City and County of Swansea

Notice of Meeting

You are invited to attend a Special Meeting of the

Audit Committee

At:	**Committee Room 5, Guildhall, Swansea**
On:	**Monday, 16 September 2019**
Time:	**2.00 pm**
Chair:	**Paula O'Connor (Independent Chair)**

Membership:
Councillors: C Anderson, P M Black, D W Helliwell, T J Hennegan, P R Hood-Williams, O G James, P K Jones, J W Jones, E T Kirchner, M B Lewis, S Pritchard, L V Walton and T M White

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Agenda

11   Scrutiny / Wales Audit Office Reports (For Information) :

Next Meeting: Tuesday, 8 October 2019 at 2.00 pm

Huw Evans
Head of Democratic Services
Monday, 9 September 2019
Contact: Democratic Services: - 636923

Report of the Chief Auditor

Special Audit Committee – 16 September 2019

Internal Audit Annual Plan 2019/20 Monitoring Report for the Period 1 April 2019 to 30 June 2019

Purpose:	This report shows the audits finalised and any other work undertaken by the Internal Audit Section during the period 1 April 2019 to 30 June 2019.
Policy Framework:	None.
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that Committee review and discuss the work of the Internal Audit Section and note the contents of the report.
Report Author:	Simon Cockings
Finance Officer:	Simon Cockings
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

1.1 The Internal Audit Annual Plan 2019/20 was approved by the Audit Committee on 9th April 2019. This is the first quarterly monitoring report to be presented to Committee. Further reports will be presented throughout the year to allow Committee to review and comment upon the progress of the Internal Audit Section in achieving the Annual Plan.

1.2 This report shows the audits which were finalised in the period 1st April 2019 to 30th June 2019.

2. Audits Finalised 1 April 2019 to 30 June 2019

2.1 A total of 28 audits were finalised during the quarter. The audits finalised are listed in Appendix 1 which also shows the level of assurance given at the end of the audit and the number of recommendations made and agreed. Appendix 2 provides a summary of the scope of the reviews finalised during the period.

2.2 An analysis of the assurance levels of the audits finalised is shown in the following table.

Assurance Level	High	Substantial	Moderate	Limited
Number	10	17	1	0

2.3 A total of 248 audit recommendations were made and management agreed to implement all of them, i.e. 100% of the recommendations made were accepted against a target of 95%.

2.4 All recommendations made are classified as high risk, medium risk, low risk or good practice. An analysis of the recommendations agreed during the quarter is shown in the following table

High Risk	Medium Risk	Low Risk	Good Practice	Total
1	19	171	57	248

2.5 Following discussions at the last Welsh Chief Auditors Group Meeting in October 2018, it was decided that a new Performance Indicator (PI) should be introduced to record the number of recommendations that have been implemented as a percentage of the recommendations made. As committee were advised in December 2018, we have been working to introduce this additional PI from 2019/20. We are currently consulting with our audit management software provider to determine whether this functionality can be built into our existing management reports. In addition, from April we have also been working closely with the Assistant Auditor to hopefully ensure these figures can be reported to the committee in a separate report.

2.6 In addition, the Internal Audit Section also certified the following grants in the quarter as required by the terms and conditions of the grant issued by the Welsh Government.

Grant	Amount
Live Kilometre Support Grant 2018/19	n/a (claim process)
Communities for Work Plus Grant 2018/19	£983k
Legacy Fund Grant 2018/19	£537k
SPPG Regional Co-ordinator Grant 2018/19	£40k
SPPG Outcomes Grant 2018/19	n/a (No. of outcomes)

2.7 The Audit Plan is a 'living' document which is likely to change during the course of the year due to e.g. emerging risks or new priorities. However it is important that the Audit Committee can monitor progress against the Plan approved at the start of the year. To achieve this, Appendix 3 shows each audit included in the Plan approved by Committee in April 2019 and identifies the position of each audit as at 30th June 2019.

2.8 An analysis of the details in Appendix 3 shows that by the end of June 2019, 20% of the planned reviews had been completed to at least draft report stage, with an additional 34% of the planned audits in progress. As a result approximately 54% of the Audit Plan was either completed or in progress.

2.9 The Internal Audit Section was also involved in the following work during quarter 1:
- National Fraud Initiative 2018/19.
- Review of procurement activities at specific sites at the request of the Director of Place.

2.10 One moderate report was issued in the quarter. The following table provides brief details of the significant issues which led to the moderate rating.

2.11

Audit	Young People's Services 2019/20
Objectives	The objectives of the audit were to ensure that material business risks have been identified and that the controls in place are adequate for the purpose of minimising business risk and are operating in practice. The audit reviewed the procedures in place and included detailed testing on the following areas: Expenditure, P-Card expenditure, Income, Inventory, Unofficial Funds, Employee related expenditure including travel and subsistence, Vehicles, Educational Visits, Personnel Records.
Assurance Level	Moderate
Summary of Key Points	

- Sample testing of payments made via Purchase Card revealed that a Dwr Cymru Welsh Water utility bill had been paid using the card, despite the fact the bill had already been paid via Oracle resulting in a duplicate payment. Purchase Cards should not be used to pay utility bills. (MR)
- A review of inventory records for the four sites revealed a number of issues, including:
  - No inventory records being kept for Evolve Central East.
  - Inadequate detail being recorded on the inventory on the other sites.
  - No inventory certificates being available for any of the sites.
  - No annual inventory check being completed at one site.
  - Inventory records were not being submitted to Central Support for compliance monitoring. (MR)
- The Unofficial Funds in use at each of the four sites were reviewed. No evidence was available to confirm that the funds had been audited. In addition, no reconciliations had been completed for any of the funds. (MR)
- A review of the personnel records for all staff from the Young Peoples Services revealed that three members of staff did not have a valid DBS in place. This was the one high risk recommendation. Of the three:
  - One application had not been completed. The DBS expiry date was 13.07.18.
  - One application had been completed but no document verification had taken place. The DBS expiry date was 24.07.18.
  - One employee was awaiting the results of the DBS check process, although it was noted that the previous DBS had expired on 01.08.17. (HR)

3. Follow Ups Completed 1 April 2019 to 30 June 2019

3.1 The follow up procedures operated by the Internal Audit Section include visits to any non-fundamental audits which received a moderate or limited level of assurance to confirm and test that action has been taken by management to address the concerns raised during the original audit.

3.2 The follow up visit is usually within 6 months of the final report being issued and includes testing to ensure that any high or medium risk recommendations have been implemented. Where agreed recommendations have not been implemented, this will be reported to the appropriate Head of Service (or Chair of the Governing Body in the case of schools) and the Chief Finance Officer (Section 151 Officer).

3.3 No follow-up reviews were completed during the quarter. Two reviews are due to be undertaken in quarter 2.

4   Equality and Engagement Implications

4.1   The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

4.2   There are no equality and engagement implications associated with this report.

5.   Financial Implications

5.1   There are no financial implications associated with this report.

6.   Legal Implications

6.1   There are no legal implications associated with this report.

Background Papers: Internal Audit Plan 2019/20

Appendices: Appendix 1 Audits Finalised Q1 2019/20
Appendix 2 Summary of Scope of Audits Finalised Q1 2019/20
Appendix 3 Internal Audit Plan 2019/20 - Progress to 30/06/19

MONITORING REPORT Q1 2019/20 - AUDITS FINALISED

Head of Service	Audit Title	Date Finalised	Assurance Level	Recommendations		
				Made	Agreed	Not Agreed
Poverty & Prevention	Adult Prosperity & Wellbeing Service	11/06/19	High	4	4	0
Legal, Dem. Services & Business Intelligence	Coroner's Service	17/06/19	High	1	1	0
Property Services	Estates Management & Quadrant Rents	27/06/19	High	2	2	0
Adult Services	Flexible Support Service	01/05/19	High	3	3	0
Poverty & Prevention	Lifelong Learning Service	21/06/19	High	11	11	0
Fundamental Systems - S151	Pension Fund Administration	08/05/19	High	2	2	0
Financial Services & Service Centre	Purchase Card Administration	27/06/19	High	0	0	0
Highways & Transportation	Recovery of Abandoned Vehicles	25/04/19	High	5	5	0
Cultural Services	Special Events	14/05/19	High	5	5	0
Education Planning & Resources	St Joseph's Catholic Primary School	17/15/19	High	7	7	0
Fundamental Systems - S151	Accounts Payable	03/04/19	Substantial	10	10	0
Housing & Public Health	Burials & Cremations - Swansea Crematorium	12/04/19	Substantial	10	10	0
Achievement & Partnership Service	Curriculum Support Unit & Welsh Service	12/06/19	Substantial	11	11	0
Adult Services	Fforestfach Day Service	17/04/19	Substantial	10	10	0
Poverty & Prevention	Info-Nation	12/04/19	Substantial	13	13	0
Housing & Public Health	Leashold Properties	04/04/19	Substantial	17	17	0
Education Planning & Resources	Morriston Primary School	11/06/19	Substantial	14	14	0
Housing & Public Health	Penlan DHO	12/06/19	Substantial	11	11	0
Planning & City Regeneration	Planning Services Admin & Fees	27/06/19	Substantial	14	14	0
Housing & Public Health	Pollution Control Division	20/05/19	Substantial	11	11	0
Achievement & Partnership Service	School Support Unit	11/06/19	Substantial	2	2	0
Highways & Transportation	Swansea Bus Station	14/05/19	Substantial	8	8	0
Planning & City Regeneration	Swansea Market	08/05/19	Substantial	14	14	0
Highways & Transportation	Transport Depot - Social Services	21/07/19	Substantial	12	12	0
Highways & Transportation	Transport Support	31/05/19	Substantial	2	2	0
Education Planning & Resources	Waunarlwydd Primary School	24/06/19	Substantial	10	10	0
Housing & Public Health	West Cross DHO	09/05/19	Substantial	13	13	0
Poverty & Prevention	Young People's Service	13/06/19	Moderate	26	26	0
			Total	248	248	0

MONITORING REPORT Q1 2019/20 - SUMMARY OF SCOPE OF AUDITS FINALISED

Head of Service	Audit Title	Assurance Level	Audit Scope	Key Findings / Risks
Poverty & Prevention	Adult Prosperity & Wellbeing Service	High	*Expenditure (Inc. Purchase Cards), Income (Welfare Rights Training), Grants, Inventory, Employee expenses, Personnel Records.*	*None*
Legal, Dem. Services & Business Intelligence	Coroner's Service	High	*Relationship between the Local Authority and Coroner's Office, Budget monitoring procedures, Expenditure, Juror & witness expenses, Post mortem referrals/fees, Calculation of coroner's salary, Coroner's annual return, Coroner database, Business Continuity & Disaster Recovery.*	*None*
Property Services	Estates Management & Quadrant Rents	High	*New leases, Amendments, Rent reviews, Collections, Refunds, Rent Free Periods, Insurance, Arrears, Quadrant rent statements, Quadrant arrears, Quadrant rental expenditure, Quadrant rental income.*	*None*
Adult Services	Flexible Support Service	High	*Expenditure, Purchase Card, Cash Count and Security, Inventory, Petty Cash, Travel Expenses, Personnel records, Financial Assessments, Recharges, Arrears, Support Plans, Unofficial Funds.*	*None*
Poverty & Prevention	Lifelong Learning Service	High	*Expenditure, Purchase card, Enrolments, Income, Refunds, Course Risk Assessments, Grants, Petty Cash, Travel and Subsistence Expenses, Personnel Records, Disclosure Barring Service, IT Systems, Inventory.*	*None*
Fundamental Systems - S151	Pension Fund Administration	High	*Pension and ORACLE payroll system parameters, Rates of contributions received and reconciliation procedures, Input of new members to the pension scheme, AVC's/APC, Transfers in and out of the scheme, Deferred Pensioners, New pensioners, Continued pensioners, Child pensions, CARE Revaluation, ICT, Administration and back-up procedures.*	*None*
Financial Services & Service Centre	Purchase Card Administration	High	*Training and Guidance Notes to staff, Transactions and Credit limits allocated to staff, Monitoring carried out by P-Card Administrator, Interface to Accounts Payable, Cancellation of P-Cards for leavers.*	*None*
Highways & Transportation	Recovery of Abandoned Vehicles	High	*Procedures/Record Keeping, Contract Arrangements, Vehicles Recovered, Income received.*	*None*
Cultural Services	Special Events	High	*Purchasing and Expenditure, Purchase Cards, Hiring of Parks & Beaches, Major Events, C&D Book Income.*	*None*
Education Planning & Resources	St Joseph's Catholic Primary School	High	*Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health & Safety, Inventory, Computer Security.*	*None*
Fundamental Systems - S151	Accounts Payable	Substantial	*System Access, Creation and Amendments of Supplier Records, Payment of Invoices, Validation of Payments over £10k, BACS Transmissions, Direct Debits, Checking & Countersigning of Payments over £50k, Reconciliation of Accounts Payable to the Ledger, Duplicate Payments, Payment Performance, Supplier Credits on the System, Suppliers with the Address "Cheque to Cashiers', Authorised Signatory Lists, Payment of Invoices via Purchase Card.*	*Duplicate payment testing identified 14 actual duplicates, 8 had been idtetifed by AP processes, 6 had not. Recovery action completed/underway.*
Housing & Public Health	Burials & Cremations - Swansea Crematorium	Substantial	*Burials, Cremations, Expenditure, P-card expenditure, Inventory, Travel Expenses, Employees, Computer System.*	*Procurement dispensation (CP20) not obtained for one supplier tested.*

MONITORING REPORT Q1 2019/20 - SUMMARY OF SCOPE OF AUDITS FINALISED

Achievement & Partnership Service	Curriculum Support Unit & Welsh Service	Substantial	*Expenditure including Purchase Cards (P-Cards), Grants, Inventory, Travel Expenses, Personnel Records, Disclosure & Barring Service (DBS), Lead Practitioner Payments.*	*Travel Claim calculation resulted in one small overpayment.*
Adult Services	Fforestfach Day Service	Substantial	*Expenditure including Purchase Cards (Pcards), Safe Contents & Security, Petty Cash, Income, Budget Monitoring, Inventory, Personnel Records & Travel Expenses, Unofficial Funds, Stocks & Stores of Foodstuffs & Cleaning Materials.*	*One small overpayment of training allowance noted and money collected on behalf of service users was sometimes not being counter signed by a second person.*
Poverty & Prevention	Info-Nation	Substantial	*Expenditure, Purchase card, Inventory, Travel and Subsistence Expenses, Personnel Records.*	*Lack of appropriate inventory records/checks and no annual inventory certificates.*
Housing & Public Health	Leashold Properties	Substantial	*Operational Procedures, Completeness and Accuracy of Leasehold and Database records, Leasehold Re-sales, Estimated & Actual Leasehold Charges, Repair Costs & Miscellaneous Charges, Leaseholder Loans for Major Works, Billing, System Access and Back-up Procedures, Leasehold feedback.*	*None (17 rec's)*
Education Planning & Resources	Morriston Primary School	Substantial	*Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health & Safety, Inventory, Computer Security.*	*None (14 rec's - 2 LR rec's repeated from previous audit)*
Housing & Public Health	Penlan DHO	Substantial	*Lettings, Void Properties, End of Tenancies, Redecoration allowances, Transfers, Mutual Exchanges, Expenditure, Employee Records, Security and Safety Arrangements, Inventory, Travelling and Subsistence Claims, Controlled Stationery, Cash holding, Miscellaneous Income, Purchase Cards, Estate Management.*	*None (11 rec's - 1 LR rec repeated from previous audit)*
Planning & City Regeneration	Planning Services Admin & Fees	Substantial	*Purchasing and Expenditure, Payment Cards (P-Cards), Planning Fees, Other Income, Refunds, Inventory, Travel Expenses.*	*None (14 rec's)*
Housing & Public Health	Pollution Control Division	Substantial	*Income, Personnel Records, Travel Expenses, Expenditure including Purchase Cards (P-cards), Vehicles, Inventory.*	*Procurement dispensation (CP20) not obtained for one supplier tested. Lack of appropriate inventory records/checks.*
Achievement & Partnership Service	School Support Unit	Substantial	*Expenditure, Income (Extra Milk & Clerking), Inventory, Employee expenses, Personnel Records, Performance & Chaperone Licences, Milk Claims.*	*One staff DBS had expired but renewal process was underway at the time of audit. Two were new starters/had only recenty been required due to roll change and DBS applications were underway.*

MONITORING REPORT Q1 2019/20 - SUMMARY OF SCOPE OF AUDITS FINALISED

Highways & Transportation	Swansea Bus Station	Substantial	*Income, Personnel Records, Inventory, Expenditure including Purchase Cards (P-cards).*	*Procurement dispensation (CP20) not obtained for one supplier tested.*
Planning & City Regeneration	Swansea Market	Substantial	*Service Objectives, Income Collection and Banking of cash, Rents, Inventory, Petty Cash, Employee Expenses, Health & Safety, Insurance & Registration, Procurement of Goods and Services, Purchase Cards.*	*Two stalls had expired lease which were being renewed/ negotiated. Overdue Annual Fire Risk Assessment completed at the time of audit, assurance from Fire Service inspection passed. Procurement dispensation (CP20) not obtained for one supplier tested.*
Highways & Transportation	Transport Depot - Social Services	Substantial	*Expenditure, MIDAS training certificates, Purchase Card (P-Card), Income, Budget monitoring, Employees, Management of vehicles and drivers, Vehicle maintenance, Live Kilometre Service Grant, Inventory, stocks and stores.*	*None (12 rec's - 1 GP rec repeated from previous audit)*
Highways & Transportation	Transport Support	Substantial	*Tendering & Procurement arrangements, Payments to bus operators, Payments to Community Transport operators.*	*Procurement dispensation (CP20) not obtained for one supplier tested.*
Education Planning & Resources	Waunarlwydd Primary School	Substantial	*Governance, Management of Delegated Resources, Budget Monitoring, Banking Procedures, Unofficial Funds, School Meals Income, Bank Reconciliations, Expenditure, Employees, Health & Safety, Inventory, Computer Security.*	*Non-order facility being used on SIMS to process payment (repeated rec). Four LR rec's repeated from previous audit.*
Housing & Public Health	West Cross DHO	Substantial	*Lettings, Void Properties, End of Tenancies, Redecoration allowances, Transfers, Mutual Exchanges, Expenditure, Employee Records, Security and Safety Arrangements, Inventory, Travelling and Subsistence Claims, Controlled Stationery, Cash holding, Miscellaneous Income, Purchase Cards, Estate Management.*	*None (13 rec's - 1 LR rec repeated from previous audit)*
Poverty & Prevention	Young People's Service	Moderate	*Expenditure, P-Card expenditure, Income, Inventory, Unofficial Funds, Employee related expenditure, including travel and subsistence, Vehicles, Educational Visits, Personnel Records.*	*See detail in the body of the Q1 Monitoring Report.*

Audit Title	Risk Rating	Status as at 30/06/19	Corporate Priority	Days
Level 1 – Cross Cutting Reviews – Council Governance & Control				
Corporate Governance	Med/High	In Progress	Cross Cutting	20
Delegated Decision Making	New	In Progress	Cross Cutting	10
Workforce Planning	New	In Progress	Cross Cutting	10
Ethics & Values	New	In Progress	Cross Cutting	15
Safeguarding	Med/Low	In Progress	Cross Cutting	10
Information Governance	New	Planned	Cross Cutting	20
Corporate Performance Management	New	Planned	Cross Cutting	15
Added Value Work	n/a	Planned	Cross Cutting	10
Level 2 – Fundamental Systems - Section 151 Officer Assurance				
Financial Services & Service Centre				
Employee Services	Med/High	Planned	Section 151 Assurance	30
Pensions Administration	Med/High	Planned	Section 151 Assurance	20
Teachers Pensions	Med	Planned	Section 151 Assurance	15
Accounts Receivable	Med	Planned	Section 151 Assurance	35
NNDR	Med	Planned	Section 151 Assurance	22
Pension Fund Investments	Med/High	Planned	Section 151 Assurance	7
Housing Rents	Med	Planned	Section 151 Assurance	20
Housing & Council Tax Benefits	Med/High	Planned	Section 151 Assurance	40
Fixed Assets	Med	Planned	Section 151 Assurance	25
Level 3 – Service Level Audits – Other Assurance				
Education Planning & Resources				
Bishopston Primary	Med	Draft Issued	Education	3
Cadle Primary	High	In Progress	Education	3
Clwyd Community Primary	Med	Planned	Education	3
Crwys Primary	Med	Draft Issued	Education	3
Cwmglas Primary	Med	Planned	Education	3
Glyncollen Primary	Med	In Progress	Education	3
Grange Primary	Med	Planned	Education	3
Gwyrosydd Primary	Med	Planned	Education	3
Hafod Primary	Med	Planned	Education	3
Morriston Primary	Med	Final Issued	Education	3
Pen y Fro Primary	Med	Planned	Education	3
Pengelli Primary	Med	In Progress	Education	3

Pennard Primary	Med	In Progress	Education	3
Pentrechwyth Primary	Med/Low	Planned	Education	3
Penyrheol Primary	Med	In Progress	Education	3
Pondarddulais Primary	Med	In Progress	Education	3
Seaview Community Primary	Med	Planned	Education	3
St Thomas Primary	Med/Low	Planned	Education	3
Waun Wen Primary	Med	In Progress	Education	3
Waunarlwydd Primary	Med	Final Issued	Education	3
YGG Felindre	Med	Planned	Education	3
YGG Pontybrenin	Med	Draft Issued	Education	3
St David's RC Primary	Med	In Progress	Education	3
St Joseph's Cathedral Primary	Med	Planned	Education	3
St Joseph's Catholic Primary	Med	Final Issued	Education	3
Bishop Vaughan Comprehensive	Med	Planned	Education	10
Morriston Comprehensive	Med	In Progress	Education	10
Olchfa Comprehensive	Med	In Progress	Education	10
Ysgol Gyfun Gwyr	Med	Planned	Education	10
Penybryn Special School	Med/High	Planned	Education	4
Achievement & Partnership Service				
Curriculum Support Unit inc. Welsh Service	New	Final Issued	Education	5
School Support Unit	Low	Final Issued	Education	5
Vulnerable Learner Service				
Swansea Pupil Referral Units	Med	In Progress	Education, Safeguarding & Poverty	15
Education Grants & Other				
Additional Support for Disadvantaged Learners (G)	n/a	In Progress	Education, Safeguarding & Poverty	5
Regional Consortia School Improvement (G)	n/a	In Progress	Education, Safeguarding & Poverty	15
Pupil Deprivation (G)	n/a	In Progress	Education, Safeguarding & Poverty	10
Schools Annual Report	n/a	In Progress	Education, Safeguarding & Poverty	3
Child & Family Services				
Discretionary Payments	Med/High	Planned	Safeguarding	10
Emergency Duties Team	Low	In Progress	Safeguarding	10
Use of Taxis Authorisation	Med/Low	Planned	Safeguarding	10
Adult Services				

Supporting People (G)	n/a	In Progress	Safeguarding	10
Suresprung Supported Employees Claim Process (G)	n/a	Planned	Safeguarding	5
Flexible Support Service	Med	Final Issued	Safeguarding	10
Fforestfach Day Service	Low	Final Issued	Safeguarding	10
Social Services Directorate Services				
Client Property & Finance	High	Planned	Safeguarding	15
Business Support Team - Adult Services	New	In Progress	Safeguarding	10
Application Controls - Paris System	Med	Planned	Safeguarding	5
Poverty & Prevention				
Adult Prosperity & Wellbeing Service	Low	Final Issued	Poverty	5
Young Peoples Service	Med	Final Issued	Poverty	15
Info-Nation	Med	Final Issued	Poverty	10
Community Safety	Med/Low	In Progress	Poverty	10
Lifelong Learning Service	Med	Final Issued	Poverty	10
Building Services				
Heol y Gors - Plant & Transport	Med	In Progress	Economy & Infrastructure, Safeguarding	7
Property Services				
Estates Management & Quadrant Rents	Med	Final Issued	Economy & Infrastructure	10
Waste Management & Parks				
Waste Management	Med	Draft Issued	Economy & Infrastructure	10
Street Cleaning	Med	In Progress	Economy & Infrastructure	10
Highways & Transportation				
Service Support	Low	Final Issued	Economy & Infrastructure	15
Transport Support	Med	Final Issued	Economy & Infrastructure	10
Concessionary Bus Fares	Med	In Progress	Economy & Infrastructure	5
Recovery of Abandoned Vehicles	Med/Low	Final Issued	Economy & Infrastructure	5
Swansea City Bus Station	Med	Final Issued	Economy & Infrastructure	8
Advance Payments Code	Med	Planned	Economy & Infrastructure	8
CTU Fleet Maintenance	Med/High	Planned	Economy & Infrastructure	15
CTU Fuel	Med	In Progress	Economy & Infrastructure	10
CTU Stores	Med	In Progress	Economy & Infrastructure	8
Transport Depot	Med	Final Issued	Economy & Infrastructure	15
Live Kilometre Support (G)	n/a	Final Issued	Economy & Infrastructure	5
Housing & Public Health				

Penlan District Housing Office	Med	Final Issued	Poverty, Safeguarding	15
Gorseinon District Housing Office	Med	Planned	Poverty, Safeguarding	10
Furniture Store & Tenancy Scheme	Low	In Progress	Poverty, Safeguarding	12
Tenancy Support Unit & SPG	Low	Planned	Poverty, Safeguarding	10
Housing Partnerships	Med	In Progress	Poverty, Safeguarding	10
Food & Safety Division	Low	In Progress	Poverty, Safeguarding	10
Pollution Control Division	Med/Low	Final Issued	Poverty, Safeguarding	10
Cultural Services				
Community Parks Development & Community Buildings	Low	In Progress	Economy & Infrastructure	15
Foreshores & Lettings: Sports Permits	Low	Planned	Economy & Infrastructure	10
Active Swansea	Med	Planned	Economy & Infrastructure	5
Spot Checks	Med	Deferred	Economy & Infrastructure	5
Grand Theatre	Med/High	Final Issued	Economy & Infrastructure	15
Grand Theatre & Glyn Vivian Catering	New	Planned	Economy & Infrastructure	5
Literature Officer	Low	Planned	Economy & Infrastructure	5
Libraries Administration	Med/Low	In Progress	Economy & Infrastructure	10
Special Events	Med	Final Issued	Economy & Infrastructure	15
Passport to Leisure	Low	Planned	Economy & Infrastructure	10
Tourism Marketing	Med/Low	In Progress	Economy & Infrastructure	10
Planning & City Regeneration				
Sustainable Development	Low	Planned	Economy & Infrastructure, Resources & Biodiversity	8
Economic Development Administration	Med/Low	In Progress	Economy & Infrastructure, Resources & Biodiversity	10
External Funding Team	Med/High	Planned	Economy & Infrastructure, Resources & Biodiversity	5
Planning Services Administration & Fees	Med	Final Issued	Economy & Infrastructure, Resources & Biodiversity	15
Section 106 Agreements	Med/High	In Progress	Economy & Infrastructure, Resources & Biodiversity	10
Communications & Marketing				
Communications & Public Relations	Med	Planned	Transformation & Council Development	10
Design Print	Med	Planned	Transformation & Council Development	15
Financial Services & Service Centre				
Cashiers Office	Med/High	Planned	Section 151 Assurance	10
Write-Off Requests	n/a	Planned	Section 151 Assurance	5
Cashiers Write-off's	n/a	In Progress	Section 151 Assurance	5

Insurance	Med	Draft Issued	Section 151 Assurance	10
Taxation VAT	Med	In Progress	Section 151 Assurance	10
Pension Fund Other Transactions	Med	In Progress	Section 151 Assurance	10
Trusts & Charities	Med	In Progress	Section 151 Assurance	10
Budget Strategy & Management	New	In Progress	Section 151 Assurance	10
Direct Payments - Adult and Child & Family	Med	Planned	Section 151 Assurance	15
Welcome Break	Low	Planned	Section 151 Assurance	5
Debt Recovery	High	In Progress	Section 151 Assurance	20
Employee Vetting (DBS)	High	In Progress	Section 151 Assurance	10
Purchase Cards	Med	Final Issued	Section 151 Assurance	15
Digital & Transformation				
Information Management	Med	Planned	Transformation & Council Development	10
Legal, Democratic Services & Business Intelligence				
Coroners Service	Med	Final Issued	Monitoring Officer Assurance	12
Debt Recovery Process	High	Planned	Monitoring Officer Assurance	10
Review of Legal Files	New	In Progress	Monitoring Officer Assurance	10
Commercial Services				
Cultural Services Contracts Review	New	Planned	Section 151 Assurance	10
Chief Transformation Officer Audits				
Corporate Complaints	Med	In Progress	Transformation & Council Development	8
Welsh Translation Unit	Med	In Progress	Transformation & Council Development	10
CRM System Application Controls	New	Planned	Transformation & Council Development	10
Risk Management	Med/High	In Progress	Section 151 Assurance	10
Contract Audits				
Legal Pre-Contract Acceptance of Tenders	Med	Planned	Monitoring Officer Assurance	20
Procurement Contract Register	Med	In Progress	Transformation & Council Development	10
Final Accounts	n/a	Planned	Section 151 Assurance	3
Appraisal of Contractors for Tenders	n/a	Planned	Section 151 Assurance	5
Computer Audits				
PC Controls	Med/High	In Progress	Transformation & Council Development	5
Network Controls - Corporate & Education	Med	In Progress	Transformation & Council Development	10
Internet Controls - Education Network	Med/Low	Planned	Transformation & Council Development	10

Libraries Public Access Network	Med/Low	In Progress	Transformation & Council Development	5
E-Commerce Controls - Web Development	New	Planned	Transformation & Council Development	10
Physical & Environmental Controls and VSE	Med/High	Planned	Transformation & Council Development	10
Computer Operations	Med/High	in Progress	Transformation & Council Development	5
Change Control	Med	Planned	Transformation & Council Development	5
Change Control - Oracle	Med/High	Planned	Transformation & Council Development	5
Use of Idea - Data Extraction	n/a	Planned	Section 151 Assurance	5
Use of Idea - Data Matching NFI 2018	n/a	Planned	Section 151 Assurance	5
Projects & Special Investigations				
Unpresented Cheques	n/a	Planned	Section 151 Assurance	5
NFI 2018/19	n/a	Planned	Section 151 Assurance	20
Galileo Management System	n/a	Planned	Section 151 Assurance	10
Annual Plan & Annual Report	n/a	Planned	Section 151 Assurance	5
Annual Consultation Exercise	n/a	Planned	Section 151 Assurance	10
Health & Safety Group	n/a	Planned	Section 151 Assurance	3
Recommendation Tracker Exercise	n/a	In Progress	Section 151 Assurance	5
Follow-ups	n/a	Planned	Section 151 Assurance	20
Purchase Cards - Transaction Sample Reviews	n/a	Planned	Section 151 Assurance	10
Petty Cash Investigations	n/a	Planned	Section 151 Assurance	3
Miscellaneous Audits				
sQuid System Review	New	Planned	Section 151 Assurance	10
Brexit	New	In Progress	Section 151 Assurance	5
City Deal Review Outcomes - Follow-up	New	Planned	Section 151 Assurance	5
Sustainable Swansea	New	Planned	Transformation & Council Development	5

Corporate Priorities

Safeguarding – Safeguarding People from Harm

Education – Improving Education and Skills

Economy & Infrastructure – Transforming our Economy and Infrastructure

Poverty – Tackling Poverty

Resources & Biodiversity – Maintaining and Enhancing Swansea's Natural Resources and Biodiversity.

Transformation & Council Development – Transformation and Future Council Development.

Report of the Chief Auditor

Special Audit Committee – 16 September 2019

Internal Audit Recommendation Follow-Up Report Q1 2019/20

Purpose:	This report provides committee with the status of the recommendations made in those audits where the follow-up's has been undertaken in Q1 2019/20, to allow the Audit Committee to monitor the implementation of recommendations made by Internal Audit.
Policy Framework:	None
Consultation:	Legal, Finance and Access to Services
Recommendation(s):	For the report to be noted.
Report Author:	Simon Cockings
Finance Officer:	Simon Cockings
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

1.1 The Audit Committee's Performance Review for 2017/18 was completed in June 2018. One of the recommendations arising from the review was in relation to the tracking of the recommendations made by Internal and External Audit.

1.2 This report provides an overview of how recommendations made by Internal and External Audit are tracked and followed-up.

2. **Standard Follow-up Procedures**

2.1 An amended internal audit follow-up procedure was introduced in 2014 as a result of concerns being raised over the failure of management to implement audit recommendations.

2.2 The current procedures identify two methods of following-up on the implementation of recommendations made as a result of internal audit reviews for the fundamental audits and non-fundamental audits.

3. **Fundamental Audits**

3.1 These audits are undertaken on a yearly or two-yearly cycle. All fundamental audits are subject to a Recommendation Tracker Exercise each year, which is normally completed as at the end of September.

3.2 The exercise involves discussion with the client department to go through the agreed Action Plan together with a limited amount of testing to confirm whether the recommendations have been implemented.

3.3 The results of the Recommendation Tracker Exercise is reported to Audit Committee in a separate Recommendation Tracker report.

4. **Non-fundamental Audits**

4.1 All other audits that have been given a 'limited' or 'moderate' level of assurance are reported to Audit Committee as part of the Quarterly Monitoring Reports. All such audits are subject to a detailed follow-up visit within 6 months of the issue of the final report.

4.2 The follow-up visit concentrates on 'high risk' and 'medium risk' recommendations, and will include discussion with the client department and limited testing to confirm implementation.

4.3 The results of the follow-up visit are reported to Audit Committee as part of the Quarterly Monitoring Reports.

4.4 Where an audit has been given a 'high' or 'substantial' level of assurance, client departments are asked to confirm the implementation of the recommendations via e-mail.

4.5 The results of all follow-up's undertaken are logged and recorded on the Audit Management System (Galileo) to ensure completion is monitored appropriately.

5. **Chief Auditors Group PI's**

5.1 Following discussions at the Welsh Chief Auditors Group Meeting in October 2018, it was decided that a new Performance Indicator (PI) should be introduced to record the number of recommendations that

have been implemented as a percentage of those recommendations made. Note that this has not been introduced for 2018/19. It is envisaged that the new process that we have introduced from April 2019 will allow these details to be recorded.

6. External Audit Recommendation Tracking

6.1 Scrutiny Programme Committee will receive WAO audit reports and action plans to address recommendations and proposals. Scrutiny will also review progress against recommendations within 12 months of the receipt of the report and action plan. Audit Committee will also receive reports and action plans for information and it may decide that it wants to prioritise and track specific proposals / recommendations in addition to the oversight undertaken by Scrutiny. This does not include those WAO reports that would be intended specifically for Audit Committee.

7. Status of Implementation Update to Committee

7.1 The purpose of this report is to allow committee to monitor the implementation status for those audits that have been subject to a follow-up review in the quarter. This will include all follow-ups completed, except for the fundamental audits as the outcome of these follow-up reviews are reported to committee separately.

8. Equality and Engagement Implications

8.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

8.2 There are no equality and engagement implications associated with this report.

9. Financial Implications

9.1 There are no financial implications associated with this report.

10. Legal Implications

10.1 There are no legal implications associated with this report

Background Papers: None.

Appendix 1 – Summary - Recommendations accepted and implemented
Appendix 2 – Details of recommendations not implemented.

RECOMMENDATION TRACKING REPORT Q1 2019/20

Audit Title	Date Final Issued	Date Follow up Completed	Assurance Rating	Recommendations								Total Recs Acc'd	Total Recs Imp'd	Total Rec Not Imp'd*	Comments
				HR		MR		LR		GP					
				A	I	A	I	A	I	A	I				
Purchase Card Administration	27/06/19	27/06/19	High Assurance	0	0	0	0	0	0	0	0	0	0	0	*No rec's.*
Cashiers Office (inc Controlled Stationery & BACS)	11/03/19	20/06/19	High Assurance	0	0	0	0	3	3	0	1	4	4	0	
Nature Conservation	20/02/19	20/06/19	Substantial Assurance	0	0	1	1	10	10	2	2	13	13	0	
Schools Bank Reconciliation	07/01/19	19/06/19	High Assurance	0	0	0	0	0	0	2	2	2	2	0	
Birchgrove	18/01/19	18/04/19	High Assurance	0	0	0	0	2	2	0	0	2	2	0	
Clydach - Plant	13/11/18	19/06/19	Substantial Assurance	0	0	1	1	2	2	2	1	5	4	1	*Rec's remaining (GP's) relate to a new IT system being implemented*
Heol y Gors Depot -	08/01/19	08/05/19	High Assurance	0	0	0	0	2	2	0	0	2	2	0	
Review of Departmental Gift & Hospitality Registers	26/11/18	18/04/19	Substantial Assurance	0	0	3	3	1	1	0	0	4	4	0	
Christchurch Ch.in Wales	02/01/19	08/05/19	Substantial Assurance	0	0	2	2	7	7	2	2	11	11	0	
Blue Badges	28/11/18	23/04/19	High Assurance	0	0	0	0	1	1	1	1	2	2	0	
Housing Loans and Grants	21/12/18	07/05/19	High Assurance	0	0	0	0	5	5	0	0	5	5	0	
Y.G.G. Bryn-y-Mor	10/12/18	02/04/19	Substantial Assurance	0	0	2	2	4	4	2	2	8	8	0	
Internet Controls - Corporate Network	28/09/18	05/04/19	High Assurance	0	0	0	0	4	4	0	0	4	4	0	
Gowerton Primary	26/11/18	02/04/19	Substantial Assurance	0	0	2	2	9	9	5	5	16	16	0	
Newton Primary	13/09/18	05/04/19	High Assurance	0	0	0	0	4	4	2	2	6	6	0	
Neighbourhood Support Unit	14/08/18	29/04/19	High Assurance	0	0	0	0	8	8	0	0	8	8	0	
ICT Data Storage	13/03/18	20/06/19	High Assurance	0	0	0	0	2	2	1	1	3	3	0	
Burlais Primary	02/10/18	01/04/19	Substantial Assurance	0	0	1	1	5	5	1	1	7	7	0	
Townhill Primary	11/09/18	02/04/19	Substantial Assurance	0	0	1	1	12	12	1	1	14	14	0	
Home Care	14/03/18	03/04/19	Substantial Assurance	0	0	2	2	9	9	3	3	14	14	0	

RECOMMENDATION TRACKING REPORT Q1 2019/20

Flexicard Service and Security	04/10/18	08/04/19	Substantial Assurance	0	0	2	2	9	9	2	2	13	13	0	
Y.G.G. Bryniago	30/10/18	11/04/19	Substantial Assurance	0	0	1	1	12	12	5	5	18	18	0	
Swansea Children's' Centre & Mayhill Family Centre	24/07/18	11/04/19	Substantial Assurance	0	0	2	2	13	13	0	0	15	15	0	
Grants & Contracts (Ch & Fam)	17/09/18	24/04/19	Substantial Assurance	0	0	1	1	3	3	1	1	5	5	0	
Fleet Hire - Spot Hire	23/10/18	25/04/19	Substantial Assurance	0	0	0	0	1	1	6	6	7	7	0	
Blaenymaes Primary	06/03/18	07/05/19	Substantial Assurance	0	0	2	2	14	14	4	4	20	20	0	
Trading Standards Division	13/07/18	07/05/19	Substantial Assurance	0	0	2	2	9	9	5	5	16	16	0	
Pontybrenin Primary	13/03/18	08/05/19	Substantial Assurance	0	0	2	2	8	8	4	4	14	14	0	
												238	237	1	99.6%

Further details on the recommendations that have not been implemented is reported in Appendix 2.

RECOMMENDATION TRACKING REPORT Q1 2019/20 - REC'S NOT IMPLEMENTED

Audit Title	Date Final Issued	Date of Follow up Completed	Assurance Rating	Recommendations Not Implemented				
				Report Ref	*Risk Rating*	*Agreed Imp. Date*	*Recommendation*	*Reason / Comments*
Clydach - Plant	13/11/18	19/06/19	Substantial Assurance	2.1.5	GP	Mar-19	The new IT system should have access restricted by user and access levels/division of duties applied to each user.	Rec remaining relates to a new IT system that is due to be implemented and there is no real timescale on when this will happen.

Cyngor **Abertawe**
Swansea Council

Report of the Chair of the Audit Committee

Special Audit Committee – 16 September 2019

Draft Audit Committee Annual Report 2018/19

Purpose:	This report provides the draft Audit Committee Annual Report 2018/19 municipal year.
Policy Framework:	None
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that the Audit Committee review and discuss the Audit Committee Annual Report 2018/19 so that any suggested amendments can be made prior to the final version returning to Committee and later being presented to Council.
Report Author:	Simon Cockings
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Miller

Draft Audit Committee Annual Report 2018/19

City & County of Swansea

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1.   Foreword by Mrs Paula O'Connor, Chair of the Audit Committee

1.1   This report provides an overview of the Audit Committee's work in the municipal year 2018/29.   On 12th June 2018 the Audit Committee considered the election of Chair for 2018-19 Municipal Year where it was resolved that Paula O'Connor be elected Chair.   At the same meeting Councillor P R Hood-Williams was elected Vice-Chair for the 2018-19 Municipal Year.

1.2   I am pleased to present this report prepared by the Chief Auditor that reflects on the work of the Audit Committee.   It also contains progress made by the Audit Committee in addressing the Wales Audit Office recommendations following their review of the Committee's performance against best practice CIPFA framework in June 2018. The Wales Audit Office will repeat their performance assessment on w/c 16th September 2019 and the outcome will be reported to the Council in October 2019.

1.3   In the 2017/18 Annual Report the Audit Committee gave commitment to progressing the necessary action to address the Wales Audit Office recommendations.   The Committee at every meeting reviewed progress against those recommendations with the aim of developing and strengthening the Committee's effectiveness in fulfilling the Committee's terms of reference.   Most notably the Committee received:-

- Presentation by the Deputy Chief Executive that outlined the Council's Assurance Framework;
- Council's Risk Register was received for the first time on 14th August 2018 and the Directorate Risk Registers for the first time on 11th December 2018.

1.4   The presentation on the Assurance Framework and the reporting on the Council's Risks is a significant step forward in improving the Committee's ability to reflect on the effectiveness of governance, risk management and control that supports and informs the Council's Annual Governance Statement.

1.5   We have reviewed our work programme at each Committee meeting, taking account of risk and priorities.

1.6   The Chair, Vice-Chair and Chief Internal Auditor attended Cardiff City Council Audit Committee on 13th November 2018 to where appropriate observe and learn from the approach taken at these meetings.   The most noticeable difference was the presence at this Audit Committee of a lay member Chair plus an additional four lay members.

1.7   The Audit Committees progress in addressing the Wales Audit Office recommendations is appended to this report at Appendix 2.

1.8   The Committee noted that the Risk Management processes across the Council remains under development and Officers are progressing to pilot a

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new electronic risk management process/system. However, the associated roll out of the new system and the delivery of training needs remains a challenge and realistically it is unlikely that the new system will become fully implemented and operational for some time. The Audit Committee has requested that this work be concluded as soon as possible as the current status means that the Audit Committee is unable to fully review the effective development and operation of risk management in the Council[1]. The Council should note the position.

1.9 The Audit Committee terms of reference states that the Committee "oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place."

1.10 The Committee has received reports regularly from the Chief Internal Auditor that included confirmation of the outcome of the External Quality Assessment of performance against the Public Sector Internal Audit Standards. The External Quality Assessor suggested the production of an assurance map as an improvement to the audit planning process. It is pleasing to report that the Chief Internal Auditor has progressed with this recommendation and reported in February 2019 with the draft assurance map, the audit methodology and the development of the Audit Assurance Plan. The Chief Internal Auditor has also been responsive to the Chair's request in enhancing the information presented to the Audit Committee so that the Audit Committee are aware of the breadth and depth of assurances given.

1.11 The Wales Audit Office has provided the Committee with regular updates to their work also and a six month update received at the meeting in June 2018 highlighted slow progress in completing the Wales Audit Office recommendations. The Chair suggested that consideration be given to developing a tracker to give focus to improved completion of external audit recommendations.

1.12 The Chair has met during the period with the Chief Executive, Deputy Chief Executive, S151 Officer, Monitoring Officer, Chief Internal Auditor and the Wales Audit Office.

1.13 At the meeting on 9th April 2019 the Committee received the Corporate Fraud Teams Anti-Fraud Plan for 2019/20 that was similar to the plan in 2018/19. The Corporate Fraud Team informed the Committee that the work of the Team was largely reactive due to the limited resource. The Committee endorsed the plan subject to ongoing review of the resource position by the Council's Corporate Management Team and referral to Council for approval.

1.14 The Head of Legal, Democratic Services & Business Intelligence (Monitoring Officer) presented the draft Annual Governance Statement 2017/18 at the meeting in July 2018. A final draft was received at a special

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[1] Audit Committee – Terms of Reference Paragraph 6

meeting of the Audit Committee on 23rd August 2018 and the Audit Committee agreed that the Statement be endorsed and referred to Council for Approval.

1.15   The Chair attended the Scrutiny Panel Conference 10th June 2019 and also Scrutiny Panel on 8th July 2019.

1.16   On 11th December 2018 the Leader attended the Audit Committee as the Auditor General for Wales had issued a letter highlighting the difficulties the Council had in delivering its planned levels of efficiency savings and the predicted shortfall in excess of £20 million in the 2019-20 financial budget. The Auditor General stressed that the Council must continue to risk assess its efficiency savings plans, to review and update its medium term financial strategy and to carefully monitor its reserves.

1.17   The Committee discussed the concern regarding the cost of the capital programme, the level of reserves, the risk to the Authority and the need to scrutinise the risk. Also, it was noted that a recovery plan should be developed on how the Council plans to deal with overspends and that the Audit Committee should be provided with regular budget variation reports. The Chief Finance Officer / Section 151 Officer agreed to provide this information to future meetings.

1.18   Looking forward to 2019/20, the financial challenges facing the Council will continue as will the need to increase performance. Within this context, the importance of an effective Audit Committee remains critical and the Committee is committed to enhancing its effectiveness through an ongoing training programme, delivering against the Wales Audit Office efficiency improvements and liaising with Officers to enhance the information that the Committee receives. The Committee will keep the Work Programme under regular review and will ensure that the Work Programme contains the critical challenges that the Council faces.

1.19   An all Wales Chair of Audit Committee Network event will take place on 11th October 2019. The focus of the day will cover the basics in delivering effectiveness across Governance, Risk and Assurance, and also Leading the Audit Committee to Influence and Add Value.

2.   Role of Audit Committee

2.1   The Council is required, under the Local Government (Wales) Measure 2011 to have an Audit Committee which among other things must include at least one lay member.

2.2   The Measure requires the Audit Committee to:

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- Review and scrutinise the Council's financial affairs.
- Make reports and recommendations in relation to the Authority's financial affairs.
- Review and assess the risk management, internal control and corporate governance arrangements of the Authority.
- Make reports and recommendations to the Authority on the adequacy and effectiveness of those arrangements.
- Oversee the Council's internal and external audit arrangements and review the financial statements prepared by the Authority.

2.3 The Measure also requires Councils to have Lay Member in their Audit Committee. Currently, the Chair of Audit is the only Lay Member at the Audit Committee.

2.4 The work of the Audit Committee is structured so that the Committee can gain assurance over the areas identified above and to comply with its terms of reference as show in Appendix 1.

2.5 This draft report describes the assurance that has been gained by the Audit Committee from various sources during 2018/19 and also outlines a number of other areas where briefings have been provided to the Committee.

2.6 The draft Audit Committee Annual Report 2018/19 is reported to the Committee to provide members with the opportunity to give their views on the assurances received and to identify the key messages arising from the work of the Committee during the year which should be reported to Council.

2.7 The draft report will be amended for any comments made at this meeting with the final report being presented to the Audit Committee for formal approval. The Chair will then present the Annual Report to Council later in the year.

3   **Work of the Audit Committee in 2018/19**

3.1 The Audit Committee has received regular reports in relation to standard agenda themes and receives reports of interest based on risk, governance and internal control measures. Each aspect is reported on below.

Standard Items

Internal Audit Assurance

3.2 The Audit Committee approved the Internal Audit Charter 2019/20 as required by the Public Sector Internal Audit Standards.

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3.3 The Audit Committee also approved the Internal Audit Annual Plan 2019/20 and has received quarterly monitoring reports from the Chief Auditor showing progress against the 2018/19 Audit Plan.

3.4 The quarterly monitoring reports identified any audits that received a moderate or limited level of assurance along with an outline of the issues which led to the audit receiving the negative assurance level.

3.5 From April 2018 the relevant Head of Service and Service Manager have been required to attend Audit Committee following a moderate or limited audit report being issued in order to provide an update to members as to what action is being taken to address the issues that have been highlighted by the audit.

3.6 The Internal Audit Annual Report for 2017/18 was reported to the Audit Committee in August 2018 and the Internal Audit Annual Report for 2018/19 was reported to the Audit Committee in August 2019. Both reports included a review of actual work completed compared to the Annual Plan.

3.7 The Internal Audit Annual Reports for both 2017/18 and 2018/19 also included the Chief Auditor's opinion on the internal control environment which in both cases, stated that based on the audit testing carried out reasonable assurance could be given that the systems of internal control were operating effectively and that no significant weaknesses were identified which would have a material impact on the Council's financial affairs.

3.8 The Internal Audit Annual Report of School Audits 2017/18 was presented to the Audit Committee. This report summarised the school audits undertaken during the year and identified some common themes identified across school audits.

Annual Governance Statement 2017/18 & 2018/19

3.9 The draft Annual Governance Statement for 2017/18 was presented to the Audit Committee in July 2018 and draft Annual Governance Statement for 2018/19 was presented to the Audit Committee in August 2019, prior to being reported to Council for approval.

3.10 This gave the Committee the opportunity to review and comment upon the Statements to ensure that they properly reflected the assurances provided to the Committee.

Annual Statement of Accounts 2017/18 & 2018/19

3.11 The Strategic Finance Manager (Corporate) presented the draft Statement of Accounts 2017/18 for the Council and the Pension Fund to the Committee in July 2018 and the Chief Finance and Section 151 Officer

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presented the draft Statement of Accounts 2018/19 for the Council in August 2019. Officers answered a number of queries raised by members of the Committee.

3.12   Following completion of the audit of the Statement of Accounts 2017/18 and 2018/19, the Wales Audit Office presented its ISA 260 reports on the audit of financial statements of the Council and Pension Fund to the Audit Committee prior to the reports going to Council. The reports presented the detailed findings of the audit and stated that the Wales Audit Office view was that the accounts gave a true and fair view of the financial position of the Council and Pension Fund.

External Audit Assurance

3.13   As well as the Audit of the Statement of Accounts reports mentioned above, the Wales Audit Office also provided an update report to the majority of scheduled meetings. The reports outlined the progress being made in financial and performance audit work to the Committee.

3.14   The Wales Audit Office also provided assurance to the Audit Committee by presenting the following reports:

- Annual Improvement Report 2017/18
- Annual Audit Letter 2017/18
- Overview and Scrutiny: Fit for the future?
- Wales Audit Office Audit Plan 2019

3.15   The Annual Audit Letter was presented to the Committee as an urgent agenda item in December 2018. The report concluded that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources, but the Council continues to face significant financial challenges.

3.16   The report summarised the consequences of repeated budget overspends year on year and the resulting depletion of the general fund reserve. The report also noted that it was evident that the Council has had difficulty in delivering its planned levels of efficiency savings in a number of service areas. As a result, Wales Audit Office committed to undertaking a more detailed review of the Council's financial position in 2019/20.

Implementation of Audit Recommendations

3.17   An important role undertaken by the Audit Committee is monitoring the implementation of agreed audit recommendations arising from both internal and external audit.

3.18   The implementation of any Internal Audit recommendations arising from the fundamental audits is reported to the Audit Committee in the

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Recommendations Tracker report. For 2017/18, the results of the tracker exercise showed that 78% of agreed recommendations had been implemented by 30 September 2018.

3.19 The implementation of any high or medium risk recommendations arising from non-fundamental audits that received a moderate or limited level of assurance are subject to follow up visits by Internal Audit to confirm they have been implemented. The results of the follow up audits are reported to the Audit Committee in the quarterly Internal Audit Monitoring Reports.

3.20 The Internal Controls Report presented to the Audit Committee by the external auditors includes any recommendations made as a result of their work and the action taken by management to implement the recommendations.

Governance and Risk Management

3.21 The Local Government (Wales) Measure 2011 makes the overview of risk management a function of the Audit Committee

3.22 A training presentation was made to the Committee on Risk Management during the year. In addition, the Committee received an additional presentation from the Strategic Delivery & Performance Manager in relation to the updated Risk Management Policy & Framework.

3.23 The Strategic Delivery & Performance Manager also provided regular updates to the Committee in relation to Risk Management throughout the year.

3.24 The Chair has no access to the Corporate and Directorate Risk Register, but members do have access to the Corporate and Directorate Risk Registers. The Corporate Risk Register was presented to committee on the 14th August 2018, with the Directorate Risk Register being presented on the 11th December 2018.

3.25 The Committee remains concerned that until the development of the electronic risk management arrangements are in place the Committee is unable to fully review the effective development and operation of risk management in the Council.

3.26 The Committee also received a presentation from the Deputy Chief Executive which outlined the Council's Governance Framework.

Relationship with Scrutiny Function

3.27 The Audit Committee has continued to develop a relationship with the Scrutiny function. The relationship is intended to ensure the following:

- Mutual awareness and understanding of the work of Scrutiny and the Audit Committee.
- Respective workplans are coordinated to avoid duplication / gaps.
- Clear mechanism for referral of issues if necessary.

3.28 The Chair of the Scrutiny Programme Committee has attended the Audit Committee to provide an update on the work of Scrutiny.

3.29 The Chair of the Audit Committee has also attended the Scrutiny Programme Committee to provide an update on the work of the Audit Committee.

Anti-Fraud

3.30 A Corporate Fraud Function was established during 2015/16 within the Internal Audit Section and the Corporate Fraud Annual Plan 2019/20 and Corporate Fraud Function Annual Report 2017/18 were presented to the Audit Committee.

Audit Committee Briefings

3.31 The Audit Committee received a number of briefings during 2018/19 as noted below:

- Work of Policy Development & Delivery Committees
- Review of Revenue Reserves
- Update on Trusts and Charities
- Treasury Management Annual Report 2017/18
- Update on Senior Management Assurance Statements
- Internal Audit Annual Plan Methodology 2019/20
- WAO Overview and Scrutiny: Fit for the future?
- Governance update and presentation by the Deputy Chief Executive
- Internal Audit Charter 2019/20
- Internal Audit Strategy & Annual Plan 2019/20
- DBS process update

Audit Committee Training

3.32 As stipulated in CIPFA guidance, training was provided in the follow areas:

- Audit Committee Role & Function
- Risk Management
- Financial Control & Accounting
- Governance
- Internal Audit
- External Audit

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- Counter Fraud

3.33   The training in 2018/19 was delivered in short sessions prior to the start of each committee meeting.

3.34   A listing of all areas that were reviewed by the committee in 2018/19 can be found in Appendix 2.

4   Audit Committee Performance Review 2018/19

4.1   The Audit Committee's annual performance review for 2018/19 will be facilitated by the Wales Audit Office and is due to take place on 16th September 2019.

5.   Audit Committee Performance Review 2017/18

5.1   The Audit Committee's annual performance review for 2017/18 was facilitated by the Wales Audit Office in June 2018. Members were asked to consider the areas that they felt had gone well and those they felt could be improved. The session was based around the seven core functions of an audit committee established by CIPFA.

5.2   Overall, the outcome of the performance review was that the Audit Committee judged the committee positively with a range of 5.5-7.5 out of a score of 10 for six of the seven core functions. Core function one relating to the committee's understanding of the Council's assurance framework and risk scored 3.6.

5.3   Eleven key findings were raised by the Wales Audit Office to be taken forward in 2018/19 to further strengthen the effectiveness of the Audit Committee. A summary of the key findings and the most recent update on implementation can be found in Appendix 3. As can be seen, the majority of the key findings have been actioned.

6.   Looking Ahead

6.1   As the Chair has indicated in her foreword, the financial challenges facing the Council will continue as will the need to increase performance. Within this context, the importance of an effective Audit Committee remains critical and the Committee is committed to enhancing its effectiveness through an ongoing training programme, delivering against the Wales Audit Office efficiency improvements and liaising with Officers to enhance the information that the Committee receives. The Committee will keep the Work Programme under regular review and will ensure that the Work Programme contains the critical challenges that the Council faces.

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6.2 Following the Chair's attendance at the all Wales Chair of Audit Committee Network event on 11th October 2019 and good practice or lessons to share/learn will be discussed at Audit Committee.

7.   Committee Membership & Attendance

7.1 The membership of the Audit Committee during 2018/19 consisted of one Lay Member and 13 Non Executive Councillors elected by Council. Independent Members are appointed for no more than two administrative terms with Council Members reappointed annually.

7.2 The Committee is serviced by Council Officers, principally the Chief Finance Officer & Section 151 Officer, and the Chief Auditor. Representatives from the WAO also attend Audit Committee meetings.

7.3 The Committee met on 10 occasions during 2018/19 and followed a structured workplan which covered all areas of the Committee's responsibilities with the aim of obtaining assurance over the areas included in its terms of reference. The Committee includes a lay member as required by the Local Government (Wales) Measure 2011. The lay member is also the Chair of the Committee.

7.4 The Audit Committee met on 10 occasions throughout the municipal period 2018/19 on the following dates: 12th June, 26th June, 17th July, 14th August, 23rd August, 11th September, 9th October, 11th December, 12th February and 9th April.

7.5 Committee Member attendance in 2018/19 is shown in the following table:

Attendance 2018/19	Possible	Actual
Independent Lay Members		
Mrs Paula O'Connor (Chairperson)	10	9
Non-Executive Councillors		
Councillor Paxton Hood-Williams (Vice Chairperson)	10	9
Councillor Cyril Anderson	10	8
Councillor Terry Hennegan	10	7
Councillor Beverley Hopkins (May to September)	6	0
Councillor Erika Kirchner (October to April)	4	3
Councillor Oliver James	10	5
Councillor Jeff Jones	10	8

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Councillor Peter K Jones	10	8
Councillor Mike Lewis	10	8
Councillor Lesley Walton	10	7
Councillor Mike White	10	9
Councillor Sam Pritchard	10	7
Councillor Peter Black	10	9
Councillor Will Thomas	10	7

7.6   There were a number of changes to the membership of the Audit Committee during 2018/19. Of the current committee members, 11 were also members in 2017/18. The previous Vice Chairperson Councillor Lynda James resigned from the committee at the end of the last municipal year and was replaced by Councillor Peter Black. Councillor Paxton Hood-Williams was appointed as Vice Chairperson for 2018/19. Councillor Beverley Hopkins sat on the committee until September 2018 and was replaced by Councillor Erika Kirchner for the rest of the municipal year.

7.7   The Committee moved to a schedule of 2-monthly meetings in 2015/16 however it was recognised that the agenda for the 2-monthly meetings were becoming excessively long so a number of special meetings were arranged to help smooth out the Committee's work programme.

7.8   The Committee met on 10 occasions during 2018/19. Over the course of the year, attendance at the meetings was 74%.

8.   Future Audit Committee Meetings

8.1   The Council Diary for the current municipal year continues to include Audit Committee meetings on a 2 monthly basis.

8.2   However, additional/special meetings may need to be held at certain times of the year to ensure the smooth delivery of the Committee's work programme. The Committee also has the ability to call further additional meetings when required.

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9. Audit Committee Contact Details

Paula O'Connor Chair of Audit Committee	Chair.Audit@swansea.gov.uk
Councillor Paxton Hood-Williams Vice Chair of Audit Committee	Cllr.Paxton.Hood-Williams@swansea.gov.uk 01792 872038
Ben Smith Section 151 & Chief Finance Officer	Ben.Smith@swansea.gov.uk 01792 636409
Jeff Dong Interim Deputy Section 151 & Chief Finance Officer	Jeffrey.Dong@swansea.gov.uk 07810438119/ 07811847582
Simon Cockings Chief Auditor	Simon.Cockings@swansea.gov.uk 01792 636479
Jason Garcia Wales Audit Office	Jason.Garcia@audit.wales

10. Equality and Engagement Implications

10.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

10.2 There are no equality and engagement implications associated with this report.

11. Financial Implications

11.1 There are no financial implications associated with this report.

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12.   Legal Implications

12.1   Part of the role of the Audit Committee as set out by the Local Government (Wales) Measure 2011 is to make reports and recommendations in relation to the authority's financial affairs, including an assessment of the risk management and corporate government arrangements and the adequacy and effectiveness of those arrangements.

Background Papers: None

Appendices: Appendix 1 - Audit Committee Terms of Reference
                    Appendix 2 - Audit Committee Items Reviewed
                    Appendix 3 - Key Findings from the Committee Performance Review
                                      2017/18

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Audit Committee Terms of Reference

Audit Committee Statement of Purpose

1. Our audit committee is a key component of the City and County of Swansea's corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

2. The purpose of our audit committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City and County of Swansea's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3. To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.

5. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

6. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

7. To monitor the effective development and operation of risk management in the Council.

8. To monitor progress in addressing risk related issues reported to the committee.

9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

10. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.

11. To monitor the counter fraud strategy, actions and resources.

Internal Audit and External Audit

12. To approve the internal audit charter and resources.

13. To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

14 To consider summaries of specific internal audit reports as requested.

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15. To consider reports dealing with the management and performance of the providers of internal audit services.

16. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

17. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

18. To consider specific reports as agreed with the external auditor.

19. To comment on the scope and depth of external audit work and to ensure it gives value for money.

20. To commission work from internal and external audit.

Financial Reporting
21. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

22. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements
23. To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee is meeting its purpose.

Note: Audit Committee Statement of Purpose extracted from the Council Constitution (31.01.18).

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Committee Meeting Date	Items Reviewed
12 June 2018	Audit Committee Training Programme 2018/19 Internal Audit Monitoring Report Q4 2017/18 Audit Committee Performance Review 16/17 Action Plan Update Report WAO Proposals for Improvement Report – Six Month Update Overview of the Overall Status of Risk Report Q4 2017/18
26 June 2018	WAO Audit Committee Review of Performance 2017/18
17 July 2018	Draft Annual Governance Statement 2017/18 Draft Statement of Accounts 2017/18 WAO – City and County of Swansea Pension Fund 2017/18 Audit Enquiries to those Charged with Governance and Management WAO – City and County of Swansea 2017/18 Audit Enquiries to those Charged with Governance and Management
14 August 2018	Draft Statement of Accounts 2017/18 – Pension Fund Draft Audit Committee Annual Report 2017/18 Internal Audit Annual Report 2017/18 Audit Committee Review of Performance 2017/18 Action Plan - Draft Overview of the Overall Status of Risk Report Q1 2018/19
23 August 2018	Draft Annual Governance Statement 2017/18
11 September 2018	Internal Audit Monitoring Report Q1 2018/19 Corporate Fraud Annual Report 2017/18 WAO ISA 260 Report 2017/18 – CCS WAO ISA 260 Report 2017/18 – Pension Fund
9 October 2018	Scrutiny Work Programme 2018/19 Update on work of Policy Development Committees Annual Report of School Audits 2017/18 WAO Annual Improvement Report 2017/18 Chief Education Officer response to Schools Audit Report

11 December 2018	Internal Audit Monitoring Report Q2 2018/19
	Fundamental Audits Recommendation Tracker Report 2017/18
	Overview of the Overall Status of Risk Report Q2 2018/19
	Review of Revenue Reserves Report
	Trusts & Charities Update Report
	Treasury Management Annual Report 2017/18
	Senior Management Assurance Statements Update Report
	Internal and External Audit Recommendation Follow-up Procedure Report
	Wales Audit Office Annual Audit Letter (Urgent Item)
12 February 2019	AC Performance Review 17/18 Action Plan Update
	Internal Audit Monitoring Report Q3 2018/19
	Internal Audit Annual Plan Methodology Report 2019/20
	WAO Proposals for Improvement Report – Six Month Update
	Overview of the Overall Status of Risk Report Q3 2018/19
	WAO Overview and Scrutiny: Fit for the future? Report
9 April 2019	Governance Update
	Internal Audit Charter 2019/20
	Internal Audit Strategy and Annual Plan 2019/20
	DBS Process Update Report
	Monthly Corporate Risk Tracking Update Report
	Corporate Fraud Function Annual Plan 2019/20
	WAO Annual Audit Plan 2018/19 CCS & Pension Fund
	Revenue and Capital Budget Monitoring Report Q3 2018/19
	Progress Towards Meeting the Welsh Housing Quality Standards Report

**KEY FINDINGS & PROPOSED ACTON PLAN
AUDIT COMMITTEE PERFORMANCE REVIEW 2017/18**

Key Finding	Proposed Actions	Target Date	Progress Update 13/08/19
Assurance Framework – The Audit Committee needs clarity on the Council's Assurance Framework.	Audit Committee to be provided with a report that outlines the governance and assurance arrangements operating across the Council. **Lead Office: Chief Executive**	September 2018	**Complete** Presentation by the Deputy Chief Executive to Audit Committee covering Governance Framework was provided on 09/04/19.
Risk Register – The Audit Committee needs to see the detail behind the Corporate Risk Register.	Corporate Risk Register to be reported to Audit Committee at future meetings. **Lead Officer: Strategic Delivery & Performance Manager**	August 2018	**Complete** Committee received register details on 14/08/18.
Annual Governance Statement (AGS) – The Audit Committee would like to see the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.	Annual Governance Statement received at the July 2018 meeting and comments made by members. The Chair also met with Officers after the meeting to highlight further queries. The Annual Governance Statement to be brought back to Audit Committee as a second draft. **Lead Officer: Head of Legal, Democratic Services & Business Intelligence**	September 2018	**Complete** AGS was presented to Committee separated from the Annual Accounts on 17/17/18. Amended version was distributed to Members on 13/08/18. Special Meeting was arranged to discuss and approve final amended version of the AGS on 23/08/18.
Benchmarking – The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees: i) Consider how to best use this benchmarking information. ii) Consider visits to other audit committees to search for good practice.	The Corporate Management Team will consider this further and update the Audit Committee. The Chair has asked for arrangements to be made to visit Cardiff Audit Committee. **Lead Officer: Head of Democratic Services**	December 2018 September 2018	**Ongoing** **Completed** Visit took place 13/11/18 – Chair, Vice Chair and Chief Auditor attended.

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Key Finding	Proposed Actions	Target Date	Progress Update 13/08/19
Council Objectives – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.	As noted above comments and queries will be progressed/actioned by the Head of Legal, Democratic Services & Business Intelligence and the Governance Group. **Lead Officer: Head of Legal, Democratic Services & Business Intelligence**	September 2018	**Complete** Amended version of the AGS included commentary to reflect this, as approved by Committee on 23/08/18.
Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships.	Audit Committee to be provided with a report that outlines the mechanisms for assessing and scrutinising the risks associated with partnerships. **Lead Officer: Chief Executive / Head of Legal, Democratic Services & Business Intelligence.**	December 2018	**Ongoing**
Reporting – produce a programme of expected external reports for Audit Committee to receive.	Known expected external reports will be added to the Audit Committee Work Programme. **Lead Officer: Strategic Delivery & Performance Manager.**	December 2018	**Ongoing** Reports will be added to the Audit Committee agenda for information as they arise.
Recommendations – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.	Tracker for recommendations to be developed that will capture internal and external recommendations. To be discussed with Chief Auditor and Chief Finance Officer. **Lead Officer: Chief Auditor, Chief Finance Officer**	December 2018	**Ongoing** Report provided to Committee outlining the method of tracking internal and external audit recommendations on 11/12/18.

Key Finding	Proposed Actions	Target Date	Progress Update 13/08/19
Wales Audit Office (WAO) escalation process – clarify the process the WAO uses to escalate actions when recommendations have not been completed.	WAO to explain the process at the next Audit Committee Meeting. Lead: Wales Audit Office	September 2018	WAO Response received 22/08/18 for discussion: **There is no formal process as such. The process is to agree actions with service managers and directors. If we have any problems with agreement or progress we will escalate to the Chief Executive. If we still have issues we will then raise with the Audit Committee Chair Audit Committee.**
Meeting with WAO – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).	To be discussed by Committee. Lead: Chair of the Audit Committee	September 2018	WAO Response received 22/08/18 for discussion: **This is a decision for the Audit Committee although as a minimum we would expect at least an annual meeting with the Chair. We are happy to meet the Chair and the Committee or a combination of both during the year. As per comment above, if we feel it is necessary we will request an ad hoc meeting with the Chair or the full Audit Committee.**

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Cyngor **Abertawe**
Swansea Council

Report of the Chief Legal Officer / Monitoring Officer

Special Audit Committee – 16 September 2019

Annual Governance Statement

Purpose:	To update the Audit Committee as to the final version of the Annual Governance Statement included within the Statement of Accounts
Report Author:	Tracey Meredith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer: Rhian Millar	
For Information	

1. Background

1.1 The Chief Legal Officer presented the draft Annual Governance Statement to the Audit Committee on 13 August 2019. As the Audit Committee comments as to governance needed to be included it was agreed by the Audit Committee that the Chair of Audit would meet with the Chief Legal Officer to finalise a form of wording to be included.

2. Updated Annual Governance Statement

2.1 Following discussion between the Chair of Audit and the Chief Legal Officer Audit Committee comments around governance have been incorporated into the finalised Annual Governance Statement at Appendix A.

2.2 The Annual Governance Statement was presented to full Council as part of the Statement of Accounts on 29 August 2019.

3. Equality and Engagement Implications

3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

There are no equality and engagement implications associated with this report.

4. Legal Implications

4.1 There are no legal implications.

5. Financial Implications

5.1 There are no financial implications.

For Information

Background papers: *None*

Appendices - Appendix A – Annual Governance Statement 2018/19.

ANNUAL GOVERNANCE STATEMENT 2018/19

1. Scope of Responsibility

1.1 The City and County of Swansea is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, the City and County of Swansea is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 The City and County of Swansea adopted a Code of Corporate Governance on 24 August 2017, which is consistent with the principles of the new CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government 2016'.* A copy of the Code can be found on the Council's website.

2. The Purpose of the Governance Framework

2.1 The governance framework comprises the systems and processes, culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

2.3 The governance framework has been in place at the City and County of Swansea throughout the year ended 31 March 2019 and up to the date of approval of the Statement of Accounts.

3. **The Governance Framework**

3.1 The Council has adopted a Code of Corporate Governance based on the "*Delivering Good Governance in Local Government*" framework published by CIPFA and SOLACE in 2016.
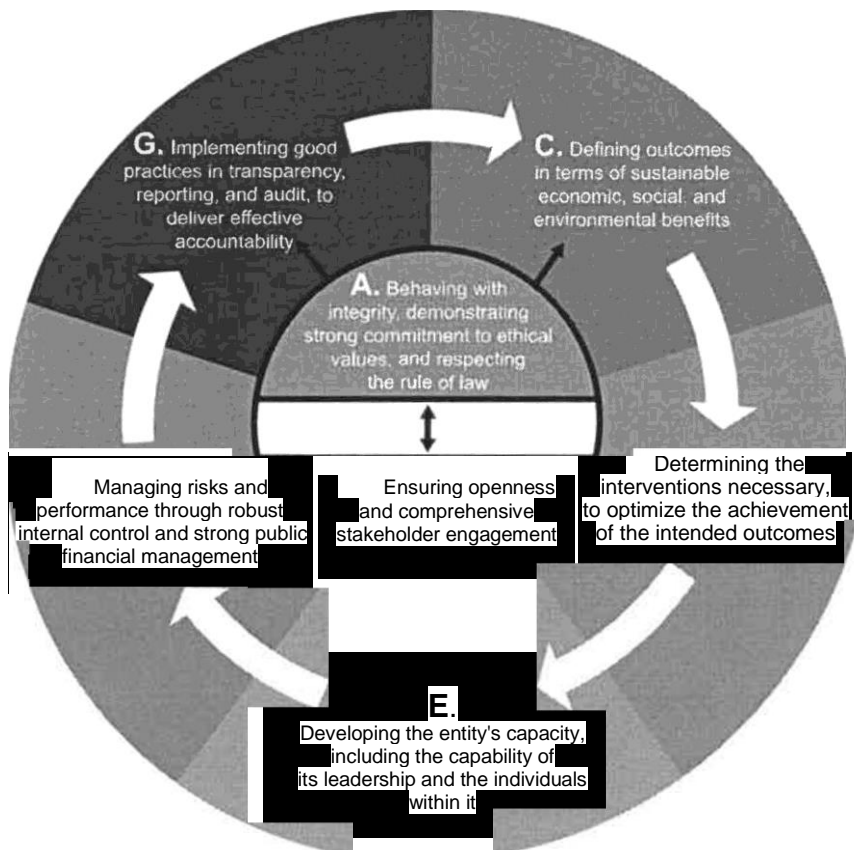
3.2 This Statement explains how the Council has complied with the Governance Framework and meets the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018. The Council aims to achieve a good standard of governance by adhering to the 7 key principles of the CIPFA/Solace 2016 Guidance.

3.3 The 7 key principles are:

A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
B) Ensuring openness and comprehensive stakeholder engagement.
C) Defining outcomes in terms of sustainable economic, social and environmental benefits.

D) Determining the interventions necessary to optimise the achievement of the intended outcomes.

E) Developing the entity's capacity, including the capability of its leadership and the individuals within it.

F) Managing risks and performance through robust internal control and strong public financial management.

G) Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3.4 The application of the principles of good governance is summarised below which sets out supporting information for the 7 key principles.

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub Principles:

Behaving with Integrity	Demonstrating strong commitment to ethical values	Respecting the rule of law

How we do this:

Behaving with Integrity

- The behaviour and expectations of officers/members is set out in the Constitution, Officer and Member Code of Conduct and Protocol
- The Monitoring Officer provides training on the code of conduct and ensures the highest standards of conduct by the authority, members and officers
- The Standards Committee is responsible for monitoring and scrutinising the standards of members
- Member led authority principles with training to senior officers and Cabinet members
- Compliance with a suite of policies/rules set out in the Constitution
- The Constitution sets out requirements as to gifts and hospitality and there are regular reminders circulated to both officers and members
- Adoption of Member Dispute Resolution Protocol
- Officers/members declarations of interest
- Officer Secondary Employment Policy

Demonstrating strong commitment to ethical values

- The Council's appraisal and recruitment system based on competencies, training and objectives underpin personal behaviours with ethical values
- Commitment to working to promote high standards of performance based on the Nolan principles
- Adoption of Welsh Government ethical ways of working
- The Swansea Pledge
- The Constitution contains comprehensive Procurement and Financial Procedure Rules

Respecting the rule of law

- The Statutory officers and members ensure compliance with legislative and regulatory requirements via a robust framework including the scheme of delegation, induction training, standing procedures and rules set out in the Constitution
- Reports to Committees have legal/finance clearance
- Robust Scrutiny and Call-In function
- Robust audit challenge
- External challenge from auditors, Ombudsman and other external agencies
- The Monitoring Officer ensures the council complies with statute and reports on any maladministration
- An effective anti-fraud and corruption framework supported by a suite of policies i.e. whistleblowing

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle B

Ensuring openness and comprehensive stakeholder engagement

Sub Principles:

Openness	Engaging comprehensively with institutional stakeholders	Engaging stakeholders effectively, including individual citizens and service users

How we do this:

• The Council is committed to ensuring an open culture evidenced by open meetings and publication of agendas and minutes
• A Forward Plan showing key decisions to be made by Council and Cabinet is published
• There is appropriate Consultation and Engagement supporting the decision making process including annual budget consultation, co-production, engagement with trade unions and engagement with Disability and LGBT communities.
• There are Public questions at Council and Cabinet
• There is engagement with children and young people to meet the requirement of the UNCRC
• There is pre-decision scrutiny of Cabinet decisions and Call-In procedure
• Corporate and Directorate risks are published
	• The Council adopts a Team Swansea approach working as a whole council and effectively engages with stakeholders to ensure successful and sustainable outcomes by:
	  - targeting communications
	  - effective use of social media
	  - formal and informal meetings with key stakeholder groups i.e. External auditors, Welsh Government, Health board
	• The Council has an extensive range of partnerships to support the delivery of the Council's objectives including:
	  - The Public Services Board
	  - The Safer Swansea Partnership
	• The Council has adopted the Community/Town Council Charter and facilitates the Community/Town Council forum meetings with the 24 Councils.
		• The Council has appropriate structures in place to encourage public participation which is used to inform proposals and key decisions including:
		• A Consultation and Engagement framework
		• "Have your Say" consultations on website
		• The Scrutiny Programme Committee invites stakeholder contributions and participation
		• An Annual Staff Survey with responses considered by CMT/Senior Management
		• A Complaints Policy and Annual Report to assess organisational learning and change
		• The appointment of Councillor Champions who provide a voice for under represented groups

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle C

Defining outcomes in terms of sustainable economic, social and environmental benefits

Sub Principles:

Defining outcomes	Sustainable economic, social and environmental benefits

How we do this:

- The Council has a clear vision which is set out in the Corporate Plan *Delivering a Successful & Sustainable Swansea* which prioritises 6 well-being objectives. The sixth well-being objective *Natural Resources and Biodiversity* was added during the 2-18/22 refresh of the Corporate Plan
- Delivery of the Corporate Plan is monitored through the Council's Performance Management Framework with quarterly performance monitoring by CMT/Cabinet
- There is an Annual Performance Review
- Annual Service Plans address the sustainability of service delivery along with key corporate priorities
- There is monthly Performance and Financial Monitoring meetings held for each Directorate
- There is a Corporate Risk Management Policy ensuring consistent application of risk registers and terminology and audit scrutiny

- The Council takes a long term and sustainable view and balances the economic, social and environmental impact of policies and plans by:
  - Medium Term Financial Planning covering 3 financial years approved annually by Council
  - Refresh of the Corporate Plan annually
  - Annual service planning
- The Council's *Sustainable Swansea: Fit for the Future* programme seeks to modernise and transform the council to meet the longer term challenges and ensure sustainable provision of services
- There is public and stakeholder engagement

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle D

> **Determining the interventions necessary to optimise the achievement of the intended outcomes**

Sub Principles:

Determining interventions	**Planning interventions**	**Optimising achievement of intended outcomes**

How we do this:

Determining interventions

- The Council ensures that decision makers receive objective and rigorous analysis of options with intended outcomes and risks by:
    - written reports from Officers
    - report clearance by legal, finance and Access to Services officers
    - embedding of impact assessment in decision making process
    - clear option appraisals reflected in reports detailing impact, risk and any best value considerations
- The results of consultation exercises are fully considered by decision makers with consultation responses set out in report
- Consultation on budget proposals is extensive and includes roadshows with staff
- The Council has a Corporate Risk Management Policy

Planning interventions

- The Council has established robust planning and control cycles covering strategic and operational plans, priorities and targets which is achieved through:
    - a timetable for producing and reviewing plans on an annual basis.
    - Working with a consultation and engagement framework
    - quarterly and annual performance monitoring including achievement of national and local performance indicators
- There is robust Medium Term Financial Planning
- There is an Annual budget setting process in place including an extensive consultation exercise

Optimising achievement of intended outcomes

- The Council ensures the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints by setting out any shortfall in resources and spending requirements in the context of service priorities
- To ensure that the budget process is all inclusive there is regular engagement with members with robust scrutiny by the Service Improvement & Finance Scrutiny Performance Panel
- Sustainable Swansea – Fit for the Future
- The Council ensures the achievement of "social value" through the effective commissioning of service in compliance with CPR's e.g. Beyond Bricks and Mortar (community benefit clauses in council contracts)

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Sub Principles:

Developing the entity's capacity	Developing the capability of the entity's leadership and other individuals

How we do this:

- The Council aims to ensure that Members and Officers have the right skills, knowledge and mind set to operate efficiently and effectively to achieve intended outcomes by:
  - adopting a comprehensive induction training programme for members and officers
  - a Councillor Training Programme based on a Training Needs Assessment
  - annual performance review of staff
  - adoption of a mentoring scheme
- Operational capacity is supported by the Transformation & Future Council objective to help tackle rising demand and reducing revenue budget
- The Organisational Development Strategy aims to develop the right staff with the right skills to work in a sustainable way
- There is engagement with benchmarking groups such as APSE, CIPFA
- There is collaborative and partnership working including the Public Service Board, ERW.

- Effective shared leadership and understanding of roles and objectives is supported by:
  - The Leader and Chief Executive have clearly defined leadership roles
  - The Chief Executive Appraisal and Remuneration Committee have responsibility for the appraisal of the Chief Executive
  - there has been member led training with both senior officers and cabinet members
  - there are regular 1-2-1 meetings with the Leader, Cabinet members, Chief Ex, CMT and Heads of Service
  - the Transformation and Future Council objective and the Organisational Development Strategy
- The Constitution sets out the Scheme of Delegation which is regularly reviewed
- Annual appraisal and performance review
- A review of senior management roles report to Council in July 2018.

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle F

Managing risks and performance through robust internal control and string public financial management

Sub Principles:

Managing risk	Managing performance	Robust internal control	Managing data	Strong public financial management

How we do this:

Managing risk
- Risk management is an integral part of decision making supported by:
  A revised Corporate Risk Management Policy with clear nominated officer responsibility
- Quarterly review of risks by CMT
- Monthly review of Directorate Risks at PFM meetings
- The publication of Corporate & Directorate Risks allowing greater scrutiny
- The Audit Committee regular review of risks

Managing performance
- There are quarterly performance monitoring reports to Cabinet
- Each Head of Service produces an Annual Service Plan setting out clear objectives and SWOT analysis of their service
- There are regular reports as to performance indicators and milestones against intended outcomes
- There is robust scrutiny challenge by pre decision scrutiny, inquiries and Call-In.
- Monthly Directorate Performance and Financial Monitoring meetings

Robust internal control
- The Audit Committee provides independent and objective assurance on effectiveness of internal control, risk management and governance arrangements
- The Council is dedicated to tackling fraud and corruption and has an Anti-Fraud and Corruption Policy and Whistleblowing Policy
- The Audit Committee receives an annual report on the fraud function and Anti-Fraud Plan
- The Internal Audit Plan is approved by Audit Committee

Managing data
- The Council demonstrates effective safeguarding of personal data and information by:
- The appointment of a Data Protection Officer
- The adoption of a Data Protection Policy
- An Information Governance Unit and Senior Information Risk Officer
- An information asset register
- The Council is signed up to the Wales Accord for Sharing Personal Information (WASPI)
- Data Protection training is mandatory

Strong public financial management
- The Council ensures both long term achievement of outcomes and short term performance through the delivery of the Medium Term Financial Plan
- Financial management is integrated at all levels of planning and control by:
  - financial implications are included in all decision making reports
  - there is a specific Corporate risk around Financial Control and Sustainable Swansea owned by the S151 officer

ANNUAL GOVERNANCE STATEMENT 2018/19

Principle G

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Sub Principles:

Implementing good practice in transparency	Implementing good practices in reporting	Assurance and effective accountability

How we do this

- The Council aims to present understandable and transparent reports for both stakeholders and the public which is supported by:-
  - A Report Authors Protocol which ensures consistency in reports
  - A Clear Writing guide for officers
  - All reports are signed off by Cabinet member, legal, finance and access to services officers
  - The Council has a Publication Scheme which is available on the website
  - Where possible exempt reports are split so that the main report can be heard in public with confidential information being a separate exempt report
  - Reports are published on the website and agendas are published in the Welsh Language

- The Council reports at least annually on performance as evidenced by:
  - Quarterly reports to Cabinet on performance
  - An annual Review of Performance report setting out how the Council has performed in meeting its Corporate Objectives
  - The Annual Statement of Accounts audited by external auditor and approved by Council and published demonstrates how the Council has achieved performance, value for money and the stewardship of resources
- Senior Managers complete Senior Management Assurance Statements (SMAS) reflecting performance against governance, risk management and internal control. The SMAS contribute to the Annual Governance Statement
- The Council have adopted the Code of Corporate Governance based on CIPFA framework

- Through the assurance mechanisms set out below the Council can demonstrate effective accountability:
- The Internal Audit work plan provides assurance on the council's control mechanisms, risk management and governance arrangements which is monitored by the Audit Committee
- All agreed actions from Internal Audit reviews are monitored
- Implementation of WAO and Internal Audit recommendations monitored by Audit Committee
- Peer Review and inspection from regulatory bodies and external compliance reviews which are reported to CMT/Cabinet and used to improve service delivery
- There is scrutiny and audit review of WAO reports and action plans.
- Assurance on risks associated with delivery of services through third parties is achieved by:
  - Commissioning and monitoring arrangements and compliance with Contract Procedure Rules
  - SMAS reflect risk assessments in relation to partnership/third party working

ANNUAL GOVERNANCE STATEMENT 2018/19

Internal Assurance

External Assurance

Council/ Cabinet/ Committee

External audit

Internal Audit

External Regulators/ Inspections

Monitoring officer/S151 officer

Annual Governance Statement

CMT -SMAS

Statutory Inspections

Audit Committee

Scrutiny
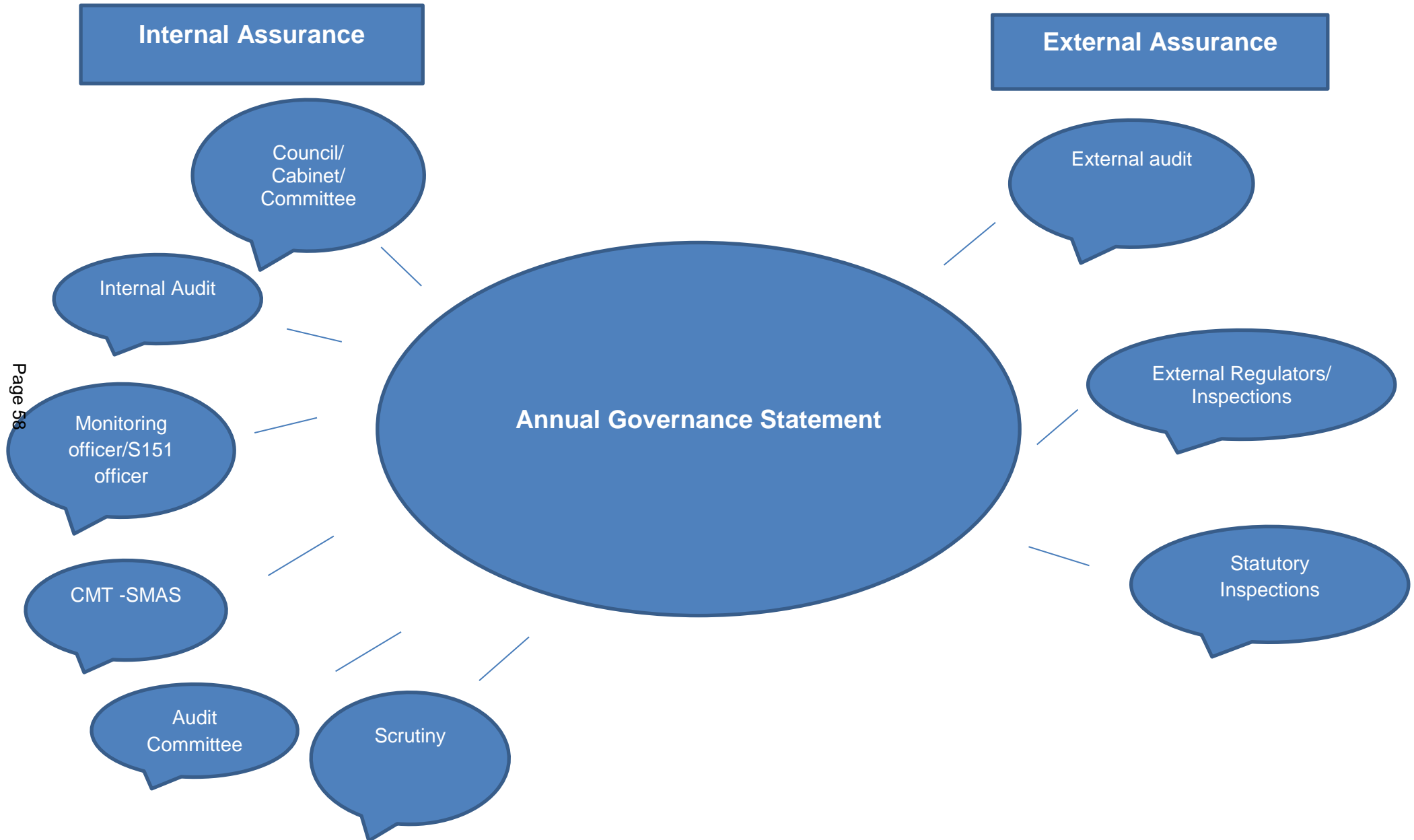
4. **Review of Effectiveness**

4.1 The City and County of Swansea annually reviews the effectiveness of its governance framework including the system of internal control.

  (a) Statements from Corporate Management Team (CMT), Statutory Officers, the Internal Audit Manager and the Audit Committee.
  (b) External organisations i.e. Wales Audit Office and regulators
  (c) Core evidence mapped to Council, Cabinet and Committees

4.2 The following highlights the review of the governance framework in order to compile the Annual Governance Statement and sets out the assurance of CMT, officers and external organisations.

INTERNAL SOURCES OF ASSURANCE

5 **Corporate Management Team/SMAS**

5.1 The Senior Management Assurance Statements (SMAS) form part of the governance assessment framework. Through the SMAS each Director responds to 20 good governance statements covering:

- Risk Management
- Partnership/Collaboration governance
- Compliance with Policies/Rules/Legal & Regulatory requirements
- Programme and Project Assurance
- Budget Monitoring
- Planning and Decision Making
- Internal Control Environment
- Fraud & Financial Impropriety
- Performance Measurement & Management

5.2 The Directors assess assurance using a 5 points maturity scale for their areas of responsibility ranging from "not in place" to "embedded". Directors are expected to consult with their Heads of Service to support a directorate approach to each statement.

5.3 The Four SMAS from the Directors of Corporate Resources, People, Place and Education were challenged and reviewed at CMT. The Director of People submitted a SMAS split into Social Services – Adult and Social Services – Child & Family.

5.4 The 20 assurance statements summarised by 9 categories showed an overall "strong application" of good governance across the assurance areas. The greatest maturity was reported in budget monitoring with a 60% "embedded" and 40% "strong application" rating. Risk Management maturity was strong with a rating of 88% strong or embedded application and the 12% mixed application was supported by an assurance that training was in place to embed in 2019/20.

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5.5 The maturity assessment highlighted opportunities to enhance the categories relating to Performance Measurement and Management for which there was a higher incidence of "mixed application" which have been identified in the significant governance risks for 2019/20.

5.6 CMT reviewed the SMAS and draft Annual Governance Statement on 8 May and 10 May 2019. Having considered and discussed the outcomes of the SMAS and noting the "mixed application" responses overall CMT considered the assurance level to be strong. The significant governance issues for 2019/20 as identified by CMT are those set out below.

6. The Monitoring Officer

- The Chief Legal Officer is the Monitoring Officer with a specific duty to ensure that the Council, Officers and Members maintain the highest ethical standards of conduct. The Standards Committee has the responsibility for monitoring the ethical standards of conduct and to deal with any breaches of the Code referred to the Committee by the Public Service Ombudsman (PSOW).

- In 2018/19 the Monitoring Officer was notified of 6 complaints relating to members conduct by the PSOW. The PSOW decided not to investigate 5 of those complaints and the remaining complaint the PSOW found that there was no evidence of a failure to comply with the Code of Conduct. There are regular PSOW bulletins circulated to all councillors as to Code of Conduct issues.

- During 2018/19 the Standards Committee interviewed the Leaders of the Opposition, the Chairs of Planning, Democratic Services and Licensing Committees and the Chief Executive. Following the Leaders attendance at committee the Standards Committee will reflect their views in the Annual Report.

- An audit of officer gifts and hospitality was undertaken in 2018/19 with recommendations to improve consistency across departments. Members and officers are required to register their personal interests, gifts and hospitality with regular reminders sent out by the Head of Democratic Services. A Gifts and Hospitality Policy is currently under review.

- The Monitoring Officer has not had to issue any statutory Section 5 Local Government and Housing Act 1989 reports during 2018/19.

- A number of amendments to the Constitution were adopted by Council including a new Call-In procedure enabling greater scrutiny of Cabinet decisions. Further work is being undertaken by the Monitoring Officer in terms of publication of officer delegated decisions and changes to procedure rules.

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- The Deputy Chief Executive has overall responsibility for governance and as part of his strengthening of governance arrangements has presented the assurance framework to audit committee.

7.   The **S151 Officer**

- Quarterly **Financial Monitoring Reports** were presented to Cabinet throughout 2018/19. The reports consistently identified a service revenue budget overspend at year end based on available information and stressed the need for expenditure to be contained within the budget set by Council. That service overspend has now been confirmed (at just under £3m) and a draw from Specific Reserves of similar sum (as reported from as early as first quarter) will be necessary for 2018/19, a position that is clearly unsustainable and unrepeatable in future years, given the S151 Officer has already ruled reserves to be at the absolute minimum. On a more positive note the equally fully planned substantial underspending on capital financing (around £7m) facilitated, in part, by the in-year review, and approval by Council, of the Minimum Revenue Provision policy has enabled similar sum to be added to the capital equalisation reserve which is a prudent way of planning for and addressing some of, the future certain increased costs of financing the ambitious mid-term capital programme.
- A **Mid Term Budget Statement 2018/19** (verbal) and **Review of Reserves** (written) was presented to Council on 25/10/18 which provided a strategic and focussed assessment of the current year's financial performance and an update on strategic planning assumptions over the next 3 financial years. The conclusion of the Statement was that the Council would struggle to deliver within the overall resources identified to support the budget in 2019/20 and beyond. The likely projected outturn was dependent upon the willingness and ability of the Council to reduce and restrict ongoing expenditure across all areas.
- The Revenue and Capital Budgets were approved by Council on 28/02/19. They continued to set out an ambitious programme of approved capital spending plans and future contingent capital spending plans (partly financed by the Swansea Bay City Deal but predominantly by unsupported borrowing) which would require challenging budget savings to be delivered to help facilitate that major capital investment and economic regeneration stimulus.
- The **Medium Term Financial Plan 2020/21 – 2022/23** was approved by Council on 28/02/19. The Plan outlined the significant shortfall in funding faced by the Council over the period and the strategy to be adopted to address the shortfall as well as the inherent risks to the success of the adopted strategy.
- Each Corporate Director held monthly **Performance and Financial Monitoring** meetings where Chief Officers and Heads of Service reported on progress in terms of continuous improvement and budgets.
- The **Wales Audit Office Annual Management Letter** dated 29 November 2018 (and referred to below) noted that whilst the Council have appropriate arrangements in place to secure economy, efficiency and effectiveness in their use of resources, the Council continues to "face significant financial challenges". This reflected external auditor concerns around ongoing service

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overspending, actual delivery of efficiency savings to the planned timetable and the substantial future capital programme aspirations.

- The Council is the Administering Authority for the City and County of Swansea Pension Fund (the Pension Fund) and Swansea Bay Port Health Authority (SBPHA). The governance arrangements detailed in this Annual Governance Statement apply equally to the Council's responsibilities to the Pension Fund and SBPHA. There are further specific requirements for the Pension Fund which are:

>   - Investment Strategy Statement
>   - Internal Dispute Resolution Process
>   - Funding Strategy Statement
>   - Administration Strategy Statement
>   - A full actuarial valuation to be carried out every third year
>   - Communications Strategy Statement

8.   Chief Internal Auditor's Internal Control Opinion

8.1   The system of internal control is designed to help the Council manage and control the risks which could affect the achievement of the Council's objectives. However it is not possible to eliminate all risks completely.

8.2   This means that Internal Audit can only provide 'reasonable' assurance that the systems of internal control within the areas of the Council reviewed are operating adequately and effectively.

8.3   A pleasing trend which has been identified for the past two years of an increase in the number of audits receiving a high level of assurance has continued this year. There has also been a small decrease in the number of audits with a substantial, moderate or limited level of assurance.

8.4   There are 14 audits which are classed as fundamental audits. The fundamental audits are the systems that are considered to be so significant to the achievement of the Council's objectives that they are audited ether annually or bi-annually. Following the audits completed in 2018/19, 12 of the 14 fundamental audits have a high level of assurance, one has a substantial level of assurance (Accounts Payable) and one has a moderate level of assurance (Accounts Receivable). It is disappointing to note that one of the fundamental audits received a moderate assurance rating in 2018/19. The reasons provided by the service for the weaknesses identified in this area were in relation to reduced resources. As noted in the previous Internal Audit Annual Report, continuity and maintenance of core grip with changing, and more often diminishing, resources was a recognised clear challenge across the Authority and this continues to be the case.

8.5   Despite this, it should be noted that of the 14 fundamental audits, 12 have a high assurance level and one has a substantial assurance level. In addition, the

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increase in the number of audits receiving a high level of assurance in the overall audit universe and the results of the work undertaken in 2018/19 provides reasonable assurance that across the Authority, the systems of internal control are operating effectively.

8.6   Throughout the year, a significant amount of effort has been directed at further strengthening the systems of risk management across the Authority. Audit Committee now have access to the Corporate Risk Register and also receive regular update reports from the Strategic Delivery and Performance Manager outlining the status of key risks to further strengthen assurance in this area. The Corporate Management Team and Risk Owners have also reviewed the risk register entries regularly throughout the year to ensure the register is up to date and all mitigating controls have been captured and remain effective.

8.7   In addition, the appointment in year of the Deputy Chief Executive, tasked with overarching responsibility for ensuring existing corporate governance arrangements are effective, has further strengthened assurances in this area.

8.8   Overall, based on the work undertaken in 2018/19, I am satisfied that Internal Audit can provide reasonable assurance that the systems of risk management, internal control and governance established by the Council are operating effectively and that no significant weaknesses were identified in 2018/19 which would have a material impact on the Council's financial affairs or the achievement of its objectives.

9.   The **Audit Committee**

9.1   The Audit Committee considered the Annual Governance Statement with the Statement of Accounts on 13 August 2019.

9.2   Over the last year the Audit Committee has committed to progressing the necessary action to address any Wales Audit Office recommendations. The Committee has reviewed progress against those recommendations with the aim of developing and strengthening the Committee's effectiveness in fulfilling the Committee's terms of reference. Most notably the Committee received:
- A presentation by the Deputy Chief Executive that outlined the Council's Assurance Framework;
- The Council's Risk Register was received on 14 August 2018 and the Directorate Risk Register on 11 December 2018.

9.3   The presentation on the Assurance Framework and the reporting on the Council's risks is a significant step forward in improving the Committee's ability to reflect on the effectiveness of governance, risk management and control that supports and informs the Council's Annual Governance Statement.

9.4   The Committee has noted that the Risk Management process across the Council remains under development and officers are progressing to pilot a new

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electronic risk management process/system. However, the associated roll out of the new system and the delivery of training needs remains a challenge.

9.5 The Committee has received reports regularly from the Chief Internal Auditor, that included confirmation of the outcome of the External Quality Assessment of performance against the Public Sector Internal Audit Standards. The External Quality Assessor suggested the production of an assurance map as an improvement to the audit planning process. It is pleasing to report that the Chief Internal Auditor has progressed with this recommendation and reported in February 2019 the draft assurance map with the audit methodology for the development of the Internal Audit Annual Plan.

9.6 The Committee has noted that the Auditor General stressed that the Council must continue to risk assess its efficiency savings plans, to review and update its medium term financial strategy and to carefully monitor its reserves. The Audit Committee would like to see robust saving delivery plans from Directors/Heads of Service as an additional level of assurance.

9.7 It was noted that a recovery plan should be developed on how the Council plans to deal with overspends and that the Audit Committee should be provided with regular budget variation reports.

9.8 Looking forward to 2019/20, the financial challenges facing the Council will continue as will the need to increase performance. Within this context, the importance of an effective Audit Committee remains critical and the Committee is committed to enhancing its effectiveness through an ongoing training programme, delivering against the Wales Audit Office efficiency improvements and liaising with Officers to enhance the information that the Committee receives. The Committee will keep the Work Programme under regular review and will ensure that the Work Programme contains the critical challenges that the Council faces.

EXTERNAL SOURCES OF ASSURANCE

10. **External Auditors**

- The Wales Audit Office finalised their review of the 22 councils in Wales as to how fit for the future their scrutiny functions were. The "Overview and Scrutiny – Fit for the Future" report for Swansea issued in July 2018 summarised that "*the Council's scrutiny function is well-placed to respond to future challenges, but could improve arrangements for pre-decision scrutiny and strengthen its evaluation of the impact of scrutiny activity.*"

- The Wales Audit Office Annual Improvement Report 2017/18 was issued in September 2018 and based on the Wales Audit Office work carried out; the Auditor General believed that the Council was likely to comply with the requirements of the Local Government Measure 2009 during 2018/19.

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- The Wales Audit Office Use of Local Government Data was issued on 4 January 2019 with a number of recommendations including further training. The Council's Data Protection Officer is working on the recommendations including an action plan around improvements.

- The Appointed Auditor's **Annual Audit Letter 2017/18** was issued on 29 November 2018 and presented to the Audit Committee on 11 December 2018. The letter stated that the Council had made good progress in bringing forward the production of the financial statements. The letter also stated that *'The Auditor General for Wales is satisfied that the Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources but the Council continues to face significant financial challenges'.* The letter further adds that "*To achieve a balanced budget for 2019/20 the Council must continue to risk assess its efficiency savings plans and implement robust arrangements to secure their delivery".* No significant issues were identified on work carried out on certification of grant claims and returns that would impact on the 2017/18 accounts or key financial systems.

- The Wales Audit Office on behalf of the Auditor General for Wales presented the **Audit of Financial Statements Report 2017/18** to Audit Committee on 11/9/18 and to Council on 20/09/18. The report highlighted any significant issues to those charged with governance that needed to be considered prior to the approval of the financial statements. The Auditor General issues an unqualified audit report on the financial statements and the report concluded that the financial statements for both the City & County of Swansea and the City and County of Swansea Pension Fund gave a true and fair view of the financial position of the Council and had been properly prepared.

11. STATUTORY EXTERNAL INSPECTIONS/REGULATORS

The Council is subject to Statutory External Inspections by various bodies including ESTYN and Care Inspectorate Wales (CIW).

CIW inspected a number of services during 2018/19 including regional arrangements. They inspected services for children living in Swansea and published their report in October 2018. CIW found good quality practice with positive outcomes and identified areas for development and action to be monitored through ongoing performance review.

In October 2018 CIW also published a report into Foster Swansea Service which identified a well-managed service with quality assurance mechanisms in place. A number of recommendations for improvement were also made.

A Joint inspection took place of Youth Offending Services in Western Bay with a report published in March 2019 with a number of recommendations.

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The **Estyn** profile of school inspections for 2018-2019 is very positive in all sectors. The secondary profile is one of the best in Wales. Between the summer term 2018 and spring term 2019 11 schools were inspected by Estyn in Swansea. 10 schools were judged to be good or excellent in all the five areas that are inspected under the current framework. One school was judged adequate in the area of leadership and management but good in all other areas and is under Estyn review as a result. All inspection results and recommendations as well as other intelligence is discussed in monthly PFM meetings and appropriate support and challenge through the advisory team is identified as a result.

In February 2019 the Swansea Pupil Referral Unit (PRU) was inspected by Estyn who noted that the PRU provides a nurturing and supportive learning environment, which meets the wide range of pupil needs well. Standards, well-being, teaching and learning, care and support and leadership were all judged as good.

Estyn made two recommendations. Firstly to ensure that teachers make effective use of assessment outcomes to plan suitable next steps in their pupils' learning and to inform their individual education plans. Secondly to improve the provision to develop pupils' Welsh language skills across the curriculum, particularly for those transferring from Welsh medium schools. The PRU will continue to be accountable to the Management Committee and EOTAS Steering Group to ensure the vision for improved services for learners educated otherwise than at school is implemented and outcomes are improved further.

Overall the picture for Swansea compared to other authorities is very positive and against the trend of inspection results across Wales.

CORE EVIDENCE

12.   Council & Cabinet
The following provide assurance based on reports covering 2018/19. In some instances reports from 2017/18 are reflected in the Annual Governance Statement as the reports for 2018/19 are not yet available

- Council adopted a revised Corporate Plan 2018/22 *Delivering a Successful and Sustainable Swansea* on 25 October 2018. The annual review of the Well-being Objectives resulted in the addition of a sixth Objective – *Maintaining and enhancing Swansea's Natural Resources and Biodiversity* which aligns with the Public Service Boards' Well-being Objective "Working with Nature". The Corporate Plan sets out the Council's values and principles underpinning the

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delivery of the objectives and sets out how the Council will monitor progress through quarterly and annual performance monitoring reports.

- Performance on delivery of the Council's Well-being Objectives is monitored quarterly by Cabinet. Quarterly Reports contain outturn compliance with performance indicators and an overview of performance for each Objective provided by Directors/Heads of Service. The End of Year Performance Monitoring Report for 2017/18 was presented to Cabinet in July 2018.

- The Annual Review of Performance 2017/18 was approved by Cabinet on 18/10/18 in accordance with the publishing requirements of the Local Government (Wales) Measure 2009. The report showed the results of each performance measure for the 5 Key Priorities ('Improvement Objectives') set out in the Corporate Plan 2017/22. The results showed that overall the Council has made significant progress undertaking the steps to meet its Well-being Objectives but that there were areas for development and lessons learnt.

- The Corporate Complaints Policy is in line with the Welsh Government Model Complaints Policy and was in place throughout 2018/19. It enables the public to tell the Council what they think about services. The Corporate Complaints Annual Report 2017/18 was presented to Cabinet on 17/1/2019. The report reflects the greater emphasis on prompt resolution of complaints and includes compliments about services. Whilst the total of complaints to the Public Service Ombudsman for Wales increased from 54 to 62 only 1 was upheld, 10 were resolved by quick fix/voluntary settlement, 1 was not upheld and the remaining referrals were either out of jurisdiction, premature or closed after initial consideration. There was an assurance that there were no s 16 Public Interest reports during the year.

- The Audit Committee Annual Report 2017/18 was presented to Council on 25/10/18 and outlined the assurance the Committee had gained over control, risk management and governance from various sources over the course of 2017/18. In particular, the report focused on the Performance Review facilitated by the Wales Audit Office and the key findings forming part of an ongoing Action Plan.

- The Equality Review Report 2017/18 was reported to Cabinet on 20 September 2018, which highlighted progress against the Equality Objectives. The report highlighted work linked to the core principles i.e. co-production, engagement and embedding of children's rights.

- The Welsh Language Annual Report 2017/18 went to Cabinet on 21 June 2018 and reflected progress and compliance on the 169 Welsh Language Standards with which the Council has to comply. The report contained an overview of activity and how the Council internally promotes the Welsh Language Standards with tools and information.

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- There were a number of key reports presented to Cabinet/Council during 2018/19 including The Local Development Plan, which was approved by Council on 28 February 2019, and the Homelessness Strategy and Action Plan 2018-22 approved by Cabinet on 15 November 2018.

13.   Committees

1.1   The **Scrutiny Programme Committee and Panels** met throughout 2018/19 and were supported by the Scrutiny Support Team. The **Scrutiny Annual Report 2017/18** was presented to Council on 25/10/18. The report highlighted the work carried out by Scrutiny, showed how Scrutiny had made a difference and supported continuous improvement for the Scrutiny function. The Scrutiny Programme Committee met on 16 occasions. In total, there were 91 panel and working group meetings during the year with 2 Inquiries relating to Equalities and the Natural Environment. Two Inquiry Panels reconvened to follow up actions agreed by Cabinet – CAMHS and Tackling Poverty. There was also pre decision scrutiny undertaken on a number of Cabinet reports and a high level of councillor commitment. The Council Constitution was also amended to provide for Call-in of Cabinet decisions by Scrutiny. The Call-In procedure was used on one occasion.

- There are well established links between the scrutiny function and Estyn, in respect of Education Services and School Improvement, and similarly with CIW (Care Inspectorate Wales), in respect of Audit Services and Child & Family Services. Scrutiny Performance Panels are routinely provided with relevant reports from Estyn and CIW, and are discussed as required. In November 2018 the Scrutiny Programme Committee agreed that Wales Audit Office reports should go to scrutiny and support the developing relationship. All Wales Audit Office local performance audit reports and relevant national Wales Audit Office reports (those with implications for local government) are included in the Scrutiny Work Programme and there is co-ordination with the Audit Committee. Regional scrutiny continues with ERW and City Deal.

- The **Standards Committee** met on 3 occasions during 2018/19 and the **Standards Committee Annual Report 2017/18** was presented to Council on 20/9/18. The Committee is chaired by an independent person and is responsible for monitoring the ethical standards of the authority and maintaining the highest standards of conduct by elected councillors. The Committee commenced discussions with the Political Group Leaders as to ethical values within the council and this work is largely finalised and hopefully will form part of the Annual Report for 2018/19. The Standards Committee were also instrumental in ensuring the Ombudsman's Code of Conduct Casebook was considered and circulated to all members by the Monitoring Officer. There were only 6 cases of alleged breach of the code of conduct referred to the Ombudsman with 5 not investigated and one where no evidence was found of failure to comply. The Members Internal Dispute Resolution Process has not yet been utilised, underpins the strong commitment to, and provides assurance that the Council's Code of Conduct is adhered to.

- The **Audit Committee** met on 10 occasions during 2018/19 and followed a structured work-plan, which covered all areas of the Committee's responsibilities with the aim of obtaining assurance over the areas included in its terms of reference. The Committee includes a lay member who is also the Chair of the Committee. The Committee receive all Wales Audit Office reports once reported to Scrutiny Programme Committee. The Committee may decide to track or prioritise specific proposals or recommendations in addition to the oversight provided by Scrutiny. This arrangement provides additional assurance that the Council responds and puts in place action plans to address any recommendations. The Committee also receives quarterly updates on the overall status of risk within the Council to give assurance that the risk management process is being followed. The Committee have chosen to track 3 corporate risks – Financial Control & Sustainable Swansea, City Centre and Decision to leave the EU monthly.

- During 2015/16 the governance structure for the Pension Fund was amended to include the Local Pension Board, in compliance with the Public Service Pensions Act 2013. The role of the Board is to assist the Council as Scheme Manager and Administering Authority to secure compliance with LGPS regulations and other legislation relating to the scheme. Terms of Reference for the Board were established and appropriate Board members were appointed. The Board convened meetings on 6 occasions during 2018/19.

- The **Pension Fund Committee** met on 6 occasions during 2018/19 and dealt with all issues relating to the governance of the Pension Fund. The Chair of the Pension Fund Committee also represents the Council on the Joint Governance Committee of the Wales Pension Partnership, a collaborative working arrangement between the 8 local government pension funds in Wales.

  The **Democratic Services Committee** met on 3 occasions and considered the Social Media Guide for Councillors, the Councillors' Handbook and Personal Safety.

Significant Governance Issues

The following table shows the significant governance issues which were identified during the review of effectiveness undertaken when preparing the Annual Governance Statement **2017/18** and the action taken during the year to address the issues.

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Issue	Action Taken
1. Budgetary pressures within the Council. The Council is facing unprecedented financial pressures and budget savings have to be made by departments in a timely manner.	• The budget position is tracked on a monthly basis at P&FM, CMT and FSTG to monitor progress and highlight risk. • The sustainable development principals within Sustainable Swansea – Fit for the Future is embedded in to the budget setting process • The introduction of the reshaping board to further challenge for non delivery of savings • Linked to corporate risk CR80.
2. **Sustainable savings** – there needs to be full consideration and robust business case underpinning savings proposals particularly relating to staff cuts. With wellbeing of future generations in mind sustainability of service, delivery together with mitigation of risks should be part of any proposals.	• CMT/Cabinet consider savings proposals in the context of equality impact assessments and well-being of future generations assessments so that any service delivery implications are assessed and monitored • Any risk associated with any saving proposal would be highlighted on the risk register as appropriate.
3. **Regional working**– with collaboration/merger on national agenda going forward it is essential that not only are governance issues around regional working appropriate and transparent but also that regional working benefits CCS.	• Governance arrangements around regional and collaborative working are considered with advice from the legal/finance departments and associated governance documentation being drafted. • An Annual report on Regional Working will be presented to Cabinet and will include reference to the benefits to CCS. This will include City Deal, Western Bay

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	and ERW and any new regional collaborations.
4. **Workforce capacity and performance-** Directorates have seen a reduction in staff resources and it is essential that workforce performance is monitored through an effective system of appraisal which supports and upskills existing officers.	• This is achieved by ongoing staff development through workforce planning and an appraisal system to ensure staff are performing and are being supported in their role • Where appraisals are not undertaken there are regular 1-2-1's and support to staff
5. **Delivery of Leisure Partnership Report** to be done on an annual basis. This should include reference to activity with other entities within the group structure as part of the review of effectiveness of the system of internal control.	A combined Annual Leisure Partnership Report for 2015/16 and 2016/17 was reported to Council in July 2018.
6. **Major projects** – significant officer time will continue to need to be dedicated to major projects to ensure transparency around decision making and good governance.	There was revised programme management around Sustainable Swansea, City Deal, City Centre Regeneration, 21st Century Schools and other significant projects with reporting to CMT by exception including the following project boards: - Regeneration Programme Board - Housing Futures Programme Board - Property Investment Board - 21st Century Schools Project Board

The following table identifies issues which have been identified during the review of effectiveness, and also highlights any other significant governance issues that need to be considered, together with the proposed actions to be taken during **2019/20** to address the issues.

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Significant Governance Issue linked to Framework	Action to be taken
Maintaining sufficient financial discipline (revenue service spending) to deliver Corporate Objectives and Sustainable Swansea (red risk on Corporate Register) The Council will continue to face unprecedented financial challenge. It is essential that approved service savings are made in a timely way with full risks and impact being understood.	• Launch of Reshaping Board to monitor and challenge failure to deliver savings/overspending by Heads of Service • Robust challenge by CMT/Corporate Directors through P&FM • Development of an integrated impact assessment approach to inform budget decisions and longer term sustainability of service provision.
Engagement and communication The views of the public, service users, staff and external partners must be taken into account in decisions impacting upon them. It is essential that there are sufficient structures in place to encourage and enable public participation.	• Ensure that there is adequate resources to enable participation • A renewed Engagement and Consultation Strategy • Develop a Co-Production Strategy • An integrated Impact Assessment process embedded in decision making around budget savings (to include Equality implications and Well-being of Future Generations considerations)
Performance Reviews Whilst there is a strong performance management system with regular supervision/training of staff evidenced across the authority there is evidence of inconsistency associated with the IT appraisal use.	• Review the corporate appraisal system to ensure it is fit for purpose
Project Governance It remains the position that significant officer time will need to be dedicated to major projects with which the Council is involved. Consideration will need to be given to adequately resourcing project teams to ensure strong and transparent governance arrangements are in place.	• All project leads should consider in advance the requirement for legal/finance/other input and ensure sufficient resources are made available for such assistance • Organisational capacity must be considered in preparation of business cases for project delivery • Significant project risks to be reported to CMT
Decision to Leave the European Union	• Formation of Brexit Steering Group • Testing/Review of Business Continuity Plans

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Any consequences of leaving the European Union will have to be planned, monitored and managed.	• Communication with partners/ stakeholders
Partnership/Collaboration/Regional Working Governance As there is increased drive for partnership/regional working the council will need to focus on ensuring the appropriate governance arrangements and benefit to Swansea residents.	• Ensuring adequate governance arrangements are in place • Reports to CMT/Cabinet/Council where appropriate reflecting on governance and benefit • Ensuring adequate scrutiny and audit arrangements are in place • Robust business case consideration

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed ……………………………..   Chief Executive

Date   …………………………….

Signed……………………………..   Leader

Date   …………………………….

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Report of the Chief Auditor

Special Audit Committee – 16 September 2019

Audit Committee – Action Tracker

Purpose:	This report details the actions recorded by the Audit Committee and response to the actions.
Report Author:	Simon Cockings
Finance Officer:	Simon Cockings
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

1.1 During the course of Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.

1.2 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.

1.3 The Action Tracker records the actions agreed by the Audit Committee and provides an outcome for each action.

1.4 The Action Tracker for the 2017/18, 2018/19 and 2019/20 municipal years are attached in Appendix 1, 2 and 3.

1.5 The Action Tracker is regularly updated and any completed actions will be marked 'CLOSED' and coloured in grey.

1.6 The Action Tracker is reported to each Audit Committee meeting for information.

2.   Equality and Engagement Implications

2.1   The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2   There are no equality and engagement implications associated with this report.

3.   Financial Implications

3.1   There are no financial implications associated with this report.

4.   Legal Implications

4.1   There are no legal implications associated with this report

Background Papers: None

Appendix 1 – Action Tracker 2019/20
Appendix 2 – Action Tracker 2018/19 (Closed actions removed)
Appendix 3 – Action Tracker 2017/18 (Closed actions removed)

| AUDIT COMMITTEE ACTION TRACKER 2019/20 ||
Action	Outcome
11/06/19 Min 5 – Service Centre Accounts Receivable Update	
A follow-up report should be provided to Audit Committee within 6 months, the scope should include the decentralised process.	
11/06/19 Min 6 – Audit Committee Training Programme 2019/20	
The Chair/ Democratic Services report an amended Training Programme to the next scheduled meeting.	
All future committee training requirements and arrangements will be the responsibility of Democratic Services.	

Appendix 2

| AUDIT COMMITTEE ACTION TRACKER 2018/19 ||
Action	Outcome
09/04/19 Min 86 – Wales Audit Office 2019 CCS Audit Plan	
WAO is to provide an update report on performance work and also any issues from the assurance and risk assessment scoping exercise in the next Municipal year.	
09/07/19 Min 89 – Revenue and Capital Budget Monitoring	
Revenue and Capital budget monitoring is to be a regular item on future Committee agendas.	
12/02/19 Min 80 – Audit Committee Action Tracker Report	
An update to be provided on the use of supply / agency staff by schools and establishing the spend against supply / agency costs.	Principal Finance Partner for Schools agreed to provide this information via the PSO's. Information has been received. Chair has requested a report from Head of Commercial Services in relation to Supply Procurement. Update: New National Procurement Service Framework for the provision of Supply Teachers and Education Temporary Workers has been finalised. Introduced from 01/08/19/.
11/12/18 Min 59 – Overview of the Overall Status of Risk – Quarter 2 2018/19	
The contents of the Risk Register requires enhancement.	Currently under review. New Risk Management system currently being developed which should address this.

AUDIT COMMITTEE ACTION TRACKER 2017/18	
Action	**Outcome**
08/03/18 Min 68 – Amendments to Contract Procedure Rules	
Once the amendments to the Contract Procedure Rules have been finalised, a copy should be forwarded to all Schools' Governing Bodies to make them aware of the changes. Schools are also to be requested to ensure the amended CPRs are included as an agenda item on the next Finance Committee and Building/Property Committee Meeting.	Amended Contract Procedure Rules are currently going through a consultation process. Chief Auditor discussed proposed amendments with Head of Commercial Services on 30/07/18. Update from Head of Commercial Services 17/05/19 – The proposed changes to the Contract Rules have been agreed in principle; there has also been additional dialogue regarding other parts of the Constitution (which impact on the award of contracts) to ensure coherence with the new rules, resulting in some further / consequential changes which again have been agreed in principle. The document has been submitted to our Democratic Services team who will now take the revised rules to the Council's 'Constitutional Working Group' and then to full Council for sign-off, so hopefully all will completed soon. Once sign-off process is complete the amended version will be provided.

Report of the Head of Democratic Services

Special Audit Committee – 16 September 2019

Audit Committee – Workplan 2019/20

Purpose:	This report details the Audit Committee Workplan to May 2020
Report Author:	Jeremy Parkhouse
Finance Officer:	Simon Cockings
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar
For Information	

1.   **Introduction**

1.1   The Audit Committee's Workplan to May 2020 is attached in Appendix 1 for information.

1.2   The dates included for the meetings in 2019/20 were approved by Council on 28/03/19.

2.   **Equality and Engagement Implications**

2.1   The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2   There are no equality and engagement implications associated with this report.

3.   Financial Implications

3.1   There are no financial implications associated with this report.

4.   Legal Implications

4.1   There are no legal implications associated with this report.

Background Papers: None

Appendix 1 – Audit Committee Workplan 2019/20
Appendix 2 – Audit Committee Statement of Purpose
Appendix 3 – Performance Review 2017/18 Action Plan

Audit Committee Workplan 2019/20

Terms of Reference	11 June 2019	13 August 2019	16 September 2019	8 October 2019	10 December 2019	11 February 2020	14 April 2020
Training		Financial Management & Accounting		External Audit Risk Management	Internal Audit	Counter Fraud	Governance
Governance and Assurance	Election of Chair & Vice Chair Audit Committee Training Programme 2019/20 Audit Committee Terms of Reference	Draft Annual Governance Statement Progress addressing WAO Recommendations relating to Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities. (For Information) Progress in implementing the Recommendations of the Wales Audit Office Review of Housing Adaptations in Wales Report. (For Information) Wales Audit Office Report - Local Government Services to Rural Communities. (For Information)	Annual Governance Statement Draft Audit Committee Annual Report 2018/19 Progress addressing WAO Recommendations relating to Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities. (For Information) Progress in implementing the Recommendations of the Wales Audit Office Review of Housing Adaptations in Wales Report. (For Information) Wales Audit Office Report - Local Government Services to Rural Communities. (For Information) Local Government Services to Rural Communities. (For Information)	Chair of Scrutiny Programme Committee Audit Committee Annual Report 2018/19 Audit Committee Review of Performance 2018/19 Action Plan - Draft	AC Performance Review 18/19 Action Plan Update	AC Performance Review 18/19 Action Plan Update	AC Performance Review 18/19 Action Plan Update
Internal Audit	Internal Audit Annual Plan 2018/19 - Monitoring Report for the Period 1 January 2019 to 31 March 2019 Service Centre - Accounts Receivable - Update at May 2019	Internal Audit Annual Report 2018/19 Internal Audit Annual Plan 2019/20 Monitoring Report For the Period 1 April 2019 to 30 June 2019 Internal Audit Recommendation Follow-up Report Q1 2019/20	Internal Audit Annual Plan 2019/20 Monitoring Report For the Period 1 April 2019 to 30 June 2019. Internal Audit Moderate Rating Follow Up Report - Young People's Services 2019/20. (Verbal)	Annual Report of School Audits 2018/19 Director of Education response to Schools Audit Report	Internal Audit Monitoring Report Q2 2019/20 Recommendation Tracker Report 2018/19 (for both IA and EA recommendations)	Internal Audit Monitoring Report Q3 2019/20 Internal Audit Annual Plan Methodology Report 2019/20	Internal Audit Charter 2020/21 Internal Audit Annual Plan 2020/21 Social Care Contracts Update

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		Internal Audit Moderate Rating Follow Up Report - Young People's Services 2019/20. (Verbal)	Internal Audit Recommendation Follow-up Report Q1 2019/20				
Risk Management & Performance	Overview of the Overall Status of Risk Report Q4 2018/19 Corporate Risk Policy & Framework	Overview of the Overall Status of Risk Report Q1 2019/20		Performance management framework Partnership performance WAO Proposals for Improvement Report – Six Month Update	Overview of the Overall Status of Risk Report Q2 2019/20 Digital Strategy – progress and performance. WAO Local Government Use of Data Report – CCS	WAO Proposals for Improvement Report – Six Month Update Overview of the Overall Status of Risk Report Q3 2019/20	Local Government Use of Data Report - CCS
Counter Fraud				Corporate Fraud Annual Report 2018/19			Corporate Fraud Annual Plan 2020/21
Operational matters / key risks				Update on Internal Control Environment (incl risk management) – Director of Education	Update on Internal Control Environment (incl risk management) – Director of Social Services	Update on Internal Control Environment (incl risk management) – Director of Place	Update on Internal Control Environment (incl risk management) – Deputy Chief Executive and Director of Resources
External Audit		Draft ISA 260 Report City and County of Swansea - Audit Enquiries to Those Charged with Governance and Management.	Wales Audit Office - Review of Audit Committee Effectiveness	Wales Audit Office Recommendations Following Review of Audit Committee Effectiveness	WAO Annual Audit Letter 2017/18	WAO Grants Report 2017/18	Audit Committee Review of Performance 2018/19 WAO Annual Audit Plan 2018/19 CCS & Pension Fund
Financial Reporting		Draft Statement of Accounts 2018/19 – CCS Revenue Financial Outturn 2018/19		Budget Report Treasury Management Strategy Report & Mid-Year Update Treasury Management	Budget Report Review of Reserves Report Trusts & Charities Report 2018/19 Treasury Management Annual Report 2018/19		Budget Report

Note: Audit Committee Action Tracker Report and Audit Committee Workplan will be included as agenda items at each meeting. An update from WAO will also be on the agenda for each meeting.

Reports Carried Over to 2020-2021 Municipal Year

Terms of Reference	Report Title
Risk Management & Performance	Overview of the Overall Status of Risk Report Q4 2019/20

Audit Committee Statement of Purpose

1. Our audit committee is a key component of the City and County of Swansea's corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

2. The purpose of our audit committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City and County of Swansea's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

3. To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

4. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.

5. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

6. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

7. To monitor the effective development and operation of risk management in the Council.

8. To monitor progress in addressing risk related issues reported to the committee.

9. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

10. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.

11. To monitor the counter fraud strategy, actions and resources.

Internal Audit and External Audit

12. To approve the internal audit charter and resources.

13. To consider the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

14 To consider summaries of specific internal audit reports as requested.

15. To consider reports dealing with the management and performance of the providers of internal audit services.

16. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

17. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

18. To consider specific reports as agreed with the external auditor.

19. To comment on the scope and depth of external audit work and to ensure it gives value for money.

20. To commission work from internal and external audit.

Financial Reporting

21. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

22. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability Arrangements

23. To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee is meeting its purpose.

Note: Audit Committee Statement of Purpose extracted from the Council's Constitution (31.01.18).

KEY FINDINGS & PROPOSED ACTON PLAN
AUDIT COMMITTEE PERFORMANCE REVIEW 2017/18

Key Finding	Proposed Actions	Target Date	Progress Update 30/04/19
Assurance Framework – The Audit Committee needs clarity on the Council's Assurance Framework.	Audit Committee to be provided with a report that outlines the governance and assurance arrangements operating across the Council. **Lead Office: Chief Executive**	September 2018	**Complete** Presentation by the Deputy Chief Executive to Audit Committee covering Governance Framework was provided on 09/04/19.
Risk Register – The Audit Committee needs to see the detail behind the Corporate Risk Register.	Corporate Risk Register to be reported to Audit Committee at future meetings. **Lead Officer: Strategic Delivery & Performance Manager**	August 2018	**Complete** Committee received register details on 14/08/18.
Annual Governance Statement (AGS) – The Audit Committee would like to see the AGS separated from the Annual Accounts and a draft copy sent to them for comment prior to approval.	Annual Governance Statement received at the July 2018 meeting and comments made by members. The Chair also met with Officers after the meeting to highlight further queries. The Annual Governance Statement to be brought back to Audit Committee as a second draft. **Lead Officer: Head of Legal, Democratic Services & Business Intelligence**	September 2018	**Complete** AGS was presented to Committee separated from the Annual Accounts on 17/17/18. Amended version was distributed to Members on 13/08/18. Special Meeting was arranged to discuss and approve final amended version of the AGS on 23/08/18.
Benchmarking – The Chair has provided benchmarking detail to Internal Audit (from other Councils) but there are no plans to visit and meet with other Audit Committees: i) Consider how to best use this benchmarking information. ii) Consider visits to other audit committees to search for good practice.	The Corporate Management Team will consider this further and update the Audit Committee. The Chair has asked for arrangements to be made to visit Cardiff Audit Committee. **Lead Officer: Head of Democratic Services**	December 2018 September 2018	**Ongoing** **Completed** Visit took place 13/11/18 – Chair, Vice Chair and Chief Auditor attended.

Key Finding	Proposed Actions	Target Date	Progress Update 30/04/19
Council Objectives – The Audit Committee would like to see the amount of over-run and deferred audits to be included in the AGS.	As noted above comments and queries will be progressed/actioned by the Head of Legal, Democratic Services & Business Intelligence and the Governance Group. **Lead Officer: Head of Legal, Democratic Services & Business Intelligence**	September 2018	**Complete** Amended version of the AGS included commentary to reflect this, as approved by Committee on 23/08/18.
Partnerships – Review the mechanisms for assessing and scrutinising the risk associated with partnerships.	Audit Committee to be provided with a report that outlines the mechanisms for assessing and scrutinising the risks associated with partnerships. **Lead Officer: Chief Executive / Head of Legal, Democratic Services & Business Intelligence.**	December 2018	**Ongoing**
Reporting – produce a programme of expected external reports for Audit Committee to receive.	Known expected external reports will be added to the Audit Committee Work Programme. **Lead Officer: Strategic Delivery & Performance Manager.**	December 2018	**Ongoing** Reports will be added to the Audit Committee agenda for information as they arise.
Recommendations – produce a tracker for the recommendations that arise from the work of internal and external audit so that Audit Committee can effectively monitor progress.	Tracker for recommendations to be developed that will capture internal and external recommendations. To be discussed with Chief Auditor and Chief Finance Officer. **Lead Officer: Chief Auditor, Chief Finance Officer**	December 2018	**Ongoing** Report provided to Committee outlining the method of tracking internal and external audit recommendations on 11/12/18.

Key Finding	Proposed Actions	Target Date	Progress Update 30/04/19
Wales Audit Office (WAO) escalation process – clarify the process the WAO uses to escalate actions when recommendations have not been completed.	WAO to explain the process at the next Audit Committee Meeting. Lead: Wales Audit Office	September 2018	WAO Response received 22/08/18 for discussion: **There is no formal process as such. The process is to agree actions with service managers and directors. If we have any problems with agreement or progress we will escalate to the Chief Executive. If we still have issues we will then raise with the Audit Committee Chair Audit Committee.**
Meeting with WAO – consider who should attend meetings with the WAO as external auditor (just the Chair or the whole committee).	To be discussed by Committee. Lead: Chair of the Audit Committee	September 2018	WAO Response received 22/08/18 for discussion: **This is a decision for the Audit Committee although as a minimum we would expect at least an annual meeting with the Chair. We are happy to meet the Chair and the Committee or a combination of both during the year. As per comment above, if we feel it is necessary we will request an ad hoc meeting with the Chair or the full Audit Committee.**

Cyngor **Abertawe**
Swansea Council

Report of the Cabinet Member for Care, Health and Ageing Well

Adult Services Scrutiny Performance Panel – 16th April 2019

Progress addressing WAO Recommendations relating to Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities

Purpose	- To provide an overview of the WAO report and recommendations. - To highlight actions taken by Adult Services to address recommendations.
Content	This report includes a summary of the context and methodology used to produce the WAO report and conclusions and a summary of how Swansea is performing against the recommendations.
Councillors are being asked to	Endorse the conclusion of the report
Lead Councillor(s)	Cabinet Member Mark Child
Lead Officer(s)	Deborah Reed (Interim Head of Service)
Report Author	Peter Field Principle Officer Adult Services Commissioning Peter.Field@swansea.gov.uk 07832 187128

1. Background

1.1 In May 2018 the Welsh Audit Office published a report on arrangements for commissioning accommodation services for people with learning disabilities. The findings published were based on:

● Analysis of performance indicator returns and budget data available online at the Office for National Statistics and Stats Wales and population projections produced by the Institute of Public Care for the Welsh Government.

● Local authority and housing association fieldwork during 2016-17 which involved discussions with staff and elected members at City of Cardiff County Council; Ceredigion County Council, Wrexham County Borough Council; Rhondda Cynon Taf County Borough Council;` and Anglesey County Council

● Completion of a survey with senior managers with responsibilities within local authorities for learning disability services.

1.2 Swansea Council was not involved in sharing information with the Audit Office and did not contribute to producing the final report. None of the conclusions in the report are based on Swansea Council submissions or evidence of Swansea Council practice.

2. WAO Conclusions

2.1 The WAO concludes that local authorities are generally meeting the accommodation needs of adults with learning disabilities, but existing commissioning arrangements are unlikely to be fit for purpose. The report separates its conclusions into 3 main areas.

1.The approach to commissioning accommodation for people with learning disabilities is potentially unsustainable.

● The number of people with learning disabilities provided with accommodation by local authorities is growing and current authority provision is keeping step with demand. The changing profile of demand raises some challenges for authorities in the future.

● Expenditure on learning disabilities accommodation services have grown in recent years and authority investment has kept pace with demand. However, it is difficult to determine why there is a wide variation in authority spending.

- At an all Wales level provision is keeping step with projected growth but a third of authorities face major choices in how they address future accommodation demand.
- Current levels of expenditure on learning disabilities accommodation services is insufficient to keep pace with inflation and growing demand.

<u>2. Local authorities generally do not have effective arrangements to commission accommodation services for people with learning disabilities.</u>

- Not all local authorities have developed strategic commissioning options in line with Welsh Government guidance and the introduction of the Social Services and Well-being (Wales) Act 2014.

- Commissioning strategies are not always resulting in cost effective service options that meet the needs of people with learning disabilities

- Regional joint working between local authorities is steadily developing, but engagement with Health Boards is variable 32

- Resources to support planning and commissioning of services vary widely 34

- Local authority engagement is not always responding to the needs of people with learning disabilities and their carers 36

<u>3. Ineffective evaluation of outcomes for learning disability services means local authorities are not always able to demonstrate the positive impact of their accommodation commissioning choices.</u>

- Many local authorities have not set clear outcome measures to judge the impact of their commissioning activity.

- Variable oversight and scrutiny of performance hinders evaluation.

3.   WAO Recommendations

3.1   The WAO report sets out 6 overarching recommendations to assist local authorities to address the areas highlighted in the report.

<u>Recommendation 1.</u>

People with a learning disability have a right to live independently. The last 50 years have seen significant changes in the provision of accommodation and support. Service provision has moved to a model that enables people to live in the community in ordinary houses throughout Wales. The WAO recommends;

- that local authorities continue to focus on preventing people becoming dependent on more expensive placements in care homes by providing

effective support at home and range of step up accommodation by: improving the evaluation of prevention activity so local authorities understand what works well and why;

● utilising the mapping of prevention services under the Social Services and Well-being (Wales) Act 2014 that covers other agencies and service providers;

● Improving the signposting of additional help so carers and support networks can be more resilient and self-reliant. This should include encouraging carers to make long-term plans for care to maintain and protect their dependant's wellbeing; and

● sharing risk analysis and long term planning data with other local authorities, service providers, and partners to agree a shared understanding of the range of options.

Recommendation 2.

Population projections show that the number of people with a learning disability will increase in the future, and those aged over 65 and those with a moderate or severe learning disability will rise significantly. The WAO recommends;

● that local authorities improve their approach to planning services for people with learning disabilities by building on the Regional Partnership Boards population assessments for people with learning disabilities and agreeing future priorities.

Recommendation 3.

Welsh Government produced guidance to local authorities, entitled 'developing a commissioning strategy for people with a learning disability' to support authorities in producing strategic plans for the commissioning of learning disability services. In conjunction with codes of practice developed following the Social Services and Well-being (Wales) Act 2014, Welsh Government requires local authorities to develop integrated commissioning options with Local Health Board services. The aim is to provide a joined-up and cost-effective approach to the commissioning of services. The WAO recommends;

● that local authorities do more to integrate commissioning arrangements with partners and providers and take account of the work of the National Commissioning Board by:

- understanding the barriers that exist in stopping or hindering further integration;
- improving the quality of joint strategic plans for learning disability services;

- establishing investment models and sustainable financial structures, joint workforce planning and multi-year budgeting;
- developing appropriate governance and data sharing frameworks with key local partners that include a clear process for managing risk and failure.

<u>Recommendation 4</u>

Local authorities' engagement with people with learning disabilities and their carers is variable. Whilst many authority services have positive relationships with advocacy groups, some are less successful in involving these groups and carers in evaluating the quality of services (The WAO recommends that:

● local authorities do more to involve people with learning disabilities and their carers in care planning and agreeing pathways to further independence by:

  - consistently including people with learning disabilities and their carers in the writing, monitoring and development of care plans;
  - systematically involving carers and advocacy groups in evaluating the quality of services;
  - involving people with learning disabilities in procurement processes; and
  - ensuring communications are written in accessible and appropriate language to improve the understanding and impact of guidance and information.

<u>Recommendation 5</u>

Local Authorities could do more to involve service providers in commissioning and make the tendering process more effective by making it easier to navigate and more outcome focused. However, providers are not as effectively engaged as they should be. The WAO recommends:

● that local authorities collaborate with providers, the third sector and suppliers in understanding challenges, sharing data, and pooling expertise by;

  - improving the quality range, and accessibility of tendering information;

  - working with providers to shape local markets by coming to a common understanding of the opportunities, risks, and future priorities in providing learning disabilities services.

<u>Recommendation 6</u>

Most local authorities do not have effective arrangements to monitor and evaluate their commissioning of learning disability services. The WAO recommends:

- that local authorities develop a more appropriate set of performance indicators and measures of success that make it easier to monitor and demonstrate the impact of service activity by;

  - co-designing measures, service and contract performance indicators with service providers, people with learning disabilities and their carers;
  - ensure commissioners have sufficient cost and qualitative information on the full range of placement and care options available;
  - equipping commissioners with data to demonstrate the long term financial benefits of commissioning choices, this includes having the right systems and technology;
  - integrating the outcomes and learning from reviews of care plans into performance measures;
  - evaluating and then learning from different types of interventions and placements; and
  - including learning disability services in local authority scrutiny reviews to challenge performance and identify improvements.

4. The Position in Swansea and Progress against Recommendations.

4.1 Swansea Social Services has well developed commissioning processes and a comprehensive local strategy which explains how the accommodation needs of people with a learning disability will be met.

4.2 Broadly speaking the areas of concern highlighted in the WAO report are already addressed via the existing commissioning strategy and supporting arrangements.

4.3 A commissioning Review of LD services commenced in January of this year. This is examining suitability of current arrangements across all service types, including accommodation based services.

4.4 In relation to the recommendations made. The following features of our existing arrangements are helpful to highlight:

4.5 **Rec 1**. Local authorities continue to focus on preventing people becoming dependent on more expensive placements in care homes by providing effective support at home.

4.6 This premise is the basis of Swansea's commissioning strategy for all adults including people with a learning disability. In recent years expensive and inappropriate residential care home placements have been de-commissioned in favour of tenancy based options which are

less expensive for social services and promote more effective outcomes for service users.

4.7 **Rec 2**. The LD population will increase, particularly for those over 65. We recommend that local authorities improve their approach to planning services by building on the Regional Partnership Boards population assessments.

4.8 Our current demand analysis is based on the regional population assessment. This has highlighted gaps in our understanding of future demand and an action plan has been created to address these shortcomings (looking at alternative services as opposed to default) which is being progressed by the Learning Disabilities Commissioning Group.

4.9 **Rec 3**. We recommend that local authorities do more to integrate commissioning arrangements with partners and providers.

4.10 There are a number of existing arrangements which promote regional partner integration. This includes senior management governance and oversight of commissioned services (via the Adult Services Transformation Board and its various subgroups). Partners recognise there is room for improvement in this area and arrangements for pooling resources are being explored. A regional post is being created for this purpose. This will lead to development of more integrated arrangements for cost sharing, data analysis, longer term financial planning and development of more strategic commissioning options across all services including those which are accommodation based.

4.11 **Rec 4**. Local authorities' engagement with people with learning disabilities and their carers is variable. We recommend that local authorities do more to involve people with learning disabilities.

4.12 This is an area of our commissioning practice which in relation to LD services is particularly effective. Swansea commissions 2 external organisations to support us to engage LD service users and their families, and has a well-developed co-production approach which is implemented to ensure that people are engaged in the commissioning process. In relation to recommendation 4 the focus of our ongoing commissioning strategy is to ensure that commissioned Providers are able to successfully implement these practices on our behalf.

4.13 **Rec 5**. Local Authorities could do more to involve service providers in commissioning and do more to collaborate with Providers to understand challenges and risks.

4.14 The local authority is taking steps to improve in this area. Provider engagement events have been organised to help navigate procurement processes. Provider Forums and Co-production groups have been established. A risk management strategy group to manage potential

service disruptions and threats to service continuity has been set up. Further work is underway to establish a fees and costs group to minimise risk of service failure. A relational approach to contracting with emphasis on collaboration is being adopted where possible.

4.15 **Rec 6**. We recommend that local authorities develop a more appropriate set of performance indicators and measures of success that make it easier to monitor and demonstrate the impact of service activity.

4.16 This is an area where the authority acknowledges there is room for improvement. Current re-tendering arrangements address this by requiring Providers to develop performance monitoring arrangements and performance management data which commissioners can use to assess performance at service and strategic levels. A number of KPIs have been built into future contract requirements. Providers will need to demonstrate that services are achieving SSWBA duties relating to attainment of wellbeing outcomes.

5. Table of Progress Against WAO Recommendations

5.1 A more detailed table of recommendations and progress is set out at Appendix 1.

6. Conclusions

6.1 There are a number of areas in which the authority accepts that it is able to improve commissioning practice, the department is of the view that current commissioning arrangements, alongside the actions described are sufficient to address the recommendations highlighted in the report.

RECOMMENDATION	LEAD	COMMISSIONING ARRANGEMENTS IN SWANSEA	PROGRESS AND NEXT STEPS
R1 People with a learning disability have a right to live independently. The last 50 years have seen significant changes in the provision of accommodation and support. Service provision has moved to a model that enables people to live in the community in ordinary houses throughout Wales (paragraphs 1.3 to 1.10). We recommend that local authorities continue to focus on preventing people becoming dependent on more expensive placements in care homes by providing effective support at home and a range of step up accommodation by: improving the evaluation of prevention activity so local authorities understand what works well and why; utilising the mapping of prevention services under the Social Services and Well-being (Wales) Act 2014 that covers other agencies and service providers; improving the signposting of additional help so carers and support networks can be more	Mark Campisi (PO LD and MH Services)	Swansea is clear in its intention to support people with a learning disability in options that give people rights and promote citizenship. This has seen a shift in expenditure from residential forms of care to tenancy based options. Our recent Commissioning Strategy re-confirms this intention and sets out plans to reduce reliance on expensive forms of residential care as well as setting clear intentions to re-modelling supported living to ensure a sustainable future model (As part of Western Bay, providers of care homes have been migrated on to the Contractual National Collaborative Commissioning Framework. This encourages competition and better management of placement costs)

Our current model of supported living, while supporting people in ways that maximise citizenship, have not delivered progression and move on (step down) or community integration as well as we would have liked.

In particular the move from hospital to community care for many people with complex health conditions has highlighted issues of concern to social care. The involvement of Health services in the support to individuals with complex needs has not been as coordinated and seamless as we would have liked at times. Engagement by Health services in the care of disabled children and adults has often been disjointed and un-coordinated largely due to health service organisational change and resource reduction. This has often left social care services to manage and provide services which we believe are primarily health related. There are a large number of cases that LD and MH services are challenging Health over regarding their Primary health care status due to the complexity of their care needs and high levels of care required to support them in the community. The estimation is that there are around 45 individuals with care needs averaging £100,000 each per annum. This is a cost to social care of around £4.5 million annually. There is a targeted response to deal with this issue which is mirrored regionally and nationally. | Progress

Re-tendering of supported living accommodation under the new framework commenced in January.

Contract awards for 1st tranche of services scheduled for May 2019.

2nd Tranche August 2019

3rd Tranche December 2019

4th Tranche March 2020.

Progression issues have been addressed via revised contract specifications which require progression and community integration (an outcome measures will reflect this).

Re-tendering arrangements have been co-produced – SUs and families co-producing tender evaluation questions and model answers.

Development of co-produced outcome measures and the |

resilient and self-reliant. This should include encouraging carers to make long-term plans for care to maintain and protect their dependant's wellbeing; and sharing risk analysis and long term planning data with other local authorities, service providers, and partners to agree a shared understanding of the range of options.		To achieve improvements we are working collaboratively with providers on our framework to re-model supported living to focus on delivering outcomes, progression, peer support networks and community integration, lessening the reliance on formal, paid support.

Provision of respite and day/work related opportunities remain strategically important as services. These are key to enabling people to remain living at home with family carers, if this is what people want.

We are in the process of building a peer led, outcome based monitoring framework to support an improved understanding of the impact of the services we deliver and commission.

Our Local Area Coordinators are effectively supporting people to find no cost, low cost solutions in meeting their needs through strength based, community approaches that develops individual resilience and the impact of this approach is well understood.

Our current commissioning strategy maps all services, including prevention and early intervention services, to support a shift in focus away from formal services towards peer led, community based and universal alternatives. Day services are increasingly focused on becoming facilitators, rather than providers, supporting people to maximise the opportunities available to them through universal services.

We are co-producing activity within our commissioning strategy to address improved access to universal services, accurate and improved perceptions of people with a learning disability and support for carers to continue caring. | implementation of a peer led monitoring framework form part of tender requirements.

Next Steps

A review of residential care commissioning arrangements will commence in May 2019. This examine opportunities to de-commission residential care options, where appropriate.

Swansea Commissioning Groups will need to adapt so that performance management info relating to outcomes and other KPIs can shape our understanding of what is working well and what needs to change. |

		We use our local information system to aggregate individual planning information to support an understanding of need; most strategically in planning future accommodation services, where we work closely with housing providers and support providers in developing a range of accommodation and support options for people with a learning disability. We need to understand better, when we are unable to meet people's needs to strategically inform the future range of services. Our commissioning strategy highlights this and it is being addressed. A commissioning review of all LD services and processes is underway. This will compare performance of services, and commissioning arrangements against this recommendation to explore opportunities for further improvements.	
R2 Population projections show that the number of people with a learning disability will increase in the future, and those aged over 65 and those with a moderate or severe learning disability will rise significantly (paragraphs 1.3 to 1.10). We recommend that local authorities improve their approach to planning services for people with learning disabilities by building on the Regional Partnership Boards population assessments for people with	Mark Campisi (PO LD and MH Services Peter Field (PO Commissioning Adult Services)	Our local commissioning strategy was developed via local Co-Productive conversations but also drew heavily on the Western Bay population assessment and jointly agreed future priorities are captured within our strategy. The Commissioning Strategy Action Plan has been produced which addresses gaps in population information A model for standardising cost forecasting is being developed. This will consider the impact of population growth and the recommendations made relating to increased demand.	<u>Progress</u> An Action Plan has been produced which addresses gaps in population information. Predictions show us that we will see a small increase in the numbers of older people with a moderate or severe learning disability. Numbers are very low e.g. between 2015-2020 the growth is predicted to be 7 individuals. <u>Next Steps</u> Commissioning Review of LD services will identify further

learning disabilities and agreeing future priorities			opportunities to improve use of data for planning and commissioning purposes.
R3 Welsh Government produced guidance to local authorities, entitled 'developing a commissioning strategy for people with a learning disability' to support authorities in producing strategic plans for the commissioning of learning disability services. In conjunction with codes of practice developed following the Social Services and Well-being (Wales) Act 2014, Welsh Government requires local authorities to develop integrated commissioning options with Local Health Board services. The aim is to provide a joined-up and cost-effective approach to the commissioning of services but our review-highlighted weaknesses in current arrangements (paragraph 2.4 to 2.12). We recommend that local authorities do more to integrate commissioning arrangements with partners and providers and take account of the work of the National Commissioning Board by:	Mark Campisi (PO LD and MH Services) Peter Field (PO Commissioning Adult Services)	Local and regional commissioning plans have been produced and these have been developed in partnership with ABMU HB. Shared procurement frameworks are being used where possible (CCAPS). Opportunities to use shared tools for assessing needs and agreeing division of costs are being explored at a regional level. Pooled fund opportunities are being considered. Regional Governance arrangements exist for overseeing shared commissioning responsibilities. NCB proposals will be considered as part of ongoing commissioning review work which will assess opportunities to achieve further improvements. Difficulties collaborating with health have been highlighted at 1 above.	Progress Creation of a regional Pooled Fund Manager post to implement more integrated commissioning of services. This will involve developing arrangements for sharing costs via pooled budgets (supported by integrated budgeting; and developing appropriate governance and data sharing frameworks with key local partners and developing integrated commissioning strategies). 2 yr post to be advertised shortly. Next Steps Further actions to be agreed pending completion of LD commissioning reviews later in 2019.

understanding the barriers that exist in stopping or hindering further integration; improving the quality of joint strategic plans for learning disability services (see also paragraphs 3.11-3.14); establishing investment models and sustainable financial structures, joint workforce planning and multi-year budgeting; and developing appropriate governance and data sharing frameworks with key local partners that include a clear process for managing risk and failure.			
R4 Local authorities' engagement with people with learning disabilities and their carers is variable. Whilst many authority services have positive relationships with advocacy groups, some are less successful in involving these groups and carers in evaluating the quality of services (paragraph 2.18 to 2.20). We recommend that local authorities do more to involve people with learning disabilities and their carers in care planning	Mark Campisi (PO LD and MH Services)

Ffion Larsen (PO Professional Social Work Lead)

Lisa Banks (Planning | We have recently developed a new Social Work Practice Framework in Swansea to ensure that we deliver the requirements of the Social Services and Wellbeing Act through individual assessment arrangements. This will help to ensure that people are engaged more positively; that understanding their needs is strength based and outcomes focused and that preventative options are considered.

We have co-produced 'what a good assessment looks like' and are in the process of co-producing a handbook for people to prepare for their assessments and to understand what to expect. We wish to put people at the centre of their assessment and have voice and control in this process. We are building co-production into our contracts to support providers to work alongside people with a learning disability when producing care and support | Progress

People with learning disabilities have involved and will continue to be involved in the re-procurement of LD supported living services.

Conclude the development of the co-produced Peer led monitoring tool arrangements and develop contract management processes which enables Peer led monitoring information to inform |

and agreeing pathways to further independence by: consistently including people with learning disabilities and their carers in the writing, monitoring and development of care plans; systematically involving carers and advocacy groups in evaluating the quality of services; involving people with learning disabilities in procurement processes; and ensuring communications are written in accessible and appropriate language to improve the understanding and impact of guidance and information.	Officer LD services)	plans. This also includes providers building Co-Productive monitoring and evaluation processes to inform future service improvement. We commission Swansea People First to support people with a learning disability to engage, co-productively, in our commissioning activity and amongst other things, they are currently developing a peer led outcomes monitoring framework that to monitor how well local services are delivering the outcomes that matter to people in Swansea. We are developing our approach to involving people with a learning disability in procurement process. We have worked with Swansea People First to support the co-production of a new Supported Living Provider Framework, where people worked together to develop questions, model answers and evaluation criteria and also undertook an evaluation of potential providers. We are currently looking at how we can support people and their carers to be have a role when we re-commission supported living provision off this framework. We are working with legal and procurement colleagues to support the development of a legally compliant Co-Productive procurement process. We strive to provide easy read information as our recent communications on supported living re-modelling evidences but we have highlighted communication with people with learning disabilities and their carers, within our commissioning strategy, as an area for further improvement.	commissioners awareness if what is working well and what needs to change. Service Users are being supported to use Direct Payment arrangements to purchase services directly (rather than receive commissioned Care Implementing the action in the Commissioning Strategy around communication and information to ensure that we communicate the right information at the right times in an easy read format. This will result in a written compact which explains the communication process, principles and standards that will apply to LD services). Next Steps Adapt local LD commissioning groups to ensure that future commissioning decisions are based on an understanding of SU outcomes information, peer led monitoring data and other newly introduced KPIs.

Response for Adult Services Scrutiny Panel – 16th April 2019. CCOS commissioning progress against Wales Audit Office Recommendations arising from review of Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities.

R5 Local Authorities could do more to involve service providers in commissioning and make the tendering process more effective by making it easier to navigate and more outcome focused. However, providers are not as effectively engaged as they should be (paragraph 2.28 to 2.38). We recommend that local authorities collaborate with providers, the third sector and suppliers in understanding challenges, sharing data, and pooling expertise by: improving the quality range, and accessibility of tendering information; and working with providers to shape local markets by coming to a common understanding of the opportunities, risks, and future priorities in providing learning disabilities services.	Mark Campisi (PO LD and MH Services) Ffion Larsen (PO Professional Social Work Lead) Paul Bee (Contracts Officer LD and MH services)	We are currently going through a re-tendering process for supported living services for adults with a learning disability. We have developed a framework of providers to deliver supported living and domiciliary care services. This was done in conjunction with service users and the health board. New services have been commissioned via the framework, which has enabled a smoother tendering process. Shaping the re-tendering process has involved service users, their families, all commissioned LD providers whether on the new framework or not, and relevant social care professionals (including legal and procurement colleagues). Attempts have been made to engage with health but contribution from health colleagues has been limited. We have worked with Providers to implement Just Checking (assistive technology) systems to look at data to evaluate care needs and ensure an appropriate level of care capable of meeting required outcomes. We have worked with the providers to look at patterns and develop a regional approach to deliver appropriate night time services. Engagement with providers has shaped our decision to commission services on an area basis. This will lead to more efficient and more community based services. This model promotes staffing from within each the locality and services which can maximise connections and facilities within local communities. Providers have played an important part in helping to shape these decisions. All commissioned Providers are actively involved in developing local risk management and contingency plans to enable service continuity in the event of individual Provider Failure. All Providers are engaged in the development of Learning disabilities commissioning strategies.	Progress Practical support given to providers to work together throughout the supported living re-tender process which commenced early 2019. Actively engaged with providers who are not on the framework to manage market risks. Engaged with Service Users and Families to via commissioning and co-production groups to develop an outcomes focus. Next Steps To assess opportunities for further improvement as part of completion of commissioning review of LD services during 2019. To work more collaboratively with Providers to develop an improved understanding of their costs structures and financial pressures (to inform fee setting, uplift arrangements, budget planning and assessment of market failure risks).

		All Providers are engaged in the commissioning review of learning disability services which is exploring opportunities risks and priorities. All Providers will be engaged in developing a range of options for meeting needs and securing future services. Where appropriate Providers will be offered support to participate in tender processes (via supplier engagement events or Sell 2 Wales).	
R6 Most local authorities do not have effective arrangements to monitor and evaluate their commissioning of learning disability services (paragraphs 3.3 to 3.15). We recommend that local authorities develop a more appropriate set of performance indicators and measures of success that make it easier to monitor and demonstrate the impact of service activity by: co-designing measures, service and contract performance indicators with service providers, people with learning disabilities and their carers; ensure commissioners have sufficient cost and qualitative information on the full range of placement and care options available; equipping commissioners with data to demonstrate the long term financial benefits of	Mark Campisi (PO LD / MH services) Paul Bee (Contracts Officer LD and MH services) Lisa Banks (Planning Officer LD Services)	The re-tender of supported living services will require providers to work co-productively with the service recipients and their families to develop monitoring processes and tools. This will result in performance indicators to cover all aspects of service performance. This will include quality outputs, service user outcomes and cost. We have co-produced a set of local outcomes for learning disability services and Swansea People First are building a set of measures to sit alongside the national outcomes and success measures. We have developed a more systematic approach to understanding cost information and quality information for contracted providers. KPI and outcomes requirements will continue to be be developed via the co-production process. This information will be used alongside other contract monitoring data to give a full picture of the services being delivered. These measures will be developed to monitor each of the geographical areas re-commissioned. Just Checking (assistive technology) will also continue to play a part in understanding the level of care and support required. Implementation of CCAPS arrangements (national commissioning framework for purchasing care home placements) will lead to enhanced performance monitoring and costs control.	<u>Progress</u> Created contractual expectation that Providers engage Service Users to co-design peer led monitoring arrangements and individual and service outcomes within the Supported Living re-tender process (Providers are must demonstrate how they will measure individual outcomes in a way that meets SSWAB requirements as part of their tender submissions). This required has now been added to the contract specification which form part of the new tender requirements. Introduced KPIs relating to response times and efficiency savings. Others to be added following discussion with Providers.

| commissioning choices, this includes having the right systems and technology; integrating the outcomes and learning from reviews of care plans into performance measures; evaluating and then learning from different types of interventions and placements; and including learning disability services in local authority scrutiny reviews to challenge performance and identify improvements. | | Western Bay Right sizing programmes are helping to ensure that reviews of packages of care are appropriate, able to deliver outcomes for service users and offer value for money.

Development of the Adult Services Practice Framework will help to ensure that appropriate preventative options are explored before defaulting to traditional services, but where commissioned services are required assessment and care plans are strengths based and focus on outcomes. This will enable commissioners to ensure that Providers are focussed on delivering outcomes, and that Provider performance can be evaluated against these expectations.

On-going commissioning review work is tasked with evaluating suitability of existing arrangements and proposing alternative options for meeting needs. This process will engage Providers and Service Users in shaping future arrangements. | Next Steps

To conclude the work on the outcome based measurement tool, which is being developed with SUs with support from Swansea People First

To develop processes for ensuring outcomes information is captured at care management review and is shared by care managers with commissioning officers and used to inform commissioning decisions.

To conclude commissioning review of LD services. |

Report of the Cabinet Member for Homes and Energy

Special Audit Committee – 16 September 2019

Progress in implementing the Recommendations of the Wales Audit Office review of Housing Adaptations in Wales report presented to Adult Services Scrutiny Performance Panel on 20 June 2019

Purpose:	For information purposes, to advise the committee of report presented to Adult Services Scrutiny performance panel on 20th June 2019 on progress in implementing the recommendations of the Wales Audit Office review of housing adaptations in Wales.
Report Author:	Darren Williams Programme Planning and Delivery Manager – Renewals and Adaptations.
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer: N/A	
For Information	

1.   Background

1.1   To advise Audit Committee for information purposes of report presented to Adult Services Scritiny Performance Panel on progress in implementing the recommendations of the Wales Audit Office review of Housing Adaptations in Wales.

Background papers:

Wales Audit Office review of Housing Adaptations in Wales.

Report to Adult Services Scrutiny Performance Panel 20th June 2019 on progress in implemeting recommendations of the Wales Audit Office review of Housing Adaptations in Wales.

Report of the Cabinet Member for Homes and Energy

Adult Services Scrutiny Performance Panel – 20th June 2019

Progress in implementing the Recommendations of the Wales Audit Office review of Housing Adaptations in Wales

Purpose	To provide an overview of the Wales Audit Office review of Housing Adaptations in Wales and present progress made in implementing locally the recommendations listed in the report.
Content	This report includes a background to the Wales Audit Review of Housing Adaptations, recommendations on improvements and progress made both nationally and locally in implementing these recommendations.
Councillors are being asked to	Endorse the recommendations of the Wales Audit Office review of Housing Adaptations in Wales and consider the progress made both nationally and locally in implementing the recommendations listed in the report.
Lead Councillor(s)	Andrea Lewis, Cabinet Member for Homes and Energy.
Lead Officer(s)	Mark Wade Head of Housing and Public Health.
Report Author	Darren Williams Programme Planning and Delivery Manager – Renewals and Adaptations Tel 635351; darren.williams@swansea.gov.uk

1.   Background

1.1   The Wales Audit Office (WAO) undertook a review of Housing Adaptations in Wales and published a report in February 2018. The review looked at adaptations services across Wales and did not focus on individual Councils or Agencies. Despite user satisfaction with housing adaptations, the review found there is a complicated, reactive and inequitable delivery system that is not always effective for all those who may need it. The review also said public bodies are not taking opportunities to improve value for money.

1.2   The summary of the WAO findings found roughly 70 organisations deliver adaptations in Wales, spending around £60 million and assisting 32,000 people every year. Funding arrangements for adaptations are complex, creating an inefficient delivery system, with people of similar needs often receiving different standards of service due to where they live and which public body provides the adaptation.

1.3   Public bodies with responsibility for adaptations – local authorities, housing associations and Care and Repair Agencies have seen demand for adaptations increase in recent years and expect this trend to continue. Census data highlights that a higher proportion of the Welsh population consider themselves to be in poor health than is the case in England and it is forecast the number of people in Wales who will experience mobility problems will increase significantly over the next 20 years. The speed and efficiency of the provision of adaptations can make the difference between disabled or older persons staying in their own home or having to move into specialist or residential care.

The review found assessment processes are not streamlined nor efficient and often contribute to delays, with lack of co-ordination between delivery organisations, interruptions due to problems arising from the unavailability of staff or funding, and poor standards of communication with some service users.

The full WAO report is attached as a background paper.

1.4   The WAO recommendations tracker lists the progress made to date in implementing the recommendations set out in the report nationally and locally. In Swansea the Council's Housing Renewals and Adaptation service is responsible for the delivery of housing adaptations for owner-occupiers, private and Council tenants.

The WAO recommendations tracker is attached as a background paper.

1.5   Importantly Swansea is already implementing a large number of the service improvement recommendations detailed in the WAO report, many of which have been in place for a number of years. These include partnership working with local RSLs on managing a local adapted housing register and Western Bay Care and Repair on

provision of Minor Adaptations through their handyperson service. The Council also provides Caseworkers to visit applicants in their own home to help with the application process, employs its own in-house team of Occupational Therapists(OTs), offers a Home Improvement Grant Agency and a Council appointed Framework of Contractors for delivery of adaptations.

2.   WAO Report Recommendations.

2.1   The report identified a series of recommendations for improvements in delivery of Housing Adaptations that include :

- Welsh Government set standards for all adaptations to ensure disabled and older people receive the same standard of service irrespective of where they live, who their landlord is and whether they own their own home.
- Local authorities work with partner agencies to strengthen their strategic focus for the provision of adaptations.
- Provide information on housing adaptations in both Welsh and English, in accessible formats, with information promoted through a range of media and through key partners, preferably produced jointly between delivery bodies.
- Delivery bodies streamline applications by creating single comprehensive applications forms covering all organisations locally.
- Delivery bodies improve how long they take to process adaptations applications and deliver works including looking to reduce delays by reviewing Disabled Facilities Grants (DFG) means test, provision of home improvement agencies services to manage schemes for clients, fast tracking planning applications, using trusted assessors to undertake less complex adaptation assessments.
- Delivery bodies have formal arrangements for accrediting and managing contractors undertaking adaptations, using framework agreements, schedule of rates for tenders and evaluating contractors performance.
- Local Authorities work with partner agencies(health bodies, housing associations and Care and Repair) to develop and improve joint working.
- Delivery bodies effectively manage performance and assess impact of adaptations.

3.   Progress on Recommendations Achieved Nationally.

3.1   A number of the WAO report recommendations are strategic, require joint working and need national and regional input to be delivered. The Public Accounts Committee in July 2018 recommended that the Welsh Government take the lead in ensuring the longstanding weaknesses in provision of Housing Adaptations across Wales are addressed through the introduction of the recommendations in the WAO report.

3.2   Welsh Government have set up a National Housing Adaptations Steering Group. Membership includes Welsh Government Housing policy division, Welsh Local Government Association, Local Authority representatives, Care and Repair Cymru, Royal College of Occupational Therapists, Community Housing Cymru, Office of the Older People's Commission, Tai Pawb, Disability Cymru, Voluntary Transfer Landlords and Royal College of Nursing.

The aim of the Steering Group is to work with Welsh Government Officials to develop policy advice for Welsh Ministers in relation to simplifying the provision of housing adaptations and implementing the WAO report recommendations. The Group will provide assurance that processes and practices are fair, transparent and equitable and there is proper guidance, monitoring, regulation and accountability arrangements in place.

3.3   The National Steering Group is to be supported by the setting up of working groups to look at:

- **Collaboration / Integration** – to improve strategic focus locally and regionally through Regional Programme Boards, streamline application process, use home improvement agency services, integrated delivery teams, maximising use of accessible housing registers.
- **Operational Delivery** – fast track planning, use of trusted assessors, contractor accreditation scheme, accessible information.
- **Performance Monitoring** – uniform performance indicators, revised national performance indicators.
- **Policy** – service standards, means testing review, streamline RSL Physical Adaptation Grants.
- **Procurement / Contract Management** – framework agreements, contractor performance management.

3.4   Welsh Government issued a Housing Adaptations Service Standards consultation document to public bodies delivering housing adaptations in September 2018 for response. This document detailed the levels of service expected on 7 standards that include Purpose, Equality and Diversity, Communication, Quality of Service, Quality of Equipment, Expected Timeframes and Eligibility Checks. The Housing Adaptations Service standards consultation document is attached as a background paper. The Council responded to the Welsh Government consultation document in December 2018 both individually as a Local Authority and collectively within the Welsh Heads of Environmental Health Private Sector Housing Expert Panel. Welsh Government is yet to confirm results of the feedback to the consultation document or publish the final Service Standards document.

4. Progress on Recommendations in Swansea.

4.1 As indicated in section 1, a number of recommendations made by WAO in the report are already in place in Swansea. Adaptations locally are administered by the Housing Renewal & Adaptations service. Although the National Housing Adaptations Steering Group has been tasked with implementing the recommendations within the WAO report, the adaptations service delivered in Swansea is already providing a number of best practice measures and services identified in the recommendations.

4.2 The Council within it's Private Sector Housing Renewal and Adaptations Policy to Provide Assistance 2017-2022 offers housing adaptations through Disabled Facilities Grants (DFG) and Council House Adaptations. Smaller adaptations are also provided through the provision of Minor Adaptations Grants (MAG). These are delivered in partnership with Western Bay Care and Repair, using their handyperson scheme that provides small adaptations such as handrails and grabrails quickly to the client.

In 2017-18 the service completed 367 DFGs, 543 Council House Adaptations and 734 Minor Adaptations Grants, investing £4.3 million on DFGs, £2.75 million on Council House Adaptations and £400,000 on Minor Adaptation grants. In addition, 899 Occupational Therapist assessments and recommendations were undertaken.

4.3 To make the best use of properties that are already adapted, the Council works in partnership with local Housing Associations to support an adapted housing register. The 'Adapt' scheme is managed by Coastal Housing Association and ensures available adapted properties are matched to households who need them.

4.4 The Housing Renewals and Adaptations service is continually looking to improve the delivery of DFGs and Council House Adaptations. Systems thinking has been employed to undertake a systems review aimed at streamlining processes. Caseworkers visit applicants in their own home to complete grant applications quickly following an enquiry for assistance and to provide welfare benefits advice to the applicant. Housing now employs its own Occupational Therapists to prevent delays in undertaking adaptation assessments and recommendations. The Council's National Performance Indicator for delivering Disabled Facilities grants (PAM/015) has improved from 340 days in 2015-16, to 240 days in 2017-18 and is now at 235 days for 2018-19.

4.5 An in-house Home Improvement Grant Agency service is offered and 95% of clients take up this service. The Grant Agency provide a high quality project managements service, managing the scheme from application stage through to completion and includes survey, preparation of drawings and schedules of work, procuring contractors, supervising works and arranging payments.

4.6   The Council operates and manages a Framework of Contractors that undertake adaptations works, with jobs allocated on a rotational basis. The framework evaluation and selection process utilised the Welsh Government public procurement Sell to Wales system, consisting of a robust two stage selection process where Contractors were appointed based on previous experience and proposals to deliver high quality adaptations works. References and financial standing, insurances, accreditations, health and safety, customer care and emergency call-out arrangements were all checked and verified prior to appointment of contractors to the framework. The contractors selected for the framework have their performance monitored and evaluated by officers in consultation with the client. Any poor performance can result in removal from the Framework.

4.7   A schedule of rates for all adaptation works is in place to ensure we maximise value for money and probity in the adaptation works provided.

4.8   The Grant Agency is in ongoing dialogue with the Planning Department to ensure delays in processing adaptations are minimised. We also liaise with Welsh Water to simplify processes and reduce timescales in obtaining over sewer agreements on larger extension adaptations.

4.9   Information to customers requiring adaptations is offered in a variety of formats and are published online, in leaflets and posters are placed in public information areas such as Civic Centre reception, libraries, GP surgeries.

4.10   Housing Renewal and Adaptations monitor the quality and performance of our adaptations by issuing a Customer Satisfaction Questionnaire to our clients. In 2017-18 98.5% were very satisfied or satisfied with the services provided.

4.11   The WAO review of Housing Adaptations and the recently commenced Commissioning review of Housing Services have identified a number of further improvements to be implemented within the adaptations service. These include improved online application provision, further improvements to the quality and formats of assistance information available, advertising our services to a wider target group and reviewing our customer satisfaction data to look more at outcome to the individual.

5.   Equality and Engagement Implications

5.1   The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

  Our Equality Impact Assessment process ensures that we have paid due regard to the above.

5.2   An EIA Screening Form has been completed. There are no equality implications arising from the review as it reports on progress in implementing recommendations from a national examination of Housing Adaptations services in Wales.

6.   Legal Implications

6.1   There are no legal implications.

7.   Financial Implications

7.1   There are no financial implications.

For Information

Background papers:

Wales Audit Office Housing Adaptations in Wales report Feb 2018.

Welsh Government Housing Adaptation Service Standards Consultation document September 2018.

WAO Recommendations Tracker March 2019

Appendices : None

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Local Government Services to Rural Communities

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

I have prepared and published this report in accordance with the
Public Audit (Wales) Act 2004.

The Wales Audit Office study team was managed by Nick Selwyn and comprised Steve Frank, Gareth Jones, Euros Lake, Sara Leahy, Martin Gibson, Philippa Dixon and Matt Brushett under the direction of Jane Holownia

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Contents

Councils are not yet finding sustainable ways to help rural communities overcome the challenges they face and need to think and act differently

1   Delivering fair and equitable public services and maintaining specialist provision in rural areas is challenging due to geography, distance, cost and scalability. A tradition of strong community resilience and a culture of self-reliance in rural areas, can often mask significant problems. The loss of the 'cornerstones' of village life such as banks, schools, and post offices and poor access to key infrastructure like public transport and superfast broadband can compound the challenge of sustaining public services in rural communities.

What we mean by 'Rural Wales':

There is no single agreed definition of a rural Wales. The classification used by Welsh Government defines roughly 20% of the overall Welsh population as living in rural areas. For the purpose of this study, and in line with the Welsh Local Government Association's rural policy forum, we classify nine authorities as rural, 11 authorities as semi-rural and two authorities as non-rural and urban.

PRIMARILY RURAL

1 Carmarthenshire
2 Ceredigion
3 Conwy
4 Denbighshire
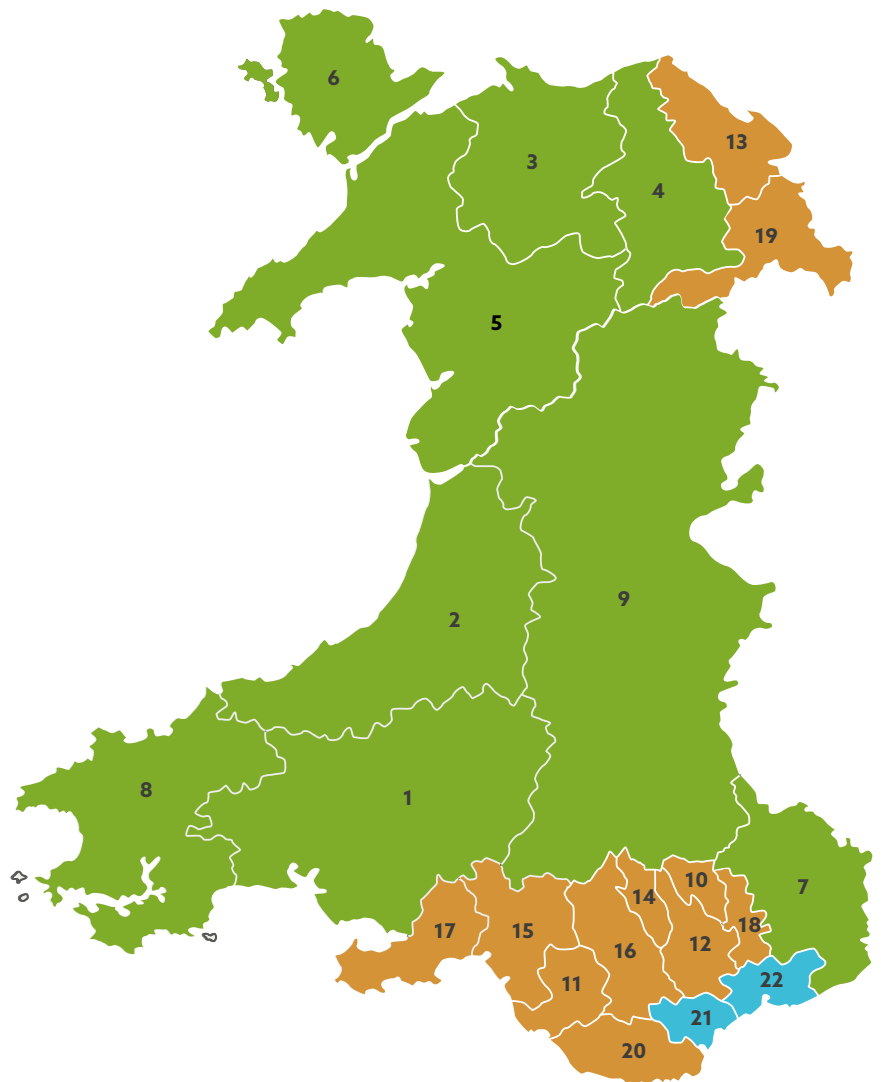5 Gwynedd
6 Isle of Anglesey
7 Monmouthshire
8 Pembrokeshire
9 Powys

SEMI-RURAL/URBAN

10 Blaenau Gwent
11 Bridgend
12 Caerphilly
13 Flintshire
14 Merthyr Tydfil
15 Neath Port Talbot
16 Rhondda Cynon Taf
17 Swansea
18 Torfaen
19 Wrexham
20 Vale of Glamorgan

FULLY URBAN

21 Cardiff
22 Newport

2   Since 2010-11, councils have faced significant financial constraints. Net revenues from Welsh Government grants, business rates and collected council tax fell by 7.5% between 2009-10 and 2016-17 (excluding fees and charges), which is the equivalent to £529 million[1]. The Welsh Local Government Association estimates that austerity has resulted in councils cutting spending by over £1 billion in real terms and 25,000 jobs being lost in councils since 2010-11[2]. The impact of austerity on provision of services is resulting in councils facing tough choices and requires them to identify alternative service models and new ways of working to maintain and protect services.

3   Under its Programme for Government 2016-2021, the Welsh Government has set an outcome of 'Successful, Sustainable Rural Communities'. Under this outcome, there are specific targets and actions for public bodies, including local government[3]. This review assesses how local government directly provides services to rural communities, and how councils work with others, and considers whether they:

a   have clear priorities for services to rural communities based on an understanding of needs and demands;

b   are making best use of resources by, for example, developing new joint models of service delivery such as gateway services or joint service and community hubs;

c   are making best use of facilities, co-location and/or transfer and use of assets;

d   are supporting citizens to become more resilient and self-reliant; and

e   are taking a longer-term place based view on how best to deliver services.

4   Our review methods are set out in Appendix 1. Based on the findings of this audit, the Auditor General has concluded that **councils are not yet finding sustainable ways to help rural communities overcome the challenges they face and need to think and act differently.**

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1   www.walespublicservices2025.org.uk/files/2017/11/Austerity-and-Local-Government.pdf
2   www.wlga.wales/local-government-settlement-the-war-of-attrition-continues-says-wlga
3   Priority 4 relates to public bodies supporting community-led projects, promote skills development, job creation, entrepreneurship, community energy, rural transport and broadband access. Priority five focuses on safeguarding social housing in rural communities by ending 'Right to Buy' and continuing to support the work of Rural Housing Enablers.

Our findings

5   For many people in rural Wales, it is a great place to live and work. However, reductions in public spending coupled with socio-economic change, poor infrastructure and ongoing public service delivery challenges are resulting in services being less accessible and effective compared to urban areas.

6   **Part 1** of this report examines the shifting face of rural Wales, looking at demographic challenges in providing services to dispersed communities in rural areas. The loss of the cornerstones of village life – banks and post offices for example – and poor infrastructure have adversely affected rural communities.

7   **Part 2** examines how public bodies are currently responding to the challenge of planning and delivering services in rural Wales. We find that public bodies who cover both rural and urban areas too often create and deliver services shaped by their urban context. Whilst there are significant variations in the local environment, policy choices and councils' operational structures, there is also a steady drift towards standardisation and centralisation based on a perception of being able to manage costs and increase efficiency. Public bodies continue to deliver a 'one size fits all approach' which is creating and reinforcing 'rural inequality'[4].

8   Finally, **Part 3** concludes that with fewer resources, rising demand and complex delivery challenges, public bodies need to work together in deciding how they set priorities and deliver frontline services if they are to meet the long-term needs of citizens. From our review we have identified there are opportunities to do things differently and to provide solutions that can better meet the future needs of rural Wales. Key to addressing this challenge is to make a reality of co-ordinated and integrated services to maximise both the use of resources and the quality of service delivery. This requires liaison and co-operation between public, private and voluntary sector providers, including the development of multi-purpose, cross-sector hubs. Public bodies also need to do more to equip citizens and communities to become more resilient and self-reliant as public finances continue to reduce.

4   By rural inequality, we mean the real and perceived imbalance and difference in the quality, accessibility, and affordability of service provision in rural areas compared to urban ones. Not only can a 'one size fits all' approach' stifle innovation, it can work against current policy shifts towards personalisation of services, particularly in social care. An over generalised view of service demand and people's needs can hinder the targeting of increasingly scarce resources and impede prevention activity. It can restrict people's personal choices. A 'one size fits all' approach is not a solution to policy variance and inconsistencies in services.

Recommendations

9   We have made recommendations for improvement and these are set out below.

Recommendations
R1   Socio economic change, poor infrastructure and shifts in provision of key services and facilities has resulted in the residualisation of communities in rural Wales. (See paragraphs 1.2 – 1.16) **We recommend that Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by:** • **refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations; and** • **helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes.**
R2   The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). **We recommend that PSB public services partners respond more effectively to the challenges faced by rural communities by:** • **assessing the strengths and weaknesses of their different rural communities using the Welsh Governments Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability; and** • **ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for 'place' with joint priorities co-produced by partners and with citizens to address agreed challenges.**
R3   To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). **We recommend councils provide a more effective response to the challenges faced by rural communities by:** • **ensuring service commissioners have cost data and qualitative information on the full range of service options available; and** • **using citizens' views on the availability, affordability, accessibility, adequacy and acceptability of council services to shape the delivery and integration of services.**

Recommendations

R4 To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). **We recommend councils do more to develop community resilience and self-help by:**

- **working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models;**

- **providing tailored community outreach for those who face multiple barriers to accessing public services and work;**

- **enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more;**

- **encouraging a more integrated approach to service delivery in rural areas by establishing pan-public service community hubs, networks of expertise, and clusters of advice and prevention services;**

- **enabling local action by supporting community asset transfer identifying which assets are suitable to transfer, and having the right systems in place to make things happen; and**

- **improving community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.**

Part 1 – Socio economic change, poor infrastructure and shifts in how key services and facilities are provided has resulted in the residualisation of communities in rural Wales

1.1 Public services are key to helping and protecting citizens, and traditionally focus on solving problems. However, there are a host of challenges that face the Welsh public sector in the 21st century. In this part of the report, we consider the implications of the shifting face of rural Wales looking at the impact of population, employment and housing changes in the recent past. We also consider the infrastructure challenge of providing public and other services to dispersed communities in rural Wales – the quality of roads, access to broadband and the provision of key services such as banks and post offices. We also consider citizens views on local public service provision and recent changes. These challenges are often interconnected, defining the operating environment in which public bodies deliver services.

Demographic change and challenges in encouraging employment has impacted on the sustainability of communities and services

Rural communities are ageing more quickly and the rate of new household formation slowing than other parts of Wales

1.2 Demographic changes are increasing pressure on already stretched public services such as social care as demand for services increase. Depopulation and an ageing society in remoter rural areas is also resulting in local services becoming less viable. The demography of rural Wales and, in particular, the growing number of older people, has implications for the future of public service provision – for example increasing demand on social care and housing services. Between 2012 and 2016 all nine primarily rural councils have seen a reduction in the number of people aged under 18 and an increase in the number of people aged over 65. Whilst all rural areas will see the number of households in their area increase by 2035, eight of the nine primarily rural authorities will see new household formation at levels lower than the Welsh average. Daffodil[5] forecasts that this trend will continue for the next 20 years.

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5 Daffodil is a web-based system developed by the Institute of Public Care for the Welsh Government, which pulls together in one place the information needed to plan care, support and housing services in the future.

The lack of well paid jobs and difficulties creating and maintaining employment has encouraged younger people to move away

1.3 Our analysis highlights that, in some aspects, the economy of rural Wales is performing well. The employment rate in primarily rural authorities has seen a greater increase since 2007-08 than other parts of Wales, and all rural areas (with the exception of Ceredigion) at levels above the Welsh average. Overall, fewer people in rural Wales are economically inactive, unemployed or in receipt of welfare benefits than other parts of the country[6].

1.4 Despite these changes, rural Wales faces some significant economic challenges. Developing and sustaining a high skills economy can be difficult because the labour market is relatively small and there can often be a mismatch between having a workforce with the right skills to attract inward investment. New businesses are less prevalent in rural than urban areas. Whilst six of the nine primarily rural authorities have seen more businesses created than closed in 2016, the rate of growth has been gradually reducing since 2013 and the number of active business enterprises per 10,000 population fell in eight of the nine primarily rural authorities between 2008 and 2016.

1.5 Most communities in Wales have seen average (mean) gross weekly earnings increase since 2012, but seven of the nine primarily rural authorities have average weekly wages below the overall Welsh average and in Pembrokeshire, wages have fallen[7]. Comparatively, rural Wales has lower wages and the gap between the counties with the lowest and highest average earnings is widening.

1.6 The economy of rural Wales is heavily geared towards self-employment and smaller businesses. In 2016-17, self-employment levels in the nine primarily rural authorities were above the Welsh average. Only one other authority (Torfaen) is above the Welsh average[8]. Data published by the Office of National Statistics show that a greater proportion of the workforce are employed in micro (between 1 and 9 employees) and small (between 10 and 49 employees) businesses in rural Wales than other parts of the country[9]. For example in 2017, 40.1% of the workforce in Powys worked in micro businesses compared to 13.8% in Cardiff.

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6   www.nomisweb.co.uk/articles/1048.aspx
7   https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Earnings/averageweeklyearnings-by-welshlocalareas-year
8   https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Demography
9   www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/2017

1.7 Research shows that young people in rural areas are more likely to be in low paid work, insecure employment or working within smaller firms than their urban counterparts. A particular challenge for young people is the difficulty in progressing in work due to the concentration of small firms, which offer limited opportunities for young people to upgrade their skills and progress. Consequently, this results in young people feeling that they are being 'pushed' away from rural areas because of the lack of opportunities and lower wages, and 'pulled' to urban areas because they have better job opportunities, progression prospects and higher salaries[10].

Poor infrastructure and changes in how key services and facilities are delivered has adversely affected rural communities

1.8 A well-connected and good quality road network, regular and inexpensive public transport, affordable housing, accessible public and private services and excellent broadband coverage are key pre-requisites of creating sustainable rural communities. These building blocks connect people to the services they need so they can thrive and grow. But citizens we surveyed raised concerns that the foundations of rural life, the things that contribute to making their community a great place to live and work, coupled with the impact of public funding cuts and continuing economic uncertainty, have changed their communities in recent years, and not always for the better.

Poor transport infrastructure has affected citizens ability to access facilities, services and work

1.9 Whilst the quality of roads are improving across Wales, authorities in rural Wales have the poorest quality roads[11]. Rural authorities also disproportionately cover the bulk of the Welsh road network with 66.3% of roads in the nine primarily rural authorities. Some 56% of Town and Community Councils responding to our survey rated the condition of roads as in poor condition, a finding echoed by 31% of citizens who replied to our survey.

10 www.dera.ioe.ac.uk/15199/1/Barriers-to-education-employment-and-training-for-young-people-in-rural-areas.pdf
11 https://statswales.gov.wales/Catalogue/Transport/Roads/Lengths-and-Conditions

1.10 Research by the Campaign for Better Transport shows that whilst most councils in Wales maintained or increased investment between 2010-11 and 2016-17, they still reduced their expenditure on local bus routes by £5.1 million (24%). The largest increase was in Powys, where the budget increased by roughly £690,000 and the largest cut in Gwynedd, where the budget reduced by over £1 million[12]. Respondents to both our public and Town and Community Council surveys noted that public transport is less available than in the past and fear this decline is set to continue. Citizens cited Powys, Monmouthshire and Ceredigion as the areas with the least accessible public transport. Town and Community Councils across Wales similarly highlighted a decline in the availability of public transport with 50% of respondents stating services had decreased in their community.

Citizens are being prevented from accessing and using public services because of poor broadband coverage

1.11 Superfast broadband is essential for consumers and businesses. It can help improve access to information, advice and help for citizens, and support public bodies to channel shift services to make it easier for citizens to access and use them but also to increase efficiency and create savings. Digital services also allow businesses to provide flexible working for employees so that they can work from home and access company systems remotely, saving costs and reducing carbon footprints.

1.12 The UK has poor broadband infrastructure, Wales has the poorest broadband links in the UK and rural areas in Wales the poorest access to services. An analysis of over 63 million broadband speed tests worldwide revealed that the UK sits in 31st place, with an average speed of 16.51 Mbps[13]. Seven of the ten wards in Great Britain with the lowest average download speed are in Wales and located in Gwynedd, Powys, Monmouthshire, Carmarthenshire and Pembrokeshire[14].

1.13 The findings of our Town and Community Council survey echo these conclusions. A number of respondents commented on poor superfast broadband speed and ongoing difficulties accessing online information, completing forms and applications. The result is that rather than improving access to services, poor broadband coverage is resulting in services becoming less available and accessible especially as councils are increasing their provision of online services.

12 www.bettertransport.org.uk/sites/default/files/research-files/2010_final_buscuts.pdf
13 The data rates of modern residential high-speed Internet connections are commonly expressed in megabits per second (Mbps). www.docs.google.com/spreadsheets/d/1A8LDcCLY3HN5Oqys6VxB0ug8xgroDADVIA2BeAF_tSM/edit#gid=0
14 www.researchbriefings.files.parliament.uk/documents/SN06643/SN06643.pdf

Bank and post office closures have adversely affected many Welsh communities

1.14 The growth in online and mobile services have seen a reduction in banks and post offices. Research by Which estimates that 93 banks have closed since 2015[15]. Of these, 50 banks closed in the nine rural authority areas, 36 in mixed urban/rural and six in urban authority areas. Powys has seen the largest number of closures in Wales with the loss of 11 banks since 2015. Post office provision has similarly fallen across all Welsh communities since 2007[16]. Research by Deloitte[17] and by Move your money[18] highlight that the majority of closures happen in areas that are more dependent on bank and post office branches and most likely to be adversely affected by their shutting. For example, Deloitte classifies many areas of rural Wales as 'declining rural communities' who will experience further closures because of 'shrinking footfall and reduced demand for financial products and services'.

There have been difficulties in developing and accessing housing in some rural areas

1.15 More people own their home than rent in rural areas. The nine primarily rural authorities have levels of owner occupation equal to or greater than the Welsh average but levels of social housing – rented from a housing association or council – are, overall, below the Welsh average[19]. House prices are also generally higher in rural areas than in urban communities. For example, in May 2018 six of the nine primarily rural counties recorded average sale prices in excess of the Welsh average of £148,894[20]. In recent years, new house building in rural Wales has mostly remained static but in four of the nine primarily rural authorities – Isle of Anglesey, Denbighshire, Monmouthshire and Powys – new dwelling construction has fallen[21].

15 www.which.co.uk/news/2017/04/mapped-the-482-bank-branches-closing-in-2017/
16 Post Office Limited Network Report 2017; and www.researchbriefings.files.parliament.uk/documents/SN02585/SN02585.pdf
17 www2.deloitte.com/content/dam/Deloitte/uk/Documents/financial-services/deloitte-uk-bricks-and-clicks.pdf
18 www.drive.google.com/file/d/0BxHxIVSxtvx2YVRtLTZDdkI0a0E/view
19 https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure
20 https://www.gov.uk/government/publications/uk-house-price-index-wales-may-2018/uk-house-price-index-wales-may-2018
21 http://gov.wales/statistics-and-research/new-house-building/?lang=en

1.16 Citizens responding to our survey highlighted the availability of housing, especially for younger people, the lack of affordable housing and rising house prices as growing problems. Welsh Government has supported authorities to create Rural Housing Enabler[22] (RHE) posts to assist development of housing in rural communities. Despite investing in this important role, the supply of new affordable housing has not significantly increased and a recent report highlighted that 'the dilemma facing all those involved in the RHE project is that delivery of rural affordable housing remains low'[23].

Citizens generally feel that key council services are not as available, affordable, accessible, adequate and acceptable as they used to be

1.17 Citizens we surveyed believe there has been a decline in council services in the last five years. According to 43% of citizen survey respondents, council services have got worse over the past five years, compared to 39% who state there is no change. Only 10% say services have improved. 24% note that council services they use have been stopped and 10% that services are now restricted. Just under half of citizens responding to our survey said that the council services they use are unaffordable to them.

1.18 Despite recognising that things need to change, citizens' reaction to alternative service delivery models is mixed. Just under half are open to the idea of encouraging communities to run services themselves, particularly those in younger age groups. However, whilst residents accept the need to deliver future services differently, roughly seven in ten survey respondents still want council services delivered as they are now.

1.19 With increasingly constrained budgets, citizens are less positive about the future of public services. Only 29% agree that their local council will be able to deliver high quality services in the future but most citizens responding to our survey are unwilling to pay more council tax. Town and Community Councils responding to our survey support these conclusions, in particular, that the cost of council services have increased and become less accessible and available.

22 Rural Housing Enablers work with rural communities to identify local need for affordable homes and then work with the local community to find a suitable opportunity to develop housing.
23 http://rhewales.co.uk/images/user/Evaluation%20Rural%20Housing%20Enablers%20Wales%20Final%20Report%202014.pdf

Citizens and town and community councillors have seen a reduction in public services in rural Wales.

Comments from Citizens on changes to public services

'Really poor internet, mobile connection.'

'I just think that they have been cut to the bone and it is not sustainable.'

'Bus service is bad, can't get to many places with them so has only used it once.'

'Seems to be closing down a lot of places – live on the edge of the county and don't get much services/ quality of service than the rest of the county.'

'Well if I was a person on low income it must be a frightening position to be in, there's nothing available for them. Too many potholes, bridge to get to house in desperate need of repair. Nothing seems to come of going to citizens' advice.'

'For schools parents have to pay extra money such as for extracurricular activities, hard if they got more than one kid. Roads and pavements (especially pavements) a lot need resurfacing, not taken care of, and therefore they are unsafe.'

'More job prospects unemployment is terrible, needs an injection of employment in the area.'

'Broadband for businesses is our biggest problem; the council should work on providing better broadband connections.'

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Comments from Town and Community Councils on changes to public services.

'Low percentage of people are internet users and there is limited public transport.'

'Elderly people and young people are disadvantaged by lack of locally available facilities and the reliability of public transport, which is both inefficient and infrequent.'

'Closing of library services has made it more difficult for people to pay council tax and council house rent.'

'People without their own transport cannot get to work using public transport on time. School buses often late. Young people looking for work whose parents do not drive do not find work easy. They cannot afford or are unable to travel far for work. Lack of bus service no chemist no local doctor no library living rural now means being cut off more especially for the sick or elderly.'

'No public transport and no services in the area other than what is put on my community in the village hall. So anyone who can't drive is not able to access services.'

Community Asset Transfers have increasingly been used by councils to save money but have not always resulted in sustainable solutions

1.20 With less money available to maintain key assets – for example, community halls, playing fields and changing rooms – councils are closing or selling off community assets to balance the books. In rural areas, these facilities are often key components of village life, the things that help communities to thrive and survive. Rather than closing amenities, one option for councils is to pursue a Community Asset Transfer (CAT)[24]. Consequently, the approach to CAT is indicative of how well public bodies support and encourage communities to do more for themselves and protect services.

1.21 We found that more community asset transfers are happening. Twenty five percent of those responding to our Town and Community Council survey stated they have been involved in the transfer of open spaces, 19% the transfer of a village or community hall, 9% of bus shelters and 2% of streetlights. In Neath Port Talbot, the council has transferred 55 assets including eight community centres and nine libraries into community control and is supporting the development of social enterprises. Research by Locality[25] concluded that the public bodies who are good at transferring assets have some common features. Namely, good quality and supportive guidance with short end-to-end processes for overseeing and approving cases. Critically, the success of transfers is founded on shared responsibility; both from the council transferring the asset, but also the community group and the body taking on responsibility.

24 CAT involves the transfer of ownership or management of land and buildings and represents an opportunity for public bodies to sustain services, and help rural communities develop greater self-resilience.
25 http://locality.org.uk/services-tools/support-for-community-organisations/ownership-and-management-of-land-and-buildings

1.22 We are concerned that councils are not always doing all they can to ensure a smooth handover and create a sustainable legacy. For instance, councils could do more to build capacity in their communities to be able to take on and successfully sustain assets. Only seven councils, of which four are primarily rural, provide capacity building, training, mentoring, and financial support to community groups and potential transferees. Only 15% of those Town and Community Councils responding to our survey who have taken on responsibility for an asset, received some form of financial assistance from their council, and only 10% ongoing support after transfer. For the bulk of assets transferred, Town and Community Councils take the asset in good faith and often feel they have to take on the transfer even when they do not have the skills, capacity or resources to maintain the asset.

1.23 CAT policies and business case templates often lack detail on the criteria used to decide on transfers, in particular demonstrating financial health and proven record of accomplishment is often overlooked or not detailed. Only five councils signpost expert guidance on CATs aimed at community groups produced by Welsh Government[26] and others. Applicants are often not required to set out how service provision will change or the impact of the transfer on protecting and promoting the Welsh language. Too often councils operate a 'one size fits all' approach and do not differentiate between the size of asset to be transferred. Generally, councils initiate and encourage the transfer but the risks associated with taking on an asset are not always transparently set out. Councils often do not require a business case nor do they have an equality impact assessment to support the disposal.

1.24 See our more detailed report on [Community Asset Transfers](#).

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26 The Welsh Governments Best Practice Guide provides good information and helpful resources to encourage councils to collaborate with community groups to both build capacity and enable successful transfers: http://gov. wales/docs/dsjlg/publications/comm/160310-community-asset-transfer-env2.pdf.

Part 2 – Councils and their partners are not always responding effectively to the challenges faced by rural communities

2.1 In the preceding section, we have highlighted the difficulties that councils and their partners face, and need to overcome, in providing services to rural communities. The infrastructure gap facing our villages and rural communities is not only physical or digital; it is social and public. The renewal of rural Wales depends on public bodies working strategically and smartly together to understand and address these gaps. Individual agencies alone cannot solve problems. In this part of the report, we review how councils and their partners plan to support and sustain their rural communities in the future, through the work of Public Service Boards (PSBs). We review the quality of needs assessments, the effectiveness of partnership arrangements, the impact of consultation and engagement with citizens in setting priorities and actions, and the approach to collaboration and service integration. The section concludes with an assessment of how public bodies evaluate impact in deciding future choices.

The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales

2.2 Under the Well-being of Future Generations Act 2015 (the 'Act'), partnership arrangements in Wales are changing. The creation of PSBs helps to strengthen joint working across all public services. PSBs are required to complete assessments of local wellbeing and identify areas where the PSB can have the biggest collective impact (towards the well-being goals) by working together. PSBs therefore offer the opportunity to move from multiple organisation planning and silo working to the creation of single place based strategies.

2.3   We identified some positive approaches that are creating a well-articulated vision for the future. For example, Monmouthshire's People Place Prosperity Strategy[27] recognises the different communities within the county and how meeting needs, and demand varies, is specific to local communities and requires different responses. In comparison however, some PSBs continue to deliver a one size fits all approach based on universal eligibility and centralised delivery models. Wellbeing Assessments and Plans have a number of shortcomings when considering rural areas. Too often, they act as a plan to make a plan and have not moved from analysing the current situation to actually setting out a shared vision underpinned by actions to make things better. Actions in the Wellbeing Plans we examined are very broad and it is often not clear who will do what or how services in rural areas will become more adequate, accessible, available, affordable, or acceptable.

2.4   Opportunities to collaborate and integrate services to maximise impact and make best use of resources are under developed or not pursued. Despite working together in recent years, key PSB partners have not clarified what they have learnt so far by looking at what works well and why. Wellbeing Assessments we reviewed did not consider future spending and the opportunities to pool budgets. In addition, service capabilities, impacts of prevention work, options for improvement, and information on spending and budgets are often lacking in Assessments.

2.5   PSBs do not always assess the capabilities of current services nor identify the contribution the private and third sectors can make. Social enterprises, which offer a community led response to the challenge of residualisation, are a particularly important option that PSBs should support, but their role is mostly overlooked. The establishment or involvement of social enterprises is not without challenge or risk – there is a mixed record of accomplishment of success and councils have examples of lost time and money trying to support them.

2.6   Nonetheless, with increasing pressures on the public purse and a commitment by policy makers to design services around the needs of citizens, it is clear that the private, third and social enterprise sectors have an important and growing role to play. They offer flexibility to harness and improve quality and achieve innovation, but PSBs need to integrate services at the point of delivery to identify and support the most appropriate response, be it from the public, private, or third sector, including social enterprises.

27 https://democracy.monmouthshire.gov.uk/documents/s13975/180418%20Draft%20Social%20Justice%20Strategy%20V5%20Appendix%20A%20180502.pdf

2.7   PSBs have much to do in order to improve relations with Town and
        Community Councils. Only 11% of Town and Community Councils
        responding to our survey indicated that they had a good working
        relationship with their PSB, compared to the 66% of respondents who
        felt that they had a good working relationship with their council. Almost a
        third of Town and Community Council respondents indicated they did not
        understand the role of PSBs.

Analysis of data to understand problems and agree appropriate solutions is poor

2.8   PSBs are using data to understand the challenges they need to address
        and to review past performance. Some PSBs – Pembrokeshire,
        Ceredigion, and Carmarthenshire PSBs – are also collaborating and have
        joint wellbeing guidance, a Joint Methodology Framework, and actively
        share reports, data and information. Several PSBs are planning to map all
        service and community assets – for example, Pembrokeshire, Ceredigion,
        Neath Port Talbot, Swansea, and the Vale of Glamorgan – to identify
        how best to collectively optimise asset use and delivery of services.
        Pembrokeshire, Powys and Conwy and Denbighshire PSBs also have
        information strategies to improve how they collect and analyse data.

2.9   However, we also identified some common weaknesses in current
        approaches. The root cause of problems in different communities are not
        identified because data is often collected, managed and analysed in silos
        and/or at a county level only. This can result in organisations overlooking
        the different challenges in diverse rural areas. Councils recognise that
        their data is not robust and has limitations, and that they do not have the
        right skills nor capacity to make the best use of data.

2.10   There is little demonstration of how public bodies understand the diverse
        nature of their rural communities. For example, in those Wellbeing
        Assessments and Plans that mention rural matters, infrastructure is a
        common area for improvement, but Plans contain few specific actions
        or steps to improve infrastructure, such as actions to improve roads and
        cycle ways, integrate public transport and extend broadband networks.

Councils are not always tapping into their communities to help them prioritise and deliver services

2.11 Involving partners and the public in developing and shaping the services they provide and receive can have a wide range of benefits: for public bodies, the public involved and society more widely. Engaging key groups at an early stage can help shape delivery choices so the services provided are more meaningful and useful to the people who use them, and will consequently make a more positive impact. Good communication and engagement can also stimulate interest and encourage people to become more involved in shaping and delivering services.

2.12 Several Wellbeing Assessments identify the potential for social capital[28] and volunteering. Powys PSB recognises that many people are willing to volunteer, and the focus on encouraging social capital in Monmouthshire's Wellbeing Plan is a particular strength that can be built on. The findings of our citizen's survey highlight the potential benefit of social capital with roughly half of the people we surveyed open to the idea of encouraging communities to run services themselves, particularly those in younger age groups (61% of 16-34 year olds).

2.13 Engagement work is often via established channels. For example, in tackling loneliness and isolation in rural areas, community involvement has involved traditional 'set piece' events, online consultation, and some basic social media shout outs. Where engagement happens, it is mostly focused on one-off issues rather than driving a fundamental shift in approach. Other ways of engaging and involving the public are not regularly pursued; for instance using a programme of targeted surveys of a representative cross section of the community, annually posting surveys with council tax bills or other correspondence, and examining common themes from correspondence and community contact over the last few years.

28 Social capital is the economic resources obtained from interactions between businesses or public bodies and individuals or networks of individuals.

2.14 A number of public bodies have sought to improve public engagement by developing corporate standards and approaches. These include:

a   Gwynedd County Council's central engagement team's internal guidance and toolkit to support services in engaging with service users and communities, and its citizen-focused approach under the Ffordd Gwynedd principle.

b   Dyfed Powys Police and Pembrokeshire Coast National Park Authority have established 'customer service excellence standards' and monitor service provision against these, which enables the service to address problems as they are identified.

c   the Isle of Anglesey County Council in collaboration with Medrwn Mon's Community Voices project (a third sector initiative) engages with people with protected characteristics in reviewing services. In addition, the council's Engagement and Consultation Board is also mapping approaches to engagement to determine what works and why to provide further resources that support relevant engagement activities.

d   the Vale of Glamorgan Council's approach to community engagement using a community mapping tool, although at them time of our review this had only been undertaken in four communities and not rolled out to all communities in the rural areas.

e   the Welsh Government funded LEADER programme that encourages empowerment through local strategy development and resource allocation. Currently there are 18 Local Action Groups in Wales covering eligible wards in 21 Local Authority areas[29].

2.15 A strong and clear message from citizens is that councils are not good at communicating their vision of future services to communities so that people know what will be available, and what role the community itself can play. Most residents have not been given the chance to voice their opinions. Our citizen survey finds the majority of respondents' (83%) had not completed a survey or been asked for their views on the services they have used in the last 12 months.

2.16 Our findings suggest that Town and Community Councils are not being utilised to understand need, which is concerning given their strong links to village life in many remote and very rural areas of Wales. Very few indicate that their local authority or PSBs consult them in order to understand residents' needs. Only 30% of Town and Community Councils responding to our survey contributed to consultation activity to identify local needs in their area and only 7% in setting the priorities of their PSB. Similarly, a number of stakeholders we interviewed commented that engagement with the private sector and business community is not always effective.

29 https://gov.wales/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/wales-rural-development-programme-2014-2020/leader/?lang=en

Whilst partnership working and collaboration is long established and can be effective, integration of services is limited

2.17 We found that most public bodies acknowledge that they do not have the capacity, resources or skills to respond to the needs of rural communities and know that they need to work differently and with others. With dispersed communities across much of Rural Wales and the new focus of the Act on combined service delivery options to address needs, there is an expectation that colocation, partnership working, and collaboration will increasingly become the standard model for delivering services, and a catalyst for integration of services.

2.18 Whilst councils recognise the value of joint and integrated working, they are not always organising and coordinating their work to make the best use of their expertise or realise the benefits that integration can bring. Rather, public bodies continue to focus on their own responsibilities, not the wider challenge of how public services collectively work together in an area.

2.19 For example, public bodies continue to operate out of separate buildings and run their own websites with their own information about their services and activities. Mapping provision is taking place but has not extended to reviewing current service delivery to identify options for co-location and integration. Collaboration is often based on opportunity or one-off relationships and not driven by place-based change or design.

2.20 Emergency services (Police and Fire) generally find working with other emergency services easier, but are less able to influence partnership working with other public bodies. Similarly, councils find it easier to engage with some bodies and agree joint priorities for action, for example housing associations, than others such as health boards. Regional arrangements have the potential to manage the effects of changing patterns of demand for services by sharing and integrating increasingly scarce resources and expertise. Our findings are consistent with the recent Parliamentary Review of Health and Social Care in Wales that found that the current pattern of health and social care provision is not fit for the future and emphasises the need for change[30].

30 https://gov.wales/docs/dhss/publications/180116reviewen.pdf

2.21 We did identify some good joint initiatives in rural areas such as the Rural North Flintshire Family Centre, integrated health and social care in the rural community of Llanrwst in Conwy County Borough, and the Health Challenge in Denbighshire. However, these are largely one-off initiatives rather than a fundamental shift in delivery with shared budgets, joint resourcing, integrated posts and delivery bases.

Managing and preventing demand is acknowledged as essential in maintaining services but progress is mixed

2.22 Preventing unnecessary and avoidable demand for services represents good value for money. Demand management can be a starting point for public service providers as they balance delivery of services that meet the needs of citizens with fewer resources at their disposal. To work, it requires collaboration, longer-term thinking, and an insight into how best to deliver services embracing new ways of working[31].

2.23 Currently, too much prevention activity in rural areas centres on 'one off' approaches to reduce demand or prevent service requests. For instance, services are often located in main urban areas or larger towns, which can result in people living in more remote rural areas not using them because of their location and poor transport links. On paper, services appear accessible and configured to address need, but in reality, more dispersed rural communities do not use them.

2.24 Another common limitation in prevention activity we reviewed is its short-term nature, partly a reflection of funding cycles and annual grants. Likewise, weak evaluation of the wide variety of initiatives and limited sharing of project learning means there are risks to the sustainability of prevention projects by replicating problems and potentially duplicating efforts. In line with a public body's statutory responsibility, services are often designed to reduce risk, but focusing on this rarely leads to demand being addressed. Professionals can label service users and define their needs but this can overlook underlying problems. Consequently, demand escalates before there is an intervention because public bodies pass responsibility for addressing issues back and fore.

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31 Appendix 10 of our report on **managing demand – homelessness** sets out some clear principles to help shape management of demand that can be applied to provision of services to rural areas.
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2.25 The other part of the demand equation is supply, and the availability of qualified staff is one area where services are increasingly overstretched. National organisations we spoke to told us about recruitment problems in qualified primary school teachers, family doctors, planners and Welsh-speaking carers. A shortage of on-call retained fire fighters is leaving some stations in rural areas potentially under-resourced. Currently there are more than 400 on-call retained fire fighter vacancies across the three Welsh Fire and Rescue Authorities.

2.26 We found some positive approaches where organisations are preventing demand and increasing access to services. These include Mid and West Fire and Rescue Authority who use their Safe and Well Home safety checks, and risk based commercial inspections, to help people in rural communities. Similarly, Dyfed Powys Police Farmwatch project, a neighbourhood-policing project with a rural focus, which we highlight as good practice in Appendix 3.

2.27 Other approaches to prevention and managing demand look to develop greater self-reliance in citizens, with public bodies looking to equip people to address their own problems. Self-sufficiency is often highlighted as central to rural life and there is a perception that rural communities are more resilient and need less support than urban areas. This is important because prevailing images of rural areas are often polarized as both declining and stagnant or alternatively that rural areas are picturesque and self-sufficient.

2.28 A few authorities actively test this perception highlighting community resilience, volunteering, and developing social capital as key strands of work. For example, the Future Monmouthshire programme includes a high-level vision of shifting the focus from direct provision to enabling communities and empowering citizens to do more for themselves. However, as noted in Part 1 of this report, the ageing profile of the rural population and the continuing outward migration of young people, and inward migration of older people,[32] as well as volunteers' longer-term engagement or 'enthusiasm' can be lost through burn-out or competing commitments, raises challenges in creating greater self-sufficiency.

32 See http://www.wales.nhs.uk/healthtopics/populations/ruralhealth

Councils and their partners need to improve their understanding of the impact their decisions have on people from different communities

2.29 There is variable practice in how councils seek to understand and demonstrate the impact, or potential impact, of their decisions and services on citizens. Most councils undertake, for example, Human Rights Act, Legal, Equality and Welsh language risk/impact assessments when implementing new policies and plans or revising existing documentation. However, these tend to consider services at a council-wide level and do not look at the different needs of different communities. In addition, we also found very few examples of public bodies using the Welsh Governments Rural Proofing Tool in revising or developing services (see Appendix 4). Too often, this results in a single broad-brush analysis that can overlook and ignore differences.

2.30 Generally, councils often lack the data and evidence to judge the impact of their work on different rural communities, or to identify what works and how they can improve. Councils with larger urban areas and dispersed rural communities are particularly challenged by the one-size fits all approach to evidence and evaluation. Focusing on county level data to identify need and scrutinise performance does not provide the detail needed to shape services to the different rural communities.

2.31 Many organisations do not see rural issues as a distinct policy area. This is particularly applicable to those we have classed as mixed urban/rural councils. The impact of service change follows a one-size fits all approach centred on the ease of delivering services from larger centres. Moreover, because councils with a mix of larger urban centres and dispersed rural communities have not used the Welsh Governments Rural Proofing Tool to help shape context, this can result in an over emphasis on urban need and urban solutions.

2.32 Consequently, some councils are not focusing on rurality as a policy or delivery strand despite containing significant rural areas and rural communities. For instance, whilst public bodies like Neath Port Talbot understand the challenges facing people across their different communities, public service partners have mostly prioritised future work in the main urban areas of Neath, Aberavon and Port Talbot. Officers and members recognise that priorities for these areas may not be suitable for more rural and valleys communities.

Part 3 – To help sustain rural communities, councils and their partners need to think and act differently in the future

3.1   The way services are provided to communities, villages and towns in rural Wales needs to change. With significant cuts in public funding, councils have focused on to 'salami slicing' budgets and reducing non-statutory services. However, increasingly councils are reflecting that 'more of the same' is not a sustainable long-term response.

3.2   The policy direction of the Welsh Government is encouraging a rethink of the local public service model. Regional partnerships such as the Growing Mid Wales partnership covering Ceredigion and Powys County Councils, draw together local businesses, academic leaders and national and local government to create a vision for future growth. Shifting delivery to regional bodies is based on the view that a more systematic integrated response to problems is both possible and desirable. It also supports the integration of some local services, shifting investment away from a reactive service model towards more community-based and preventative solutions.

3.3   The evidence from our review highlights that councils alone cannot effectively solve the problems of rural Wales. A collaborative approach between public services working together with their communities and doing things differently is required. To achieve this, councils and their partners need to think and act differently, working together to build capacity, social capital and encourage communities and citizens to do more for themselves. Co-location and integration also needs to become the standard operating model going forward.

3.4   A place-based approach is therefore a good starting point in thinking about how best to reshape delivery of public services. Such an approach moves the debate from lots of separate and distinct front doors into individual services to a single front door, or gateway, to access public services. Taking such an approach places the citizen and community at the centre of service design because it allows public bodies to focus on the individual and their needs rather than organisational or professional boundaries.

3.5   This model sits well with provision in rural areas in a time of austerity because the cost of sharing offices is less and the prospect of retaining services enhanced. Working as a single place-based public system also provides the opportunity to focus more clearly on outcomes, because a broad range of factors influences outcomes and require an integrated response to resolve them[33].

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33 The work of the Canadian Centre for Community Renewal is a good starting point for public bodies pursuing a place-based approach. Their detailed **Community Resilience Toolkit: A Resource for Rural Renewal and Recovery** provides a systematic guide to strengthening community resilience. The Toolkit focuses on helping organisations – community, statutory and private – to understand the concept of resilience, complete an

3.6   A whole system approach also recognises that very often citizens and service users have multiple needs, which require inputs from many public services to address them. Research by the Greater Manchester Public Service Reform Team[34] found that 48 individual citizens who sought help and assistance from public bodies had collectively made 1,235 requests or demands for assistance, an average of 26 per client. Under a traditional model of service delivery, where each agency operates independently, and often-different services within the same agency act in silos, the onus is on the citizen to seek a solution and it is down to them to work their way through the public service system. This can result in demand escalating and problems becoming more critical and costly to deal with because citizens may not know who to contact for assistance, and may not get the help they need at a time when problems can be resolved.

3.7   Councils and their partners should explore different system perspectives, including citizens, and ask what we need to support public bodies and people to contribute to improving outcomes[35]. Research also suggests that to do this you need to understand the key perspectives within a local system (people and organisations); the role they can play in achieving positive change; and the collaborative local infrastructure needed to enable them to work towards shared objectives in the context of place[36]. Our review has identified that there is potential to support a more sustainable future if councils and their partners shift to a place-based approach and think differently in designing services to respond to the needs of rural Wales. To make place based working a reality we have identified four key strands of work and these are set out below:

34 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/588237/Integrated_place_based_services_Academy_seminar_slidepack_310117.pdf
35 Collaborate CIC, February 2017.
36 https://www.jrf.org.uk/why-we-need-build-social-capital-cities

3.8. **A STRATEGIC PLACE BASED APPROACH** – councils and their partners recognise the scale of the problem they face in delivering services in rural Wales but are less clear on what they are going to do to overcome these. PSBs need to therefore develop a more ambitious and optimistic vision for the future, highlighting the good things about rural communities and pinpointing practical opportunities to improve people's wellbeing. One way to achieve this is for PSBs to work with local partners and citizens to create a place-based vision and set out how local partners will integrate and collectively deliver services. The approach should build on the Local Well-being Plan setting out an agreed collective understanding of long-term community needs; the social and economic vision for place with joint priorities to address agreed challenges; and map the services, networks and facilities that are potentially available to co-locate and integrate services.
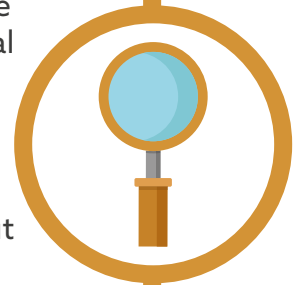
3.9. **WORKING COLLABORATIVELY AND INTEGRATING SERVICE DELIVERY** – even if under pressure, councils still need to be provided in rural Wales and it is the responsibility of public bodies to find the most efficient and effective (for the citizens) way to achieve this. A change in mind-set and an acceptance that acting alone is no longer viable is required. This will need a shift to co-financing and potentially compromise on service models delivery points, and a move to creating integrated public service and community hubs.

3.10. From the customer perspective multi-service hubs are a good option as they are convenient 'one-stop shop' and can become community focal points thereby enhancing social capital. They need to be multi-purpose, cross-sector and reflect local needs in terms of what they provide, hosting a range of partners and public services. Hubs can also extend the use of local assets and offer the potential to act as gateways to public services operating either as:

a) Service hubs with a public sector focus – run by a council, housing association or other public sector organisation, bringing together different services under one roof.

b) Community hubs run by community organisations – with different projects, activities and services, often run with a high level of involvement from the local community to fill gaps where public services have disappeared – for example supporting the work of credit unions.

3.11. **ADDRESSING INFRASTRUCTURE GAPS** – rural Wales has some significant infrastructure challenges. We recognise that addressing these are not always the primary responsibility of local government, cannot be dealt with by councils alone and requires support and assistance from others. However, councils and partners can pursue some steps. For instance:

a) supporting an integrated public transport network aligning bus and cycling networks with rail services;

b) help people and businesses make the most of digital connectivity by investing in infrastructure and digital skills (see the good practice example of Carmarthenshire County Council Boosting Wi-Fi connectivity rural areas in Appendix 3);

c) proactively promoting and raising awareness of infrastructure rollout e.g. Gwynedd Council increasing awareness and engagement with local communities and enhancing skills through their Digital Gwynedd project[37]; and

d) supporting community asset transfer by identifying which assets are suitable to transfer, and clarifying what needs to be done.

3.12. **SUPPORTING SELF-HELP IN RURAL COMMUNITIES** – provide the full range of services traditionally made available, councils and partners need to not only change how they work but they also need to encourage communities and citizens to do more for themselves by:

a) improving community based leadership by developing networks of interest, supporting volunteering and encouraging people to step up;

b) supporting social enterprise and more collaborative business models by identifying options for existing and new organisations;

c) developing guidance, toolkits and networks that support the development of place based town/village planning and place plans created within and led by communities;

d) providing tailored, community outreach to encourage and support communities to do more for themselves; and

e) enhancing and recognise the role of town and community councils and working with and supporting them to do more.

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37 www.citizensonline.org.uk/digitalgwynedd

Appendices

Appendix 1 – Study Methodology

Our review methodology covered the following:

- A review of accumulated audit knowledge and practice.

- Communication and engagement with rural communities via attendance at the Royal Welsh Show and a range of local county fayres in Monmouthshire, the Vale of Glamorgan and the Isle of Anglesey.

- A detailed analysis of data drawn from StatsWales, the Local Government Data Unit Benchmarking Hub, the Office of National Statistics, NOMIS, the Institute of Public Care and HM Land Registry.

- A review of published literature including reports and primary research by the Wales Rural Observatory, the Commission for Rural Communities, Move your Money, Better Transport, Deloitte, Post Office Counters LTD, the Welsh Government, One Voice Wales, BDRC Continental, DCLG and DEFRA.

- An analysis of a sample of Public Service Board Well-being Assessment and Plans.

- A survey of 711 Town and Community Councils to identify the challenges they face in managing, maintaining and developing services to rural communities and how well they engage with and work in partnership with local authorities in respect of community asset transfers. We received responses from 355 bodies.

- A qualitative survey of 750 citizens to ascertain how well local government engage with and understand public perceptions in shaping services to rural communities. The survey question framework was framed to link with past research on services to rural communities, in particular the 2007 Wales Rural Observatory report 'Coping with Access to Services'[38] which identifies five important dimensions of delivering services in rural settings: adequate, accessible, available, affordable and acceptable.

- Interviews with key national stakeholders including Welsh Government, One Voice Wales, Society of Community Council Clerks, Welsh Local Government Association, third sector bodies, Community Housing Cymru, the Big Lottery, the Princes Trust, the National Farmers Union, academic institutions, private businesses and government agencies.

- Detailed fieldwork in Carmarthenshire, Isle of Anglesey, Gwynedd, Monmouthshire, Neath Port Talbot and the Vale of Glamorgan, the three National Park Authorities, Dyfed Powys Police and Mid and West Fire and Rescue Authority. Our fieldwork included interviews and focus groups with officers, members, and engagement with local partners.

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38 www.walesruralobservatory.org.uk/sites/default/files/12_CopingAccessServices.pdf

Appendix 2 – Defining 'Rural' Wales

A key difficulty in looking at this area of work is that there is no single agreed definition of a rural area in Wales. The Welsh Government differentiates between two categories - less sparse context and sparsest context - and between three settlement types.

Within the Less Sparse context there are:

- **Large Towns:** with populations of at least 10,000 people including Cardiff, Newport and Swansea along the North Wales coast, Deeside and Wrexham;

- **Small Towns:** settlements of less than 10,000 people in the more densely populated areas for example Denbigh and Monmouth – and also areas of urban fringe around the major settlements; and

- **Others:** villages, hamlets and dispersed dwellings in the less sparse areas

In the Sparsest context there are:

- **Large Towns:** settlements with a population of at least 10,000 people – Holyhead, Newtown, Aberystwyth and Carmarthen;

- **Small Towns:** in the less densely populated areas with less than 10,000 people; and

- **Others:** villages, hamlets and dispersed dwellings in the sparsest areas of Wales

According to the Welsh Government's classification, nearly 20% of the overall Welsh population lives in areas that are broadly classified as rural. Of these rural residents, only 30 percent live in the sparsest large or small towns; the majority (70%) live in either 'other' less sparse or sparsest areas (Welsh Government, 2015).

According to the Welsh Index of Multiple Deprivation in 2014, these areas are ranked as some of the least deprived areas based on income, which would appear to indicate that rural areas suffer less poverty and deprivation than urban areas in Wales. The Welsh Index of Multiple Deprivation (WIMD) takes account of a range of factors when measuring deprivation. It identifies Isle of Anglesey, Powys, Ceredigion, Carmarthenshire, Neath Port Talbot, Bridgend and Caerphilly as the counties with the highest incidence of rural deprivation in Wales.

The WLGA's rural policy forum consists of nine councils (Anglesey, Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Monmouthshire, Pembrokeshire and Powys with representation from National Parks Wales.) In late 2015, the forum published a new series of priorities[39], which focus on three key areas - Future Generations; Our networks; and Our places.

39 WLGA Rural Forum - A Manifesto of the WLGA Rural Forum for 2015-2020 http://www.wlga.gov.uk/download.php?id=6257&l=1

Appendix 3 – Good practice case studies

A strategic place based approach

Powys – the PSB has a sound process of reviewing data and the format of the wellbeing assessment reports are very accessible and cross-referenced with up-to-date data sources. Independent advice has been sought to give reassurance on data quality. Some comparison of data is made with councils outside Wales such as fly tipping, and with other regions in Wales including sustainable energy generation. A research library has been established which holds research papers and information on rural issues and this is referenced when deciding potential responses in its first Wellbeing Plan. The PSB's Well-Being Assessment rates the impact of each key finding against the seven well-being goals and whether they have a positive or negative affect on well-being. The Assessment uses a wide range of local and national data to make a considered analysis of domestic violence and abuse, public health issues, educational attainment in rural schools, locations and provision of suitable accommodation for older people, broadband connectivity, and the impact of cybercrime on local rural businesses. As a result, the PSB is in a better position to co-ordinate action more effectively.

Vale of Glamorgan – the Creative Rural Communities Team was established in 2004 in the Vale of Glamorgan and the work is undertaken in partnership with communities to develop innovative projects and ideas that will create long-term social and economic benefits for the area. The aim is to empower individuals to become actively involved in the future of their communities. The Creative Rural Communities Mapping project built upon findings of a tackling poverty analysis commissioned by the former Vale Local Service Board, which found that it is generally the St Athan area of the Vale of Glamorgan that experiences the most poverty and deprivation when compared to other rural parts of the Vale. The approach seeks to work with communities to identify both the Social Assets, for example, community groups, organisations and individuals as well as Physical Assets including Community centres, open spaces and businesses in a community. The council piloted the use of the mapping approach in three communities in the Rural Vale in St Athan, Wenvoe and Rhoose. The mapping process has brought people together across those communities and has led to the identification of what matters in those communities. In St Athan one of the main priorities that the community identified was better play areas for children. A local group of residents have formed a community group to tackle this need and are working with the council's play development officer to increase their knowledge around the delivery of play activities and the volunteers are receiving informal mentoring to assist them with developing play provision in the area.

Dyfed Powys Police – the Force's rural policing strategy 2017-20 sets out what work is being planned to improve access to services in rural areas. The police are developing and supporting rural watch schemes, and increasing the number of Special Constables and volunteers working in rural communities. PCs and PSCOs are more accessible by being stationed in rural communities using shared facilities with Mid and West Wales Fire and Rescue Service, the use of the pop up tents and marquees at the summer shows and events and the introduction of a number of twitter accounts with local police teams. Police officers and support staff are receiving enhanced levels of training to ensure they have the correct expertise to deal with rural crime; this is necessary due to the complex nature of certain rural crimes. Supporting these officers is a Rural Crime Coordinator.

The Force has also created county-based Rural Crime Forums, which bring together farming union representatives, Farmwatch coordinators, rural based community groups and local authorities. These forums help build confidence in reporting crime, find shared solutions and improve the exchange of information and intelligence to enable focused targeting of criminals and criminality. Dyfed Powys Police Rural Crime Strategy 2017 also outlines the specific rural challenges the force faces, and the resources it will put in place to implement the rural strategy. These include actions to improve prevention activity, detection and enforcement actions, intelligence sharing, and public reassurance work.

Working collaboratively and integrating service delivery

North Wales Fire and Rescue Authority – the Authority's Community Assistance Team teamed up with Welsh Government, the three emergency services, Denbighshire County Council, Conwy County Borough Council, Betsi Cadwaladr University Health Board, Galw Gofal Care Connect, and North Wales Regional Call Monitoring Service to offer integrated safety and health advice and respond to vulnerable people who experience a fall in their home. Referrals were made from hospitals, GPs, from family members, carers, or from the people themselves. As a result, demand for the services of the specialised Community Assistance Team continued to grow since the initiative aimed at protecting people in their homes began in August 2016. The Community Assistance Team benefited over a thousand people since the launch of the pilot in Denbighshire and Conwy. The scheme helped to reduce the number of people who needed to attend hospital, reducing the pressure and demands on ambulance and medical services. Funding for the project has now ended and it is no longer operating.

Addressing infrastructure gaps

Carmarthenshire County Council – a Wi-Fi initiative is boosting connectivity and economic regeneration in the rural towns and villages of Ammanford, Burry Port, Carmarthen, Llandovery, St Clears and Whitland. The project is backed by Carmarthenshire County Council, who have given grant funding and made a successful funding bid on behalf of the Grŵp Cefn Gwlad Local Action Group, which has secured funding of £120,000 from the national LEADER scheme. Town councils, businesses, organisations and individuals are now able to access digital on-line training resources to support digital skills development. The initiative also incorporates free local Wi-Fi. As a result, new opportunities for jobs, apprenticeships, work placements and digital volunteers are being created.

Community Asset Transfer – we identified the following authorities as having developed good approaches to community asset transfer:

- Rhondda Cynon Taf who have declared a number of assets as surplus to their needs (referred to as 'Assets of Community Value'). The Council's website includes guidance, online templates, a detailed building description and a single point of contact for information, all aimed at helping to ensure the smooth transfer of assets.

- Powys County Council advertises land and building assets that have the potential to be transferred. Online expressions of interest forms and a business case template is available that encourages a detailed and shared understanding of project risks.

- the Vale of Glamorgan Council has a comprehensive toolkit with guidance and templates and signposts applicants to further information and including potential financing.

Ceredigion – the responsibility for running the services at Tregaron Leisure Centre have been transferred by Ceredigion County Council to a local community group. The process was established following work undertaken by the Council's Leisure Reconfiguration Board who identified Tregaron as suitable for transfer to the community – a process known as Community Asset Transfer. The Council then sought expressions of interest for the delivery of community sports activities from the leisure centre. Hamdden Caron Leisure are a group of volunteers from Tregaron and the surrounding area and gave an expression of interest to run the leisure centre after detailed consultation with users, non-users, and sports clubs in the area. A 30-year lease has now been signed between Ceredigion County Council and Hamdden Caron Leisure. The Leisure Centre now operates as a community hub for leisure and sporting activity with new sports clubs joining. The Council will continue to operate some services from the leisure centre and plans to develop more outreach services and drop in sessions in the future.

Supporting self-help in rural communities

Devon County Council is using its data to build community resilience in rural areas. Understanding the resilience of a local community is important so councils can target help and support where needed most, and people in rural communities can help themselves. Devon County Council provides an online view of community resilience for each Devon community using a range of national and local data, which has been mixed with information from the #WeAreDevon Survey 2016, and Community Insight Survey 2017. The resulting community resilience score integrates various national and local measures to indicate the resilience of communities in Devon. This is creating a dialogue between public bodies, and is mobilising action to plan for and recover from big events such as extreme weather and economic changes.

Devon Voluntary Action (DeVA) estimates there are 31,255 active volunteers. The Council is linking people and volunteers with those organisations who can help. The Council efforts are supported by an online independent advice centre known as Pinpoint that signposts thousands of services and community groups across Devon www.pinpointdevon.co.uk Over 500 community groups are registered and people can find a range of help and advice on how to maintain independent lives, find work, volunteer, improve personal wellbeing and build self-reliance.

Caffi Cletwr, Tre'r Ddôl, Ceredigion - With the support of Ceredigion County Council, Caffi Cletwr is developing a community-based approach to provide key services and tackle a number of issues facing the rural community in the village of Tre'r Ddôl and its surrounding areas. Tre'r Ddôl is a small community of roughly 600 residents and over the years has seen its local shop, church and primary school close. When faced with the local café also closing in 2009, a local community group gained grant funding from Ceredigion County Council, the Big Lottery Fund, European Union and businesses such as Santander and the Laura Ashely Foundation to purchase the business and develop a new café and shop in the heart of the village.

Caffi Cletwr is continuously evolving and the direction of its development is entirely dependent on the needs of the local community. It is continuously mapping the needs of the community in order to align their provision as closely as possible to residents' wishes. This has led to developing initiatives, which tackle issues that are synonymous with those faced by rural communities across Wales.

- Caffi Cletwr is much more than a café. In the wake of other community assets closing, this vibrant community centre provides a focal point where people can meet or pop in. Events are held and specific discounts on teas and coffees are aimed at elderly residents in order to encourage those who may otherwise not see or speak to anyone all day long to get out of the house.

- limited face-to-face interaction with public service providers. Ceredigion County Council makes use of Caffi Cletwr as a pick-up point for waste and recycling bags for citizens and its mobile library visits the café on a monthly basis, maximising its role as a community hub. Dyfed Powys Police has also made use of Caffi Cletwr by holding drop-in sessions with Police Community Support Officers at the café.

- fuel poverty: Caffi Cletwr arranges and facilitates a community syndicate for citizens to buy fuel for their oil-heated homes. Whereas citizens may otherwise have to purchase fuel in larger quantities from companies on an annual basis, by working on a syndicate basis citizens are able to purchase in smaller and more affordable quantities three or four times a year via the Caffi's fuel club. Buying 'in bulk' has also led to discounts for residents.

- lack of jobs for local people: Between the café and shop, Caffi Cletwr employs eight members of staff as full time equivalent. This includes a manager and assistant manager in the shop and three cooks in the café's kitchen. In addition, 50 volunteers are associated with the enterprise and regularly undertake jobs that need doing or help with organising community events held at the café.

Appendix 4 – Welsh Government Rural Proofing Tool questions

1   Will your policy affect the availability of other public and private services in the rural area?

2   Could you deliver the policy you are proposing to implement through existing service outlets? E.g. schools, banks and GP surgeries

3   Will there be an extra cost to delivering your policy to rural areas?

4   Will the policy affect travel needs or the ease and cost of travel for rural communities?

5   Does the policy rely on communicating information to clients?

6   Will the policy be delivered through the private sector or through a public-private partnership?

7   Does the policy rely on infrastructure for delivery that may put rural communities at a disadvantage? E.g. Broadband ICT, main roads and utilities

8   Will the policy impact on rural businesses particularly the self-employed and micro businesses and on the Third Sector including social enterprises and local voluntary organisations?

9   Will the policy have a particular impact on land based industries and therefore on rural economies and the environment?

10 Will the policy affect those on low wages or in part-time or seasonal employment?

11 Will the policy target disadvantaged people living in rural areas?

12 Will the policy rely on local organisations for delivery?

13 Does the policy depend on a new building or development site?

14 Will the policy impact on the quality and character of the natural and built rural landscape?

15 Will the policy impact on people wishing to reach and use the countryside as a place for recreation and enjoyment?

An example of a completed assessment is on the Welsh Government website.

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Agenda Item 11d

For Information

Cyngor **Abertawe**
Swansea Council

Report of the Cabinet Member for Investment, Regeneration & Tourism

To the Development and Regeneration Scrutiny Performance Panel
17th July 2019

Local Government Services to Rural Communities

Purpose:	To brief/update the Development and Regeneration Scrutiny Performance Panel on Local Government Services to Rural Communities
Content:	A briefing/update on the Swansea Rural Development Partnership (SRDP) LEADER programme which is aimed at the eight rural wards within Swansea.
Councillors are being asked to:	Consider the information provided and to forward views to the Cabinet Member via a letter from the Panel Convener
Lead Councillor:	Councillor Robert Francis-Davies, Cabinet Member for Investment, Regeneration & Tourism
Lead Officer & Report Author:	Paul Relf Tel: 07887 055154 E-mail: paul.relf@swansea.gov.uk

1.   Background

1.1   In November 2018, the Wales Audit Office produced a report "Local Government services to rural communities". Link to report
http://www.audit.wales/publication/local-government-services-rural-communities

2.   Briefing/Main body of report

It should be noted that Council services are universal and no distinction or separate provision is made between rural and urban areas.

This paper sets out a response to the Wales Audit Office recommendations from a Swansea Rural Development Partnership (SRDP) LEADER perspective which is targeted at the eight Swansea rural wards.

Appendix A provides a very short overview of the Swansea Rural Development Partnership (SRDP) LEADER programme

Note: LEADER is a French acronym, standing for 'Liaison Entre Actions de Développement de l'Économie Rurale', meaning 'Links between the rural economy and development actions'. LEADER is included in the Welsh Government Rural Communities – Rural Development Programme 2014-2020.

WAO Recommendation 1

Socio economic change, poor infrastructure and shifts in provision of key services and facilities has resulted in the residualisation of communities in rural Wales. (See paragraphs 1.2 – 1.16) We recommend that Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by:-

WAO Recommendation 1.1

Refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations;

Comment

- Recommendations 1.1 and 1.2 are direct issues for Welsh Government to address itself. However, comments from a Swansea RDP LEADER perspective are shown.

Swansea RDP LEADER 1.1

- Swansea Council RDP Local Action Group (LAG) Officials are aware that the Welsh Government have been working on successor arrangements to replace EU funding in Wales in the absence of any policy/funding clarity from Westminster. Building on consultation held in 2018, work has been ongoing to establish a new regional policy team within WEFO, funded from the Welsh Government's EU Transition Fund. A cross-government board has been established to guide this work across departments.

- Swansea Council RDP LAG Officials will attend a Welsh Government event (initial 13th March date postponed) at which a discussion on LEADER future funding will take place. These discussions may well start to formulate policy in line with the above bullet point in due course. The Swansea RDP LEADER approach is perhaps more important than ever in the context of diminishing resources and helping to make the best use of local talent and ambition within our rural communities.

- Within the Swansea RDP LEADER funding pot, new "application windows" are promoted as guided by the LAG with a current window in place between April and September 2019.

WAO Recommendation 1.2
Helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes.

Swansea RDP LEADER 1.2

- The Swansea RDP LEADER LAG are keen to explore options for enabling digital connectivity for rural communities and enterprises where there is currently no provision of services. By supporting digital inclusion the LAG recognises that this not only helps lead to job creation through rural SMEs but will enable skills development within the community;

- Therefore, the LEADER programme has allocated £40K to fund a 2 year-pilot programme entitled Swansea Rural Community Voice (SRCV). The SRCV improves on community consultation and engagement within the eight rural wards. This will be achieved by establishing a Swansea Rural Community Voice project, run by Community Organising Teams using VocalEyes Digital Democracy tools and other methods to engage local people. Although not directly aimed at adult education programmes the programme and innovative digital technology is seen as a key driver for future rural engagement.

- Following the Welsh Government review of the Community and Town Council Sector in Wales, there are a number of the immediate actions that will be now be taken following the report's recommendations which include conducting a survey to understand how more about how social and digital mediums are utilised to engage communities, and what scope there might be for support in this area. The SRCV project is well placed to meet this intention.

- Within the 2007 to 2013 Swansea RDP programme, LEADER funded the development of the Barham Centre, Gower, which is a community building for meetings and IT connection in the Gower. The project improved of a range of basic services including the development of a range of activities in answering the significant demand from young people themselves for activities in their local rural communities. This includes the establishment on an IT club. The rural access grant scheme also funded 10 to 12 business within the rural areas.

WAO Recommendation 2

The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). We recommend that PSB public services partners respond more effectively to the challenges faced by rural communities by:

WAO Recommendation 2.1

Assessing the strengths and weaknesses of their different rural communities using the Welsh Governments Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability;

Swansea RDP LEADER 2.1

- The Swansea RDP Local Development Strategy (LDS) sits within a wider policy and strategy framework in South West Wales at local and regional levels. The most relevant local, national and regional and local strategies that could be impacted by the LDS are contained within the LDS and in each case there is a brief summary of the scope of the strategy or plan and the potential links to the LDS.

- Rural Proofing is a part of good policymaking. Rural areas face particular challenges. Many of these characteristics such as geographic isolation, an ageing population and an economy based on micro enterprises and SMEs are found in other parts of Wales. In rural areas they may be more severe or combine to form a set of circumstances that may hinder the effective implementation of policy. This screening tool has been developed to help rural proofing of policy. The purpose of rural proofing is to assess the impact that policy may have on rural areas, identify barriers to effective implementation in rural areas and help to formulate rural appropriate solutions. Swansea RDP LEADER is not a direct policy maker, although it can influence and lobby.   The tool will be considered by Swansea RDP Officials as regards future applications to the scheme.

WAO Recommendation 2.2

Ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for 'place' with joint priorities co-produced by partners and with citizens to address agreed challenges.

Swansea RDP LEADER 2.2

- Swansea's Local Well-being Plan "Working Together to Build a Better Future" is designed to improve well-being in the local area. In Swansea, we believe in the rights of every person. Through this plan, the Council vision is to work together to make Swansea a place which is prosperous, where our natural environment is appreciated and maintained and where every person can have the best start in life, get a good job, live well, age well and have every opportunity to be healthy, happy, safe and the best they can be.

- For rural wards, Swansea RDP LEADER is an essential component in providing capacity to match these aspirations as listed above.

WAO Recommendation R3

To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). We recommend councils provide a more effective response to the challenges faced by rural communities by:

WAO Recommendation R3.1

Ensuring service commissioners have cost data and qualitative information on the full range of service options available;

Swansea RDP LEADER 3.1

- The LDS provides a detailed picture of each of the 8 rural wards across a range of topics such as qualifications; welsh language skills; employment data; occupational breakdown; travel to work; health; etc. This information provides a baseline definition of the Swansea rural area and population covered by the LEADER programme. To achieve this Swansea RDP LEADER makes use of existing data and qualitative information provided via a number of Council sources e.g. Swansea Ward Profiles.

WAO Recommendation R3.2

Using citizens' views on the availability, affordability, accessibility, adequacy and acceptability

Swansea RDP LEADER 3.2

- The Swansea RDP LAG has commissioned a number of studies in which citizens views were sought as part of each project within the overall programme. NB: These projects and citizen contact did not ask what citizens think of Council Services. These Swansea RDP LEADER studies are as below and short description is provided against each project:-

  ➢ Ref 01: Gower Sunday Explorer 2016.
    The provision of a revised and improved bus service between Swansea and Gower on Sundays in mid and high season, building on the success of similar services over the past five years. To develop the visitor travel market and visitor economy and improve accessibility for local residents.

  ➢ Ref 03: Swansea Rural Community Voice.
    To improve on community consultation and engagement of the eight geographic rural communities. This will be achieved by establishing a Swansea Rural Community Voice project, run by Community Organising Teams using VocalEyes Digital Democracy tools and other methods to engage local people.

  ➢ Ref 04: Gower Sunday Explorer 2017 – 2019.
    The continued provision of a revised and improved bus service between Swansea and Gower on Sundays in mid and high season.

  ➢ Ref 07: Rural Swansea Resource / Visitor Centre Feasibility Study.
    To carry out an independent and comprehensive assessment to identify and quantify the needs of businesses / enterprises, residents of, and visitors to rural Swansea, in relation to the development and use of dedicated facilities and services with the aim of supporting the rural economy, with special regard to the tourism sector.

➢ Ref 24: Feasibility Study for Port Eynon&Horton Foreshore and Settlements.
To undertake a feasibility study of the amenities and localised facilities at one of our key destination sites ie: Port Eynon.

➢ Ref 05: Digital Marketing for Sustainable Transport in Rural Swansea.
By creating a first class interactive information service on more sustainable means of travel to and around rural Swansea, the project aims to attract more visitors and more travel by local residents by means other than the private car. A website "Swansea Bay Without a Car" is now live.

➢ Ref 13: Sustainable Transport Network for Rural Swansea Feasibility Study.
A study aimed at producing a sustainable integrated transport strategy, designed to improve access and connectivity for rural Swansea. The study would identify gaps in the current provision and suggest where the network can be developed and enhanced.

➢ Ref 16: Feasibility Study to investigate viability of Community Carbon Offset.
To develop a community led, not for profit social enterprise offering carbon offsetting through planting of community grown, local provenance trees. The feasibility study will be the first stage in developing this innovative project into a robust, self-sustaining business model that maximises social and biodiversity values.

➢ Ref 27: Market at the Mill.
To pilot outdoor evening produce markets at Parkmill with associated educational activity.

The RDP webpage includes a copy of all completed reports (PDF version) and other projects.

• The major strand of citizen engagement within the Swansea RDP LEADER programme is the LEADER ref 03: SRCV project as described in Swansea LEADER 1.2. The project does allow for citizens to raise and rank issues of local concern. It is anticipated that the SRCV project will provide a new and truly innovative way of citizen engagement. This will add value to the tried and tested models of normal citizen engagement.

WAO Recommendation R4

To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). We recommend councils do more to develop community resilience and self-help by:

WAO Recommendation R4.1

Working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models;

Swansea RDP LEADER 4.1

- A representative from the Wales Co-operative Centre is a Swansea RDP LAG member.

- The Wales Co-operative Centre were also involved a Swansea RDP LEADER Roadshow held on the 27th March.

- Via the above, much valued assistance is provided to support and encourage the growth of Social Businesses in Swansea. Together with colleagues the representative provides a National coverage of support across Wales, able to share ideas, knowledge and expertise for the benefit of social business development with particular emphasis in the growth of businesses and social improvement of the rural wards of Swansea.

WAO Recommendation 4.2

Providing tailored community outreach for those who face multiple barriers to accessing public services and work;

Swansea RDP LEADER 4.2

- The Swansea RDP LDS includes 4 Cross-Cutting Themes of
    - Equal opportunities and gender mainstreaming;
    - Sustainable development;
    - Tacking poverty and social exclusion; and
    - Welsh language
- All project applications have to demonstrate how they adhere to these themes. In doing so there are a number of examples of how the projects address issues of barriers to accessing services e.g. SRCV includes wider engagement aimed at involving more people; not always the usual suspects as well as harder to reach / less commonly engaged groups, especially young people, via active outreach.

- Swansea RDP LEADER is also aware that Workways+, also run from the Economic Development and External Funding Team, offers the following:

    - Workways+ offers employment support to unemployed and economically inactive people living in all areas outside of Communities first in Swansea. Mentors and Employment liaison officers have been assigned to geographical areas to set up community outreach at venues that are accessible to all citizens across the county.
    - Community outreach sessions are held weekly at the libraries and community centre in Pontarddulais, Pennard, Gowerton, Gorseinon and the Clydach Valley.
    - The sessions are held alongside Job clubs and free basic IT skills classes. Workways+ mentors and ELOs also attend events such as Local produce markets and the Gower show to engage with and support rural citizens who have barriers to accessing employment.

- o Workways+ provides 1-2-1 mentoring support to overcome barriers to employment. The support available includes an individual action plan to identify the need for training, confidence building, volunteering placements,
- o paid work opportunities, job search, CVs and employment opportunities. Financial assistance is available for training courses to upskill and transport for people who have difficulty accessing public transport.

WAO Recommendation 4.3

Enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more;

Swansea RDP LEADER 4.3

- The opportunity to pilot new products, services or ways of doing things provided by Swansea RDP LEADER through the LDS has great potential to act as a catalyst across Swansea and the wider South West region.

- There is an increasing appetite in private, third and community sectors to 'make a difference', coupled with an imperative to find new and more cost-effective ways of providing services. There is demand from community / town councils and third sector groups to work on adoption of local services and also thematic demands around, for example renewable energy options. It is very apparent that local solutions depend on appropriate people, places and resources coming together at the right time to enable solutions to be developed. This has to be a bottom-up approach rather than top-down. Listening as opposed to looking is the way forward.

- Two Community Councillors and one Council Ward member are also Swansea RDP LAG members.

- The Council Champion for Rural Economy is also a Swansea RDP LAG member. All cascade programme information to their counterparts.

- A dedicated Swansea RDP LEADER presentation has been delivered to the One Voice Wales Swansea Area Committee. Once Voice Wales is the voice of town and community councils in Wales.

- The SRCV project previously referred to can capture local knowledge and enables citizens to act upon their views at a local level

WAO Recommendation 4.4

Encouraging a more integrated approach to service delivery in rural areas by establishing pan-public service community hubs, networks of expertise, and clusters of advice and prevention services;

Swansea RDP LEADER 4.4

- The Swansea RDP LAG Economy & Community sub-group have approved an initial expression of interest from Pennard Community Council for a Feasibility Study into a Community Hub / Pavilion on Pennard Playing Field. A Full Application is awaited and will be considered by the sub-group and a recommendation then made to the Swansea RDP LAG to approve or not. If approved and upon completion of the study, a report will be posted to the Swansea RDP website as well as the Welsh Government Wales Rural Network website for all to view.   This is the case with all approved projects.

- Public sector mainstreaming could be more difficult to achieve in view of shrinking resources. However, new approaches to service delivery that could involve community adoption of basic services, as well as testing approaches for local 'hubs' as outlined above could result in entirely new ways of working that result in public sector cost savings and more active buy-in from local communities to delivering the services they require at local level. Opportunities for mainstreaming and dissemination are actively explored and discussed throughout the Swansea RDP LEADER programme.

- Swansea RDP LEADER is also aware that the Council is currently piloting a community hub in the Clydach Valley. It is based at Clydach Library and offers direct skype links to Civic centre based services. Third parties are using the hub as a touch down and an agile working area has been created for use by community based staff. The council has worked closely with all stakeholders including, health, police, employability services, local churches and the community council to share 'what's going on'. A volunteering group has been created to help those citizens unfamiliar with more IT based services and to sign post them to local and council services. There are plans to develop the pilot into five main county wide hubs.

WAO Recommendation 4.5

Enabling local action by supporting community asset transfer identifying which assets are suitable to transfer, and having the right systems in place to make things happen;

Swansea RDP LEADER 4.5

- Meetings have been held with Council staff who manage the Community Asset Transfer (CAT) process to discuss potential overlap and possible opportunities for merging any rural activity.

- CAT is included in discussions with potential applicants if the need arises. Swansea RDP LEADER is aware that of the Community Action Transformation Fund approved projects, only one is in a rural ward i.e. Round 5 in October 2016 to Llanrhidian Higher Community Council and Graig-Y-Coed Pitches in Penclawdd with £23,800 awarded.

- Within the previous 2007 to 2013 RDP round, Village and Small Town Renewal and Development in rural Swansea was a component part of the overall programme. There were numerous refurbishment projects in line with the availability of approx. £5M Capital funds to allocate within Swansea.

WAO Recommendation 4.6

Improving community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.

Swansea LEADER 4.6

- The Swansea RDP LEADER funded project "Gower Community Tourism Ambassador Pilot and Feasibility Study" was aimed at coordinating, delivering and managing a pilot community tourism ambassador scheme. This was achieved by training and coaching volunteers over an intensive two-day period and subsequent adoption of the produced tool kit. In total 55 people took part representing: Local residents, Community Councils, Local tourism businesses, Local community organisations, Voluntary organisations & charities, Public sector organisations.

- The SRCV project is establishing Community Organisers who can then provide a source of encouragement and advice for volunteers and community engagement in rural areas. This leads to ideas coming from residents in an ongoing conversation.

- The previous round of EU funding via the 2017 – 2013 Swansea RDP provided a number of very successful projects, including the Gower Crafts and Artisans network as well as the Crefftau y Bont Craft shop based in Canolfan y Bont in Pontarddulais. The Rural Swansea Action Group includes some 300 producers and groups active in the rural wards

3. **Conclusions/Key Points Summary**

3.1 The Swansea Rural Development Partnership (SRDP) LEADER programme aims to bring far reaching and sustainable benefits to Swansea's rural wards. The vision is to create vibrant and distinct communities that are well connected and easily accessible and which provide high quality products, services and facilities within a resilient local economy supported by a strong, year-round tourism industry. The LEADER programme provides an invaluable link between the rural economy in Swansea and development actions to meet these objectives.

4. **Legal implications – None**

5. **Finance (if required) – None**

Glossary of terms: None

Background papers: None

Appendices:

APPENDIX A:- What is the Swansea Rural Development Partnership (SRDP) LEADER programme?

LEADER is a French acronym, standing for 'Liaison Entre Actions de Développement de l'Économie Rurale', meaning 'Links between the rural economy and development actions'. LEADER is included in the Welsh Government Rural Communities – Rural Development Programme 2014-2020.

LEADER is a form of community-led local development. Through a process of stakeholder engagement, building the capacity of target groups and co-operation, the problems faced and opportunities available to an area are recognised and potential solutions are piloted.

There are 8 eligible rural wards in Swansea which are:-
- Bishopston;
- Fairwood;
- Gower;
- Llangyfelach;
- Mawr;
- Penclawdd;
- Pennard;
- Pontarddulais

The LEADER approach is associated with local empowerment through a Local Development Strategy resource allocation. The main tool for the application of this approach to area development and involving local representatives in decision-making is the Swansea RDP LEADER Local Action Group (LAG).

The Local Action Group designs and implements a Local Development Strategy for their area, developing a partnership approach to effect social and economic development. The Local Action Group has set up 3 sub-groups to assist them in managing the programme and the groups mirror the Rural Strategic Aims and Objectives. These are:-

Strategic Aim 1:   Develop rural transport and infrastructure
Objective 1:   Support an integrated and diverse transport network
Objective 2:   Support and develop accessible, fit for purpose services

Strategic Aim 2:   Enhance tourism offer
Objective 3:   Enhance quality of local offer and improve marketing

Objective 4:   Encourage development of year round sustainable tourism offer across the rural area (especially food, crafts and recreation)

Strategic Aim 3:   Deliver a strong economy and vibrant communities
Objective 5:   Support development of a self-sufficient rural economy
Objective 6:   Support and develop cohesive, resilient and engaged communities
Objective 7:   Enable digital connectivity

There are a number of cross cutting themes which are intended to add value, raise awareness and understanding while ensuring maximum participation and mitigating adverse impacts. This should help operations move beyond compliance and develop systems which support best practice. These cross cutting themes are:-
- Equal opportunities and gender mainstreaming
- Sustainable development
- Tackling poverty and social inclusion
- Conserving our natural environment, cultural and built heritage

Swansea RDP LEADER Implementation is the main funding pot for specific and focussed initiatives to be developed and delivered that will meet the objectives of the LDS. ***The Swansea RDP LEADER Fund is a Revenue only scheme.*** There is an overall funding of £440K until December 2021 for innovative projects that meet the LEADER aims and objectives. As at June 2019, £202K (46%) of these funds have been allocated to projects. The RDP webpage provides more information.

The previous RDP for Wales 2007-2013 had the availability of approx. £5M Capital funds to allocate within Swansea.