

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of a Hybrid meeting held on 23<sup>rd</sup> February, 2026.

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

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

Present: N. Ireland (Vice-Chair in the Chair and Lay Member); Councillors B. Dodd, E. Goodjohn, M.J. Hooper and J. Protheroe; and M. Evans (Lay Member).

Also present: Councillors L. Burnett (Executive Leader and Cabinet Member for performance and Resources), W.A. Hennessy, G. John (Cabinet Member for Leisure, Sport and Wellbeing), Dr. I.J. Johnson, E. Williams (Cabinet Member for Social Care and Health) and R. Hendicott (Observer – Standards Committee).

### 666 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Democratic and Scrutiny Services Officer read the following statement: “May I remind everyone present that the meeting will be live streamed as well as recorded via the internet and this recording archived for future viewing”.

### 667 APOLOGIES FOR ABSENCE –

These were received from G. Chapman (Chair and Lay Member) and Councillor G. Ball.

### 668 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 15<sup>th</sup> December, 2025 be approved as a correct record.

### 669 DECLARATIONS OF INTEREST –

No declarations of interest were received.

### 670 VALE OF GLAMORGAN COUNCIL: SCHOOL BALANCES (REF)–

The reference from Cabinet of 18<sup>th</sup> December, 2025 as contained within the agenda was presented by the Director of Learning and Skills in conjunction with the Director of Corporate Resources and the Director of Environment and Housing (acting under

the guise of their substantive position of Head of Strategy, Community Learning and Resources).

It was noted that Audit Wales had reviewed the Council's arrangements for managing school budget deficits.

Key findings were that a quarter of schools in deficit had not submitted required recovery plans. Despite actions by the Council, school overspends were not reducing sufficiently. It was identified that there were shortcomings in risk reporting which limited effective oversight by scrutiny and cabinet.

Audit Wales had identified three recommendations:

- Strengthen oversight and set realistic milestones;
- Ensure all schools submit robust recovery plans and clarify intervention criteria;
- Learn from other Local Authorities and apply additional actions to support improvement.

The Council had developed an Action Plan to address all three recommendations.

The Director of Environment and Housing provided an update on the work undertaken since the publication of a previous report in November, focusing on supporting schools facing financial and operational pressures. The activity covered several key areas:

1. Procurement and Operational Efficiencies - Schools currently operated independently, which had led to inefficiencies. Central coordination of procurement had already identified the potential for several hundred thousand pounds of savings and some schools had been bought back to Council services to reduce costs further.
2. Additional Support to Schools - Consultancy support has been provided to help schools review, curriculum delivery, leadership decisions and teaching and learning impact. Best practice was being shared between schools with similar context and there was additional analysis of staffing ratios, TLR structures, and curriculum design.
3. Financial Forecasting and Oversight - Five-year financial forecasts had been created for every school, recognising increasing uncertainty further into the future. Meetings have been held with schools identified as statistical outliers, those which its financial positions differed significantly from similar schools locally and nationally. Support included: HR business partners, Finance officers and Central transformation teams. Schools have been asked to revise and resubmit recovery plans multiple times.
4. Capacity Building and Networks - A Business Managers Network had been established to strengthen operational capability. Meetings with schools had been ongoing for around 12 months, providing continuous support.
5. Long-term Strategic Work - Collaboration with the Education Endowment Foundation (EEF) aimed to address early-stage issues such as behaviour and reading challenges, which could increase cost over time. A School

- Improvement Partnership Programme had been set up with headteachers to bolster capacity and co-ordinate improvement work.
6. Funding Formula Reviews - A review of the mainstream school funding formula has been completed to ensure fairness and transparency, although that would not increase total funding. In response to rising Additional Learning Needs (ALN) demands, a separate review was underway for the special school funding formula.
  7. Ongoing Monitoring - Progress being reviewed regularly by the Council's Strategic Leadership Team.

Councillor E. Goodjohn queried that in relation to longer-terms and what lessons had been learnt and how would the Committee be assured that potential similar risks were identified earlier. In reply, the Director of Environment and Housing highlighted the key would be to build on work with the Education Endowment Foundation (EEF) and the School Improvement Partnership Programme to focus on identifying issues early to stop them escalating. There some significant Curriculum challenges that went beyond financial considerations and which impacted on how children were educated, so emphasis would be placed on investing in what worked and promoting shared learning between schools. Improving school support would also be important, so that schools had better access to human resources, finance, and other support services at an early stage. In addition, the growing pressure on ALN provision would be a major consideration.

Councillor E. Goodjohn referred to paragraph 23 of the Audit Wales report and asked what would assist the Governance and Audit Committee in assessing the effectiveness of the Council's arrangements for oversight and risk management. The Director of Corporate Resources explained that any potential identified risks would be incorporated into the Directorate's Annual Directorate Plan, with work progressing to assess which risks should appear on the register as well as any that should be escalated to the corporate level. That would be part of the annual self-assessment that would be reported to the Committee. Information relating to issues and potential risk would be report to Members in a range of ways, for example through Revenue Budget monitoring but there could be some delay in terms of the scheduling of Committee meetings. That did not mean that work was not progressing, with regular updates reported to the Strategic Leadership Team which would include horizon scanning that would be reported to the Committee.

M. Evans queried the timing of the deficits and the 1% budget savings for the previous year and was there any lessons learnt from those two interactions. The Director of Corporate Resources stated that at the time one of the main aspects was the significant pressure on the Council's budget, half of which was spent on education. There was always a need to keep a close eye on the level of school expenditure, but they could not be immune to pressures being experienced by other Council departments. Variation was the key area of understanding as some schools were experiencing variations from other similar schools and there was learning in terms of how savings in schools were considered. There was also a lesson to be reflected upon in terms of the interaction between schools and the Council, which had been strengthened through open dialogue on a regular basis.

The Vice-Chair, N. Ireland, queried whether there were other issues within the risks which required closer consideration. In reply, the Director of Corporate Resources highlighted that school balances was a key risk within financial sustainability, and he would look at other risks to identify if there were specific components that should be considered in isolation.

Subsequently it was

RESOLVED – T H A T the proposed Council actions (Appendices B and C to the report) and the related recommendations be endorsed and approved.

Reason for decision

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

671 CORPORATE COMPLAINTS – SUPPORTING SERVICE IMPROVEMENT (DCR) –

The Audit Wales review of Corporate Complaints looked at the Council's approach to handling complaints. This audit considered to what extent the Council's complaints processes contributed towards achieving its well-being objectives, secured value for money and met corporate priorities. Appendix A to the report set out a detailed audit scope and key findings of the review.

The review was undertaken to help fulfil the Auditor General's duties, specifically a programme of value for money studies aimed at improving the economy, efficiency and effectiveness of public bodies in Wales as required by section 41 of the Public Audit (Wales) Act 2004.

The purpose of this audit was to assure the public, Council officers and Members that the Council had appropriate measures in place to deal with complaints.

Audit Wales concluded that:

*“The Council has updated its complaints policy, but there are shortcomings to support its implementation, and it is not supported by an Equalities Impact Assessment.*

*Despite many complaints to the Ombudsman being about the Council's complaints arrangements, the Council has not fundamentally changed how it handles complaints.*

*Complaints are not always responded to in a timely manner and there are some weaknesses in the Council's complaints system.*

*There are opportunities to improve training and oversight of complaints arrangements.”*

Four recommendations had been made in relation to the review which were detailed in Appendix A to the report. These focused on further developing the Council's complaints policy, improving functionality of its IT system for complaints handling, improving staff training and monitoring and learning from complaints.

In response to the recommendations, the Director of Corporate Resources, the Head of Legal and Democratic Services and the Operational Manager of Customer Relations had developed an action plan which would be progressed by the Council. This was attached as Appendix B to the report.

In line with the Council's performance monitoring arrangements, progress against regulatory improvement areas would be monitored via the Strategic Insight Board Insight Tracker. Governance and Audit Committee would continue to be informed of progress against the Council's regulatory improvement areas through regular updates on regulatory progress, with Cabinet having final oversight. Progress would also be monitored by Audit Wales as part of the Council's annual audit work programme.

Governance and Audit Committee Members were being asked to consider the contents of the appended report (Appendix A), and the Council's response (in the form of an action plan – Appendix B) with any recommendations / comments being referred onto Cabinet for their consideration and endorsement of the proposed actions to address the recommendations.

Councillor E. Goodjohn asked how was the Council strengthening the process around service areas responding to corporate complaints and at what point the Council need to put in more resources put into the system to ensure that complaints were handled in a timely manner. In reply, the Director of Corporate Resources stated that in terms of strengthening the process, the Strategic Leadership Team and Heads of Services had recently had a discussion on the Audit Wales report and key part of that was understanding what was causing those complaints. From that discussion consideration moved onto resources and it was highlighted that timeliness of response was sometimes an issue, but understanding the reasons for complaints was key so that the Council could respond which may mean amending policies or practices as opposed to increasing resources.

N. Ireland (Vice-Chair) referred to Recommendation (3) and training for complaint handlers and asked for further information of the implementation target date. The Director of Corporate Resources clarified that there was quite a large number of staff so the Council wanted to ensure that it had sufficient time to reach out to all complaint handlers while ensuring that new processes and changes were also covered part of the ongoing training.

There being no further queries or comments, the Committee

RESOLVED –

(1) T H A T the findings from Audit Wales' review of the Corporate Complaints (Appendix A to the report), and the response to the review findings and Audit Wales' recommendations (Appendix B to the report) be endorsed.

(2) T H A T the report be referred to Cabinet for their oversight and endorsement of the proposed Council actions (Appendix B to the report) and to address the recommendations.

### Reason for decisions

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

## 672 CORPORATE COMPLAINTS ANNUAL REPORT (DCR) –

The Council adopted the Welsh Government's Model Corporate Concerns and Complaints Policy in July 2013. Complainants who remained unsatisfied after Stages 1 and 2 of the Policy could refer their complaint to the Public Service Ombudsman for Wales (PSOW).

Recording and management of Complaints and Compliments transferred from Oracle CRM to the Granicus GovService platform in August 2022. These excluded Social Services complaints which were investigated under the Social Services Complaints Procedure (Wales) Regulations 2014 and the Representations Procedure (Wales) Regulations 2014 and were recorded separately.

In December 2025 responsibility for the strategic management of corporate complaints including managing the Corporate Concerns and Complaints and performance reporting, transferred from Customer Relations to the Information Governance Team within Legal and Democratic Services. This brought complaints handling, FOI and data governance into a single area with aligned skills and processes, supporting organisation resilience and improved oversight in the context of rising numbers of Complaints and Freedom of Information requests which had placed sustained pressure on each team. As part of this reorganisation, a new Deputy Data Protection Officer role had been created. This post would ensure continuity of service whenever the Data Protection Officer was unavailable, strengthening the Council's ability to meet statutory responsibilities and maintain a consistent service for residents and colleagues. In June 2025 Audit Wales undertook a review of the Council's Corporate Complaints processes to ensure that appropriate measures were in place to deal with resident complaints effectively. The review identified that the Council had taken steps to improve complaints arrangements. Four priority areas were identified, which could be strengthened - further development and promotion of the new policy, improving digital functionality, staff training and improved monitoring and learning from complaints. These four priority areas had been incorporated in the Corporate Resources Directorate Plan.

The Audit Wales report was presented to the Strategic Leadership Team in December 2025. In response to the issues raised and as part of the Council's initial response, a workshop was held with the Strategic Leadership Team and Heads of Service on 3<sup>rd</sup> February to consider how complaints could be used positively to improve services, reduce future demand, make better use of resources and deliver better outcomes for residents. The outcome of this review was reported separately on this agenda, and Committee's considerations would be forwarded to Cabinet.

The PSOW had a role to ensure accountability and improve service quality addressing grievances from individuals who felt they had been treated unfairly or had received poor service from public authorities. It sought to resolve complaints through investigation and mediation, promoting transparency and helping to uphold citizens' rights.

The PSOW produced an annual letter which summarised the work they had undertaken across Wales and in relation to specific organisations.

The Local Government & Elections (Wales) Act (2021) requires the Governance and Audit Committee to review and assess the Authority's ability to handle complaints effectively and to make reports and recommendations in relation to the Authority's ability to handle complaints effectively. These provisions were included in Part 6 of the legislation relating to the Performance and Governance of Principal Councils and Duty of Principal Council to keep its performance under review.

The PSOW received 64 complaints relating to the Council during the period. This represented a significant reduction from a high of 77 in 2023/24. The Council rate of PSOW complaints was 0.48 per 1000 residents, which compared well against the Welsh Local Authority average of 0.45.

No complaints were taken into investigation; complaints resolved through Early Resolution fell to 11 from 15 the previous year. The full PSOW Annual Letter (2024/25) was provided in Appendix B to the report.

Despite rising volumes, performance indicators demonstrated important strengths. The proportion of complaints escalating to Stage 2 had reduced significantly to 4.7% suggesting improved early-stage resolution.

The Council continued to face sustained pressure on frontline services, reflected in a further increase in corporate complaints during 2024/25. A total of 944 complaints were recorded, the highest to date and a 7% rise on the previous year. While greater use of digital channels had made it easier for residents to contact the Council, performance data indicated that the Council was not consistently meeting expectations around timeliness, reliability, and communication.

Analysis of complaint information entered directly by complainants during 2024/25 reinforced these themes. Over half of all complaints (51.6%) related to delays or services not being delivered as expected, and a further 17.5% highlighted issues with communication and accessibility. Many residents reported not being kept informed about progress, particularly when delays occurred. These insights underlined the need for more proactive communication and a clear review of whether current service standards remained achievable within existing resources.

National benchmarking using the PSOW confirmed a wider upward trend. Between 2021/22 and 2024/25, complaints to Welsh Councils increased by 67%. The Vale had seen a sharper rise, from 3.17 to 9.99 complaints per 1,000 residents, moving the Council from the 11<sup>th</sup> to the 4<sup>th</sup> highest rate in Wales. This shift reflected both operational pressures and the increasing visibility of issues raised by residents.

Responsiveness remained an area for improvement. Only 45% of complaints were resolved within internal target timescales; however, PSOW data showed that 97.72% of cases were concluded within three months, broadly in line with the Welsh Local Authority average. This demonstrated that while early stage timeliness needed focused attention, the overall quality and fairness of investigations remained robust.

Alongside these trends, the Council continued to manage unacceptable behaviour appropriately. Since the adoption of the Unacceptable Actions by Citizens Policy (2022), it had been applied to one individual in 2024/25.

Taken together, these findings highlighted clear priorities for action: strengthening service resilience, improving the reliability and timeliness of service delivery, and enhancing communication with residents. Addressing these areas would help reduce repeat contact, improve customer confidence, and support teams to deliver a more consistent standard of service across the organisation.

M. Evans commented that complaints was a main source of information for improvement, and he asked whether there was a way to capture further details of issues raised. In reply, the Operational Manager said that real time information was available to managers through a dashboard so they could assess complaints more effectively. The Council's Strategic Leadership Team also met quarterly to look at what was driving complaints and to pick up trends earlier than what was previously available.

N. Ireland commented on meeting customer expectations as opposed to service improvement and asked was there any learning from the approach taken by Social Services which could be shared with other Council departments. In addition, training for staff was one of the biggest elements so to what extent or level was the training. The Operational Manager outlined that for learning from complaints there had recently been a productive discussion with the Strategic Leadership Team and Heads of Services of the Social Services approach, and it was agreed for that to be adopted further. In terms of training although the details of the type of training used was not captured, training could include an informal conversation, formal coaching or may at some point include the capability procedure or disciplinary, depending on the circumstances.

Subsequently, it was

RESOLVED –

- (1) T H A T the contents of the report and Appendix A to the report (Annual Complaints & Compliments Report) be noted.
- (2) T H A T the Committee continues to receive an annual update in relation to Corporate Complaints and Compliments.
- (3) T H A T the report and the comments of the Committee be referred to Cabinet for their consideration, including:

- The Committee felt it was important for the Council to take on board the lessons learned from the complaints and service improvement processes (including examples of service improvement from relevant departments such as Social Services), and to ensure the relevant learning and findings were taken forward in terms of further staff training, information sharing across Council departments, etc.

### Reasons for decisions

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

(3) In order that Cabinet can be apprised of the report and the comments made by Governance and Audit Committee and reply to the Public Services Ombudsman for Wales Annual Letter.

### 673 LESSONS LEARNT – CLOSURE OF ACCOUNTS (DCR) –

The draft Statement of Accounts and Annual Governance Statement were submitted to Audit Wales on 30<sup>th</sup> June. This met the locally agreed Audit Wales deadline, but the Council had nevertheless issued a late publication notice.

The external audit of the Statement of Accounts completed and was reported to Governance and Audit Committee on 20<sup>th</sup> November, due to the Council's constitutional arrangements this was then referred to Council for approval in December 2025 and was subsequently approved by the Auditor General.

The Audit Wales Audit of Accounts report confirmed an unqualified audit report. The report included appendices that set out the audit amendments and outlined that a further report would be brought by Audit Wales setting out recommendations made following the 2024/25 accounts audit this report had been included at Appendix A to the report.

The recommendations made by Audit Wales are set out below:

1. The Council should develop and implement a clear process for the review and approval of accounting journals;
2. When preparing the accounts the Council should always undertake and document a review of its nil-net-book value assets as at 31<sup>st</sup> March;
3. Related Party recommendations:
  - a strengthen the process for reviewing the financial ledger when considering declarations of interest, so that the disclosures submitted for audit are accurate and complete
  - b for all senior officers and councillors who leave the Council, ensure that they provide an up-to-date declaration of interest before their planned departure; and
  - c ensure declarations of interest are obtained at the financial year-end for all senior officers of Big fresh Catering Company Ltd (or when they leave the Company).

4. At the financial year-end the Council should produce and retain its Council tax reports for the year.

Following completion of the 2024/25 audit the Council had undertaken both an internal review of the 2024/25 process and a joint meeting with Audit Wales and a number of actions were set out in the report following these meetings.

Attached at Appendix B to the report was the Annual Audit Summary that set out a summary of the Audit Wales' work across financial and performance audits during the year.

M. Evans referred to Recommendation 1 and the proposal for journal sign offs, stating that from a risk perspective it would be beneficial to include all journals, even if that was undertaken as part of a sample review. In reply, the Principal Accountant stated that in terms of monitoring these were looked at by a range of staff groups including Directorate staff and financial staff, so it was considered that there was more risk around the high-level journals. Peer review would be a future undertaking on a more general basis, but the full approach would be reviewed regularly.

Subsequently, the Committee

RESOLVED –

- (1) T H A T the lessons learnt and associated actions set out in the report be noted.
- (2) T H A T the recommendations and proposed management response set out in Appendix A to the report be agreed and noted.
- (3) T H A T the content of the Annual Audit Summary attached at Appendix B to the report be noted.
- (4) T H A T the Committee requests that the journal approvals be revisited and a more risk-based approach be undertaken, subject to when resources were available to do so.

#### Reasons for decisions

- (1-3) Having regard to the contents of the report and discussions at the meeting.
- (4) In order to ensure that the Council reviews and undertakes a more risk-based approach to journal approvals, subject to when service capacity / resources allowed.

#### 674 TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2026/27 AND UPDATE FOR 2025/26 (DCR) –

The interim report provided an update on the Council's Treasury Management operations for the period 1<sup>st</sup> April to 31<sup>st</sup> December, 2025 with updated prudential and treasury indicators set out at Appendix 1, including estimates for other long term

liabilities as part of the IFRS16 leasing standard. The report also outlined the proposed 2026/27 Treasury Management, Annual Minimum Revenue Provision and Investment Strategy set out in Appendix 2.

All activities undertaken in 2025/26 were in accordance with the Council's approved strategy on Treasury Management.

In terms of technical changes, IFRS16, which was the accounting standard that brought the assets and liabilities associated with the Council's lease assets on to the balance sheet, was implemented on 1<sup>st</sup> April, 2024. This continued to be incorporated into the performance indicators for 2025/26 and the Treasury Management, Minimum Revenue Provision and Investment Strategy 2026/27.

The borrowing strategy and position showed total external borrowing as of 31<sup>st</sup> December, 2025 was £178.872m at an average rate of 4.35%.

New external borrowing totalling £11.000m was borrowed from the Public Works Loan Board (PWLB) during the first 9 months of 2025/26, £5.000m at a rate of 4.68% which utilised the special project rate for Housing Revenue Account schemes and £6.000m at an average 4.56% certainty rate.

An additional £3.5m was borrowed from a Local Authority at an interest rate of 4.30% for a term of one year.

In terms of the investment strategy and position, the Council invested with the Debt Management Deposit Facility, Local Authorities, Money Market Funds and a Lloyds Bank Call Account. Total investments as of 31<sup>st</sup> December, 2025 stood at £51.650m at an average rate of 4.15% over the nine-month period.

For the Treasury Management Strategy 2025/26, the Council had to ensure that the Prudential Code was complied with, which had been developed and written by CIPFA as a professional code of practice, last published in December 2021. To demonstrate that the Council had fulfilled these objectives, when preparing the annual strategy, the Code set out a list of Prudential and Treasury indicators that should be calculated together with other factors that must be considered. These indicators were in the body of the Strategy out at Appendix 2.

The Council also had a legal requirement to comply with the Welsh Government Guidance on Investments and had taken this guidance into consideration when developing the Strategy.

New Borrowing in the period to 2026/27 to 2030/31 was expected to be £261.098m for new Capital Expenditure, and a further £45m of borrowing to replace maturing loans and reflected the Council's reducing ability to internally borrow over the period.

Capital expenditure when financed by long term debt incurred two elements of cost, interest and repayment of the principal sum borrowed. The resources the Council had to put aside in each year to repay the principal sum borrowed was known as Minimum Revenue Provision (MRP) and the Council's policy for the calculation was detailed in the report.

This was the draft Treasury Management Strategy; budget consultation on the Capital Programme Proposals was currently being undertaken and therefore any revision to the programme resulting from the consultation would necessitate changes to the final Treasury Management Strategy presented to Cabinet on 26<sup>th</sup> February, 2026.

Councillor E. Goodjohn referred to the MRP policy that had recently been and wanted to confirm that the asset the average asset life was being kept under review. Secondly, Councillor Goodjohn asked for confirmation that the Strategy was in line with the review of reserves being undertaken by the Section 106 Officer and that was part of the budget planning process. In reply, the Operational Manager – Accountancy advised that for asset life, the Council was proposing to charge the MRP for 2025/26 on the basis of 43-year asset life. In terms of the reserve projections that underpinned assumptions around borrowing, there had some provision for slippage on the capital program, with a removal of those adjustments when setting things like the authorised limit and the operational boundary.

Having considered the report, the Committee

RESOLVED –

- (1) T H A T the Treasury Management interim report for the period 1<sup>st</sup> April to 31<sup>st</sup> December 2025 be noted.
- (2) T H A T the policy for making Minimum Revenue Provision in 2026/27 be noted.
- (3) T H A T the proposed 2026/27 Treasury Management and Investment Strategy including the specific resolutions (detailed in Appendix 2 to the report) be noted.
- (4) T H A T the Prudential Indicators set out in Appendices 1 and 2 to the report be noted.

Reason for decisions

- (1-4) Having regard to the contents of the report and discussions at the meeting.

675 CORPORATE RISK: QUARTER 3 UPDATE (DCR) –

The report provided Members with an overview of the Corporate Risk Register for Quarter 3 (1<sup>st</sup> July – 31<sup>st</sup> December, 2025). The report also reflected the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the 2025/26 Quarter 2 period relating to risks contained within the Corporate Risk Register.

The Corporate Risk Register had a total of twelve identified risks. One risk had a score of very high, six risks scored high, two risks scored medium/high, and three risks scored medium on the Register.

A new corporate risk (CR13) Schools Budget Deficits was proposed for inclusion on the Corporate Risk Register and had been attributed a risk score of 12 (High).

The Director of Place provided an update on the Major Regeneration Project risk.

For the £20 million Barry Making Waves regeneration project, originally funded by the UK Government in 2023 and reaffirmed in 2024, key progress included land acquisition of the Mole at Barry Docks. A full purchase price had now been agreed with ABP (Associated British Ports) with ABP retaining responsibility for maintaining the dock wall and revetment. Recently, ABP have determined that a Harbour Revision Order was required (contrary to earlier assumptions), which must be submitted to Welsh Government, who will determine. That would run alongside the planning application and not cause additional delays.

With regard to the Docks Office building, the Director of Place advised that that was progressing well, with two potential partners in the final stage of selection. A preferred operator was expected to be appointed within the next month.

The Director referred to increased costs and funding gaps, stating that rising construction costs (since funding was first awarded in 2023) had created a funding gap affecting, the proposed park, infrastructure/road access to the Mole and the Ocean Water Sports Trust building. Such funding gaps were described as normal for large, long-term regeneration schemes. The Council was working to address this through; value engineering, maximising value from future housing in the wider scheme and exploring additional grants.

Councillor M. Hooper requested further clarification of the funding gaps and plans for the Marina. In terms of funding gaps, the Director of Place advised that the Council's partner, Lovell had commissioned additional, more extensive ground investigation works on the Mole. Those new groundworks had been completed, and the results were being assessed. Until that assessment was finished, the exact implications and cost impacts were unknown. Regarding contingencies and potential cost impacts, an additional contingency has been added, above the original £1.2m. Whether that extra contingency would be fully or partially needed, would become clearer over the next month, once Lovell had provided its assessment report. The estimated funding gap was between £2 million and £4 million, depending on what the ground condition report revealed. The Council was exploring potential options to meet any shortfall including alternative funding sources such as the forthcoming Local Growth Fund.

In relation, to the Marina in Barry, that project was no longer proceeding as ABP had withdrawn. The Marina was originally intended to be a key component of the regeneration scheme. Following ABP withdrawal an amended planning application would be submitted shortly to remove the Marina from the scheme and to reflect the updated vision and land/water uses. The amended planning application was expected to be completed within the next month, and a fresh public consultation would then follow. The Director of Place added that the dock would continue to be

used for water-based activities through the Ocean Water Sports Trust facilities that included a new building shared with the college, focusing on expanding opportunities for water-based education, training, and recreation.

In being asked to comment further, Councillor Hooper suggested that a further and more detailed report on the project be provided to the Committee. It was subsequently agreed for the report to focus on the areas of risk and governance including costs, processes and some of the unknown factors.

Councillor E. Goodjohn commented that it would be useful for additional information be provided to the Committee concerning the Task and Finish Group work undertaken by the Start Well Scrutiny Committee around Additional Learning Needs (ALN) and also in relation to the Housing and Homelessness risk that was forecast to increase due to new draft Welsh homelessness legislation. The Director of Corporate Resources advised that once the Task and Finish Review recommendations had been formally made and importantly responded to, those actions would be reflected within the Corporate Risk document. In relation to Homelessness, the Director stated that a cost pressure had been identified as part of an investment in preventative services which was part of the Council's budget proposals. That would be concluded over the next few weeks. The Director agreed that within the next Risk report there would be more detail in the highlights section around the housing and homelessness risk.

Subsequently, the Committee

RESOLVED –

(1) T H A T the Senior Leadership Team's consideration of the responses to the Governance and Audit Committee's comments for Quarter 2 (Annex A to the report) be noted.

(2) T H A T the Quarter 3 position of corporate risks (1<sup>st</sup> July – 31<sup>st</sup> December, 2025) outlined in the Risk Summary report (Annex B to the report) and the proposal for a new risk (Schools Budget Deficits) to be included on the Corporate Risk Register (Completed Risk template Annex C to the report) be noted.

(3) T H A T the comments / recommendations (4) and (5) be referred to Cabinet for their consideration as part of their meeting on the report.

(4) T H A T a report on the risk and governance aspects around the regeneration schemes be provided to Committee at its meeting in June.

(5) T H A T additional information be provided concerning the Task and Finish Group work undertaken by the Start Well Scrutiny Committee around Additional Learning Needs (ALN) and regarding the points raised at the meeting concerning homelessness as part of future reporting.

#### Reasons for decisions

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

(4-5) To ensure the Committee be given more information on these key areas of interest, governance and risk through future reporting on these matters.

#### 676 Q3 2025/26 PROGRESS AGAINST EXTERNAL REGULATORY RECOMMENDATIONS (DCR) –

The report (and Strategic Insight Board (SIB) Insight Tracker appended to the report) outlined the Council's progress to date (December 2025) against all its existing external regulatory recommendations.

At Q3 2025/26, there were currently 28 actions ongoing in the Insight Tracker. Positive progress had been made in responding to the Council's regulatory improvement areas with 86% of actions (24) attributed a Green performance (RAG) status and 14% (4) an Amber status.

Of the 24 actions relating to local regulatory recommendations, 20 had been attributed a Green RAG status and 4 an Amber status. No local regulatory actions had been attributed a Red performance status. The 4 actions attributed an Amber performance status related to the 'Welsh Housing Quality Standard review including Council housing tenants.', 'Digital Strategy Review' and 'Estyn Review – Cardiff & Vale Adult Learning in the Community Partnership review'.

There were currently 4 ongoing actions in the SIB Insight Tracker relating to national regulatory recommendations of which all 4 had been attributed a Green RAG status.

Following consideration by the Strategic Leadership Team, the SIB Regulatory Tracker Q3 2025/26 position was now being reported to Governance and Audit Committee and thereafter, Cabinet for final oversight. The Strategic Insight Board would respond to any comments and recommendations from the Governance and Audit Committee and Cabinet following their consideration of Q3 progress.

In line with its remit, Governance and Audit Committee was asked to review the Council's progress to date in addressing the recommendations made by its external regulators as outlined in the Q3 2025/26 SIB Insight Tracker (attached at Appendix 1 to the report) including the removal of completed actions, with their views referred to Cabinet for consideration.

Having considered the report, it was

RESOLVED –

(1) T H A T the Council's progress to date in addressing existing recommendations made by the Council's external regulators as outlined in the appended Strategic Insight Board Insight Tracker for the period Q3 2025/26 be noted.

(2) T H A T the removal of completed actions from the Strategic Insight Board Insight Tracker be endorsed and referred to Cabinet for their consideration.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) To ensure that the Council's Strategic Insight Board Insight Tracker reflected the Council's most up to date position on its regulatory recommendations.

677 MID-YEAR AUDIT WALES WORK PROGRAMME UPDATE 2025/26 – VALE OF GLAMORGAN COUNCIL (DCR) –

Appendix A to the report outlined the mid-year progress on Audit Wales's work programme and timetable as aligned to the Vale of Glamorgan Annual Audit Plan 2025.

Governance and Audit Committee Members were asked to review and note the mid-year progress of the Vale of Glamorgan Audit Work Programme and, following their consideration, to refer the report to Cabinet for oversight.

The Committee

RESOLVED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the report be referred to Cabinet for their oversight.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) To enable Cabinet's oversight of the audit programme.

678 GOVERNANCE AND AUDIT COMMITTEE DECISION AND ACTION TRACKING (HRIAS) –

A Decision Tracking record had been devised to assist the Committee in tracking the decisions made and actions requested in the exercise of its functions.

A record of the outstanding formal decisions / resolutions made by the Governance and Audit Committee during the 2024/25 Municipal Year was attached at Appendix A to the report.

Appendix B to the report was a record of outstanding decisions / resolutions for the current Municipal Year and also included informal actions raised by Committee Members during meetings.

The Committee was recommended to note the contents of Appendices A and B and make comments, as appropriate.

It was recommended that the Governance and Audit Committee be kept regularly apprised off all outstanding decisions and / or resolutions and actions.

Having considered the report, the Committee

RESOLVED – T H A T the contents of the report be noted.

Reason for decision

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

679 PROGRESS AGAINST THE INTERNAL AUDIT RISK BASED PLAN (HRIAS) –

The report provided members of the Governance and Audit Committee with a position statement on progress made against the audit work included and approved within the Internal Audit Risk Based Plan 2025-26 as of 31<sup>st</sup> December, 2025.

The information provided illustrated that 46% of the audit plan (27 planned audit reviews) had been completed as of 31<sup>st</sup> December, 2025 against an internal target of 50%.

Audit opinions, based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment, had been given to the 27 completed audits as follows: 9 Substantial Assurance, 16 Reasonable Assurance and 2 Limited Assurance.

Included within the 2025-26 Plan were 11 audits that were not undertaken or completed in 2024-25. As of 31<sup>st</sup> December, 2025, 9 of these audits had been completed and 2 audits were in progress.

A total of 134 recommendations (5 high priority, 52 medium priority and 77 low priority) had been made to date to improve the control environment. The progress being made in implementing the high and medium priority recommendations was regularly monitored by the Audit team and reported to the Committee.

It was clarified that internal audit had undertaken two separate reviews on hybrid meetings, and Audit Wales would shortly be commencing their own review into Scrutiny arrangements. That was to ensure that there was no duplication of work.

Work to consider self- assessment against new standard would be undertaken during quarter 4.

Subsequently, it was

RESOLVED – T H A T the contents of the report and the progress made against the 2025-26 Internal Audit Risk Based Plan be noted.

Reason for decision

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

## 680 RECOMMENDATION MONITORING (HRIAS) –

The report provided members of the Governance and Audit Committee with a position statement on internal audit recommendations and identified those that had been implemented and those that had not as of 31<sup>st</sup> December, 2025. The position statement was at Appendix A to the report.

An audit recommendation was made to enhance an identified weakness in a control to mitigate the identified risk, so until the recommendation was implemented the risk remained.

To date 57 recommendations (5 high and 52 medium priority) had been made following the conclusion of audits from this year's annual plan. All had been agreed, 29 had been implemented and the remaining 28 recommendations (2 high priority and 26 medium priority) had future target dates.

There was 1 medium priority overdue recommendation, made in the 2024/25 Libraries and Digital Equipment audit. This was detailed in Appendix B to the report.

There were 19 recommendations that had been made, in previous financial years, which still had future implementation dates. Until these were implemented then identified risks remained. Details of the 1 high priority and 1 medium priority recommendations made in 2023-24 audits and the 3 high priority recommendations made in 2024/25 which still had future target dates were detailed in Appendix C to the report.

The 14 medium priority recommendations made during 2024-25, which still had a future implementation date, continued to be monitored by the Audit team, along with the progress being made in implementing the recommendations made during 2025-26 audits.

Any undue delays or issues were highlighted to the Council's Strategic Leadership Team and ultimately this Committee.

Councillor E. Goodjohn commented that the relevant officers for overdue recommendations be requested to attend the next meeting.

Having considered the report, the Committee

## RESOLVED –

(1) T H A T the content of the report and the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service be noted.

(2) T H A T the Chair / Vice-Chair liaise with Internal Audit Services and Democratic Services regarding any significantly overdue recommendations and, if required, consider calling in any responsible Council officers to address these at the next Committee meeting in June.

Reasons for decisions

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) In order to address any significantly overdue and outstanding recommendations.

681 FORWARD WORK PROGRAMME 2025/26 AND DRAFT 2026/27 (HRIAS) –

The Governance and Audit Committee had several core functions and responsibilities within its remit. It received reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority.

To enable the Committee to provide this assurance and to ensure it was covering its range of responsibilities, a Forward Work Programme was presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary.

The updated Forward Work Programme for 2025/26 was attached at Appendix A to the report and a draft timetable for 2026/27 was included at Appendix B to the report.

RESOLVED –

- (1) T H A T the schedule of items for the next meeting (in June 2026 following the cancellation / rescheduling of April's meeting), with any appropriate / relevant changes made, be endorsed.
- (2) T H A T the draft Forward Work Programme for 2026/27 be noted.

Reasons for decisions

- (1) To confirm attendance and information requirements.
- (2) To ensure the Committee was aware of the proposed work programme.