

Report of the Chief Auditor

Audit Committee – 16 June 2015

COASTAL PROJECT – CORRESPONDENCE

Purpose:	This report informs Committee members of the correspondence between the Chair and the Leader following the review of the final evaluation report into the Coastal Project produced by Wavehill Consulting.
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Finance Officer:	Paul Beynon
Legal Officer:	Sharon Heys
Access to Services Officer:	Sherill Hopkins

FOR INFORMATION

1. Introduction

- 1.1 The final evaluation report into the Coastal Project produced by Wavehill consulting was presented to the Audit Committee on 12th March 2015.
- 1.2 Following the meeting, the Chair wrote to the Leader highlighting a number of lessons which could be learnt from the Committee's review of the Coastal Project over the last 2 years.
- 1.3 A copy of the Chair's letter and the response form the Leader is attached.

2. Equality and Engagement Implications

- 2.1 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 – Chair’s letter to Leader

Appendix 2 – Response from Leader



CITY AND COUNTY OF SWANSEA
DINAS A SIR ABERTAWE

30/03/15

Councillor Rob Stewart
Leader
City & County of Swansea
Guildhall
Swansea
SA1 4PE

Dear Councillor Stewart

Audit Committee – Coastal Project

The final evaluation report into the Coastal Project was presented to the last meeting of the Audit Committee on 12th March. The report was produced by Wavehill Ltd, an independent consultancy firm engaged by the Regional Project Board to provide periodic evaluation reports over the course of the Project.

The Audit Committee first became aware of the Coastal Project following an Internal Audit investigation into the circumstances surrounding the imposition of a 20% retention on the grant funding in August 2013 due to WEFO's concerns that the Project was slow in achieving the agreed outcomes in particular placing participants into employment.

There was a detailed discussion of the final evaluation report at the last Audit Committee and the members felt that there were some significant lessons to be learnt from the Council's involvement in the Coastal Project and it was agreed that I should bring the Committee's concerns to your attention to complete the circle of the Audit Committee's review of Coastal.

The Committee's main concerns and the lessons to be learnt are as follows:

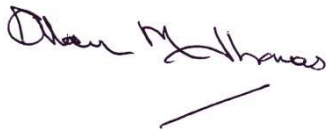
- How such a wide scale Project was initiated in the first place and received funding from WEFO.
- The confusion that existed between the social aspects of the Project and the economic benefits e.g. the target of participants entering employment. The employment target was clearly the most significant target for WEFO although locally the social impact on participants was seen as equally as important.

- The cost effectiveness of the Coastal Project. The cost benefit analysis included in the Wavehill report states that for every £1 invested in the Project there was a positive return of £1.09.
- The significant risks taken on by the City and County of Swansea as the lead authority/project sponsor for the Coastal Project.

The Committee felt that it was important that the recommendations included in the Wavehill report should be considered in any future bids submitted in the 3rd round of European funding which is coming up in the near future. This will ensure that any lessons to be learnt from the Coastal Project are considered fully and action is taken to minimise the risks

It is also noted that the aims of the Swansea Bay City Region include increasing job opportunities by supporting employment growth and supporting people to get back into employment through a range of targeted support programmes. The actions required to ensure the achievement of these aims needs to carefully consider the risks that arose with the Coastal project where there was a mix of economic and social outcomes which led to a misunderstanding of the desired outcome by some of those involved in the delivery of the Project.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan M. Thomas', with a horizontal line underneath it.

Mr A Thomas
Chair, Audit Committee.

cc Jack Straw. Chief Executive, City and County of Swansea, Guildhall,
Swansea, SA1 4PE

CITY AND COUNTY OF SWANSEA
DINAS A SIR ABERTAWE

Mr Alan Thomas
Chair of Audit Committee
C/O Members Support
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Our Ref / Ein Cyf:
Your Ref / Eich
Cyf:
Date / Dyddiad: 20 April 2015

If you require this or any other information in another format e.g. Braille, audio tape or a different language, please contact me

Dear Mr Thomas,

Audit Committee – Coastal Project

Thank you very much for the recent letter that you sent following consideration by the Committee of the final Wavehill evaluation report.

I acknowledge your concerns around the initiation of the project in 2008, and I share your view that it is essential that the Council takes on board the recommendations of the WAVEHILL report in all future ESF and ERDF applications.

As you are aware the Council has recently initiated an external funding panel which will consider all future bids for external funding as well as administer the Council's own grants to external bodies.

I would also agree that the process must start earlier than final submission to the panel and I will ask the Council's European Officer, Mr Paul Relf, to ensure that lessons learnt are adequately considered in terms of future applications including the risks associated with being a lead body.

Many thanks again for your comments.

Yours sincerely

**COUNCILLOR ROB STEWART
LEADER & CABINET MEMBER FOR FINANCE & STRATEGY**

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