full Council that it, again, pressure the Boundaries Commission to pay attention to effective local representation needs and the impact of the population that was not on the electoral register when forming its proposals.

He highlighted that the Boundaries Commission had proposed that the average number of electors for each member in Gwynedd would be 1,243. He noted that every constituency was different and it was not practical to adhere too stringently to this figure in every case. The aim of the draft proposals was to allow for a variance of up to 25% above or below that figure, based on the type of variation the Commission had approved in the past.

Another principle at the core of these proposals was to seek to reduce the number of two - member constituencies in the county. He explained that the Council's opinion was, where geography and the nature of communities allowed, that single-member constituencies should be sought in order to simplify accountability for the electorate.

He reported that the options had been discussed to varying degrees with the relevant Local Members and that Community Councils had also been consulted.

He guided the members through the report and asked them to share their opinions on the proposals and the Local Members, who were present, were invited to comment.

### **Dolbenmaen / Porthmadog (Tremadog)**

It was noted that both constituencies, although not being suggested for change at present, could be considered by the Boundaries Commission for change, if not this year, certainly by the review that would take place after the 2022 elections. Should the need for change arise, the only possibility that could be considered was to divide the ward of Porthmadog (Tremadog) so that some of the community wards in the area merged with the Dolbenmaen constituency and for others to be moved to one of two other constituencies in Porthmadog, thus leading to a reduction of one seat. Members were asked for their opinion about making recommendations for change or leaving it in the hands of the Commission.

The local member for Dolbenmaen noted that any change considered would mean very little change in the number of electors. Extending the boundary toward Cwmstradllyn would perhaps balance out the numbers but extending the boundary to Pwllgoleulas would mean too much movement in one direction for the Dolbenmaen ward.

The local member for Porthmadog (Tremadog) noted that the geographical area of the ward as it currently stood meant a considerable distance between Penmorfa and Snowdon. He was of the opinion that the proposal did not consider the pragmatic problems facing rural people and social movements. He noted, if change were recommended, Pant Glas would fit in better with Bryncir than Clynnog. He explained, because of history/tradition, that Tremadog would be better linked with Porthmadog and that a Bryncir to Snowdon ward would be too large.

In response to the observations, the Senior Corporate Support Manager noted that the Commission's main consideration was elector numbers; but, because local members were satisfied that no change was necessary and that no other rational change was forthcoming, a proposal would not be submitted to the Commission.

**RESOLVED to not recommend change to the Full Council.**

### **Electoralates where no changes were proposed**

A member noted that elector numbers in the Gerlan, Ogwen, and Tregarth and Mynydd Llandegai wards were approximately 30% higher than the 1,243 figure, and he asked whether there was a danger that the Commission would consider the number of electors to be too great. The Senior Corporate Support Manager acknowledged that there was a danger that the Commission would think so, but it was hoped that they would not suggest change as their main focus was on smaller constituencies.

The Chief Executive added that the drivers for the work of forming electoral boundaries should be places that have a natural connection, but that the Commission tended to be driven by mathematics. He noted that the Council would have to defend what was suggested to the Commission lest they looked at the mathematics and formed two- or three-member constituencies, which, in the Council's opinion clouded accountability. He confirmed that there was a risk but that the Council was attempting to create a defensible plan.

### **Bangor City Area**

The Senior Corporate Support Manager reported that he had attended a meeting of Bangor City Council on 5 June and that they, in principle, accepted that there would be a reduction in the number of councillors, but that they wanted this reduction to be minimised. He noted that Bangor City Council would be submitting an option to divide the city to minimise the suggested reduction before the meeting of the Full Council.

The local member for Deiniol suggested merging Garth and Hirael as he had been made aware of a campaign to try to register a lot of people in the Bangor area. A number of individuals had not registered to vote in the Deiniol ward but, in the long term, there could be a substantial increase in the number of electors.

The local member for Menai (Bangor) noted that Bangor University was discussing the arrangements for automatically registering all students. In which case, the number of electors could increase substantially and that we should be prudent and await a more firm response from the University.

The local member for Garth noted that it would be an idea to look at the historical figures since approximately 9,000 students were missing from the current numbers.

A member noted that he agreed with the local member's observations: the Commission document referred to the population and electors. From looking at the population, the existing wards fulfilled the requirements. He added that the proposed change to comply with the requirements of the Commission in terms of electors would not reflect the real work councillors did, and local members and the Bangor City Council should be given the opportunity to submit a proposal.

In response to the above observations, the Senior Corporate Support Manager noted that the Commission did not intend extending the closing date and that they were assessing at a point in time and would review this when carrying out the review of the electoral boundaries in future. He noted that he did not disagree with the comments made but an attempt should be made to respond in accordance with requirements of the Commission.

**RESOLVED to give local members and Bangor City Council the opportunity to submit a proposal before the meeting of the Full Council.**

### **Caernarfon Town Area**

The Senior Corporate Support Manager noted that suggestions to improve the boundaries of Caernarfon town would be made, using the natural boundaries of the Llanberis Road and the Link Road through the town as obvious and natural ones. Attention was drawn to the fact that this would leave the existing Seiont constituency as a two-member constituency with approximately 2,392 electors. However, in order to implement the Council's wish of trying to have single-member constituencies, it was proposed to split it into two constituencies - the Caernarfon Town Centre Constituency of approximately 1,177 and the Hendre Constituency, which is mainly a single large housing estate, of approximately 1,215 electors. It was reported that Councillor Roy Owen (local member for Seiont) disagreed with the proposals.

The local member for Cadnant noted that he supported the proposals which would improve the town boundaries and be in keeping with the Commission's requirements.

Councillor Cai Larsen (local member for Seiont) noted that he welcomed the sensible proposals and that the Seiont ward was extensive with deprived areas which involved a lot of case work.

In response to an observation by the local member for Cadnant that the meeting of the Town Council would be held that evening, the Senior Corporate Support Officer stated, if comments were received from the Town Council, they would be incorporated into the report of the Full Council.

**RESOLVED to recommend the proposal to the Full Council.**

#### **Ffestiniog Area**

The Senior Corporate Support Manager stated, while the Bowydd and Rhiw area was fine as it was, the Diffwys and Maenofferen constituency with 750 electors was too small, and the Teigl constituency (1,315) was a little larger than the average. Further to that which was stated in the report about the boundary suggested by Ffestiniog Town Council, it was reported that there had been a misunderstanding as to which old post office reference had been made. He stated that the Town Council and local members were unanimous in their support for the amended boundary which complied with the Commission's requirements.

**RESOLVED to recommend the proposal to the Full Council.**

#### **Tywyn Area**

The Senior Corporate Support Manager stated that the Tywyn constituency was currently a two-member constituency. He highlighted the fact that there were three community wards in the Tywyn area. Morfa ward had elector figures close to those being considered, whilst Tywyn West and Tywyn East collectively had roughly the right number, in which case a natural boundary existed to create two constituencies. He reported that local members supported the proposal.

He noted that there was a risk for the constituencies of Aberdyfi and Pennal on account of a predicted further reduction in elector numbers. For the time being, however, it was suggested that Tywyn East and Tywyn West merge.

**RESOLVED to recommend the proposal to the Full Council.**

#### **Abersoch, Aberdaron, Botwnnog, Tudweiliog, Morfa Nefyn and Llanbedrog Area**

The Senior Corporate Support Manager stated that the three possible options noted in the report would lead to three fewer members in the area. He reported that discussions had

been held with the local members and concerns had been expressed that the suggested options would mean a reduction of as many as three members, and the impact it would have on effective representation for the population as a whole. He noted that local members should be given the opportunity to propose an alternative option before the Full Council meeting which would lead to the most sensible reduction in member numbers.

In response to a question by a member about the response of community councils, the Senior Corporate Support Manager stated that the only response had come from Botwnnog Community Council in which they stated their objection to the Commission's intentions.

A member noted that Llanengan Community Council would be discussing the matter at their meeting on Wednesday evening. In response, the Senior Corporate Support Manager noted that any proposals would have to be delivered a few days before the Full Council meeting on 15 June in order for them to be assessed.

The Chief Executive emphasised that any proposal would have to comply with the Commission's requirements and, if the mathematics suggested reducing the number of Members, the Commission would act.

The local member for Llanengan noted that he would be holding discussions with the relevant local members in relation to Llanbedrog/Mynytho and Abersoch/Llanengan/part of Llangian, but that he did not have definite figures. In response, the Senior Corporate Support Manager noted that he had shared the number of electors in the community wards with local members in the area following a meeting. He explained that the information about the division of community wards was not available, and that officers would count the numbers of electors within electoral wards after proposals had been submitted.

In response to a suggestion by the local member for Clynnog that a special meeting of the Dwyfor Area Committee should be convened, the Senior Corporate Support Manager noted that the timetable was tight and that a decision about the proposals would have to be reached at the Full Council meeting the following week.

The local member for Llanbedrog stated that there were a number of holiday homes in the area and, although the owners were not on the electoral register, the local member also represented them. She added that an attempt would be made to create a proposal that would divide the constituencies naturally. She was of the opinion that Llanbedrog was naturally bound to Mynytho. She noted that Llanbedrog Community Council had discussed the matter and she would contact the clerk so that they could submit a proposal.

**RESOLVED to give local members in the Llŷn area the opportunity to submit a proposal before the meeting of the Full Council.**

A minute's silence was held at 11.00am as a mark of respect to those who suffered as a result of the recent terrorism incident in London.

### **Trawsfynydd, Harlech, Dyffryn Ardudwy and Llanbedr Area**

The Senior Corporate Support Manager stated that there were two possible options. The second option would redress the balance of numbers across the three constituencies suggested. Option one would propose the constituency of Harlech, Talsarnau and Llanfair; it would be a large constituency of 1,820. It was highlighted that the matter causing tension with respect to creating the constituencies was whether it made sense to merge Talsarnau/Maentwrog/Trawsfynydd.

The local member for Llanbedr stated that the first option was best and that merging the wards of Harlech and Talsarnau made more sense than merging the community wards of Trawsfynydd and Maentwrog.

In response to the comments, the Senior Corporate Support Manager stated that option one made more sense geographically.

It was noted that observations had been received from the local member for Dyffryn Ardudwy who expressed his concern that Dyffryn Ardudwy and Talybont with Llanbedr would create a large constituency with Talybont on the periphery, but that he acknowledged the need to reduce the number of constituencies. He proposed 'Dyffryn Ardudwy, Llanbedr and Talybont' as a name for the new constituency.

**RESOLVED to recommend option 1 to the Full Council.**

### **Llanrug Area**

The Senior Corporate Support Manager stated the need to neaten the Llanrug boundaries of the area in order to improve the state of constituencies by dealing with the communities of Cwm y Glo (438), Brynrefail (224) and Ceunant (305) and also Penisarwaun (560) and Rhiwlas (533).

It was noted that a proposal had been made for two revised constituencies namely one for Cwm y Glo, Brynrefail and Ceunant (967) and one for Penisarwaun and Rhiwlas (1,093). It was reported that there was a difference of opinion among local members.

The local member stated his wish to retain the community of Brynrefail with Penisarwaun and Rhiwlas with the total number of electors at 1,317, which was a little higher than the average noted by the Commission. He added that Afon Rhyddallt was a natural boundary.

The local member for Llanrug noted that a two-member constituency was unnecessary and that he was of the opinion that this proposal should be acceptable to the Commission. He added that the Brynrefail community had stronger links with Cwm y Glo than with Rhiwlas. He noted that Llanrug Community Council was in favour of the proposal.

The local member for Cwm y Glo stated that there was a danger that a two-member constituency could be created if the Council did not submit a proposal. He added that the new Cwm y Glo, Brynrefail and Ceunant constituency would be in keeping with the school's catchment area.

The local member for Penisarwaun added that Brynrefail and Cwm y Glo naturally went together but that a constituency needed to be formed around a natural boundary.

In response to the observation, the Senior Corporate Support Manager stated, if changes were not made, that there was a danger that the Commission might create a two-member constituency.

The local member for Penisarwaun enquired whether Llanddeiniolen Community Council had responded. It was stated that they had not responded.

**RESOLVED to recommend the proposal to the Full Council.**

### **Bontnewydd, Llanfaglan and Caethro / Waunfawr, Betws Garmon and Rhyd Ddu**

The Senior Corporate Support Manager stated that these proposals for these areas had been created with the local community links and school catchment areas in mind.

**RESOLVED to recommend the proposals to the Full Council.**

**Dinas and Dinas Dinlle Area**

The Senior Corporate Support Manager stated that this proposal to an extent attempted to respond to the change to the Bontnewydd area, but that it also attempted to use the communities around and below the A499 trunk road as a relatively natural boundary between communities.

The local member for Llanwnda stated that it would be unwise to create such a small constituency made up of two community councils, namely Llanwnda and Llandwrog. He was of the opinion that the Llanwnda constituency should remain as it was as it met the elector number requirements of the Commission, and it was within the area of one community council.

In response, the Senior Corporate Support Manager noted that he would keep the constituency of Llanwnda as it was, but it did raise the question of where to place Dinas Dinlle.

The local member added, if a decision was made to create a Dinas and Dinas Dinlle constituency, it would be necessary to consider a combination of Rhostryfan/Rhosgadfan/Carmel and Fron.

The Chief Executive emphasised that any combination was possible but that the mathematics had to be in keeping with requirements. He added that a discussion ought to be held with local members about the area.

**RESOLVED to hold discussions with relevant local members to draw up a proposal for the constituencies in the area prior to the meeting of the Full Council.**

**Llanllyfni, Talysarn, Nantlle and Nebo Area**

The Senior Corporate Support Manager suggested merging Llanllyfni (513) Talysarn (714) Nantlle (152) and Nebo (253) to create one new constituency of 1,612 (the entire Llanllyfni Community Council with the exception of Penygroes).

He reported that the local member for Talysarn did not object to this proposal despite stating that the new (Groeslon, Carmel and Cesarea) constituency varied greatly in its demography.

**RESOLVED to recommend the proposal to the Full Council.**

**Groeslon, Carmel and Ceserea Area / Rhostryfan and Rhosgadfan Area**

The Senior Corporate Support Manager stated, following the discussion about the Dinas and Dinas Dinlle area, that discussions would be held with local members.

**Clynnog, Trefor, Llithfaen and Ffôr Area**

The Senior Corporate Support Manager highlighted the fact that the existing Clynnog constituency numbers were substantially below the elector number threshold.

He noted that the favoured option was option three, as suggested by the local member for Llanaelhaearn, namely to retain the existing Llanaelhaearn constituency (1,151) as it was; calling it 'Yr Eifl' would, however, be more sensible. The Nebo ward (233) would then be



added to Clynnog to create a new constituency of 946 electors (which would be a very small constituency in the Commission's terms), thus, removing it from the Llanllyfni ward which would reduce the size of that ward to 1,369 which was more logical. This would address concerns expressed by Pistyll Community Council about small rural communities merging with larger and very different areas.

The local member for Clynnog noted that he agreed that option 3 was the best.

**RESOLVED to recommend option 3 to the Full Council.**

#### **Abererch, Efailnewydd, Pentre Uchaf and Buan Area**

It was noted that the proposal for this area had been mistakenly included and it was recommended that no changes should be made and for the Committee to dismiss it.

The local member for Abererch stated that he was happy with the recommendation that the constituencies remain the same.

#### **Penllyn Area**

The Senior Corporate Support Officer stated that a recommendation had been made to swap the wards in the two existing constituencies but that two seats should be retained so that there would be three seats in the entire area, namely Bala and Penllyn West – Llanuwchllyn (494), Cwm y Glyn (83) and Llanycil (323) (constituency of 900) and Penllyn East – Gwalia (125), Llan y Betws (456) and Llanfor (347) (constituency of 928). It was noted that the constituencies were small, looking toward the future, but that it was unavoidable in such a rural area.

It was noted that local members were concerned, if changes were not suggested, that a large constituency or a two-member constituency would be created.

**RESOLVED to recommend the proposal to the Full Council.**

#### **Llanegryn, Bryncrug and Friog Area**

The Senior Corporate Support Officer suggested moving the ward of Llanegryn from one constituency to the other in order to create two reorganised constituencies:-  
Llanegryn, Bryncrug and Llanfihangel = 1,000 (three Community Council areas)  
Y Friog, Islaw'r Dre and Llangelynnin = 1,332 (two Community Council areas)

**RESOLVED to recommend the proposal to the Full Council.**

#### **General Observations**

The members noted the following main points:-

- The consultation period, which coincided with the election period, was entirely inadequate for any meaningful local discussion and this had affected the ability to provide details on some proposals.
- The Boundaries Commission should focus on the requirements of effective local representation and the impact of the population rather than on the electoral register, at a specific point in time, in forming its proposals. Specifically, the demands and workload which arise as a result of the presence of students, tourists, second home owners and others who are not on the local electoral register, means that this must be addressed when determining the size of constituencies.

The Senior Corporate Support Manager confirmed that the observations would be submitted in the report to the Full Council.

## 7. FINAL ACCOUNTS 2016/17 – REVENUE OUTTURN

The report of the Cabinet Member for Finance was submitted in which he noted that the final financial situation of the Council departments for 2016/17 was good given the challenging financial climate. He thanked the finance officers for their detailed work and their support for the departments.

The Senior Finance Manager focused on the content of the report which would be submitted to the Cabinet in its meeting that afternoon. Attention was drawn to the recommendation for the Cabinet:

"1.1. To approve and note the final financial position of the Council's departments for 2016/17.

1.2 To approve the amounts to be carried forward (the "Revised Over/ (Under) Spend" column of the summary in Appendix 1), namely:

DEPARTMENT	£'000
Adults, Health and Well-being	(100)
Children and Families	0
Education	(48)
Economy and Community	(19)
Highways and Municipal	0
Environment (formerly Regulatory)	(38)
Gwynedd Consultancy	(96)
Corporate Management Team & Legal	(45)
Finance	(67)
Corporate Support	(56)

1.3 To approve the following recommendations and virements (as outlined in Appendix 2)

- Use (£46k), namely the underspend in excess of £100k in Adults, Health and Well-being to contribute towards the shortfall in another department.
- Clear the overspend in the Children and Families Department so that they can move forward to face the challenges of 2017/18, and to finance this by re-directing the Adults, Health and Well-being Department underspend (£46k) and Corporate underspend (£151k).
- Clear the overspend in the Highways and Municipal Department so that they can move forward to face the 2017/18 challenge, and to finance this by re-directing Corporate underspend (£88k).
- Use the £939k underspend on Corporate Budgets for 2016/17 as follows:
  - £151k to clear the overspend in the Children and Families Department
  - £88k to clear the overspend in the Highways and Municipal Department
  - £700k to be earmarked in a reserve to contribute towards the Financial Strategy for the future.

1.4 Approve the virements from the specific reserves and release the provisions as outlined in Appendix 3 following a comprehensive review of reserves and provisions.

1.5 Convey to the Departments that the Cabinet will only clear overspend in very exceptional circumstances in the future, and that departments will be expected to

carry forward any future overspend (in line with the procedure for carrying underspend forward)."

The Head of Finance Department stated that the revised statutory financial statements for 2016/17 would be submitted for approval by the Committee on 13 July but that this outturn report provided a clearer financial picture. He noted that there was some uncertainty about the level of Welsh Government grant funding for 2018/19 and beyond. He reported that a review of all the Council's funds had been made at the close of this year's accounts and £1,060m of resources had been collected. He explained that setting aside £1.76m in a specific fund would give the Council time to plan in order to respond appropriately in the autumn following confirmation of the level of Welsh Government grand funding.

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

- Congratulations were extended to the departments for their stringent financial management. Would the departments be expected to continue to underspend?
- Was the overspend in the Children and Supporting Families department a result of matters beyond the Department's control and was the underspend in the Adults, Health and Well-being department the result of inability to provide services?
- Could the annual trends be included in the report?
- The Council was unable to compete with private companies in relation to fees charged for commercial waste disposal;
- Did the Council's move toward enabling older people to continue to live in their own homes mean that there was an overspend on domiciliary care?
- Was the overspend on waste services the result of the fine the Council received in relation to storing materials at the Tywyn Depot?
- The committee had raised concerns in the past about overspend in the maritime service and the Education and Economy Scrutiny Committee should be asked to consider extending their scrutiny work on reviewing the management and governance of Hafan Pwllheli to include all harbours;
- Concern that the Consultancy Department was underspending considering the increasing risk from flooding. The money should be spent on carrying out more risk management work;
- The need to ensure that any underspend was not the result of failure to provide services and that it was a valid underspend.

The officers responded to the observations as follows:

- A number of departments had underspent on a one-time basis following achieving early efficiency savings. It was highlighted that the underspend was a small percentage considering the size of the budget and that the departments' 2017/18 budgets had been adjusted to reflect the income generated in 2016/17, etc.;
- Overspend in the Children and Supporting Families and underspend in the Adults, Health and Well-being department was not the result of an inability to provide services;
- The Children and Supporting Families had overspent mainly on location services. The Department had received a permanent bid of £50k and a one-off bid of £210k for 2017/18 in acknowledgement of the pressure on the services;
- The Adults, Health and Well-being Department had underspent as it had received money from Betsi Cadwaladr University Health Board which was owing to it from a few years previous. It was noted that this was a one-off situation.
- Information submitted in the report had to be selected; if the members wished to receive information about trends, an area would have to be selected for detailed consideration;

- Private companies could select from which areas they collected commercial waste and the Council would serve the areas that did not receive a service from private companies. The Council provided this service with the aim of retrieving costs;
- The Council's move toward enabling older individuals to live in their own homes was a factor. The change in emphasis and delivering savings plans showed a trend in terms of additional pressure on domiciliary care services.
- It was not the waste services that had been fined but the Highways Maintenance service. The fine had been included within the Highways expenditure figures.
- The underspend of the Consultancy Department would be carried forward to 2017/18. It was emphasised that the Department operated commercially.

**RESOLVED:**

- (i) To note the situation and the relevant risks in the context of the Council's budgets and its departments.**
- (ii) Recommend that the Cabinet accept the report and approve the recommendations.**
- (iii) Ask that the Education and Economy Scrutiny Committee consider expanding its scrutiny work on reviewing the management and governance arrangements of Hafan Pwllheli to include all harbours.**

**8. CAPITAL PROGRAMME 2016/17 – END OF YEAR REVIEW**

Submitted - the report of the Head of Finance Department, providing details of the end of year review of the capital programme.

The Cabinet Member for Resources set out the context and elaborated on the content of the report that would be submitted to the Cabinet in the afternoon. It was noted that the Council had succeeded in spending over £29m in 2016/17 on capital programmes; £11m had been funded through attracting specific grants, namely 77% of the total expenditure. It was confirmed that £9.4m of the expense budget would slip from 2016/17, compared to a slippage of £9.5m at the end of 2015/16. The Council did not lose any grant funding as a result of programmes slipping.

He drew attention to the fact that the Cabinet would be asked to approve an allocation of £100,000 for preparation and planning work to review the education provision in the Bangor area as a result of the Welsh Government's strict timetable as part of the Schools for the Twenty First Century plan. The Head of Finance Department reported that the report would be submitted in conjunction with the Council's long term capital programme after the summer.

**RESOLVED:**

- (i) To take note of the situation and the relevant risks in relation to the Council's capital programme.**
- (ii) Recommend that the Cabinet accept the report and approve the recommendations.**

**9. OUTPUT OF THE INTERNAL AUDIT 30/1/17 - 31/3/17**

Submitted - the report of the Audit Manager outlining the Internal Audit section's work for the period. It was noted that 13 audit reports of the operational plan had been completed, along with three other reports (memoranda etc.) and three follow-up reports.

Each individual report was considered and, during the discussion, reference was made to the following matters –

**Deprivation of Liberty Safeguards**

In response to a member's observation about the risks linked with this field, the Audit Manager noted that it was a sensitive and difficult field and that she had also attended training on the field where great risks were highlighted for the Council. She noted that the bid to employ officers to deal with applications had been approved. The workload was increasing and the Council needed to provide training on the field for the Council's residential homes as well as private ones. She noted, since the report had received a 'C' grading, the audit would appear before the Controls Improvement Working Group where progress to date could be considered.

### **Social Services Complaints Procedure**

A member noted, although the report had received a 'B' Grading, she wished to consider the audit at the Controls Improvement Working Group. In response, the Audit Manager stated that the audit could be considered at the task group if the Committee so wished.

In response to a member's observation in which he expressed his concern about the audit as he was under the impression that the matters raised in the past had been solved, the Audit Manager noted that an officer was responsible for coordinating a response to complaints, and the Customer Service Unit for the Adults, Health and Well-being Department would put action steps in place to respond to the audit and she hoped things would improve.

#### **RESOLVED:**

- (i) to accept the report on the work of the Internal Audit for the period of 30 January 2017 to 31 March 2017 and to support the agreed actions that have already been submitted to the managers of the relevant services;**
- (ii) that the Chairman and Vice-chairman of the committee, along with Councillors Stephen Churchman, Angela Russell and Cemlyn Williams serve on the Working Group to consider the audits that have received a category 'C' grading along with the 'Social Services Complaints Procedure' audit that had received a category 'B' grading;**
- (iii) that it was the responsibility of any member unable to attend the Working Group to arrange a substitute.**

### **10. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2016/17**

The Chairman stated, because of time restrictions, that the item should be deferred until the next meeting on 22 June.

**RESOLVED to defer the application.**

### **11. THE COMMITTEE'S FORWARD PROGRAMME**

Submitted - the report of the Senior Revenue and Risk Manager outlining the work programme for the Committee for the period up to May 2018.

**RESOLVED to note the information.**

The meeting commenced at 10:00am and concluded at 12:50pm.

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**CHAIR**