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Cyngor Sir
CEREDIGION
County Council

Neuadd Cyngor Ceredigion, Penmorfa,
Aberaeron, Ceredigion SA46 0PA
ceredigion.gov.uk

17 January 2024

Dear Sir / Madam

I write to inform you that a Meeting of the Governance and Audit Committee will be **held remotely only via Video Conference** on Wednesday, 24 January 2024 at 9.30 am for the transaction of the following business:

councils (Pages 663 - 668)

17. **Ceredigion County Council Self-Assessment Report 2022/23 Final Report (Pages 669 - 730)**

18. **Forward Work Programme (Pages 731 - 732)**

19. **Any other matter which the Chair decides is for the urgent attention of the Committee**

Members are reminded to sign the Attendance Register

A Translation Services will be provided at this meeting and those present are welcome to speak in Welsh or English at the meeting.

Yours faithfully

[signature: Ll Edwards]

Miss Lowri Edwards
Corporate Lead Officer: Democratic Services

To: Chairman and Members of Governance and Audit Committee
       The remaining Members of the Council for information only.

**Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE
held at the Hybrid - Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron / remotely via
video conference on Wednesday, 27 September 2023**

PRESENT: Mr Alan Davies (Chair), Councillors Elizabeth Evans, Wyn Evans, Keith Henson, Maldwyn Lewis, Gareth Lloyd, Mark Strong together with Mr Andrew Blackmore and Mrs Caroline Whitby

Also in attendance: Councillors Bryan Davies, Matthew Vaux and Wyn Thomas

Audit Wales: Miss Non Jenkins, Mrs Bethan Hopkins and Mrs Bethan Roberts

Officers in attendance: Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer, Mr Alun Williams, Corporate Lead Officer – Policy & Performance, Mr Rob Starr, Performance and Research Manager, Mrs Alex Jenkins, Corporate Manager - Internal Audit, Mrs Alison Hodgson, Corporate Performance and Improvement Officer, Ms Marie-Neige Hadfield, Complaints & FOI Manager, Miss Stephanie Land, Senior Auditor and Mrs Dana Jones, Democratic Services and Standards Officer

(9:30am -12:20pm)

1	**Apologies**
	None.

2	**Personal Matters**
	None.

3   Disclosures of Personal / Prejudicial interest
4e

4   To confirm the Minutes of the Governance and Audit Committee held on 21 June 2023 and to consider any matters arising from those Minutes
It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held 21 June 2023.

Matters Arising
None.

5   Governance and Audit Committee Meetings Actions Log
Consideration was given to the Governance and Audit Committee Meeting Actions Log.

It was AGREED to note the content as presented.

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Add to Action Log 27/9/23:

1)AGS/Local Code/ Governance Framework
- Further work on these documents would be addressed following discussion with the Chair;
- an overarching document would be presented to consider both the Framework and Statement for 2023-2024 accordingly.
- Owner: Elin Prysor
- Target date-31/1/24

2)Lay members wished to receive an invite to the Members 24/25 budget-setting workshops

6   Regulator & Inspectorate Reports and Updates
Consideration was given to the Regulator & Inspectorate Reports and Updates which has 3 parts:

a) Audit Wales quarterly update to Governance and Audit Committee
b) Any local risk work issued/published since the last Governance and Audit Committee meeting
c) Audit Wales National Reports

Current Position
a) Audit Wales quarterly update to Governance and Audit Committee
- Audit Wales – 23-24 Q1 Workplan and Timetable – Ceredigion County Council

b) Any local risk work issued/published since the last Governance and Audit Committee meeting
- Care Inspectorate Wales – Performance Evaluation Inspection of Ceredigion County Council
- Care Inspectorate Wales - CIW Inspection Action Plan final
- Audit Wales – Setting of Well-being Objectives – Ceredigion County Council
- Audit Wales – Planning Service Follow-up review – Ceredigion County Council

c) Audit Wales National Reports

- Audit Wales – Cracks in the Foundations – Building Safety in Wales
- Audit Wales – Consultation on Fee Scales 2024-25
- Audit Wales –Springing Forward - Lessons from our work on workforce and assets in local government

Following the presentation by Audit Wales and questions from the floor, it was AGREED:-

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(i) to note the reports for information; and
(ii) that the Council response report to each of the Regulator & Inspectorate Reports on future agendas would be inserted after each report; in order for ease of Members to consider both combined reports

7   **Council Responses to Regulator & Inspectorate Reports**
       Introduction
       The Report sets out the Council's responses regarding Regulator and Inspectorate Reports and progress made regarding proposals and recommendations.

       This Report had 2 parts:
       a) Council tracker of Regulator/Inspectorate proposals for improvement and recommendations; and
       b) Other Council related matters.

       Current Position

       a) Council tracker of Regulator/Inspectorate proposals for improvement and recommendations

       ○ Council Management Response Forms 2020-2021 & 2021-2022 Update:
            • Audit Wales – Equality Impact Assessments: More than a tick box exercise?
            • Audit Wales – Springing Forward – Review of Strategic Workforce Management
            • Audit Wales – 'Raising our Game' Tackling Fraud in Wales – update due 2024

       ○ Council Management Response Forms 2022-23:
            • Audit Wales – Cracks in the Foundations – Building Safety in Wales
            • Audit Wales - Planning Service follow up review
            • Setting of Well-being Objectives

       b) Other Council related matters

       It was AGREED :
       (i) to note the reports for information; and
       (ii) future Management Response Forms would be presented alongside the corresponding Regulator & Inspectorate Reports (item 6 above)

8   **Annual Governance Statement Update**
       A report on the Governance Framework Document and Annual Governance Statement 2022-23 was presented to the Governance and Audit Committee on the 17th of January 2023 and on the 9th of March 2023.

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The Draft Governance Framework Document 2022-23 had been updated following the previous 9th of March 2023 report to ensure it remains up to date and all the changes were highlighted accordingly in the report in detail.

The Draft Annual Governance Statement 2022-23 had been prepared in accordance with the framework. It includes:
- An acknowledgement of responsibility for ensuring good governance;
- Reference to the assessment;
- An opinion on the level of assurance that the governance arrangements can provide;
- A progress report on how issues identified last year have been resolved;
- An agreed action plan to deal with governance issues over the next year; and
- A conclusion.

On the 9th of March 2023 the Committee agreed to recommend that Council endorses the Draft Annual Governance Statement 2022-23, subject to including the following sentence in the executive summary:
'The review confirmed that the Council's governance arrangements are effective and fit for purpose'. This sentence had now been included

On the 20th of April 2023 Council agreed to approve the Draft Annual Governance Statement 2022-23. The Draft Annual Governance Statement 2022-23 had also been updated following the previous 9th of March 2023 report to ensure it remains up to date. The changes were outlined in detail in the report.

The Committee was requested to recommend that Council endorses the updated Draft Annual Governance Statement 2022-23.

Governance Framework 2023-24 and Current Year Action Plan
A workshop would be held on the 06 of December 2023 for relevant Officers and Committee Members to consider progress on the actions set out in the 2022-23 Annual Governance Statement.

During this workshop, the Governance Framework Document would be updated to reflect progress made towards completing these actions. The draft Governance Framework Document 2023-24, updated document would then be presented to the Committee at its 24 January 2024 meeting.

It was AGREED:
(i)note the contents of this report;
(ii) note the Draft Governance Framework Document 2022-23 and
(iii)recommend that Council endorses the Draft Annual Governance Statement 2022-23; and
(iii) that further work on these documents would be addressed in the near future following discussion with the Chair; and that an overarching document

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would be presented to consider both the Framework and Statement for 2023-2024 accordingly.

9   **Self-Assessment of good practice and evaluating effectiveness of Governance and Audit Committee**

Consideration was given to the Self-Assessment of good practice and evaluating effectiveness of Governance and Audit Committee.

Following the circulation of a survey and workshop, on 10 March 2022 a draft Self-assessment and Evaluation of Effectiveness Review was considered by the Governance and Audit Committee. It was agreed that the document would be reconsidered in order that a final review document could be presented at the next Committee meeting.

At the Committee's 08 June 2022 meeting, it was confirmed that the draft Self-assessment and Evaluation of Effectiveness Review had been added to the Forward Work Programme under September's 2022's scheduled meeting as it was hoped that a Workshop would be scheduled for the new Committee in advance of this meeting in order to reconsider the document and discuss the skills of the new Committee. It was agreed that a workshop be held prior to the September meeting in order to collate skills of Committee Members. A workshop was held in November 2022.

A further workshop was held on 13 June 2023 for the Committee to consider the draft Self-assessment and Evaluation of Effectiveness Review. The 'Self-assessment of good practice' document, as completed was presented.

The Committee did not complete the CIPFA tool 'Evaluating the impact and effectiveness of the audit committee') tool. Currently, the Committee were needed to consider whether
- the self-assessment exercise for 2022-23 was complete
- going forward it wishes to use CIPFA's 'Self-assessment of good practice' and 'Evaluating the impact and effectiveness of the audit committee' tools, or use an alternative method of self-assessment.

It was AGREED to
(i) note the contents of the draft 'Self-assessment of good practice' document
(ii) that the self-assessment exercise for 2022-23 was complete, however, further work was required for Question 28 on the document; and
(iii) that a revised self-assessment procedure for the 2023-2024 self-assessment process would need to include governance assurance

10   **Internal Audit Progress Report Q1**

Consideration was given to the report of the Corporate Manager-Internal Audit on The Internal Audit Progress Report Quarter 1. It was reported that the Committee considered the annual Internal Audit Strategy 2023/24 at its meeting in March 2023 which also identified the main areas of work for the 2023/24 operational audit plan. The Plan included reviews carried forward from the previous year's audit plan, routine audits eg grant certifications and

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work prioritised dependant on risk, on which the Internal Audit Section could form its assurance opinion.

For 2023/24, a risk assessment was undertaken in addition to information from the Council's Corporate Risk Register as new risks to the Council continue to emerge, which were constantly changing. IA would therefore assess its work on an on-going basis, considering the Council's changing needs and priorities regularly. Any reactive work added to the Operational Plan was reported within this report.
This progress report notes the steps made to date toward delivery of the audit strategy, by providing a summary of the work undertaken. It also documents the current resource position, and the Section's improvement plan.

It was AGREED:-
(i) to note the work undertaken and current position of the
Internal Audit Service;
(ii) that the relevant Cabinet Members be aware of any issues raised in Internal Audit reports;
(iii) to note that a follow up meeting with the CLO and Corporate Manager for the Museum service had been undertaken and that a further Internal Audit of Financial Management & Income was due to be undertaken in October to ensure sufficient controls being addressed by management; and
(vi) to request that the relevant CLO responsible for the Museum shop be present at a future meeting to address the issues raised in the document

11   **Internal Audit Self-Assessment 2022/23**
It was reported that the PSIAS and CIPFA's Local Government Application Note supersede the 2006 Code for Internal Audit and came into force from April 2013. The PSIAS and Application Note must be complied with in order to ensure proper internal audit practices were applied.
The Application Note contained a checklist which had been developed to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments as part of the Quality Assurance and Improvement Program (QAIP). It incorporates the requirements of the PSIAS as well as the Application Note in order to give comprehensive coverage of both documents.

The completed self-assessment was attached in full to consider, along with resulting improvement plan.To highlight the key areas of change within the Self-Assessment for 2022-23, the areas identified for improvement reported to you in the 2021-22 Self-Assessment had been addressed and marked as 'conforms'. The remaining area is Std 1210:
5.3.1 Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?
As was regularly reported to GAC, the CMIA was currently studying for the IIA's Certificate in Internal Audit.

It was AGREED to note the content of the report.

12   **Annual compliments, Complaints and Freedom of Information Report**

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Introduction

This report provides information relating to the Council's Compliments, Complaints and FOI activity between 1st April 2022 and 31st March 2023. The report itself included specific information on the number and type of compliments received, the different complaints stages, performance and outcomes relating to these and information on compliance with FOI and EIR legislation.

A report detailing the compliments and complaints activity in relation to Social Services was also presented, and information about the Lessons Learned as a consequence of (corporate) complaints was also provided. The main report consists of a section about the contact received from the Public Services Ombudsman for Wales ("the Ombudsman") during the reporting period. The Ombudsman's Annual Letter to the Council was also presented and provided further details about all Ombudsman activity for Ceredigion, as well as for other Council's across Wales.

This was the fourth consecutive report where there had been no Ombudsman investigations commenced or formal reports issued in relation to complaints made against the Council. Whilst there were fewer Ombudsman referrals during this reporting year, the Council had a consistently high rate of Early Resolution/Voluntary Settlements.
It was therefore acknowledged that challenges remain in relation to the complexity of complaints received, a general increase in activity surrounding complaints, FOI, Ombudsman referrals and referrals to the Information Commissioner's Office (ICO), as well as the challenges associated with the delivery of the Complaints and FOI Team itself. These challenges had inevitably had an impact on the Council's ability to meet its performance objectives in relation to prescribed timescales.

In brief it was reported, that:
☐ 465 Compliments were received
☐ 403 Enquiries were processed by the Complaints & FOI Service
☐ 144 Complaints were received: Stage 1 = 96 Stage 2 = 48
☐ 35 'Contacts' received via the Public Services Ombudsman for Wales
☐ 882 FOI & EIR requests processed by the Complaints & FOI Service

In summary, it was reported that:-
•There were significantly more Compliments received during this reporting period. Improving the way that compliments were captured remains a piece of work that the Complaints and FOI Team needs to undertake, but that was being delayed due to capacity constraints.

•The service received a greater number of enquiries – many of which were either allocated back to the service areas to resolve pro-actively, or formal responses were required in order to explain why such matters could not be dealt with under the complaints procedures.

•It was worth noting that the number of complaints received by the Council was the third lowest in Wales.

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•A great deal of work was needed to prevent Stage 1 complaints from escalating to Stage 2 unnecessarily on account that it had not been possible to respond within the prescribed timescale of ten-working-days.
•Compliance with timescales under Stage 2 also requires attention, as do the shortcomings in complaints handling that were referred to the Ombudsman. The Complaints and FOI Team continues to face challenges in meeting the demands of rises in the numbers of compliments, complaints, and FOI activity.

•there were fewer Ombudsman referrals than last year, but the number of Early Resolution / Voluntary Settlements was the highest in Wales.

•Complaints about Refuse Collection and Planning matters continue to be the main reasons for complaints; however, these services were predisposed to attracting complaints and these must be taken in context with the level of activity undertaken by these two service areas.

•Compliance with Freedom of Information (FOI) and Environmental Information Regulations (EIR) timescales were at the lowest level reported, at 54% and 44% respectively. A great deal of work was being undertaken to improve on this.

Areas to focus on were:-
•Improving adherence with timescales prescribed in complaints and FOI/EIR policies/legislation
•Increase the resilience within the Complaints and FOI Team
•Reinforce the principle that complaints are owned throughout the Council
•Deliver a comprehensive training programme on complaints handling
•Improving system for capturing compliments and data surrounding lessons learned
•Continuing with open, transparent, and citizen-centred approach to resolving concerns

It was AGREED:
- to note the contents of the Annual Report of Compliments, Complaints and Freedom of Information 2022-2023, the supporting appendices, and
- to note the contents of the Ombudsman's Annual Letter for 2022-2023.

13   **Ceredigion County Council Draft Self-Assessment**
Part 6 of the Local Government and Elections (Wales) Act 2021 introduced a new Self-Assessment based performance regime for Principal Councils.

The new performance regime was intended to build and support a culture in which councils continuously seek to improve and do better in everything they do, regardless of how well they were performing already. It was the expectation of the Act that councils would always be striving to achieve more and seek to ensure best outcomes for local people and communities. One way of doing this was to continuously challenge the status quo and ask questions about how they were operating.

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There were 5 specific duties for Councils introduced by the Act:

•Duty to keep performance under review
•Duty to consult on performance
•Duty to report on performance
•Duty to arrange a Panel Performance Assessment
•Duty to respond to a Panel Performance Assessment

The Act sets also out the integral role that the Governance and Audit Committee play in the Self-Assessment Process. This role involves the Committee:

•Receiving the Council's draft Self-Assessment Report

•Reviewing the draft Self-Assessment Report and making recommendations on the conclusions or actions the Council intends to take

•Receiving the final Self-Assessment report when it was published, including commentary on why its recommendations are accepted or not accepted.

Currently, the Draft Self-Assessment Report had now been produced and was presented to the Committee for consideration.

The Report had been developed by assessing a wide variety of evidence including internal reports and reviews, external regulatory and inspection reports and crucially engagement and consultation activities. The Council adopted a set of key questions or "Key Lines of Enquiry" to ensure the process was focused on outcomes, the organisation-wide view of performance and was evidence-based. Workshops were run during April and May with Members and Officers of the Council to evaluate current performance, the opportunities that exist for improvement and the specific actions we intend to take. The findings were recorded in the Self-Assessment Matrix document which was used to help produce the Self-Assessment Report and Action plan, and was available on request.

Although the Self-Assessment Report was the key output from the process the work on improving outcomes was an ongoing year-round activity. Throughout the year we conduct consultation in support of self-assessment, we collate evidence to inform the workshops, deliver the actions in the Self-Assessment action plan and monitor the progress towards completion.

It is important to note that the Report discharges the requirements of both:
•The Local Government and Elections (Wales) Act 2021 – the duty to report on performance
•The Well-being of Future Generations (Wales) Act 2015 – to set and review progress against our Corporate Well-being Objectives

Part of the new Self-Assessment Performance Regime was the duty to undertake a Panel Performance Assessment once in every election cycle.

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Panel Assessments were intended to provide an independent and external perspective of the extent to which the Council was meeting the performance requirements of the Local Government and Elections (Wales) Act 2021. The aim was to support Councils to achieve their aspirations through developing and understanding how it was operating and how it could ensure it was able to deliver effective services long-term.

The Council's first Panel Performance Assessment was being organised for the first quarter of 2024/25 and supported by the Welsh Local Government Association. Preparatory work, such as appointing the Panel and scoping the Assessment would be conducted over the next several months.

Following questions from the floor, it was AGREED:
    (i) to note the content of the report;
    (ii) the Draft Self-Assessment Report would be updated based on the recommendations of the Governance and Audit Committee,and
    (iii) the final version would be reported to its meeting on 24 January 2024.

14   Corporate Risk Register

Regular reports were provided to the Governance and Audit Committee regarding the Council's Corporate Risk Register to provide on-going information and assurance that risks identified by senior managers were managed appropriately. This reinforces the Governance and Audit Committee role of providing independent assurance to Council of the appropriate management of the Corporate Risk Register.

A review of the latest risk status was conducted at the LG meeting of 30 August 2023 where candidates for promotion / demotion to the Corporate Risk Register were discussed and agreed. The risk register had now been amended to include details of when and which committee last reviewed the risk, as requested at the previous Governance and Audit Committee meeting (21/06/2023).

De-escalated from corporate to service
R006: Through Age Well-being Programme. The risk score has decreased to 12 as the Through Age Well-being model was now more developed and consolidated. Staff, service-users and the community had a greater understanding and accept the model. The recent CIW inspection supports the model. The model had been reviewed and some revision made to enhance the effectiveness around Quality Assurance and Mental Wellbeing. The risks had been mitigated and the level of perceived risk has abated. Leadership Group agreed to de-escalate the risk to service level.

R017: Safeguarding. The risk score has decreased to 12 as the mitigating actions had been completed, and a corporate safeguarding group has been re-established. The service participates fully in all regional and appropriate national meetings and boards in the safeguarding arena. The safeguarding service was fully staffed following the appointment of the agency recruited

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Innovate team, this has resulted in a more responsive service with capacity to cope with demand. Safeguarding procedures were better embedded and have made the service more responsive. Overall, there were less concerns about the safeguarding risks as risks were being managed appropriately. Leadership Group agreed to de-escalate the risk to service level.

Escalated from service to corporate
None

The risk score for R006: Through Age Well-being Programme, had decreased to 12.

The risk score for R017: Safeguarding had decreased to 12.
All other risks had been reviewed and included the revised RAG status of mitigating actions and updated commentary.

It was noted that Ceredigion was one of the leading Local Authorities in Wales on this issue, with an Officer from Ceredigion being a chair of the All Wales Cyber group organised by Welsh Government.

It was AGREED:
(i) to note the updated register as presented; and
(ii) in relation to R009: Information Management & Cyber Security Resilience the Committee requested that they would be considered as two separate risks due to the severity of Cyber-attack, this recommendation would be presented to Leadership Group for consideration;

15   **Draft Corporate Risk Management Policy, Strategy and Framework Background**
The Council's Risk Management Policy, Strategy and Framework were reviewed every three years to ensure they remain up to date and fit for purpose. The latest review was conducted between December 2022 to January 2023.

The findings from the review had already been considered by Leadership Group and resulted in a number of updates to the Draft Risk Management Policy, Strategy and Framework.

Currently, the Risk Management Policy, Strategy and Framework had been updated to reflect the findings of the review and current trends in best practice. The main updates were listed in the report as follows:-

- Strengthening the monitoring of service risks – service risks scoring 15 or above would be assessed quarterly by Leadership Group for escalation to the Corporate Risk Register and vice versa.

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- Service risks would be added to the Teifi Performance Management System so that they could be updated and managed through the system.

- Clarified that the threshold for risks to be considered by Leadership Group to be escalated / de-escalated is 15.

- Clarified that Leadership Group were responsible for deciding if risks should be escalated or de-escalated

- Clarified the role of Internal Audit in the Policy and Framework, which was to assess and evaluate the effectiveness of actions in place to mitigate risk and provide objective assurance that risks were being managed appropriately. Additionally, Internal Audit would also provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures by including periodic reviews of the Corporate Risk Register, Service Risk Register and Corporate Risk Management procedures.

- Clarify that "target risk" scores should be provided to accompany the mitigating actions for risk, i.e. what score should the risk be reduced to by delivering the mitigating actions identified.

  Following approval of the draft Risk Management document, Leadership Group decided that a consultation exercise limited to key stakeholders would take place to include members of the Governance and Audit Committee (GAC) and Zurich Insurance. Following the consultation, the final documents would be taken through the democratic process for final approval.

  A consultation letter was sent to all members of the Governance and Audit Committee on the 30th of June, inviting written comments by the 25th August. A detailed and useful response has been received from the Deputy Chair of GAC and was currently being considered. Zurich`s response had also been received and they offer no changes to the draft.

  Following consideration of response/s, the risk management documents would be amended to include any required changes. The updated risk management documents would be shared with GAC at its next meeting and would then be taken through the Democratic process for approval. Any further feedback from GAC on the risk Management Policy, Strategy and Framework at that stage would be included in subsequent reports

  Following discussion, Leadership Group do not consider that a workshop for GAC on this topic was necessary, as all members of GAC have had the opportunity to engage with the consultation over the summer.

  It was AGREED:-

  (i) to note the draft Risk Management Policy, Strategy and Framework;
  (ii) note current progress and the next steps; and

(iii) to inform Leadership Group that if Members of the GAC had requested a workshop to be arranged for a specific issue or if they wished to attend a budget workshop for example, then this should be permitted

16 **Forward Work Programme**

It was AGREED to note the content of the Forward Work Programme subject to noting that the new Governance Officer would not be in post until the beginning of November, which could impact on the reports presented at the January 2024 meeting.

All Members thanked Ms Hannah Rees for her work during her time as a Governance Officer and wished her well for the future.

Confirmed at the Meeting of the Governance and Audit Committee held on xxx

Chairman:_____

Date:_____

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Ceredigion County Council Governance and Audit Committee Meeting Actions Log 2022-2023*

The purpose of this Actions Log is to monitor Actions agreed by the Governance and Audit Committee at their Meetings e.g. where the Governance and Audit Committee have requested a future Report to be presented to them, or information sought at a future Meeting.

For further information regarding the Actions Log please contact the Governance Officer.

Last updated: 10th January 2024

*Municipal Year
Actions marked Completed shall be removed from the subsequent Actions Log

Acronyms:

AW – Audit Wales	CM – Corporate Manager
CE – Chief Executive	CMIA – Corporate Manager Internal Audit
CLO – Corporate Lead Officer	DCC – Development Control Committee
DPO – Data Protection Officer	GAC – Governance & Audit Committee
FWP – Forward Work Programme	L&G – Legal & Governance
GO – Governance Officer	N/A – Not Applicable
MO – Monitoring Officer	TBC – To be confirmed

No	GAC Meeting Date	Item no	Noted / Comments	Action	Officer(s) responsible for action	Progress Update	To next be reported	Status	Notes
1	27/09/2022	**16 Corporate Risk Register Q1**	(iii) that further consideration should be given to the workload of the Food Safety team due to the number of outstanding inspections by the Healthier Communities Overview and Scrutiny Committee.	that further consideration should be given to the workload of the Food Safety Team due to the number of outstanding inspections by the Healthier Communities Overview and Scrutiny Committee	Katy Sinnett-Jones	The Healthier Communities Overview and Scrutiny Committee considered the `report on the delivery of food hygiene standards and animal feed inspections in Ceredigion on the 22nd of November 2023. Following questions by the Committee Members, it was agreed to receive the report and recommend to the Cabinet the approval of the Food and Feed Service Plan 2023-24.		**Complete**	
2	09/03/2023	**Corporate Risk Register Q3**	We need a better understanding of the end to end process on which items are included / removed.	Workshop requested to explain the process of adding / removing risks to the corporate risk register.	Alun Williams			**Complete**	Workshop will be considered once the new Risk Assessment, Strategy & framework has been introduced.

3	27/09/2023	**7 Council Respnses to Regulator & Inspectorate Reports and Updates**	ii) Future Management Response forms will be presented alongside the corresponding Regulator & Inspectorate Reports.	New report header to amalgamate regular items 6 & 7	Elin Prysor	GAC agenda 24.01.24	Jan-24	**Complete**	Report updated for GAC 24/01/2024
4	27/09/2023	**8 Annual Governance Statement**	**i)** AGS / Local Code / Governance Framework •Further work on these documents will be addressed following discussion with the chair. •An overarching document will be presented to consider both the Framework and Statement for 2023-24	Work on update / revision of documents to commence.	Elin Prysor	Governance Framework Document has been created to give a more in depth / overarching explanation of the Annual Governance Statement	Jan-24	**In Progress**	
			ii) Lay members wish to receive an invitation to the Members 24/25 budget-setting workshops	AJ to arrange for the lay members to be invited to the budget workshop24/25	Alex Jenkins	GAC Chair and Vice Chair met with Duncan Hall to go through budget setting on 6.12.23	Nov-23	**Complete**	
5	27/09/2023	**10 Internal Audit Progress Report Q1 2023-24**	(ii) that the relevant Cabinet Members be aware of any issues raised in Internal Audit reports;					**Complete**	

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				Further Audit of Financial Management to be undertaken by the Audit Section	Alex Jenkins			**In Progress**	
			(iii) to note that a follow up meeting with the CLO and Corporate Manager for the Museum service had been undertaken and that a further Internal Audit of Financial Management & Income was due to be undertaken in October to ensure sufficient controls being addressed by management;						
			(vi) to request that the relevant CLO responsible for the Museum shop be present at a future meeting to address the issues raised in the document.	EP to request CLO to attend GAC	Elin Prysor	Alternative resolution :Cabinet Member & CLO informed. Request made to Chair Thriving Communities Scrutiny Committee to add item to Forward Work Plan to ensure that service is taking corrective action.		**Complete**	
6	27/09/2023	**13 Ceredigion County Council Self-Assessment**	(ii) the Draft Self-Assessment Report would be updated based on the recommendations of the Governance and Audit Committee.				24/01/2024	**Complete**	

7	27/09/02023	**14 Corporate Risk Register**	(ii) in relation to R009: Information Management & Cyber Security Resilience the Committee requested that they would be considered as two separate risks due to the severity of Cyber-attack. this recommendation would be presented to Leadership Group for consideration;	To consider splitting R009 into two separate items on the Risk Register	Alun Williams		24/01/2024	**Complete**	Items now split - R009 Information Management and R024 Cyber Resilience
8	27/09/2023	**15 Draft Corporate Risk Management Policy, Strategy & Framework**	(iii) to inform Leadership Group that if Members of the GAC had requested a workshop to be arranged for a specific issue or if they wished to attend a budget workshop for example, then this should be permitted	Request that LG consider GAC lay members to be invited to workshops.	Elin Prysor			**Complete**	LG has noted the position. GAC lay members will not be invited to budget workshop

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Cyngor Sir CEREDIGION County Council

REPORT TO:	**Governance and Audit Committee**
DATE:	**24th January 2024**
LOCATION:	Remotely by Video Conference
TITLE:	Regulator & Inspectorate Reports & Council Responses
PURPOSE OF REPORT:	To provide the Governance and Audit Committee with updates on the progress of regulator/inspectorate reports and Council responses.
For:	Decision

Introduction

This Report sets out Regulator and Inspectorate Reports and updates along with Council responses regarding progress made against proposals and recommendation. It has 3 parts:

a) Audit Wales quarterly update to Governance and Audit Committee
b) Any local risk work issued/published since the last Governance and Audit Committee meeting
c) Audit Wales National Reports

Current Position
a) Audit Wales quarterly update to Governance and Audit Committee

- Audit Wales Work Programme and Timetable – Ceredigion County Council (**appendix 1**)

b) Any local risk work issued/published since the last Governance and Audit Committee meeting

- Audit Wales – Project Brief - Assurance and Risk Assessment – Ceredigion County Council (**appendix 2**)
- Audit Wales – Digital Strategy Review – Ceredigion County Council (appendix 3a)
- ORF – Digital Strategy Review (**appendix 3b**)
- Audit Wales – Cracks in the Foundations – Building Safety in Wales Report (**appendix 4a**)
- MRF – Cracks in the Foundations – Ceredigion County Council Response to Building Safety in Wales Report (Updated September 2023) (**appendix 4b**)
- Audit Wales - Equality Impact Assessment (**appendix 5a**)
- MRF – Equality Impact Assessment (updated December 2023) (**appendix 5b**)
- Audit Wales - Springing Forward – Strategic Workforce Management – Ceredigion County Council (**appendix 6a**)
- MRF – Springing Forward – Review of Strategic Workforce Management – Ceredigion County Council (Updated January 2024) (**appendix 6b**)
- Audit Wales – Setting of Well-being Objectives (**appendix 7a**)

- ORF – Setting of Well-being Objectives (**appendix 7b**)
- Audit Wales – Time for Change – Poverty in Wales (**appendix 8a**)
- MRF – Time for change – Poverty in Wales (January 2024 update) (**appendix 8b**)
- Audit Wales – 'Raising out Game' Tackling Fraud in Wales – Update due 2024

c) Audit Wales National Reports
- Audit Wales – Corporate Joint Committees report (**appendix 9**)
- Audit Wales – A Missed Opportunity Social Enterprises (**appendix 10a**)
- MRF – A Missed Opportunity Social Enterprises (**appendix 10b**)

RECOMMENDATIONS:
1) To consider the Regulator and Inspectorate reports and Updates
2) To Consider the Council's response (Management/Organisational Response Forms)

Reasons for Recommendation
To keep the Governance and Audit Committee informed of reports, proposals and work being undertaken

Appendices:

Appendix 1	Audit Wales – Work Programme and Timetable – Ceredigion County Council
Appendix 2	Audit Wales – Project Brief – Assurance and Risk Assessment – Ceredigion County Council
Appendix 3a	Audit Wales – Digital Strategy Review – Ceredigion County Council
Appendix 3b	ORF – Digital Strategy Review
Appendix 4a	Audit Wales – Cracks in the Foundations – Building Safety in Wales
Appendix 4b	MRF – Cracks in the Foundations – Building Safety in Wales
Appendix 5a	Audit Wales – Equality Impact Assessment
Appendix 5b	MRF – Equality Impact Assessment
Appendix 6a	Audit Wales – Springing Forward Workforce Management Report – Ceredigion County Council
Appendix 6b	MRF – Springing Forward – Review of Strategic Workforce Management – Ceredigion County Council
Appendix 7a	Audit Wales – Setting of Well-being Objectives – Ceredigion County Council
Appendix 7b	ORF – Setting of Well-being Objectives
Appendix 8a	Audit Wales – Time for Change – Poverty in Wales
Appendix 8b	MRF – Time for Change – Poverty in Wales
Appendix 9	Audit Wales – Corporate Joint Committees report
Appendix 10a	A Missed Opportunity – Social Enterprises
Appendix 10b	MRF – A Missed Opportunity – Social Enterprises

Contact Name: Elin Prysor
Designation: Corporate Lead Officer: Legal & Governance & Monitoring Officer
Date of Report 24/01/2024

Audit Wales Work Programme and Timetable – Ceredigion County Council

Quarterly Update: 30 September 2023

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in February 2022.	March 2023	Complete Ceredigion County Council – Annual Audit Summary 2022

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 statement of accounts	To confirm whether the statement of accounts provides a true and fair view.	Audit Opinion by 28 February 2024	In progress
Audit of the 2022-23 Annual Return for Ceredigion Harbour	To confirm that the return has been properly completed.	Audit Opinion by 28 February 2024	In progress
Audit of the 2022-3 Annual Returns for Growing Mid Wales and Mid Wales Corporate Joint Committee	To confirm that the returns have been properly completed.	Audit Opinion by 28 February 2024	In progress

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 Grants and Returns	Audit of the grants and returns as required by their terms and conditions.	In line with the deadlines for each individual grant and return.	Not yet started

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	ongoing	In progress
	• Financial position	Ongoing monitoring of financial position	Ongoing

2022-23 Performance Audit work	Scope	Timetable	Status
	• Capital programme management	September – December 2023	AW will not undertake detailed work at all councils as part of our 2022-23 work programme. We are currently exploring our options for undertaking a detailed piece of work on this topic either in 2023-24 or future years.
	• Use of performance information – with a focus on service user feedback and outcomes	February – September 2023	Report being drafted
	• Setting of well-being objectives	July 2023	Complete Setting of Well-being Objectives
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – July 2023	Fieldwork nearing completion, reporting from September 2023 onward.

2022-23 Performance Audit work	Scope	Timetable	Status
Thematic review – Digital	A review of councils' strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils' resources.	January – September.	Report being finalised
Local risk work: Planning review – follow up	To follow up the Council's progress in relation to addressing the recommendations in our Planning review published in November 2021. Review of the Planning Service – Ceredigion County Council	Autumn 2022 – Summer 2023	Report Published Planning Service Follow-up review

2023-24 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment including any follow-up work	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	Ongoing	In progress
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – June 2024	Scoping
Thematic review – commissioning and contract management	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	January – July 2024	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion County Council
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Report drafting – publication due November/December 2023	Yes – interview with nominated officer at seven councils and survey.
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due November/December 2023.	No
Corporate Joint Committees (CJCs)	Assessing CJCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – August 2023	individual letters have been issued to the four CJCs. National summary report due for publication October/November 2023.	Yes – We explored the Council's perspective via our routine liaison meetings. Fieldwork included interviews with the chief executive, director of finance and chair of each of the four CJCs.

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion County Council
Governance in Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – March 2024	Project brief issued	No
Homelessness	Examining how services are working together to progress the response to homelessness.	tbc	Scoping	tbc

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Wrexham local authority was removed from the causing significant concern category following a monitoring visit in July. We inspected Gwynedd in the week beginning 26 June and Carmarthenshire in the week beginning 10 July. Both reports have been published on our website. We will be inspecting Conwy local government education service on the week beginning 6 November.

Field work being carried out across local authorities during the autumn term includes a focus on attendance, school improvement and the work of the local authority to mitigate the impact of poverty on learners' attainment.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews			
CLDT	Working with HIW we will complete a small sample of joint CLDT inspections in 2024. We will use this approach to evaluate and consider our approach to joint inspection.	2024-25	Planning
Deprivation of Liberty Safeguards – 10 years on	We are working in partnership with HIW to consider our approach and follow up on the report: A National Review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales (hiw.org.uk) undertaken in 2014.	2024-25	Scoping
Stoke pathway	Working in collaboration with HIW a National Review of Patient Flow: a journey through the stroke pathway (hiw.org.uk) has recently been published.	Complete	Published

CIW planned work 2023-25	Scope	Timetable	Status
National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings	Purpose of the review To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings. To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.	In progress	Publication November 2023
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23	The 2020-21 report was published on 7 February 2021 The 2021-2022 report is underway	Published To be confirmed	Published Preparing

CIW planned work 2023-25	Scope	Timetable	Status
Joint Inspection Child Protection Arrangements (JICPA)	We will complete a further two multi-agency joint inspections in total. The findings following Denbighshire County Council have been published - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023 | Care Inspectorate Wales The findings following Bridgend County Borough Council have been published - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023 | Care Inspectorate Wales We will publish a national report in late spring 2024.	April 2023 – April 2024	Delivery
Performance review of Local Authorities	We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity | Care Inspectorate Wales How we inspect local authority services and CAFCASS Cymru	Ongoing	Ongoing

Audit Wales national reports and other outputs published since September 2022

Report title	Publication date and link to report
NHS workforce – data briefing	September 2023
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
Local Government Financial Sustainability Data tool update (further update planned autumn 2023)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023
Digital inclusion in Wales (including key questions for public bodies)	March 2023

Report title	Publication date and link to report
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	March 2023
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	February 2023
Welsh Government purchase of Gilestone Farm	January 2023
Together we can – Community resilience and self-reliance	January 2023
A Picture of Flood Risk Management	December 2022
'A missed opportunity' – Social Enterprises	December 2022
Poverty Data Tool	November 2022
'Time for change' – Poverty in Wales	November 2022
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)
National Fraud Initiative 2020-21	October 2022
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	October 2022
Payment to the Welsh Government's Former Permanent Secretary on Termination of Employment	September 2022

Report title	Publication date and link to report
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022

Audit Wales national reports and other outputs (work in progress / planned)[1, 2]

Title	Indicative publication date
Covering teachers' absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS quality governance	October/December 2023
A465 Section 2 – update	November/December 2023
Ukrainian refugee services	December 2023/January 2024

[1] We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

[2] We have also published to our website a paper – Our work programme for 2023-2026 – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26.

Title	Indicative publication date
Local government digital strategy review – national summary	January 2024
Local government use of performance information, outcomes and service user perspective – national summary	November/December 202
Affordable housing	February/March 2024
Active travel	Spring 2024
Cancer services	To be confirmed (scoping)
Velindre Cancer Centre	To be confirmed (scoping)
Welsh Government capital and infrastructure investment	To be confirmed (scoping)
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	R&D work underway September to December 2023. Data gathering with representative groups. Outputs will inform any further audit work.
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
The senior public service	To be confirmed (scoping early 2024)
Challenges for the cultural sector	To be confirmed (starting in 2023-24)
Rebalancing care and support	To be confirmed (starting in 2023-24)

Title	Indicative publication date
Tackling NHS waiting lists	To be confirmed (starting in 2023-24)
Access to education for children with Additional Learning Needs	To be confirmed (starting in 2023-24)
Audit Committees. 'What does good look like?'. R&D work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.	R&D work Sept – Dec 2023 Good Practice Event Spring 2024

Good Practice Exchange events and resources

Title	Link to resource
Strategy to Action: How digital makes a difference to everyday lives This event will take a practical and honest view at the digital landscape in Wales and will offer practical ideas for public and third sector organisations which will help them achieve the best value for money.	27 September 2023 09:00 – 13:00 – North Wales – To register for North Wales 5 October 2023 09:00 – 13:00 – Cardiff – To register for Cardiff
Working in partnership to improve wellbeing This event will bring together the North Wales Insight Partnership, the Public Service Boards and the C4C community to share wellbeing plans across the North Wales region, as well as sharing the innovative work being undertaken by a range of sectors around wellbeing in our communities. The event will provide opportunities to discuss how we can connect all of this work to deliver real change.	24 October 2023 09:30 – 16:30 To register for North Wales Cardiff date TBC

Title	Link to resource
Integrity in the Public Sector 'Trust is built and maintained through competence, reliability, and honesty, as well as the building of genuine and sound relationships between the public sector and the public it serves. That means the public sector must be accountable for the management and delivery of public services and outcomes, for the direction and control of the work it does, the resources it manages, and for its behaviour and ethics.' This event will look at how public services can promote a culture of integrity.	5 December 2023 10:00 – 12:00 Online To register
Podcast: Auditing Community Resilience In this edition of The Exchange, our Local Government team discuss some of the factors that cause poverty in Wales, as well as the value provided by social enterprises, and the importance of keeping wealth in communities.	**To listen**

Recent Audit Wales blogs

Title	Publication date
Building Safety – Have we learnt from Grenfell?	1 August 2023
Helping people to help themselves	15 February 2023
A perfect storm – the cost of living crisis and domestic abuse	21 November 2022
Tackling poverty means tackling poverty data	11 November 2022
Cost of living and putting away the bayonet	21 September 2022
Heat is on to tackle Climate Change	18 August 2022
Direct Payments in Wales	15 June 2022

Title	Publication date
Unscheduled Care in Wales – a system under real pressure	21 April 2022

Project Brief – Assurance and Risk Assessment – Ceredigion County Council

Audit year: 2023-24

Date issued: August 2023

Publication reference number: 3659A2023

Contents

Background

1   The Auditor General has a duty under the Public Audit (Wales) Act to assure himself each year that councils have put in place proper arrangements to secure value for money in the use of their resources. A similar project is being undertaken at each council to help to fulfil this duty through a review of the arrangements that the Council has put in place, as well as to identify arrangements where we intend to undertake more detailed audit work. We are undertaking a similar project across all principal councils in Wales. This audit will also help the Auditor General to assure himself that councils are acting in accordance with the sustainable development principle and to identify where we intend to undertake further work to test its application.

Legislative basis

2   This project is being undertaken to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015. It may also inform audit work carried out under other powers and duties.

3   Our privacy notice is included on pages 10-11 of this project brief and it provides information about the potential collection of personal information by the Auditor General as part of this work.

Audit objectives

4   Our objectives for this audit are to:
   - help discharge the Auditor General's duty to satisfy himself that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
   - help discharge the Auditor General's duties under the Well-being of Future Generations Act; and
   - inform our work planning for future years.

Audit questions and criteria

5   **Exhibit 4** contains the audit questions and audit criteria.

Audit scope

7   This project will cover key corporate and service arrangements, although the extent to which we review each arrangement each year varies according to our assessment of audit risk.

8   As part of our Assurance and Risk Assessment (ARA) work, we may also undertake follow-up work on proposals for improvement/recommendations issued in previous Audit Wales reports.

Audit methods

9   We will follow a risk-based approach to reviewing the Council's arrangements. For some aspects of the Council's arrangements, our work may be limited to high-level document reviews. For other arrangements, we may undertake more substantive work including, for example, interviews and meeting observations. As a minimum, we will interview the Chief Executive, Corporate Directors and some Corporate Lead Officers. We intend to deliver this work on an ongoing basis during 2023-24.

10   In undertaking this project, we will also draw on the findings of our other ongoing and recent work, the findings of other Inspectors and Regulators, and the work of the Council's own internal review mechanisms, such as the Council's internal audit and overview and scrutiny functions.

11   We will also hold a workshop with senior management to discuss a summary of our emerging findings, our planned future work, and gain the perspective of senior managers on the Council's key risks and areas of focus. This workshop will also involve Estyn and Care Inspectorate Wales and is likely to be in early 2024.

Output

12   We will feed back emerging findings from this work to the Council as appropriate and summarise our assessment of key audit risks at the workshop referred to above.

Timetable

13   **Exhibit 1** shows the high-level timetable of the main audit stages.

Exhibit 1: audit timetable

Stage	Date
Issue project brief	July 2023
Document reviews	Ongoing over 2023-24
Interviews with senior officers	September – December 2023
Workshop with senior officers	Early 2024

Audit Wales contacts

14   **Exhibit 2** sets out the Audit Wales team that will be working on this audit.

Exhibit 2: Audit Wales contacts

Name	Contact details
Gary Emery – Audit Director	Gary.Emery@audit.wales
Non Jenkins	Non.Jenkins@audit.wales
Bethan Roberts	Bethan.Roberts@audit.wales
Jason Blewitt	Jason.Blewitt@audit.wales

Fieldwork

15   We will conduct our fieldwork in line with the organisation's stated language preference. We will make every reasonable effort to accommodate language preferences of individuals during the audit if we receive these at the point of setting up fieldwork.

Document request

16   We will review a range of documents as part of our ongoing document reviews, the majority of which are likely to already be in the public domain. If we would like to request additional documents or are unaware of where to access them, we will communicate this through our usual contact(s) for performance audit work.

Interviews

17   **Exhibit 3** sets out the initial list of people we would like to interview during our work. We will confirm specific details of who we would like to interview during the project set-up meeting and contact you again to arrange mutually convenient dates and times when we begin the evidence gathering stage.

Exhibit 3: interviewees

Title
Chief Executive
Corporate Directors
Corporate Lead Officers

Appendix 1

Audit questions and criteria

Main audit question: **Do the Council's arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 4: audit questions and criteria

Level 2 questions	Criteria
1. Do Governance arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
2. Do Strategic planning arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
3. Do Resource Planning and Management arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	Arrangements are in place. There is appropriate oversight of arrangements. Evidence that arrangements are effective.

Level 2 questions	Criteria
4. Do collaboration and partnership arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
5. Do Performance Management arrangements demonstrate that the Council is applying the Sustainable Developmentprinciple and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
6. Do Risk Management arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
7. Does service performance indicate that proper arrangements to secure value for money are in place and that the sustainable development principle is being applied?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.

Appendix 2

Fair processing notice

Date issued: August 2021

Auditor General for Wales – Privacy Notice

This privacy notice tells you about how the Auditor General for Wales and staff of the Wales Audit Office process personal information collected in connection with our work.

Who we are and what we do

The Auditor General for Wales' work includes examining how public bodies manage and spend public money, and the Wales Audit Office provides the staff and resources to enable him to carry out his work. 'Audit Wales' is a trademark of the Wales Audit Office, and is the umbrella identity of the Auditor General for Wales and the Wales Audit Office.

Data Protection Officer (DPO)

Our DPO can be contacted by telephone on 029 2032 0500 or by email at infoofficer@audit.wales

The relevant laws

We process your personal data in accordance with data protection legislation, including the Data Protection Act 2018 (DPA) and the UK General Data Protection Regulation (GDPR). Our lawful bases for processing are the powers and duties set out in the Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and 2006, the

Local Government (Wales) Measure 2009, the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015. Depending on the particular power or function, these statutory bases fall with Article 6(c) and (e) of the UK GDPR—processing necessary for compliance with a legal obligation, for the performance of a task carried out in the public interest or in the exercise of official authority.

Who will see the data?

The Auditor General and relevant Wales Audit Office staff, such as the study team, will have access to the information you provide.

Our published report may include some of your information, but we will contact you before any publication of information that identifies you—see also 'your rights' below.

We may share information with:

a) senior management at the audited body/bodies as far as this is necessary for exercising our powers and duties; and

b)   certain other public bodies/ public service review bodies such as the Office of the Future Generations Commissioner, Care Inspectorate Wales (Welsh Ministers), Estyn and the Public Services Ombudsman for Wales, where the law permits or requires this, such as under section 15 of the Well-being of Future Generations (Wales) Act 2015.

How long we keep the data

We will generally keep your data for six years, though this may increase to 25 years if it supports a published report—we will contact you before any publication of information that identifies you—see also 'your rights' below. After 25 years, the records are either transferred to the UK National Archive or securely destroyed. In practice, very little personal information is retained beyond six years.

Our rights

The Auditor General has rights to information, explanation and assistance under paragraph 17 of schedule 8 Government of Wales Act 2006, section 52 Public Audit (Wales) Act 2004, section 26 of the Local Government (Wales) Measure 2009 and section 98 of the Local Government and Elections (Wales) Act 2021. It may be a criminal offence, punishable by a fine, for a person to fail to provide information.

Your rights

You have rights to ask for a copy of the current personal information held about you and to object to data processing that causes unwarranted and substantial damage and distress.

To obtain a copy of the personal information we hold about you or discuss any objections or concerns, please write to The Information Officer, Wales Audit Office, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ or email infoofficer@audit.wales. You can also contact our Data Protection Officer at this address.

Information Commissioner's Office

To obtain further information about data protection law or to complain to complain about how we are handling your personal data, you may contact the Information Commissioner at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or by email at casework@ico.gsi.gov.uk or by telephone 01625 545745.

Audit Wales

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We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Digital Strategy Review – Ceredigion County Council

Audit year: 2022-23

Date issued: November 2023

Document reference: 3941A2023

Contents

Report summary

Report summary

Exhibit 1: report summary

The exhibit below summarises the reason we undertook this audit, our key findings and recommendations for the Council.

Why a strategic approach to digital is important

1   Digital technology is key to delivering a wide range of council services in a more economic, efficient and effective way, is also an important means of councils delivering their wellbeing objectives and carrying out sustainable development.

2   Having a clearly articulated strategic approach to digital can bring several benefits such as:

- establishing a common vision for use of digital and the intended outcomes for local communities linked to the council's strategic objectives;

- helping to ensure that councils' use of digital technology is aligned with their key strategic objectives and other plans and strategies and is informed by a good understanding of current and future trends;

- reducing the risk of duplication both within councils and with partners;

- consideration of resourcing digital over the short, medium and longer term together; and

- providing a framework against which to monitoring progress over the short, long and medium term.

The focus of our audit

3   We looked at the extent to which the Council's strategic approach to digital has been developed in accordance with the sustainable development principle and that it will help to secure value for money in the use of the Council's resources.

Our key findings

4   We found that the Council does not have a current digital strategy and is in the process of developing its next digital strategy. To inform its future strategy, the Council is using relevant internal data and is considering external data and intelligence, but the Council is uncertain on involving the public. Despite not having a strategy, the Council is aligning the importance of digital to support delivery of corporate priorities. Despite the absence of a strategy, the Council allocated specific resources to fund its delivery once finalised. However, the Council does not have in place arrangements to monitor, assess and report progress and these arrangements were not in place for the Council's previous strategy which ended in 2022. Without these arrangements, it is difficult for the Council to demonstrate the impact and value for money of its approach.

Our recommendation for the Council

R1   To help ensure that the Council's next digital strategy supports the achievement of its objectives and secures value for money, in developing its next digital strategy the Council should:

- gain an understanding of the needs of citizens by involving them in the design of its next strategy; and
- review its previous digital strategy including its governance, monitoring, and reporting arrangements to inform arrangements to support delivery of its next strategy to include enabling it to:
    - monitor its impact;
    - monitor the extent to which it provides value for money; and
    - asses if intended benefits are being realised.

Detailed report

What we looked at and why – the scope of this audit

1   We reviewed the Council's strategic approach to digital and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources.

2   Our findings are based on document reviews and interviews with a sample of Cabinet Members and senior officers. The evidence we have used to inform our findings is limited to these sources. We undertook this review in June 2023.

3   We set out to answer the question '**In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?'** We did this by exploring the following questions:

-    Is the Council's digital strategy informed by a good understanding of current and future trends?

-    Does the Council have a clear vision of what it wants to achieve through the use of digital technology?

-    Is the Council working effectively with the right people and partners to design and deliver its digital strategy?

-    Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?

-    Is the Council monitoring and reviewing progress?

-    Is the Council learning lessons from how it works?

4   **Appendix 1** sets out the detailed questions we set out to answer along with the audit criteria we used to arrive at our findings.

Why we undertook this audit

5   This audit was undertaken to help fulfil the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.

6   We sought to:

-    provide assurance that councils' digital strategies will help to deliver well-being objectives in a way that secures value for money in the use of resources;

-    provide assurance that councils are acting in accordance with the sustainable development principle in the design of their digital strategies;

-    explain how councils are using/planning to use digital technology to meet people's needs and deliver better outcomes; and

- inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

The Council's digital strategy

7   The Council does not have a current digital strategy. The Council's previous strategy 'Information Communication Technology and Digital Strategy 2018-2022' concluded in 2022.

8   At the time of our fieldwork in June 2023, the Council were actively preparing a new digital strategy. This report reflects the Council's progress at that time while recognising the Council had more work to do before the new strategy would be available for member scrutiny. In June 2023, Officers intended to present a new digital strategy to members in Autumn 2023.

What we found: the Council is taking an integrated approach to developing its digital strategy and is using internal and external data to inform it but does not yet have arrangements in place to assess its value for money or impact

In developing its next digital strategy the Council is ensuring it aligns with its strategic objectives, the priorities of its partners and is using internal and external data to inform it

9   Despite the absence of a current digital strategy, there is strong evidence of the Council's commitment to digital and alignment with partners. The Council's Corporate Plan commits to improving digital connectivity and digital infrastructure as well as alignment with the Public's Services Board (PSB) digital commitments in its 2023-2028 Local Wellbeing Plan. There is a clear focus on digital supporting the Council's Well-being Objective of ' Boosting the Economy, supporting business and enabling employment'. The 'Boosting Ceredigion's Economy - A Strategy for Action 2020-35' clearly states the importance of digital as well as identifying digital as a key enabler in the Council's Hybrid Working Strategy approved by Council in July 2022. The Council and the Local Health Board are consulting each other on their emerging digital ambitions with a view to ensuring integration between the two public bodies. At the time of the fieldwork, this work was not complete. The Council is also reviewing the Growing Mid Wales partnership and Welsh Government Digital Strategy for Wales in its consideration of its own digital ambitions and priorities. Consideration of other stakeholders' digital intentions and alignment of internal and external strategies can help the Council in sharing of resources, avoid duplication of efforts and help to identify opportunities to deliver multiple benefits.

10   The Council is gaining a good understanding of its current situation to help inform its future digital strategy. The Council commissioned an external consultant to complete a digital audit of all its services including services' current digital arrangements, assessing the digital maturity of these as well as understanding services' future digital requirements. In addition, the Council commissioned a data maturity review on its current and future workloads resulting in recommendations for the Council to consider for its future approach to data. The Council has also completed a digital self-evaluation with the Welsh Local Government Association (WLGA) and piloted a Cyber Assessment Framework self-assessment. This information is key in helping the Council understand its current situation which should inform its future digital strategy.

11   The Council is currently drawing on internal data and is exploring external sources of data and intelligence to gain a broader view of the current situation in the County. The Council is reviewing the latest census results to gain a better understanding of the County's demographic profile. It is also reviewing different types of broadband availability across the County and economic factors influencing access to digital technology. Drawing on information from a wide range of sources and through collaborative activity, this increases the Council's ability to plan its strategic approach based on a good understanding of current and likely future trends in the County.

12   As the Council develops its future digital strategy, it is important for the Council to understand who will be directly affected by it. The Council is uncertain as to whether to consult with the public on its next digital strategy. Therefore, the Council runs the risk of not involving the full diversity of people potentially affected by its future digital strategy to help ensure the strategy meets their needs. Not involving citizens in developing the Council's strategic digital approach, or the delivery of it, risks designing approaches that do not meet citizens' needs, and therefore may not secure value for money.

13   It is currently unclear how far into the future the Council is planning for with regard to digital. With a lack of a current digital strategy, the Council does not have a vision for digital nor does it have measures and milestones reflecting short, medium and long-term outcomes for digital. Once the Council has a clear vision for digital and has identified the outcomes it is seeking to achieve, it will be important for the Council to clearly communicate this across the organisation, including elected members as well as the wider public and partners to ensure there is a wide and common understanding of what the Council is trying to achieve.

14   At this stage of its future digital strategy development, the Council has not finalised how it will contribute to the National Well-being goals.

The Council does not have arrangements to assess or monitor the impact and value for money of its strategic approach to digital

15   The Council has set aside £1 million for an unspecified period to help fund delivery of its future digital strategy. While this demonstrates the Council's commitment and recognition of the importance of digital, the Council allocated this amount without having a digital strategy. Therefore, the Council cannot be assured it has allocated a suitable amount of funding to deliver its digital ambitions. The Council has also not finalised the arrangements for how services can access this funding, nor has the Council finalised the monitoring and reporting arrangements that will determine progress and value for money of projects resourced from this fund.

16   At the time of our fieldwork, the Council had not allocated any funding from this pot. The establishment of proper monitoring arrangements would help the Council to assure itself that value for money is being secured from the fund.

17   There is no formal corporate oversight for the monitoring and reviewing of the collective progress, impact and value for money of all current digital projects. The Council does have a Corporate Project Management Panel (CPMP), but it does not have a role in monitoring any projects, including digital projects. The Corporate Performance Board and individual scrutiny committees can request to review and challenge the progress of individual digital projects. However, without monitoring the combined progress and impact, it will be difficult for the Council to gain assurance its digital strategic approach is securing value for money.

18   At the time of our fieldwork, the Council were considering the CPMP as the right forum to assess, monitor and oversee the future digital strategy, or whether it needs to set up a specific Digital Board with responsibility for the corporate oversight. The lack of current monitoring arrangements means the Council cannot provide assurance that the benefits of individual digital projects, or their collective benefit are being delivered.

19   A key element in understanding the future success and impact of a digital project and wider strategy is understanding the perceived financial and/or non-financial benefits at the outset. The Council recognises that the intended benefits were not clearly articulated for its previous Information Communication Technology and Digital Strategy. Without clearly articulating the intended benefits of its digital strategy and individual digital projects it is difficult for the Council to monitor progress in delivering them, and the extent to which the strategy is helping the Council to secure value for money.

20   At the time of our fieldwork, the Council was reviewing its previous digital strategy to help inform its future digital strategy by assessing what the Council delivered. However, this review centres on whether the Council delivered its previous digital actions and projects. The Council should take this opportunity to strengthen its review and consider the effectiveness of the previous strategy's governance arrangements. This could include consideration of the monitoring and reporting of progress and whether the Council had sufficient information at the outset of the strategy, to be able to understand and monitor its intended impact. This learning

can help the Council to shape the appropriate arrangements to support delivery of its future digital strategy.

Appendix 1

Audit questions and audit criteria

Below are the questions we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Main audit question: **In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 2: audit questions and audit criteria

Level 2 questions	Level 3 questions	Criteria
1. Is the Council's digital strategy informed by a good understanding of current and future trends?	1.1 Is there is a thorough understanding of the 'as is' (ie current demand/issues to be addressed) and the reasons why/underlying causes?	• The Council has drawn on a broad range of information from internal and external sources to develop a thorough understanding of the 'as is' and how it is likely to change. This includes information (including data) relating to: – service sustainability/resilience and resourcing challenges. – the needs of citizens and communities. – the underlying causes of current demand/issues to be addressed. – analysis of future trends and how they might impact, eg social, economic/political, environmental, cultural or technological. They might include known trends eg ageing population, depleting natural resources and particularly technological advances. They might also include those with a higher level of uncertainty eg jobs and skills needed in the future.
	1.2 Is there a thorough understanding of the long-term factors that will impact and the challenges and opportunities that may result (eg risks and opportunities)?	• The analysis of the 'as is' and how it is likely to change is well informed by involvement activity, as appropriate, that reflects recognised good practice (eg National Principles for Public Engagement in Wales, Future Generations Commissioner for Wales advice and guidance). • The Council uses its evidence base effectively to:

Level 2 questions	Level 3 questions	Criteria
		– identify actions in its strategic approach to digital that are likely to be most effective and why, including how they could address the root causes of problems; – inform decisions around its use of digital technology that seek to balance the need to meet short and longer-term objectives.
2. Does the Council have a clear vision of what it wants to achieve through the use of digital technology?	2.1 Is the Council planning over an appropriate timescale?	• The Council has considered what long term means in planning its approach to digital – ie how far ahead it can/should plan and why (at least ten years with consideration of longer-term trends as appropriate). • The Council has considered how actions can deliver the best impact over that timeframe in terms of outcomes and most effective use of resources. This could include consideration of appropriate intervention points linked to the Commissioner's definition of prevention. (More details can be found in: Taking account of the Well-being of Future Generations Act in the budget process – The Future Generations Commissioner for Wales). • The Council has set out measures for its digital strategy that reflect short and long-term impacts and value for money, with milestones that reflect progress as appropriate. • The Council has set out how its digital strategy will be resourced over the longer term as far as is practical (see also criteria relating to integration).
	2.2 Has the Council thought about the wider impacts its digital strategy could have, including:	• The Council has considered how its digital strategy can make a contribution across the well-being goals. • Staff developing the digital strategy understand what colleagues and partners do and how their work relates, and have sought to integrate their

Level 2 questions	Level 3 questions	Criteria
	• how it could contribute to each of the seven national well-being goals? • how delivery will impact on the other things it is trying to achieve (ie its well-being objectives and wider priorities)? • how delivery will impact on other what other public bodies are trying to achieve (ie their well-being objectives)?	work with that of their colleagues from across the Council and with partner organisations. • Integration is evident in the alignment of the digital strategy with other key corporate strategies and service plans. For example medium-term financial plan, workforce plan, asset management strategies, well-being statement and carbon reduction plans. • The digital strategy is aligned with other strategic intents such as: – customer experience; – management of demand/reductions in demand failure and prevention; and – design and implementation of new service delivery models. • The Council's digital strategy aligns with the plans/strategies of local and national partners including the Welsh Government's Digital Strategy for Wales Digital strategy and well-being plans.
	2.3 Is there a wide and common understanding of what the Council is trying to achieve?	• Councillors and senior officers responsible for implementing the digital strategy have a common and clear understanding of what the Council is trying to achieve and the intended impact on service delivery. • The Council's digital strategy is clearly communicated to staff and partners who may help deliver it.

Level 2 questions	Level 3 questions	Criteria
3. Is the Council working effectively with the right people and partners to design and deliver its digital strategy	3.1 Has the Council identified who it needs to involve?	• The Council has a good understanding of who will be directly and indirectly affected by its digital strategy and who it needs to involve. • The Council has effectively involved the full diversity of views in developing its digital strategy, including from non-traditional sources and from those it may have previously failed to reach.
	3.2 Is the Council effectively involving the full diversity of people affected by its digital strategy?	• The Council has provided genuine opportunities for people to influence the design and delivery of its digital strategy from an early stage, including representatives of groups who share protected characteristics. • The Council has used the results of involvement to shape the design and delivery of its digital strategy.
	3.3 Is the Council collaborating effectively with the right partners?	• The Council is collaborating to ensure it delivers better outcomes and value for money through its digital strategy and has put appropriate arrangements in place to support this, for example for: – sharing or pooling expertise and resources; – sharing information; – ensuring effective monitoring, evaluation and accountability including consideration of value for money.

Level 2 questions	Level 3 questions	Criteria
4. Has the Council resourced delivery of its digital strategy so it can deliver long-term/ preventative benefits?	4.1 Does the Council understand long-term resource implications?	• The Council has assessed the costs and benefits of using digital technology to invest in long-term, preventative approaches and the cost (both financial and in terms of outcomes) of not doing so. • The Council has thought about the resources it will need to deliver its digital strategy over the medium and longer term (whole life costs) and how it could manage risks/meet those costs including, for example, planned 'invest to save' initiatives and managed reductions in technical debt. • The Council has calculated and set out any savings it intends to make through implementing its digital strategy.
	4.2 Does the Council allocate resources to deliver better outcomes over the long-term?	• Action (including preventative action) that is likely to contribute to better outcomes and/or use of resources over the longer term is promoted and supported, even: – where this may limit the ability to meet some short-term needs; – where the benefits are likely to be accrued by or attributed to another organisation.

Level 2 questions	Level 3 questions	Criteria
5. Is the Council monitoring and reviewing progress?	5.1 Is the Council monitoring and reviewing progress towards, short, medium and longer-term objectives?	• The Council monitors the costs and benefits of delivering its digital strategy from a value for money perspective. • The Council is measuring the wider contribution the digital strategy is making across its own/partnership objectives. • Progress is measured against short, medium and long-term objectives.

6. Is the Council learning lessons from how it works?	6.1 Does the Council review the effectiveness of its digital strategy?	• The Council regularly reviews the effectiveness of its digital strategy including:
		  – effectiveness of its collaborative activity;
		  – effectiveness of its involvement activity, including the impact of the strategy on service users including those who are digitally excluded;
		  – the impact of the strategy on those who share protected characteristics;
		  – the economy, efficiency and effectiveness of the digital strategy overall in helping the Council to achieve its strategic objectives.
		• The Council has reviewed lessons learned from its response to the pandemic and is applying this learning to its digital strategy.

	6.2 Does the Council share lessons learned from its approach to its digital strategy?	• The Council shares and applies any lessons learned from the development and delivery of its digital strategy widely across the organisation, and with partners where relevant.

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We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Organisational response

Report title: Digital Strategy Review

**Completion date:** November 2023

Document reference: 3941A2023

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	To help ensure that the Council's next digital strategy supports the achievement of its objectives and secures value for money, in developing its next digital strategy the Council should: • gain an understanding of the needs of citizens by involving them in the design of its next strategy; and • review its previous digital strategy including its governance, monitoring, and reporting arrangements to inform arrangements to support delivery of its next strategy to include enabling it to; – monitor its impact; – monitor the extent to which it provides value for money; and – asses if intended benefits are being realised.	**A consultation on our next digital strategy will be carried out.** **Work continues reviewing our previous strategy and this work along with Wales Audit recommendations will feed into the development of our upcoming strategy and its governance arrangements.**	**31/03/2024**	**Alan Morris**

'Cracks in the Foundations' – Building Safety in Wales

Report of the Auditor General for Wales

August 2023
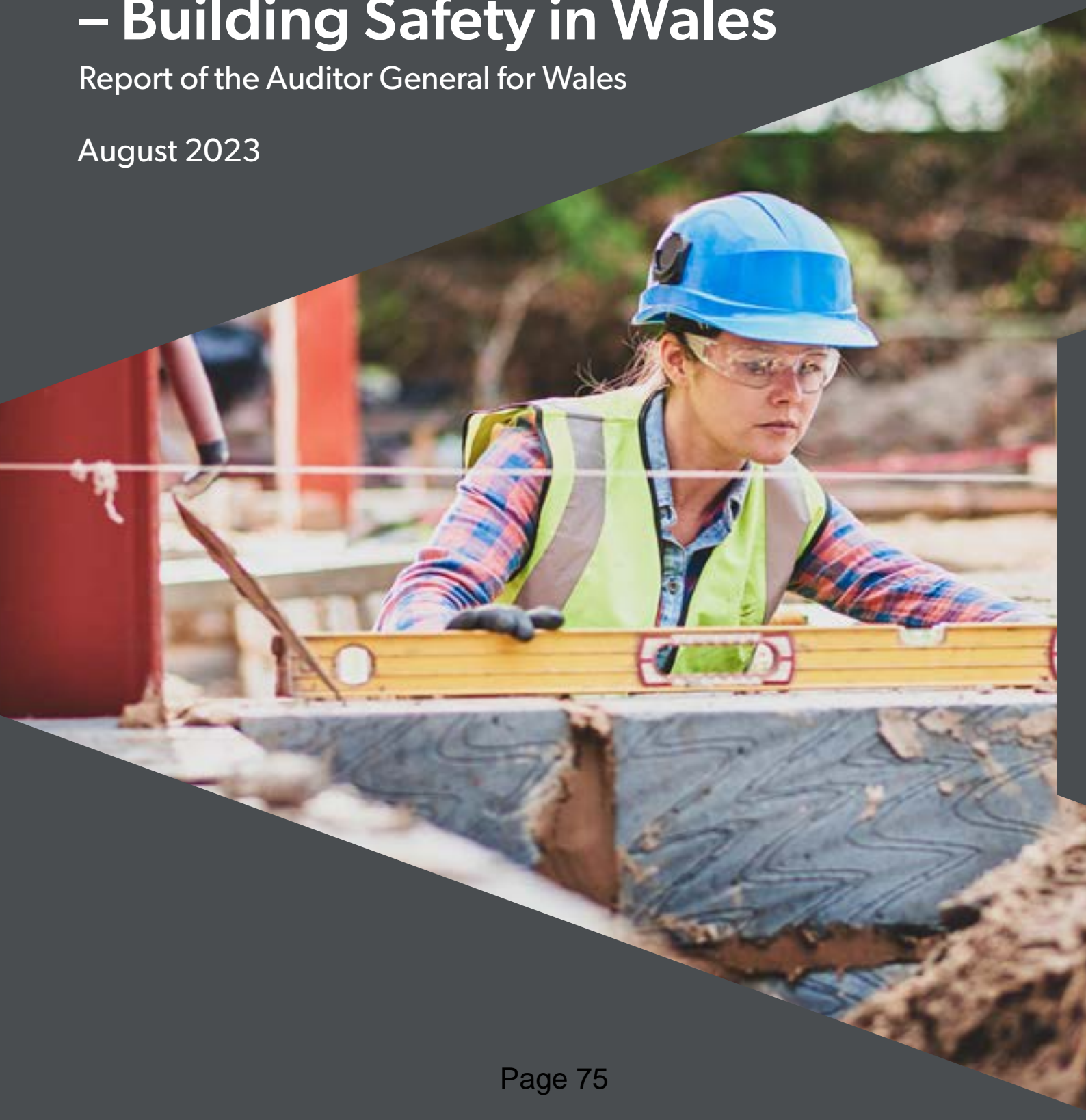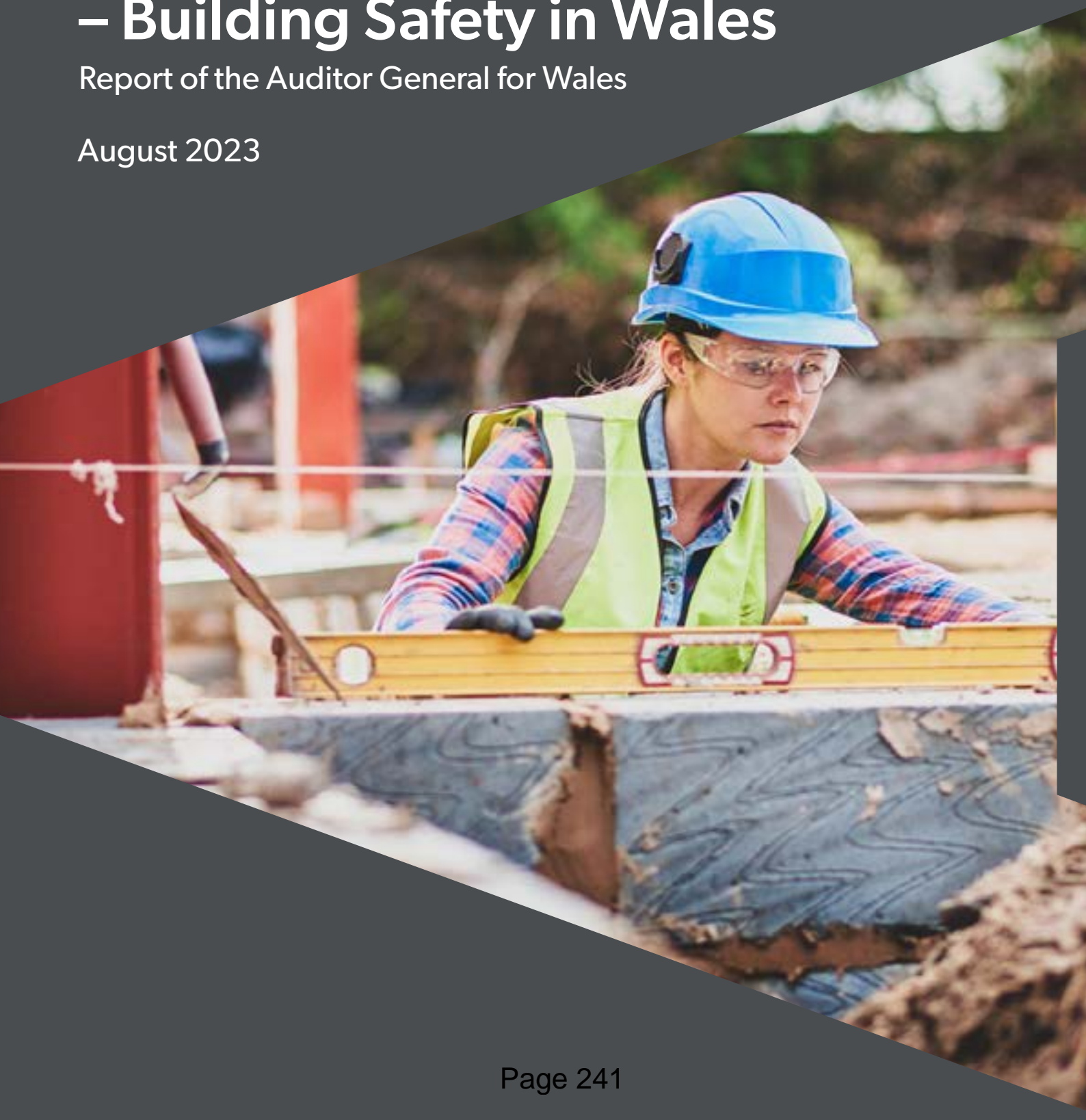
This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006.

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The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

◀ **Summary report**

Context

Building Control and Building Safety in Wales

1 Building Regulations are a set of legal requirements for the design and construction of new buildings, extensions, and material alterations to, and certain changes of use of, existing buildings. Building regulations help ensure that new buildings, conversions, renovations, and extensions (domestic or commercial) are safe, accessible and energy efficient.

2 The building regulations are defined by the Welsh Government and cover specific topics including structural integrity, fire protection, accessibility, energy performance, electrical and installation of combustion appliances. They also lay, for example, standards for drains, ventilation, protection against the ingress of water and protection against contamination including methane and radon gas. To help people to comply with them, the Welsh Government produces Approved Documents which offer detailed guidance and show ways of achieving compliance, expressed in simple functional statements – see **Appendix 2** for further information.

3 The primary responsibility for compliance with Building Regulations rests with designers, builders and building owners, and there are two routes open to them when seeking approval for their work[1]. They can choose to pay for either:

• a local authority inspector from the local council and run through Local Authority Building Control (LABC); or

• an approved inspector from a government-approved private building control company.

4 In practical terms, if construction work is proposed, the work must comply with these Regulations. Although work on a new build or extension may proceed before any formal consent, nothing can proceed beyond the inspection stages without the approval of an inspector. When the building is completed to the satisfaction of an inspector, a Completion or Final Certificate is issued (depending on who has approved the work). This certificate is only provided when all work has been approved and a final site inspection has passed.

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1 The system in Wales mirrors England and has largely been unchanged since the adoption of Part 2 of the Building Act 1984 which allowed for the introduction of approved inspectors as an alternative to obtaining building regulations approval from a local authority. In Scotland, all building control activities rest with local government and there are no private building approved inspectors.

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5 They both work in the same way, checking plans prior to works commencing, physically inspecting work during the development, advising any changes as necessary to ensure compliance, before re-inspecting the job prior to signing the project off. However, only a local authority has powers of enforcement and prosecution where breaches of the Regulations occur. An approved inspector should hand the project over to the local authority if there are problems with the project that cannot be resolved informally. There can be heavy penalties, including fines and imprisonment, for breaches of the Regulations, although in practice this rarely happens.

The Grenfell disaster and the Hackitt Inquiry

6 The building regulation regime was unchanged for many years until the Grenfell Tower Fire of 2017, in which 72 people died. Following this tragedy, an independent review into Building Regulations and fire safety was commissioned by the UK (United Kingdom) Government. Chaired by Dame Judith Hackitt, the review's report[2] was published in May 2018 and exposed long standing and serious issues[3] with the building safety system, including:

- **Ignorance** – regulations and guidance were not always read by those who needed to, and when they did the guidance was misunderstood and misinterpreted.

- **Indifference** – the primary motivation of the system was to do things as quickly and cheaply as possible rather than to deliver quality homes which are safe for people to live in. When concerns were raised by others involved in building work or by residents, they were often ignored. Some of those undertaking building work failed to prioritise safety, using the ambiguity of regulations and guidance to 'game' the system.

- **Lack of clarity on roles and responsibilities** – there was ambiguity over where responsibility lay, exacerbated by a level of fragmentation within the industry, and precluding robust ownership of accountability.

- **Inadequate regulatory oversight and enforcement tools** – the size or complexity of a project did not seem to inform the way in which it was overseen by the regulator. Where enforcement was necessary, it was often not pursued. Where it was pursued, the penalties were so small as to be an ineffective deterrent.

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2 Judith Hackitt, Building a Safer Future, May 2018
3 Sir John Egan, Rethinking Construction: Report of the Construction Task Force, November 1998

7   The report recommended a new framework to replace the complex system that had grown over decades, along with a need to change culture from one that prioritises structural integrity and design to one which has equal emphasis on fire safety quality controls. Following the Hackitt Inquiry, both the Welsh and UK governments prioritised work on addressing the review findings culminating in the Building Safety Act 2022 (the 'Act')[4]. The Act represents the biggest shake-up of building safety regulation since 1984 in England and Wales.

8   This report looks at how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022. The focus of our review has been on assessing the preparedness of bodies to take on their new and enhanced responsibilities, the resilience of existing services, and the robustness of building safety assurance systems. **Appendix 1** sets out our audit approach and methods.

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4   Building Safety Act 2022.

◀ Key Conclusions

9   Our overall conclusion is that responsible bodies – particularly local authorities and fire and rescue – are unable to effectively discharge their responsibilities and ensure buildings in Wales are safe.

10   In **Part 1** of the report, we consider the priorities set by the Welsh Government in respect of the Act and how well prepared local authorities are to deliver these. We found the Welsh Government prioritised responding to the Grenfell disaster, working with the UK Government. This resulted in the Building Safety Act 2022 which seeks to address longstanding problems in the regulation and oversight of building design and construction.

11   We found that the Welsh and UK governments are diverging in key policy areas, and some doubt remains on how the Act will be implemented in Wales, mainly because decisions in key areas are yet to be decided and agreed. This is creating uncertainty, with most local authorities who are responsible for delivering these changes and, by extension in terms of joint working, fire and rescue services, who are yet to develop comprehensive plans that set out how they intend to deliver their new and revised responsibilities.

12   In **Part 2** we consider the strength of local authority building control and enforcement services, the effectiveness of the fee-setting regime and how services are changing to strengthen resilience. We conclude that as a profession, building control and building safety face significant staffing challenges. An ageing workforce (see Key Facts below), poor succession planning, a wider lack of investment in services and training and development highlight that these services are neither resilient nor fit for the future.

13   We also have concerns with the financial management of building control, concluding that in some authorities current practices are potentially unlawful with services not operating in line with regulations and guidance. While the pandemic has helped local authorities modernise their services, utilising cloud-based IT (Information Technology) and remote working, their resilience nonetheless remains weak. Opportunities to strengthen services through collaboration and regionalisation are not being prioritised and little work has taken place in these areas.

14   Finally, in **Part 3** we examine building safety assurance arrangements. We found that the absence of a national framework for monitoring and evaluating building control and building safety means that local authorities and their partners are not working to agreed appropriate outcome measures, targets, or benchmarks. Coupled with limited scrutiny and evaluation of building control and building safety, and poor management of risk, we conclude that assurance systems are inadequate.

"

The Grenfell Tower fire was a national tragedy, the impact of which we continue to feel today. My report highlights major concerns with the implementation of the new system for Building Safety. Although it's heartening to see the passion and commitment from those working in the sector, I am concerned that not enough priority is being given to these services on the ground. The absence of robust plans, clear decision making, and adequate resources raises real fears that the new legislation will not be delivered and the problems it is seeking to address will remain.

Adrian Crompton
Auditor General for Wales

◄ **Key facts**

177 total number of staff in building control

11 total number of staff replaced in 2021-22
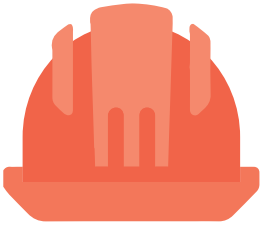
0 number of surveyors or managers who have a disability
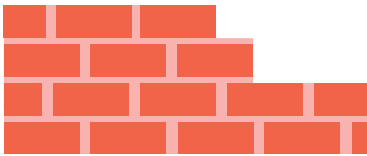
Of the of the **133** FTE surveyors and managers, **54.4%** are over the age of 50 and only **10%** under 30

96% proportion of surveyors and managers that are white
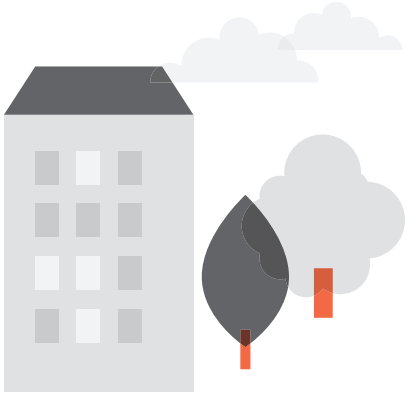
21 total number of staff who left building control in 2021-22
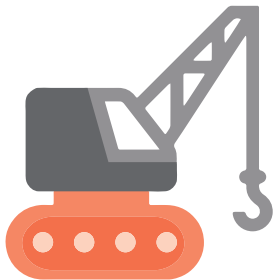
118 Average applications handled per surveyor/ manager
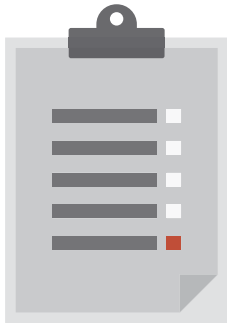
100% proportion of admin staff that are white

The average local authority building control team is composed of:

Manager	**Surveyor**
Male	Male
50-60 years old	Over 50 years old
Qualified	Qualified

Surveyor	**Surveyor**
Male	Male
Over 50 years old	Over 40 years old
Associate member	Unqualified

Surveyor	**Surveyor**	**Admin**
Male	Male	Female
30-40 years old	Under 30 years old	Any age
Unqualified	Qualified	Unqualified

Recommendations

15 Our recommendations are set out below. We expect the Welsh Government and individual local authorities to consider the findings of this review and our recommendations and to complete an organisational response form and publish this. We also expect each local authority governance and audit committee will receive the report and monitor their response to our recommendations in a timely way.

Exhibit 1: recommendations

Recommendations

R1 The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include:

- clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes;

- a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and

- the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.

R2 The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.

Recommendations

R3   The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should:

- assess the status quo against potential changes, such as the model of delivery in Scotland;

- be framed around a SWOT analysis of costs, benefits, threats, and risks;

- draw on existing research to identify good practice; and

- be published and agree a way forward.

R4   The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:

- creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.

- developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as:

  - a greater focus on trainees to mitigate succession risks;

  - establishing aligned, national job roles matched to competency levels;

  - increasing the diversity of the sector to ensure it reflects modern Wales; and

  - specific funding to enable surveyors to obtain and maintain competence should also be considered.

- the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.

Recommendations

R5   Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should:

- be based on an assessment of local risks and include mitigation actions;

- set out how building control services will be resourced to deliver all their statutory responsibilities;

- illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and

- include outcome measures that are focused on all building control services, not just dangerous structures.

R6   Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include:

- establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations;

- annually reporting and publishing financial performance in line with the Regulations;

- ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and

- revise fees to ensure services are charged for in accordance with the Regulations.

R7   Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.

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Recommendations

R8   Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.

Responsible bodies are yet to develop comprehensive plans that set out how the new and revised responsibilities introduced by the Building Safety Act will be addressed

01

1.1   In this section of the report, we consider the Welsh Government's response to Grenfell and the changes introduced, and planned, in the Act. We identify how local authorities and their partners are preparing for these changes and provide an analysis of how well placed they are to deliver them.

The Welsh Government prioritised work on responding to the Grenfell disaster and elected to work with the UK Government on the Building Safety Act 2022

1.2   Following the Grenfell tragedy and the findings of Dame Judith Hackitt's inquiry, the Welsh Government established a Building Safety Expert Group. The view of the Expert Group was that while the flaws in the system are equally valid in Wales as they are in England, the context and therefore the solutions need to be different.

1.3   The scale of the high-rise landscape in Wales is not comparable to England where there are estimated to be over 11,000 high-rise buildings. At the time of the Expert Group work there were 147[5] high-rise residential buildings in Wales with up to five additional high-rise buildings being built each year.

1.4   In March 2019, the Expert Group published a roadmap[6] for making buildings in Wales safer, setting out both longer-term priorities but also shorter-term interventions that could be implemented immediately to ensure the failings of Grenfell were not replayed in the future. The Expert Group recommended:

- clarifying key roles and responsibilities;

- ensuring the imbalance between building designers, contractors and regulators is tackled;

- creating a single system with consistent standards by addressing the mixed economy of the two-tier system for building control with both public and private building control;

- improving capacity and competence of building control officers;

- creating an enforcement and sanctions regime which is delivering effective compliance and guaranteeing safety; and

- raising standards with non-safe buildings being improved.

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5   As of March 2023 there are 171 high-rise residential buildings.
6   Building Safety Expert Group, A Road Map to safer buildings in Wales, March 2019.

1.5 In January 2021, following the work of the Expert Group, the Welsh Government published its 'Safer Buildings in Wales white paper'[7]. The White Paper proposed revisions to the building safety regime and the separation of roles between duty holders and residents. Following consultation, most respondents agreed with the proposed approach but wanted, as much as possible, the Welsh policy regime to be consistent with England. Consequently, the Welsh Government elected to proceed jointly on some aspects of the UK Government's planned legislation, to take advantage of economies of scale and ensure appropriate alignment across England and Wales.

There is uncertainty as to how key elements of the Building Safety Act 2022 are being implemented in Wales

1.6 The Act received Royal Assent on 28 April 2022 and focuses on the following key areas:

- the safety and standards of all buildings;

- assuring the safety of higher-risk buildings, both in construction and occupation;

- improving the competence of the people responsible for overseeing, managing, and delivering works to higher-risk buildings;

- ensuring clearer standards and guidance; and

- putting residents at the heart of a new system of building safety.

1.7 Alongside the Act, there have also been changes to fire safety law for buildings containing two or more sets of domestic premises in England and Wales. The Fire Safety Act 2021[8] clarifies application of the Fire Safety Order on who is responsible for managing and reducing fire risks in different parts of multi-occupied residential buildings and the parts of the building it relates to – for instance, the external wall, and doors between domestic premises and common parts.

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7   Welsh Government, Safer Buildings in Wales: A Consultation: A Building Safety White Paper, 12 January 2021
8   The Fire Safety Act 2021

1.8   Through these changes, the Welsh Government wants to ensure there is absolute clarity about who has responsibility for the safety of a building at each different point in the process. The Construction (Design and Management) Regulations 2015 already set out who the key people are during a construction or refurbishment project. The Client, Principal Designer, Principal Contractor, designers, and contractors are all identified as 'dutyholders.'

1.9   Additional duties have now been placed on dutyholders in relation to building safety. Looking forward, they will be required to cooperate and share information with relevant regulatory bodies and will be responsible for ensuring compliance with building regulations. They will also need to ensure that they, and the people they employ, are competent to do the work they are undertaking. They will also have to comply with the regulatory requirements imposed on them.

The Building Safety Act 2022 came into force in April 2023. All aspects of the Act apply to England, but only Part 3 (with some minor exceptions) applies to Wales. Subsidiary legislation and guidance on Part 3 are currently being introduced by the Welsh Government, with full implementation and compliance set for April 2025. In addition, the Welsh Government is also developing legislation that will deal with the areas covered in Part 4 of the Building Safety Act 2022. This includes introducing a new Regulator for Wales (yet to be decided) and equivalent duty holder roles such as the Accountable Person.

1.10 These reforms apply to every eligible building project, whether it is building an extension, a block of flats or a shopping centre. The Welsh Government will therefore require that higher-risk buildings[9] within the scope of the different changes taking place to the various Building Safety Regimes will pass through stop points or 'Gateway points' before they can pass to the next stage of works. On its current timetable, the Welsh Government anticipates the new design and construction (building control) regime that covers Gateways will come into force in April 2025. The three Gateways are:

Gateway 1		**Gateway 2**		**Gateway 3**
Before Planning Permission is granted	→	Before Construction Begins	→	Before the Building is Occupied

1.11 When passing through a Gateway point, those designing and constructing the building will have to evidence that the design and construction meet, and continue to meet, regulatory requirements and ensure that adequate safety measures and building information are in place so that they can be appropriately managed, maintained, and improved. They will also have to think about how building safety will be managed when the building is occupied. Consequently, the Act and subordinate legislation are aimed at creating a universal change in responsibility and culture within the building industry through the introduction of clearer standards and guidance and the establishment of a more effective regulatory and responsibility framework for the construction industry.

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9   The definition of 'Higher-risk building' differs between England and Wales. In early 2023, the Welsh Government consulted on their proposed definition of 'a building that is at least 18 metres in height or has at least seven storeys where it also contains at least one residential unit or is a hospital or a care home'. The outcome of the consultation has not yet been published. In England, a building requires at least two residential units.

1.12 Importantly, the Act clarifies who has responsibility for fire and building safety throughout the life cycle of a higher-risk building and establishes two new roles to make this ambition a reality – in England this will be the Building Safety Regulator and the Accountable Person. In respect of the Building Safety Regulator, the UK Government has elected to appoint the Health and Safety Executive to deliver this function (see **Appendix 4** for further detail).

1.13 At present, the Welsh Government is planning to make the Building Control functions of the regulator for high-risk buildings a role for local authorities, but is yet to set out how this element of the new regime will work or what its expectations of local authority services are. The Welsh Government's decision to make local authorities the Building Safety Regulator for oversight of high-risk buildings is viewed with unease by some we have interviewed. Several approved inspector bodies (who work across England and Wales) and some fire and rescue service staff raised concerns that local authorities are not sufficiently resourced or suitably experienced to deliver this role. Instead, they would prefer to see Wales adopt the Building Safety Regulator system planned in England.

1.14 Overwhelmingly, local authorities and fire and rescue services are concerned about the late development and/or notification of policy decisions and options in implementing changes to the building safety regime introduced by the Act. For instance, every local authority officer interviewed raised concerns over the lack of detail on the process for registration of the Building Control profession, one of the most significant features of the Act, and something which will affect all Welsh local authorities, not just those with tall residential buildings.

1.15 Everyone working in building control, in both the private and public sector, will soon have to register if they want to continue to practise. In addition, all local authority building control surveyors will need to complete a regular formal assessment of their competence. Building surveyors and managers will need to be suitably qualified before they can practices, although there may be some transition time for this to take place. If training is required before they can undertake work, then this will take resources out of already stretched teams and backfilling may be needed to cover for this.

1.16 Taken together, these changes will have a significant impact on local authorities. However, at the time of our audit the new system had not been set out in draft nor consulted on. The Welsh Government plans to introduce the registration of all Building Inspectors and Building Control Approvers from October 2023. This is creating uncertainty and ambiguity and is reducing buy-in from those with building safety responsibilities, especially given the ever-decreasing window of opportunity.

1.17 Welsh Government officials we interviewed acknowledge that they have not been able to resource policy work as quickly as they would like, and this has not been helped by the recent retirement of two key members of staff who have been central to driving the changes in Wales. Consequently, many local authority officers noted a growing unease that progress in Scotland is well ahead of England and Wales, and England is now advancing more rapidly than Wales. This uncertainty is adding to their already challenging operating environment.

Most local authorities and fire and rescue services have a good understanding of local building safety risks but are yet to set out how they plan to deliver the requirements of the Act

1.18 The implications of the Act are wide ranging and local government needs to be well advanced in its preparation for delivering these enhanced responsibilities. Even though key policy choices are yet to be finalised in Wales, we would still expect to find those who manage building control and safety teams to understand the impact of the Act, especially the consistent Welsh Government messaging on the increased level of expertise that will now be needed to achieve and demonstrate competence and compliance.

1.19 Through our fieldwork we found that in general, both local authority and fire and rescue building safety staff have a good understanding of the number and locations of high-risk buildings. However, many admit that the level of detail and knowledge of design, construction and maintenance of these buildings varies and not all those we interviewed felt confident that they had an accurate and up to date picture. Despite this, we found that there is limited action taking place or planned in terms of updating and improving knowledge of the potential high-risk buildings within each area.

1.20 Many interviewees also flagged a lack of understanding on the potential implications of the Act both at a corporate level but also directly in key areas of operational activity, such as housing services. While most officers noted that there was an increased awareness in building safety immediately following the Grenfell disaster, the overwhelming majority noted that over time attention has since waned. Indeed, most noted that building control as an area of work rarely features as a corporate priority, and there is poor knowledge and understanding of the implications of the Act.

1.21   Very few local authorities have developed a specific plan to implement the changes being made to the building safety regime. In addition, no one we interviewed in local government could articulate a clear vision on what their service will need to achieve in terms of the Act and their enhanced responsibilities, nor a route map for its achievement. This reflects the low corporate priority given to building control. This is something that was echoed in our interviews with fire and rescue service staff, several of whom raised concerns with both the Welsh Government's and local government's prioritisation of building control services.

1.22   For example, building control is not a standalone service in 21 of the 22 local authorities and is most usually located in planning services and overseen by the lead officer for planning. There are also no member champions for building control. This means that the service often lacks agency, profile, and recognition. This contributes to building control officers feeling powerless, with most left to get on with it and manage as best they can, focusing on addressing day-to-day issues, rather than being able to invest time in planning for the medium to long term.

1.23   Overall, managers are focussed on maintaining service delivery and are not preparing or planning for the Act's reform of services. This is partly a result of the significant uncertainties that remain about how the Act will be implemented in Wales. The result is that local authority building control services have little influence and no prioritisation and are working in a very uncertain environment.

Resourcing issues make it unlikely that local authorities can successfully implement the new building safety regime or that services are fit for purpose

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2.1   In **Part 2** of the report, we set out how building control services are currently provided, primarily looking at the operating environment for local authorities but also considering the role of approved inspectors. We summarise the staffing and resource challenges facing the profession and how well positioned services are to overcome these.

Building control as a profession faces significant staffing challenges

2.2   To effectively implement the Act requires local authorities and others to have staff who are competent, appropriately qualified, and adequately supported to maintain and update their skills and knowledge. In addition, it is also important that staff have opportunities to develop their experience, particularly in more complex buildings and changing construction standards, to be able to provide efficient and effective services.

Building control is no longer seen as a good career choice and the challenging demographics are severely impacting the short and long-term resilience of services

2.3   Historically, building control was seen as a positive career role. Many managers we interviewed noted that they had joined their local authority as a trainee and had benefitted from opportunities to progress their knowledge and responsibilities over time and had been supported to develop their careers within the organisation. However, in recent years this has changed. The impact of austerity has supressed wages and reduced staff numbers to the extent that local authority building control roles are no longer seen as financially attractive and with less opportunity for career progression than in the past.

2.4   This is borne out by the ongoing recruitment challenge facing local authorities who struggle to fill vacant posts, even where market supplements are offered. For instance, at the end of March 2022, there were 18.5 Full-time Equivalent (FTE) vacant roles across Wales, including 14 building surveyors. Despite the detrimental impact on service delivery, only 2.2 FTE agency staff were appointed to bolster services and despite the increase in building control applications made during the pandemic and 2021-22.

2.5 Our survey of local authority building control services found that at the end of March 2022, there were 133 FTE building surveyors and managers and 44 admin staff working in these services. This translates to a surveyor or manager for every 23,361 residents in Wales. In comparison, the most recent published data in Scotland reported 498 building surveyors and managers and 134 admin staff[10], which equates to one surveyor or manager for every 10,633 residents.

2.6 In addition to the ongoing recruitment and retention challenge, the age profile of local authority building surveyors is also concerning. **Exhibit 1** shows that of the 133 FTE surveyors and managers, 54.4% are over the age of 50 and only 10% under 30. This highlights operational and service continuity risks for local authorities which are likely to see a major loss of experience and knowledge when people retire in the next decade.

Exhibit 1: building control managers and surveyors by age March 2022

The ageing building control workforce represents a major risk for the implementation and delivery of the new building safety regime.

1
Over 67

13
Over 60 under 67

13
Number under 30

58
Over 50 under 60

18
Over 30 under 40

29.4
Over 40 under 50

Source: Audit Wales survey

10 Data for 2021-22 not yet available. No comparative data for England exists. Scottish Government, Building Standards Workforce Data Collection Analysis Report 2021, June 2022

2.7   In particular, the loss of experience in the manager cohort is a significant risk. Of all managers, 10 (46%) have worked in local authority building control services for over 30 years, while 15 are over the age of 50. There is a widespread expectation that significant numbers of managers and surveyors will retire due to the uncertainty surrounding the registration and competency requirements (see above **paragraphs 1.15 – 1.17**). This will lead to a further reduction in capacity, and a loss of experience and leadership during a critical time of change when expectations and demands on services are increasing.

2.8   At the other end of the career cycle, very few trainees are being recruited to bolster services and address looming resource and experience gaps. Just seven trainees were in place in 2022, with only four in permanent roles following the completion of their studies[11]. Managers cited a lack of corporate support to take on trainees and the risk of losing newly qualified staff to approved inspectors as key barriers. This makes succession planning extremely challenging for all local authorities. More widely, the lack of fire engineers, a shortage of surveyors and assessors with sufficient knowledge of both high-rise structural safety and cladding systems, continue to be a concern.

2.9   The Local Government Association[12] in England has reported similar recruitment and retainment issues, noting that 43% of authorities struggle to recruit building control officers. Likewise in Scotland, similar demographic and succession issues were also identified but the earlier implementation of key changes has resulted in a more directive approach from the Scottish Government.

2.10 The Scottish Government developed a national workforce strategy[13] and had a vision to establish a sustainable, skilled workforce that makes building control 'a profession for everyone'. To support this ambition in Scotland, a Professional Competency Framework was introduced in May 2021. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent and is embedded through the Competency Assessment System[14]. This drives improvement based on current skills and is supported by other developments in the sector, such as a local authority hub (see **Appendix 4** for further information).

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11 Training for apprentices and new entrants is mainly provided under the National LABC programmes hosted by the University of Wolverhampton. The Building Control Surveying Degree Apprenticeship can train surveyors to different levels of competency related to their role. As a surveyor progresses though the levels, they can assess more complex buildings and obtain higher-level roles.

12 Local Government Association, Local Government Workforce Survey 2022, May 2022

13 Scottish Government, Building standards verification service: workforce strategy, October 2020

14 Scottish Government, Building standards - verifiers: professional competency framework, May 2021

2.11 Scottish Government officials believe that the loss of experienced staff – 48 people (primarily building surveyors and managers) resigned from Scottish local authority building control services in 2021, following the quicker implementation of the new regulatory regime – is now being addressed. Through its workforce strategy and competency framework, local authorities are prioritising the upskilling of people and recruiting more apprentices. At this time, there are no mitigatory actions akin to the Scottish Government's work planned in Wales.

2.12 The building control workforce also lacks diversity and is not representative of modern Wales. Our survey found that 100% of administrative staff and 96% of building surveyors and managers classify themselves as ethnically white Welsh or white British, and only 5% of administrative staff and no building surveyors or managers self-identify as having a disability. In addition, the roles within the workforce are clearly split along gender lines – **Exhibit 2**.

Exhibit 2: the gender of building surveyors, managers, and administrative staff in Welsh local authorities in March 2022

Professional building surveyor and manager roles are overwhelmingly occupied by men and lower-paid administrative roles by women.

Source: Audit Wales survey and ONS (Office for National Statistics), Population and household estimates, Wales: Census 2021

Access to training is limited and staff are not being supported to enhance and maintain their skills and knowledge

2.13   To meet the registration requirements of the new building safety regime and ensure staff are competent to practise requires local authorities and their partners to invest in sufficient and timely training. Carefully planned and recorded continuing professional development and technical training are essential to keep abreast of modern technology and changing legislative requirements and their practical application. Importantly, professional accreditation such as membership of the Chartered Institute of Building, the Chartered Association of Building Engineers and Royal Institute of Chartered Surveyors is recognised as crucial to demonstrate competence. **Exhibit 3** shows that in March 2022 less than half of building surveyors and managers in Wales were full qualified members of a recognised and appropriate professional body.

Exhibit 3: the proportion of building surveyors and managers who are members of professional bodies and their grade at the end of March 2022

Less than 40% of building surveyors and managers are qualified and full members of professional bodies.

Source: Audit Wales survey

2.14 Additionally, some staff noted a growing problem of local authorities no longer paying for professional subscription fees because of pressures on finances. However, the need to demonstrate competence to meet the new registration standards is likely to place additional demands on local authority budgets to increase resources in professional training and qualifications to ensure they can deliver their statutory responsibilities. Most of the local authority officers we interviewed noted that this is not being factored into future budget setting.

2.15 The average number of training days taken by local authority staff in 2021-22 was five days for managers, six days for building surveyors and two days for administrative staff. Building Control officers we interviewed were clear that opportunities to train were, however, continuing to be limited by ongoing budget pressures and are often not actively promoted to avoid frontline staff being taken out of service delivery, even for short periods of time.

2.16 The building control fee setting guidance allows local authorities to increase their charges to pay for training and development to ensure they maintain a competent and skilled workforce. However, despite building control officers highlighting the importance of accruing money to fund training for staff, they noted that surpluses are often taken to fund other corporate priorities.

2.17 In March 2023, the UK Government provided a £16.5 million grant to the LABC to fund 110 new building control trainees for England to support the implementation of the Building Safety Act. No such funding has been provided by the Welsh Government. Despite a lack of investment, the LABC in England continues to make available training opportunities for Welsh local authority staff.

2.18 The resilience issues affecting Welsh local authority building control services are being felt in other parts of the industry. We found that the retention and recruitment issues facing local authorities are similarly being experienced by Welsh fire and rescue service. The lack of competitive reward packages and an ageing workforce with increasing numbers likely to take retirement in the short term is a growing challenge. Similarly, there are ongoing problems with the availability of qualified fire engineers and competition with the private sector, which offers better terms, conditions, and salaries, continues to encourage experienced fire and rescue service staff to leave.

2.19　Historically, where Welsh local authority staff have left, it has been most usually to join approved inspectors who offer more attractive salaries, terms of conditions of service, such as bonuses and company cars; have less responsibility for dangerous structures and enforcement cases; and are not dealing with the ongoing pressures created by austerity. However, in recent years the flow of staff from local authorities to approved inspectors has reduced and private sector building inspection services are also beginning to struggle to recruit sufficiently qualified and experienced staff. Representatives of several approved inspector bodies we interviewed noted that they have now begun to focus on growing their future workforce through trainee programmes due to a lack of available qualified staff in both England and Wales.

The pandemic has helped local authorities modernise their services, but enforcement remains a problem

2.20　Despite the resourcing pressures faced by local authority building control teams, most continue to deliver their work effectively. This continued throughout the pandemic, which helped to accelerate efficiency improvements with the switch to home based working and digitisation of services.

2.21　At the time of the pandemic most building control surveyors used to travel to sites, meeting people face to face and making decisions on the ground, but with COVID-19 most of these processes could not be continued. Instead, building control services focused on finding solutions to their traditional ways of working by updating and changing services. Whilst some authorities were fully digital, for others the pandemic created an opportunity to improve their use of technology and switch to cloud-based services to both optimise efficiency and performance, but also bring working practices into line with the private sector. Several interviewees noted that without the pandemic, these developments would not have happened as quickly, if at all.

2.22　Enforcement is an important part of ensuring that buildings are safe and compliant. Activity can range from persuasion and dialogue to encourage change, to more hard-edged measures such as prosecution or the refusing to issue a completion notice. Through our fieldwork we found that enforcement remains problematic, mainly because local authority building control has two potentially conflicting functions.

2.23 Firstly, they are the local regulator of all building work in their area ensuring issues raised in the design and construction of buildings that do not meet the required standard are addressed. However, they are also secondly in competition with approved inspectors for work and need to generate sufficient income to pay for all their services. This is an inherent weakness of the mixed market system introduced in the 1980s and reflects the conflicting role of local authorities which have both a responsibility for policing building control but are also in competition with approved inspectors to secure work.

2.24 Given approved inspectors are required to refer individual cases of non-compliance with building regulations to local authorities to take enforcement action, similar disincentives are also in play. As with local authorities, maintaining relationships is an important consideration in maximising income and can discourage approved inspectors from wanting to take enforcement action.

2.25 Capacity, resources and capability are also significant barriers that can limit enforcement action. Officers cited the demands and cost of taking developers, property owners or managers to court as a barrier to local authorities in the current financial climate. Several approved inspectors echoed these views, expressing scepticism that local authorities have the resources or capacity to effectively enforce standards and take quick and decisive action.

2.26 Overall, we found that the relationship between local authorities and approved inspectors, which is critical to ensuring buildings are safe, is at best limited and at worse epitomised by a lack of trust and scepticism about the actions of each other. Indeed, several fire and rescue service officers we interviewed raised concerns over the robustness of building enforcement regulation more generally, both within local authorities but also in respect of approved inspectors.

Some financial management practices in relation to building control appear to be unlawful

2.27 The Building (Local Authority Charges) Regulations 2010 (the 'Regulations') set the legal framework for the financial governance of local authority building control. The Regulations are intended to enable local authorities to be fair and transparent in how fees for services are charged.

2.28 The key principle of the Regulations is that authorities should recover their full costs and service users should only pay for the service they receive. Consequently, the Regulations split activities into chargeable, non-chargeable work and other building control services. Chargeable activity must be funded by fees, non-chargeable and other building control services are to be funded by the local authority general fund. **Exhibit 4** provides examples of activities.

Exhibit 4: examples of chargeable, non-chargeable, and other building control activities

Chargeable activity	Non-chargeable activity	Other building control services
Approving or rejecting plans	Liaison with other authorities, eg Fire and Rescue Services	Dangerous buildings
Site inspections	Enforcement on behalf of Approved Inspectors	Demolitions
Consideration of work referred from AIs (Approved Inspectors)	Identifying unauthorised building work	Advice to other departments
Consideration of a regularisation certificate	Functions to support disabled people	Administration of safety at sports grounds
More than 30 minutes of pre-application advice	First 30 minutes of pre-application advice	Street naming or numbering

Source: CIPFA (Chartered Institute of Public Finance and Accountancy), Local authority building control accounting, 2010

2.29 To aid local authorities in setting and properly accounting for their fees and charges, the Chartered Institute of Public Finance and Accountancy (CIPFA) developed detailed guidance[15]. Taken together, the Regulations and CIPFA guidance require local authorities to:

- set and publish standard fees and means of calculating bespoke fees;

- set hourly rate fees for both officers and specific, set factors;

- monitor the breakeven position of the service with the aim to break even over a 'reasonable period;'

- revise fees to prevent surpluses or deficits;

- publish an annual financial statement for building control; and

- consider establishing an earmarked reserve in the event of a surplus or deficit.

2.30 Additionally, the CIPFA guidance refers to proposals for regular monitoring from 2010 by 'the Department/National Assembly' to assess the impact of the Regulations overall and particularly to see whether local authorities were meeting the breakeven principle. Given that the building control functions under the Regulations exercisable by the National Assembly were transferred to Welsh Ministers by the Government of Wales Act 2006[16], and the reference to 'the Department' appears to be a reference to the then UK Department of Communities and Local Government, it would seem that the reference to 'National Assembly' is erroneous and should have been a reference to the Welsh Government. [We understand, however, that neither the National Assembly (now the Senedd) nor the Welsh Government have undertaken such monitoring.]

Fee-setting approaches vary significantly and many are not compliant with Regulations

2.31 Local authorities are required to review their fees each year to ensure that the income from chargeable activity is as close to the costs incurred in delivering services as possible. This makes ongoing monitoring of the breakeven position and regular recalculation of fees critical. It would be contrary to the Regulations for fees to be deliberately set above the estimated costs to be incurred (taking account of any estimated prior surplus or deficit) or knowingly allowed to fall below what it costs to deliver services.

15 CIPFA, Local authority building control accounting, 2010
16 Government for Wales Act 2006, Schedule 11, paragraph 30

2.32 Factors that should be considered when setting fees are specified in the regulations. Apart from the principle of breaking even and staff costs, the factors include use of the building, floor size, and cost. However, other potential considerations such as the competitiveness of fees and comparing with others are not specified in the Regulations. Such other considerations therefore appear not to be relevant considerations that may be considered. The CIPFA guidance sets out the process for calculating the fees and provides examples on how to do this.

2.33 We found that the process for deciding fees by local authorities varies, often significantly, from the guidance and Regulations. Of the 12 authorities that responded to our data collection exercise and provided information describing their fee-setting process, nine were not compliant. Most usually because they applied fixed inflationary uplifts; copied neighbouring authority fee revisions; used average national schedules of rates to set their own charges; and/or did not show how they had factored in specific local circumstances that underpin charging such as their staffing structure, central recharges and local operating context.

2.34 At the time of our fieldwork, several authorities noted that they were not reviewing fees annually and a smaller number admitted that they had not adjusted fees to reflect the actual cost of services for many years. In one case, fees had not changed since 2012. In addition, despite the requirement to base fees on hourly rates, two authorities were unable to provide this information. We have concluded that many local authorities' building control services are not charging and setting fees in line with the Regulations and CIPFA guidance. We also note that the published fee scales show significant variations for individual activities – **Exhibit 5.**

Exhibit 5: example of fee differentials for Welsh local authority Building Control services 2022-23

Fee type	Lowest fee	Highest fee	Differential	Median
Single dwelling plan fee	£117	£288	145.6%	£210
Single dwelling inspection fee	£274	£510	86.4%	£414
Single dwelling notice fee	£391	£915	134.1%	£671
Composite single dwelling fee	£495	£1,830	269.7%	£1,155

Source: Audit Wales analysis of published fee scales

2.35   Awareness of this issue was mixed among officers. Some are unaware of the financial performance of their service primarily because management of finances sits outside the service with non-building control specialists. Others were aware of the requirements of the regulations but described pressure on budgets which encouraged raising fees or a lack of knowledge of the requirements of the regulations corporately. This is extremely concerning and poses significant risks to achieving value for money from the service.

Financial management of surpluses and deficits is unclear and potentially unlawful

2.36   Our survey of local authority officers found that of the 15 who provided a response, only five reported that their chargeable income is safeguarded (ie earmarked for application to building control services), one that only some is protected and nine reported that no income is safeguarded.

2.37   Where surpluses occur, authorities are encouraged, but not required, to create an earmarked reserve. Our review found that only four local authorities disclosed earmarked reserves for building control, although others may have deemed the sums involved financially immaterial and have not reported them. Regarding the financial performance of services, we found that 11 authorities were making a deficit at the end of 2021-22 and seven a surplus. Four were unable to provide this information.

2.38   The principles of the 2010 Regulations require that building control income, including surpluses, is to be used to provide building control activities. The CIPFA guidance notes that when calculating the total costs of the building control function, authorities are allowed to include training as an indirect employee cost when calculating fees. In addition, where surpluses are generated, these can be used to invest in service quality or to address regulatory changes.

2.39   We found that most building control officers were not uplifting fees to reflect the need to fund training and development for their staff due to wider corporate budget pressures. Indeed, some officers we interviewed anecdotally noted that building control fees were used to create surpluses to pay for other council services, although we saw no evidence of this in practice.

2.40 Overall, we have concluded that the implementation of the Regulations and the setting of building control charges more generally by local authorities fall short of legal and practical requirements. Our analysis highlights that most fees are not being set correctly and, where surpluses and deficits occur, these are not actively managed nor used for the purpose intended. This is particularly worrying because the Regulations were introduced to support good financial management and governance in building control services and correct implementation would help address some of the workforce, recruitment and training issues identified above.

In almost all cases, financial reporting does not meet regulatory requirements and this hinders scrutiny of Building Control fee setting, income, and expenditure

2.41 To demonstrate their financial governance of building control income and expenditure, the Regulations require local authorities to publish annual financial statements for these services. The Regulations require that, as a minimum, these Statements disclose the chargeable costs and income, any surplus or deficit, be published within six months of the financial year-end and signed off by the Section 151 officer. The CIPFA guidance includes a template that mirrors these requirements and a completed example to help local authorities demonstrate their compliance. As publishing a financial statement is a requirement of the regulations, failing to do so is unlawful.

2.42 From our review of local authority websites and financial statements, we found that only four have publicly available statements and only two of these met the reporting deadline. As noted at above, CIPFA guidance refers to proposals for scrutiny of whether authorities are meeting the breakeven principle. Welsh Government officials have, however, confirmed to us that this monitoring has not taken place in recent years and there remains a lack of oversight of building control financial performance and fee setting at both a national and local level.

Progress on collaboration and regionalisation has been slow

2.43   Overall, local authority building control has not significantly changed despite the pressure on resources, capacity, and skills. Some authorities have made some innovations, such as Monmouthshire which has partnered with an estate agent to find new clients. Most authorities also operate the Partnership Authority scheme. This allows professionals, such as architects, to use the local authority of their choice to approve plans and the local authority where the site is located to undertake on the on-site inspections. For example, a supermarket chain may be based in England and can elect to use their local LABC team to approve plans but then use a Welsh authority to inspect a new store in Wales.

2.44   While the work of LABC Cymru – the pan-Wales officer network – is seen as positive, offering support, learning and the opportunity to share information, this has not translated into more formal change to help improve efficiency and strengthen resilience. The group has proven successful at keeping teams informed and supported, and there are several positive one-off instances of 'collaboration in crises'. For example, neighbouring authorities helping to deliver inspections and plan approval activities in Blaenau Gwent to help address short-term resource pressures in that authority. While we acknowledge that these are positive steps in the right direction, they fall short of addressing the significant challenges facing the sector, and greater, more fundamental change is needed.

2.45   There are opportunities to improve efficiency and effectiveness of services through greater collaboration and regionalisation of services. This can help local authorities to compete more effectively, meet the challenge of the new building safety regime and provide solutions to address the sector's many serious resourcing issues. For example:

- pooling staff to ease capacity issues and to mitigate the retirement risks inherent in the sector's demographics;

- increasing spending power and opportunities to make savings through the joint commissioning and procurement of goods, services, and establishment of uniform charges for activities that cost the same (for example, external training);

- enabling staff to develop specialisms, such as fire safety, to better manage high-risk buildings; and

- strengthening capacity in back-office functions.

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2.46 Despite stakeholders across the building control and safety sectors recognising and articulating the benefits of collaboration and regionalisation, we found little progress has been made to drive this forward. While many building control staff we interviewed can identify the potential benefits of collaborating with other building control teams, this has not led to more formal partnerships such as joint investigation teams. We acknowledge that the demands currently being placed on building control managers as individuals, and their reduced capacity to prioritise these activities, is clearly limiting opportunities to drive change. But given the challenges facing building control services, change is needed to prevent an escalation of the issues already present in the sector.

2.47 In Scotland, by comparison, the Local Authority Building Standards Scotland (LABSS) have established a hub model for the 32 local authorities to collaborate and implement improvement recommendations (see **Appendix 4).** The Hub acts as a central collaborator to move the sector in the same direction in the response to improvement recommendations. This has the potential to set a consistent service and standard across Scotland, supported by Scottish Government operational and performance frameworks. It is also helping authorities experiencing a staffing issue to broker support from another.

2.48 In response to the similar challenges that they face, Fire and Rescue Services are changing how they provide services. For instance, South Wales Fire and Rescue Service has moved from a dedicated specialist team to a larger team of Business Fire Safety officers. This is allowing the service to better manage the impact of staff turnover and create a more resilient workforce, by widening out the pool of staff who are gaining experience in building fire safety design and construction. Similarly, North Wales Fire and Rescue Service has switched from a service of uniformed fire officers delivering fire safety work to a service which increasingly draws on corporate staff to bolster performance. This is helping to improve efficiency and increase capacity.

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There is little evaluation of building control services across Wales and no national comprehensive system of building safety assurance

03

3.1   In this final Part of the report, we set out how management and evaluation of building control and building safety performance work and how risks are identified and mitigated.

There is limited understanding of how well services are performing

3.2   Performance management and reporting are an essential element of good governance. Having a good range of key data allows you to understand the services you manage and helps underpin evidence-based decisions by providing insight and knowledge. The right data is also a precursor to feed-forward plans and helps organisations to learn from the past to inform the future.

The lack of a national performance management framework for building control and building safety makes it difficult to evaluate the performance of services

3.3   At the time of our work there is no agreed national performance reporting framework for building control and building safety services in Wales. In the absence of a robust suite of national measures to manage and evaluate the performance of services, most local authorities focus on reporting against a narrow group of measures. We found that the key indicators most used relate to:

- timeliness measures such as the length of time taken to acknowledge and check applications, whether a site application is carried out on the agreed date, recording the site application notes within two days of an inspection and the number of completion certificates issued within a given period;

- monitoring levels of customer satisfaction with the response of the service; and

- market share – the proportion of the building control market a local authority covers.

3.4   While each of these are important and relevant, they do not provide sufficient detail to understand or judge the effectiveness of building control services. Whilst timeliness is a key factor in administering an efficient building control system, the measure places importance on dealing with large volumes of applications in the shortest time possible, without any consideration of the quality of the work carried out and does not provide any assurance that the work was carried out safely, risks were reduced and that the overall safety of a building's occupants was improved.

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3.5   Because of these weaknesses, local authorities are unable to demonstrate that building control work is reducing risk and improving the built and natural environment and the quality of life in the area. For instance, we found that:

- no data is collected on the work of approved inspectors and fire and rescue services, and benchmarking to compare performance is not routinely undertaken. Consequently, performance reporting remains fragmented and does not provide adequate assurance – a major risk flagged in the Hackitt Report.

- public reporting – notifying key stakeholders on the effectiveness of services and the service 'offer' – is similarly limited. This does not help to provide a comprehensive oversight of all building control and safety activity in an area, or nationally.

- although there are some measures relating to risk, these are limited to buildings that have been recorded as dangerous structures. Risk, especially service resilience risk, is not something that is built into the performance framework as a central consideration of effectiveness.

- little attention is given to actively managing financial performance and reporting against the requirements of the finance regulations, fee setting, comparison of costs, recharges, and deficits.

3.6   In addition, building control teams told us reporting was mainly responsive where concerns were raised rather than a routine part of their role. Where performance measures are recorded and monitored, this is often done on a team's own initiative, for their own purposes, and can be a lengthy manual process, due to poor integration between IT platforms. Where IT tools for automatic reporting do exist, we heard of examples where the system was underutilised or used inconsistently, due to weak processes or operating difficulties. In several cases, analysis is compiled on spreadsheets held locally by individuals, posing a risk to resilience and continuity when staff are absent.

3.7   The Scottish Government have a national framework to monitor and analyse performance. Measures were introduced in 2012 embedding learning from research that analysed previous performance reviews. Building safety is a ministerial responsibility in Scotland and providers are 'appointed' as verifiers (see **Appendix 4)**. Although local authorities are typically selected, the appointment and reappointment process is driving consistency and standards, and provides a robust framework to assess performance.

Some local authorities work to the ISO 9001 quality management standard, but this does not provide sufficient assurance that services are working effectively

3.8 Several local authorities have accredited themselves with ISO 9001, the international standard for Quality Management. The standard uses seven quality management principles focussed on:

- customer focus;

- leadership;

- engagement of people;

- process approach;

- improvement;

- evidence-based decision making; and

- relationship management.

3.9 The measures aim to promote understanding and provide consistency, adding value, effective performance, and improvement of processes. The standard also encourages organisations to adopt a risk-based approach, ensuring that preventative measures are taken before risks arise. Once an organisation receives accreditation, they are required to evaluate their compliance with the standard annually.

3.10 While authorities have found ISO 9001 helpful for raising standards and levels of consistency, we found that some authorities have chosen to opt out of the standard due to cost and the challenge of ongoing evaluation to demonstrate compliance. It is also questionable how useful the standard is in judging the effectiveness, efficiency and robustness of services given the many challenges facing building control we have reported on.

Scrutiny and evaluation of building control and building safety are limited

3.11 Effective scrutiny is an essential element of good governance and helps provide assurance that things are working well or need to improve. Without a robust performance management system, scrutiny can only be as effective as the information and measures that are regularly scrutinised. We found that many local authorities' building control services do not formally report to a scrutiny committee on a regular basis to demonstrate the work, impact and risks facing the service.

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3.12 For instance, we found that scrutiny is inconsistent across Wales, with many teams only being required to report their performance twice yearly and against a very narrow set of measures and information. In several authorities, there is no formal scrutiny of services. Several local authority officers we interviewed noted that from their experience, after the initial heightened interest in building control and building safety arising from the Grenfell disaster, member and senior officer contact is mostly limited and focussed on single issues of concern – a dangerous structure or a constituent's building control application. Several noted that member knowledge and understanding of building control are low and the risks and issues facing services mostly unknown.

3.13 In contrast, Scottish local authorities are required to annually report their performance against a series of key performance outcomes. These outcomes are then assessed alongside customer feedback and plans are developed to help drive improvement. Staff are encouraged to link these with improvement actions which can be used to monitor progress and identify key lines of enquiry for those charged with scrutiny. The assessment output is designed to be accessible to various levels of stakeholder, identifying strategic trends to government, promoting improvement operationally to verifiers, whilst also providing a transparent assessment for public consumption.

Risk management processes are inadequate

3.14 There is a mixed approach to assessing risk, with some teams having their own risk registers, some feeding into corporate registers, whilst some do not formally record risks or track how they are mitigating them. Indeed, several officers we interviewed noted that known risks are often noted informally within teams and these are considered in isolation from other corporate wide risks.

3.15 This siloed approach poses a threat to resilience as the system relies too much on a small number of individuals who hold substantial amounts of knowledge without formally being recorded, shared with colleagues for information, or escalated for action. Only a small minority of local authorities we spoke with could describe the formal procedure of escalating risks, with many acknowledging such protocols do not exist. Without proper identification and recording of emerging risks, authorities are unable to make longer-term plans and prepare for future scenarios.

3.16 As contextual information is not routinely integrated with other service areas, it is not clear that sufficient understanding is present amongst accountable officers at each level of escalation. Where risks are raised, they will rarely meet the threshold required to be considered a corporate risk. Poor audit trails mean risks are not proactively mitigated, in an environment where capacity to provide this mitigation is often limited.

3.17 With teams often left to operate in isolation, raising corporate and other significant risks is likely to be more challenging than for higher profile services which figure more prominently and are fully integrated into the corporate reporting structure. Consequently, local authorities at their highest level may not be sighted of the many risks facing building control – poor succession planning, an ageing workforce, lack of diversity, insufficient skill mix, along with the implications of the new Building Safety Act.

Appendices

1   Audit Approach and Methods

2   Building Regulations Approved Documents

3   The Building Safety Regulator and Accountable Person

4   Scottish approach

1   Audit Approach and Methods

Approach

For this work our approach has been to understand how well the Welsh Government, local authorities and their partners are strengthening and improving building control and building safety services following the Building Safety Act 2022. We have looked at the robustness of needs information, strategies, plans and policies; assessed the resilience of existing services and plans to strengthen these; and considered the robustness of assurance systems.

We examined all 22 principal local authorities in Wales at a high level, managing delivery to be mindful of the pressures local authority officers are under during post-pandemic recovery and the cost-of-living crisis. We ensured coverage was sufficient to draw a view on the whole sector but not to significantly detract from officers' service delivery responsibilities. Our approach was flexible to fit around officers when agreeing and delivering our fieldwork.

Methods

We completed our review between January 2023 and August 2023 and used a range of methods in delivering our work:

- **document review:** we reviewed documentation from the Welsh Government, local authorities, Fire and Rescue Services and other relevant organisations. This included, relevant committee minutes, corporate strategies, business plans and policy documentation. We also reviewed information published by the UK Government and the Scottish Government.

- **interviews –** we undertook a range of different interviews:

  - **officer interviews** – we interviewed Building Safety lead officers in all 22 Welsh principal local authorities and all three Fire and Rescue Authorities. These interviews took place between January and April 2023.

  - **national interviews** – we interviewed representatives of the Welsh Government, the Scottish Government, private sector approved building inspectors, think tanks, academic institutions, and research bodies. These took place between March and April 2023.

- **focus groups –** in line with our approach, some local authorities felt it was more appropriate for us to speak to a range of officers in focus groups to reduce our impact on service delivery.

- **data collection –** we undertook a data collection exercise with local authority officers. This ran from January to April 2023, and we received responses from all local authorities. Some local authorities were unable to provide the information we requested, and we note this in the body of the report where relevant.

- **survey –** working with Community Housing Cymru we surveyed all housing associations in Wales but only received two responses. Consequently, we have not used this information in drawing together our findings.

- **websites –** local authority and external resources, eg CICAIR (Construction Industry Council Approved Inspectors Register), LABC, etc.

2 Building Regulations Approved Documents

The approved documents address the following matters and were last updated on the date listed:

- Part A – Structural safety – last updated April 2017

- Part B – Fire Safety – last updated December 2021

- Part C – Resistance to contamination and moisture – last updated April 2017

- Part D – Toxic substances – last updated April 2017

- Part E – Resistance to passage of sound – last updated April 2022

- Part F – Ventilation – last updated October 2022

- Part G – Sanitation, hot water safety and water efficiency – last updated May 2023

- Part H – Drainage and waste disposal – last updated April 2017

- Part J – Heat producing appliances – last updated April 2017

- Part K – Protection from falling, collision and impact – last updated April 2017

- Part L – Conservation of Fuel and Power – last updated March 2023

- Part M – Access to land and use of buildings – last updated April 2017

- Part N – Glazing safety – last updated April 2017

- Part O – Overheating – last updated October 2022

- Part P – Electrical safety – last updated April 2017

- Part Q – Security – last updated May 2018

- Part R – Physical infrastructure for high-speed electronic communications networks – last updated April 2016

3   The Building Safety Regulator and Accountable Person

The Act introduces two new roles – the Building Safety Regulator and Accountable Person – which are due to come into force in October 2023.

The Building Safety Regulator

The Building Safety Regulator will have three core responsibilities: overseeing the safety and standards of all buildings; helping and encouraging the built environment industry and building control professionals to improve their competence; and leading implementation of the new regulatory framework for high-rise buildings in England. The Building Safety Regulator is also responsible for the performance of the building control sector to ensure standards are met, and for setting building standards.

The Building Safety Regulator (BSR) will be responsible for overseeing the safety and performance systems of all buildings. They will be given powers to enforce the rules and act against those that break them. And for high-risk properties, they will be able to implement more stringent rules, including how they are designed, constructed, and occupied. The three main functions of the BSR:

- oversee the safety and performance system for all buildings: this will be done through overseeing the performance of building control bodies across the public and private sectors, and by understanding and advising on existing and emerging building standards and safety risks;

- encourage increased competence by setting the direction of an industry-led competence committee and establishing competence requirements for registration of building control professionals; and

- lead the implementation of the new regulatory regime for higher-risk buildings, including having the powers to involve other teams, including the Fire Service, when making regulatory decisions regarding Building Safety.

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The new BSR is under the control of the Health & Safety Executive (HSE) which is responsible for overseeing and driving improvements in the safety and performance of all buildings, and for enforcing a more stringent regime for higher-risk buildings.

Importantly, the provisions of the Act concerning the new Regulator only apply in part to Wales and the devolved government's exact position is still to be determined on this point.

Accountable Person

For all higher-risk buildings, the appointment of an identifiable 'Accountable Person', who is responsible for ensuring that the fire and structural safety is effectively managed for the whole building.

The Accountable Person (building owner, freeholder, or management company) will have an ongoing duty to assess Building Safety risks and provide a 'Safety Case Report' which demonstrates how Building Safety risks are being identified, mitigated, and managed on an ongoing basis. They will also have to demonstrate how they are ensuring residents' safety. In buildings where ownership structures are complex, there may be more than one Accountable Person, in which case there will be a Principal Accountable Person.

4 Scottish approach

Operating model

Within the Scottish system, building verifiers (surveyors) are appointed by the Minister for Local Government Empowerment and Planning under the Building (Scotland) Act 2003. This allows the Minister to appoint any building verifiers for a six-year term. Since the implementation of the Act in 2005, only local authorities have been appointed to undertake this role.

Prior to appointment, the Minister must consider the competence, qualifications, public accountability, and impartiality of the potential verifiers. To demonstrate these, an Operating Framework has been published to clarify how verifiers can demonstrate these behaviours.

After appointment, performance is monitored under a Performance Framework. There are seven key performance outcomes within the updated framework published in 2021:

- minimise time taken to issue a first report or to issue a building warrant or amendment to building warrant;

- increase quality of compliance assessment during the construction processes;

- commit to the building standards customer charter;

- understand and respond to the customer experience;

- maintain financial governance;

- commit to eBuilding Standards; and

- commit to objectives outlined in the annual verification performance report.

The Act also allows Scottish Ministers to set building regulations, the process for approval, enforcement, and set fees. Fees are set centrally and are determined by the Minister for all authorities. A calculator is provided within the online eBuildingStandards system to enable applicants to access the system and determine their fee.

Response to Grenfell

Following Grenfell, a ministerial working group was set up in July 2017 to oversee reviews into building and fire safety. Review panels were formed to cover different issues and made a series of recommendations for stakeholders. The Building Standards Futures Programme Board (BSFPB) was established to provide guidance and direction on the implementation of these recommendations.

Chaired by a local authority chief executive, the Board is comprised of:

- Local Authority Building Standards Scotland (LABSS);
- Homes for Scotland;
- Royal Institute of Chartered Surveyors;
- Construction Scotland;
- Convention of Scottish Local Authorities;
- Scottish Futures Trust;
- Chartered Institute of Buildings;
- Federation of Master Builders;
- Royal Incorporation of Architects in Scotland; and
- Scottish Government.

The Board has seven workstreams underway to support implementation – **Exhibit 6**.

Exhibit 6: Scotland's Building Standards Futures Programme Board workstreams

Workstream	Explanation
Workforce strategy	To support the adoption of the workforce strategy developed in response to the demographic challenges faced by the sector.
Compliance plan	To develop an approach for high-value and complex public buildings to ensure a planned approach to compliance throughout development.
Certification strategy	Development of a strategy for future appointment of verifiers.
Digital transformation	To support the implementation of the eBuildingStandards platform, launched in 2016.
Technical strategy	A review of how building standards are developed and communicated to promote compliance.
Verification standards	A review of the operating and performance frameworks to help verifier assessment against requirements and linking to skills.
Delivery models	A review to consider changes to business models within the 32 local authorities, including the hub project.

Source: BSFPB

Additionally, to ensure greater compliance and a response to recommendations, a Professional Competency Framework was introduced in May 2021. This established standardised job roles matched against educational awards and professional qualifications. It also provides examples of competencies based on experience to match existing staff, such as proven management and financial governance skills or specific niche training such as safety at sports grounds. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent.

To embed the Framework, a Competency Assessment System (CAS) was published. This enables individuals to identify their learning and experience gaps to better target training and development of the workforce.

Local hub model

From the BSFPB, a new delivery model was developed through the Delivery Model Development Group (DMDG), comprising the Scottish Government's Building Standards Division, Local Authority Building Standards Scotland (LABSS), the host local authority (Fife Council) and the Hub Directors, to foster collaboration and implement the recommendations for improving building safety and increasing compliance. This was launched in May 2022 and is being rolled out in a phased approach and is centred on six business units – **Exhibit 7.**

Exhibit 7: Scotland's Building Standards Futures Programme Board workstreams

Business unit	Function and services
Operational Partnership Unit	• Maintaining network of bodies • Workload sharing • Access to expert structure and fire hubs • Best practice facilitation
Scottish Type Approval Scheme Unit	• Scheme management • Marketing • Fee setting
Technical and Procedure Unit	• Technical research • Information paper production • Technical support to the hub
Digital Transformation Unit	• Support digital delivery group • Liaison and support roles with stakeholders, LABSS, and other stakeholders

Business unit	Function and services
Learning and Development Unit	• Management and operation of a virtual learning environment • Management and operation of a learning management system • Assistance with apprentice schemes • Assistance with CPD (Continuing Professional Development) • Management of the verifier position in relation to the Competency Assessment Scheme (CAS)
Core Business Unit	• Hub management • Business and admin support • Engagement with stakeholders

Source: BSFPB

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Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

Archwilio Cymru
Audit Wales

Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Ceredigion County Council

Report title: 'Cracks in the Foundations' – Building Safety in Wales

Issue date: August 2023

Document reference:

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R1	The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include: • clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes;	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A

1

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and • the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.			
R2	The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A
R3	The Welsh Government should review the mixed market approach to building control and conclude whether it	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	continues to be appropriate and effective in keeping buildings in Wales safe. This should: • assess the status quo against potential changes, such as the model of delivery in Scotland; • be framed around a SWOT analysis of costs, benefits, threats, and risks; • draw on existing research to identify good practice; and • be published and agree a way forward.			
R4	The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by: • creating a national performance framework with clear	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny. • developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as: - a greater focus on trainees to mitigate succession risks; - establishing aligned, national job roles matched to competency levels; - increasing the diversity of the sector to ensure it reflects modern Wales; and			

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	- specific funding to enable surveyors to obtain and maintain competence should also be considered. • the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.			
R5	Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should: • be based on an assessment of local risks and include mitigation actions; • set out how building control services will be resourced to deliver all their statutory responsibilities;	Ceredigion County Council will establish a Working Group that will develop a plan for the Building Control Section to effectively implement the requirements of the Act. This will fully consider the nature of the construction industry in Ceredigion and the needs of the local population and deliver a service in accordance with the requirements of new operational standards for building control in Wales and the Corporate objectives of the authority.	March 2024	Roget Turner (RT)

5

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and • include outcome measures that are focused on all building control services, not just dangerous structures.			
R6	Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include: • establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations; • annually reporting and publishing financial performance in line with the Regulations;	The Council intend to urgently review all aspects of our financial management of Building Control to ensure that we are compliant with the Building (Local Authority Charges) Regulations 2010.	December 2023	RT

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and • revise fees to ensure services are charged for in accordance with the Regulations.			
R7	Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.	Ceredigion is a rural county and whilst not unique it is vastly different to the more populous and geographically smaller authorities in the north and particularly the south of the country. Population centres are generally located away from the more rural boundaries with neighbouring authorities. This set of circumstances inhibits cross boundary co-operation in 'site based' functions. Opportunities may exist for co-operation in training events and plan checking. The latter already exists to an extent in that most authorities appear to be signed up to the LABC Partnership scheme and a further enhancement could be envisaged if	December 2023	RT

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		and when resources necessitate cross border assistance. It is envisaged that cross border support will be necessary in the unlikely event of the construction of any High Risk Buildings (HRB's) as Ceredigion Building Control staff are unlikely to seek to achieve competency at a level not currently experienced in the county. Despite the limitations outlined above Ceredigion remains open to the feasibility of alternative delivery methods if they should become apparent.		
R8	Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.	"The Council conducts a 3-yearly review of its Risk Management Policy, Strategy and Framework to ensure they are up to date and reflect best practice. The latest review was recently conducted and the updated drafts of the Policy, Strategy and Framework are being consulted on with key stakeholders between July and August, before going through the democratic process in the autumn. The Risk Management Policy and	December 2023	Rob Starr

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		Strategy provides a comprehensive framework and process designed to support Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. This includes a standard approach to identifying, assessing and responding to risks. The implication of the new Building Safety Act has introduced additional risks specific to the Building Control function. To this end staff are to be supported to ensure they are competent and appropriately qualified to maintain and update their skills and knowledge such that the statutory functions may be carried out. The Corporate Risk Register is evaluated on an ongoing basis by Leadership Group and quarterly by the Governance and Audit Committee. The updated documents include strengthened monitoring of service risks, clarification of roles and responsibilities and further guidance on the escalation/de-escalation of risks. Ceredigion County Council recognises that a proactive approach		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		to risk management is a vital aspect to achieving its vision and improving the well-being of its communities and residents. Action: Publish updated Risk Management Policy, Strategy and Framework by December 2023."		

Archwilio Cymru
Audit Wales

Equality Impact Assessments: more than a tick box exercise?

Report of the Auditor General for Wales

September 2022

This report has been prepared for presentation to the Senedd under section 145A of the Government of Wales Act 1998.

The Auditor General is independent of the Senedd and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

◀ Auditor General's foreword

Discrimination and inequality continue to impact on the quality of life and life chances of people in Wales. My Picture of Public Services 2021 report highlighted that the COVID-19 pandemic had amplified some of the entrenched inequalities in our communities. Black Lives Matter, MeToo and other social movements have brought issues of discrimination and inequality to the forefront of public policy and debate.

Equality Impact Assessment (EIA) is an important part of the approach to tackling inequality in Wales. EIAs help public services meet their legal duties to avoid discrimination in the decisions they make and to promote equality of opportunity and cohesion.

Done well, EIAs are more than a means to show compliance. They support the growth of a mind-set and culture that put issues of equality at the heart of decision-making and policy development.

Our work shows that within individual public bodies there are good examples of aspects of the process of conducting an EIA. Through this report, I want to help all public bodies learn from those that are doing well and trying new approaches.

However, what we have seen and heard tells us that public bodies in Wales tend to use their EIAs defensively. Too often, they seem like a tick box exercise to show that the body has thought about equality issues in case of challenge. While legal challenge is of course an important risk to manage, this approach means public bodies are not using EIAs to their full potential, especially in terms of promoting equality and cohesion.

I hope this report will be of interest to anybody involved in public services and with an interest in tackling inequality and promoting equality. However, I want this work to be more than interesting. It needs to have an impact. Specifically, I expect:

- the Welsh Government to respond to the recommendations to work with partners to improve and update the overall approach to EIAs;

- all public bodies to respond to the recommendation that they review their own approaches to EIAs, including mindset and culture, drawing on the findings of this report; and

- those involved in scrutiny to use this report to challenge their organisation's overall approach to EIAs and the quality of individual EIAs used to inform their decisions.

I am pleased to say that this work has already had positive impacts. Our fieldwork questions have prompted some public bodies to check aspects of their own arrangements. And we have shared emerging findings with some public bodies that were updating their approach to EIAs. Closer to home, at Audit Wales, we are looking closely at our own processes and procedures to reflect the lessons identified in this work.

Adrian Crompton
Auditor General for Wales

◀ Key facts

We set out below some key facts about the population in Wales in the context of the nine protected characteristics under the Equality Act 2010.

26,754 pregnancies during 2021[8]

3.9% people who identify as gay, lesbian, bisexual or other[6]

7.8% people from a Black, Asian or minority ethnic community[5]

16.5% aged under 15[1]

50.1% people with religious belief[4]

22.1% 16 to 64 year-olds identifying as disabled[2]

51.1% women[1]

48.1% people aged 16 and over who are married or in a civil partnership[3]

59% of transgender women and **56%** of transgender men said they avoided expressing their gender identity for fear of a negative reaction from others (UK)[7]

21.3% aged 65 and over[1]

65+

3,107,500 population of Wales[1]

Sources:

1 Office of National Statistics (ONS), Population and household estimates, Census 2021, June 2022

2 StatsWales, Disability by age and sex (Equality Act definition) (2018-2020)

3 StatsWales, Marital status by age and sex (2018-2020)

4 StatsWales, Religion status by age (2018-2020)

5 ONS, Population estimates by ethnic group, England and Wales December 2021 (data for 2019)

6 StatsWales, Sexual identity by year, 2019

7 Government Equalities Office, National LGBT Survey, July 2018 (survey ran for 12 weeks from July 2017)

8 StatsWales, Initial assessment indicators for Wales, by mother's age, 2021

◄ **Key messages**

Context

1   Tackling inequality is a long-standing goal of the Welsh Government.
     It features prominently in the 2021-2026 Programme for Government
     which includes the objective to 'celebrate diversity and move to eliminate
     inequality in all of its forms'[1]. The Well-being of Future Generations
     (Wales) Act 2015 makes 'A more equal Wales' a national goal. It defines
     this as 'a society that enables people to fulfil their potential no matter
     what their background or circumstances (including their socio-economic
     background and circumstances)'.

2   Equality Impact Assessment (EIA) is an important part of the approach
     to tackling discrimination and promoting equality in Wales. The Equality
     Act 2010 introduced the Public Sector Equality Duty (PSED) across Great
     Britain (**Exhibit 1**). The Welsh Government has made its own regulations[2]
     setting out some Wales specific duties that bodies listed in the Act need
     to follow to meet the PSED. Public bodies subject to the Act must assess
     the likely impacts of proposed policies or practices or proposed changes to
     existing policies or practices on their ability to meet the PSED. In doing so,
     they must comply with specific requirements to engage with groups likely
     to be impacted and monitor actual impacts.

1   Welsh Government, Programme for Government: update, December 2021
2   The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

Exhibit 1: the Public Sector Equality Duty and protected characteristics

The PSED requires public bodies, in exercising their functions, to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act;

- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

- foster good relations between people who share a protected characteristic and people who do not share it.

The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Act and the Wales specific duties apply to public bodies including councils, NHS bodies, fire and rescue services, national parks, education bodies (further and higher education bodies and maintained schools), and the Welsh Government and some of its sponsored bodies.

3   An EIA can provide evidence that the body has met the PSED. There have been legal challenges to decisions based on the lack or adequacy of an EIA. Moreover, EIAs support good policy and decision-making more generally by:

- **ensuring decisions impact protected groups in a fair way** – EIAs can demonstrate what, if any, action could be taken to mitigate the impact on one or more protected groups negatively affected by a decision and to promote equality and cohesion;

- **support evidence-based policy or decision-making** – EIA is a clear and structured way to collect, assess and present relevant evidence to support decisions; and

- **making decision-making more transparent** – EIAs must be published where they show there is or is likely to be a substantial impact.

4   As well as the PSED, the Equality Act 2010 included provision for a new socio-economic duty for public bodies[3]. The socio-economic duty came into force in Wales on 31 March 2021. It requires that public bodies, 'when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage'. The Welsh Government advises public bodies to consider the socio-economic duty as part of existing processes, including impact assessments. We are currently reviewing local government's work to tackle poverty, including aspects of the socio-economic duty and the lived experience of people experiencing poverty.

About this report

5   We looked at the overall approach to undertaking EIAs in public bodies in Wales. To focus our work, we concentrated on the 44 public bodies originally subject to the Well-being of Future Generations (Wales) Act 2015. The main groups covered by the PSED that we did not include were the education bodies – further and higher education institutions and maintained schools – and Corporate Joint Committees.

6   We focused primarily on understanding public bodies' approaches with a view to finding good or interesting practice and identifying any common areas for improvement. We did not evaluate individual public bodies' approaches in detail. **Appendix 1** has more detail on our audit approach and methods. Where we identify individual bodies' practices, this is not to say that they are necessarily alone in having good or interesting practices in that area.

7   Parts one to three of this report set out the findings from our consideration of the EIA process at the 44 public bodies. Below, we set out the main areas for improvement we identified. These include issues that go beyond how public bodies are conducting specific parts of the processes and offer insight about the overall approach to assessing the impacts of policies and practices and the underpinning mindset and culture.

8   The Welsh Government is currently reviewing the PSED Wales specific regulations. We have framed our key improvement areas and recommendations in the context of the opportunity the review offers to clarify aspects of the overall approach to EIAs in Wales.

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3 The duty lay dormant on the statute book as the UK Government did not commence it. The Wales Act 2017 gave new powers to the Welsh Ministers and allowed them to commence the duty in Wales. It covers most types of public bodies subject to the PSED.

Key improvement areas

9   Positively, there are examples of good practice in aspects of the EIA process across the public bodies we looked at. There is also non-statutory guidance from the Equality and Human Rights Commission (EHRC)[4] and on the Equality Impact Assessment In Wales Practice Hub (the Practice Hub) about the detailed processes for conducting an EIA. Many public bodies use this guidance to shape their approaches. However, there are areas for improvement (**Exhibit 2**).

Exhibit 2: key improvement areas for EIA

Greater clarity over which type of policies and practices must be impact assessed

Greater clarity about the arrangements for assessing the impact of collaborative policies and practices

Greater clarity about expectations to consider the PSED as part of an integrated impact assessment

Better and more timely identification of the practical impacts of decisions on people and how different protected characteristics intersect

More engagement and involvement of people with protected characteristics

Better monitoring of the actual impacts of policies and practices on people

A shift in the mindsets and cultures to move EIA away from being seen as an add-on 'tick box' exercise

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4   Equality and Human Rights Commission, Assessing Impact and the Equality Duty: A Guide for Listed Public Authorities in Wales, October 2014; and Equality and Human Rights Commission, Technical Guidance on the Public Sector Equality Duty: Wales, August 2014.

Greater clarity over which type of policies and practices must be impact assessed

10   There is scope for the Welsh Government, working with partners, to
      clarify its expectations around which type of policies and practices must
      be impact assessed. As drafted, the Welsh specific duties require public
      bodies to assess all new policies or practices, or those under review.
      However, the EHRC's non-statutory guidance recognises that 'policies
      and practices' is a broad category and says public bodies may need to
      prioritise. It introduces the concepts of 'proportionality' and 'relevance',
      which it says public bodies can apply through a process known as
      'screening'.

11   We think the current position is open to interpretation in terms of whether
      proportionality and relevance mean public bodies should: (a) prioritise big
      decisions, like budget decisions or major service change; or (b) prioritise
      decisions that are likely to have a big impact on certain groups, for
      example, small scale decisions could have a large impact on one section
      of the population. Further, many bodies have interpreted proportionality
      as determining the amount of work needing to be done to assess impacts,
      rather than whether a policy or practice needs an EIA.

12   The EIAs or screening decisions that public bodies publish are usually
      those that go to their boards or cabinets. They therefore tend to be at the
      more strategic or impactful end of the scale. While we did not examine
      in detail practices at individual bodies, we think there is a risk that public
      bodies may be informally filtering out smaller scale policies and practices
      that do not require decisions from boards or cabinet, even though they
      may impact on people with protected characteristics.

Greater clarity about the arrangements for assessing the impact of collaborative policies and practices

13   There is scope to clarify how public bodies should do EIAs in an
      environment of increasing collaboration. The law places duties on
      individual public bodies. Since the legislation came into force, public
      bodies are increasingly developing plans and delivering services through
      collaborative arrangements. The Welsh Government updated the
      legislation to extend the PSED and Wales specific duties to Corporate
      Joint Committees in local government, but there are other collaborative
      arrangements not covered. These include Public Services Boards
      and Regional Partnership Boards as well as multiple service specific
      collaborations.

14   The Welsh Government has not produced stand-alone guidance on the use of EIAs by collaborative arrangements, although guidance for Public Services Boards highlights EIA requirements for individual public bodies[5]. The EHRC's 2014 guidance predates the creation of many of these arrangements and offers high level advice that there should be a shared approach but does not say how this should work in practice.

Greater clarity about expectations to consider the PSED as part of an integrated impact assessment

15   Increasingly, public bodies are integrating their EIAs with other impact assessments. While there is no legal requirement to integrate assessments, the Welsh Government's guidance on the Well-being of Future Generations (Wales) Act[6] emphasises the opportunities for bodies to integrate their approach to different duties, including those under the Equality Act 2010. Many of the equality officers[7] we spoke to said that integrating impact assessments led to a streamlined process and a more rounded approach to thinking about impacts. The key downside can be that the assessment is longer and can appear daunting. Our review of EIAs also identified a risk that integrated impact assessments dilute the focus on the impacts of policies and practices on people with protected characteristics.

16   Public bodies are inconsistent in what they include in an integrated impact assessment. Mostly, they collate separate assessments in one document, rather than produce a truly integrated analysis of impacts. There is no specific guidance to support public bodies in conducting integrated impact assessments. Many equality officers would welcome clearer guidance from the Welsh Government about its expectations.

Better and more timely identification of the practical impacts of decisions on people and how different protected characteristics intersect

17   There are examples of EIAs that clearly identify likely impacts on groups of people. However, many EIAs we reviewed were descriptive. They identified that a policy or practice might impact on a group of people. But they did not show how it would impact people's lives in practice. This makes it more difficult for decision-makers to assess how important the likely impacts are and if any mitigating measures proposed would be sufficient.

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5   Welsh Government, Shared Purpose: Shared Future Statutory Guidance on the Well-being of Future Generations (Wales) Act 2015 (SFSP 3: Collective Role (public service boards)), February 2016.

6   Welsh Government, Shared Purpose: Shared Future Statutory Guidance on the Well-being of Future Generations (Wales) Act 2015 (SFSP 2: Individual Role (public bodies)), February 2016.

7   We have used the term 'equality officer' throughout this report to refer to staff in public bodies with specific lead specialist roles for equality, whether that be their full-time job or part of their role. The way these roles are structured, and their seniority, varies.

18   In general, public bodies tend to identify negative impacts that they need to mitigate where possible. They are less likely to identify potential ways that the policy or practice could positively promote equality of opportunity and cohesion, even though this is a requirement of the PSED.Few public bodies have fully grasped the complexity of identifying likely impacts of policies and practices. None of the EIAs we looked at considered what is known as 'intersectionality'; the way that different protected characteristics combine. For example, while an EIA may identify impacts for Muslim people, it may not recognise that impacts could be very different for a Muslim woman compared to a Muslim man.

19   Many public bodies are thinking about how to identify the cumulative impacts of multiple decisions but few are doing so. Most do not have supporting systems that would enable those conducting EIAs to access the information needed about other decisions.

20   Most public bodies' formal processes and guidance say they will start thinking about impacts very early in the policy development process. However, many of the equality officers recognised that in practice EIAs often start late in the process, sometimes very shortly before a decision is due to be taken. This reduces the scope to shape the policy or practice and to mitigate impacts.

More engagement and involvement of people with protected characteristics

21   There are examples of public bodies seeking views from people with protected characteristics and drawing on their lived experience as part of the EIA. However, some third sector bodies are concerned that this does not happen nearly enough. We found that where public bodies seek views these often form part of a broader open consultation rather than focussing on specific groups with protected characteristics.

22   Some third sector organisations said that listening to people with protected characteristics was the action that would most improve EIAs. National representative public bodies could not always respond to the number of requests to take part in EIAs they receive and did not always have knowledge or information to respond to local issues.

Better monitoring of the actual impacts of policies and practices on people

23   Public bodies need to do more to monitor the impact of policies or decisions on protected groups. Equality officers at individual public bodies identified very few examples of public bodies monitoring the actual impacts of a policy or decision once implemented. Those examples put forward generally reflected broader monitoring of a policy's objectives rather than whether the impacts identified in the EIA materialised or whether there were other unanticipated impacts.

A shift in the mindsets and cultures that moves EIA away from being seen as an add-on 'tick box' exercise

24   From what we have seen there has not been a sufficient change in the mindset and culture in public services to put issues of equality at the heart of policy making. The mindset revealed by the EIA is often defensive: using EIAs to prove the body has paid due regard to equality in case of political or legal challenge. Often, the EIA seems like an additional 'tick box' exercise to be complied with rather than a tool to promote equality.

◀ Recommendations

Recommendations

Clarifying the scope of the duty to impact assess policies and practices

R1 There is scope for confusion about which type of policies and practices must be subject to an assessment for their impact on the public sector equality duty. **The Welsh Government should clarify its interpretation of the duty, including whether and how it expects public bodies to apply any test of proportionality and relevance.**

Building a picture of what good integrated impact assessment looks like

R2 Many public bodies carry out integrated impact assessments that include consideration of the PSED alongside other duties. But practice is inconsistent and often involved collating multiple assessments in one place, rather than being truly integrated, **to help maximise the intended benefits of integrated impact assessments, the Welsh Government should work with key stakeholders with an interest in the areas commonly covered by integrated impact assessments and those with lived experiences, to share learning and work towards a shared understanding of what good looks like for an integrated impact assessment.**

Recommendations

Applying the equality duties to collaborative public bodies and partnerships

R3 The public sector landscape has changed since the introduction of the PSED and the Welsh specific duties, with an increasing focus on collaborative planning and delivery. **The Welsh Government should review whether it needs to update the Wales specific regulations to cover a wider range of collaborative and partnership arrangements. These include public services boards, regional partnership boards and other service specific partnerships.**

Reviewing public bodies' current approach for conducting EIAs

R4 While there are examples of good practice related to distinct stages of the EIA process, all public bodies have lessons to learn about their overall approach. **Public bodies should review their overall approach to EIAs considering the findings of this report and the detailed guidance available from the EHRC and the Practice Hub. We recognise that developments in response to our other recommendations and the Welsh Government's review of the PSED Wales specific regulations may have implications for current guidance in due course.**

Supporting arrangements for conducting EIAs

01

1.1   Conducting an EIA can be complicated. Good support can help make the process of conducting EIAs easier and more effective by having a clearly spelled-out approach and process, underpinned by clear guidance and training. And public bodies can have expert advice to hand to support those involved in assessing the impacts of decisions.

Setting out the organisation's approach to EIA

What we looked for

A clearly spelled-out approach to EIA for the organisation, including whether the EIA should form part of a wider integrated impact assessment.

What we found

Almost all public bodies had a set process for conducting an EIA, although these vary from a stand-alone EIA to producing integrated impact assessments covering a wide and varying range of other legal duties and policy priorities.

Strategic equality plans

1.2   All 44 public bodies met the requirement to produce a Strategic Equality Plan (SEP). The SEP must include an organisation's equality objectives, how they will measure progress on meeting objectives, and how they will promote knowledge and understanding of the general and specific duty. The SEP must also set out the public bodies' arrangements for assessing the likely impact of policies and practices on their ability to meet the PSED. However, in our review of SEPs we found that only 17 of the 44 bodies did so and to varying degrees of detail.

1.3   A few public bodies have gone further than simply describing arrangements. For example, Conwy County Borough Council's SEP describes in detail its process for EIA, how its Cabinet uses EIAs to support decision-making, and scrutiny committees' role in ensuring the quality of EIAs. The Council's SEP also explains how it has used EIAs to inform its equality objectives.

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Organisational approach – integrated and stand-alone assessments

1.4   Nearly all public bodies (42 of 44) have a set process for undertaking EIAs. Most said that they put information on intranet sites, alongside supporting documents, contacts and most often a Word template for completion. Our review of EIAs found no standard format across public bodies, although most closely followed the approach set out in the Practice Hub. Members of the North Wales Public Sector Equality Network[8] have worked together to develop a standard template which most members of the network have adopted at least in part.

1.5   In around two-thirds (30 of 44) of public bodies we spoke to, the EIA forms part of a wider integrated impact assessment. There is no common approach to integrated impact assessments and no national guidance on what should be covered. There are some assessments that public bodies commonly include alongside the PSED (**Exhibit 3**). Some include other legal duties as well as policy priorities and practical considerations, such as finance. For example, the Welsh Government's integrated impact assessments sometimes cover climate change impacts, health impacts and economic impacts as well as a wide range of other legal duties, depending on the nature of the policy or practice.

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8   The North Wales Public Sector Equality Network is an informal network of public bodies working together to advance equality. Representation includes North Wales local authorities, Betsi Cadwaladr University Health Board, North Wales Police and Police Authority, North Wales Fire and Rescue Service, Welsh Ambulance Services NHS Trust, and Snowdonia National Park Authority.

Exhibit 3: assessments commonly included in an integrated impact assessment alongside the EIA

Well-being of Future Generations	The Well-being of Future Generations (Wales) Act 2015 introduced seven well-being goals for Wales. It also established the sustainable development principle and five ways of working – long-term, integration, involvement, collaboration, and prevention – to demonstrate application of the principle. An integrated impact assessment may also include an assessment of the policy or practice against the seven goals, public bodies' individual well-being objectives and/or the five ways of working specified in the Act.
Welsh Language	The Welsh Language (Wales) Measure 2011 declares that the Welsh language has official status in Wales. It makes provision to promote and facilitate the use of the Welsh language and to treat Welsh no less favourably than English through the Welsh language standards. Part of applying the standards means that public bodies must consider the effects their policy decisions on the Welsh language.
Environmental impacts	There are various duties to carry out environmental impact assessments depending on the nature of the proposed policy or practice. These range from strategic assessments of plans and programmes to assessments of projects that potentially impact on habitats and biodiversity.
UN Convention on the Rights of the Child	The Rights of Children and Young Persons (Wales) Measure 2011 embeds consideration of the United Nations Convention on the Rights of the Child and the optional protocols into Welsh law. The UN Convention consists of 41 articles, which set out a wide range of types of rights including rights to life and basic survival needs, rights to development including education and play, rights to protection, including safeguarding from abuse and exploitation, and rights to participation and express opinions.

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Socio-economic	The Socio-economic duty came into force on 31 March 2021. When making strategic decisions, such as deciding priorities and setting objectives, public bodies must consider how they can reduce inequalities associated with socio-economic disadvantage.

1.6   Most integrated impact assessments involve collating separate impact assessments into a document template. Few seem to be a truly integrated impact assessment. Some public bodies are trying to make the connections between assessments and reduce duplication. For example, Carmarthenshire County Council, Powys County Council, Gwynedd Council, Denbighshire County Council and Wrexham County Borough Council have each developed, or are developing, an IT solution to bring together the relevant information needed to inform an integrated impact assessment.

1.7   Very few public bodies solely assess the impact on the PSED even when they do not consider their assessments to be integrated. In those public bodies that report having a standalone EIA process, the EIA often also includes Welsh-language and socio-economic impacts.

1.8   Previous research has found length is a barrier to the use of impact assessments in decision-making[9]. It was hard for us to judge any EIA or integrated impact assessment as too long as many factors affect the length including the nature of the policy or decision and the number of assessments undertaken. We reviewed some documents that were very long; for example, the integrated impact assessment of the Welsh Government's remote working policy was 45,000 words (average reading time 2.5 hours). The majority for which a word count was easily identifiable ranged between 2,500 and 7,500 words (average reading time 8 to 25 minutes).

1.9   Most public bodies that have chosen not to integrate their assessments had considered the option. Reasons for not integrating assessments included a concern that there would be insufficient regard to the PSED. This may be a valid concern. Our review suggests that, in some cases, the PSED is covered in limited detail and appeared secondary to other considerations even though all the public bodies we spoke to who conduct integrated impact assessments felt they sufficiently covered the equality element.

9   Grace, C., Reducing Complexity and Adding Value: A Strategic Approach to Impact Assessment in the Welsh Government, Public Policy Institute for Wales, February 2016.

Specialist support and expertise

What we looked for

That there is specialist support and expertise available in the organisation to those conducting EIAs.

What we found

In most cases, policy leads are responsible for conducting EIAs and can access support from colleagues with knowledge in equality related issues and an in-depth understanding of the organisation's process for conducting an EIA.

1.10   In almost all public bodies, responsibility to undertake an EIA lies with the lead officer developing or reviewing a policy or practice. This is partly pragmatic, due to the number of EIAs public bodies conduct. Equality officers told us this approach meant that EIAs benefitted from policy leads' expertise on the topic area. However, they identified drawbacks, including the difficulty of ensuring consistency, getting EIAs started at the right time and ensuring quality.

1.11   All public bodies have equality officers (or equivalent) with knowledge in general equality issues and a detailed understanding of the organisation's EIA process. In all public bodies, staff conducting EIAs can ask equality officers for guidance when required. EIAs are mostly conducted without the input of an equality officer. The process at Aneurin Bevan University Health Board is one exception to this, where the first step for anyone who thinks they need to undertake an EIA is to contact the Equality Diversity and Inclusion specialist to discuss the proposed policy or practice and agree what actions they need to take, with ongoing support also provided. In smaller public bodies, where an EIA is more likely to relate to staff policies and decisions, the lead for conducting the EIA is frequently an HR officer who is also the equality officer.

Guidance to support those conducting an EIA

What we looked for

That there is guidance to support those conducting an EIA, setting out what they need to do and when, in line with the duties and their organisation's chosen approach.

What we found

There is non-statutory national guidance and support available setting out some good practice in the stages of an EIA, although there are gaps, notably in terms of integrated impact assessments. Most public bodies have also produced their own guidance to support their EIA process.

External guidance

1.12 The Welsh Government has not published statutory guidance on the application of the PSED in Wales or the Welsh specific duties. The EHRC published non-statutory guidance on the Welsh specific duties in 2014. Welsh Government guidance encourages public bodies to integrate different duties. But there is no specific national guidance on how to conduct integrated impact assessments and what should be included.

1.13 The Welsh Government, Welsh Local Government Association, and NHS Centre for Equality and Human Rights jointly developed the Practice Hub in 2015-16. This online resource provides information and support to public bodies in Wales to undertake EIAs. It provides a detailed eight step guide to good practice in undertaking EIA and gives information on the Welsh specific duties.

Internal guidance

1.14 Internally, most public bodies have produced guidance to support their EIA process. The format and detail of the guidance and quality vary across public bodies. Some provide step-by-step guidance which outlines the process and steps for completing an EIA. Some embed practical information and links within templates.

1.15 A few public bodies do not provide guidance on their individual processes. Some of these provide direct one-to-one support from an equality officer (or equivalent) to the individual completing the assessment. Others signpost staff to the external guidance on the Practice Hub.

Training

What we looked for

That training on conducting an EIA is available for staff involved in developing EIAs and those that use them for decision-making.

What we found

Most public bodies offer training to those involved with EIAs through a variety of media.

1.16 Around two-thirds (31 of 44) public bodies we spoke to provide formal training to officers who are likely to complete or have an interest in EIA. This training frequently extends to elected members, board members and decision-makers.

1.17 Methods of training vary. Some offer face-to-face delivery of training, with much of this via video calls since the start of the COVID-19 pandemic. Many public bodies include online modules and e-learning tools on equality, and EIAs as part of their general staff training. Those public bodies that do not offer formal training nevertheless provide one-to-one support to individuals conducting EIAs and upskill them through the process.

Quality assurance

What we looked for

An approach to ensuring the quality of the EIA process.

What we found

Half of public bodies had an approach to quality assurance, which varied from a simple sign-off on individual EIAs to more comprehensive peer learning to support improvement of the whole EIA process.

1.18 Half (22) of the public bodies have a quality assurance process in place for their EIA. The approach varies greatly. For some, quality assurance is about the quality of individual EIAs. Some require an EIA to be signed off by a senior officer. In Cardiff and Vale University Health Board, the lead officer conducting the EIA will work with an equality officer and a representative from Public Health Wales to review and interrogate the content of the EIA during its development. Other public bodies have begun to take a 'peer review' approach to developing EIA with input from experts from across the organisation.

1.19 A small number of public bodies use quality assurance to test the quality of their overall approach. For example, the Arts Council of Wales conducts an annual sample review of EIAs and uses the findings to improve the process.

Assessing impacts

02

2.1   The Wales specific duties require listed public bodies to assess the likely impact of proposed policies and practices, or those under review, on their ability to comply with the PSED. In doing so, they must have regard to certain types of information that they hold and meet specific requirements to engage with people or organisations that represent people with one or more protected characteristics. EHRC guidance and the Practice Hub set out in detail the steps public bodies can take to fulfil these requirements.

Screening

What we looked for

A clear approach to determining if an equality impact assessment is required.

What we found

Just over half of public bodies have a process for screening although many have stopped using screening, some due to risk of confusion or 'gaming' by staff.

2.2   There are no statutory exemptions setting out policies and practices that do not need to be assessed. However, the EHRC guidance and the practice hub include a 'screening' process to determine which policies or practices should have a full EIA.

2.3   Just over half (24 of 44) of public bodies we spoke to said that they have a screening process. Screening is most often a document template which an officer developing or reviewing a process or policy uses to determine whether they anticipate any impact on protected groups. The approach ranges in practice from a separate short impact assessment to a set of screening questions at the beginning of the full assessment template which determine whether to proceed with the full EIA.

2.4   Where a body decides it does not need a full EIA, they will usually retain a copy of the screening tool as evidence that it has considered the PSED. Most public bodies with a screening process will document the decision not to go ahead with a full EIA in the supporting papers that go to the cabinet or board.

2.5 Most often, the policy lead keeps the detailed record of screening. However, a few public bodies are trying to strengthen practice and ensure central records are maintained. For example, Cardiff Council has developed an online assessment tool to support policy leads through the process and encourage consideration of impact at the earliest stages of policy development. As well as sending advice and guidance to the officer completing the online assessment, the tool also sends a copy of the screening information to the equality officers.

2.6 The 20 public bodies who do not have a screening process had often consciously removed the screening step. Many said screening was an unnecessary step, as there are very few of their decisions that will not have potential to impact on the PSED. Some public bodies said that there was also scope for confusion, with lead officers completing a screening form, thinking it was an EIA. Others were concerned that some officers may 'game' the process: tailoring their responses to screening in a way designed to result in a decision that no further assessment was required.

2.7 Those public bodies that do not have a screening process usually provide additional guidance or a process chart, clarifying when to conduct a full EIA. All public bodies also offer the lead officer an opportunity to consult with an equality officer.

Timing

> **What we looked for**
>
> EIAs being started at an early stage to inform the development of a policy or decision.
>
> **What we found**
>
> All public bodies intend to carry out an EIA as early as possible, but many recognise this is often not the case in practice, and in some cases EIAs are very late in the policy development or decision-making process.

2.8   All 44 public bodies intend that EIAs should be started as early in the development or review of a policy as possible. But many public bodies acknowledged that this often does not happen in practice.

2.9   The timing of EIAs is affected by whether policy leads know that they are required to do an EIA and if resources – staff and time – are available at the appropriate point. Sometimes, if public bodies must make decisions very quickly, they either do not do an EIA or do them late in the decision-making process. This can be too late to consider changing a policy to lessen any possible negative impact or to build on positive impacts.

2.10 Decisions at the start of the COVID-19 pandemic were often made without an EIA. This reflected the urgency of decisions but meant that the impact on vulnerable people was not formally assessed. In August 2020, the Senedd's Equality, Local Government and Communities Committee[10] recommended that the Welsh Government should ensure that each major policy or legislative decision is accompanied by an effective equality impact assessment, and an analysis of the impact on human rights. The Welsh Government accepted the recommendation, and since August 2020 has published dozens of impact assessments related to the COVID-19 pandemic on its website.

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10 Senedd Equality, Local Government and Communities Committee, Into sharp relief: inequality and the pandemic, August 2020.

2.11 In most public bodies, papers accompanying decisions that go to cabinets or boards contain a box or section that refers to consideration of the equality duties. This serves as a backstop to prevent public bodies from making decisions without any regard to the duties, even though this generally would be very late in the process.

Use of evidence

What we looked for

Use of a range of evidence to support the assessment, including the views of those likely to be impacted and data on lived experience.

What we found

Public bodies use a mix of evidence, although there are gaps in available data on some protected characteristics and the inclusion of the views and lived experiences of people with protected characteristics is patchy.

Quantitative data

2.12 EIAs need a sound evidence base to inform their conclusions. The depth and detail of the information base vary across organisations and by assessment The depth of information and analysis often depends on the scale of the decision and the availability of relevant and specific evidence.

2.13 All public bodies expect to include some quantitative data, such as demographic information or service level data. Around two-thirds (29 out of 44) of public bodies include at least some examples of internal information sources and point to publicly available data in their guidance and templates. Some go further. For example, Merthyr Tydfil County Borough Council includes in its guidance a detailed list of sources where policy leads can find relevant evidence, with embedded links to external data sources.

2.14 There are some significant data gaps in the data that is available to public bodies. Generally, there is little information available about some protected characteristics, particularly sexual orientation, gender reassignment, and pregnancy and maternity. Data that is available at a national level is sometimes not available at a health board, council, or ward level, which makes it difficult for public bodies to understand their local populations with protected characteristics.

Qualitative information

2.15 The inclusion of qualitative information based on the views and experiences of people with protected characteristics is also patchy. When introducing new policies or changing services public bodies often undertake a consultation exercise. In the examples we saw, these were often targeted to the public in general, and it was difficult to see if the public body had sought to engage specifically with people from protected groups.

2.16 Nonetheless, we did see examples of EIAs where evidence from engagement with groups was covered. For example, when Snowdonia National Park Authority undertook an EIA on its communication and engagement strategy, the assessment considered how the strategy could engage with people who speak languages other than English or Welsh. It also considered impacts on those who were digitally excluded, a group that is more likely to include older people and more women than men.

2.17 Some respondents to our general call for evidence said that drawing more on the views and experience of people with protected characteristics would improve the quality of EIAs. This includes engaging with individuals and grassroots organisations as well as national organisations representing protected groups. Some respondents said that public bodies should do more to publicise consultations by a range of means, including but not restricted to social media.

2.18 Some all-Wales third sector bodies responding to our call for evidence said that they were often asked to provide views for EIA and that some cannot respond to all the requests they receive. Sometimes they do not have information on local services and impacts.

2.19 A few public bodies are trying to draw on the lived experience of people with protected characteristics through different forms of consultation. Some use existing networks for staff with protected characteristics to understand different perspectives. Others, draw on existing relationships with third sector groups to understand the lived experience.

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Identifying and mitigating likely impacts

What we looked for

Clear identification of likely impacts, including positive impacts in promoting equality, as well as negative ones.

Some consideration of cumulative impacts arising from other decisions that impact the same group or groups and how different protected characteristics combine (intersectionality).

Clear recommendations for mitigating negative impacts that have been acted on before the decision is made.

What we found

While there are examples of public bodies identifying specific impacts, often EIAs describe impacts in very broad terms. Very few identify the cumulative impacts of multiple decisions on groups or consider how different protected characteristics intersect. Very few can show how recommendations for mitigating impacts are followed through.

Specific impacts

2.20 Positively, our review of EIAs found examples of public bodies clearly identifying specific likely impact of policies or practices on protected groups. However, many EIAs included statistics to describe the population of people with protected characteristics without being clear how the policy or practice would likely impact on them. We also observed a tendency for EIAs to focus on negative impacts, thereby missing positive impacts and opportunities to improve cohesion and reduce inequalities.

2.21 We found that most EIAs reviewed provided data and information on each protected group separately. For example, the EIA on Conwy County Borough Council's Older Peoples' Domiciliary Care Finance and Commissioning Project set out the likely impact on people with each protected characteristic.

2.22   Most public bodies' approaches to EIA involve making recommendations to overcome negative impacts. Public bodies should incorporate mitigating actions into the policy development process, recognising it is not always possible to mitigate all negative impacts, such as with reductions in service. Very few public bodies have a process in place to track whether they have implemented the mitigating actions, after a decision is taken. In Hywel Dda University Health Board, the EIA has an associated action plan with a review date. In Aneurin Bevan University Health Board the Equality, Diversity, and Inclusion specialist keeps a database of actions arising from EIAs for monitoring purposes.

Intersectionality

2.23   Increasingly, it is understood that inequality is intersectional. People's characteristics interact in a complex way to give a unique experience of inequality. For example, the experience of a Muslim woman cannot separate 'female' and her experience as a Muslim. It will differ from that of a Muslim man and of a non-Muslim woman. However, we did not see examples of such nuanced understandings of inequality in the examples we reviewed.

Cumulative impacts

2.24   Public bodies in Wales make many decisions each year that, taken together, can be very detrimental to people from protected groups. For example, one respondent to our call for evidence gave the example of how individual decisions to reduce or close facilities and services such as public toilets, library services, day centres, and bus services had a cumulative impact on many older people who use the services. They said that, while each individual decision might not be significant, together they meant that some older people were becoming isolated.

2.25   The few instances we found where public bodies have begun to give thought to cumulative impacts tend to be when public bodies are making several decisions at the same time. For example, councils usually undertake a cumulative approach to assessing the impacts of their proposed budget each year. Individual service changes being proposed because of budget changes are assessed simultaneously allowing a better overview of potential impacts for the budget.

2.26   Typically, however, public bodies make decisions separately. One of the respondents to our call for evidence to decision-makers highlighted that it is difficult in principle to predict the likely impacts of multiple decisions in a complex landscape. Practically, the ability to take account of impacts from other decisions relies on the policy lead knowing about other decisions within an organisation and having access to the EIAs. A small number of public bodies are trying to address this information gap by using an IT solution to undertake the EIA (**paragraph 1.6**). This way, the assessment of impact for each policy change and decision is held centrally, making it easier for policy leads to bring together the information.

Decision-making

What we looked for

That the EIA and likely impacts it identifies are considered at the point of decision-making.

What we found

Equality officers' views varied around the extent to which their organisations prioritised the EIA in decision-making. Most respondents to our general call for evidence said public bodies did not pay sufficient regard to protected characteristics. The small number ofresponses from decision-makers suggest a view that the EIA is seen as a 'tick box exercise'.

2.27 The consideration given to EIAs in decision-making varies across public bodies in Wales. In general, equality officers felt that decision-makers take assurance in knowing that the policy lead has completed an EIA. Decision-makers will have access to a summary or the complete EIA accompanying each decision in their cabinet or board papers.

2.28 The equality officers we spoke to had mixed views over the extent to which their organisations placed sufficient weight on the EIA in decision-making. Over three-quarters of respondents to our general call for evidence who answered the question (29 of 37) disagreed that public bodies in Wales give appropriate due regard to people with protected characteristics when developing policies or making changes to services.

2.29 Generally, equality officers were not aware of instances where decision-makers challenged the content or recommendations of an EIA at the point of decision. Most felt that the accompanying EIA should have considered and shaped the policy sufficiently that there would be no need for such challenge at that late stage.

2.30 We only received ten responses to our call for evidence from decision-makers. While it is hard to draw conclusions from such a limited evidence base, it is notable that three of the ten referred to EIAs being used like a 'tick box'.

Reporting and monitoring impacts

03

3.1   Public bodies must publish reports of the assessments where they show a substantial impact (or likely impact) on their ability to meet the PSED. They must also monitor the actual impact of the policies and practices subject to an equality impact assessment.

Reporting

What we looked for

Public information about decisions and a clear description of how the EIA has influenced the decision-making.

What we found

Most public bodies publish some of their EIAs as part of a wider set of papers and they are often not easy to find.

3.2   Almost all public bodies in Wales publish their EIAs, at least in part. Typically, they publish EIAs with decision-related papers, such as cabinet or board papers. There is usually a section on the body's website which holds all the papers for each meeting and is accessible to the public[11]. There are a few exceptions in some of the smaller public bodies, who do not routinely publish their EIAs.

3.3   It can often be difficult to find EIAs which relate to a specific decision on public bodies' websites. The EIAs which feature more prominently and are easier to locate often relate to strategic decisions such as budgets or key corporate strategies. Newport City Council have tried to bring EIAs into a central location on their website to make them more easily accessible, while recognising that this approach relies on the individuals completing EIAs sharing them for publication, which sometimes does not happen.

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11 In some instances, bodies do not publish EIAs if they form part of a paper that is held back from publication due to its confidential or sensitive nature. However, these EIAs can sometimes be obtained via a Freedom of Information request if someone has a particular interest in seeing them.

Monitoring impacts

What we looked for

A clear approach to monitoring the impacts of the decision after it is implemented, including those identified as part of EIA as well as any unexpected impacts.

What we found

Very few public bodies monitor the impact of the decisions in the context of the PSED.

3.4   Some public bodies require those completing EIAs to identify a review date when monitoring is supposed to occur. We saw examples where EIAs set out plans for monitoring. For example, a Powys Teaching Health Board EIA included plans for monitoring service use after a change in surgery opening hours and for and independent evaluation of the service change. Also, Conwy County Borough Council's EIA for its review of domiciliary care included detailed arrangements for monitoring the impact using data and information that are routinely reported, including individual feedback from people receiving care.

3.5   However, equality officers had seen little evidence of the impact of policies and practices being monitored in light of the EIA. Those public bodies that outlined a monitoring process were often referring to the monitoring of an implementation of a policy or practice against its objectives or targets, not the impact that the decision had on people with protected characteristics.

3.6   In general, public bodies do not consider the impacts of policies and practices in terms of the PSED until there is another decision due on the same policy or practice. At that point, the body conducts a new EIA. Many of the equality officers we spoke to seemed unsure about how, in practice, they would monitor the impact of a decision on protected groups and would welcome more guidance.

Challenging EIAs

What we looked for

That the organisation identifies and applies lessons from any challenge to decisions on the basis of equality or the quality of the EIA.

What we found

Many equality officers did not think there had been any challenges to EIAs conducted by their organisation, but where there has been challenge some public bodies are using it as a learning opportunity.

3.7 Decisions made by public bodies can be challenged based on the EIA. Public bodies that do not have a clear record showing that they have considered the likely impacts of their decisions for people with protected characteristics leave themselves open to challenge. This could potentially include a judicial review. Some equality officers did not know what process someone would use to challenge an EIA. The majority said that any challenges would go through their general complaints process, with the involvement of the relevant service, equality officers and legal team.

3.8 Many equality officers thought there had not been any challenge to an EIA conducted by their organisation. Those that were aware of challenge taking place said that it was something that happens infrequently. Almost half of respondents to our general call for evidence who answered the question (17 of 35) said they had challenged some aspect of an EIA. We do not know if this was a formal or informal challenge.

3.9 Equality officers who had experienced challenge to an EIA said their organisation can resolve the issues either by making changes to a policy or practice, or by providing evidence that they had considered the impacts. Respondents to our general call for evidence gave examples of issues they raised being resolved. For example, one had objected to the EIA conducted on a new bus interchange because the council had not sought the views of people with protected characteristics on the proposals. Following their intervention, people with low vision visited the site and suggested changes to make the interchange more accessible.

3.10 While there are positive examples of public bodies responding to challenge, several respondents to our general call for evidence who had challenged aspects of an EIA reported not receiving any response to their challenge. A few equality officers told us that their organisation had learnt from the experience of having an EIA challenged. One had used examples of challenge from other public bodies to inform its EIA training as a particularly useful way of making impacts more easily understood to lead officers conducting EIAs.

Appendices

1 Audit approach and methods

1   Audit approach and methods

Audit approach

Our main aim was to provide insight about the approach to EIAs undertaken across the public sector in Wales. We wanted to highlight good practice and identify opportunities to improve. To help shape our thinking about what good practice to look for, we drew heavily on existing guidance materials, in particular that produced by the Equality and Human Rights Commission (EHRC) and the Equality Impact Assessment in Wales Practice Hub hosted by Public Health Wales NHS Trust.

We set out to explore to what extent public bodies have integrated their approach to undertaking EIAs, including the new socio-economic duty and the cumulative impact of decisions. We also explored what difficulties public bodies experience that affect the quality and timeliness of EIAs. We looked at how public bodies monitor the impact of decisions on their population. Each of the sub-sections in the main body of this report describes what we were looking for through our work.

In looking across the public bodies, we focused on the 44 public bodies originally subject to the Well-being of Future Generations (Wales) Act 2015. The Auditor General for Wales is the external auditor of each of these bodies, which include local authorities, health boards and some NHS trusts, national parks, and fire and rescue services. They also include the Welsh Government and some of its sponsored bodies. Our audit coverage did not include education bodies – further education, higher education or maintained schools – that are subject to the PSED. It also did not include the four Corporate Joint Committees (CJCs) established by the Local Government and Elections (Wales) Act 2021 and which are subject to the PSED.

Audit methods

Document review: We reviewed documents from each of the 44 public bodies, including those relating to the equality plans and details of the organisation's EIA process. We also reviewed details of their process for integrated impact assessments. We reviewed a sample of 29 EIAs provided by public bodies: 11 by local authorities, eight by health bodies, two fire and rescue, two national parks and six by the Welsh Government or its sponsored bodies.

Interviews: We interviewed the equality officers or their equivalent in each of the 44 bodies. We have used the term 'equality officer' throughout this report to refer to staff in public bodies with specific lead specialist roles for equality, whether that be their full-time job or part of their role. The way these roles are structured, and their seniority, varies.

Call for evidence: We sought wider views about people's experience of EIAs through a call for evidence between October 2021 and June 2022. We publicised this generally and in particular to third sector organisations. We received 40 responses, 23 from individuals and 15 responding on behalf of an organisation (two did not say).

We also sought the views of decision-makers through a separate call for evidence open between February and June 2022. We received ten responses (eight from individuals working in local authorities, one health and one fire and rescue).

While the responses we received to the calls for evidence are not necessarily representative of individuals, the third sector or decision-makers, they have provided useful detail which we have included through the report and which informed our overall analysis.

Stakeholder engagement: The EHRC is responsible for promoting and enforcing equality and non-discrimination laws. We met with officials in the EHRC Wales Team regularly throughout our work, discussing our scope and emerging findings. We also met with the Welsh Local Government Association's equality network and the Chair of the All-Wales NHS Equality Leadership Group. We interviewed officials from the Welsh Government with responsibility for equality policy.

Wider audit intelligence: We drew on existing intelligence from our local financial and performance audit work, where that was relevant to equality impact assessments.

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Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Ceredigion County Council

Report title: Equality Impact Assessments: more than a tick box exercise?

Issue date: September 2022

Document reference:

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R1	**Clarifying the scope of the duty to impact assess policies and practices** There is scope for confusion about which type of policies and practices must be subject to an assessment for their impact on the public sector equality duty. **The Welsh Government should clarify its interpretation of the duty, including whether and how it expects public bodies to apply any**	Not applicable as this recommendation is for Welsh Government, not the Local Authority.		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	test of proportionality and relevance.			
R2	**Building a picture of what good integrated impact assessment looks like** Many public bodies carry out integrated impact assessments that include consideration of the PSED alongside other duties. But practice is inconsistent and often involved collating multiple assessments in one place, rather than being truly integrated, **to help maximise the intended benefits of integrated impact assessments, the Welsh Government should work with key stakeholders with an interest in the areas commonly covered by integrated impact assessments and those with lived experiences, to share learning and work towards a shared understanding of what good looks like for an integrated impact assessment.**	Not applicable as this recommendation is for Welsh Government, not the Local Authority.		

2

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R3	**Applying the equality duties to collaborative public bodies and partnerships** The public sector landscape has changed since the introduction of the PSED and the Welsh specific duties, with an increasing focus on collaborative planning and delivery. **The Welsh Government should review whether it needs to update the Wales specific regulations to cover a wider range of collaborative and partnership arrangements. These include public services boards, regional partnership boards and other service specific partnerships.**	Not applicable as this recommendation is for Welsh Government, not the Local Authority.		
R4	**Reviewing public bodies' current approach for conducting EIAs** While there are examples of good practice related to distinct stages of the EIA process, all public bodies have lessons to learn about their overall approach. **Public bodies**	Our current IIA template is structured around the seven National Well-being goals. The equalities section is completed as part of the goal to create a 'more equal Wales'. We have reviewed our IIA tool and used the findings from the Audit Wales report and Welsh Government's review of their guidance to inform the process. As a result, the format of the template has been revised and	Complete	Alun Williams

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	should review their overall approach to EIAs considering the findings of this report and the detailed guidance available from the EHRC and the Practice Hub. We recognise that developments in response to our other recommendations and the Welsh Government's review of the PSED Wales specific regulations may have implications for current guidance in due course.	additional guidance tips and background information have been included in order to ease the process of completing the IIA. The revised IIA tool was scrutinised by Overview & Scrutiny Co-ordinating Committee on 11/09/23 and approved by Cabinet on 03/10/23. It is now available on our intranet for all staff to use. Ceredigion County Council has joined the Equality and Human Rights Exchange network and refers regularly to the Practice Hub to ensure continued improvement of our practice.		

Cyngor Sir CEREDIGION County Council

REPORT TO:	**Governance and Audit Committee**
DATE:	**24th January 2024**
LOCATION:	Remotely by Video Conference
TITLE:	Regulator & Inspectorate Reports & Council Responses
PURPOSE OF REPORT:	To provide the Governance and Audit Committee with updates on the progress of regulator/inspectorate reports and Council responses.
For:	Decision

Introduction

This Report sets out Regulator and Inspectorate Reports and updates along with Council responses regarding progress made against proposals and recommendation. It has 3 parts:

a) Audit Wales quarterly update to Governance and Audit Committee

b) Any local risk work issued/published since the last Governance and Audit Committee meeting

c) Audit Wales National Reports

Current Position

a) Audit Wales quarterly update to Governance and Audit Committee

- Audit Wales Work Programme and Timetable – Ceredigion County Council (**appendix 1**)

b) Any local risk work issued/published since the last Governance and Audit Committee meeting

- Audit Wales – Project Brief - Assurance and Risk Assessment – Ceredigion County Council (**appendix 2**)
- Audit Wales – Digital Strategy Review – Ceredigion County Council (appendix 3a)
- ORF – Digital Strategy Review (**appendix 3b**)
- Audit Wales – Cracks in the Foundations – Building Safety in Wales Report (**appendix 4a**)
- MRF – Cracks in the Foundations – Ceredigion County Council Response to Building Safety in Wales Report (Updated September 2023) (**appendix 4b**)
- Audit Wales - Equality Impact Assessment (**appendix 5a**)
- MRF – Equality Impact Assessment (updated December 2023) (**appendix 5b**)
- Audit Wales - Springing Forward – Strategic Workforce Management – Ceredigion County Council (**appendix 6a**)
- MRF – Springing Forward – Review of Strategic Workforce Management – Ceredigion County Council (Updated January 2024) (**appendix 6b**)
- Audit Wales – Setting of Well-being Objectives (**appendix 7a**)

- ORF – Setting of Well-being Objectives (**appendix 7b**)
- Audit Wales – Time for Change – Poverty in Wales (**appendix 8a**)
- MRF – Time for change – Poverty in Wales (January 2024 update) (**appendix 8b**)
- Audit Wales – 'Raising out Game' Tackling Fraud in Wales – Update due 2024

c) Audit Wales National Reports
- Audit Wales – Corporate Joint Committees report (**appendix 9**)
- Audit Wales – A Missed Opportunity Social Enterprises (**appendix 10a**)
- MRF – A Missed Opportunity Social Enterprises (**appendix 10b**)

RECOMMENDATIONS: 1) To consider the Regulator and Inspectorate reports and Updates
2) To Consider the Council's response (Management/Organisational Response Forms)

Reasons for Recommendation   To keep the Governance and Audit Committee informed of reports, proposals and work being undertaken

Appendices: Appendix 1   Audit Wales – Work Programme and Timetable – Ceredigion County Council

Appendix 2   Audit Wales – Project Brief – Assurance and Risk Assessment – Ceredigion County Council

Appendix 3a   Audit Wales – Digital Strategy Review – Ceredigion County Council

Appendix 3b   ORF – Digital Strategy Review

Appendix 4a   Audit Wales – Cracks in the Foundations – Building Safety in Wales

Appendix 4b   MRF – Cracks in the Foundations – Building Safety in Wales

Appendix 5a   Audit Wales – Equality Impact Assessment

Appendix 5b   MRF – Equality Impact Assessment

Appendix 6a   Audit Wales – Springing Forward Workforce Management Report – Ceredigion County Council

Appendix 6b   MRF – Springing Forward – Review of Strategic Workforce Management – Ceredigion County Council

Appendix 7a   Audit Wales – Setting of Well-being Objectives – Ceredigion County Council

Appendix 7b   ORF – Setting of Well-being Objectives

Appendix 8a   Audit Wales – Time for Change – Poverty in Wales

Appendix 8b   MRF – Time for Change – Poverty in Wales

Appendix 9   Audit Wales – Corporate Joint Committees report

Appendix 10a   A Missed Opportunity – Social Enterprises

Appendix 10b   MRF – A Missed Opportunity – Social Enterprises

Contact Name: Elin Prysor
Designation: Corporate Lead Officer: Legal & Governance & Monitoring Officer
Date of Report   24/01/2024

Audit Wales Work Programme and Timetable – Ceredigion County Council

Quarterly Update: 30 September 2023

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in February 2022.	March 2023	Complete Ceredigion County Council – Annual Audit Summary 2022

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 statement of accounts	To confirm whether the statement of accounts provides a true and fair view.	Audit Opinion by 28 February 2024	In progress
Audit of the 2022-23 Annual Return for Ceredigion Harbour	To confirm that the return has been properly completed.	Audit Opinion by 28 February 2024	In progress
Audit of the 2022-3 Annual Returns for Growing Mid Wales and Mid Wales Corporate Joint Committee	To confirm that the returns have been properly completed.	Audit Opinion by 28 February 2024	In progress

Description	Scope	Timetable	Status
Audit of the Council's 2022-23 Grants and Returns	Audit of the grants and returns as required by their terms and conditions.	In line with the deadlines for each individual grant and return.	Not yet started

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	ongoing	In progress
	• Financial position	Ongoing monitoring of financial position	Ongoing

2022-23 Performance Audit work	Scope	Timetable	Status
	• Capital programme management	September – December 2023	AW will not undertake detailed work at all councils as part of our 2022-23 work programme. We are currently exploring our options for undertaking a detailed piece of work on this topic either in 2023-24 or future years.
	• Use of performance information – with a focus on service user feedback and outcomes	February – September 2023	Report being drafted
	• Setting of well-being objectives	July 2023	Complete Setting of Well-being Objectives
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – July 2023	Fieldwork nearing completion, reporting from September 2023 onward.

2022-23 Performance Audit work	Scope	Timetable	Status
Thematic review – Digital	A review of councils' strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils' resources.	January – September.	Report being finalised
Local risk work: Planning review – follow up	To follow up the Council's progress in relation to addressing the recommendations in our Planning review published in November 2021. Review of the Planning Service – Ceredigion County Council	Autumn 2022 – Summer 2023	Report Published Planning Service Follow-up review

2023-24 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment including any follow-up work	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	Ongoing	In progress
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – June 2024	Scoping
Thematic review – commissioning and contract management	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	January – July 2024	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion County Council
Planning for sustainable development – Brownfield regeneration	Review of how local authorities are promoting and enabling better use of vacant non-domestic dwellings and brownfield sites	October 2022 – September 2023	Report drafting – publication due November/December 2023	Yes – interview with nominated officer at seven councils and survey.
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due November/December 2023.	No
Corporate Joint Committees (CJCs)	Assessing CJCs' progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration.	September 2022 – August 2023	individual letters have been issued to the four CJCs. National summary report due for publication October/November 2023.	Yes – We explored the Council's perspective via our routine liaison meetings. Fieldwork included interviews with the chief executive, director of finance and chair of each of the four CJCs.

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion County Council
Governance in Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – March 2024	Project brief issued	No
Homelessness	Examining how services are working together to progress the response to homelessness.	tbc	Scoping	tbc

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Wrexham local authority was removed from the causing significant concern category following a monitoring visit in July. We inspected Gwynedd in the week beginning 26 June and Carmarthenshire in the week beginning 10 July. Both reports have been published on our website. We will be inspecting Conwy local government education service on the week beginning 6 November.

Field work being carried out across local authorities during the autumn term includes a focus on attendance, school improvement and the work of the local authority to mitigate the impact of poverty on learners' attainment.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews			
CLDT	Working with HIW we will complete a small sample of joint CLDT inspections in 2024. We will use this approach to evaluate and consider our approach to joint inspection.	2024-25	Planning
Deprivation of Liberty Safeguards – 10 years on	We are working in partnership with HIW to consider our approach and follow up on the report: A National Review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales (hiw.org.uk) undertaken in 2014.	2024-25	Scoping
Stoke pathway	Working in collaboration with HIW a National Review of Patient Flow: a journey through the stroke pathway (hiw.org.uk) has recently been published.	Complete	Published

CIW planned work 2023-25	Scope	Timetable	Status
National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings	Purpose of the review To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings. To consider the extent to which practice has progressed since the publication of both the CIW 'National Review of care planning for children and young people subject to public law outline pre-proceedings' and the publication of the PLO working group report 2021 including best practice guidance.	In progress	Publication November 2023
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23	The 2020-21 report was published on 7 February 2021 The 2021-2022 report is underway	Published To be confirmed	Published Preparing

CIW planned work 2023-25	Scope	Timetable	Status
Joint Inspection Child Protection Arrangements (JICPA)	We will complete a further two multi-agency joint inspections in total. The findings following Denbighshire County Council have been published - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023 | Care Inspectorate Wales The findings following Bridgend County Borough Council have been published - Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023 | Care Inspectorate Wales We will publish a national report in late spring 2024.	April 2023 – April 2024	Delivery
Performance review of Local Authorities	We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity | Care Inspectorate Wales How we inspect local authority services and CAFCASS Cymru	Ongoing	Ongoing

Audit Wales national reports and other outputs published since September 2022

Report title	Publication date and link to report
NHS workforce – data briefing	September 2023
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
Local Government Financial Sustainability Data tool update (further update planned autumn 2023)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board - Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023
Digital inclusion in Wales (including key questions for public bodies)	March 2023

Report title	Publication date and link to report
Orthopaedic Services in Wales – Tackling the Waiting List Backlog	March 2023
Betsi Cadwaladr University Health Board – Review of Board Effectiveness	February 2023
Welsh Government purchase of Gilestone Farm	January 2023
Together we can – Community resilience and self-reliance	January 2023
A Picture of Flood Risk Management	December 2022
'A missed opportunity' – Social Enterprises	December 2022
Poverty Data Tool	November 2022
'Time for change' – Poverty in Wales	November 2022
Learning from cyber-attacks	October 2022 (distributed privately to audited bodies)
National Fraud Initiative 2020-21	October 2022
COVID-19 business support in 2020-21 – Memorandum for the Public Accounts and Public Administration Committee	October 2022
Payment to the Welsh Government's Former Permanent Secretary on Termination of Employment	September 2022

Report title	Publication date and link to report
Equality Impact Assessments: More than a Tick Box Exercise?	September 2022
Welsh Government – setting of well-being objectives	September 2022
Welsh Government workforce planning and management	September 2022

Audit Wales national reports and other outputs (work in progress / planned)[1, 2]

Title	Indicative publication date
Covering teachers' absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS quality governance	October/December 2023
A465 Section 2 – update	November/December 2023
Ukrainian refugee services	December 2023/January 2024

[1] We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

[2] We have also published to our website a paper – Our work programme for 2023-2026 – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26.

Title	Indicative publication date
Local government digital strategy review – national summary	January 2024
Local government use of performance information, outcomes and service user perspective – national summary	November/December 202
Affordable housing	February/March 2024
Active travel	Spring 2024
Cancer services	To be confirmed (scoping)
Velindre Cancer Centre	To be confirmed (scoping)
Welsh Government capital and infrastructure investment	To be confirmed (scoping)
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	R&D work underway September to December 2023. Data gathering with representative groups. Outputs will inform any further audit work.
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
The senior public service	To be confirmed (scoping early 2024)
Challenges for the cultural sector	To be confirmed (starting in 2023-24)
Rebalancing care and support	To be confirmed (starting in 2023-24)

Title	Indicative publication date
Tackling NHS waiting lists	To be confirmed (starting in 2023-24)
Access to education for children with Additional Learning Needs	To be confirmed (starting in 2023-24)
Audit Committees. 'What does good look like?'. R&D work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.	R&D work Sept – Dec 2023 Good Practice Event Spring 2024

Good Practice Exchange events and resources

Title	Link to resource
Strategy to Action: How digital makes a difference to everyday lives This event will take a practical and honest view at the digital landscape in Wales and will offer practical ideas for public and third sector organisations which will help them achieve the best value for money.	27 September 2023 09:00 – 13:00 – North Wales – To register for North Wales 5 October 2023 09:00 – 13:00 – Cardiff – To register for Cardiff
Working in partnership to improve wellbeing This event will bring together the North Wales Insight Partnership, the Public Service Boards and the C4C community to share wellbeing plans across the North Wales region, as well as sharing the innovative work being undertaken by a range of sectors around wellbeing in our communities. The event will provide opportunities to discuss how we can connect all of this work to deliver real change.	24 October 2023 09:30 – 16:30 To register for North Wales Cardiff date TBC

Title	Link to resource
Integrity in the Public Sector 'Trust is built and maintained through competence, reliability, and honesty, as well as the building of genuine and sound relationships between the public sector and the public it serves. That means the public sector must be accountable for the management and delivery of public services and outcomes, for the direction and control of the work it does, the resources it manages, and for its behaviour and ethics.' This event will look at how public services can promote a culture of integrity.	5 December 2023 10:00 – 12:00 Online To register
Podcast: Auditing Community Resilience In this edition of The Exchange, our Local Government team discuss some of the factors that cause poverty in Wales, as well as the value provided by social enterprises, and the importance of keeping wealth in communities.	**To listen**

Recent Audit Wales blogs

Title	Publication date
Building Safety – Have we learnt from Grenfell?	1 August 2023
Helping people to help themselves	15 February 2023
A perfect storm – the cost of living crisis and domestic abuse	21 November 2022
Tackling poverty means tackling poverty data	11 November 2022
Cost of living and putting away the bayonet	21 September 2022
Heat is on to tackle Climate Change	18 August 2022
Direct Payments in Wales	15 June 2022

Title	Publication date
Unscheduled Care in Wales – a system under real pressure	21 April 2022

Project Brief – Assurance and Risk Assessment – Ceredigion County Council

Audit year: 2023-24

Date issued: August 2023

Publication reference number: 3659A2023

This document has been prepared for the internal use of Ceredigion County Council as part of work to be performed in accordance with statutory functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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Background

1   The Auditor General has a duty under the Public Audit (Wales) Act to assure himself each year that councils have put in place proper arrangements to secure value for money in the use of their resources. A similar project is being undertaken at each council to help to fulfil this duty through a review of the arrangements that the Council has put in place, as well as to identify arrangements where we intend to undertake more detailed audit work. We are undertaking a similar project across all principal councils in Wales. This audit will also help the Auditor General to assure himself that councils are acting in accordance with the sustainable development principle and to identify where we intend to undertake further work to test its application.

Legislative basis

2   This project is being undertaken to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015. It may also inform audit work carried out under other powers and duties.

3   Our privacy notice is included on pages 10-11 of this project brief and it provides information about the potential collection of personal information by the Auditor General as part of this work.

Audit objectives

4   Our objectives for this audit are to:

- help discharge the Auditor General's duty to satisfy himself that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources;

- help discharge the Auditor General's duties under the Well-being of Future Generations Act; and

- inform our work planning for future years.

Audit questions and criteria

5   **Exhibit 4** contains the audit questions and audit criteria.

Audit scope

7   This project will cover key corporate and service arrangements, although the extent to which we review each arrangement each year varies according to our assessment of audit risk.

8   As part of our Assurance and Risk Assessment (ARA) work, we may also undertake follow-up work on proposals for improvement/recommendations issued in previous Audit Wales reports.

Audit methods

9   We will follow a risk-based approach to reviewing the Council's arrangements. For some aspects of the Council's arrangements, our work may be limited to high-level document reviews. For other arrangements, we may undertake more substantive work including, for example, interviews and meeting observations. As a minimum, we will interview the Chief Executive, Corporate Directors and some Corporate Lead Officers. We intend to deliver this work on an ongoing basis during 2023-24.

10   In undertaking this project, we will also draw on the findings of our other ongoing and recent work, the findings of other Inspectors and Regulators, and the work of the Council's own internal review mechanisms, such as the Council's internal audit and overview and scrutiny functions.

11   We will also hold a workshop with senior management to discuss a summary of our emerging findings, our planned future work, and gain the perspective of senior managers on the Council's key risks and areas of focus. This workshop will also involve Estyn and Care Inspectorate Wales and is likely to be in early 2024.

Output

12   We will feed back emerging findings from this work to the Council as appropriate and summarise our assessment of key audit risks at the workshop referred to above.

Timetable

13   **Exhibit 1** shows the high-level timetable of the main audit stages.

Exhibit 1: audit timetable

Stage	Date
Issue project brief	July 2023
Document reviews	Ongoing over 2023-24
Interviews with senior officers	September – December 2023
Workshop with senior officers	Early 2024

Audit Wales contacts

14   **Exhibit 2** sets out the Audit Wales team that will be working on this audit.

Exhibit 2: Audit Wales contacts

Name	Contact details
Gary Emery – Audit Director	Gary.Emery@audit.wales
Non Jenkins	Non.Jenkins@audit.wales
Bethan Roberts	Bethan.Roberts@audit.wales
Jason Blewitt	Jason.Blewitt@audit.wales

Fieldwork

15   We will conduct our fieldwork in line with the organisation's stated language preference. We will make every reasonable effort to accommodate language preferences of individuals during the audit if we receive these at the point of setting up fieldwork.

Document request

16   We will review a range of documents as part of our ongoing document reviews, the majority of which are likely to already be in the public domain. If we would like to request additional documents or are unaware of where to access them, we will communicate this through our usual contact(s) for performance audit work.

Interviews

17   **Exhibit 3** sets out the initial list of people we would like to interview during our work. We will confirm specific details of who we would like to interview during the project set-up meeting and contact you again to arrange mutually convenient dates and times when we begin the evidence gathering stage.

Exhibit 3: interviewees

Title
Chief Executive
Corporate Directors
Corporate Lead Officers

Appendix 1

Audit questions and criteria

Main audit question: **Do the Council's arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 4: audit questions and criteria

Level 2 questions	Criteria
1. Do Governance arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
2. Do Strategic planning arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
3. Do Resource Planning and Management arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	Arrangements are in place. There is appropriate oversight of arrangements. Evidence that arrangements are effective.

Level 2 questions	Criteria
4. Do collaboration and partnership arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
5. Do Performance Management arrangements demonstrate that the Council is applying the Sustainable Developmentprinciple and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
6. Do Risk Management arrangements demonstrate that the Council is applying the Sustainable Development principle and has put in place proper arrangements to secure value for money in the use of its resources?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.
7. Does service performance indicate that proper arrangements to secure value for money are in place and that the sustainable development principle is being applied?	• Arrangements are in place. • There is appropriate oversight of arrangements. • Evidence that arrangements are effective.

Appendix 2

Fair processing notice

Date issued: August 2021

Auditor General for Wales – Privacy Notice

This privacy notice tells you about how the Auditor General for Wales and staff of the Wales Audit Office process personal information collected in connection with our work.

Who we are and what we do

The Auditor General for Wales' work includes examining how public bodies manage and spend public money, and the Wales Audit Office provides the staff and resources to enable him to carry out his work. 'Audit Wales' is a trademark of the Wales Audit Office, and is the umbrella identity of the Auditor General for Wales and the Wales Audit Office.

Data Protection Officer (DPO)

Our DPO can be contacted by telephone on 029 2032 0500 or by email at infoofficer@audit.wales

The relevant laws

We process your personal data in accordance with data protection legislation, including the Data Protection Act 2018 (DPA) and the UK General Data Protection Regulation (GDPR). Our lawful bases for processing are the powers and duties set out in the Public Audit (Wales) Acts 2004 and 2013, the Government of Wales Acts 1998 and 2006, the

Local Government (Wales) Measure 2009, the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015. Depending on the particular power or function, these statutory bases fall with Article 6(c) and (e) of the UK GDPR—processing necessary for compliance with a legal obligation, for the performance of a task carried out in the public interest or in the exercise of official authority.

Who will see the data?

The Auditor General and relevant Wales Audit Office staff, such as the study team, will have access to the information you provide.

Our published report may include some of your information, but we will contact you before any publication of information that identifies you—see also 'your rights' below.

We may share information with:

a)   senior management at the audited body/bodies as far as this is necessary for exercising our powers and duties; and

b)   certain other public bodies/ public service review bodies such as the Office of the Future Generations Commissioner, Care Inspectorate Wales (Welsh Ministers), Estyn and the Public Services Ombudsman for Wales, where the law permits or requires this, such as under section 15 of the Well-being of Future Generations (Wales) Act 2015.

How long we keep the data

We will generally keep your data for six years, though this may increase to 25 years if it supports a published report—we will contact you before any publication of information that identifies you—see also 'your rights' below. After 25 years, the records are either transferred to the UK National Archive or securely destroyed. In practice, very little personal information is retained beyond six years.

Our rights

The Auditor General has rights to information, explanation and assistance under paragraph 17 of schedule 8 Government of Wales Act 2006, section 52 Public Audit (Wales) Act 2004, section 26 of the Local Government (Wales) Measure 2009 and section 98 of the Local Government and Elections (Wales) Act 2021. It may be a criminal offence, punishable by a fine, for a person to fail to provide information.

Your rights

You have rights to ask for a copy of the current personal information held about you and to object to data processing that causes unwarranted and substantial damage and distress.

To obtain a copy of the personal information we hold about you or discuss any objections or concerns, please write to The Information Officer, Wales Audit Office, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ or email infoofficer@audit.wales. You can also contact our Data Protection Officer at this address.

Information Commissioner's Office

To obtain further information about data protection law or to complain to complain about how we are handling your personal data, you may contact the Information Commissioner at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or by email at casework@ico.gsi.gov.uk or by telephone 01625 545745.

Audit Wales

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We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Digital Strategy Review – Ceredigion County Council

Audit year: 2022-23

Date issued: November 2023

Document reference: 3941A2023

Contents

Report summary

Report summary

Exhibit 1: report summary

The exhibit below summarises the reason we undertook this audit, our key findings and recommendations for the Council.

Why a strategic approach to digital is important

1   Digital technology is key to delivering a wide range of council services in a more economic, efficient and effective way, is also an important means of councils delivering their wellbeing objectives and carrying out sustainable development.

2   Having a clearly articulated strategic approach to digital can bring several benefits such as:

- establishing a common vision for use of digital and the intended outcomes for local communities linked to the council's strategic objectives;

- helping to ensure that councils' use of digital technology is aligned with their key strategic objectives and other plans and strategies and is informed by a good understanding of current and future trends;

- reducing the risk of duplication both within councils and with partners;

- consideration of resourcing digital over the short, medium and longer term together; and

- providing a framework against which to monitoring progress over the short, long and medium term.

The focus of our audit

3   We looked at the extent to which the Council's strategic approach to digital has been developed in accordance with the sustainable development principle and that it will help to secure value for money in the use of the Council's resources.

Our key findings

4   We found that the Council does not have a current digital strategy and is in the process of developing its next digital strategy. To inform its future strategy, the Council is using relevant internal data and is considering external data and intelligence, but the Council is uncertain on involving the public. Despite not having a strategy, the Council is aligning the importance of digital to support delivery of corporate priorities. Despite the absence of a strategy, the Council allocated specific resources to fund its delivery once finalised. However, the Council does not have in place arrangements to monitor, assess and report progress and these arrangements were not in place for the Council's previous strategy which ended in 2022. Without these arrangements, it is difficult for the Council to demonstrate the impact and value for money of its approach.

Our recommendation for the Council

R1   To help ensure that the Council's next digital strategy supports the achievement of its objectives and secures value for money, in developing its next digital strategy the Council should:

- gain an understanding of the needs of citizens by involving them in the design of its next strategy; and
- review its previous digital strategy including its governance, monitoring, and reporting arrangements to inform arrangements to support delivery of its next strategy to include enabling it to:
    - monitor its impact;
    - monitor the extent to which it provides value for money; and
    - asses if intended benefits are being realised.

Detailed report

What we looked at and why – the scope of this audit

1   We reviewed the Council's strategic approach to digital and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources.

2   Our findings are based on document reviews and interviews with a sample of Cabinet Members and senior officers. The evidence we have used to inform our findings is limited to these sources. We undertook this review in June 2023.

3   We set out to answer the question '**In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?'** We did this by exploring the following questions:

- Is the Council's digital strategy informed by a good understanding of current and future trends?

- Does the Council have a clear vision of what it wants to achieve through the use of digital technology?

- Is the Council working effectively with the right people and partners to design and deliver its digital strategy?

- Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?

- Is the Council monitoring and reviewing progress?

- Is the Council learning lessons from how it works?

4   **Appendix 1** sets out the detailed questions we set out to answer along with the audit criteria we used to arrive at our findings.

Why we undertook this audit

5   This audit was undertaken to help fulfil the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.

6   We sought to:

- provide assurance that councils' digital strategies will help to deliver well-being objectives in a way that secures value for money in the use of resources;

- provide assurance that councils are acting in accordance with the sustainable development principle in the design of their digital strategies;

- explain how councils are using/planning to use digital technology to meet people's needs and deliver better outcomes; and

- inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

The Council's digital strategy

7 The Council does not have a current digital strategy. The Council's previous strategy 'Information Communication Technology and Digital Strategy 2018-2022' concluded in 2022.

8 At the time of our fieldwork in June 2023, the Council were actively preparing a new digital strategy. This report reflects the Council's progress at that time while recognising the Council had more work to do before the new strategy would be available for member scrutiny. In June 2023, Officers intended to present a new digital strategy to members in Autumn 2023.

What we found: the Council is taking an integrated approach to developing its digital strategy and is using internal and external data to inform it but does not yet have arrangements in place to assess its value for money or impact

In developing its next digital strategy the Council is ensuring it aligns with its strategic objectives, the priorities of its partners and is using internal and external data to inform it

9 Despite the absence of a current digital strategy, there is strong evidence of the Council's commitment to digital and alignment with partners. The Council's Corporate Plan commits to improving digital connectivity and digital infrastructure as well as alignment with the Public's Services Board (PSB) digital commitments in its 2023-2028 Local Wellbeing Plan. There is a clear focus on digital supporting the Council's Well-being Objective of ' Boosting the Economy, supporting business and enabling employment'. The 'Boosting Ceredigion's Economy - A Strategy for Action 2020-35' clearly states the importance of digital as well as identifying digital as a key enabler in the Council's Hybrid Working Strategy approved by Council in July 2022. The Council and the Local Health Board are consulting each other on their emerging digital ambitions with a view to ensuring integration between the two public bodies. At the time of the fieldwork, this work was not complete. The Council is also reviewing the Growing Mid Wales partnership and Welsh Government Digital Strategy for Wales in its consideration of its own digital ambitions and priorities. Consideration of other stakeholders' digital intentions and alignment of internal and external strategies can help the Council in sharing of resources, avoid duplication of efforts and help to identify opportunities to deliver multiple benefits.

10   The Council is gaining a good understanding of its current situation to help inform its future digital strategy. The Council commissioned an external consultant to complete a digital audit of all its services including services' current digital arrangements, assessing the digital maturity of these as well as understanding services' future digital requirements. In addition, the Council commissioned a data maturity review on its current and future workloads resulting in recommendations for the Council to consider for its future approach to data. The Council has also completed a digital self-evaluation with the Welsh Local Government Association (WLGA) and piloted a Cyber Assessment Framework self-assessment. This information is key in helping the Council understand its current situation which should inform its future digital strategy.

11   The Council is currently drawing on internal data and is exploring external sources of data and intelligence to gain a broader view of the current situation in the County. The Council is reviewing the latest census results to gain a better understanding of the County's demographic profile. It is also reviewing different types of broadband availability across the County and economic factors influencing access to digital technology. Drawing on information from a wide range of sources and through collaborative activity, this increases the Council's ability to plan its strategic approach based on a good understanding of current and likely future trends in the County.

12   As the Council develops its future digital strategy, it is important for the Council to understand who will be directly affected by it. The Council is uncertain as to whether to consult with the public on its next digital strategy. Therefore, the Council runs the risk of not involving the full diversity of people potentially affected by its future digital strategy to help ensure the strategy meets their needs. Not involving citizens in developing the Council's strategic digital approach, or the delivery of it, risks designing approaches that do not meet citizens' needs, and therefore may not secure value for money.

13   It is currently unclear how far into the future the Council is planning for with regard to digital. With a lack of a current digital strategy, the Council does not have a vision for digital nor does it have measures and milestones reflecting short, medium and long-term outcomes for digital. Once the Council has a clear vision for digital and has identified the outcomes it is seeking to achieve, it will be important for the Council to clearly communicate this across the organisation, including elected members as well as the wider public and partners to ensure there is a wide and common understanding of what the Council is trying to achieve.

14   At this stage of its future digital strategy development, the Council has not finalised how it will contribute to the National Well-being goals.

The Council does not have arrangements to assess or monitor the impact and value for money of its strategic approach to digital

15   The Council has set aside £1 million for an unspecified period to help fund delivery of its future digital strategy. While this demonstrates the Council's commitment and recognition of the importance of digital, the Council allocated this amount without having a digital strategy. Therefore, the Council cannot be assured it has allocated a suitable amount of funding to deliver its digital ambitions. The Council has also not finalised the arrangements for how services can access this funding, nor has the Council finalised the monitoring and reporting arrangements that will determine progress and value for money of projects resourced from this fund.

16   At the time of our fieldwork, the Council had not allocated any funding from this pot. The establishment of proper monitoring arrangements would help the Council to assure itself that value for money is being secured from the fund.

17   There is no formal corporate oversight for the monitoring and reviewing of the collective progress, impact and value for money of all current digital projects. The Council does have a Corporate Project Management Panel (CPMP), but it does not have a role in monitoring any projects, including digital projects. The Corporate Performance Board and individual scrutiny committees can request to review and challenge the progress of individual digital projects. However, without monitoring the combined progress and impact, it will be difficult for the Council to gain assurance its digital strategic approach is securing value for money.

18   At the time of our fieldwork, the Council were considering the CPMP as the right forum to assess, monitor and oversee the future digital strategy, or whether it needs to set up a specific Digital Board with responsibility for the corporate oversight. The lack of current monitoring arrangements means the Council cannot provide assurance that the benefits of individual digital projects, or their collective benefit are being delivered.

19   A key element in understanding the future success and impact of a digital project and wider strategy is understanding the perceived financial and/or non-financial benefits at the outset. The Council recognises that the intended benefits were not clearly articulated for its previous Information Communication Technology and Digital Strategy. Without clearly articulating the intended benefits of its digital strategy and individual digital projects it is difficult for the Council to monitor progress in delivering them, and the extent to which the strategy is helping the Council to secure value for money.

20   At the time of our fieldwork, the Council was reviewing its previous digital strategy to help inform its future digital strategy by assessing what the Council delivered. However, this review centres on whether the Council delivered its previous digital actions and projects. The Council should take this opportunity to strengthen its review and consider the effectiveness of the previous strategy's governance arrangements. This could include consideration of the monitoring and reporting of progress and whether the Council had sufficient information at the outset of the strategy, to be able to understand and monitor its intended impact. This learning

can help the Council to shape the appropriate arrangements to support delivery of its future digital strategy.

Appendix 1

Audit questions and audit criteria

Below are the questions we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Main audit question: **In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 2: audit questions and audit criteria

Level 2 questions	Level 3 questions	Criteria

1. Is the Council's digital strategy informed by a good understanding of current and future trends?	1.1 Is there is a thorough understanding of the 'as is' (ie current demand/issues to be addressed) and the reasons why/underlying causes?
	
	1.2 Is there a thorough understanding of the long-term factors that will impact and the challenges and opportunities that may result (eg risks and opportunities)?
		• The Council has drawn on a broad range of information from internal and external sources to develop a thorough understanding of the 'as is' and how it is likely to change. This includes information (including data) relating to:
		  – service sustainability/resilience and resourcing challenges.
		  – the needs of citizens and communities.
		  – the underlying causes of current demand/issues to be addressed.
		  – analysis of future trends and how they might impact, eg social, economic/political, environmental, cultural or technological. They might include known trends eg ageing population, depleting natural resources and particularly technological advances. They might also include those with a higher level of uncertainty eg jobs and skills needed in the future.
		• The analysis of the 'as is' and how it is likely to change is well informed by involvement activity, as appropriate, that reflects recognised good practice (eg National Principles for Public Engagement in Wales, Future Generations Commissioner for Wales advice and guidance).
		• The Council uses its evidence base effectively to:

Level 2 questions	Level 3 questions	Criteria
		– identify actions in its strategic approach to digital that are likely to be most effective and why, including how they could address the root causes of problems; – inform decisions around its use of digital technology that seek to balance the need to meet short and longer-term objectives.
2. Does the Council have a clear vision of what it wants to achieve through the use of digital technology?	2.1 Is the Council planning over an appropriate timescale?	• The Council has considered what long term means in planning its approach to digital – ie how far ahead it can/should plan and why (at least ten years with consideration of longer-term trends as appropriate). • The Council has considered how actions can deliver the best impact over that timeframe in terms of outcomes and most effective use of resources. This could include consideration of appropriate intervention points linked to the Commissioner's definition of prevention. (More details can be found in: Taking account of the Well-being of Future Generations Act in the budget process – The Future Generations Commissioner for Wales). • The Council has set out measures for its digital strategy that reflect short and long-term impacts and value for money, with milestones that reflect progress as appropriate. • The Council has set out how its digital strategy will be resourced over the longer term as far as is practical (see also criteria relating to integration).
	2.2 Has the Council thought about the wider impacts its digital strategy could have, including:	• The Council has considered how its digital strategy can make a contribution across the well-being goals. • Staff developing the digital strategy understand what colleagues and partners do and how their work relates, and have sought to integrate their

Level 2 questions	Level 3 questions	Criteria

	• how it could contribute to each of the seven national well-being goals?
	• how delivery will impact on the other things it is trying to achieve (ie its well-being objectives and wider priorities)?
	• how delivery will impact on other what other public bodies are trying to achieve (ie their well-being objectives)?
		work with that of their colleagues from across the Council and with partner organisations.
		• Integration is evident in the alignment of the digital strategy with other key corporate strategies and service plans. For example medium-term financial plan, workforce plan, asset management strategies, well-being statement and carbon reduction plans.
		• The digital strategy is aligned with other strategic intents such as:
		  – customer experience;
		  – management of demand/reductions in demand failure and prevention; and
		  – design and implementation of new service delivery models.
		• The Council's digital strategy aligns with the plans/strategies of local and national partners including the Welsh Government's Digital Strategy for Wales Digital strategy and well-being plans.

	2.3 Is there a wide and common understanding of what the Council is trying to achieve?	• Councillors and senior officers responsible for implementing the digital strategy have a common and clear understanding of what the Council is trying to achieve and the intended impact on service delivery. • The Council's digital strategy is clearly communicated to staff and partners who may help deliver it.

Level 2 questions	Level 3 questions	Criteria
3. Is the Council working effectively with the right people and partners to design and deliver its digital strategy	3.1 Has the Council identified who it needs to involve?	• The Council has a good understanding of who will be directly and indirectly affected by its digital strategy and who it needs to involve. • The Council has effectively involved the full diversity of views in developing its digital strategy, including from non-traditional sources and from those it may have previously failed to reach.
	3.2 Is the Council effectively involving the full diversity of people affected by its digital strategy?	• The Council has provided genuine opportunities for people to influence the design and delivery of its digital strategy from an early stage, including representatives of groups who share protected characteristics. • The Council has used the results of involvement to shape the design and delivery of its digital strategy.
	3.3 Is the Council collaborating effectively with the right partners?	• The Council is collaborating to ensure it delivers better outcomes and value for money through its digital strategy and has put appropriate arrangements in place to support this, for example for: – sharing or pooling expertise and resources; – sharing information; – ensuring effective monitoring, evaluation and accountability including consideration of value for money.

Level 2 questions	Level 3 questions	Criteria
4. Has the Council resourced delivery of its digital strategy so it can deliver long-term/ preventative benefits?	4.1 Does the Council understand long-term resource implications?	• The Council has assessed the costs and benefits of using digital technology to invest in long-term, preventative approaches and the cost (both financial and in terms of outcomes) of not doing so. • The Council has thought about the resources it will need to deliver its digital strategy over the medium and longer term (whole life costs) and how it could manage risks/meet those costs including, for example, planned 'invest to save' initiatives and managed reductions in technical debt. • The Council has calculated and set out any savings it intends to make through implementing its digital strategy.
	4.2 Does the Council allocate resources to deliver better outcomes over the long-term?	• Action (including preventative action) that is likely to contribute to better outcomes and/or use of resources over the longer term is promoted and supported, even: – where this may limit the ability to meet some short-term needs; – where the benefits are likely to be accrued by or attributed to another organisation.

Level 2 questions	Level 3 questions	Criteria
5. Is the Council monitoring and reviewing progress?	5.1 Is the Council monitoring and reviewing progress towards, short, medium and longer-term objectives?	• The Council monitors the costs and benefits of delivering its digital strategy from a value for money perspective. • The Council is measuring the wider contribution the digital strategy is making across its own/partnership objectives. • Progress is measured against short, medium and long-term objectives.
6. Is the Council learning lessons from how it works?	6.1 Does the Council review the effectiveness of its digital strategy?	• The Council regularly reviews the effectiveness of its digital strategy including: – effectiveness of its collaborative activity; – effectiveness of its involvement activity, including the impact of the strategy on service users including those who are digitally excluded; – the impact of the strategy on those who share protected characteristics; – the economy, efficiency and effectiveness of the digital strategy overall in helping the Council to achieve its strategic objectives. • The Council has reviewed lessons learned from its response to the pandemic and is applying this learning to its digital strategy.
	6.2 Does the Council share lessons learned from its approach to its digital strategy?	• The Council shares and applies any lessons learned from the development and delivery of its digital strategy widely across the organisation, and with partners where relevant.

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We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Organisational response

Report title: Digital Strategy Review

Completion date: November 2023

Document reference: 3941A2023

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	To help ensure that the Council's next digital strategy supports the achievement of its objectives and secures value for money, in developing its next digital strategy the Council should: •　gain an understanding of the needs of citizens by involving them in the design of its next strategy; and •　review its previous digital strategy including its governance, monitoring, and reporting arrangements to inform arrangements to support delivery of its next strategy to include enabling it to; –　monitor its impact; –　monitor the extent to which it provides value for money; and –　asses if intended benefits are being realised.	**A consultation on our next digital strategy will be carried out.** **Work continues reviewing our previous strategy and this work along with Wales Audit recommendations will feed into the development of our upcoming strategy and its governance arrangements.**	**31/03/2024**	**Alan Morris**

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Archwilio Cymru
Audit Wales

'Cracks in the Foundations' – Building Safety in Wales

Report of the Auditor General for Wales

August 2023

This report has been prepared for presentation to the Senedd under the Government of Wales Act 2006.

Contents

◀ **Summary report**

Context

Building Control and Building Safety in Wales

1   Building Regulations are a set of legal requirements for the design and construction of new buildings, extensions, and material alterations to, and certain changes of use of, existing buildings. Building regulations help ensure that new buildings, conversions, renovations, and extensions (domestic or commercial) are safe, accessible and energy efficient.

2   The building regulations are defined by the Welsh Government and cover specific topics including structural integrity, fire protection, accessibility, energy performance, electrical and installation of combustion appliances. They also lay, for example, standards for drains, ventilation, protection against the ingress of water and protection against contamination including methane and radon gas. To help people to comply with them, the Welsh Government produces Approved Documents which offer detailed guidance and show ways of achieving compliance, expressed in simple functional statements – see **Appendix 2** for further information.

3   The primary responsibility for compliance with Building Regulations rests with designers, builders and building owners, and there are two routes open to them when seeking approval for their work[1]. They can choose to pay for either:

- a local authority inspector from the local council and run through Local Authority Building Control (LABC); or

- an approved inspector from a government-approved private building control company.

4   In practical terms, if construction work is proposed, the work must comply with these Regulations. Although work on a new build or extension may proceed before any formal consent, nothing can proceed beyond the inspection stages without the approval of an inspector. When the building is completed to the satisfaction of an inspector, a Completion or Final Certificate is issued (depending on who has approved the work). This certificate is only provided when all work has been approved and a final site inspection has passed.

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1   The system in Wales mirrors England and has largely been unchanged since the adoption of Part 2 of the Building Act 1984 which allowed for the introduction of approved inspectors as an alternative to obtaining building regulations approval from a local authority. In Scotland, all building control activities rest with local government and there are no private building approved inspectors.

5   They both work in the same way, checking plans prior to works commencing, physically inspecting work during the development, advising any changes as necessary to ensure compliance, before re-inspecting the job prior to signing the project off. However, only a local authority has powers of enforcement and prosecution where breaches of the Regulations occur. An approved inspector should hand the project over to the local authority if there are problems with the project that cannot be resolved informally. There can be heavy penalties, including fines and imprisonment, for breaches of the Regulations, although in practice this rarely happens.

The Grenfell disaster and the Hackitt Inquiry

6   The building regulation regime was unchanged for many years until the Grenfell Tower Fire of 2017, in which 72 people died. Following this tragedy, an independent review into Building Regulations and fire safety was commissioned by the UK (United Kingdom) Government. Chaired by Dame Judith Hackitt, the review's report[2] was published in May 2018 and exposed long standing and serious issues[3] with the building safety system, including:

- **Ignorance** – regulations and guidance were not always read by those who needed to, and when they did the guidance was misunderstood and misinterpreted.

- **Indifference** – the primary motivation of the system was to do things as quickly and cheaply as possible rather than to deliver quality homes which are safe for people to live in. When concerns were raised by others involved in building work or by residents, they were often ignored. Some of those undertaking building work failed to prioritise safety, using the ambiguity of regulations and guidance to 'game' the system.

- **Lack of clarity on roles and responsibilities** – there was ambiguity over where responsibility lay, exacerbated by a level of fragmentation within the industry, and precluding robust ownership of accountability.

- **Inadequate regulatory oversight and enforcement tools** – the size or complexity of a project did not seem to inform the way in which it was overseen by the regulator. Where enforcement was necessary, it was often not pursued. Where it was pursued, the penalties were so small as to be an ineffective deterrent.

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2   Judith Hackitt, Building a Safer Future, May 2018
3   Sir John Egan, Rethinking Construction: Report of the Construction Task Force, November 1998

7   The report recommended a new framework to replace the complex system that had grown over decades, along with a need to change culture from one that prioritises structural integrity and design to one which has equal emphasis on fire safety quality controls. Following the Hackitt Inquiry, both the Welsh and UK governments prioritised work on addressing the review findings culminating in the Building Safety Act 2022 (the 'Act')[4]. The Act represents the biggest shake-up of building safety regulation since 1984 in England and Wales.

8   This report looks at how the Welsh Government, local authorities and their key partners are implementing the requirements of the Building Safety Act 2022. The focus of our review has been on assessing the preparedness of bodies to take on their new and enhanced responsibilities, the resilience of existing services, and the robustness of building safety assurance systems. **Appendix 1** sets out our audit approach and methods.

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4   Building Safety Act 2022.

Key Conclusions

9   Our overall conclusion is that responsible bodies – particularly local authorities and fire and rescue – are unable to effectively discharge their responsibilities and ensure buildings in Wales are safe.

10   In **Part 1** of the report, we consider the priorities set by the Welsh Government in respect of the Act and how well prepared local authorities are to deliver these. We found the Welsh Government prioritised responding to the Grenfell disaster, working with the UK Government. This resulted in the Building Safety Act 2022 which seeks to address longstanding problems in the regulation and oversight of building design and construction.

11   We found that the Welsh and UK governments are diverging in key policy areas, and some doubt remains on how the Act will be implemented in Wales, mainly because decisions in key areas are yet to be decided and agreed. This is creating uncertainty, with most local authorities who are responsible for delivering these changes and, by extension in terms of joint working, fire and rescue services, who are yet to develop comprehensive plans that set out how they intend to deliver their new and revised responsibilities.

12   In **Part 2** we consider the strength of local authority building control and enforcement services, the effectiveness of the fee-setting regime and how services are changing to strengthen resilience. We conclude that as a profession, building control and building safety face significant staffing challenges. An ageing workforce (see Key Facts below), poor succession planning, a wider lack of investment in services and training and development highlight that these services are neither resilient nor fit for the future.

13   We also have concerns with the financial management of building control, concluding that in some authorities current practices are potentially unlawful with services not operating in line with regulations and guidance. While the pandemic has helped local authorities modernise their services, utilising cloud-based IT (Information Technology) and remote working, their resilience nonetheless remains weak. Opportunities to strengthen services through collaboration and regionalisation are not being prioritised and little work has taken place in these areas.

14   Finally, in **Part 3** we examine building safety assurance arrangements. We found that the absence of a national framework for monitoring and evaluating building control and building safety means that local authorities and their partners are not working to agreed appropriate outcome measures, targets, or benchmarks. Coupled with limited scrutiny and evaluation of building control and building safety, and poor management of risk, we conclude that assurance systems are inadequate.

"
The Grenfell Tower fire was a national tragedy, the impact of which we continue to feel today. My report highlights major concerns with the implementation of the new system for Building Safety. Although it's heartening to see the passion and commitment from those working in the sector, I am concerned that not enough priority is being given to these services on the ground. The absence of robust plans, clear decision making, and adequate resources raises real fears that the new legislation will not be delivered and the problems it is seeking to address will remain.

Adrian Crompton
Auditor General for Wales

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Key facts

177 total number of staff in building control

11 total number of staff replaced in 2021-22

0 number of surveyors or managers who have a disability

Of the of the **133** FTE surveyors and managers, **54.4%** are over the age of 50 and only **10%** under 30

96% proportion of surveyors and managers that are white

21 total number of staff who left building control in 2021-22

100% proportion of admin staff that are white

118 Average applications handled per surveyor/ manager

The average local authority building control team is composed of:

Manager
Male
50-60 years old
Qualified

Surveyor
Male
Over 50 years old
Qualified

Surveyor
Male
Over 50 years old
Associate member

Surveyor
Male
Over 40 years old
Unqualified

Surveyor
Male
30-40 years old
Unqualified

Surveyor
Male
Under 30 years old
Qualified

Admin
Female
Any age
Unqualified

◀ Recommendations

15   Our recommendations are set out below. We expect the Welsh Government and individual local authorities to consider the findings of this review and our recommendations and to complete an organisational response form and publish this. We also expect each local authority governance and audit committee will receive the report and monitor their response to our recommendations in a timely way.

Exhibit 1: recommendations

Recommendations

R1   The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include:

- clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes;

- a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and

- the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.

R2   The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.

Recommendations

R3   The Welsh Government should review the mixed market approach to building control and conclude whether it continues to be appropriate and effective in keeping buildings in Wales safe. This should:

- assess the status quo against potential changes, such as the model of delivery in Scotland;

- be framed around a SWOT analysis of costs, benefits, threats, and risks;

- draw on existing research to identify good practice; and

- be published and agree a way forward.

R4   The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by:

- creating a national performance framework with clear service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny.

- developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as:

  - a greater focus on trainees to mitigate succession risks;

  - establishing aligned, national job roles matched to competency levels;

  - increasing the diversity of the sector to ensure it reflects modern Wales; and

  - specific funding to enable surveyors to obtain and maintain competence should also be considered.

- the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.

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Recommendations

R5 Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should:

- be based on an assessment of local risks and include mitigation actions;

- set out how building control services will be resourced to deliver all their statutory responsibilities;

- illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and

- include outcome measures that are focused on all building control services, not just dangerous structures.

R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include:

- establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations;

- annually reporting and publishing financial performance in line with the Regulations;

- ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and

- revise fees to ensure services are charged for in accordance with the Regulations.

R7 Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.

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Recommendations

R8   Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.

Responsible bodies are yet to develop comprehensive plans that set out how the new and revised responsibilities introduced by the Building Safety Act will be addressed

01

1.1   In this section of the report, we consider the Welsh Government's response to Grenfell and the changes introduced, and planned, in the Act. We identify how local authorities and their partners are preparing for these changes and provide an analysis of how well placed they are to deliver them.

The Welsh Government prioritised work on responding to the Grenfell disaster and elected to work with the UK Government on the Building Safety Act 2022

1.2   Following the Grenfell tragedy and the findings of Dame Judith Hackitt's inquiry, the Welsh Government established a Building Safety Expert Group. The view of the Expert Group was that while the flaws in the system are equally valid in Wales as they are in England, the context and therefore the solutions need to be different.

1.3   The scale of the high-rise landscape in Wales is not comparable to England where there are estimated to be over 11,000 high-rise buildings. At the time of the Expert Group work there were 147[5] high-rise residential buildings in Wales with up to five additional high-rise buildings being built each year.

1.4   In March 2019, the Expert Group published a roadmap[6] for making buildings in Wales safer, setting out both longer-term priorities but also shorter-term interventions that could be implemented immediately to ensure the failings of Grenfell were not replayed in the future. The Expert Group recommended:

- clarifying key roles and responsibilities;
- ensuring the imbalance between building designers, contractors and regulators is tackled;
- creating a single system with consistent standards by addressing the mixed economy of the two-tier system for building control with both public and private building control;
- improving capacity and competence of building control officers;
- creating an enforcement and sanctions regime which is delivering effective compliance and guaranteeing safety; and
- raising standards with non-safe buildings being improved.

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5   As of March 2023 there are 171 high-rise residential buildings.

6   Building Safety Expert Group, A Road Map to safer buildings in Wales, March 2019.

1.5   In January 2021, following the work of the Expert Group, the Welsh Government published its 'Safer Buildings in Wales white paper'[7]. The White Paper proposed revisions to the building safety regime and the separation of roles between duty holders and residents. Following consultation, most respondents agreed with the proposed approach but wanted, as much as possible, the Welsh policy regime to be consistent with England. Consequently, the Welsh Government elected to proceed jointly on some aspects of the UK Government's planned legislation, to take advantage of economies of scale and ensure appropriate alignment across England and Wales.

There is uncertainty as to how key elements of the Building Safety Act 2022 are being implemented in Wales

1.6   The Act received Royal Assent on 28 April 2022 and focuses on the following key areas:

- the safety and standards of all buildings;

- assuring the safety of higher-risk buildings, both in construction and occupation;

- improving the competence of the people responsible for overseeing, managing, and delivering works to higher-risk buildings;

- ensuring clearer standards and guidance; and

- putting residents at the heart of a new system of building safety.

1.7   Alongside the Act, there have also been changes to fire safety law for buildings containing two or more sets of domestic premises in England and Wales. The Fire Safety Act 2021[8] clarifies application of the Fire Safety Order on who is responsible for managing and reducing fire risks in different parts of multi-occupied residential buildings and the parts of the building it relates to – for instance, the external wall, and doors between domestic premises and common parts.

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7 Welsh Government, Safer Buildings in Wales: A Consultation: A Building Safety White Paper, 12 January 2021

8 The Fire Safety Act 2021

1.8   Through these changes, the Welsh Government wants to ensure there is absolute clarity about who has responsibility for the safety of a building at each different point in the process. The Construction (Design and Management) Regulations 2015 already set out who the key people are during a construction or refurbishment project. The Client, Principal Designer, Principal Contractor, designers, and contractors are all identified as 'dutyholders.'

1.9   Additional duties have now been placed on dutyholders in relation to building safety. Looking forward, they will be required to cooperate and share information with relevant regulatory bodies and will be responsible for ensuring compliance with building regulations. They will also need to ensure that they, and the people they employ, are competent to do the work they are undertaking. They will also have to comply with the regulatory requirements imposed on them.

The Building Safety Act 2022 came into force in April 2023. All aspects of the Act apply to England, but only Part 3 (with some minor exceptions) applies to Wales. Subsidiary legislation and guidance on Part 3 are currently being introduced by the Welsh Government, with full implementation and compliance set for April 2025. In addition, the Welsh Government is also developing legislation that will deal with the areas covered in Part 4 of the Building Safety Act 2022. This includes introducing a new Regulator for Wales (yet to be decided) and equivalent duty holder roles such as the Accountable Person.

1.10 These reforms apply to every eligible building project, whether it is building an extension, a block of flats or a shopping centre. The Welsh Government will therefore require that higher-risk buildings[9] within the scope of the different changes taking place to the various Building Safety Regimes will pass through stop points or 'Gateway points' before they can pass to the next stage of works. On its current timetable, the Welsh Government anticipates the new design and construction (building control) regime that covers Gateways will come into force in April 2025. The three Gateways are:

Gateway 1	Gateway 2	Gateway 3
Before Planning Permission is granted	Before Construction Begins	Before the Building is Occupied

1.11 When passing through a Gateway point, those designing and constructing the building will have to evidence that the design and construction meet, and continue to meet, regulatory requirements and ensure that adequate safety measures and building information are in place so that they can be appropriately managed, maintained, and improved. They will also have to think about how building safety will be managed when the building is occupied. Consequently, the Act and subordinate legislation are aimed at creating a universal change in responsibility and culture within the building industry through the introduction of clearer standards and guidance and the establishment of a more effective regulatory and responsibility framework for the construction industry.

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9   The definition of 'Higher-risk building' differs between England and Wales. In early 2023, the Welsh Government consulted on their proposed definition of 'a building that is at least 18 metres in height or has at least seven storeys where it also contains at least one residential unit or is a hospital or a care home'. The outcome of the consultation has not yet been published. In England, a building requires at least two residential units.

1.12 Importantly, the Act clarifies who has responsibility for fire and building safety throughout the life cycle of a higher-risk building and establishes two new roles to make this ambition a reality – in England this will be the Building Safety Regulator and the Accountable Person. In respect of the Building Safety Regulator, the UK Government has elected to appoint the Health and Safety Executive to deliver this function (see **Appendix 4** for further detail).

1.13 At present, the Welsh Government is planning to make the Building Control functions of the regulator for high-risk buildings a role for local authorities, but is yet to set out how this element of the new regime will work or what its expectations of local authority services are. The Welsh Government's decision to make local authorities the Building Safety Regulator for oversight of high-risk buildings is viewed with unease by some we have interviewed. Several approved inspector bodies (who work across England and Wales) and some fire and rescue service staff raised concerns that local authorities are not sufficiently resourced or suitably experienced to deliver this role. Instead, they would prefer to see Wales adopt the Building Safety Regulator system planned in England.

1.14 Overwhelmingly, local authorities and fire and rescue services are concerned about the late development and/or notification of policy decisions and options in implementing changes to the building safety regime introduced by the Act. For instance, every local authority officer interviewed raised concerns over the lack of detail on the process for registration of the Building Control profession, one of the most significant features of the Act, and something which will affect all Welsh local authorities, not just those with tall residential buildings.

1.15 Everyone working in building control, in both the private and public sector, will soon have to register if they want to continue to practise. In addition, all local authority building control surveyors will need to complete a regular formal assessment of their competence. Building surveyors and managers will need to be suitably qualified before they can practices, although there may be some transition time for this to take place. If training is required before they can undertake work, then this will take resources out of already stretched teams and backfilling may be needed to cover for this.

1.16 Taken together, these changes will have a significant impact on local authorities. However, at the time of our audit the new system had not been set out in draft nor consulted on. The Welsh Government plans to introduce the registration of all Building Inspectors and Building Control Approvers from October 2023. This is creating uncertainty and ambiguity and is reducing buy-in from those with building safety responsibilities, especially given the ever-decreasing window of opportunity.

1.17 Welsh Government officials we interviewed acknowledge that they have not been able to resource policy work as quickly as they would like, and this has not been helped by the recent retirement of two key members of staff who have been central to driving the changes in Wales. Consequently, many local authority officers noted a growing unease that progress in Scotland is well ahead of England and Wales, and England is now advancing more rapidly than Wales. This uncertainty is adding to their already challenging operating environment.

Most local authorities and fire and rescue services have a good understanding of local building safety risks but are yet to set out how they plan to deliver the requirements of the Act

1.18 The implications of the Act are wide ranging and local government needs to be well advanced in its preparation for delivering these enhanced responsibilities. Even though key policy choices are yet to be finalised in Wales, we would still expect to find those who manage building control and safety teams to understand the impact of the Act, especially the consistent Welsh Government messaging on the increased level of expertise that will now be needed to achieve and demonstrate competence and compliance.

1.19 Through our fieldwork we found that in general, both local authority and fire and rescue building safety staff have a good understanding of the number and locations of high-risk buildings. However, many admit that the level of detail and knowledge of design, construction and maintenance of these buildings varies and not all those we interviewed felt confident that they had an accurate and up to date picture. Despite this, we found that there is limited action taking place or planned in terms of updating and improving knowledge of the potential high-risk buildings within each area.

1.20 Many interviewees also flagged a lack of understanding on the potential implications of the Act both at a corporate level but also directly in key areas of operational activity, such as housing services. While most officers noted that there was an increased awareness in building safety immediately following the Grenfell disaster, the overwhelming majority noted that over time attention has since waned. Indeed, most noted that building control as an area of work rarely features as a corporate priority, and there is poor knowledge and understanding of the implications of the Act.

1.21   Very few local authorities have developed a specific plan to implement
         the changes being made to the building safety regime. In addition, no one
         we interviewed in local government could articulate a clear vision on what
         their service will need to achieve in terms of the Act and their enhanced
         responsibilities, nor a route map for its achievement. This reflects the
         low corporate priority given to building control. This is something that
         was echoed in our interviews with fire and rescue service staff, several
         of whom raised concerns with both the Welsh Government's and local
         government's prioritisation of building control services.

1.22   For example, building control is not a standalone service in 21 of the 22
         local authorities and is most usually located in planning services and
         overseen by the lead officer for planning. There are also no member
         champions for building control. This means that the service often lacks
         agency, profile, and recognition. This contributes to building control officers
         feeling powerless, with most left to get on with it and manage as best they
         can, focusing on addressing day-to-day issues, rather than being able to
         invest time in planning for the medium to long term.

1.23   Overall, managers are focussed on maintaining service delivery and are
         not preparing or planning for the Act's reform of services. This is partly a
         result of the significant uncertainties that remain about how the Act will be
         implemented in Wales. The result is that local authority building control
         services have little influence and no prioritisation and are working in a very
         uncertain environment.

Resourcing issues make it unlikely that local authorities can successfully implement the new building safety regime or that services are fit for purpose

02

2.1 In **Part 2** of the report, we set out how building control services are currently provided, primarily looking at the operating environment for local authorities but also considering the role of approved inspectors. We summarise the staffing and resource challenges facing the profession and how well positioned services are to overcome these.

Building control as a profession faces significant staffing challenges

2.2 To effectively implement the Act requires local authorities and others to have staff who are competent, appropriately qualified, and adequately supported to maintain and update their skills and knowledge. In addition, it is also important that staff have opportunities to develop their experience, particularly in more complex buildings and changing construction standards, to be able to provide efficient and effective services.

Building control is no longer seen as a good career choice and the challenging demographics are severely impacting the short and long-term resilience of services

2.3 Historically, building control was seen as a positive career role. Many managers we interviewed noted that they had joined their local authority as a trainee and had benefitted from opportunities to progress their knowledge and responsibilities over time and had been supported to develop their careers within the organisation. However, in recent years this has changed. The impact of austerity has supressed wages and reduced staff numbers to the extent that local authority building control roles are no longer seen as financially attractive and with less opportunity for career progression than in the past.

2.4 This is borne out by the ongoing recruitment challenge facing local authorities who struggle to fill vacant posts, even where market supplements are offered. For instance, at the end of March 2022, there were 18.5 Full-time Equivalent (FTE) vacant roles across Wales, including 14 building surveyors. Despite the detrimental impact on service delivery, only 2.2 FTE agency staff were appointed to bolster services and despite the increase in building control applications made during the pandemic and 2021-22.

2.5 Our survey of local authority building control services found that at the end of March 2022, there were 133 FTE building surveyors and managers and 44 admin staff working in these services. This translates to a surveyor or manager for every 23,361 residents in Wales. In comparison, the most recent published data in Scotland reported 498 building surveyors and managers and 134 admin staff[10], which equates to one surveyor or manager for every 10,633 residents.

2.6 In addition to the ongoing recruitment and retention challenge, the age profile of local authority building surveyors is also concerning. **Exhibit 1** shows that of the 133 FTE surveyors and managers, 54.4% are over the age of 50 and only 10% under 30. This highlights operational and service continuity risks for local authorities which are likely to see a major loss of experience and knowledge when people retire in the next decade.

Exhibit 1: building control managers and surveyors by age March 2022

The ageing building control workforce represents a major risk for the implementation and delivery of the new building safety regime.

1
Over 67

13
Over 60 under 67

13
Number under 30

58
Over 50 under 60

18
Over 30 under 40

29.4
Over 40 under 50

Source: Audit Wales survey

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2.7 In particular, the loss of experience in the manager cohort is a significant risk. Of all managers, 10 (46%) have worked in local authority building control services for over 30 years, while 15 are over the age of 50. There is a widespread expectation that significant numbers of managers and surveyors will retire due to the uncertainty surrounding the registration and competency requirements (see above **paragraphs 1.15 – 1.17**). This will lead to a further reduction in capacity, and a loss of experience and leadership during a critical time of change when expectations and demands on services are increasing.

2.8 At the other end of the career cycle, very few trainees are being recruited to bolster services and address looming resource and experience gaps. Just seven trainees were in place in 2022, with only four in permanent roles following the completion of their studies[11]. Managers cited a lack of corporate support to take on trainees and the risk of losing newly qualified staff to approved inspectors as key barriers. This makes succession planning extremely challenging for all local authorities. More widely, the lack of fire engineers, a shortage of surveyors and assessors with sufficient knowledge of both high-rise structural safety and cladding systems, continue to be a concern.

2.9 The Local Government Association[12] in England has reported similar recruitment and retainment issues, noting that 43% of authorities struggle to recruit building control officers. Likewise in Scotland, similar demographic and succession issues were also identified but the earlier implementation of key changes has resulted in a more directive approach from the Scottish Government.

2.10 The Scottish Government developed a national workforce strategy[13] and had a vision to establish a sustainable, skilled workforce that makes building control 'a profession for everyone'. To support this ambition in Scotland, a Professional Competency Framework was introduced in May 2021. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent and is embedded through the Competency Assessment System[14]. This drives improvement based on current skills and is supported by other developments in the sector, such as a local authority hub (see **Appendix 4** for further information).

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11 Training for apprentices and new entrants is mainly provided under the National LABC programmes hosted by the University of Wolverhampton. The Building Control Surveying Degree Apprenticeship can train surveyors to different levels of competency related to their role. As a surveyor progresses though the levels, they can assess more complex buildings and obtain higher-level roles.

12 Local Government Association, Local Government Workforce Survey 2022, May 2022

13 Scottish Government, Building standards verification service: workforce strategy, October 2020

14 Scottish Government, Building standards - verifiers: professional competency framework, May 2021

2.11 Scottish Government officials believe that the loss of experienced staff – 48 people (primarily building surveyors and managers) resigned from Scottish local authority building control services in 2021, following the quicker implementation of the new regulatory regime – is now being addressed. Through its workforce strategy and competency framework, local authorities are prioritising the upskilling of people and recruiting more apprentices. At this time, there are no mitigatory actions akin to the Scottish Government's work planned in Wales.

2.12 The building control workforce also lacks diversity and is not representative of modern Wales. Our survey found that 100% of administrative staff and 96% of building surveyors and managers classify themselves as ethnically white Welsh or white British, and only 5% of administrative staff and no building surveyors or managers self-identify as having a disability. In addition, the roles within the workforce are clearly split along gender lines – **Exhibit 2**.

Exhibit 2: the gender of building surveyors, managers, and administrative staff in Welsh local authorities in March 2022

Professional building surveyor and manager roles are overwhelmingly occupied by men and lower-paid administrative roles by women.

Source: Audit Wales survey and ONS (Office for National Statistics), Population and household estimates, Wales: Census 2021

Access to training is limited and staff are not being supported to enhance and maintain their skills and knowledge

2.13   To meet the registration requirements of the new building safety regime and ensure staff are competent to practise requires local authorities and their partners to invest in sufficient and timely training. Carefully planned and recorded continuing professional development and technical training are essential to keep abreast of modern technology and changing legislative requirements and their practical application. Importantly, professional accreditation such as membership of the Chartered Institute of Building, the Chartered Association of Building Engineers and Royal Institute of Chartered Surveyors is recognised as crucial to demonstrate competence. **Exhibit 3** shows that in March 2022 less than half of building surveyors and managers in Wales were full qualified members of a recognised and appropriate professional body.

Exhibit 3: the proportion of building surveyors and managers who are members of professional bodies and their grade at the end of March 2022

Less than 40% of building surveyors and managers are qualified and full members of professional bodies.

47.4%
Non-member

39.1%
Qualified/full member

13.5%
Associate member

Source: Audit Wales survey

2.14   Additionally, some staff noted a growing problem of local authorities no longer paying for professional subscription fees because of pressures on finances. However, the need to demonstrate competence to meet the new registration standards is likely to place additional demands on local authority budgets to increase resources in professional training and qualifications to ensure they can deliver their statutory responsibilities. Most of the local authority officers we interviewed noted that this is not being factored into future budget setting.

2.15   The average number of training days taken by local authority staff in 2021-22 was five days for managers, six days for building surveyors and two days for administrative staff. Building Control officers we interviewed were clear that opportunities to train were, however, continuing to be limited by ongoing budget pressures and are often not actively promoted to avoid frontline staff being taken out of service delivery, even for short periods of time.

2.16   The building control fee setting guidance allows local authorities to increase their charges to pay for training and development to ensure they maintain a competent and skilled workforce. However, despite building control officers highlighting the importance of accruing money to fund training for staff, they noted that surpluses are often taken to fund other corporate priorities.

2.17   In March 2023, the UK Government provided a £16.5 million grant to the LABC to fund 110 new building control trainees for England to support the implementation of the Building Safety Act. No such funding has been provided by the Welsh Government. Despite a lack of investment, the LABC in England continues to make available training opportunities for Welsh local authority staff.

2.18   The resilience issues affecting Welsh local authority building control services are being felt in other parts of the industry. We found that the retention and recruitment issues facing local authorities are similarly being experienced by Welsh fire and rescue service. The lack of competitive reward packages and an ageing workforce with increasing numbers likely to take retirement in the short term is a growing challenge. Similarly, there are ongoing problems with the availability of qualified fire engineers and competition with the private sector, which offers better terms, conditions, and salaries, continues to encourage experienced fire and rescue service staff to leave.

2.19 Historically, where Welsh local authority staff have left, it has been most usually to join approved inspectors who offer more attractive salaries, terms of conditions of service, such as bonuses and company cars; have less responsibility for dangerous structures and enforcement cases; and are not dealing with the ongoing pressures created by austerity. However, in recent years the flow of staff from local authorities to approved inspectors has reduced and private sector building inspection services are also beginning to struggle to recruit sufficiently qualified and experienced staff. Representatives of several approved inspector bodies we interviewed noted that they have now begun to focus on growing their future workforce through trainee programmes due to a lack of available qualified staff in both England and Wales.

The pandemic has helped local authorities modernise their services, but enforcement remains a problem

2.20 Despite the resourcing pressures faced by local authority building control teams, most continue to deliver their work effectively. This continued throughout the pandemic, which helped to accelerate efficiency improvements with the switch to home based working and digitisation of services.

2.21 At the time of the pandemic most building control surveyors used to travel to sites, meeting people face to face and making decisions on the ground, but with COVID-19 most of these processes could not be continued. Instead, building control services focused on finding solutions to their traditional ways of working by updating and changing services. Whilst some authorities were fully digital, for others the pandemic created an opportunity to improve their use of technology and switch to cloud-based services to both optimise efficiency and performance, but also bring working practices into line with the private sector. Several interviewees noted that without the pandemic, these developments would not have happened as quickly, if at all.

2.22 Enforcement is an important part of ensuring that buildings are safe and compliant. Activity can range from persuasion and dialogue to encourage change, to more hard-edged measures such as prosecution or the refusing to issue a completion notice. Through our fieldwork we found that enforcement remains problematic, mainly because local authority building control has two potentially conflicting functions.

2.23　Firstly, they are the local regulator of all building work in their area ensuring issues raised in the design and construction of buildings that do not meet the required standard are addressed. However, they are also secondly in competition with approved inspectors for work and need to generate sufficient income to pay for all their services. This is an inherent weakness of the mixed market system introduced in the 1980s and reflects the conflicting role of local authorities which have both a responsibility for policing building control but are also in competition with approved inspectors to secure work.

2.24　Given approved inspectors are required to refer individual cases of non-compliance with building regulations to local authorities to take enforcement action, similar disincentives are also in play. As with local authorities, maintaining relationships is an important consideration in maximising income and can discourage approved inspectors from wanting to take enforcement action.

2.25　Capacity, resources and capability are also significant barriers that can limit enforcement action. Officers cited the demands and cost of taking developers, property owners or managers to court as a barrier to local authorities in the current financial climate. Several approved inspectors echoed these views, expressing scepticism that local authorities have the resources or capacity to effectively enforce standards and take quick and decisive action.

2.26　Overall, we found that the relationship between local authorities and approved inspectors, which is critical to ensuring buildings are safe, is at best limited and at worse epitomised by a lack of trust and scepticism about the actions of each other. Indeed, several fire and rescue service officers we interviewed raised concerns over the robustness of building enforcement regulation more generally, both within local authorities but also in respect of approved inspectors.

Some financial management practices in relation to building control appear to be unlawful

2.27   The Building (Local Authority Charges) Regulations 2010 (the 'Regulations') set the legal framework for the financial governance of local authority building control. The Regulations are intended to enable local authorities to be fair and transparent in how fees for services are charged.

2.28   The key principle of the Regulations is that authorities should recover their full costs and service users should only pay for the service they receive. Consequently, the Regulations split activities into chargeable, non-chargeable work and other building control services. Chargeable activity must be funded by fees, non-chargeable and other building control services are to be funded by the local authority general fund. **Exhibit 4** provides examples of activities.

Exhibit 4: examples of chargeable, non-chargeable, and other building control activities

Chargeable activity	Non-chargeable activity	Other building control services
Approving or rejecting plans	Liaison with other authorities, eg Fire and Rescue Services	Dangerous buildings
Site inspections	Enforcement on behalf of Approved Inspectors	Demolitions
Consideration of work referred from AIs (Approved Inspectors)	Identifying unauthorised building work	Advice to other departments
Consideration of a regularisation certificate	Functions to support disabled people	Administration of safety at sports grounds
More than 30 minutes of pre-application advice	First 30 minutes of pre-application advice	Street naming or numbering

Source: CIPFA (Chartered Institute of Public Finance and Accountancy), Local authority building control accounting, 2010

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2.29   To aid local authorities in setting and properly accounting for their fees and charges, the Chartered Institute of Public Finance and Accountancy (CIPFA) developed detailed guidance[15]. Taken together, the Regulations and CIPFA guidance require local authorities to:

- set and publish standard fees and means of calculating bespoke fees;

- set hourly rate fees for both officers and specific, set factors;

- monitor the breakeven position of the service with the aim to break even over a 'reasonable period;'

- revise fees to prevent surpluses or deficits;

- publish an annual financial statement for building control; and

- consider establishing an earmarked reserve in the event of a surplus or deficit.

2.30   Additionally, the CIPFA guidance refers to proposals for regular monitoring from 2010 by 'the Department/National Assembly' to assess the impact of the Regulations overall and particularly to see whether local authorities were meeting the breakeven principle. Given that the building control functions under the Regulations exercisable by the National Assembly were transferred to Welsh Ministers by the Government of Wales Act 2006[16], and the reference to 'the Department' appears to be a reference to the then UK Department of Communities and Local Government, it would seem that the reference to 'National Assembly' is erroneous and should have been a reference to the Welsh Government. [We understand, however, that neither the National Assembly (now the Senedd) nor the Welsh Government have undertaken such monitoring.]

Fee-setting approaches vary significantly and many are not compliant with Regulations

2.31   Local authorities are required to review their fees each year to ensure that the income from chargeable activity is as close to the costs incurred in delivering services as possible. This makes ongoing monitoring of the breakeven position and regular recalculation of fees critical. It would be contrary to the Regulations for fees to be deliberately set above the estimated costs to be incurred (taking account of any estimated prior surplus or deficit) or knowingly allowed to fall below what it costs to deliver services.

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15 CIPFA, Local authority building control accounting, 2010

16 Government for Wales Act 2006, Schedule 11, paragraph 30

2.32 Factors that should be considered when setting fees are specified in the regulations. Apart from the principle of breaking even and staff costs, the factors include use of the building, floor size, and cost. However, other potential considerations such as the competitiveness of fees and comparing with others are not specified in the Regulations. Such other considerations therefore appear not to be relevant considerations that may be considered. The CIPFA guidance sets out the process for calculating the fees and provides examples on how to do this.

2.33 We found that the process for deciding fees by local authorities varies, often significantly, from the guidance and Regulations. Of the 12 authorities that responded to our data collection exercise and provided information describing their fee-setting process, nine were not compliant. Most usually because they applied fixed inflationary uplifts; copied neighbouring authority fee revisions; used average national schedules of rates to set their own charges; and/or did not show how they had factored in specific local circumstances that underpin charging such as their staffing structure, central recharges and local operating context.

2.34 At the time of our fieldwork, several authorities noted that they were not reviewing fees annually and a smaller number admitted that they had not adjusted fees to reflect the actual cost of services for many years. In one case, fees had not changed since 2012. In addition, despite the requirement to base fees on hourly rates, two authorities were unable to provide this information. We have concluded that many local authorities' building control services are not charging and setting fees in line with the Regulations and CIPFA guidance. We also note that the published fee scales show significant variations for individual activities – **Exhibit 5.**

Exhibit 5: example of fee differentials for Welsh local authority Building Control services 2022-23

Fee type	Lowest fee	Highest fee	Differential	Median
Single dwelling plan fee	£117	£288	145.6%	£210
Single dwelling inspection fee	£274	£510	86.4%	£414
Single dwelling notice fee	£391	£915	134.1%	£671
Composite single dwelling fee	£495	£1,830	269.7%	£1,155

Source: Audit Wales analysis of published fee scales

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2.35 Awareness of this issue was mixed among officers. Some are unaware of the financial performance of their service primarily because management of finances sits outside the service with non-building control specialists. Others were aware of the requirements of the regulations but described pressure on budgets which encouraged raising fees or a lack of knowledge of the requirements of the regulations corporately. This is extremely concerning and poses significant risks to achieving value for money from the service.

Financial management of surpluses and deficits is unclear and potentially unlawful

2.36 Our survey of local authority officers found that of the 15 who provided a response, only five reported that their chargeable income is safeguarded (ie earmarked for application to building control services), one that only some is protected and nine reported that no income is safeguarded.

2.37 Where surpluses occur, authorities are encouraged, but not required, to create an earmarked reserve. Our review found that only four local authorities disclosed earmarked reserves for building control, although others may have deemed the sums involved financially immaterial and have not reported them. Regarding the financial performance of services, we found that 11 authorities were making a deficit at the end of 2021-22 and seven a surplus. Four were unable to provide this information.

2.38 The principles of the 2010 Regulations require that building control income, including surpluses, is to be used to provide building control activities. The CIPFA guidance notes that when calculating the total costs of the building control function, authorities are allowed to include training as an indirect employee cost when calculating fees. In addition, where surpluses are generated, these can be used to invest in service quality or to address regulatory changes.

2.39 We found that most building control officers were not uplifting fees to reflect the need to fund training and development for their staff due to wider corporate budget pressures. Indeed, some officers we interviewed anecdotally noted that building control fees were used to create surpluses to pay for other council services, although we saw no evidence of this in practice.

2.40 Overall, we have concluded that the implementation of the Regulations and the setting of building control charges more generally by local authorities fall short of legal and practical requirements. Our analysis highlights that most fees are not being set correctly and, where surpluses and deficits occur, these are not actively managed nor used for the purpose intended. This is particularly worrying because the Regulations were introduced to support good financial management and governance in building control services and correct implementation would help address some of the workforce, recruitment and training issues identified above.

In almost all cases, financial reporting does not meet regulatory requirements and this hinders scrutiny of Building Control fee setting, income, and expenditure

2.41 To demonstrate their financial governance of building control income and expenditure, the Regulations require local authorities to publish annual financial statements for these services. The Regulations require that, as a minimum, these Statements disclose the chargeable costs and income, any surplus or deficit, be published within six months of the financial year-end and signed off by the Section 151 officer. The CIPFA guidance includes a template that mirrors these requirements and a completed example to help local authorities demonstrate their compliance. As publishing a financial statement is a requirement of the regulations, failing to do so is unlawful.

2.42 From our review of local authority websites and financial statements, we found that only four have publicly available statements and only two of these met the reporting deadline. As noted at above, CIPFA guidance refers to proposals for scrutiny of whether authorities are meeting the breakeven principle. Welsh Government officials have, however, confirmed to us that this monitoring has not taken place in recent years and there remains a lack of oversight of building control financial performance and fee setting at both a national and local level.

Progress on collaboration and regionalisation has been slow

2.43 Overall, local authority building control has not significantly changed despite the pressure on resources, capacity, and skills. Some authorities have made some innovations, such as Monmouthshire which has partnered with an estate agent to find new clients. Most authorities also operate the Partnership Authority scheme. This allows professionals, such as architects, to use the local authority of their choice to approve plans and the local authority where the site is located to undertake on the on-site inspections. For example, a supermarket chain may be based in England and can elect to use their local LABC team to approve plans but then use a Welsh authority to inspect a new store in Wales.

2.44 While the work of LABC Cymru – the pan-Wales officer network – is seen as positive, offering support, learning and the opportunity to share information, this has not translated into more formal change to help improve efficiency and strengthen resilience. The group has proven successful at keeping teams informed and supported, and there are several positive one-off instances of 'collaboration in crises'. For example, neighbouring authorities helping to deliver inspections and plan approval activities in Blaenau Gwent to help address short-term resource pressures in that authority. While we acknowledge that these are positive steps in the right direction, they fall short of addressing the significant challenges facing the sector, and greater, more fundamental change is needed.

2.45 There are opportunities to improve efficiency and effectiveness of services through greater collaboration and regionalisation of services. This can help local authorities to compete more effectively, meet the challenge of the new building safety regime and provide solutions to address the sector's many serious resourcing issues. For example:

- pooling staff to ease capacity issues and to mitigate the retirement risks inherent in the sector's demographics;

- increasing spending power and opportunities to make savings through the joint commissioning and procurement of goods, services, and establishment of uniform charges for activities that cost the same (for example, external training);

- enabling staff to develop specialisms, such as fire safety, to better manage high-risk buildings; and

- strengthening capacity in back-office functions.

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2.46   Despite stakeholders across the building control and safety sectors recognising and articulating the benefits of collaboration and regionalisation, we found little progress has been made to drive this forward. While many building control staff we interviewed can identify the potential benefits of collaborating with other building control teams, this has not led to more formal partnerships such as joint investigation teams. We acknowledge that the demands currently being placed on building control managers as individuals, and their reduced capacity to prioritise these activities, is clearly limiting opportunities to drive change. But given the challenges facing building control services, change is needed to prevent an escalation of the issues already present in the sector.

2.47   In Scotland, by comparison, the Local Authority Building Standards Scotland (LABSS) have established a hub model for the 32 local authorities to collaborate and implement improvement recommendations (see **Appendix 4).** The Hub acts as a central collaborator to move the sector in the same direction in the response to improvement recommendations. This has the potential to set a consistent service and standard across Scotland, supported by Scottish Government operational and performance frameworks. It is also helping authorities experiencing a staffing issue to broker support from another.

2.48   In response to the similar challenges that they face, Fire and Rescue Services are changing how they provide services. For instance, South Wales Fire and Rescue Service has moved from a dedicated specialist team to a larger team of Business Fire Safety officers. This is allowing the service to better manage the impact of staff turnover and create a more resilient workforce, by widening out the pool of staff who are gaining experience in building fire safety design and construction. Similarly, North Wales Fire and Rescue Service has switched from a service of uniformed fire officers delivering fire safety work to a service which increasingly draws on corporate staff to bolster performance. This is helping to improve efficiency and increase capacity.

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There is little evaluation of building control services across Wales and no national comprehensive system of building safety assurance

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3.1   In this final Part of the report, we set out how management and evaluation of building control and building safety performance work and how risks are identified and mitigated.

There is limited understanding of how well services are performing

3.2   Performance management and reporting are an essential element of good governance. Having a good range of key data allows you to understand the services you manage and helps underpin evidence-based decisions by providing insight and knowledge. The right data is also a precursor to feed-forward plans and helps organisations to learn from the past to inform the future.

The lack of a national performance management framework for building control and building safety makes it difficult to evaluate the performance of services

3.3   At the time of our work there is no agreed national performance reporting framework for building control and building safety services in Wales. In the absence of a robust suite of national measures to manage and evaluate the performance of services, most local authorities focus on reporting against a narrow group of measures. We found that the key indicators most used relate to:

- timeliness measures such as the length of time taken to acknowledge and check applications, whether a site application is carried out on the agreed date, recording the site application notes within two days of an inspection and the number of completion certificates issued within a given period;

- monitoring levels of customer satisfaction with the response of the service; and

- market share – the proportion of the building control market a local authority covers.

3.4   While each of these are important and relevant, they do not provide sufficient detail to understand or judge the effectiveness of building control services. Whilst timeliness is a key factor in administering an efficient building control system, the measure places importance on dealing with large volumes of applications in the shortest time possible, without any consideration of the quality of the work carried out and does not provide any assurance that the work was carried out safely, risks were reduced and that the overall safety of a building's occupants was improved.

3.5   Because of these weaknesses, local authorities are unable to demonstrate that building control work is reducing risk and improving the built and natural environment and the quality of life in the area. For instance, we found that:

- no data is collected on the work of approved inspectors and fire and rescue services, and benchmarking to compare performance is not routinely undertaken. Consequently, performance reporting remains fragmented and does not provide adequate assurance – a major risk flagged in the Hackitt Report.

- public reporting – notifying key stakeholders on the effectiveness of services and the service 'offer' – is similarly limited. This does not help to provide a comprehensive oversight of all building control and safety activity in an area, or nationally.

- although there are some measures relating to risk, these are limited to buildings that have been recorded as dangerous structures. Risk, especially service resilience risk, is not something that is built into the performance framework as a central consideration of effectiveness.

- little attention is given to actively managing financial performance and reporting against the requirements of the finance regulations, fee setting, comparison of costs, recharges, and deficits.

3.6   In addition, building control teams told us reporting was mainly responsive where concerns were raised rather than a routine part of their role. Where performance measures are recorded and monitored, this is often done on a team's own initiative, for their own purposes, and can be a lengthy manual process, due to poor integration between IT platforms. Where IT tools for automatic reporting do exist, we heard of examples where the system was underutilised or used inconsistently, due to weak processes or operating difficulties. In several cases, analysis is compiled on spreadsheets held locally by individuals, posing a risk to resilience and continuity when staff are absent.

3.7   The Scottish Government have a national framework to monitor and analyse performance. Measures were introduced in 2012 embedding learning from research that analysed previous performance reviews. Building safety is a ministerial responsibility in Scotland and providers are 'appointed' as verifiers (see **Appendix 4)**. Although local authorities are typically selected, the appointment and reappointment process is driving consistency and standards, and provides a robust framework to assess performance.

Some local authorities work to the ISO 9001 quality management standard, but this does not provide sufficient assurance that services are working effectively

3.8 Several local authorities have accredited themselves with ISO 9001, the international standard for Quality Management. The standard uses seven quality management principles focussed on:

- customer focus;
- leadership;
- engagement of people;
- process approach;
- improvement;
- evidence-based decision making; and
- relationship management.

3.9 The measures aim to promote understanding and provide consistency, adding value, effective performance, and improvement of processes. The standard also encourages organisations to adopt a risk-based approach, ensuring that preventative measures are taken before risks arise. Once an organisation receives accreditation, they are required to evaluate their compliance with the standard annually.

3.10 While authorities have found ISO 9001 helpful for raising standards and levels of consistency, we found that some authorities have chosen to opt out of the standard due to cost and the challenge of ongoing evaluation to demonstrate compliance. It is also questionable how useful the standard is in judging the effectiveness, efficiency and robustness of services given the many challenges facing building control we have reported on.

Scrutiny and evaluation of building control and building safety are limited

3.11 Effective scrutiny is an essential element of good governance and helps provide assurance that things are working well or need to improve. Without a robust performance management system, scrutiny can only be as effective as the information and measures that are regularly scrutinised. We found that many local authorities' building control services do not formally report to a scrutiny committee on a regular basis to demonstrate the work, impact and risks facing the service.

3.12 For instance, we found that scrutiny is inconsistent across Wales, with many teams only being required to report their performance twice yearly and against a very narrow set of measures and information. In several authorities, there is no formal scrutiny of services. Several local authority officers we interviewed noted that from their experience, after the initial heightened interest in building control and building safety arising from the Grenfell disaster, member and senior officer contact is mostly limited and focussed on single issues of concern – a dangerous structure or a constituent's building control application. Several noted that member knowledge and understanding of building control are low and the risks and issues facing services mostly unknown.

3.13 In contrast, Scottish local authorities are required to annually report their performance against a series of key performance outcomes. These outcomes are then assessed alongside customer feedback and plans are developed to help drive improvement. Staff are encouraged to link these with improvement actions which can be used to monitor progress and identify key lines of enquiry for those charged with scrutiny. The assessment output is designed to be accessible to various levels of stakeholder, identifying strategic trends to government, promoting improvement operationally to verifiers, whilst also providing a transparent assessment for public consumption.

Risk management processes are inadequate

3.14 There is a mixed approach to assessing risk, with some teams having their own risk registers, some feeding into corporate registers, whilst some do not formally record risks or track how they are mitigating them. Indeed, several officers we interviewed noted that known risks are often noted informally within teams and these are considered in isolation from other corporate wide risks.

3.15 This siloed approach poses a threat to resilience as the system relies too much on a small number of individuals who hold substantial amounts of knowledge without formally being recorded, shared with colleagues for information, or escalated for action. Only a small minority of local authorities we spoke with could describe the formal procedure of escalating risks, with many acknowledging such protocols do not exist. Without proper identification and recording of emerging risks, authorities are unable to make longer-term plans and prepare for future scenarios.

3.16   As contextual information is not routinely integrated with other service areas, it is not clear that sufficient understanding is present amongst accountable officers at each level of escalation. Where risks are raised, they will rarely meet the threshold required to be considered a corporate risk. Poor audit trails mean risks are not proactively mitigated, in an environment where capacity to provide this mitigation is often limited.

3.17   With teams often left to operate in isolation, raising corporate and other significant risks is likely to be more challenging than for higher profile services which figure more prominently and are fully integrated into the corporate reporting structure. Consequently, local authorities at their highest level may not be sighted of the many risks facing building control – poor succession planning, an ageing workforce, lack of diversity, insufficient skill mix, along with the implications of the new Building Safety Act.

Appendices

1 Audit Approach and Methods

Approach

For this work our approach has been to understand how well the Welsh Government, local authorities and their partners are strengthening and improving building control and building safety services following the Building Safety Act 2022. We have looked at the robustness of needs information, strategies, plans and policies; assessed the resilience of existing services and plans to strengthen these; and considered the robustness of assurance systems.

We examined all 22 principal local authorities in Wales at a high level, managing delivery to be mindful of the pressures local authority officers are under during post-pandemic recovery and the cost-of-living crisis. We ensured coverage was sufficient to draw a view on the whole sector but not to significantly detract from officers' service delivery responsibilities. Our approach was flexible to fit around officers when agreeing and delivering our fieldwork.

Methods

We completed our review between January 2023 and August 2023 and used a range of methods in delivering our work:

- **document review:** we reviewed documentation from the Welsh Government, local authorities, Fire and Rescue Services and other relevant organisations. This included, relevant committee minutes, corporate strategies, business plans and policy documentation. We also reviewed information published by the UK Government and the Scottish Government.

- **interviews –** we undertook a range of different interviews:

  - **officer interviews** – we interviewed Building Safety lead officers in all 22 Welsh principal local authorities and all three Fire and Rescue Authorities. These interviews took place between January and April 2023.

  - **national interviews** – we interviewed representatives of the Welsh Government, the Scottish Government, private sector approved building inspectors, think tanks, academic institutions, and research bodies. These took place between March and April 2023.

- **focus groups –** in line with our approach, some local authorities felt it was more appropriate for us to speak to a range of officers in focus groups to reduce our impact on service delivery.

- **data collection –** we undertook a data collection exercise with local authority officers. This ran from January to April 2023, and we received responses from all local authorities. Some local authorities were unable to provide the information we requested, and we note this in the body of the report where relevant.

- **survey –** working with Community Housing Cymru we surveyed all housing associations in Wales but only received two responses. Consequently, we have not used this information in drawing together our findings.

- **websites –** local authority and external resources, eg CICAIR (Construction Industry Council Approved Inspectors Register), LABC, etc.

2   Building Regulations Approved Documents

The approved documents address the following matters and were last updated on the date listed:

- Part A – <u>Structural safety</u> – last updated April 2017

- Part B – <u>Fire Safety</u> – last updated December 2021

- Part C – <u>Resistance to contamination and moisture</u> – last updated April 2017

- Part D – <u>Toxic substances</u> – last updated April 2017

- Part E – <u>Resistance to passage of sound</u> – last updated April 2022

- Part F – <u>Ventilation</u> – last updated October 2022

- Part G – <u>Sanitation, hot water safety and water efficiency</u> – last updated May 2023

- Part H – <u>Drainage and waste disposal</u> – last updated April 2017

- Part J – <u>Heat producing appliances</u> – last updated April 2017

- Part K – <u>Protection from falling, collision and impact</u> – last updated April 2017

- Part L – <u>Conservation of Fuel and Power</u> – last updated March 2023

- Part M – <u>Access to land and use of buildings</u> – last updated April 2017

- Part N – <u>Glazing safety</u> – last updated April 2017

- Part O – <u>Overheating</u> – last updated October 2022

- Part P – <u>Electrical safety</u> – last updated April 2017

- Part Q – <u>Security</u> – last updated May 2018

- Part R – <u>Physical infrastructure for high-speed electronic communications networks</u> – last updated April 2016

3   The Building Safety Regulator and Accountable Person

The Act introduces two new roles – the Building Safety Regulator and Accountable Person – which are due to come into force in October 2023.

The Building Safety Regulator

The Building Safety Regulator will have three core responsibilities: overseeing the safety and standards of all buildings; helping and encouraging the built environment industry and building control professionals to improve their competence; and leading implementation of the new regulatory framework for high-rise buildings in England. The Building Safety Regulator is also responsible for the performance of the building control sector to ensure standards are met, and for setting building standards.

The Building Safety Regulator (BSR) will be responsible for overseeing the safety and performance systems of all buildings. They will be given powers to enforce the rules and act against those that break them. And for high-risk properties, they will be able to implement more stringent rules, including how they are designed, constructed, and occupied. The three main functions of the BSR:

- oversee the safety and performance system for all buildings: this will be done through overseeing the performance of building control bodies across the public and private sectors, and by understanding and advising on existing and emerging building standards and safety risks;

- encourage increased competence by setting the direction of an industry-led competence committee and establishing competence requirements for registration of building control professionals; and

- lead the implementation of the new regulatory regime for higher-risk buildings, including having the powers to involve other teams, including the Fire Service, when making regulatory decisions regarding Building Safety.

The new BSR is under the control of the Health & Safety Executive (HSE) which is responsible for overseeing and driving improvements in the safety and performance of all buildings, and for enforcing a more stringent regime for higher-risk buildings.

Importantly, the provisions of the Act concerning the new Regulator only apply in part to Wales and the devolved government's exact position is still to be determined on this point.

Accountable Person

For all higher-risk buildings, the appointment of an identifiable 'Accountable Person', who is responsible for ensuring that the fire and structural safety is effectively managed for the whole building.

The Accountable Person (building owner, freeholder, or management company) will have an ongoing duty to assess Building Safety risks and provide a 'Safety Case Report' which demonstrates how Building Safety risks are being identified, mitigated, and managed on an ongoing basis. They will also have to demonstrate how they are ensuring residents' safety. In buildings where ownership structures are complex, there may be more than one Accountable Person, in which case there will be a Principal Accountable Person.

4　Scottish approach

Operating model

Within the Scottish system, building verifiers (surveyors) are appointed by the Minister for Local Government Empowerment and Planning under the Building (Scotland) Act 2003. This allows the Minister to appoint any building verifiers for a six-year term. Since the implementation of the Act in 2005, only local authorities have been appointed to undertake this role.

Prior to appointment, the Minister must consider the competence, qualifications, public accountability, and impartiality of the potential verifiers. To demonstrate these, an Operating Framework has been published to clarify how verifiers can demonstrate these behaviours.

After appointment, performance is monitored under a Performance Framework. There are seven key performance outcomes within the updated framework published in 2021:

- minimise time taken to issue a first report or to issue a building warrant or amendment to building warrant;

- increase quality of compliance assessment during the construction processes;

- commit to the building standards customer charter;

- understand and respond to the customer experience;

- maintain financial governance;

- commit to eBuilding Standards; and

- commit to objectives outlined in the annual verification performance report.

The Act also allows Scottish Ministers to set building regulations, the process for approval, enforcement, and set fees. Fees are set centrally and are determined by the Minister for all authorities. A calculator is provided within the online eBuildingStandards system to enable applicants to access the system and determine their fee.

Response to Grenfell

Following Grenfell, a ministerial working group was set up in July 2017 to oversee reviews into building and fire safety. Review panels were formed to cover different issues and made a series of recommendations for stakeholders. The Building Standards Futures Programme Board (BSFPB) was established to provide guidance and direction on the implementation of these recommendations.

Chaired by a local authority chief executive, the Board is comprised of:

- Local Authority Building Standards Scotland (LABSS);
- Homes for Scotland;
- Royal Institute of Chartered Surveyors;
- Construction Scotland;
- Convention of Scottish Local Authorities;
- Scottish Futures Trust;
- Chartered Institute of Buildings;
- Federation of Master Builders;
- Royal Incorporation of Architects in Scotland; and
- Scottish Government.

The Board has seven workstreams underway to support implementation – **Exhibit 6**.

Exhibit 6: Scotland's Building Standards Futures Programme Board workstreams

Workstream	Explanation
Workforce strategy	To support the adoption of the workforce strategy developed in response to the demographic challenges faced by the sector.
Compliance plan	To develop an approach for high-value and complex public buildings to ensure a planned approach to compliance throughout development.
Certification strategy	Development of a strategy for future appointment of verifiers.
Digital transformation	To support the implementation of the eBuildingStandards platform, launched in 2016.
Technical strategy	A review of how building standards are developed and communicated to promote compliance.
Verification standards	A review of the operating and performance frameworks to help verifier assessment against requirements and linking to skills.
Delivery models	A review to consider changes to business models within the 32 local authorities, including the hub project.

Source: BSFPB

Additionally, to ensure greater compliance and a response to recommendations, a Professional Competency Framework was introduced in May 2021. This established standardised job roles matched against educational awards and professional qualifications. It also provides examples of competencies based on experience to match existing staff, such as proven management and financial governance skills or specific niche training such as safety at sports grounds. The framework helps to ensure that building verifiers at each level can demonstrate being suitably competent.

To embed the Framework, a Competency Assessment System (CAS) was published. This enables individuals to identify their learning and experience gaps to better target training and development of the workforce.

Local hub model

From the BSFPB, a new delivery model was developed through the Delivery Model Development Group (DMDG), comprising the Scottish Government's Building Standards Division, Local Authority Building Standards Scotland (LABSS), the host local authority (Fife Council) and the Hub Directors, to foster collaboration and implement the recommendations for improving building safety and increasing compliance. This was launched in May 2022 and is being rolled out in a phased approach and is centred on six business units – **Exhibit 7.**

Exhibit 7: Scotland's Building Standards Futures Programme Board workstreams

Business unit	Function and services
Operational Partnership Unit	• Maintaining network of bodies • Workload sharing • Access to expert structure and fire hubs • Best practice facilitation
Scottish Type Approval Scheme Unit	• Scheme management • Marketing • Fee setting
Technical and Procedure Unit	• Technical research • Information paper production • Technical support to the hub
Digital Transformation Unit	• Support digital delivery group • Liaison and support roles with stakeholders, LABSS, and other stakeholders

Business unit	Function and services
Learning and Development Unit	• Management and operation of a virtual learning environment • Management and operation of a learning management system • Assistance with apprentice schemes • Assistance with CPD (Continuing Professional Development) • Management of the verifier position in relation to the Competency Assessment Scheme (CAS)
Core Business Unit	• Hub management • Business and admin support • Engagement with stakeholders

Source: BSFPB

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Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.

![Archwilio Cymru Audit Wales logo]

Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Ceredigion County Council

Report title: 'Cracks in the Foundations' – Building Safety in Wales

Issue date: August 2023

Document reference:

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R1	The Welsh Government should provide greater clarity on the implementation and expectations of the Building Safety Act to ensure local authorities are able to deliver their new responsibilities and duties. This should include: • clarifying the detailed requirements for competency and registration to enable local authorities to plan for these changes;	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• a specific timetable for development and adoption of Welsh guidance to ensure local authorities and others can deliver their duties; and • the Welsh Government should work with key stakeholders, such as LABC Cymru, to support understanding and implementation when guidance is issued.			
R2	The Welsh Government should ensure that it has sufficient resources to deliver the legislative and policy changes for Building Safety to reduce implementation risks.	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A
R3	The Welsh Government should review the mixed market approach to building control and conclude whether it	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	continues to be appropriate and effective in keeping buildings in Wales safe. This should: • assess the status quo against potential changes, such as the model of delivery in Scotland; • be framed around a SWOT analysis of costs, benefits, threats, and risks; • draw on existing research to identify good practice; and • be published and agree a way forward.			
R4	The Welsh Government should increase its oversight and management of the building control sector to ensure there is a robust assurance system in place for building control and safety by: • creating a national performance framework with clear	Not applicable as this recommendation is for Welsh Government, not the Local Authority.	N/A	N/A

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	service standards to promote consistency of service. This should also include outcome measures to monitor performance and an evaluation and reporting framework for scrutiny. • developing a national building safety workforce plan to address the most significant risks facing the sector. This should include regular data collection and publication, as well as coverage of priorities, such as: - a greater focus on trainees to mitigate succession risks; - establishing aligned, national job roles matched to competency levels; - increasing the diversity of the sector to ensure it reflects modern Wales; and			

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	- specific funding to enable surveyors to obtain and maintain competence should also be considered. • the Welsh Government should explore with the further education sector how best to provide building control training in Wales to support succession planning, skills development, and competency.			
R5	Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should: • be based on an assessment of local risks and include mitigation actions; • set out how building control services will be resourced to deliver all their statutory responsibilities;	Ceredigion County Council will establish a Working Group that will develop a plan for the Building Control Section to effectively implement the requirements of the Act. This will fully consider the nature of the construction industry in Ceredigion and the needs of the local population and deliver a service in accordance with the requirements of new operational standards for building control in Wales and the Corporate objectives of the authority.	March 2024	Roget Turner (RT)

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and • include outcome measures that are focused on all building control services, not just dangerous structures.			
R6	Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include: • establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations; • annually reporting and publishing financial performance in line with the Regulations;	The Council intend to urgently review all aspects of our financial management of Building Control to ensure that we are compliant with the Building (Local Authority Charges) Regulations 2010.	December 2023	RT

6

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and • revise fees to ensure services are charged for in accordance with the Regulations.			
R7	Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.	Ceredigion is a rural county and whilst not unique it is vastly different to the more populous and geographically smaller authorities in the north and particularly the south of the country. Population centres are generally located away from the more rural boundaries with neighbouring authorities. This set of circumstances inhibits cross boundary co-operation in 'site based' functions. Opportunities may exist for co-operation in training events and plan checking. The latter already exists to an extent in that most authorities appear to be signed up to the LABC Partnership scheme and a further enhancement could be envisaged if	December 2023	RT

7

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		and when resources necessitate cross border assistance. It is envisaged that cross border support will be necessary in the unlikely event of the construction of any High Risk Buildings (HRB's) as Ceredigion Building Control staff are unlikely to seek to achieve competency at a level not currently experienced in the county. Despite the limitations outlined above Ceredigion remains open to the feasibility of alternative delivery methods if they should become apparent.		
R8	Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.	"The Council conducts a 3-yearly review of its Risk Management Policy, Strategy and Framework to ensure they are up to date and reflect best practice. The latest review was recently conducted and the updated drafts of the Policy, Strategy and Framework are being consulted on with key stakeholders between July and August, before going through the democratic process in the autumn. The Risk Management Policy and	December 2023	Rob Starr

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		Strategy provides a comprehensive framework and process designed to support Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. This includes a standard approach to identifying, assessing and responding to risks. The implication of the new Building Safety Act has introduced additional risks specific to the Building Control function. To this end staff are to be supported to ensure they are competent and appropriately qualified to maintain and update their skills and knowledge such that the statutory functions may be carried out. The Corporate Risk Register is evaluated on an ongoing basis by Leadership Group and quarterly by the Governance and Audit Committee. The updated documents include strengthened monitoring of service risks, clarification of roles and responsibilities and further guidance on the escalation/de-escalation of risks. Ceredigion County Council recognises that a proactive approach		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		to risk management is a vital aspect to achieving its vision and improving the well-being of its communities and residents. Action: Publish updated Risk Management Policy, Strategy and Framework by December 2023."		

Equality Impact Assessments: more than a tick box exercise?

Report of the Auditor General for Wales

September 2022

This report has been prepared for presentation to the Senedd
under section 145A of the Government of Wales Act 1998.

The Auditor General is independent of the Senedd and government. He examines and certifies
the accounts of the Welsh Government and its sponsored and related public bodies, including
NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and
effectiveness with which those organisations have used, and may improve the use of, their
resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government
value for money studies and inspects for compliance with the requirements of the Local
Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales
Audit Office, which is a statutory board established for that purpose and to monitor and advise
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We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or
English and we will respond in the language you have used. Corresponding in Welsh will not
lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

◀ Auditor General's foreword

Discrimination and inequality continue to impact on the quality of life and life chances of people in Wales. My Picture of Public Services 2021 report highlighted that the COVID-19 pandemic had amplified some of the entrenched inequalities in our communities. Black Lives Matter, MeToo and other social movements have brought issues of discrimination and inequality to the forefront of public policy and debate.

Equality Impact Assessment (EIA) is an important part of the approach to tackling inequality in Wales. EIAs help public services meet their legal duties to avoid discrimination in the decisions they make and to promote equality of opportunity and cohesion.

Done well, EIAs are more than a means to show compliance. They support the growth of a mind-set and culture that put issues of equality at the heart of decision-making and policy development.

Our work shows that within individual public bodies there are good examples of aspects of the process of conducting an EIA. Through this report, I want to help all public bodies learn from those that are doing well and trying new approaches.

However, what we have seen and heard tells us that public bodies in Wales tend to use their EIAs defensively. Too often, they seem like a tick box exercise to show that the body has thought about equality issues in case of challenge. While legal challenge is of course an important risk to manage, this approach means public bodies are not using EIAs to their full potential, especially in terms of promoting equality and cohesion.

I hope this report will be of interest to anybody involved in public services and with an interest in tackling inequality and promoting equality. However, I want this work to be more than interesting. It needs to have an impact. Specifically, I expect:

- the Welsh Government to respond to the recommendations to work with partners to improve and update the overall approach to EIAs;

- all public bodies to respond to the recommendation that they review their own approaches to EIAs, including mindset and culture, drawing on the findings of this report; and

- those involved in scrutiny to use this report to challenge their organisation's overall approach to EIAs and the quality of individual EIAs used to inform their decisions.

I am pleased to say that this work has already had positive impacts. Our fieldwork questions have prompted some public bodies to check aspects of their own arrangements. And we have shared emerging findings with some public bodies that were updating their approach to EIAs. Closer to home, at Audit Wales, we are looking closely at our own processes and procedures to reflect the lessons identified in this work.

Adrian Crompton
Auditor General for Wales

◀ Key facts

We set out below some key facts about the population in Wales in the context of the nine protected characteristics under the Equality Act 2010.

26,754 pregnancies during 2021[8]

16.5% aged under 15[1]

3.9% people who identify as gay, lesbian, bisexual or other[6]

7.8% people from a Black, Asian or minority ethnic community[5]

50.1% people with religious belief[4]

22.1% 16 to 64 year-olds identifying as disabled[2]

51.1% women[1]

48.1% people aged 16 and over who are married or in a civil partnership[3]

59% of transgender women and **56%** of transgender men said they avoided expressing their gender identity for fear of a negative reaction from others (UK)[7]

21.3% aged 65 and over[1]

65+

3,107,500 population of Wales[1]

Sources:

1 Office of National Statistics (ONS), Population and household estimates, Census 2021, June 2022

2 StatsWales, Disability by age and sex (Equality Act definition) (2018-2020)

3 StatsWales, Marital status by age and sex (2018-2020)

4 StatsWales, Religion status by age (2018-2020)

5 ONS, Population estimates by ethnic group, England and Wales December 2021 (data for 2019)

6 StatsWales, Sexual identity by year, 2019

7 Government Equalities Office, National LGBT Survey, July 2018 (survey ran for 12 weeks from July 2017)

8 StatsWales, Initial assessment indicators for Wales, by mother's age, 2021

◄ Key messages

Context

1   Tackling inequality is a long-standing goal of the Welsh Government. It features prominently in the 2021-2026 Programme for Government which includes the objective to 'celebrate diversity and move to eliminate inequality in all of its forms'[1]. The Well-being of Future Generations (Wales) Act 2015 makes 'A more equal Wales' a national goal. It defines this as 'a society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic background and circumstances)'.

2   Equality Impact Assessment (EIA) is an important part of the approach to tackling discrimination and promoting equality in Wales. The Equality Act 2010 introduced the Public Sector Equality Duty (PSED) across Great Britain (**Exhibit 1**). The Welsh Government has made its own regulations[2] setting out some Wales specific duties that bodies listed in the Act need to follow to meet the PSED. Public bodies subject to the Act must assess the likely impacts of proposed policies or practices or proposed changes to existing policies or practices on their ability to meet the PSED. In doing so, they must comply with specific requirements to engage with groups likely to be impacted and monitor actual impacts.

1   Welsh Government, Programme for Government: update, December 2021
2   The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

Exhibit 1: the Public Sector Equality Duty and protected characteristics

The PSED requires public bodies, in exercising their functions, to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act;

- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

- foster good relations between people who share a protected characteristic and people who do not share it.

The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Act and the Wales specific duties apply to public bodies including councils, NHS bodies, fire and rescue services, national parks, education bodies (further and higher education bodies and maintained schools), and the Welsh Government and some of its sponsored bodies.

3   An EIA can provide evidence that the body has met the PSED. There have been legal challenges to decisions based on the lack or adequacy of an EIA. Moreover, EIAs support good policy and decision-making more generally by:

- **ensuring decisions impact protected groups in a fair way** – EIAs can demonstrate what, if any, action could be taken to mitigate the impact on one or more protected groups negatively affected by a decision and to promote equality and cohesion;

- **support evidence-based policy or decision-making** – EIA is a clear and structured way to collect, assess and present relevant evidence to support decisions; and

- **making decision-making more transparent** – EIAs must be published where they show there is or is likely to be a substantial impact.

4   As well as the PSED, the Equality Act 2010 included provision for a new
        socio-economic duty for public bodies[3]. The socio-economic duty came
        into force in Wales on 31 March 2021. It requires that public bodies, 'when
        making decisions of a strategic nature about how to exercise its functions,
        have due regard to the desirability of exercising them in a way that is
        designed to reduce the inequalities of outcome which result from socio-
        economic disadvantage'. The Welsh Government advises public bodies to
        consider the socio-economic duty as part of existing processes, including
        impact assessments. We are currently reviewing local government's work
        to tackle poverty, including aspects of the socio-economic duty and the
        lived experience of people experiencing poverty.

About this report

5   We looked at the overall approach to undertaking EIAs in public bodies
        in Wales. To focus our work, we concentrated on the 44 public bodies
        originally subject to the Well-being of Future Generations (Wales) Act
        2015. The main groups covered by the PSED that we did not include
        were the education bodies – further and higher education institutions and
        maintained schools – and Corporate Joint Committees.

6   We focused primarily on understanding public bodies' approaches with a
        view to finding good or interesting practice and identifying any common
        areas for improvement. We did not evaluate individual public bodies'
        approaches in detail. **Appendix 1** has more detail on our audit approach
        and methods. Where we identify individual bodies' practices, this is not to
        say that they are necessarily alone in having good or interesting practices
        in that area.

7   Parts one to three of this report set out the findings from our consideration
        of the EIA process at the 44 public bodies. Below, we set out the main
        areas for improvement we identified. These include issues that go beyond
        how public bodies are conducting specific parts of the processes and offer
        insight about the overall approach to assessing the impacts of policies and
        practices and the underpinning mindset and culture.

8   The Welsh Government is currently reviewing the PSED Wales
        specific regulations. We have framed our key improvement areas and
        recommendations in the context of the opportunity the review offers to
        clarify aspects of the overall approach to EIAs in Wales.

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3   The duty lay dormant on the statute book as the UK Government did not commence it. The
    Wales Act 2017 gave new powers to the Welsh Ministers and allowed them to commence the
    duty in Wales. It covers most types of public bodies subject to the PSED.

Key improvement areas

9   Positively, there are examples of good practice in aspects of the EIA process across the public bodies we looked at. There is also non-statutory guidance from the Equality and Human Rights Commission (EHRC)[4] and on the Equality Impact Assessment In Wales Practice Hub (the Practice Hub) about the detailed processes for conducting an EIA. Many public bodies use this guidance to shape their approaches. However, there are areas for improvement (**Exhibit 2**).

Exhibit 2: key improvement areas for EIA

Greater clarity over which type of policies and practices must be impact assessed

Greater clarity about the arrangements for assessing the impact of collaborative policies and practices

Greater clarity about expectations to consider the PSED as part of an integrated impact assessment

Better and more timely identification of the practical impacts of decisions on people and how different protected characteristics intersect

More engagement and involvement of people with protected characteristics

Better monitoring of the actual impacts of policies and practices on people

A shift in the mindsets and cultures to move EIA away from being seen as an add-on 'tick box' exercise

4   Equality and Human Rights Commission, Assessing Impact and the Equality Duty: A Guide for Listed Public Authorities in Wales, October 2014; and Equality and Human Rights Commission, Technical Guidance on the Public Sector Equality Duty: Wales, August 2014.

Greater clarity over which type of policies and practices must be impact assessed

10   There is scope for the Welsh Government, working with partners, to clarify its expectations around which type of policies and practices must be impact assessed. As drafted, the Welsh specific duties require public bodies to assess all new policies or practices, or those under review. However, the EHRC's non-statutory guidance recognises that 'policies and practices' is a broad category and says public bodies may need to prioritise. It introduces the concepts of 'proportionality' and 'relevance', which it says public bodies can apply through a process known as 'screening'.

11   We think the current position is open to interpretation in terms of whether proportionality and relevance mean public bodies should: (a) prioritise big decisions, like budget decisions or major service change; or (b) prioritise decisions that are likely to have a big impact on certain groups, for example, small scale decisions could have a large impact on one section of the population. Further, many bodies have interpreted proportionality as determining the amount of work needing to be done to assess impacts, rather than whether a policy or practice needs an EIA.

12   The EIAs or screening decisions that public bodies publish are usually those that go to their boards or cabinets. They therefore tend to be at the more strategic or impactful end of the scale. While we did not examine in detail practices at individual bodies, we think there is a risk that public bodies may be informally filtering out smaller scale policies and practices that do not require decisions from boards or cabinet, even though they may impact on people with protected characteristics.

Greater clarity about the arrangements for assessing the impact of collaborative policies and practices

13   There is scope to clarify how public bodies should do EIAs in an environment of increasing collaboration. The law places duties on individual public bodies. Since the legislation came into force, public bodies are increasingly developing plans and delivering services through collaborative arrangements. The Welsh Government updated the legislation to extend the PSED and Wales specific duties to Corporate Joint Committees in local government, but there are other collaborative arrangements not covered. These include Public Services Boards and Regional Partnership Boards as well as multiple service specific collaborations.

14   The Welsh Government has not produced stand-alone guidance on the use of EIAs by collaborative arrangements, although guidance for Public Services Boards highlights EIA requirements for individual public bodies[5]. The EHRC's 2014 guidance predates the creation of many of these arrangements and offers high level advice that there should be a shared approach but does not say how this should work in practice.

Greater clarity about expectations to consider the PSED as part of an integrated impact assessment

15   Increasingly, public bodies are integrating their EIAs with other impact assessments. While there is no legal requirement to integrate assessments, the Welsh Government's guidance on the Well-being of Future Generations (Wales) Act[6] emphasises the opportunities for bodies to integrate their approach to different duties, including those under the Equality Act 2010. Many of the equality officers[7] we spoke to said that integrating impact assessments led to a streamlined process and a more rounded approach to thinking about impacts. The key downside can be that the assessment is longer and can appear daunting. Our review of EIAs also identified a risk that integrated impact assessments dilute the focus on the impacts of policies and practices on people with protected characteristics.

16   Public bodies are inconsistent in what they include in an integrated impact assessment. Mostly, they collate separate assessments in one document, rather than produce a truly integrated analysis of impacts. There is no specific guidance to support public bodies in conducting integrated impact assessments. Many equality officers would welcome clearer guidance from the Welsh Government about its expectations.

Better and more timely identification of the practical impacts of decisions on people and how different protected characteristics intersect

17   There are examples of EIAs that clearly identify likely impacts on groups of people. However, many EIAs we reviewed were descriptive. They identified that a policy or practice might impact on a group of people. But they did not show how it would impact people's lives in practice. This makes it more difficult for decision-makers to assess how important the likely impacts are and if any mitigating measures proposed would be sufficient.

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5   Welsh Government, Shared Purpose: Shared Future Statutory Guidance on the Well-being of Future Generations (Wales) Act 2015 (SFSP 3: Collective Role (public service boards)), February 2016.

6   Welsh Government, Shared Purpose: Shared Future Statutory Guidance on the Well-being of Future Generations (Wales) Act 2015 (SFSP 2: Individual Role (public bodies)), February 2016.

7   We have used the term 'equality officer' throughout this report to refer to staff in public bodies with specific lead specialist roles for equality, whether that be their full-time job or part of their role. The way these roles are structured, and their seniority, varies.

18   In general, public bodies tend to identify negative impacts that they need to mitigate where possible. They are less likely to identify potential ways that the policy or practice could positively promote equality of opportunity and cohesion, even though this is a requirement of the PSED.Few public bodies have fully grasped the complexity of identifying likely impacts of policies and practices. None of the EIAs we looked at considered what is known as 'intersectionality'; the way that different protected characteristics combine. For example, while an EIA may identify impacts for Muslim people, it may not recognise that impacts could be very different for a Muslim woman compared to a Muslim man.

19   Many public bodies are thinking about how to identify the cumulative impacts of multiple decisions but few are doing so. Most do not have supporting systems that would enable those conducting EIAs to access the information needed about other decisions.

20   Most public bodies' formal processes and guidance say they will start thinking about impacts very early in the policy development process. However, many of the equality officers recognised that in practice EIAs often start late in the process, sometimes very shortly before a decision is due to be taken. This reduces the scope to shape the policy or practice and to mitigate impacts.

More engagement and involvement of people with protected characteristics

21   There are examples of public bodies seeking views from people with protected characteristics and drawing on their lived experience as part of the EIA. However, some third sector bodies are concerned that this does not happen nearly enough. We found that where public bodies seek views these often form part of a broader open consultation rather than focussing on specific groups with protected characteristics.

22   Some third sector organisations said that listening to people with protected characteristics was the action that would most improve EIAs. National representative public bodies could not always respond to the number of requests to take part in EIAs they receive and did not always have knowledge or information to respond to local issues.

Better monitoring of the actual impacts of policies and practices on people

23   Public bodies need to do more to monitor the impact of policies or
        decisions on protected groups. Equality officers at individual public bodies
        identified very few examples of public bodies monitoring the actual impacts
        of a policy or decision once implemented. Those examples put forward
        generally reflected broader monitoring of a policy's objectives rather than
        whether the impacts identified in the EIA materialised or whether there
        were other unanticipated impacts.

**A shift in the mindsets and cultures that moves EIA away from being seen as an
add-on 'tick box' exercise**

24   From what we have seen there has not been a sufficient change in the
        mindset and culture in public services to put issues of equality at the heart
        of policy making. The mindset revealed by the EIA is often defensive:
        using EIAs to prove the body has paid due regard to equality in case of
        political or legal challenge. Often, the EIA seems like an additional 'tick
        box' exercise to be complied with rather than a tool to promote equality.

Recommendations

Recommendations

Clarifying the scope of the duty to impact assess policies and practices

R1 There is scope for confusion about which type of policies and practices must be subject to an assessment for their impact on the public sector equality duty. **The Welsh Government should clarify its interpretation of the duty, including whether and how it expects public bodies to apply any test of proportionality and relevance.**

Building a picture of what good integrated impact assessment looks like

R2 Many public bodies carry out integrated impact assessments that include consideration of the PSED alongside other duties. But practice is inconsistent and often involved collating multiple assessments in one place, rather than being truly integrated, **to help maximise the intended benefits of integrated impact assessments, the Welsh Government should work with key stakeholders with an interest in the areas commonly covered by integrated impact assessments and those with lived experiences, to share learning and work towards a shared understanding of what good looks like for an integrated impact assessment.**

Recommendations

Applying the equality duties to collaborative public bodies and partnerships

R3 The public sector landscape has changed since the introduction of the PSED and the Welsh specific duties, with an increasing focus on collaborative planning and delivery. **The Welsh Government should review whether it needs to update the Wales specific regulations to cover a wider range of collaborative and partnership arrangements. These include public services boards, regional partnership boards and other service specific partnerships.**

Reviewing public bodies' current approach for conducting EIAs

R4 While there are examples of good practice related to distinct stages of the EIA process, all public bodies have lessons to learn about their overall approach. **Public bodies should review their overall approach to EIAs considering the findings of this report and the detailed guidance available from the EHRC and the Practice Hub. We recognise that developments in response to our other recommendations and the Welsh Government's review of the PSED Wales specific regulations may have implications for current guidance in due course.**

Supporting arrangements for conducting EIAs

01

1.1   Conducting an EIA can be complicated. Good support can help make the process of conducting EIAs easier and more effective by having a clearly spelled-out approach and process, underpinned by clear guidance and training. And public bodies can have expert advice to hand to support those involved in assessing the impacts of decisions.

Setting out the organisation's approach to EIA

What we looked for

A clearly spelled-out approach to EIA for the organisation, including whether the EIA should form part of a wider integrated impact assessment.

What we found

Almost all public bodies had a set process for conducting an EIA, although these vary from a stand-alone EIA to producing integrated impact assessments covering a wide and varying range of other legal duties and policy priorities.

Strategic equality plans

1.2   All 44 public bodies met the requirement to produce a Strategic Equality Plan (SEP). The SEP must include an organisation's equality objectives, how they will measure progress on meeting objectives, and how they will promote knowledge and understanding of the general and specific duty. The SEP must also set out the public bodies' arrangements for assessing the likely impact of policies and practices on their ability to meet the PSED. However, in our review of SEPs we found that only 17 of the 44 bodies did so and to varying degrees of detail.

1.3   A few public bodies have gone further than simply describing arrangements. For example, Conwy County Borough Council's SEP describes in detail its process for EIA, how its Cabinet uses EIAs to support decision-making, and scrutiny committees' role in ensuring the quality of EIAs. The Council's SEP also explains how it has used EIAs to inform its equality objectives.

Organisational approach – integrated and stand-alone assessments

1.4   Nearly all public bodies (42 of 44) have a set process for undertaking EIAs. Most said that they put information on intranet sites, alongside supporting documents, contacts and most often a Word template for completion. Our review of EIAs found no standard format across public bodies, although most closely followed the approach set out in the Practice Hub. Members of the North Wales Public Sector Equality Network[8] have worked together to develop a standard template which most members of the network have adopted at least in part.

1.5   In around two-thirds (30 of 44) of public bodies we spoke to, the EIA forms part of a wider integrated impact assessment. There is no common approach to integrated impact assessments and no national guidance on what should be covered. There are some assessments that public bodies commonly include alongside the PSED (**Exhibit 3**). Some include other legal duties as well as policy priorities and practical considerations, such as finance. For example, the Welsh Government's integrated impact assessments sometimes cover climate change impacts, health impacts and economic impacts as well as a wide range of other legal duties, depending on the nature of the policy or practice.

8   The North Wales Public Sector Equality Network is an informal network of public bodies working together to advance equality. Representation includes North Wales local authorities, Betsi Cadwaladr University Health Board, North Wales Police and Police Authority, North Wales Fire and Rescue Service, Welsh Ambulance Services NHS Trust, and Snowdonia National Park Authority.

Exhibit 3: assessments commonly included in an integrated impact assessment alongside the EIA

Well-being of Future Generations	The Well-being of Future Generations (Wales) Act 2015 introduced seven well-being goals for Wales. It also established the sustainable development principle and five ways of working – long-term, integration, involvement, collaboration, and prevention – to demonstrate application of the principle. An integrated impact assessment may also include an assessment of the policy or practice against the seven goals, public bodies' individual well-being objectives and/or the five ways of working specified in the Act.
Welsh Language	The Welsh Language (Wales) Measure 2011 declares that the Welsh language has official status in Wales. It makes provision to promote and facilitate the use of the Welsh language and to treat Welsh no less favourably than English through the Welsh language standards. Part of applying the standards means that public bodies must consider the effects their policy decisions on the Welsh language.
Environmental impacts	There are various duties to carry out environmental impact assessments depending on the nature of the proposed policy or practice. These range from strategic assessments of plans and programmes to assessments of projects that potentially impact on habitats and biodiversity.
UN Convention on the Rights of the Child	The Rights of Children and Young Persons (Wales) Measure 2011 embeds consideration of the United Nations Convention on the Rights of the Child and the optional protocols into Welsh law. The UN Convention consists of 41 articles, which set out a wide range of types of rights including rights to life and basic survival needs, rights to development including education and play, rights to protection, including safeguarding from abuse and exploitation, and rights to participation and express opinions.

Socio-economic	The Socio-economic duty came into force on 31 March 2021. When making strategic decisions, such as deciding priorities and setting objectives, public bodies must consider how they can reduce inequalities associated with socio-economic disadvantage.

1.6   Most integrated impact assessments involve collating separate impact assessments into a document template. Few seem to be a truly integrated impact assessment. Some public bodies are trying to make the connections between assessments and reduce duplication. For example, Carmarthenshire County Council, Powys County Council, Gwynedd Council, Denbighshire County Council and Wrexham County Borough Council have each developed, or are developing, an IT solution to bring together the relevant information needed to inform an integrated impact assessment.

1.7   Very few public bodies solely assess the impact on the PSED even when they do not consider their assessments to be integrated. In those public bodies that report having a standalone EIA process, the EIA often also includes Welsh-language and socio-economic impacts.

1.8   Previous research has found length is a barrier to the use of impact assessments in decision-making[9]. It was hard for us to judge any EIA or integrated impact assessment as too long as many factors affect the length including the nature of the policy or decision and the number of assessments undertaken. We reviewed some documents that were very long; for example, the integrated impact assessment of the Welsh Government's remote working policy was 45,000 words (average reading time 2.5 hours). The majority for which a word count was easily identifiable ranged between 2,500 and 7,500 words (average reading time 8 to 25 minutes).

1.9   Most public bodies that have chosen not to integrate their assessments had considered the option. Reasons for not integrating assessments included a concern that there would be insufficient regard to the PSED. This may be a valid concern. Our review suggests that, in some cases, the PSED is covered in limited detail and appeared secondary to other considerations even though all the public bodies we spoke to who conduct integrated impact assessments felt they sufficiently covered the equality element.

9   Grace, C., Reducing Complexity and Adding Value: A Strategic Approach to Impact Assessment in the Welsh Government, Public Policy Institute for Wales, February 2016.

Specialist support and expertise

What we looked for

That there is specialist support and expertise available in the organisation to those conducting EIAs.

What we found

In most cases, policy leads are responsible for conducting EIAs and can access support from colleagues with knowledge in equality related issues and an in-depth understanding of the organisation's process for conducting an EIA.

1.10   In almost all public bodies, responsibility to undertake an EIA lies with the lead officer developing or reviewing a policy or practice. This is partly pragmatic, due to the number of EIAs public bodies conduct. Equality officers told us this approach meant that EIAs benefitted from policy leads' expertise on the topic area. However, they identified drawbacks, including the difficulty of ensuring consistency, getting EIAs started at the right time and ensuring quality.

1.11   All public bodies have equality officers (or equivalent) with knowledge in general equality issues and a detailed understanding of the organisation's EIA process. In all public bodies, staff conducting EIAs can ask equality officers for guidance when required. EIAs are mostly conducted without the input of an equality officer. The process at Aneurin Bevan University Health Board is one exception to this, where the first step for anyone who thinks they need to undertake an EIA is to contact the Equality Diversity and Inclusion specialist to discuss the proposed policy or practice and agree what actions they need to take, with ongoing support also provided. In smaller public bodies, where an EIA is more likely to relate to staff policies and decisions, the lead for conducting the EIA is frequently an HR officer who is also the equality officer.

Guidance to support those conducting an EIA

What we looked for

That there is guidance to support those conducting an EIA, setting out what they need to do and when, in line with the duties and their organisation's chosen approach.

What we found

There is non-statutory national guidance and support available setting out some good practice in the stages of an EIA, although there are gaps, notably in terms of integrated impact assessments. Most public bodies have also produced their own guidance to support their EIA process.

External guidance

1.12 The Welsh Government has not published statutory guidance on the application of the PSED in Wales or the Welsh specific duties. The EHRC published non-statutory guidance on the Welsh specific duties in 2014. Welsh Government guidance encourages public bodies to integrate different duties. But there is no specific national guidance on how to conduct integrated impact assessments and what should be included.

1.13 The Welsh Government, Welsh Local Government Association, and NHS Centre for Equality and Human Rights jointly developed the Practice Hub in 2015-16. This online resource provides information and support to public bodies in Wales to undertake EIAs. It provides a detailed eight step guide to good practice in undertaking EIA and gives information on the Welsh specific duties.

Internal guidance

1.14 Internally, most public bodies have produced guidance to support their EIA process. The format and detail of the guidance and quality vary across public bodies. Some provide step-by-step guidance which outlines the process and steps for completing an EIA. Some embed practical information and links within templates.

1.15 A few public bodies do not provide guidance on their individual processes. Some of these provide direct one-to-one support from an equality officer (or equivalent) to the individual completing the assessment. Others signpost staff to the external guidance on the Practice Hub.

Training

What we looked for

That training on conducting an EIA is available for staff involved in developing EIAs and those that use them for decision-making.

What we found

Most public bodies offer training to those involved with EIAs through a variety of media.

1.16   Around two-thirds (31 of 44) public bodies we spoke to provide formal training to officers who are likely to complete or have an interest in EIA. This training frequently extends to elected members, board members and decision-makers.

1.17   Methods of training vary. Some offer face-to-face delivery of training, with much of this via video calls since the start of the COVID-19 pandemic. Many public bodies include online modules and e-learning tools on equality, and EIAs as part of their general staff training. Those public bodies that do not offer formal training nevertheless provide one-to-one support to individuals conducting EIAs and upskill them through the process.

Quality assurance

What we looked for

An approach to ensuring the quality of the EIA process.

What we found

Half of public bodies had an approach to quality assurance, which varied from a simple sign-off on individual EIAs to more comprehensive peer learning to support improvement of the whole EIA process.

1.18 Half (22) of the public bodies have a quality assurance process in place for their EIA. The approach varies greatly. For some, quality assurance is about the quality of individual EIAs. Some require an EIA to be signed off by a senior officer. In Cardiff and Vale University Health Board, the lead officer conducting the EIA will work with an equality officer and a representative from Public Health Wales to review and interrogate the content of the EIA during its development. Other public bodies have begun to take a 'peer review' approach to developing EIA with input from experts from across the organisation.

1.19 A small number of public bodies use quality assurance to test the quality of their overall approach. For example, the Arts Council of Wales conducts an annual sample review of EIAs and uses the findings to improve the process.

Assessing impacts

02

2.1   The Wales specific duties require listed public bodies to assess the likely impact of proposed policies and practices, or those under review, on their ability to comply with the PSED. In doing so, they must have regard to certain types of information that they hold and meet specific requirements to engage with people or organisations that represent people with one or more protected characteristics. EHRC guidance and the Practice Hub set out in detail the steps public bodies can take to fulfil these requirements.

Screening

What we looked for

A clear approach to determining if an equality impact assessment is required.

What we found

Just over half of public bodies have a process for screening although many have stopped using screening, some due to risk of confusion or 'gaming' by staff.

2.2   There are no statutory exemptions setting out policies and practices that do not need to be assessed. However, the EHRC guidance and the practice hub include a 'screening' process to determine which policies or practices should have a full EIA.

2.3   Just over half (24 of 44) of public bodies we spoke to said that they have a screening process. Screening is most often a document template which an officer developing or reviewing a process or policy uses to determine whether they anticipate any impact on protected groups. The approach ranges in practice from a separate short impact assessment to a set of screening questions at the beginning of the full assessment template which determine whether to proceed with the full EIA.

2.4   Where a body decides it does not need a full EIA, they will usually retain a copy of the screening tool as evidence that it has considered the PSED. Most public bodies with a screening process will document the decision not to go ahead with a full EIA in the supporting papers that go to the cabinet or board.

2.5   Most often, the policy lead keeps the detailed record of screening.
       However, a few public bodies are trying to strengthen practice and
       ensure central records are maintained. For example, Cardiff Council has
       developed an online assessment tool to support policy leads through the
       process and encourage consideration of impact at the earliest stages of
       policy development. As well as sending advice and guidance to the officer
       completing the online assessment, the tool also sends a copy of the
       screening information to the equality officers.

2.6   The 20 public bodies who do not have a screening process had often
       consciously removed the screening step. Many said screening was an
       unnecessary step, as there are very few of their decisions that will not
       have potential to impact on the PSED. Some public bodies said that there
       was also scope for confusion, with lead officers completing a screening
       form, thinking it was an EIA. Others were concerned that some officers
       may 'game' the process: tailoring their responses to screening in a way
       designed to result in a decision that no further assessment was required.

2.7   Those public bodies that do not have a screening process usually provide
       additional guidance or a process chart, clarifying when to conduct a full
       EIA. All public bodies also offer the lead officer an opportunity to consult
       with an equality officer.

Timing

What we looked for

EIAs being started at an early stage to inform the development of a policy or decision.

What we found

All public bodies intend to carry out an EIA as early as possible, but many recognise this is often not the case in practice, and in some cases EIAs are very late in the policy development or decision-making process.

2.8   All 44 public bodies intend that EIAs should be started as early in the development or review of a policy as possible. But many public bodies acknowledged that this often does not happen in practice.

2.9   The timing of EIAs is affected by whether policy leads know that they are required to do an EIA and if resources – staff and time – are available at the appropriate point. Sometimes, if public bodies must make decisions very quickly, they either do not do an EIA or do them late in the decision-making process. This can be too late to consider changing a policy to lessen any possible negative impact or to build on positive impacts.

2.10 Decisions at the start of the COVID-19 pandemic were often made without an EIA. This reflected the urgency of decisions but meant that the impact on vulnerable people was not formally assessed. In August 2020, the Senedd's Equality, Local Government and Communities Committee[10] recommended that the Welsh Government should ensure that each major policy or legislative decision is accompanied by an effective equality impact assessment, and an analysis of the impact on human rights. The Welsh Government accepted the recommendation, and since August 2020 has published dozens of impact assessments related to the COVID-19 pandemic on its website.

10 Senedd Equality, Local Government and Communities Committee, Into sharp relief: inequality and the pandemic, August 2020.

2.11 In most public bodies, papers accompanying decisions that go to cabinets or boards contain a box or section that refers to consideration of the equality duties. This serves as a backstop to prevent public bodies from making decisions without any regard to the duties, even though this generally would be very late in the process.

Use of evidence

What we looked for

Use of a range of evidence to support the assessment, including the views of those likely to be impacted and data on lived experience.

What we found

Public bodies use a mix of evidence, although there are gaps in available data on some protected characteristics and the inclusion of the views and lived experiences of people with protected characteristics is patchy.

Quantitative data

2.12 EIAs need a sound evidence base to inform their conclusions. The depth and detail of the information base vary across organisations and by assessment The depth of information and analysis often depends on the scale of the decision and the availability of relevant and specific evidence.

2.13 All public bodies expect to include some quantitative data, such as demographic information or service level data. Around two-thirds (29 out of 44) of public bodies include at least some examples of internal information sources and point to publicly available data in their guidance and templates. Some go further. For example, Merthyr Tydfil County Borough Council includes in its guidance a detailed list of sources where policy leads can find relevant evidence, with embedded links to external data sources.

2.14 There are some significant data gaps in the data that is available to public bodies. Generally, there is little information available about some protected characteristics, particularly sexual orientation, gender reassignment, and pregnancy and maternity. Data that is available at a national level is sometimes not available at a health board, council, or ward level, which makes it difficult for public bodies to understand their local populations with protected characteristics.

Qualitative information

2.15 The inclusion of qualitative information based on the views and experiences of people with protected characteristics is also patchy. When introducing new policies or changing services public bodies often undertake a consultation exercise. In the examples we saw, these were often targeted to the public in general, and it was difficult to see if the public body had sought to engage specifically with people from protected groups.

2.16 Nonetheless, we did see examples of EIAs where evidence from engagement with groups was covered. For example, when Snowdonia National Park Authority undertook an EIA on its communication and engagement strategy, the assessment considered how the strategy could engage with people who speak languages other than English or Welsh. It also considered impacts on those who were digitally excluded, a group that is more likely to include older people and more women than men.

2.17 Some respondents to our general call for evidence said that drawing more on the views and experience of people with protected characteristics would improve the quality of EIAs. This includes engaging with individuals and grassroots organisations as well as national organisations representing protected groups. Some respondents said that public bodies should do more to publicise consultations by a range of means, including but not restricted to social media.

2.18 Some all-Wales third sector bodies responding to our call for evidence said that they were often asked to provide views for EIA and that some cannot respond to all the requests they receive. Sometimes they do not have information on local services and impacts.

2.19 A few public bodies are trying to draw on the lived experience of people with protected characteristics through different forms of consultation. Some use existing networks for staff with protected characteristics to understand different perspectives. Others, draw on existing relationships with third sector groups to understand the lived experience.

Identifying and mitigating likely impacts

What we looked for

Clear identification of likely impacts, including positive impacts in promoting equality, as well as negative ones.

Some consideration of cumulative impacts arising from other decisions that impact the same group or groups and how different protected characteristics combine (intersectionality).

Clear recommendations for mitigating negative impacts that have been acted on before the decision is made.

What we found

While there are examples of public bodies identifying specific impacts, often EIAs describe impacts in very broad terms. Very few identify the cumulative impacts of multiple decisions on groups or consider how different protected characteristics intersect. Very few can show how recommendations for mitigating impacts are followed through.

Specific impacts

2.20 Positively, our review of EIAs found examples of public bodies clearly identifying specific likely impact of policies or practices on protected groups. However, many EIAs included statistics to describe the population of people with protected characteristics without being clear how the policy or practice would likely impact on them. We also observed a tendency for EIAs to focus on negative impacts, thereby missing positive impacts and opportunities to improve cohesion and reduce inequalities.

2.21 We found that most EIAs reviewed provided data and information on each protected group separately. For example, the EIA on Conwy County Borough Council's Older Peoples' Domiciliary Care Finance and Commissioning Project set out the likely impact on people with each protected characteristic.

2.22 Most public bodies' approaches to EIA involve making recommendations to overcome negative impacts. Public bodies should incorporate mitigating actions into the policy development process, recognising it is not always possible to mitigate all negative impacts, such as with reductions in service. Very few public bodies have a process in place to track whether they have implemented the mitigating actions, after a decision is taken. In Hywel Dda University Health Board, the EIA has an associated action plan with a review date. In Aneurin Bevan University Health Board the Equality, Diversity, and Inclusion specialist keeps a database of actions arising from EIAs for monitoring purposes.

Intersectionality

2.23 Increasingly, it is understood that inequality is intersectional. People's characteristics interact in a complex way to give a unique experience of inequality. For example, the experience of a Muslim woman cannot separate 'female' and her experience as a Muslim. It will differ from that of a Muslim man and of a non-Muslim woman. However, we did not see examples of such nuanced understandings of inequality in the examples we reviewed.

Cumulative impacts

2.24 Public bodies in Wales make many decisions each year that, taken together, can be very detrimental to people from protected groups. For example, one respondent to our call for evidence gave the example of how individual decisions to reduce or close facilities and services such as public toilets, library services, day centres, and bus services had a cumulative impact on many older people who use the services. They said that, while each individual decision might not be significant, together they meant that some older people were becoming isolated.

2.25 The few instances we found where public bodies have begun to give thought to cumulative impacts tend to be when public bodies are making several decisions at the same time. For example, councils usually undertake a cumulative approach to assessing the impacts of their proposed budget each year. Individual service changes being proposed because of budget changes are assessed simultaneously allowing a better overview of potential impacts for the budget.

2.26 Typically, however, public bodies make decisions separately. One of the respondents to our call for evidence to decision-makers highlighted that it is difficult in principle to predict the likely impacts of multiple decisions in a complex landscape. Practically, the ability to take account of impacts from other decisions relies on the policy lead knowing about other decisions within an organisation and having access to the EIAs. A small number of public bodies are trying to address this information gap by using an IT solution to undertake the EIA (**paragraph 1.6**). This way, the assessment of impact for each policy change and decision is held centrally, making it easier for policy leads to bring together the information.

Decision-making

What we looked for

That the EIA and likely impacts it identifies are considered at the point of decision-making.

What we found

Equality officers' views varied around the extent to which their organisations prioritised the EIA in decision-making. Most respondents to our general call for evidence said public bodies did not pay sufficient regard to protected characteristics. The small number ofresponses from decision-makers suggest a view that the EIA is seen as a 'tick box exercise'.

2.27 The consideration given to EIAs in decision-making varies across public bodies in Wales. In general, equality officers felt that decision-makers take assurance in knowing that the policy lead has completed an EIA. Decision-makers will have access to a summary or the complete EIA accompanying each decision in their cabinet or board papers.

2.28 The equality officers we spoke to had mixed views over the extent to which their organisations placed sufficient weight on the EIA in decision-making. Over three-quarters of respondents to our general call for evidence who answered the question (29 of 37) disagreed that public bodies in Wales give appropriate due regard to people with protected characteristics when developing policies or making changes to services.

2.29 Generally, equality officers were not aware of instances where decision-makers challenged the content or recommendations of an EIA at the point of decision. Most felt that the accompanying EIA should have considered and shaped the policy sufficiently that there would be no need for such challenge at that late stage.

2.30 We only received ten responses to our call for evidence from decision-makers. While it is hard to draw conclusions from such a limited evidence base, it is notable that three of the ten referred to EIAs being used like a 'tick box'.

Reporting and monitoring impacts

03

3.1   Public bodies must publish reports of the assessments where they show a substantial impact (or likely impact) on their ability to meet the PSED. They must also monitor the actual impact of the policies and practices subject to an equality impact assessment.

Reporting

What we looked for

Public information about decisions and a clear description of how the EIA has influenced the decision-making.

What we found

Most public bodies publish some of their EIAs as part of a wider set of papers and they are often not easy to find.

3.2   Almost all public bodies in Wales publish their EIAs, at least in part. Typically, they publish EIAs with decision-related papers, such as cabinet or board papers. There is usually a section on the body's website which holds all the papers for each meeting and is accessible to the public[11]. There are a few exceptions in some of the smaller public bodies, who do not routinely publish their EIAs.

3.3   It can often be difficult to find EIAs which relate to a specific decision on public bodies' websites. The EIAs which feature more prominently and are easier to locate often relate to strategic decisions such as budgets or key corporate strategies. Newport City Council have tried to bring EIAs into a central location on their website to make them more easily accessible, while recognising that this approach relies on the individuals completing EIAs sharing them for publication, which sometimes does not happen.

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11 In some instances, bodies do not publish EIAs if they form part of a paper that is held back from publication due to its confidential or sensitive nature. However, these EIAs can sometimes be obtained via a Freedom of Information request if someone has a particular interest in seeing them.

Monitoring impacts

What we looked for

A clear approach to monitoring the impacts of the decision after it is implemented, including those identified as part of EIA as well as any unexpected impacts.

What we found

Very few public bodies monitor the impact of the decisions in the context of the PSED.

3.4   Some public bodies require those completing EIAs to identify a review date when monitoring is supposed to occur. We saw examples where EIAs set out plans for monitoring. For example, a Powys Teaching Health Board EIA included plans for monitoring service use after a change in surgery opening hours and for and independent evaluation of the service change. Also, Conwy County Borough Council's EIA for its review of domiciliary care included detailed arrangements for monitoring the impact using data and information that are routinely reported, including individual feedback from people receiving care.

3.5   However, equality officers had seen little evidence of the impact of policies and practices being monitored in light of the EIA. Those public bodies that outlined a monitoring process were often referring to the monitoring of an implementation of a policy or practice against its objectives or targets, not the impact that the decision had on people with protected characteristics.

3.6   In general, public bodies do not consider the impacts of policies and practices in terms of the PSED until there is another decision due on the same policy or practice. At that point, the body conducts a new EIA. Many of the equality officers we spoke to seemed unsure about how, in practice, they would monitor the impact of a decision on protected groups and would welcome more guidance.

Challenging EIAs

What we looked for

That the organisation identifies and applies lessons from any challenge to decisions on the basis of equality or the quality of the EIA.

What we found

Many equality officers did not think there had been any challenges to EIAs conducted by their organisation, but where there has been challenge some public bodies are using it as a learning opportunity.

3.7 Decisions made by public bodies can be challenged based on the EIA. Public bodies that do not have a clear record showing that they have considered the likely impacts of their decisions for people with protected characteristics leave themselves open to challenge. This could potentially include a judicial review. Some equality officers did not know what process someone would use to challenge an EIA. The majority said that any challenges would go through their general complaints process, with the involvement of the relevant service, equality officers and legal team.

3.8 Many equality officers thought there had not been any challenge to an EIA conducted by their organisation. Those that were aware of challenge taking place said that it was something that happens infrequently. Almost half of respondents to our general call for evidence who answered the question (17 of 35) said they had challenged some aspect of an EIA. We do not know if this was a formal or informal challenge.

3.9 Equality officers who had experienced challenge to an EIA said their organisation can resolve the issues either by making changes to a policy or practice, or by providing evidence that they had considered the impacts. Respondents to our general call for evidence gave examples of issues they raised being resolved. For example, one had objected to the EIA conducted on a new bus interchange because the council had not sought the views of people with protected characteristics on the proposals. Following their intervention, people with low vision visited the site and suggested changes to make the interchange more accessible.

3.10 While there are positive examples of public bodies responding to challenge, several respondents to our general call for evidence who had challenged aspects of an EIA reported not receiving any response to their challenge. A few equality officers told us that their organisation had learnt from the experience of having an EIA challenged. One had used examples of challenge from other public bodies to inform its EIA training as a particularly useful way of making impacts more easily understood to lead officers conducting EIAs.

Appendices

1   **Audit approach and methods**

1   Audit approach and methods

Audit approach

Our main aim was to provide insight about the approach to EIAs undertaken across the public sector in Wales. We wanted to highlight good practice and identify opportunities to improve. To help shape our thinking about what good practice to look for, we drew heavily on existing guidance materials, in particular that produced by the Equality and Human Rights Commission (EHRC) and the Equality Impact Assessment in Wales Practice Hub hosted by Public Health Wales NHS Trust.

We set out to explore to what extent public bodies have integrated their approach to undertaking EIAs, including the new socio-economic duty and the cumulative impact of decisions. We also explored what difficulties public bodies experience that affect the quality and timeliness of EIAs. We looked at how public bodies monitor the impact of decisions on their population. Each of the sub-sections in the main body of this report describes what we were looking for through our work.

In looking across the public bodies, we focused on the 44 public bodies originally subject to the Well-being of Future Generations (Wales) Act 2015. The Auditor General for Wales is the external auditor of each of these bodies, which include local authorities, health boards and some NHS trusts, national parks, and fire and rescue services. They also include the Welsh Government and some of its sponsored bodies. Our audit coverage did not include education bodies – further education, higher education or maintained schools – that are subject to the PSED. It also did not include the four Corporate Joint Committees (CJCs) established by the Local Government and Elections (Wales) Act 2021 and which are subject to the PSED.

Audit methods

Document review: We reviewed documents from each of the 44 public bodies, including those relating to the equality plans and details of the organisation's EIA process. We also reviewed details of their process for integrated impact assessments. We reviewed a sample of 29 EIAs provided by public bodies: 11 by local authorities, eight by health bodies, two fire and rescue, two national parks and six by the Welsh Government or its sponsored bodies.

Interviews: We interviewed the equality officers or their equivalent in each of the 44 bodies. We have used the term 'equality officer' throughout this report to refer to staff in public bodies with specific lead specialist roles for equality, whether that be their full-time job or part of their role. The way these roles are structured, and their seniority, varies.

Call for evidence: We sought wider views about people's experience of EIAs through a call for evidence between October 2021 and June 2022. We publicised this generally and in particular to third sector organisations. We received 40 responses, 23 from individuals and 15 responding on behalf of an organisation (two did not say).

We also sought the views of decision-makers through a separate call for evidence open between February and June 2022. We received ten responses (eight from individuals working in local authorities, one health and one fire and rescue).

While the responses we received to the calls for evidence are not necessarily representative of individuals, the third sector or decision-makers, they have provided useful detail which we have included through the report and which informed our overall analysis.

Stakeholder engagement: The EHRC is responsible for promoting and enforcing equality and non-discrimination laws. We met with officials in the EHRC Wales Team regularly throughout our work, discussing our scope and emerging findings. We also met with the Welsh Local Government Association's equality network and the Chair of the All-Wales NHS Equality Leadership Group. We interviewed officials from the Welsh Government with responsibility for equality policy.

Wider audit intelligence: We drew on existing intelligence from our local financial and performance audit work, where that was relevant to equality impact assessments.

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Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Ceredigion County Council

Report title: Equality Impact Assessments: more than a tick box exercise?

Issue date: September 2022

Document reference:

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R1	**Clarifying the scope of the duty to impact assess policies and practices** There is scope for confusion about which type of policies and practices must be subject to an assessment for their impact on the public sector equality duty. **The Welsh Government should clarify its interpretation of the duty, including whether and how it expects public bodies to apply any**	Not applicable as this recommendation is for Welsh Government, not the Local Authority.		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	test of proportionality and relevance.			
R2	**Building a picture of what good integrated impact assessment looks like** Many public bodies carry out integrated impact assessments that include consideration of the PSED alongside other duties. But practice is inconsistent and often involved collating multiple assessments in one place, rather than being truly integrated, **to help maximise the intended benefits of integrated impact assessments, the Welsh Government should work with key stakeholders with an interest in the areas commonly covered by integrated impact assessments and those with lived experiences, to share learning and work towards a shared understanding of what good looks like for an integrated impact assessment.**	Not applicable as this recommendation is for Welsh Government, not the Local Authority.		

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Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R3	**Applying the equality duties to collaborative public bodies and partnerships** The public sector landscape has changed since the introduction of the PSED and the Welsh specific duties, with an increasing focus on collaborative planning and delivery. **The Welsh Government should review whether it needs to update the Wales specific regulations to cover a wider range of collaborative and partnership arrangements. These include public services boards, regional partnership boards and other service specific partnerships.**	Not applicable as this recommendation is for Welsh Government, not the Local Authority.		
R4	**Reviewing public bodies' current approach for conducting EIAs** While there are examples of good practice related to distinct stages of the EIA process, all public bodies have lessons to learn about their overall approach. **Public bodies**	Our current IIA template is structured around the seven National Well-being goals. The equalities section is completed as part of the goal to create a 'more equal Wales'. We have reviewed our IIA tool and used the findings from the Audit Wales report and Welsh Government's review of their guidance to inform the process. As a result, the format of the template has been revised and	Complete	Alun Williams

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	should review their overall approach to EIAs considering the findings of this report and the detailed guidance available from the EHRC and the Practice Hub. We recognise that developments in response to our other recommendations and the Welsh Government's review of the PSED Wales specific regulations may have implications for current guidance in due course.	additional guidance tips and background information have been included in order to ease the process of completing the IIA. The revised IIA tool was scrutinised by Overview & Scrutiny Co-ordinating Committee on 11/09/23 and approved by Cabinet on 03/10/23. It is now available on our intranet for all staff to use. Ceredigion County Council has joined the Equality and Human Rights Exchange network and refers regularly to the Practice Hub to ensure continued improvement of our practice.		

Springing Forward – Strategic Workforce Management – Ceredigion County Council

Audit year: 2021-22

Date issued: May 2022

Document reference: 2971A2022

Contents

The Council has a clear understanding of how the workforce will need to evolve to deliver its priorities, accelerated in part by the pandemic, and it is aware of where it needs to strengthen its arrangements and is taking steps to manage the associated risks.

Summary report

Summary

What we reviewed and why

1   As the world moves forward, learning from the global pandemic, this review has looked at how the Council is strengthening its ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.

2   We reviewed the Council's strategic arrangements for managing its workforce. For the workforce, our focus has been on the challenges and opportunities that have been exacerbated and accelerated by the pandemic.

3   We looked at how the Council strategically plans to use its workforce, how it monitors their use and how it reviews and evaluates the effectiveness of its arrangements.

4   When we began our audit work under the Well-being of Future Generations (Wales) Act 2015, we recognised that it would take time for public bodies to embed the sustainable development principle, but we also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.

5   This project had three main aims:

- to gain assurance that the Council is putting in place arrangements to transform, adapt and maintain the delivery of services;

- to explain the actions that the Council is taking both individually and in partnership to strengthen its arrangements as well as further embed the sustainable development principle; and

- to inspire the Council and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.

6   This is important because Ceredigion County Council has the following workforce profile:

- 66% of the workforce are female and 34% male.

- 57% of the workforce are over the age of 44. The largest single group within this percentage is in the 45-54 years-old category, which represents 28% of the workforce.

- nearly 18% of its leavers are in the 16-24 years-old category.

- 2.2% declare that they have a disability whilst 31.1% preferred not to say.

- 76.9% chose 'White' as their ethnicity, followed by 'Other ethnic group' (0.4%), 'Black/African/Caribbean' (0.2%), Mixed ethnicity' (0.2%), and 'Asian' (0.2%). 22% of the workforce chose 'prefer not to say'.

7   We undertook the review during the period January 2022 to March 2022.

What we found

8   Our review sought to answer the question: Is the Council's strategic approach to workforce strengthening its ability to transform, adapt and maintain the delivery of its services in the short and longer term?

9   We have concluded that the Council has a clear understanding of how the workforce will need to evolve to deliver its priorities, accelerated in part by the pandemic, and it is aware of where it needs to strengthen its arrangements and is taking steps to manage the associated risks.

10   We reached this conclusion because:

- the pandemic has accelerated the move to new ways of working and promoted positive operational and cultural changes within the Council. Continuing to embed these will help it to manage its known workforce risks and support the delivery of its priorities.

- the Council has well developed plans, monitoring, review and improvement arrangements for its workforce.

- whilst the Council is financially stable, it is aware that projected future efficiency savings represent an ongoing challenge to investing in and continuing to deliver its transformation ambitions at pace.

- the workforce arrangements put in place by the Council to deal with the pandemic have helped to strengthen existing partnerships and promoted further improvements in joint working across key service areas.

- the Council has made use of available workforce benchmarking and learning to support specific workforce decisions and recognises it needs to further strengthen these areas.

Recommendations

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations
R1 **Workforce vision and planning**   The Council's workforce vision, planning and monitoring could be strengthened by: • refreshing its corporate workforce vision; • having a clearer integration with its tier one annual Business Planning process; • an annual review of its strategic workforce plans; • developing a more comprehensive picture of workforce skills and competencies; • more clearly demonstrating how it consistently uses the sustainable development principle to support the delivery of its workforce planning; and • developing specific targets and timescales for its Hybrid Working Strategy success measures.
R2 **Benchmarking**   The Council should undertake more routine workforce benchmarking to strengthen its business planning and self-assessment arrangements.

Detailed report

The Council has a clear understanding of how the workforce will need to evolve to deliver its priorities, accelerated in part by the pandemic, and it is aware of where it needs to strengthen its arrangements and is taking steps to manage the associated risks

The pandemic has accelerated the move to new ways of working and promoted positive operational and cultural changes within the Council. Continuing to embed these will help it to manage its known workforce risks and support the delivery of its priorities

11   During 2020-21, the Council established a critical incident command structure, this structure facilitated how the Council made the best use of its workforce and assets to respond to the pandemic and to keep people safe.

12   Also, in response to the pandemic's legal requirements to work from home, significant numbers of the Council workforce moved to agile working, with many key services being available within 48 hours of this decision. Whilst agile working was an existing objective within the Council's Workforce Plan, the pandemic accelerated this change.

13   As a result, and to manage the significant changes to how the Council makes use of its assets and workforce – both now and in the future – it established a Way we Work Project – now called the New Ways of Working Project. Through extensive consultation with staff, the New Ways of Working project has developed a Hybrid Working Strategy. The Council is developing the way it will deliver the ambitions for hybrid working including projects to consider:

- the future footprint of the workspace with the immediate focus of this being on the modifications planned for the main Council building in Aberaeron;

- designing Hub working environments for staff and Council Members;

- the right digital platforms to support these changes;

- work to support a better customer experience and how customers/citizens can continue to access the services they need, such as the proposals for digitally enabled virtual meeting spaces in the Council's main libraries;

- changes to Human Resources policies and procedures to reflect the new hybrid landscape; and

- virtual learning and improved electronic Human Resources software to support staff and managers in the new agile environment.

14   The way in which the Council has and is planning to use its workforce has become more integrated between and within services. This has been helped by the changes to job descriptions to allow greater flexibility for staff to move between roles. This flexibility is an important principle for the transformation being undertaken across adult and children services in the new Through Age Wellbeing Model.

15   The Council has told us that the pandemic has also seen a change in the culture of volunteering and flexible working, with very positive responses to recent volunteering campaigns and staff supportive of being redeployed to support other services if needed.

16   Other workforce changes brought about by the pandemic have included:

- the acceleration of IT skills across all levels of staff;
- a legacy of skilled staff from the Ceredigion Track, Trace and Protect team;
- the appointment of a health professional as a Health and Wellbeing Manager; and
- mapping community services and continuing to support community groups that were established during the pandemic.

17   The Council's single biggest impact on its current and future workforce will be the embedding of its Through Age Wellbeing Model. This transformation programme around social care (adults and children) has and will continue to look at new ways of working, rebalancing its services to shift need from the high-cost intensive services to lower-cost early intervention preventative investment. In doing so, it is expected that this will have a significant positive impact on service users' personal resilience and wellbeing, as well as ensuring that these services are financially sustainable for the future. The pandemic has been a catalyst for an increased speed of change to this new model.

18   The Council is aware of several key workforce risks and is managing these to ensure that it can deliver on its priorities, these include:

- the changed needs of citizens as a result of the pandemic and how this changed landscape might impact the workforce planning for the Through Age Wellbeing Model;
- capacity to concurrently support major corporate changes;
- sickness absence increases because of COVID-19 and longer-term conditions due to 'long COVID';
- the ability to recruit and retain staff within the social care sector. The Council told us that some Through Age Wellbeing teams have a vacancy rate of 30%, and that it is already taking steps to try and mitigate this risk. For example: through working with Aberystwyth University to develop training for social care, developing their own staff by increasing the number of social care apprenticeships and by staff working co-operatively and flexibly across the Through Age Wellbeing Model.

The Council has well developed plans, monitoring, review and improvement arrangements for its workforce

19   The Council has well developed planning, monitoring and governance arrangements for its workforce which have been supported by:

- undertaking a detailed workforce assessment in 2017, based on current and future requirements, using a Strategic Workforce Development Toolkit;

- having a Strategic Workforce Plan 2017-2020 which is aligned to the corporate priorities and includes a detailed action plan;

- ensuring that workforce planning is a primary business planning objective within the key transformative services;

- workforce planning progress updates presented to the Corporate Resources Committee in October 2019;

- key workforce objectives and metrics regularly monitored and challenged at the Council's Quarterly Performance Boards;

- the Council's 2017-2022 Corporate Strategy identifying Workforce Planning as one of the key strategies for delivering the Council's priorities;

- specific work undertaken as part of the Through Age Wellbeing Model to align citizen need and future workforce models;

- using data to help shape workforce changes such as in the development of a centralised customer contact service; and

- developing a Health and Wellbeing Strategy 2021-2027 as a direct response to its staff Health and Wellbeing Survey undertaken in November 2020.

20   To support the Council's decision making it has developed an Integrated Impact Assessment. This assessment requires all key decisions and policies to be considered in the light of their impact on the Council's key statutory obligations such as: the Well-being of Future Generations Act, the Socio-Economic Duty and Equality Duty.

21   The Council is working to further improve its workforce planning by ensuring that the next iteration of its Strategic Workforce Development tool and the resultant Strategic Workforce Plan:

- reflects the changed environment since it was last completed in 2017;

- has a clearer integration with the tier one annual Business Planning process;

- is reviewed at least on an annual basis;

- builds a more comprehensive picture of skills and competencies;

- more clearly demonstrates how it consistently uses the sustainable development principle to support the delivery of these future strategies; and

- reflects any changes to the vision for its workforce since 2017.

22   The Council's Draft Hybrid Working strategy has identified several high-level metrics that will be used to measure its success. It will be important for these to have specific targets and be monitored as part of the Council's current performance planning process.

23   The timeframes for the Council's strategic review of its workforce planning align with local election cycles. However, many of the transformative changes within the workforce related plans are focused on addressing systemic issues over a much longer time horizon. For example: the Through Age Wellbeing Model which is transforming the Council's workforce in this area, to deal with longer-term need.

Whilst the Council is financially stable, it is aware that projected future efficiency savings represent an ongoing challenge to investing in and continuing to deliver its transformation ambitions at pace

24   Our Financial Sustainability report (June 2021)[1] highlights that overall – 'The Council remains financially stable and is focussed on future challenges and [that] the Council has a good track record of meeting its overall annual budget although there continues to be significant overspends in Social Care. The Council has a good track record of meeting savings targets, however, delivering the required savings will be more challenging going forward specifically in relation the savings in social care.'

25   The Council's latest Medium Term Financial Plan 2021-22 to 2024-25 highlights that:

  • the Council is required to save at least £15 million by March 2025; and

  • there are some financial risks related to the cost of the Council's workforce, such as pension cost pressures, that are likely to continue due to people living longer, mitigated in some part by new regulations requiring higher pension contributions from employees.

26   Whilst there is clear member support for delivering the Through Age Wellbeing Model ambitions, the Council recognises the scale and pace of the significant cost savings required to fund this new approach and other challenges such as:

  • the changing needs of the population due to the pandemic – the impact of this is still being evaluated;

  • the requirement to continue to fund care for existing citizens under the old approach whilst still having to reallocate monies to early intervention and prevention during the transition period of the model;

  • factors outside of the Council's control such as the trend for an aging population relocating to Ceredigion; and

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[1] Audit Wales, Ceredigion County Council – Financial Sustainability Assessment, June 2021

- recruiting skilled social care staff to service the new approach.

The workforce arrangements put in place by the Council to deal with the pandemic have helped to strengthen existing partnerships and promoted further improvements in joint working across key service areas

27   The Council told us that the collaborative public sector response to the pandemic has strengthened some existing relationships, such as those with the Health Board, Registered Social Landlords and Private Care homes.

28   At the heart of the Council's Through Age Wellbeing Model is the use of collaborative and co-productive principles, whilst working collaboratively across the internal teams, Health Sector, Third Sector and with other external partners. These include the planned collaboration with other bodies and groups around the development of the Lampeter well-being centre. It is also working with local micro businesses to support the delivery of specific support and thereby promoting a wider positive economic impact.

29   There are also several other examples of where the Council is engaged in partnerships and collaborations which impact its workforce planning including:

- its leadership of the Joint Learning and Training Working Group under the West Wales Care Partnership;

- engagement with Aberystwyth University to develop modules for social care and the relationship with the Business School to offer third-year business-degree students work placements;

- establishing the Mid-Wales Education Partnership with Powys Council to replace the Education in Regional Working (ERW) consortia, focusing on shared resource around school improvement;

- working with Powys Council and other partners on the Mid Wales Growth Deal and establishing the Mid Wales Growth Board; and

- the recently established Mid Wales Corporate Joint Committee with Powys Council and the Brecon Beacons National Park. This Committee will need to make use of a collaborative workforce to deliver its regional transport, development, economic and energy plans.

The Council has made use of available workforce benchmarking and learning to support specific workforce decisions and recognises it needs to further strengthen these areas

30   The Council's Annual Report 2020-2021 – Annual Review of Performance and Well-being Objectives – referenced, in its 'Benchmarking Our Performance' section, that due to the COVID-19 pandemic, the reporting of the Performance

Accountability Measures (PAMs) was suspended, for all councils, for the 2020-21 year. Therefore, only a small number of PAMs were collected by the Council during the year. One of these included a Human Resources metric around sickness absence:

31   Where the Council had examples of recent benchmarking these tended to be for specific exercises such as salary benchmarking for Social Workers and the Chief Executive.

32   The Council's report to the Corporate Resources Oversight and Scrutiny Committee in January 2022 included benchmarking of specific Human Resources metrics between services and several other Human Resources metrics.

33   There is currently limited routine workforce benchmarking undertaken by the Council's People and Organisation Service. One of the reasons cited for this was that previous attempts to benchmark had proven difficult due to differences in workforce structures between organisations. Whilst there are always challenges with comparability, having a more routine approach to benchmarking would strengthen its business planning and self-assessment arrangements.

34   The evaluation of the Council's workforce Health & Well-Being surveys for 2020 resulted in the development of the new Health & Well-Being Strategy 2021-2026. The Council also plans to evaluate the progress being made against this Strategy and its respective performance measures at the end of 2022-2023.

35   There has been significant engagement activity with staff around the Hybrid Working Strategy, with over 74% of staff working from home having engaged in one of the engagement activities. This engagement and learning have helped the Council to shape its Hybrid working approach.

36   The Council's Quarterly Performance Boards are also an opportunity for it to learn lessons. Corporate Lead Officers and Members have the opportunity to challenge and suggest changes to address any issues with progress against key objectives and measures.

37   The Council has also told us that it uses its appraisal process as a key tool for learning. This process is used to provide evidence of what is and is not working across its services, with this information then being using support improvement.

Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Ceredigion County Council

Report title: Springing Forward – Review of Strategic Workforce Management

Issue date: June 2022

Document reference: 2971A2022

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R1	**Workforce vision and planning** The Council's workforce vision, planning and monitoring could be strengthened by: • refreshing its corporate workforce vision; • having a clearer integration with its tier one annual Business Planning process; • an annual review of its strategic workforce plans;	Development of five-year Strategic Workforce Plan 2022 – 2027 in progress coinciding with new administration and Corporate Strategy. The process will also include the following: • Review of annual reporting mechanism of strategic workforce plans and integration with business planning process • Review of Hybrid Working Strategy including the introduction of targets and timescales	September/October 2022 - Services to complete Strategic Workforce Planning Toolkit **Completed October 2022** December 2022 – Implement Hybrid Working Strategy targets and timescales Hybrid working review completed July 2023. Cabinet	Geraint Edwards

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• developing a more comprehensive picture of workforce skills and competencies; • more clearly demonstrating how it consistently uses the sustainable development principle to support the delivery of its workforce planning; and • developing specific targets and timescales for its Hybrid Working Strategy success measures.	• Research skills competency framework and development workforce assessment process	consideration in Sept 2023. <mark>Revised target date March 24.</mark> March 2023 – drafting and approval of Strategic Workforce Plan 2022 – 2027 Workforce Plan 2023 -2028 completed July 2023. <mark>Plan approved by Cabinet in Sept 2023.</mark> **<mark>Completed September 2023.</mark>** March 2023 – Skills competency framework development and assessment Included in Strategic Workforce Plan. Revised target date March 2024	

2

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R2	**Benchmarking** The Council should undertake more routine workforce benchmarking to strengthen its business planning and self-assessment arrangements	• The Council will review its current benchmarking measures and use of data to inform the preparation of plans and provide a framework for improving future self-assessment arrangements.	March 2023 Working with regional LAs to identify sector-wide benchmarking. Following WLGA work programme, set of benchmarking measures identified which will be adopted for 2024/25.	Geraint Edwards

Setting of well-being objectives – Ceredigion County Council

Audit year: 2022-2023

Date issued: June 2023

Document reference: 3624A2023

Contents

Contents

Background: Our examinations of the setting of well-being objectives

1   The Well-being of Future Generations (Wales) Act 2015 (the Act) places a 'well-being duty' on 48 public bodies. The duty requires those bodies to set and publish 'well-being objectives' that are designed to maximise their contribution to achieving each of the Act's seven national well-being goals.[1] They must also take all reasonable steps, in exercising their functions, to meet those objectives.

2   The Auditor General must carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.[2] We are carrying out a rolling programme of these examinations, up to early 2025.[3]

3   To do something in accordance with the sustainable development principle means acting 'in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'. To achieve this, a public body must take account of the five ways of working: long term, integration, involvement, collaboration, and prevention.[4]

4   We designed an assessment framework to enable us to assess the extent to which public bodies have applied the sustainable development principle when setting their well-being objectives. **Appendix 1** sets out further information on our approach, including a set of 'positive indicators' that illustrate what good could look like.

5   In designing our approach, we considered what we could reasonably expect from public bodies at this point in time. Public bodies should now be familiar with the sustainable development principle and ways of working and be seeking to apply them in a meaningful way. At the same time, we appreciate that public bodies are still developing their experience in applying the sustainable development principle when setting well-being objectives. Therefore, the examinations include consideration of how public bodies are applying their learning and how they can improve in future.

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[1] The seven national well-being goals are; a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales.

[2] Section 15 (1) (a) Well-being of Future Generations (Wales) Act 2015

[3] The Auditor General must carry out examinations over the period set out in the Act, which begins one year before a Senedd election and ends one year and one day before the following Senedd election.

[4] Section 5 Well-being of Future Generations (Wales) Act 2015

Carrying out our examination at Ceredigion County Council

6   The aim of this examination was to:

- explain how Ceredigion County Council (the Council) applied the sustainable development principle throughout in the process of setting its well-being objectives;

- provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and

- identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.

7   We set out to answer the question 'to what extent has the Council acted in accordance with the sustainable development principle when setting its new well-being objectives'. We did this by exploring the following questions:

- Was the process the Council put in place to set its well-being objectives underpinned by the sustainable development principle?

- Has the Council considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?

- Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?

8   We discussed the timing of the examination with the Council, and we tailored the delivery to reflect its specific circumstances.

9   We gathered our evidence in the following ways:

- reviewing key documents;

- running a workshop with key officers and Members who were involved with setting the well-being objectives; and

- carrying out a final clarification meeting on outstanding issues with key individuals in addition to the above.

10   We also provided some informal feedback to officers on the key findings from our work prior to sharing the first draft of this report.

How and when the Council set its well-being objectives

11   The Council adopted its new Corporate Strategy 2022-2027 (the Strategy) in November 2022. The Strategy has been structured around the Council's new four Well-being Objectives (WBO), these being:

- Boosting the Economy, Supporting Businesses and Enabling Employment

- Creating Caring and Healthy Communities

- Providing the Best Start in Life and Enabling Learning at All Ages
- Creating Sustainable, Green and Well-connected Communities

12   The Council's Strategy is also its well-being statement, which it is required to publish under the Act.' The Council has published the full Strategy on their website, as well as a Summary Strategy and an 'Easy Read' version.

13   In setting its new Well-being Objectives (WBO) the Council has applied lessons learned from its previous setting of WBO. These key lessons included:

- developing its new WBO and Corporate priorities to become one in the same, with the aim of ensuring that the Council is well placed to maximise its contribution to the National Goals.
- being clearer about the rationale and evidence base for its WBO which has ensured that its WBO are focused on those areas that will make the biggest impact and address the most significant issues.
- a focus on strengthening the links between its WBO and individual service plans. This has ensured that the way the Council delivers its services is better aligned to delivering its WBO.

What we found

The Council has applied the sustainable development principle in setting its well-being objectives however it could draw on more extensive citizen involvement and improve monitoring and reporting.

The process for setting well-being objectives

Evidence Base

14   The Council drew from a wide-ranging set of data and intelligence to understand both its current and future needs. For example:

- The regional Well-being Assessment
- Its annual review of performance against its WBO
- Its annual self-assessment
- West Wales Care Partnership Population needs assessment 2022
- West Wales Care Partnership Area plan
- The future trends report (Wales) 2021
- Evidence for the third UK Climate Change Risk Assessment (CCRA3): Summary for Wales 2021

15   This wide-ranging intelligence has helped the Council to provide a clear rationale for the setting of its WBO and the steps it is taking to deliver them.

16   The Council has used a robust set of evidence to develop a clear understanding of the root causes of the key issues. For example, challenges around local employment opportunities and the availability of affordable housing, being some of the root causes of the migration of young people out of the County. This understanding has then been used to determine which actions it considers will have the greatest positive impact.

Consultation and Involvement

17   The Council has recognised the importance of involving citizens, including hard to reach groups, and stakeholders in setting and delivering its WBO. It has consulted on its Corporate Strategy both directly and by drawing on the results of existing engagement exercises, for example, engagement around the Public Service Board Well-being Assessment. However, the Council has recognised that responses to these consultations were limited and didn't reflect the full diversity of citizens.

18   There are some good examples in the Council's Corporate Strategy of where engagement is working well, and citizens are involved in the delivery of the steps to deliver the WBO. These include work with service users in the development of the Through Age Well-Being Model (TAWBM) and involving young people and Housing Associations in the Council's affordable and lifetime housing programmes.

19   Developing and implementing innovative and different ways to engage citizens to inform the setting of its future WBO will be important if the Council is to improve the levels of engagement and reach the full diversity of the population. The Council's recently launched Participation and Engagement Strategy should assist it with this.

20   The narrative within the Council's Corporate Strategy highlights that delivering on the WBO can only be successfully achieved through collaboration with citizens. For example, its WBO "Creating Caring and Healthy Communities" will be underpinned by the delivery of the TAWBM which, in turn, is predicated on early engagement with citizens and citizen families to identify needs and reduce the risk for the provision of high intensity care packages in the future.

Planning to improve well-being

21   The Council has a good understanding of how its WBO support the delivery of the National Goals and undertook a specific mapping exercise to determine how its WBO, and the steps it is taking to deliver them best supported each Goal. The Council has also developed a clear correlation between the Public Service Board WBO and its own WBO and has a good understanding of shared regional issues and risks developed in part through the regional PSB well-being assessment.

22   When developing its WBO, the Council examined the strategic priorities of other regional organisations, including those in the Dyfed Powys Police and Crime Plan

2021-2025 and the West Wales Care Partnership (Regional Partnership Board) Area Plan, to enable and promote a joined-up approach to improving well-being in Ceredigion.

23   There are several examples, including the Growing Mid Wales Partnership and West Wales Care Partnership, which the Council has drawn upon to help inform the setting of its WBO and will also work with to help deliver them. There are also examples, including TAWBM, that show where and how the Council is promoting early intervention and prevention to deliver on improving well-being.

24   The Council's four new WBO use a narrative that helps to position them as being relevant to delivering both short term and long-term need. Areas within its Corporate Strategy where this was particularly strong included climate change and carbon reduction, in its focus on affordable housing, in its approach to economic regeneration and its TAWBM.

Delivering the well-being objectives

25   A key part of the current process to deliver the Council's WBO is through its Service Business Plans. These form a key part of the Council's 'golden thread' interconnecting individual staff plans through to the priorities within the Corporate Strategy. The Council is continuing to improve the way in which these Service Business Plans clearly demonstrate how individual services support the delivery of the WBO.

26   The Council has demonstrated how it has allocated resources to support the delivery of some areas of its WBO. Examples include specific resource allocation to TAWBM and the earmarking of over £9m of reserves to underpin key Mid Wales Growth Deal projects. The Council is developing a new Medium-Term Financial Strategy (MTFS) - that is scheduled for completion by the middle of 2023 - and has developed a multi-year Capital Strategy to improve the long-term alignment of resources to the WBO. The effective development and successful implementation of the new MTFS and Capital Strategies is clearly fundamental to delivering the WBO.

27   The Council has recognised that the long-term resourcing for some of the WBO, such as the WBO which incorporates decarbonisation, remains a risk. It will be important that the new version of its MTFS includes an assessment of where there might be future financial risk to the delivery of its WBO.

Monitoring the well-being objectives

28   The Council's current process for monitoring progress against its WBO is through a combination of its Quarterly Performance monitoring arrangements and through its annual reporting and self-assessment report. The Council has recognised that its current monitoring approach needs to be improved to ensure that it is able to monitor its WBO progress more effectively and on more regular basis.

29   Whilst the Corporate Strategy includes the activity that the Council will undertake to make progress on delivering its WBO and also includes the National Public Accountability Measures, it intends to include a more comprehensive set of measures to determine its progress within its individual Service Business Plans.

30   The Council also recognises that it needs to develop a greater range of high-level outcome-based measures to effectively monitor progress against its WBO. It intends to undertake work around both monitoring and measures as part of the ongoing improvements it is making to its performance management arrangements. Refining, regularly reporting and robustly scrutinising, the WBO measures will be a key step in enabling the Council to determine the progress it is making in delivering its WBO and how/whether they are impacting and improving the wellbeing of the citizens of Ceredigion as intended and planned.

31   There are some good examples of performance measures and steps, including those around poverty, such as "Create and implement a Rural Deprivation and Equity Action Plan to support schools, non-maintained settings and childcare and play providers to reduce the impact of poverty on all children" that consider the wide impact on wellbeing across the Council's services.

Recommendations

R1   The Council should build on the progress it has made in applying the sustainable development principle in the setting of its well-being objectives by:

- exploring new ways of drawing on the full diversity of its population to inform and deliver its WBO.
- ensuring that its refreshed MTFS shows how it will resource the delivery of its new WBO over the short, medium and longer term and to reflect any potential future financial risks to deliver them.
- ensuring its evolving performance management arrangements identify the most appropriate outcome measures and provide effective monitoring, reporting and scrutiny of the progress being made on delivering its WBO.

Appendix 1

Key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this examination, along with some sub-questions to guide our evidence gathering. It also includes some 'positive indicators' that have been tailored to this examination, adapted from those we have previously used to inform our sustainable development principle examinations. This list is not a checklist, but rather an illustrative set of characteristics that describe what good could look like.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?
Planning: Was the process the body put in place to set its well-being objectives underpinned by the sustainable development principle?

Has the body used data and other intelligence to understand need, risks and opportunities and how they might change over time?	**Positive indicators**
	• The body has a clear and balanced assessment of progress against previous well-being objectives that has been used to inform the body's understanding of the 'as is'/ short-term need.
	• The body has set well-being objectives based on a good understanding of current and future need, risk and opportunities, including analysis of future trends. This is likely to be drawn from a range of local and national sources, such as:
	– Public Services Boards' well-being assessments
	– Regional Partnership Boards' population assessments
	– The results of local involvement/ consultation exercises
	– Service monitoring and complaints
	– Future Trends report

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?

	– Natural Resources Wales' State of Natural Resources Report (SoNaRR) for Wales and Area Based Assessments • The body has sought to understand the root causes of problems so that it can address negative cycles and intergenerational challenges through its well-being objectives.
Has the body involved others in developing its well-being objectives?	• The body uses the results of involvement to help select its well-being objectives. That involvement – whether primary, secondary or a combination – reflects the full diversity of the population. • Involvement reflects good practice and advice from the Future Generations Commissioner.
Has the body considered how the objectives can improve well-being and have a broad impact?	• The well-being objectives have been designed to improve well-being in the broadest sense and make a contribution across the seven national well-being goals. • The well-being objectives have been designed to reflect and capitalise on the connections between different areas of work. • There is a well-developed understanding of how the well-being objectives impact on/ relate to what other public bodies are trying to achieve and opportunities to work together.
Has the body designed the objectives to deliver longer-term benefits, balanced with meeting short-term needs?	• The body has set objectives that are sufficiently ambitious and have been designed to drive activity across the organisation. • The objectives are designed to meet short and longer-term need. Where objectives are set over a short to medium timeframe, they are set in the context of longer-term considerations or ambitions.
Resourcing and delivery: Has the body considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?	

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?

Has the body considered how it can resource the well-being objectives?	• Resources have been allocated to ensure the objectives can be delivered over the short and medium-term, but the body has also considered longer-term resources, risks and/or how it can resource longer-term objectives. • The body has allocated resources to deliver preventative benefits, where these are described in its well-being objectives.
Has the body considered how it can work with others to deliver their objectives?	• The body is drawing on its knowledge of partners objectives/ activity, its relationships and collaborative arrangements to make sure it can deliver on cross-cutting ambitions.

Monitor and review: Has the body put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?

Has the body developed appropriate measures and monitoring arrangements?	• Performance measures are designed to reflect the sustainable development principle, e.g., by focusing on outcomes that cut across departmental/ organisational boundaries and deliver multiple (including preventative) benefits over the longer term. • There is a 'golden thread' that will allow the body to clearly and transparently report on progress to meeting the objectives.
Is the body seeking to learn from and improve how it has applied the sustainable development principle to setting its well-being objectives?	• The body shows self-awareness and a commitment to improving how it applies the sustainable development principle so that it can do so in a meaningful and impactful way. • The body has learnt from setting previous well-being objectives and from applying the sustainable development principle more generally and has improved the process for setting its new well-being objectives. • The body has or plans to reflect on how it has applied the sustainable development principle in this round of setting well-being objectives.

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We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Organisational response

This document is set to read only – use File>Save as / save a copy

Report title: Setting of well-being objectives

Completion date: [TBC]

Document reference: 3624A2023

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Council should build on the progress it has made in applying the sustainable development principle in the setting of its well-being objectives by: • exploring new ways of drawing on the full diversity of its population to inform and deliver its WBO.	Refresh of our stakeholder list that we use when arranging all engagement and consultation exercises. The stakeholder list has been refreshed and is included in the new Engagement and Consultation Toolkit.	Complete	Diana Davies
		Targeted work with the Ceredigion Disability Forum, LGBTQ+ groups and BAME groups in order to improve relationships and regular communication. (Also included in the Draft Strategic Equality Plan 2024-2028).	Ongoing	Diana Davies
	• ensuring that its refreshed MTFS shows how it will resource the delivery of its new WBO over the short, medium and longer term and to reflect any potential future financial risks to deliver them.	Run a Stakeholder Survey to gain the views of our population on how the Council is delivering its Corporate Well-being Objectives and how we measure our progress. The Corporate Stakeholder Survey was run between June and August 2023 seeking views on the Council's overall performance, the way its measures its performance and its progress in delivering its Corporate Well-being Objectives. There were 148 responses and the Feedback Report was presented to Leadership Group on 22/11/2023.	Complete	Diana Davies

	The MTFS has been considered by Corporate Resources Scrutiny Committee and was considered by Cabinet and Council in September 2023. The MTFS '*outlines the risks to the delivery of these Corporate Well-Being Objectives whilst also setting out how the Council's resources will be utilised to manage and mitigate these risks over the short to medium term.*'	September 2023 Complete	Duncan Hall
• ensuring its evolving performance management arrangements identify the most appropriate outcome measures and provide effective monitoring, reporting and scrutiny of the progress being made on delivering its WBO.	Performance and Research Team to work with Corporate Lead Officers and Corporate Managers to develop and identify additional outcome focused measures to demonstrate progress in delivering the Corporate Well-being Objectives. The Team continues to support CLOs and CMs in the setting of their performance measures. This is an ongoing activity and a number of amendments have been made to strengthen the measures during the year, both in terms of general robustness and in measuring outcomes. Further work on supporting and setting outcome-based measures will take pace as part of the Business Planning process due to start in January 2024.	March 2024 In progress	Diana Davies
	Develop a Corporate Well-being Objectives Dashboard to monitor, report and scrutinise the progress being made on delivering the objectives. The Dashboards to be presented, monitored, and scrutinised at Performance Board meetings.	Complete	Diana Davies

The Corporate Well-being Objectives Dashboard has been created and provides an at-a-glance summary of progress in delivering the Council's four Corporate Well-being Objectives. The dashboard also demonstrates the 'golden thread' showing how plans link together.

Update Business Planning Guidance for 2024/25 to provide further support for setting performance measures, in particular outcome based measures

The Business Planning Guidance for 2024/25 has been updated to include further emphasis and guidance on the setting of outcome-based measures. The business planning process will commence in January 2024 and this will include a presentation at Corporate Managers which will emphasize these messages. The Performance Team will continue to support CLOs/CMs in setting robust measures and specifically in setting outcome based measures.

Complete

Corporate Joint Committees – commentary on their progress

November 2023

Contents

◀ **Summary report**

Overall finding

1   Corporate Joint Committees (CJCs) are still in their infancy. I was initially concerned about their slow and varied progress, and Welsh Government's preparedness to facilitate their implementation, but there have been more positive signs of the CJCs moving forward recently.

What this report covers

2   I have issued letters to each of the four CJCs, which set out my views on their progress. In this report, I set out a high-level summary of my cumulative findings and my expectations of the CJCs over the next 12 to 18 months.

3   As the findings in this report are more general, some may be more pertinent to some CJCs than others. Hence, this report should be read in conjunction with the individual letters I issued to the four CJCs. These are available on my website here.

Background

4   Welsh Government established four CJCs to help strengthen regional collaboration between authorities:

- South East Wales CJC
- South West Wales CJC
- North Wales CJC
- Mid Wales CJC

5   They came into effect in April 2021 and were given the following functions from June 2022:

- developing transport policies
- preparing a strategic development plan
- economic wellbeing – anything a CJC considers is likely to promote or improve the economic wellbeing of its area

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6   Membership of the CJCs consists of the leaders of the councils within the specific region and the National Park Authorities (NPAs) that sit within that region.

The focus of my audit

7   As the CJCs are new corporate bodies, I looked at their progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration. My team did initial work in autumn 2022 and then did some further work between April and June 2023 to update my findings.

Summary of my findings

8   From my initial work in autumn 2022, I was concerned that the CJCs were making variable progress to establish themselves and I felt unable to determine with confidence if they would deliver as intended. I was concerned that they would just do the bare minimum and exist in name only. I appreciated the CJCs were being implemented at a time when constituent bodies were facing considerable financial and demand pressures, and that they continue to do so.

9   Over two years on since their establishment in April 2021 and 12 months since they were given their core functions and duties in June 2022, it is clear that the CJCs are still in their infancy. Progress of the CJCs differ in different areas, but overall, governance arrangements are not yet all in operation and there is much work to be done to meet their strategic planning responsibilities.

10   Although they are building on city/growth deal arrangements, they haven't all determined how they are going to work with other partnerships and bodies to make the most of resources and expertise. This is crucial given the main rationale for the CJCs' establishment was to strengthen regional collaboration.

11   As I set out in this report and my individual letters, I would have expected more progress in some areas.

12   My work identified some positive findings about the CJCs' progress. All four CJCs had put in place the building blocks for their development and to meet Welsh Government's objectives. I found examples of CJCs exploring how they could make the most of the opportunities the new arrangements provide. For instance, as a more efficient forum for regional decision-making and to work collaboratively to tackle some significant challenges. CJCs were also making the most of the flexibility to tailor their arrangements to fit with their regional priorities.

13   Equally, I found several issues, particularly during my initial work in autumn 2022, which posed risks to the CJCs' development. For example, commitment to the CJCs was mixed, and clarity and progress of plans at that time to deliver their functions was variable.

14   There was also a strong view amongst the CJCs that the Welsh Government could have been better prepared on a range of issues to ease the implementation of the CJCs. This included:

- establishing the VAT status and financial status of the CJCs;

- understanding the implications for the City/Growth Deals; and

- clearer expectations of the practical delivery of the CJCs' functions and public duties.

15   Delays in resolving these issues did affect the implementation of the CJCs.

16   However, since the financial status issues have now been resolved, I can see that the CJCs are moving forward, and I am more optimistic about their progress. Appetite for the CJCs is more positive and the CJCs have, or are developing their, plans and ambitions.

17   Unlike other joint arrangements, the CJCs are legal entities in their own right. They need to maximise the benefits this affords them if they are genuinely committed to delivering positive benefits for their regions.

18   I would expect to see the CJCs further advanced over the next 12 to 18 months. My audit teams will continue to monitor the CJCs' progress. I would be concerned if my teams find that the CJCs have made little progress and that they have not addressed the points I raise in this report.

Recommendations

19   I have made five recommendations to the CJCs as set out page 14
      relating to:

- governance arrangements

- delivering their strategic planning functions,

- meeting their public sector duties,

- partnership working and involving the National Park Authorities

- meeting their duties under the Well-being of Future Generations Act.

20   These recommendations set out where I would expect to see the CJCs'
      making further progress over the next 12-18 months in line with those
      areas raised in this report. Some of these will be more relevant to some
      CJCs than others so the CJCs will also need to reflect on the points raised
      in my individual letters. However, the main thrust of this report is that I
      would expect to see the CJCs further advanced more generally when I do
      my next assessment of the CJCs' progress.

Detailed report

Background – what is a Corporate Joint Committee

21   Corporate Joint Committees (CJCs) are new corporate bodies which have some similar powers and duties to councils. They can directly own assets and employ staff. They must appoint a Chief Executive, Finance Officer, and Monitoring Officer. CJCs' membership is made up of the leaders of the councils within the specific region and the National Park Authorities that sit within that region.

22   Four CJCs were established by regulations under the Local Government and Elections (Wales) Act 2021 to help regional collaboration between authorities:

- South East Wales CJC
- South West Wales CJC
- North Wales CJC
- Mid Wales CJC

23   The CJCs came into effect in April 2021 and were given the following functions from June 2022:

- Developing transport policies
- Preparing a strategic development plan
- Economic wellbeing – anything a CJC considers is likely to promote or improve the economic wellbeing of its area.

24   CJCs are required to comply with a range of regulations and duties including:

- Well-being of Future Generations Act well-being duty
- Welsh language
- Public Sector Equality
- Biodiversity
- Child poverty

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Why I did this review

25 In my programme consultation paper in March 2022, I set out that I would keep track of governance arrangements around the creation of new bodies. This included the new CJCs where the Auditor General for Wales has a statutory role. As the CJCs are new entities set up as a result of new legislation[1], I wanted to gain early assurance about their progress. I also wanted to identify any emerging issues that need to be addressed and provide some early feedback to helps CJCs as they continue to develop.

26 I did this audit in accordance with Section 41 of the Public Audit (Wales) Act 2004. This Act places a duty on the Auditor General for Wales to undertake studies designed to enable me to make recommendations for improving economy, efficiency, and effectiveness in the discharge of the functions or services of local government bodies in Wales.

27 I also did the audit to help fulfil my duties under section 15 of the Well-being of Future Generations (Wales) 2015 Act (WFG Act).

What I looked at – the scope of this audit

28 My work sought to answer the question: Are Corporate Joint Committees making good progress in developing their arrangements to meet their statutory obligations and the Welsh Government's aim of strengthening regional collaboration? To do this, my team explored the following areas:

• understanding of the Welsh Government's aims for the CJCs;

• CJCs' evolving governance arrangements;

• CJCs' plans to deliver the Welsh Government aims and meet their statutory obligations;

• how the CJCs relate to existing partnership arrangements; and

• CJCs' plans to meet their requirements under the WFG Act, including setting their well-being objectives.

29 I did not do this review to determine the validity of, or requirement for, CJCs.

30 My team did the initial work during October 2022 to February 2023 and did some further work to update their findings between April to June 2023.

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1 Four Corporate Joint Committees (CJCs) were established by regulations under the Local Government and Elections (Wales) Act 2021.

Methodology

31   My findings are based on document reviews, meeting observations and interviews with the Leaders, Chief Executives and Section 151 officers of each of the four CJCs. My team also interviewed Welsh Government officers and asked the views of the constituent members of the CJCs as part of our routine liaison meetings. My team also met with representatives from the Welsh Local Government Association (WLGA).

What I found: CJCs are still in their infancy. I was initially concerned about their slow and varied progress, and Welsh Government's preparedness to facilitate their implementation, but there have been more positive signs of the CJCs moving forward recently

Understanding of Welsh Government's aims for the CJCs

32   The CJCs generally understood and acknowledged the potential benefits of the Welsh Government's aims for the CJCs. These benefits included the opportunity to leverage additional investments, work collaboratively to reduce carbon emissions and to increase capacity and resilience by pooling resources to tackle recruitment challenges.

33   But at the time of my initial work in autumn 2022, the level of acceptance, optimism, and engagement for CJCs amongst CJCs and the constituent bodies varied considerably. I saw some examples of CJCs embracing opportunities and developing arrangements, but also scepticism from some about the need for CJCs at all. Given the significant financial and demand pressures being faced by the constituent bodies, the CJCs were not seen as a priority.

34   Welsh Government provided an implementation grant of £250,000 to each region to support their initial planning. However, there was a clear sense of frustration amongst the CJCs about the preparedness of Welsh Government on a range of issues which would have facilitated the CJCs' progress. These included:

- clarity on the financial status of CJCs, pertinent, for example, for borrowing and pension purposes;

- establishing VAT status to avoid incurring 20% VAT;

- understanding the implications for the City/Growth Deals which sit with the UK government; and

- clearer expectations and understanding of the practical delivery of their functions and meeting their public duties.

35　　The CJCs were frustrated that these matters had not been considered by Welsh Government at the outset and in the pace of progress to resolve them.

36　　The phased approach to legislation and guidance was quite messy and disjointed and spanned a number of Welsh Government departments. CJCs were working through, and responding to, guidance and requirements as and when they came out. CJCs identified some practical challenges to meeting their requirements, which they proactively raised with Welsh Government. Welsh Government officials have acknowledged that they have some clear lessons to learn from this experience.

37　　These issues impacted the pace at which the CJCs progressed, but also served to dampen levels of appetite for the CJCs, which I also found were affecting some of the CJCs' progress.

38　　Earlier in 2023, I was concerned that there was a risk that CJCs would not develop effectively and simply exist in name only, raising questions about their ability to deliver their statutory functions, meet Welsh Government objectives and provide value for money.

39　　More recently and since the financial status issues have been resolved, there seems to be a more positive attitude about the CJCs. When I updated my work in the early summer, I found that the CJCs were beginning to show signs of progress. Consequently, I'm more optimistic about their chances of delivering as they were intended than I was in the autumn last year. It will be important that they now continue to maintain this momentum.

Governance arrangements

40　　CJCs have established their core governance arrangements, but at the time of my updated work in early summer 2023, not all the arrangements were up and running across all the CJCs. To a certain extent, this reflected the limited activities of the CJCs to date.

41　　The progress of the individual CJCs in establishing their governance arrangements are reflected in the letters I have issued to each of them.

42　　Overall, I found CJCs' progress in developing and operationalising some of their governance arrangements to be mixed. They had all put in place arrangements for statutory officers, some on an interim basis. The CJCs had also maximised the flexibility to tailor their arrangements and to use some constituent bodies' existing arrangements. In the rest of this section, I highlight some particular areas where I would expect to see further progress over the next 12 months.

43　CJCs are required to have Governance and Audit Committees (GACs), but what I found in the early summer 2023, was that not all CJC GACs had been appointed to and were meeting. South West Wales GAC had met twice.

44　Similarly, apart from South West Wales CJC, scrutiny arrangements had not all been agreed and implemented. The CJCs don't have to have a specific scrutiny committee themselves, but they have to co-operate, and provide assistance to, the scrutiny undertaken by constituent bodies or via a joint scrutiny committee.

45　The CJCs are local government bodies using public money. It is important that CJCs and the constituent bodies determine how the CJCs will be held to account. GAC and scrutiny arrangements should be providing oversight and scrutiny of the CJCs' activities and arrangements. Without this, there is a risk that the CJCs may operate in a vacuum with limited scrutiny and public transparency.

46　The statutory guidance on the CJC sets out the expectation that the CJC will set up specific sub-committees for its key functions. Three of the four CJCs had set up functional sub-committees in line with the guidance. However, at the time of my updated work in the early summer, only the Strategic Development Planning sub-committee for Mid Wales CJC had actually met. So, most of these sub-committees were not yet in operation and simply established on paper.

47　I recognise that the activities of the CJCs have been limited to date. However, I would expect to see greater progress with the CJCs' governance arrangements being put into practice to provide the necessary checks and balances in line with good governance standards over the next six to 12 months.

Clarity and progress of the CJCs' plans to deliver Welsh Government's aims and meet their statutory obligations

48　CJCs were at different stages of their planning. Some had clear ambitions to maximise particular opportunities for their regions. Others were beginning to clarify their plans. Taking account of the need to resolve the financial status issues, the CJCs had all taken a considered and pragmatic approach to their planning.

49　　CJCs were confident in their abilities to meet their economic well-being duty building on the existing work and progress of the city and growth deals. When I updated my findings in the early summer, not all CJCs intended to transfer their city/growth deals to the CJCs. South East Wales CJC had had a clear ambition from the start to lift and shift the Cardiff Capital Region city deal programme into the CJC and had developed a transition plan to support this.

50　　CJCs and city/growth deals are regional arrangements, which have similar and mutually beneficial objectives, but different funding and legal bases. So, whatever the CJCs decide, they and the city/growth deal bodies will need to determine how they can optimise resources to manage these arrangements efficiently and effectively for the benefit of their regions. Given my role is to examine how public bodies manage and spend public money, including how they achieve value in the delivery of public services, I will be keen to see how these two regional arrangements operate.

51　　I found that the CJCs' progress with delivering their strategic development planning (SDP) and regional transport planning (RTP) functions was more limited. The budgets allocated by the CJCs to support the delivery of these two functions varied considerably between the CJCs.

52　　Mid Wales CJC had determined its options for delivering its strategic development planning function, including staff resources to support this. North Wales CJC had agreed staffing structures to support both planning functions. But at the time of my updated work in May and June, progress in these areas was less developed with the other two CJCs.

53　　I appreciate that there were some delays in resolving the financial status issues and that Welsh Government had not finalised the RTP guidance. However, as I emphasise in my letters to each of the CJCs, Welsh Government had engaged with the CJCs about the strategic development and transport planning functions so the CJCs should have had some understanding of expectations. For example, Welsh Government officers shared advisory notices recommending early preparation for the strategic development plans in August 2021. There was also an event to discuss CJCs' planning functions in January 2022. The strategic development planning process, in particular, is complex and lengthy and the CJCs need to get this underway.

54　　Therefore, despite the financial status issues, I would have liked to have seen more progress with the CJCs strategic development and regional transport planning functions. I would expect to see the CJCs making further progress with these functions over the next 12 months.

55   I found that the CJCs' had made some progress to meet their public
      sector duties, but this varied across the CJCs and reflected their limited
      operation to date. Generally, CJCs had agreed arrangements to meet their
      Welsh Language and equality duties often adopting arrangements used
      by one of the constituent bodies. With the exception of South East Wales
      CJC, the CJCs had not published their child poverty action plans. Welsh
      Government's draft child poverty strategy is currently out for consultation
      so the CJCs will need to ensure their plans build on and align with this.
      Given the CJCs' potential reach and underlying aims, the CJCs will need
      to ensure these duties are actively considered in their activities and not
      just done in a tokenistic way to tick a box.

Partnership working

56   I have commented frequently on the complex partnership landscape in
      Wales so was keen to see how CJCs were exploring how they relate
      to and work with existing partnerships. To make the most of existing
      resources and to tackle challenges more collaboratively.

57   I found that most CJCs were building on their city deal/growth deal
      arrangements in some shape or form, but aside from South West Wales
      CJC, the CJCs hadn't formally determined how they can work with other
      bodies and partnerships, including making the most of the involvement
      of the National Park Authorities (NPAs). Thus, potentially missing the
      opportunity to coordinate activities and resources for the benefit of the
      region.

58   South West Wales CJC had looked beyond its statutory membership to
      help it maximise the contributions of key stakeholders in the region. It
      was positive to see that it had co-opted other bodies, such as universities
      and local health boards. It had also taken the opportunity to involve the
      National Park Authorities (NPAs) more fully in its arrangements, beyond
      the NPAs' statutory role around strategic development planning.

59   However, this wasn't the case with the other CJCs, who had largely not
      explored how they could involve the NPAs beyond their strategic planning
      role. The NPAs also have requirements around economic development.
      Given this and their geography and reach, there is a real opportunity for
      the CJCs to maximise the positive contribution that NPAs could have on
      the delivery of the CJCs' well-being objectives and functions, beyond their
      strategic development planning role.

60   It will be key for the CJCs to explore how they can engage and work
      with other bodies to make the most of resources and expertise. CJCs
      have been set up to strengthen regional collaboration and they need to
      demonstrate that they can do this. I would expect to see more progress on
      this across all the CJCs when I do my next piece of work on CJCs.

Well-being of Future Generations (Wales) Act (WFG Act)

61   Like the other named bodies under the WFG Act[2], the CJCs must set and publish well-being objectives. They must act in accordance with the sustainable development principle when setting those objectives and when taking steps to meet them. CJCs were required to set their first well-being objectives by April 2023.

62   It was concerning that during my initial work in autumn 2022, some interviewees seemed quite unaware of the CJCs' duties around the Act. But I appreciate that, at that time, the activities of the CJCs had been very limited and that setting of well-being objectives had not been seen as a priority.

63   When I updated my work in May and June, I found that two of the four CJCs (South West Wales and South East Wales) had published their well-being objectives, although only South West Wales had consulted on theirs. Mid Wales CJC had drafted theirs. North Wales CJC indicated that its well-being objectives would be influenced by the transfer of Ambition North Wales into the CJC and once it had received the final guidance on strategic development and regional transport planning from Welsh Government and appointed planning officers.

64   There was a general consensus amongst the CJCs of wanting to take a proportionate approach to the Act commensurate with their role and activities. It was positive that they had been discussing their approaches with the Future Generations Commissioner's office. Nevertheless, I would expect North Wales and Mid Wales CJCs to be progressing with setting and publishing their well-being objectives in line with legislative requirements.

65   More broadly, the CJCs have a duty to act in accordance with the sustainable development principle. That framework has the potential to add value to how they plan and deliver their work. As new entities, CJCs have the opportunity to ensure that the sustainable development principle underpins what they do and how they do it from the outset.

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2   The Well-being of Future Generations Act provides for a shared purpose through seven well-being goals for Wales. These well-being goals are indivisible from each other and explain what is meant by the wellbeing of Wales. Further information about these goals is available in the Well-Being of Future Generations (Wales) Act 2015 Essentials Guide

66 As the CJCs take forward their plans and start to make decisions about their regions, I would expect CJCs to be able to demonstrate that they are putting the sustainable development at the heart of their activities. It would be a significant missed opportunity if they do not do this. It would also raise questions about the extent to which they have proper value for money arrangements given the five ways of working are integral to these arrangements. I will be undertaking examinations of the extent to which they have applied the sustainable development principle in future years, as required by the Act. So, I will be keen to see how the CJCs have embraced this opportunity.

67 My team has developed some positive indicators which provide an illustrative set of characteristics of what good looks like when organisations act in accordance with the sustainable development principle. The constituent bodies will be familiar with these, and it will be useful for the CJCs to draw on these as they deliver their well-being objectives.

◀ Recommendations

68   My recommendations below set out where I would expect to see the CJCs' making further progress over the next 12-18 months in line with those areas raised in this report. Some of these will be more relevant to some CJCs than others so the CJCs will also need to reflect on the points raised in my individual letters. However, the main thrust of this report is that I would expect to see the CJCs further advanced more generally when I do my next piece of work on the CJCs.

Recommendations

Governance arrangements

R1   The four CJCs should ensure that their governance arrangements are up and running and are effectively providing the necessary checks and balances to support robust and transparent decision-making and effective scrutiny.

Strategic development planning and regional transport planning

R2   The four CJCs should ensure that they take action to further progress with these functions over the next 12 months in order to facilitate an integrated, efficient and consistent approach to strategic planning in line with Welsh Government's aims.

Public sector duties

R3   The CJCs need to ensure that they meet their public sector duties where they haven't already done so. For example, to publish child poverty action plans and bio-diversity reports. But more significantly, the CJCs need to ensure they actively take account of these duties in their decision-making and activities.

Recommendations

Partnership working and National Park Authorities

R4   Whilst South West Wales CJC has co-opted different organisations and the NPAs into its arrangements, the other CJCs need to determine more fully how they can engage and work with other bodies to make the most of resources and expertise. This includes exploring how they can maximise the involvement of the NPAs beyond their statutory strategic development planning role.

Well-being of Future Generation (Wales) Act 2015

R5   North Wales and Mid Wales CJCs should ensure that they progress with developing their well-being objectives in line with requirements. More broadly, the four CJCs should ensure they effectively apply the sustainable development principle, so they are well placed to improve the well-being of the populations they serve and can demonstrate that they have proper value for money arrangements.

Archwilio Cymru
Audit Wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Archwilio Cymru
Audit Wales

'A missed opportunity' – Social Enterprises

Report of the Auditor General for Wales

December 2022
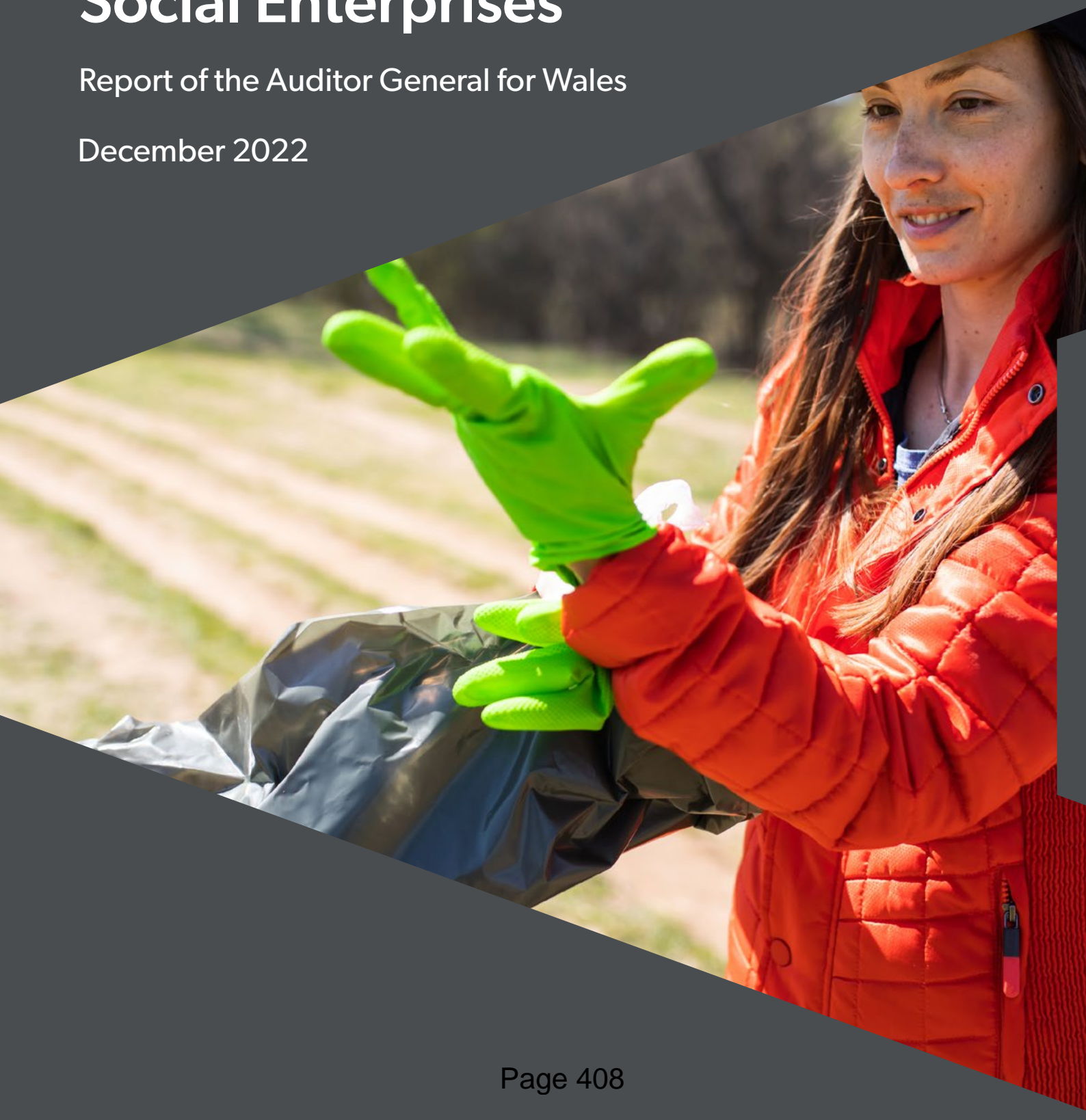
This report has been prepared for presentation to the Senedd under the Public Audit (Wales) Act 2004.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Context

1   As organisations, Social Enterprises sit between the public and private sectors. They apply commercial strategies to maximise improvements in financial, social and environmental well-being, often for individual groups in society, defined communities or geographical areas. In particular, Social Enterprises can benefit disadvantaged communities; create wealth where money is scarce; and help to tackle poverty and need. The structure of Social Enterprises vary and include partnerships for-profit or non-profit, co-operatives, mutual organisations, social businesses, community interest companies and charities.

2   Social enterprise can therefore work in every sector of the Welsh economy and in all parts of the country and are increasingly prominent in Welsh Parliament legislation. Section 16 of the Social Services and Well-being (Wales) Act 2014 places a duty on local authorities to 'promote development of Social Enterprises to provide care and support and preventative services'. Likewise, the ethos and approach of Social Enterprises fits well with the Wellbeing of Future Generations Act 2015. Social enterprises can make a significant contribution to delivering the seven national wellbeing goals by helping to create a fairer and more equal country.

3   Importantly, because Social Enterprises focus on keeping wealth within communities, they can assist people who are in poverty by:

   • directly helping people in disadvantaged communities by providing services that would otherwise not be available;

   • supplying basic public benefits such as social, educational, health and general economic interest services to local communities, including to people who are unable to pay;

   • creating new employment opportunities as a result of the services they supply;

   • contributing to the economic development of deprived communities; and

   • targeting their work to help disadvantaged people, including vulnerable women, people with disabilities and ethnic minority groups.

4   This report therefore looks at how local authorities are working to grow and make the most of Social Enterprises ensuring social value and social capital stay in communities and help people who are struggling. This is also the second report of our three reviews on the challenge of alleviating and tackling poverty in Wales. **Appendix 1** sets out our audit approach and methods and includes more information on our poverty themed work.

Key findings

5   Our overall conclusion is that local authorities are not effectively working with Social Enterprises to maximise their impact, make better use of resources and improve services for people and communities.

6   In **Part 1** of the report, we consider the strategic approach of local authorities to working with Social Enterprises. While they claim they value Social Enterprises, few local authorities have mapped their activity. Less than a third of local authorities consider themselves to have a proactive and supportive relationship with Social Enterprises and none have a dedicated strategy or policy that charts how they intend to promote and grow the sector.

7   We also found that most local authorities have adopted a passive leadership role, often responding to Social Enterprises that approach them but not proactively seeking to work with Social Enterprises or help stimulate new ones. This leadership vacuum has resulted in Social Enterprises often being at the fringes of local authority business. An overly reactive approach and variable support arrangements also means that local authorities are missing out on the potential for Social Enterprises to help deliver services that can improve people's quality of life.

8   In **Part 2** we consider the mechanisms local authorities have in place to ensure they maximise the potential value for money of Social Enterprises. While most local authorities provide grants for businesses and the third sector, they are not using them to specifically support Social Enterprises. Current procurement and commissioning arrangements often unintentionally discourage Social Enterprises to engage. Overly bureaucratic approaches and a lack of capacity and resources within local government also limits the potential to grow the role of Social Enterprises in delivering services. Social value – the added value that commissioning processes can deliver – does not feature as a key driver for many local authorities.

9   Finally, in **Part 3** we examine evaluation and impact arrangements. We found that most local authorities are not delivering their responsibilities under the Social Services and Wellbeing (Wales) Act 2014 and effectively promoting Social Enterprises. No Director of Social Services Annual Report sets out how their authority is delivering the Section 16 duty and the majority of reports make little reference to Social Enterprises. Positively, a number of authorities are working to develop micro social enterprise businesses and Regional Partnership Boards have a growing role to drive positive change. Taken together, these represent good opportunities for the future. Despite this, over three-quarters of local authorities do not have robust performance management, reporting and evaluation systems in place to be able to judge the impact and value of the work of Social Enterprises.

> Social Enterprises play an important role in meeting needs and helping people in communities across Wales. Local authorities could do more to maximise the impact of Social Enterprises, get better value for money from their work, and improve services for people and communities.

Adrian Crompton
Auditor General for Wales

◀ **Key facts**

The Value of Social Enterprises

- In 2021 the UK had over **100,000 Social Enterprises**, worth a combined **£60 billion** to the UK economy employing 2 million people.

- The Social Enterprise sector in Wales in 2020 – up to **2,309** businesses employing **56,000** people and generating **£3.1 – £3.8 billion** in value.

- In Scotland in 2019 there were estimated to be **6,025** Social Enterprise businesses, with **88,318** staff and a net worth of **£6.1 billion**.

- Between 2018 and 2020 the Social Enterprise sector in Wales increased by **12%** rising from **1,601** organisations in 2016 to **2,247** in 2020.

- In Scotland Social Enterprises increased by **15.9%** between 2015 and 2019 rising from **5,199** to **6,025** in this period.

The size and turnover of the sector in Wales

- **5%** of Welsh Social Enterprises are medium sized to large (i.e. have at least 50 employees), far above the equivalent for all businesses within the Welsh economy (only **1%**).

- **32%** of Social Enterprises surveyed had no paid staff at all, whilst a further **9%** only had one.

- In 2020 the mean average turnover level was **£1.25 million**, of which:

  - **43%** have a turnover of between **£0** and **£50,000**;

  - **34%** turnover between **£50,001** and **£250,000**;

  - **14%** turnover of between **£250,001** and **£1 million**;

  - **6%** turnover of between **£1.01 million** and **£5 million**; and

  - **4%** over **£5 million**.

Source: Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021; Social Enterprise UK, No Going Back – State of the Social Enterprise Survey 2021; and CEIS, Social Enterprise in Scotland – Census 2019.

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◀ Recommendations

10   Our recommendations are set out below. We expect each council to consider the findings of this review and our recommendations, and that its governance and audit committee receives this report and monitors its response to our recommendations in a timely way.

Recommendations

R1   To get the best from their work with and funding of Social Enterprises, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authority officers use the checklist in **Appendix 2** to:

- self-evaluate current Social Enterprise engagement, management, performance and practice;

- identify opportunities to improve joint working; and

- jointly draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified through the self-evaluation.

R2   To drive improvement we recommend that the local authority:

- formally approve the completed Action Plan;

- regularly report, monitor and evaluate performance at relevant scrutiny committees; and

- revise actions and targets in light of the authority's evaluation and assessment of its performance.

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Recommendations

R3   To ensure the local authority delivers its S.16 responsibilities to promote Social Enterprises we recommend that it reports on current activity and future priorities following the evaluation of its Action Plan including the Annual Report of the Director of Social Services.

Social Enterprises can provide important services, but most local authorities lack a coherent strategy and are not working collaboratively to help support their growth and development

01

1.1　In this section of the report, we consider the strategic approach of local authorities to working with Social Enterprises. We review local authority plans, the range of information used to identify and prioritise action and arrangements to support the development of Social Enterprises. We also consider how well local authorities and Social Enterprises work together.

While they claim they value Social Enterprises, few local authorities have mapped their activity or planned how they will collaborate with them to maximise their impact

Local authorities have not mapped out the social enterprise sector in their area

1.2　In order to maximise impact, it is essential that local authorities have a full and detailed knowledge of the services Social Enterprises provide. Unless you know who works in your area, what services they provide and what opportunities they offer, it is difficult to develop a coherent strategic response. In this context, mapping is critical for local authorities to understand the contribution that Social Enterprises are making and the barriers they face to growing their role and enhancing their value in communities.

1.3　We found that very few local authorities have completed any formal mapping exercise to either understand the current role and contribution of Social Enterprises in their area or to identify opportunities for the future. While some noted that they have databases of Social Enterprises, these are out of date, mostly as a result of the pandemic.

1.4　Generally, those local authorities that have dedicated staff with a responsibility for working with the social enterprise sector, or business support staff in economic development, had a better understanding of the local situation and could describe relative strengths, weaknesses and opportunities. However, even in these circumstances, officers acknowledged that there were still gaps in their understanding and their intelligence was not sufficient to drive future strategic choices and priorities.

1.5   **Exhibit 1** below shows that the social enterprise sector in Wales is
       primarily community-based with most organisations operating in only one
       local authority area. This is markedly different to England where Social
       Enterprises are more likely to work across several local authority areas
       and often operate regionally, nationally and internationally. For instance,
       in 2021 only 23% of Social Enterprises in England[1] work in one local
       authority.

Exhibit 1 – number of Welsh local authorities Social Enterprises operate in

Just over 60% of Welsh Social Enterprises work in one local authority area and
less than a quarter in six or more local authorities

Number of local authorities	2016	2018	2020
One	62%	59%	61%
Two	7%	7%	7%
Three	8%	7%	7%
Four	3%	3%	2%
Five	2%	3%	2%
Six to fifteen	6%	4%	4%
Sixteen to twenty-two	12%	15%	18%

Source: Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census,
June 2021

1.6   Given that Social Enterprises in Wales are primarily community based,
       often concentrated in areas of deprivation[2], it is important that local
       authorities undertake a wider mapping exercise to better understand
       the sector and the opportunities they present and use this information to
       inform their future plans. If authorities do not have a good understanding
       of the sector then it will be difficult for them identify opportunities to work
       collaboratively and agree actions to promote and grow Social Enterprises.

1   Social Enterprises UK, No Going Back: State of Social Enterprise Report 2021
2   Research by Social Business Wales found that 45% of social businesses operate in the top
    40% most deprived areas in Wales, and only 30% operate in the 40% least deprived areas.

Local authorities speak about the value of Social Enterprises but are not always translating this into action

1.7   A strategic approach to working with Social Enterprises will ensure the local authority as a whole understands what Social Enterprises offer and will set out how the local authority is seeking to maximise the benefits of working with Social Enterprises. Moreover, given Social Enterprises contribute to the enhancement of social cohesion, to the accumulation of social capital, and to a more equitable economic development at the community level, they are bodies with a strong poverty reduction focus. A small number of local authorities recognise that Social Enterprises could therefore be an inherently more sustainable method of delivering services given their deep-rooted work in communities and often strong preventive focus.

1.8   Research by Social Business Wales shows that Social Enterprises are particularly strong in areas that either complement the work of local government or where the role and work of local authorities has diminished in recent years. For instance, **Exhibit 2** shows a strong presence in community-based arts, leisure, recreation and youth work and important contributions in social care, health and education.

Exhibit 2 – proportion of Social Enterprises working in different sectors

Social Enterprises cut across a wide range of operational sectors but are primarily based in arts and recreation, community centres/groups, education, and health and care

Sector	Proportion 2018	Proportion 2020[3]
Arts, entertainment, recreation & other services	22%	26%
Community Centre / Social Space / Youth Club	8%	20%
Education	14%	10%
Health & Care	19%	9%
Business administration & support services	4%	6%
Other	9%	6%
Accommodation & food services	3%	6%
Agriculture, forestry & fishing	0%	3%
Information & communication	2%	3%
Retail	5%	3%
Property	6%	3%
Transport & storage	1%	2%
Professional, scientific & technical	6%	2%

Source: Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021

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3   The report suggests that due to the method of data collection (surveys), organisations which were more likely to close their doors (such as community spaces) are easier to contact and more likely to respond than healthcare organisations who are under heavy strain due to COVID-19.

1.9   Local authorities told us that they appreciate the good qualities of Social Enterprises and their potential, whether they provide services commissioned from the local authority or are merely active at a community level in the local area. However, we found that no local authority has a dedicated Social Enterprise strategy. And, while 10 of the 21 local authorities responding to our survey[4] stated that they have a wider policy, strategy and/or plan that identifies the contribution of Social Enterprises, our review of these plans found that they are mostly limited, lacking detail on future priorities and opportunities for both local authorities and the sector.

1.10 For instance, none of the documents we reviewed set out a vision for Social Enterprises nor the potential outcomes that Social Enterprises can deliver for local authorities, residents and communities. A robust analysis of need was mostly missing from the Plans we reviewed and Social Enterprises did not receive more than a passing mention in any local authority's COVID-19 Recovery Strategy. As a consequence, priorities and actions for improvement are unambitious and limited, often overlooking added social value and social capital outcomes that Social Enterprises can secure. Our survey of local authority officers also found that only seven of the 21 authorities responding proactively engage with Social Enterprises in developing future plans and activity. Consequently, the significant benefits of working with Social Enterprises are less pronounced and often not shaping local authorities' priorities.

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4   We surveyed all local authorities and received responses from 21 of the 22. Newport City Council did not respond to our survey.

Local authorities are not harnessing the potential of Social Enterprises to help deliver improved services, and a better quality of life for people

1.11 Successful Social Enterprises can have a good grasp of local need, work within strong local networks and have legitimacy as a voice for the community. They are, therefore, well placed to deliver services efficiently and innovatively. It is important therefore that local authorities help communities to identify needs, opportunities and proactively work with the sector to deliver the services people want. The growth and sustainability of Social Enterprises is therefore increasingly dependent on the opportunity and capacity for collaboration.

Effective local authority leadership on Social Enterprises is mostly absent

1.12 Leadership of the social enterprise agenda often rests with a handful of individuals in economic development or social care, but too often those managing these relationships are service managers and often not senior enough to direct resources, policies and decisions. For example, our survey of local authority officers found that only three of the 21 local authorities responding to our survey have a lead member for Social Enterprises and only six a lead officer.

1.13 We also found that most local authorities have adopted a passive leadership role, often responding to Social Enterprises that approach them rather than proactively seeking to work with existing Social Enterprises and help stimulate new ones. This is partly a reflection of some seeing Social Enterprises as 'risky,' citing issues with governance, handling of money, and legitimacy as areas of concern. Irrespective, this leadership vacuum is not helping to bring Social Enterprises from the fringes of local authority business to play a more central role.

1.14 More than half of the local authority officers we interviewed acknowledged that there was much more they could and should do to lead on this agenda, recognising that without an investment in senior leaders time, the local authority is unlikely to be successful in attracting new businesses and entrepreneurs to commit resources. Because leadership is generally poor, local authorities do not have a common understanding of how they want to work with Social Enterprises, which means that Social Enterprises cannot play a more active role in tackling poverty and disadvantage.

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1.15 A number of local authorities in England[5] have sought to create a more cohesive leadership approach by raising awareness to improve understanding. For instance:

    a hosting a social enterprise day within the local authority;

    b putting on workshops for councillors and senior managers;

    c ensuring senior management teams take responsibility for communicating their vision for Social Enterprises;

    d setting targets for growth of the social enterprise sector; and

    e developing activities to celebrate and promote social enterprise.

1.16 Good and effective leadership is therefore critical to support the Social Enterprise agenda's movement to the mainstream. Particularly as there is significant 'churn' in the Social Enterprise market which is mostly happening outside of any engagement with or support from local authorities. Research shows that the social business sector in Wales is very dynamic, comprising a core group of well-established organisations but also a growing group of start-ups.

1.17 For instance, in 2020 just under a fifth of Social Enterprises (17%) started trading within the last two years[6] and double the number of start-ups in 2016. Start-up activity is particularly concentrated in Northeast Wales — Denbighshire and Wrexham account for 15% of all start-ups. With such a vibrant and ever-changing sector, it is important that local authorities take a more proactive and less passive approach in working with Social Enterprises if they are to maximise their potential and help support businesses that are struggling.

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5 For example, Northumberland County Council raised awareness of the work conducted by social enterprises through information stalls aimed at staff, a social enterprise day and senior manager workshops to enhance understanding of the role and vision for the social enterprise sector. The local authority is also looking to create a cross-party member task group to consider how the local authority can support social enterprise. The task group will also champion social enterprise as a concept and promote a joint vision.

6 Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021

While there are good examples of how some local authorities effectively collaborate with Social Enterprise, most authorities are not effectively promoting opportunities to widen their role and maximise their impact

1.18   Collaboration between local authorities and the Social Enterprise sector can provide greater opportunities for all parties. It can also increase understanding by sharing knowledge. Just over half of local authorities have partnership boards or forums, usually with the third sector, which involve Social Enterprises, and a smaller number the presence of a sector led local Social Enterprise network. For example, the Blaenau Gwent 'voluntary sector group' brings together many partners, including Social Enterprises, and works with Transport for Wales, Jobcentre Plus, and others to prioritise future work, including opportunities to work with Social Enterprises, in the county.

1.19   In addition, a small number of local authorities have officers with specific responsibility for engaging with and developing relationships with Social Enterprises. For instance, the Business Enterprise Officer in Wrexham is the local authority's key contact with the local Social Enterprise Network. Generally, authorities with a better understanding of the barriers facing Social Enterprises are in a better place to work with the sector going forward.

1.20   The ways in which local authorities in Wales work with Social Enterprises to deliver services vary considerably. A small number of authorities have created and funded their own Social Enterprises. For example, in Torfaen, Circulate operates a recycling centre, providing recycling and waste disposal services which in turn help achieve the local authority's environmental sustainability goals. In the Vale of Glamorgan, the Big Fresh Catering Company is a social enterprise which provides food services to schools, businesses and private events, investing all profits into local schools. Other local authorities have externalised local authority services such as leisure services and libraries and transferred delivery responsibility to Social Enterprises with a proven record in delivering these activities.

1.21   In addition, officers we interviewed flagged the important role of Social Enterprises and the third sector more generally during the pandemic. Social Enterprises 'stepped up' to fill gaps in provision following the closure of frontline offices. One officer noted that 'Social Enterprises did amazing work during COVID-19, giving out food and making PPE. They deserve recognition. They stepped up to the plate at a time when some charities had to furlough all their staff!'

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1.22 A number of local authority officers however, reflected that the pandemic had limited opportunities for involving Social Enterprises in the work of the local authority. While others noted that Social Enterprises 'value their independence' and do not respond well to local authority involvement. National organisations like CWMPAS and Social Business Wales are seen by some local authority officers as being better placed to work with the sector and determine future growth strategies. In addition, County Voluntary Councils also play an important support and development role linking between local authorities and Social Enterprises.

1.23 While almost all local authorities signpost to information on Social Enterprises on their website, only six local authorities had a dedicated page for Social Enterprises, and a small number had no information on Social Enterprises at all. Overall, we judge the quality and level of website information on Social Enterprises as limited. Too often information is not easy to find and is more than '3 clicks' away[7]. Local authorities are mostly not actively promoting opportunities to work with existing Social Enterprises nor effectively encouraging the creation of new ones.

1.24 The best local authority websites include:

   a a clear definition of what a Social Enterprise is;

   b have links to a wide variety of organisations to access further and more detailed information, particularly on legal issues, such as Social Business Wales, CWMPAS, Social Enterprise UK or the WCVA; and

   c provide contact details and information on local support programmes and grants administered by the local authority.

1.25 The findings of our officer survey set out in Exhibit 3 show that beyond working with forums or networks which include Social Enterprises as members, local authorities are not using all the available avenues to deliver their responsibilities to promote Social Enterprises.

7   The three-click rule is an unofficial web design rule concerning the design of website navigation. It suggests that a user of a website should be able to find any information with no more than three mouse clicks. It is based on the belief that users of a site will become frustrated and often leave if they cannot find the information within the three clicks.

Exhibit 3 – local authority officer survey - Options used by local authorities to promote the growth of Social Enterprises

Local authorities are not effectively promoting opportunities to enhance the Social Enterprise sector which weakens their ability to deliver their statutory responsibilities
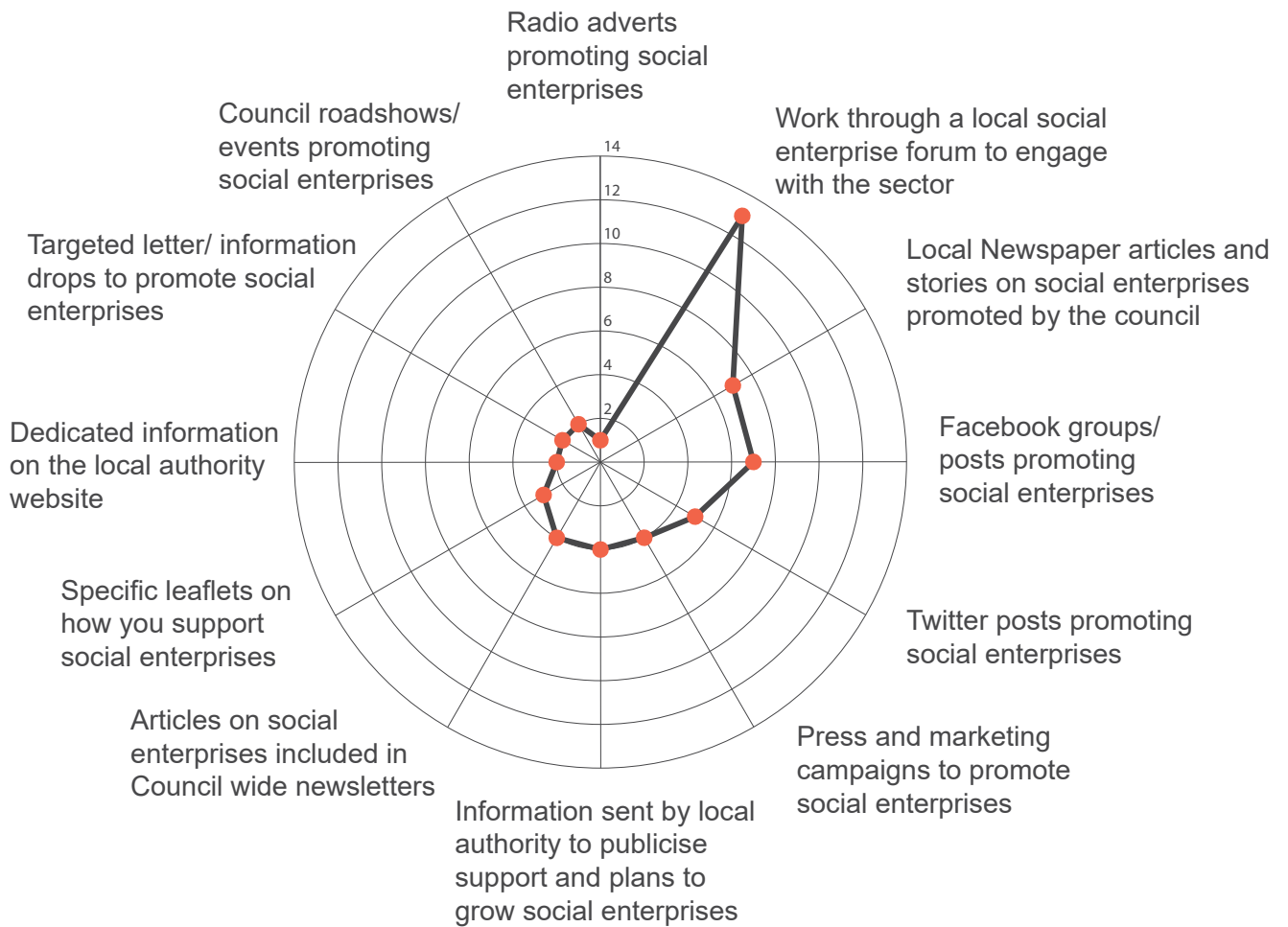
Source: Audit Wales, Survey of Local authority Officers, January – May 2022

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1.26 A small number of local authority officers identified raising awareness as an area for improvement. For example, one noted that 'It should be [part of our role], but we don't do much of that, due to not having a formal strategy. We don't really report our impact either.' And some local authorities have sought to encourage Social Enterprises to work collectively in order to bid for larger contracts or encourage them to move into areas of activity that better align with local authority grants and funding programmes.

1.27 However, other local authorities noted that while they would support emerging Social Enterprises, they would not necessarily 'push' them as a preferred option. One officer noted that they were 'a bit cautious about foisting a specific model or approach on people.' This passive approach to engagement and involvement with Social Enterprises is not supporting local authorities to make best use of the sector and we conclude that there is much more to do.

Local authorities do not have the right mechanisms in place to maximise value for money from their work with Social Enterprises

02

2.1   In this section of the report, we consider how local authorities are working to exploit the potential value of Social Enterprises. We consider the effectiveness of procurement and commissioning approaches and whether they are delivering value for money and adding social value for people.

Procurement and commissioning arrangements do not encourage Social Enterprises to pursue public funding. Local authorities do not have sufficient capacity and resources to grow the sector

2.2   **Exhibit 4** shows that roughly two-thirds of Social Enterprises generate income through trade with the general public and just under half from public sector grants. These are predominantly from Welsh Government and/or grant-making trusts rather than local authorities and in 2020 mostly related to the financial support made available to help businesses through the pandemic. With regards to bidding for and delivering commissioned services the data highlights that there has been a slight drop in trade with the public sector between 2018 and 2020, indicating the significant untapped potential of Social Enterprises for local authorities.

Exhibit 4 – where Social Enterprises in Wales get their money from in 2016, 2018 and 2020

Trading with the general public remains the main source of income for Social Enterprises although public sector grants are growing in importance

Sources of income	2016	2018	2020
Trading with the general public	57%	63%	64%
Public sector Grants	39%	49%	49%
Other grants	39%	44%	42%
Trading with the public sector	23%	40%	32%
Donations	24%	33%	33%
Trading with third sector organisations	15%	32%	25%
Trading with the private sector	17%	29%	25%
Trading with other Social Enterprises	8%	22%	17%

Source: Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021

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2.3   Analysis by Social Business Wales highlights that while 32% of Social
       Enterprises currently trade with the public sector, most businesses (61%)
       do not tender for public sector work and just under a third (31%) consider
       their inability to access funding from local authorities and other public
       sector bodies as a barrier to their sustainability and growth[8]. This research
       also noted more generally that local authority funding of Social Enterprises
       has significantly reduced since 2014, in part because of a greater reliance
       on trade with the general public but also because of difficulties in working
       under public bodies commissioning and procurement rules[9]. In addition,
       the findings of the CWMPAS 'Buy Social Buy Local project' – which was
       set up to identify public sector spend that Social Enterprises could secure
       – found that too often the sector in Wales is not geared up to work with
       public bodies.

2.4   Local authorities are under continuous pressure to deliver public services
       with limited budgets and resources. Combined with rising expectations
       from service users and growing demand for many statutory services,
       local authorities need to ensure they make every £1 count through their
       procurement and commissioning processes.

2.5   Local authorities have a strong record in local economic development
       work, promoting growth and, in particular, providing help for small and
       medium size businesses. Over half of the local authority officers we
       interviewed however, did not differentiate between their wider economic
       development work and the specific opportunities Social Enterprises
       present, seeing Social Enterprises as one option among many locally. And,
       while most local authorities provide financial assistance to businesses and
       the third sector, these grants are for businesses in general, with no specific
       focus on growing Social Enterprises. Some local authorities noted that
       their procurement and commissioning approaches sought to create a 'level
       playing field' and did not favour one group of organisations over others.

8   Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census,
    June 2021
9   https://wales.coop/wp-content/uploads/2019/06/SBW-Full-Mapping-Report-English.pdf

2.6   Notwithstanding, authority officers responding to our survey also identified various barriers to Social Enterprises benefitting from local authority procurement and commissioning opportunities. These include:

a   'onerous' and 'not proportionate' procurement rules that discourage smaller businesses;

b   processes focusing too much on profit and savings and not enough on social value, community resilience and well-being, all areas where Social Enterprises can add value;

c   Social Enterprises not operating in the appropriate sector, or not offering all the services required;

d   a preference for local authorities to go to existing providers and 'work with what we know' rather than pushing the boundaries and actively seeking to develop new opportunities; and

e   limited capacity, skills and resources in local authorities which reduces opportunity to broaden the contractor base and specifically target Social Enterprises.

2.7   However, despite these weaknesses we also found that most local authorities are not resourcing work to promote Social Enterprises. For example, our survey of local authorities found that only two of the 21 responding to us have a dedicated budget to support the growth of Social Enterprises. Social Enterprise UK recognise four of the seven local authorities – Conwy, Flintshire, Gwynedd and Wrexham – as 'Social Enterprise Places' – areas where social business activity is thriving and there is commitment to invest in and work with the sector.[10]

2.8   A number of interviewees also noted the impact of the loss of the EU funded Southeast Wales Community Economic Development (SEWCED) program, a £13.5 million programme delivered in six authorities (Bridgend, Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen) that funded work on developing Social Enterprises. The SEWCED program ended in 2015 and, despite its success, has ended. Officers from the six authorities who delivered the SEWCED initiative felt the loss of EU funding stopped them from working collaboratively to grow the social business sector. **Appendix 5** provides further information on this project.

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10 There are 33 recognised social enterprise places in the UK of which four are in Wales.

Social value does not feature as a key driver in local authority commissioning

2.9   There is no single definition of social value, however Social Enterprise UK has defined social value in the context of procurement as 'the additional benefit to the community of a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes.' For local authorities who are commissioning services it is important to consider and measure this social value from the perspective of those affected by the organisation's work. By capturing in a monetised form the value of a wide range of outcomes, commissioners are then able to broadly identify how much social value they can get for every £1 of investment. The social value model of delivery is therefore a framework that supports a collaborative re-design of services in every area of activity.[11]

2.10 Our local authority officer survey found that of the 21 who responded, nine authorities specifically consider social value when scoring tenders for services, nine do not and three did not know. Of the nine local authorities who do consider social value, five said the level of weighting varies across tenders but four did not know.

2.11 Recent research published by Welsh Government echoes these conclusions noting that because local authorities are under resourced, procurement and commissioning teams often lack the skills and capacity to realise the benefits of social value[12]. Current approaches, which focus too much on cost, are leading to less sustainable models of delivery because too often the only area where organisations can reduce price is by squeezing pay and/or staff terms and conditions.

2.12 Notwithstanding, our review of local authorities' procurement strategies identified some good approaches to widening impact and enhancing social value. For example, Caerphilly's Procurement Strategy includes an option to use 'Social/Community Benefit Clauses' in contracts. Flintshire has also introduced a 'Dynamic Purchasing System,' allowing smaller businesses to fulfil small parts of larger orders, rather than going to a single large supplier. This can also encourage existing businesses to establish social enterprise arms. Flintshire and Rhondda Cynon Taf, have also created 'Social Value Development Officer' (or similar), a dedicated role that specialises in scrutinising tenders and budgets and identifies and promotes opportunities to maximise social value.

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11 cwmpas.coop/wp-content/uploads/2022/04/3.2.9.-supporting-care-commissioners-and-procurers-to-promote-social-value-models-of-delivery-2020-ENG.pdf

12 CWMPAS, For economic and social change: Welsh Government Social value review - Summary Report, June 2022.

2.13 A number of authorities use the Welsh Local Government Associations (WLGA) Themes, Outcomes and Measures[13] (TOMS) metrics which provide a social value weighting for analysing and scoring tenders. For example, Flintshire told us 'We will likely lean on our TOMS, to measure success, as these are pre-made and standard across the social enterprise sector and the local authority.' Flintshire's TOMs, which relate to their corporate priorities and well-being objectives, allow the Council to use its commissioning procurement activities to generate strategic place-based outcomes in line with local community needs. Similarly, Rhondda Cynon Taf similarly noted that 'we use the TOMS system as they are national and include an underlying social value element. It's considered when we look at their business plan.' However, several local authorities noted that from their experience TOMS did not provide a helpful or workable solution for social care commissioning.

2.14 The majority of local authorities would also consider it their responsibility to 'step in' to support a struggling Social Enterprise if they had commissioned services from the organisation. However, given the limited amount of commissioning taking place and a natural reluctance to bail out organisations that are struggling, most would not seek to support them financially or otherwise, considering this too risky and uncertain.

2.15 Given limitations in how authorities are promoting social value in commissioning and procurement, Welsh Government have recently reappointed CWMPAS to support the needed transformation of services within the social care sector, by pushing forward the development of social value models for care. CWMPAS has announced its intention to 'help strengthen regional arrangements for rebalancing the social care market by introducing more co-operatives, Social Enterprises and social value delivery models in the Welsh social care sector'[14]. In addition, a sub-group of the National Commissioning Board is also producing a guide for social value in social care commissioning. While still in draft, it notes that to make procurement work more effectively commissioners need to think differently with a greater focus on place, people and use of assets.

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13 Published in November 2020, Themes, Outcomes and Measures guidance is in three parts with Part 1 providing an overview of the approach.

14www.wales247.co.uk/welsh-government-appoints-cwmpas-to-transform-social-care-delivery-across-wales

Local authorities are not delivering their responsibilities under the Social Services and Well-Being (Wales) Act and weaknesses in data and evaluation limits their ability to promote Social Enterprises

03

3.1 In this final section of the report, we examine how local authorities are delivering their responsibilities under the Social Services and Wellbeing (Wales) Act 2014. We also assess the strength of oversight arrangements and whether they allow authorities to fully evaluate the work of Social Enterprises, their impact and identify opportunities for the future.

The majority of local authorities are not delivering their responsibilities under the Social Services and Well-Being (Wales) Act to promote Social Enterprises

3.2 Section 16 of the Social Services and Well-being (Wales) Act 2014 (the 'Act') places a duty on local authorities to 'promote development of Social Enterprises to provide care and support and preventative services'. Social enterprises themselves are well-placed to collaborate with local authorities to deliver social care services. Research by Social Business Wales[15] found that:

a 54% of Social Enterprises are aware of the 'Act';

b 21% reported that the 'Act' is central to the work that they undertake;

c 19% incorporated the requirements of the 'Act' into their governance and policy documents;

d 9% of Social Enterprises are legally obliged to adhere to the 'Act';

e 9% explained that the 'Act' formed part of their safeguarding policies;

f 8% reported that the 'Act' informed their staff-training programme; and

g 7% use the 'Act' for lobbying and marketing purposes.

3.3 We found that relatively few local authority officers we spoke to were aware of their legal duty to champion the use of Social Enterprises and very few could set out how they are working to grow the sector and deliver their Section 16 responsibilities. The imprecise language in the Act is unhelpful in this context; specifically, the word 'promote.' In practice local authorities interpret their responsibilities to 'promote' very widely. A number of authorities simply focus their efforts on working with existing Social Enterprises with little active promotion to encourage others and help create new ones. Few authorities are investing time and resources in refreshing policies and procurement procedures to build capacity and provide more opportunities to existing Social Enterprises, as well as helping to stimulate new ones.

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15 Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021.

3.4   Recent research echo these findings noting that there has not been a major shift by local authorities commissioning to provide more social care services through Social Enterprises, and the private sector is still the dominant partner[16]. Third sector partners we interviewed and surveyed likewise noted that since the Act went live in 2016, there has been little change in how local authorities work with and encourage Social Enterprises. Consequently, Welsh Government legislative ambitions are not being delivered.

3.5   One opportunity to deliver this change is through the new Social Value Forums created under each Regional Partnership Board[17] which are intended to support the growth of the social value sector within the health and social care market. While these forums have varying degrees of support from statutory partners and commissioners, they do provide a good opportunity to engage with the sector, County Voluntary Councils and others within a region to identify opportunities for investment and growth. The 20% allocation of the Regional Integration Fund[18] for the social value sector, managed via Regional Partnership Boards provides a real opportunity for working with Social Enterprises to invest in new ways of delivering services.

3.6   In addition, there is an expectation from Welsh Government that each Regional Partnership Board creates a Social Value Forum to explicitly deliver the S.16 responsibilities. For instance, the North Wales Social Care and Well-being Improvement Collaborative[19] have created a Social Value Forum to explore how to promote social value in public services in the region. The Regional Market Stability Reports[20] – recently completed by local authorities through the Regional Partnership Boards – also provide a wealth of information on the scale and stability of the social value market within health and social care and will support the work of Social Value Forums.

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16 gov.wales/sites/default/files/publications/2022-07/social-value-review-summary-report.pdf

17 In April 2016, seven statutory regional partnerships came into being. Their purpose is to drive the strategic regional delivery of social services in close collaboration with health.

18 The Health and Social Care Regional Integration Fund is a 5-year fund from April 2022 to March 2027.

19 The North Wales Social Care and Well-being Improvement Collaborative includes the six local authorities in North Wales, Betsi Cadwaladr University Health Board and other partners. The aim is to improve services, make the most of the resources available, reduce duplication and make services more consistent across North Wales.

20 Market Stability Reports review the sufficiency of care and support in an area to provide a snapshot of the sector to help plan and shape services, including care for the future.

3.7   A number of local authorities such as Rhondda Cynon Taf and
       Pembrokeshire are already using (or are in the process of creating)
       micro-enterprises. Micro-enterprises are small business delivering
       independent care or support services which employ fewer than 10 people.
       They are an alternative to often expensive day care services. Due to the
       current staffing pressures in social services, Micro-Enterprises offer a
       more sustainable solution as well as delivering better outcomes.

3.8   The Act also introduced a requirement for each Director of Social Services
       to produce an annual report that sets out the local authority's improvement
       journey in providing services to people in its area [21]. Guidance for the
       annual reports requires local authorities to report their performance against
       six quality standards. Standard one – 'Working with people to define and
       co-produce personal well-being outcomes that people wish to achieve' –
       specifically covers the promotion of Social Enterprises.

3.9   Our review of all Reports of the Director of Social Services found that only
       eight reports referenced the use of micro-enterprises and a further three
       mentioned Social Enterprises in some capacity, whether highlighting the
       work of a specific social enterprise in the area or a service commissioned
       from a social business. The other 11 reports did not mention Social
       Enterprises and only expressed in general terms the value of working
       with the third sector. We also found that no report specifically named the
       Section 16 duty, though several did include statements acknowledging that
       the 'Act' requires co-production or partnership working with the third sector.
       Overall, we conclude that there is more for local authorities to do in their
       public reporting on how they are promoting Social Enterprises.

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21 Welsh Government and ADDS Cymru, The Local Authority Annual Social Services Reports
   Guidance

There is minimal oversight and evaluation of Social Enterprises by local authorities

3.10 Social Enterprises play an important role in meeting need and helping people in communities across Wales. For instance, the findings of Social Business Wales Census in 2020, set out in **Exhibit 5**, show that improving local communities and improving the wellbeing of the people are key objectives for over half of all Social Enterprises.

Exhibit 5 – the priority areas for the work of Social Enterprises in Wales

Social Enterprises are widening out the focus of their work and increasingly delivering activity to benefit the most vulnerable people in communities across Wales

Social Enterprises social and/or environmental objectives	2016	2018	2020
Improving a particular community	64%	57%	66%
Improving health and well-being	39%	45%	52%
Supporting vulnerable people	35%	46%	48%
Addressing financial exclusion	26%	28%	44%
Encourage people to participate in the arts, sports & recreation	-	32%	42%
Supporting vulnerable children and young people	20%	29%	34%
Creating employment opportunities	21%	24%	31%
Promoting education and literacy	32%	29%	29%
Protecting the environment	16%	26%	29%
Providing access to services	-	22%	27%
Supporting other Social Enterprises / organisations	9%	16%	25%
Promotes and protect culture, heritage & the Welsh language	-	21%	24%
Addressing social exclusion	7%	9%	21%
Providing affordable housing	5%	4%	3%

Source: Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021.

3.11   Despite Social Enterprises providing services that help public bodies deliver their wellbeing objectives and other statutory responsibilities, local authorities are mostly not monitoring or evaluating their activities nor their impact. Five local authorities responding to our survey noted that they have agreed measures to judge the impact of Social Enterprises in their local area and report against these. Over half (13) have no arrangements to evaluate activity, and the remainder responding did not know.

3.12   Because of weaknesses in performance management, reporting and evaluation, it is difficult for local authorities to judge how well they are currently performing and identify how they can support a growth and expansion in the role of Social Enterprises in the future. While a few local authorities included broad input/output measures in core documents on the work of partners, these are often limited to capturing the 'number of Social Enterprises we work with.' A minority of local authorities stated that they considered obtaining 'qualitative' information on the impact of Social Enterprises,' drawing on service users experience, but we found little evidence of local authorities following this through in practice.

3.13   Local authorities are mostly not reporting to elected members on Social Enterprises. Consequently, those officers responsible for delivering services are not held to account and the ability to challenge and identify development opportunities are lost. Several officers we interviewed acknowledge that the lack of performance reporting to members restricts chances to encourage elected members to take ownership of this agenda and actively promote Social Enterprises.

3.14   Local authorities who commission services from Social Enterprises generally have a Service-Level Agreement (SLA) in place underpinned by a range of agreed performance measures to evaluate commissioned services. However, we found that performance reporting of SLAs focus heavily on 'inputs' and 'outputs' – for instance, number of service users dealt with – rather than assessing the wider social benefit of the work of Social Enterprises and the impact they have on people who receive their services.

Appendices

1   Audit approach and methods

2   Checklist for local authorities effectively engaging and working with Social Enterprises

3   Differences in legislative, policy and funding for Social Enterprises across the three countries of Great Britain

4   Number of Social Enterprises by Welsh local authority and percentage change between 2016 - 2020

5   Southeast Wales Community Economic Development programme

6   Summary of Good Practice identified in this review

1   Audit approach and methods

Approach

This report is the second of our themed work for 2022 looking at poverty. This report sits alongside our earlier report on poverty in Wales and our forthcoming review examining how local authorities empower people to be more self-reliant and resilient.

For this work our approach has been to understand how well local authorities are working with, promoting and developing Social Enterprises. In particular we have looked at the robustness of needs information, strategies, plans and policies for Social Enterprises and how local authorities are ensuring they deliver their commitments under the Social Services and Wellbeing Act 2014 to promote Social Enterprises.

We examined all 22 principal local authorities in Wales at a high-level, managing delivery to be mindful of the pressures local authority officers are under during both the pandemic and the cost-of-living crisis. We ensured coverage was sufficient to draw a view on the whole sector but not to significantly detract from officers' service delivery responsibilities. Our approach was flexible to fit around officers when agreeing and delivering our fieldwork.

Methods

We completed our review between August 2021 and September 2022 and used a range of methods in delivering our work:

- **document review**: we reviewed documentation from the Welsh Government, local authorities, PSBs and other relevant public bodies. This included, relevant committee minutes, corporate strategies, economic, business, regeneration and procurement strategies; COVID-19 recovery plans; and the Director of Social Services Annual reports. We also reviewed information published by Social Business Wales, Social Enterprise UK and Social Enterprise Scotland.

- **interviews** – we undertook a range of different interviews:
  - officer interviews – we interviewed officers nominated by all Welsh principal local authorities, generally those with responsibility for Social Enterprises, social care or economic development. These took place between January and May 2022.
  - national interviews – we interviewed representatives of Welsh and Scottish Social Enterprises, national representative bodies such as CWMPAS, charities, think tanks, academic institutions and research bodies. These took place between March and June 2022.
- **focus groups** – in line with our approach, some local authorities felt it was more appropriate for us to speak to a range of officers in focus groups to reduce our impact on service delivery.
- **survey** – we undertook a survey with local authority officers. The survey was open between January and May 2022, and we received responses from all local authorities except Newport City Council.
- **websites** – local authority and external resources, eg DEWIS.
- **data analysis** – we analysed a range of data collated and published by Social Business Wales, Social Enterprise UK and Social Enterprise Scotland.

2 Checklist for local authorities for effectively engaging and working with Social Enterprises

Action	Completed	Started	Not Started

1   Strategic Arrangements

Vision

We have an agreed vision on how we will work with Social Enterprises.			
The vision has been shared with, and is understood by, all relevant staff in the local authority.			
The vision has been shared with, endorsed by and is understood by elected members.			
The vision has been developed in discussion with the local County Voluntary Council.			
The vision has been disseminated to Social Enterprises we work with.			
The vision clearly sets out how we intend to deliver our Section 16 responsibilities for promoting Social Enterprises including: • Our work to promote social value through the Regional Partnership Board; and • Use of the Regional Integrated Fund to promote and develop Social Enterprises.			

Action	Completed	Started	Not Started
Corporate Approach			
We have a corporate led approach for working with Social Enterprises that covers all departments and services.			
The corporate approach translates our vision into practical actions.			
We have designated a corporate lead for Social Enterprises who is responsible for overseeing and coordinating our work with the sector.			
Understanding the local Social Enterprise sector			
We have mapped out the Social Enterprise sector in our local authority area and know: • The number of organisations working locally; • The services they provide; • The communities the services are provided in; • The people the service is provided for; • How the services are funded; • The operating hours/days for services; • The eligibility criteria for the service (if any); • How the service fits with our Section16 responsibilities for promoting Social Enterprises in delivering social care services; and • Who to contact for more information.			
We have a record of all our Social Enterprise funding.			

Action	Completed	Started	Not Started
We collate financial information and report at least annually on the totality of our Social Enterprise funding covering: • which organisations we fund; • the contract value; • the length of the contract; • which department/service has contracted; • the measures of success established for the work; and • what the intended benefits of the work are.			
We raise awareness on the benefits presented by Social Enterprises to ensure all staff identify opportunities to collaborate with them by: • hosting a social enterprise day within the local authority; • putting on workshops for councillors and senior managers; and • developing activities to celebrate and promote social enterprise.			

Collaboration and partnership arrangements

	Completed	Started	Not Started
We have identified and agreed how the work of Social Enterprises will be managed and scrutinised at a: • corporate level – in the work of strategic partnerships and corporate scrutiny committees; • department level – in specific partnership arrangements to support wider policy agendas within defined areas; and • service level – on local partnerships and specific service-led initiatives.			

Action	Completed	Started	Not Started
We effectively raise awareness of the work of social enterprises and involve local people and communities in developing new Social Enterprises.			
We have a clear and effective relationship with our County Voluntary Council as a key strategic and delivery partner			
We have a nominated lead senior official to promote and lead work through the regional Social Value Forum.			

Strategy

	Completed	Started	Not Started
Our approach to Social Enterprises is integrated with our key strategies and plan – eg Wellbeing Plan, corporate priorities and other community and regional strategies.			
We have set SMART objectives and actions on how we will support and promote the growth of Social Enterprises.			
We are clear on the benefits and risks of Social Enterprises for citizens, local communities and the local authority.			

Delivering the strategy

	Completed	Started	Not Started
We have enough staff and resources to promote and grow Social Enterprises.			
We have staff in the right services and with the required seniority to deliver our vision for Social Enterprises.			
We have a can-do culture mindset within the council to make the best use of Social Enterprises.			
We give staff the opportunity to take well-managed risks and explore innovative practices			

Action	Completed	Started	Not Started

2   Commissioning and Procurement

Designing services

	Completed	Started	Not Started
We draw on the expertise and knowledge of Social Enterprises in designing new services.			
Our commissioners make good use of the Market Stability Report process to inform commissioning and market shaping activity for the social care sector.			
In designing services, we clearly set out: • what demand the service will meet; • how we have decided on the type of service that we require; and • how we will engage with current and potential providers to develop the service.			
We ensure that our tender process is accessible for all potential collaborators.			
We can demonstrate we have the capacity and skills to undertake the strategic commissioning process.			
We actively look for ways to invite collaboration			

Action	Completed	Started	Not Started
Effective award systems			
We have created a single centralised and corporate funding system for the management and award of all funding to Social Enterprises.			
We have effective systems to award funding to organisations that sets out: • a clear funding timetable that is available to all potential bidders so that they can prepare for opportunities; • the process that will be used to decide (for example, seeking quotations or using a tender or proposal process); • the value and risk associated with the various funding routes; • clear and published criteria that are understood by all organisations seeking funding, including community benefit and social value clauses; • the cost and resources to oversee and administer the process; and • the length of time that funding will be provided.			
Efficient award systems			
We have efficient corporate systems to award funding based on: • concise and clear application processes; • use of online and electronic systems to distribute and collate information and bids; • short end-to-end decision-making arrangements; • the minimum number of stages and processes required to decide; and • decisions being delegated to the lowest level.			

Action	Completed	Started	Not Started
Our contract terms and conditions are proportionate to the level of funding being made and are specific to the work that is being funded.			
We review our funding processes to ensure we are not excluding Social Enterprises from securing work.			

Training and information sharing

We provide training to support Social Enterprises covering: • how to apply for funding – the do's and don'ts; • complying with our commissioning and procurement systems; • data collection processes; • performance management and scrutiny arrangements; • payment cycles and performance targets; and • contract termination/continuation requirements.			

Action	Completed	Started	Not Started

3   Managing performance

Information collection

Action	Completed	Started	Not Started
We have specified the information required to monitor and evaluate the performance of the Social Enterprises we fund.			
The information only measures relevant activity.			
The systems to collect information are streamlined and efficient, and Social Enterprises only submit information once and electronically on agreed timescales.			

Performance review

Action	Completed	Started	Not Started
We regularly report on our Social Enterprise funding to scrutiny committee(s) against a balanced set of performance information that covers: • the service standards we set for the Social Enterprise we fund to perform against; • improvements in people's wellbeing and social outcomes; and • relevant service-based performance data; and • conclusions of external audit/inspection reviews.			
Our scrutiny and evaluation processes: • are proportionate for the value of the funding we provide; and • provide us with assurance that our funding is achieving the expected outcomes.			
Annually we report publicly: • on the work of Social Enterprises; • on the current performance of Social Enterprises we fund; • how we will promote further opportunities for the sector in the future; and • how well we are performing in delivering our S.16 responsibilities for Social Enterprises.			

Action	Completed	Started	Not Started
Risk management			
We regularly review risks associated with our Social Enterprise funding.			
We agree risk management plans if risks are not being managed and mitigated.			
We have a rolling programme of internal audit systems testing and compliance reviews to ensure the robustness, efficiency and effectiveness of our funding of Social Enterprise services.			

3 Differences in legislative, policy and funding for Social Enterprises across the three countries of Great Britain

Issues	England	Scotland	Wales
Legislation on Social Enterprises	Mainly focussed on making better use of Social Value contracts under the Public Services (Social Value) Act 2012	Mainly through land/asset usage and requirement for public bodies to have at least one Social Enterprise contract	Yes, S.16 of the SSWBA 2015 requires Local Authorities to "Promote Social Enterprises, co-operatives, user led services and the third sector". This could also be widened out in the Social Partnership and Public Procurement Bill
National Strategy for growing Social Enterprises	Social Enterprises UK have published a futures report – Social Value 2032.	Scotland's Social Enterprise Strategy 2016-2026	Welsh Government had strategy in 2005 but this has ended. The current strategy – Transforming Wales Through Social Enterprises – was developed by the sector and is supported by Welsh Government
Government funding for Social Enterprises	Government backed Start Up Loan of £500 to £25,000 and Levelling Up monies	Just Enterprise, Developing Markets, Social Growth, Business Gateway, etc	Business Wales Economic Resilience Fund and Development Bank of Wales
Government support for Social Enterprises	Mainly provided via the UK Government's Business Support Helpline and 38 local 'growth hubs'	Mainly coordinated via Business Support Scotland	Welsh Government's Social Business Wales
Minister with responsibility for Social Enterprises	Junior Minister for Civil Society and Youth	Cabinet Minister for Business, Trade, Tourism and Enterprise	Cabinet Minister for Economy

Source: Audit Wales.

4 Number of Social Enterprises by Welsh local authority and percentage change between 2018 - 2020

Local Authority	2018	2020	Difference	% increase
Vale of Glamorgan[22]	41	217	176	429%
Cardiff	228	265	37	16%
Newport	51	76	25	49%
Swansea	135	158	23	17%
Wrexham	62	78	16	26%
Ceredigion	71	79	8	11%
Flintshire	65	70	5	8%
Monmouthshire	29	34	5	17%
Isle of Anglesey	56	60	4	7%
Conwy	76	78	2	3%
Denbighshire	71	72	1	1%
Bridgend	83	85	2	2%
Gwynedd	127	128	1	1%
Caerphilly	99	98	-1	-1%
Merthyr Tydfil	67	64	-3	-4%
Pembrokeshire	121	115	-6	-5%
NPT	79	73	-6	-8%
RCT	162	155	-7	-4%
Carmarthenshire	174	164	-10	-6%
Blaenau Gwent	45	38	-7	-16%
Powys	110	100	-10	-9%
Torfaen	51	40	-11	-22%
Total identified	2,003	2,247	244	12%

Source: Social Business Wales, Mapping the Social Business Sector in Wales / 2020 Census, June 2021.

22 Per the report by CWMPAS, the figure for the Vale of Glamorgan is an outlier, due to the inclusion of an additional source provided by the Vale of Glamorgan Voluntary Service. It is not known if this approach was adopted elsewhere in Wales.

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5 Southeast Wales Community Economic Development programme

Six local authorities (Bridgend, Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen) funded dedicated Social Enterprise programs using £13.5m of EU monies under the Southeast Wales Community Economic Development (SEWCED) program. An evaluation of the SEWCED program commissioned by Merthyr Tydfil County Borough Council found that the project had exceeded expectations in terms of generating new jobs, and all aspects of the project were rated highly in surveys with social enterprise beneficiaries. For instance, SEWCED supported:

- the creation of 30 new jobs and 3 new Social Enterprises;
- the provision of financial assistance to 28 local organisations;
- 15 organisations to adopt and implement Environmental Action Plans; and
- 13 to adopt Equality Strategies and improve how their systems for monitoring and evaluating delivery.

The SEWCED program ended in 2015 and, despite the success of the project and the evaluation findings, the activity has not been continued or replaced in the majority of cases. Only two local authorities received transitional funding to keep on the staff they employed to work with Social Enterprises under SEWCED.

The evaluation determined that 'without the support of the SEWCED, the social enterprise sector in Southeast Wales would not have achieved the same outcomes as it did. Furthermore, without similar support in the future, these results would suggest that the social enterprise sector will not produce the same benefits as it has done as a result of the SEWCED programme.' The interviews with local authorities where SEWCED were mentioned have borne this out, as there is no equivalent funded and organised effort to promote Social Enterprises active in Wales at this time.

6 Summary of Good Practice identified in this review

Good practice – how we determine it

These are the parameters we use to judge whether to include a case study as good practice:

- a programme, activity or strategy that has proven effectiveness, supported by a comprehensive evaluation.

- a programme, activity or strategy that has been shown to produce successful outcomes and is supported to some degree by subjective and objective data sources.

- a programme, activity or strategy that has worked within one organisation and shows promise during its early stages for becoming practice with long-term sustainable impact.

- a programme, activity or strategy that has the potential for replication among other organisations.

- a programme, activity or strategy that is delivering value for money. Value for money is defined as the optimal use of resources to deliver the intended benefits.

- a programme, activity or strategy that is delivering savings/reductions in expenditure with no or low impact on performance.

Within the body of the report, we have identified the following areas of good practice:

- Blaenau Gwent County Borough Council – the work of the Voluntary Sector Group that leads on engaging with Social Enterprises – paragraph 1.18.

- Wrexham County Borough Council – the work of the Business Enterprise Officer to support and promote Social Enterprises – paragraph 1.19.

- Torfaen County Borough Council and the Vale of Glamorgan Council – the creation of Social Enterprises to deliver local services – paragraph 1.20.

- Caerphilly County Borough Council – the use of Social and Community Benefit Clauses in contracts – paragraph 2.12.

- Flintshire County Council – Dynamic Purchasing System which allows smaller businesses to fulfil small parts of larger orders – paragraph 2.12.

- Flintshire County Council and Rhondda Cynon Taf County Borough Council – creation of officers with specific responsibilities to identify and promote opportunities to maximise social value in tendering processes – paragraph 2.12.

- Rhondda Cynon Taf County Borough Council and Pembrokeshire County Council – promotion of and work with Micro-Enterprises – paragraph 3.7.

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Archwilio Cymru Audit Wales

Council Response Form

Council action planned in response to the recommendations issued by Audit Wales

Council: Ceredigion County Council

Report title: 'A missed opportunity' – Social Enterprises

Issue date: December 2022

Document reference:

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R1	To get the best from their work with and funding of Social Enterprises, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authority officers use the checklist in Appendix 2 to: • self-evaluate current Social Enterprise engagement, management, performance and practice; • identify opportunities to improve joint working; and practice;	The Council's approach must be holistic and coherent. To this end, the vision contained within the Corporate Strategy and the Wellbeing Objectives therein, must be equally relevant to every service area. The process to identify these objectives will involve a range of partner agencies and organisations, and will enable future joint working arrangements and practices. To achieve this, the Council will ensure that specific performance	31/03/2024	Greg Jones

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
	• jointly draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified through the self-evaluation.	indicators measure the benefits of collaboration and joint working practices. Any collaboration and joint working must demonstrate added value to the Council and the citizens of Ceredigion and be aligned with the vision of the Corporate Strategy. **Action 1**: A comprehensive evaluation of current social enterprise arrangements across all service areas and identify any gaps for joint working (e.g. community transport) and collaboration opportunities. The Public Services Board would be a key vehicle to complete this task. Cwmpas were commissioned by Ceredigion County Council to undertake scoping exercise and produce a report to in form the Council approach to developing Social and Micro Enterprise in the Ceredigion Social Care sector. This report for was completed in April 2023 and identified a series of		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		recommendations from the study to help support Ceredigion County Council in taking forward the Ceredigion Catalyst for Care programme. This programme focuses on the establishment of both Social Enterprises and Micro Enterprises. Following the completion of this report it is felt the Action 1 is complete. **Action 2**: Co-construct appropriate Service Level Agreements with any external partner organisation or body, that can deliver services more efficiently and more effectively than the Council can achieve independently. A successful joint bid joint between Ceredigion County Council and CAVO was submitted for UKSPF funding. The overall project responsibility sits with Ceredigion County Council, with		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		CAVO having the lead for development of Social Enterprise provision and Ceredigion County Council with the lead for developing Micro Enterprises. The Council has commissioned Planed to support with the development of Micro Enterprise and the initial focus on this work will see them working with a cohort of Personal Assistants employed via Direct Payments. **Action 3**: Identify appropriate performance measures that will demonstrate added value and value for money from any social enterprise arrangement. As part of the funding provided from UKSPF a performance measure to create 20 new enterprises by December 2024 was established.		

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
R2	To drive improvement we recommend that the local authority: • formally approve the completed Action Plan; • regularly report, monitor and evaluate performance at • relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance.	These recommendations will be actioned on completion of tasks associated with R1 above. The Catalyst for Care Project forms part of the Through Age and Wellbeing programme, and as such monthly reporting takes place as part of Programme Board, with more focussed activity being managed with the Carers and Communities Steering Group.	31/03/2024	Greg Jones
R3	To ensure the local authority delivers its S.16 responsibilities to promote Social Enterprises we recommend that it reports on current activity and future priorities following the evaluation of its Action Plan including the Annual Report of the Director of Social Services.	Our vision extends more broadly than the Social Services and Wellbeing Act, however, data collated by the Authority's Corporate Performance Team will be included in the Annual Report of the Director of Social Services, thus fulfilling Section 16 responsibilities. Working in partnership with Cwmpas a West Wales Regional Section 16 Forum has been established. The first meeting of this forum took place on 09 November 2023.	31/03/2024	Greg Jones

Ref	Recommendation	Council action planned in response to recommendation issued by Audit Wales	Target date for completion of actions	Responsible officer
		Ceredigion County Council will be presenting there approach towards S16 at the next meeting of the forum.		

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Cyngor Sir CEREDIGION County Council

REPORT TO: Governance and Audit Committee

DATE: 24ᵗʰ January 2024

LOCATION: Remotely via Video Conference

TITLE: **Annual Governance Statement 2022-23**

PURPOSE OF REPORT: To approve the Annual Governance Statement for 2022-2023

Background

The Accounts and Audit (Wales) Regulations 2014 requires local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control. This review must be documented in an Annual Governance Statement and published as part of the Council's Annual Statement of Accounts.
The Governance & Audit Committee is responsible for monitoring the governance arrangements on behalf of the Council.

The Annual Governance Statement has been updated with dates (highlighted) and the below text has been added on pages 22,28 and 29

'The Annual Report at year-end contains the results of the internal audit annual self-assessment of the service, based on CIPFA's LG Application Note's template. This was subject to an external peer review in May 2022, and an external assessment is planned to be repeated every five years, as required by the Public Sector Internal Audit Standards (PSIAS)'.

Annual Governance Statement 2022-23 (Appendix 1)
The Annual Governance Statement for 2022-23 is attached.
Committee is requested to:

 i)note and consider its contents, and

ii)recommend that Council approves the Draft Annual Governance Statement 2022-23

RECOMMENDATION(S):

The Committee is requested to:
   i.   Note the contents of this report;
   ii. Recommend that Council approves the Draft Annual Governance Statement 2022-23 (**Appendix 1)**

REASON FOR RECOMMENDATION(S): To progress the publication of the Annual Governance Statement 2022-2023.

Appendices:	**Appendix 1**: Draft Annual Governance Statement 2022-23
Head of Service:	Elin Prysor, Corporate Lead Officer – Legal & Governance Services / Monitoring Officer
Reporting Officer: Date:	Katy Sinnett-Jones – Governance Officer 24.01.2024

Annual Governance Statement

2022-23

Approved by Council [x]

Contents

1   EXECUTIVE SUMMARY

Ceredigion County Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council is also committed to improving the social, economic, environmental and cultural wellbeing of its citizens. This commitment is set out in the Council's Corporate Strategy 2022-2027 and describes how the council will meet the challenges ahead and make the most of opportunities. The Council's vision for this period is that the Council *'delivers value for money, sustainable bilingual public services, that support a strong economy and healthy environment, while promoting well-being in our people and our communities'* and is to be achieved by fulfilling the Corporate Priorities, which are:

1. Boosting the Economy, Supporting Businesses and Enabling Employment;

2. Creating Caring and Healthy Communities;

3. Providing the Best Start in Life and Enabling Learning at All Ages; and

4. Creating Sustainable, Greener and Well-Connected Communities.

To be successful the council must have a solid foundation of good governance and sound financial management. The Council's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Local Code is supported by a Governance Assurance Framework that sets out what assurances the Council seeks to obtain, and how this will be done.

A copy of the Council's Local Code of Corporate Governance and Annual Governance Statement is available on the Council's website at https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/.

The Council also has a duty under the Local Government (Wales) Measure 2009 to arrange to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council must ensure proper arrangements for the governance of its affairs are in place, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk. The Local Government and Elections (Wales) Act 2021 is in force and the Council has taken the necessary steps to ensure compliance.

A Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local

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Government Framework 2016. The framework is used to review the governance arrangements on an annual basis.

The Well-being of Future Generations (Wales) Act 2015 also introduces new governance arrangements for public services in Wales. Public bodies are required to carry out sustainable development. It places a well-being duty on public bodies to set and publish well-being objectives designed to maximise their contribution to the seven national well-being goals. They are also expected to take all reasonable steps towards achieving their objectives.

Following the review and in accordance with the requirements of the Framework a Local Code of Corporate Governance is in place and has been reviewed for 2023-24.

The Local Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Council has in place. The Code is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

The Council's Governance Framework is based on the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) and the following seven principles:

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 the 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

The Council is required, each year, to produce an Annual Governance Statement ('AGS') (this document), which explains how the Council has complied with the seven core principles and sub-principles contained in its Governance Framework and the Local Code of Corporate Governance, and also meets the requirement of The Accounts and Audit (Wales) Regulations 2014. This AGS gives assurances on compliance for the year ending 31 March 2023 and up to the date of approval of the Statement of Accounts. The review confirmed that the Council's governance arrangements are effective and fit for purpose.

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The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance the Council's governance arrangements.

The Leader and Chief Executive confirm they have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this AGS will address the areas for improvement.

Signed on behalf of **Ceredigion County Council**

Leader of the Council   **Chief Executive**

Date: xx/xx/xxxx   Date: xx/xx/xxxx

2   Assessment of the effectiveness of key elements of the Governance Framework

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively.

The Leader of the Council provides clear strategic direction and the Constitution clearly defines the roles of Councillors and Officers. Internal and External Audit, Ethics and Standards Committee and the Governance and Audit Committee are committed to ensuring the governance arrangements are effective and robust.

The Council has conducted an annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance Framework (2016). The review involved a member/officer workshop in which the Council's Governance Framework Document was analysed and reviewed, with further changes made after the workshop reported to the Governance and Audit committee. Contributions were made to the review by the following Members: the Chair of the Governance and Audit Committee along with councillor and lay members of the committee. In addition, the Monitoring Officer, Corporate Manager - Internal Audit, Governance Officer, Corporate Lead Officer - Democratic Services, Corporate Manager – Democratic Services, Corporate Lead Officer – People & Organisation and the Corporate Manager – Partnerships, Performance and Public Protection also took part.

During the workshop each behaviour was introduced and scored against a scoring mechanism, as follows:

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1/2	Unacceptable Immediate action required
3/4	Below satisfactory - urgent Action Required (within 3-6 months)
5/6	Satisfactory - Action Required (before end of year 9-12 months)
7/8	Acceptable Minor adjustments may be required
9/10	Good - overall Governance considered to be good and meets best practice no further action required

Each score used in the Governance Framework Document is a score out of 10 e.g. a score of 7/8 means a score of between 7 and 8 out of a total 10 marks.

The Governance Framework Document was also circulated to other officers, who have governance/management responsibilities within the Council. The review framework was presented to the Governance and Audit Committee on 17th January 2023.

The effectiveness of the governance framework draws on evidence and assurances from:

- Internal and External Audit and Inspection;
- Financial Controls;
- Risk and Performance Management;
- Legal and Ethical Standards;
- Corporate Directors and Other Senior Management, including the S.151 Officer and the Monitoring Officer;
- The Governance and Audit Committee; and
- Overview and Scrutiny Committees.

In addition, the Corporate Manager - Internal Audit undertakes an independent review of the Governance Framework and the method of scoring and evidence, on an annual basis. The review of the 2022/23 Framework was completed in January 2023 and provided 'high' assurance that there was a sound system of scrutiny and robustness in place. This was reported to the Governance and Audit Committee in March 2023.

The Council has drawn together a Local Code for Corporate Governance which sets out the systems and processes, and cultures 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, cost-effective services.

The system of internal control is a significant part of that code 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 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 Council's policies, aims

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and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Local Code for Corporate Governance is available on the Council's website at https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/.

The CIPFA Financial Management code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability. The S151 Officer has undertaken a self-assessment review and is satisfied that the Council is compliant with the code.

3   Corporate Governance Achievements for 2022-23

The Local Code for Corporate Governance sets out the Local Authority's commitment to the principles of good governance. The following paragraphs outline the Corporate Governance achievements during 2022-23.

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

Behaving with integrity

- Code of Conduct for Members (updated in 2016) available on the Council's website, intranet site (CeriNet) under Councillor Resources, and in the Constitution.
- Members Code of Conduct Flowchart (updated in 2016).
- Code of Conduct for Officers* (review completed and updated Code published April 2023) available along with all Corporate policies and strategies via Council website/CeriNet and Staff News update for CeriNet being prepared to inform Staff of changes.
- Mandatory Induction and follow-up training on Code of Conduct and ethics provided to all Members.
- A comprehensive Induction programme for all Councillors undertaken following the Local Elections in 2022.
- Ethics/Fraud training provided in collaboration with Council's insurer at Corporate Managers' quarterly workshop 2021 forming a basis for e-learning module for all Staff (e-learning training content completed, to be created into e-learning training module shortly).
- Internal Audit ('IA') & Governance Services working with Learning & Development have prepared scenarios for training. Training supported by recent review of Council's Strategy on Counter-Fraud, Corruption & Bribery (to include Anti-Money Laundering).
- Day to day advice is provided by the Monitoring Officer ('MO') and Scrutiny Support Officer.
- Disciplinary Policy (Nov 2017).(due for review 24/25)

- Survey of members training and development needs carried out annually.
- Register of Members interests, available from the Council's Democratic Services, reviewed by MO. Register of Members' Interests also published on the Council website.
- All Councillors completed Personal / Confidential Data Agreement.
- <u>Declaration of Interest</u> and <u>Hospitality</u> forms for Officers and Members on CeriNet.
- Monitoring and review by MO of Chief Officers' declarations annually.
- MO advises Chief Officers and Members on need to declare close personal associations with other Officers or Members.
- MO advising of Officers regarding declarations of interest is ongoing. Regular reminders through News Updates on CeriNet system and at Leadership Group.
- NFI match highlights Staff who are directors of companies that have dealings with the Council – any non-declarations investigated by IA and reported to MO.
- Declaration of interest process to be extended to include requirement regarding related parties: that officers and Members declare if they are closely related to other Officers, Members or teachers. Specific declaration/return required stating whether this includes a Chief Officer (and to state relationship).
- Declaration of interest process to be extended to include requirement that Members specify Directorships - company name and number, (un)remunerated, private interest or Council appointment.
  MO to remind Members of the need to accurately disclose all Directorships (including dormant companies).
- Declaration of interest process to be extended to include requirement that Members specify role within memberships - observer, member, volunteer, Committee member, Board member or Trustee.
- Officers' declaration of interest to include requirement to declare if they or a close family member, or any person or organisation acting on their behalf, are on the Board, management committee or other controlling group of an organisation with which the Council has significant dealings.
- Training to be provided on the role of Members on External Bodies.
- MO to undertake enquiries with company secretaries as necessary to ascertain basis of Members trustee/Directorship interests within charitable organisations or companies, and rationale. To seek amendment of Articles of Association or resignation of Council directorships if necessary.
- Members required to update Register of Interests in accordance with the Code of Conduct, and in addition, annually, which is opportunity to reference any close personal associates/roles etc. Additionally, declarations of interest made by members at meetings. This includes lay/independent members.
- Politically Restricted Post Register for Officers maintained and <u>Political Restrictions on Local Government Employees Policy</u> available to employees on CeriNet. Register of Politically Restricted Posts published on Council website.
- Dispensations forms for members updated in 2022.
- MO meets with political group leaders quarterly to consider their new duties to uphold standards of conduct of Members in their group.
- Political group leaders to cooperate with the Ethics and Standards Committee as required in pursuance of their new duties.
- Political group leaders to complete template setting out actions undertaken to evidence compliance with their new duties.
- Local Resolution Procedure for Members: ungrouped/unaffiliated Member receives Council Chair/Vice Chair' advice/support.

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- The Ethics and Standards Committee has received training on its new duties (from May 2022) under the Local Government and Elections (Wales) Act 2021 ('2021 Act').
- The Terms of Reference of the Development Management Committee (formerly Development Control Committee) have been revised to clearly state its purpose, role and responsibilities, and how it links to Corporate Priorities.
- The Operational Procedures document for the Development Management Committee has been revised. A 'cooling-off' process has been established in order to review planning applications, which may, if approved, be a significant departure from policy.
- The Scheme of Delegations contains criteria for applications, which must be referred to the Development Management Committee, and those applications that can be delegated to the Corporate Lead Officer.
- A Protocol for Good Practice for Councillors at Development Management Committee has been produced and included in the Constitution.
- A good working relationship exists with all key regulators.
- The Constitution is subject to regular reviews, with ongoing updates as required, including presenting proposed changes to Cross Party Constitution Working Group, to make recommendations on changes to Constitution to Council. MO/Governance Officer report to Council to update delegations and Constitution.
- The Corporate Strategy 2022-2027 includes Corporate Well-being Objectives setting out the Council's priorities and high-level objectives with supporting actions on an annual basis.
- The Well-being and Improvement Objectives build on the priority areas identified in the Corporate Strategy 2022-2027 and are reviewed annually These are developed in consultation with the public and Members.
- Members' standards and conduct matters considered by the Council's Ethics and Standards Committee. Public meetings held regularly, and chaired by an independent person-determine dispensations, and consider strategic/policy issues and receive updates from PSOW Findings & APW cases. Committee and Members are advised by the MO & Standards Officer.
- Annual Ethics & Standards Committee Report reported to Council in October 2022.
- Governance & Audit Committee meets regularly to consider governance and external regulator reports. Chaired by Lay Person, per 2021 Act provisions.
- Governance and Audit Committee carry out a benchmarking exercise annually to provide further assurance on the review of the Annual Governance Statement ('AGS') process. IA review and report on the process annually.
- Effective 'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' in place (updated June 2021).
- Internal Audit Annual Report on Counter Fraud presented to Governance and Audit Committee at year-end. 2021/22 report presented 6.6.22 and 2022/23 report presented 21.6.23.
- Ethics Audit undertaken during 2019. Follow up Internal Audit of Council's arrangements regarding ethics also in progress.
- Whistleblowing Policy available to Employees and Contractors (has been reviewed, updated, presented to Overview and Scrutiny Co-ordinating Committee (recommended to approve), approved by Cabinet and published on CeriNet 17.4.2023).
- A mandatory E-learning training module on Whistleblowing must be completed by all Staff.

- Revised <u>Corporate Concerns and Complaints Policy</u> published 1.10.2021.
- All complaints are dealt with in accordance with the corporate procedures which include informal and formal stages and these are communicated to Staff on a regular basis.
- The complaints system is monitored by the Corporate Complaints and Freedom of Information Manager.
- Annual Complaints Report considered by the Governance and Audit Committee and Cabinet prior to approval by Council. Includes Lessons Learned from complaints received.
- Agenda/<u>Minutes for all committees</u> published on the Council's Website, including disclosures of interests.
- <u>Cabinet Decision Notices</u> published on the Council's Website.
- Preparation for publication of delegated decisions register ongoing.
- <u>Register of Contracts</u> published on Council Website.

Demonstrating strong commitment to ethical values

- <u>Ethics and Standards Committee championing ethical compliance to ensure that public have trust and confidence that Members and Officers work to highest ethical and moral standards.</u>
- The <u>Ethics and Standards Committee</u> has been proactive, leading on training sessions and putting procedures in place for dispensation arrangements. The structure has recently been reviewed to improve efficiency and effectiveness.
- <u>Officers such as Internal Auditors, sign an annual Code of Ethics affirmation.</u>
- Follow up Internal Audit of Council's arrangements regarding ethics also in progress.
- Carmarthen County Council undertook an independent audit of ethics within the Council during 2019. Follow up Internal Audit of Council's arrangements regarding ethics in progress.
- Employee Handbook is reviewed annually, is available on <u>CeriNet</u>, sets out the expected Employee <u>behaviour and includes the Code of Conduct for Local Government Employees.</u>
- Training on equality and diversity and recruitment and selection including equal opportunities is provided for all Ceredigion County Council Managers.
- Training on equality and diversity is provided to all Councillors.
- All Staff must complete an e-learning module on Equality & Diversity.
- <u>Standard Terms and Conditions</u> for all Suppliers of Goods and services include conditions relating to Equality and Diversity and are available on the Council's website.
- <u>Procurement Strategy 2018-2022</u> was approved by Council 19th June 2018. Task and Finish Group established December 2023 to consider Procurement & Commissioning Strategy 2024
- Procurement training also being rolled out to Staff.
- Council Recruitment Policy and DBS Policy.
- Training Needs Analysis Questionnaire has been circulated by Council newsletter to Staff requesting opinion on ethical culture of Council & training module planned in response to feedback.
- All Group Leaders signed Diversity in Democracy Declaration in September 2021.

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Respecting the rule of law

- Council Constitution.
- Terms of reference are included in the Constitution.
- Consideration is being given to the Data Protection Principles, and processing of personal information in the context of Council Committees and all Members.
- Training for all Members on Introduction for Council, including GDPR.
- Statutory powers and legal implications included in every decision-making Cabinet report.
- Legal and Financial advice/implications is provided on all appropriate reports for decision.
- The MO and Legal Services and the IA Service are available to advise as appropriate.
- The MO attends Leadership Group/Cabinet/Council meetings and routinely attends many public meetings, as required, subject to availability. In the absence of the MO, the Deputy MO will attend Cabinet and Council meetings.
- The MO has direct access to the CE and reports to Council generally and as part of statutory duty.
- The MO operates an 'open' door policy for Members wishing to receive 'conduct' and 'governance' advice.
- Job descriptions & person specifications clearly define the roles and responsibilities required of posts.
- Members' Role descriptions set out their respective responsibilities.
- Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, published 13 April 2016). (No further update)
- Compliance with CIPFA's Statement on the Role of the Head of Internal Audit in Public Service Organisations (CIPFA, published 9 April 2019) & contribution published in CIPFA's accompanying Putting Principles into Practice document (2019).
- Financial Regulations and Financial Procedure Rules (Document F Constitution).
- Contract Procedure Rules (Document G in the Council's Constitution).
- Compliance with Specific Codes e.g. Internal Auditors' Public Sector Internal Audit Standards ('PSIAS', March 2017)
- Members of Governance and Audit Committee updated on fraud including IA annual counter fraud report.
- Statutory Officers accountable to the Chief Executive ('CE') and the Council.
- Regular meetings between CE, S.151 Officer & MO.
- Corporate Manager – Internal Audit ('CMIA') has free & unfettered access to Members and Officers at all levels, and right of access as per Council's Constitution and Internal Audit Charter.
- Two Officers in the IA team are accredited Counter Fraud Technicians.
- An Officer in the IA team holds a CIPFA Certificate in Investigative Practices ('CCIP').
- Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by Internal Audit.
- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc).
- Membership and active participation in professional networks and groups (Tisonline, KHub, etc).

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- Nominated Council Officers undertake various fraud training to maintain knowledge and expertise.
- Where appropriate, successful prosecutions publicised on Council website (and in local press).

B. Ensuring openness and comprehensive stakeholder engagement:

Openness

- All Council, Cabinet and Committee meetings open to the public and agendas and papers published on the Council website (with the exception of exempt reports exempt information as defined by the 1972 Local Government Act).
- Council and Cabinet meetings are broadcasted.
- In accordance with the requirements of the LGEW Act 2021, arrangements were made to enable hybrid meetings to be held from May 2022. New equipment has been installed in the Chamber. Council and Cabinet meetings are being broadcasted on the Council's Facebook pages. Members of the public can attend to view meetings remotely or in person.
- All Statutory Annual Reports, Statements of Accounts and Improvement Progress Reports are all published within timescales and are available on the Council's website.
- Freedom of Information Act publication scheme. (to be reviewed in 2024)
- A host of service areas are available online including council tax self-service and information.
- The Council's goals and values are set out in the Corporate Strategy 2022-2027.
- Ceredigion County Council Website.
- MO and Ethics & Standards generic email addresses created.
- Regular and timely responses to the press and other enquiries to Management and members as well as comprehensive FOI responses.
- Review of the FOI Publication scheme in progress.
- Freedom of Information Policy (March 2018).(to be updated in 2024)
- Corporate Complaints and Freedom of Information Manager in post.
- Complaints and Freedom of Information Privacy Notice.
- An Overview and Scrutiny Public Engagement Protocol (2018) (Document N Constitution) has been approved by Council and has been used on several occasions. No further update
- Protocol for speaking at the Development Management Committee in place (Part 4 Document I Constitution).
- Protocol for access by Cabinet Members to Overview and Scrutiny Committee approved by Council (Part 5 Document M2 Constitution).
- Integrated Impact Assessment ('IIA') tool and guidance to inform effective decision making have been developed and are being implemented.
- Council / Cabinet report template updated to include reference to legal implications, staffing implications, property / asset implications and risks and to reflect the new Corporate Strategy 2022 - 2027.
- Standard templates and guidance for reporting to Council, Cabinet and Overview and Scrutiny Committees are used and all include the IIA results.
- A Protocol is in place for working relationships between Members and Officers (e.g. Officer-Member Protocol). (The Constitution Part 5).

- A calendar of <u>dates of meetings</u> including forward work programmes of the Council, Cabinet and Committees are published on the Council's website.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision-making process, Wellbeing of Future Generations Act, Equalities, Welsh Language and the use of the IIAs.
- <u>The Engagement and Consultation Checklist</u> assists with decision making around whether or not to undertake a consultation regarding a proposed change and guidance on dissemination of consultation results is available to Officers.
- IIA conclusions reported to Council, Cabinet and Overview and Scrutiny. 13 IIAs went to Cabinet during 2022-23.
- The Council, in collaboration with partners, has carried out significant engagement to produce the Public Service Board's ('PSB') Well-being Assessment and <u>Local Well-being Plan.</u>
- Well-being objectives for 2022-23 have been set in order to deliver the <u>Corporate Strategy 2022-2027.</u>
- <u>Corporate Complaints Policy has been reviewed, new Policy presented to Corporate Resources Overview & Scrutiny Committee 7.7.21 and to Council 23.9.2021, and Revised Concerns and Complaints Policy and Procedures 2021, its implementation and publication approved by Council.</u>
- <u>Social Services Complaints Policy and Procedure has been reviewed.</u>
- <u>Consultation Decision making tool (Consultation Tree and flowchart)</u> have been developed and includes the use of feedback.
- <u>Consultations</u> are published on the Corporate section of the Council Website.
- <u>Consultations</u> are promoted through social media.
- Guidance has been issued on the Ceredigion Council intranet to all Staff to follow with regards to the dissemination of feedback to decision makers. Recent indications are that significant progress is being made in this area by Officers.

Engaging comprehensively with institutional stakeholders

- <u>Public Services Board Terms of Reference</u> available on the Council Website and PSB Project Groups Terms of Reference available. Scrutiny arrangements for the PSB have been put in place.
- Joint engagement and consultation exercises are held. Collaborative projects are running with institutional stakeholders with clear governance arrangements in place.
- <u>Engagement with Service Users List</u> including stakeholders with whom the authority should engage is in place and <u>Engagement and Participation Policy</u>.
- <u>Collaboration Standards for New Strategic Projects Guidance and Templates are available</u>.
  Partnerships Include:
    - <u>PSB;</u>
    - <u>West Wales Regional Partnership Board;</u>
    - <u>Community Safety Partnership;</u>
    - <u>Mid and West Wales Safeguarding Board; and</u>
    - <u>Growing Mid Wales.</u>
- Partnerships such as <u>Growing Mid Wales</u> have been established with governance arrangements. Growing Mid Wales Joint Overview and Scrutiny Committee has been established.

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- Regular reporting of partnership meetings and activity to Leadership Group and Cabinet.
- Partnership metrics are subject to internal review, where appropriate.
- Legal Team is actively involved in drafting and reviewing Terms of Reference for Inter Authority Agreements ('IAAs') and formal committees.
- A suite of documents have been developed that relate to strategic collaboration projects that the Authority is considering entering into. The documents include guidance, standards and numerous templates for varying stages of collaboration projects.

Engaging stakeholders effectively, including individual citizens and service users

- A new Engagement and Participation Policy for Ceredigion County Council, 'Talking, Listening and Working Together,' has been prepared and was agreed through the democratic process in Autumn 2022.
- A Community Engagement, Consultations and Partnerships Page has been created on CeriNet, which includes links to Engagement and Participation Policy, Engagement and Consultation Checklist, Engagement with Service Users and Consultation Decision Making Tool.
- All IIAs for Cabinet are assessed by the Equalities and Inclusion Manager, including whether effective engagement, involvement and consultation has taken place and informed strategic decision-making process.
- Public Engagement Tool Kit.
- IIA Tool Kit.
- Summary reports on consultation and engagement activities are reported back to Members and service users.
- We have worked in partnership with Local Authorities and Public Services across Mid and West Wales on the review of our Strategic Equality Plans. A joint question set and engagement and consultation framework was produced and as a result, feedback was obtained from people with protected characteristics.
- Minutes of engagement groups with people with protected characteristics.
- Effective Community involvement carried out with the well-being assessment work.
- Effective Community involvement carried out with service users from different backgrounds to inform the new Strategic Equality Plan.
- Corporate Communications Protocol in place which is periodically reviewed.
- Dissemination of consultation results and reports on completed consultations and engagement exercises are posted on the Council's public consultations webpage in order to provide feedback to the public.
- Processes have been introduced to monitor feedback e.g. any consultation/engagement reports are presented to Scrutiny and Cabinet to inform their decision-making.
- Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.
- A Well-being assessment (PSB) has been carried out that will inform the development of the PSB's Local Well-being Plan, which was approved by Council on 20.4.2023 (Ceredigion Local Well-being Plan 2023-2028).
- An annual report on progress made against the Council's Well-being objectives and Corporate priorities in published on the Council Website.

- UNCRC – United Nations Convention on the Rights of the Child have been adopted by the Council.
- Participation Standards have been adopted by Council.

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

Defining outcomes

- The Council's Corporate Well-being Objectives are included in the Council's Corporate Strategy 2022-2027 and are reviewed each year and reported in the Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report published on the Ceredigion County Council website.
- The purpose and the vision of the Council have been determined by Council and is contained in the Corporate Strategy 2022-2027. This strategy illustrates how the authority will support and promote the well-being of the citizens of Ceredigion.
- All Planning arrangements reflect the Golden Thread and make the links to Corporate plans including;
  - o Business Plans;
  - o Strategic Plan;
  - o Corporate Performance Management Reporting; and
  - o Well-being and Improvement Objectives.
- Performance information is outlined in the Council's Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report.
- Business Plans are prepared on an annual basis and are monitored quarterly by a Performance Board, which includes Cabinet members and the Chairs and Vice Chairs of the Overview and Scrutiny Committees and Chair of the Governance and Audit Committee.
- Budget setting subject to detailed scrutiny by the five Overview and Scrutiny Committees.
- The Medium-Term Financial Plan is in place.
- Quarterly performance arrangements provide a challenge protocol to ensure outcomes are delivered.
- Business planning process includes resource allocation.
- Corporate performance management arrangements include quarterly assessment of risks to the achievement of outcomes or service delivery.
- includes risk logs for;
  - o Business Plans (Level 1); and
  - o Service Plans (Level 2).
- Local performance measures are included in Business and service delivery plans.
- Capital Plans include;
  - o Rights of Way;
  - o Highways;
  - o Annual Budget Plan; and
  - o Transformation.
- The Risk Management Policy and Strategy and the Risk Management Framework was approved by Cabinet on 24 September 2019.
- Risk Management training to be rolled out to Members and Senior Managers.

- Risk management e-learning package has been developed for all other Staff and training took place in 2019, with workshop with insurers arranged for senior Managers.
- Publication of service performance, including costs and value for money data is routinely considered within service reports.

Sustainable economic, social and environmental benefits

- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness. In his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- The most recent Audit of the Council's Improvement Plan (2020-2021) was issued in November 2020. The report concluded positively that the Council discharged its duties and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- A capital appraisal form is completed for new capital projects, which covers the requirement for the project, and is used to assess value for money and the revenue implications of major projects.
- Capital Investment Strategy is contained within the Medium Term Financial Strategy.
- The Authority has undertaken the following steps towards the implementation of the Well-being of Future Generations (Wales) Act 2015:
  - Prepared well-being objectives and statement;
  - Embedded the Well-being Goals and Sustainable; development principal into the business planning process.
  - Developed a new IIA tool and guidance;
  - Established a Well-being of Future Generations Act group and action plan;
  - The Constitution is continually monitored and reviewed;
  - PSB assessment of Local Well-being published in March 2017;
  - Scrutiny arrangements agreed for PSB;
  - Cabinet Reports, to include the Social/economic/ environmental impact assessment;
  - A mandatory e-learning module on the Act has been developed and promoted to all Council Staff;
  - an Equality, community and Welsh language Impact Assessment must be undertaken on all school restructuring proposals as required under the Welsh Government School Organisation Code; and
- Members have contributed to The Future Generations Officer Scrutiny Framework in relation to the WFGA.
- Wales procurement policy statement is aligned to the Council's Procurement Strategy 2018-2022.
- The Council wide WFGA Group Action Plan.
- Strategic Equality Plan 2020-2024.
- Welsh Language Standards in place and are monitored by the Welsh Language Policy Officer.
- Annual Welsh Language Standards monitoring report presented to Cabinet and published on the Council website.
- A mandatory E-learning training module on Welsh Language Awareness must be completed by all Staff.
- Members provided with Welsh Language Awareness and Equalities Training as part of their Induction Programme.

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

Determining interventions

- The IIA tool and guidance is available and training has been rolled out for Officers and Members.
- Corporate project management group has been established to formalise project development and management.
- Standard reporting templates are used in decision making process.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision-making process, Wellbeing of Future Generations, Equalities, Welsh Language and the use of the IIAs, Head of Democratic Services and MO (CLO-Legal & Governance) advise as necessary.
- Risk Management Policy, Strategy and Framework with training programme for Members, Senior Management and Managers, published on CeriNet and available to all Members of Staff. Documents amended to reflect additional risks and background information to make informed decisions. Corporate Risk Register reported regularly to Governance and Audit Committee.
- Medium Term Financial Strategy has been regularly updated.
- Consultation decision tree tool includes a guidance section on dissemination of consultation results.
- Finance challenge regarding savings on Council Website.

Planning interventions

- Corporate Performance Management arrangements include quarterly:
  - Weekly leadership Group meetings;
  - Quarterly reporting of progress against level 1 Business Plans;
  - Quarterly Performance Board meetings; and
  - Quarterly Executive Panel Meetings.
- A calendar is used to report deadlines and Board/Executive Panel dates are published with reports.
- All major collaboration projects have established governance and management arrangements including risk management.
- All projects considered by Corporate Project Management Panel, which is also attended by IA and is an effective forum for advice/challenge and highlighting risks as Service areas develop projects, including collaboration projects.
- The Corporate Project Management Panel helps ensure projects give early consideration to: the Well Being and Future Generations Act; to other guidance; to finance, procurement, governance and legal arrangements; to HR implications; Health & Safety; and Audit. Improve project arrangements prior to reporting to the Development Group and other authorisation processes. This also helps identify capital requirements for inclusion in future capital programmes.
- Ensuring Staff with project management skills are available.
- Account will be taken of legislative changes e.g. work is ongoing in relation to implementing legislative changes such as LGEW 2021 Act changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks. Meetings are being held and preparation being carried

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out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first meeting held on 19th April 2021, to consider the requirement to establish the Mid Wales CJC in accordance with the 2021 Act).

- Appropriate Joint Scrutiny arrangements are in place in relation to the Growing Mid Wales Board. Similarly, the Mid Wales Corporate Joint Committee will have Sub appropriate arrangements in place (Joint Scrutiny, Standards and Governance and Audit Committee)- arrangements in compliance with legislation and its Standing Orders.
- Local performance indicators have been established and approved for each service element and included in the service plan and are reported upon regularly.
- The Business Planning process for 2022-23 is being implemented with Level 1 Business Plans shared with the Performance and Research Team.
- Performance measures have been identified within each Level 1 Business Plan that have in turn translate into the reporting Dashboard for each service. These measures have been closely scrutinised and have received final sign-off from senior leadership. Services report against these measures as part of the performance management process for the year.
- Business Plans include budget and finance information and form part of the quarterly Corporate Performance Management arrangements.
- Budget Framework in place.
- Service Accountancy – Budget monitoring takes place.
- <u>Financial Regulations and Financial Procedure Rules (Document F Constitution)</u> along with Budgetary Control Guidance are all up to date. Chief Officer Assurance Statements. The internal controls in place are subject to regular review by Internal Audit, in accordance with the annual risk-based audit plan.
- Changes through the corporate savings plan have been through a robust governance process to ensure that all savings all link to the desired outcome.
- Community Benefits is embedded in our Processes and Policies and has been regularly applied, monitored and reported upon. Well-being of Future Generations (Wales) Act is integrated into our processes.

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

Developing the entity's capacity

- Corporate and line management induction is now in place. Corporate induction and Corporate Manager Development plans were introduced in April 2018 and revised in October 2022. Corporate induction sessions are part of these requirements, all new Staff must attend an induction session. Senior Managers present within these face-to-face or virtual sessions.
- <u>CeriNet</u> (the HR intranet and resource to Staff and management) is continually reviewed and improved for effectiveness.
- Learning & Development in now managed via the Ceri system offering opportunities to all Staff.
- Ongoing annual Personal Performance scheme – Performance Reviews link to Corporate and strategic objectives.
- The Corporate Performance Management arrangements provide the forum for performance management's needs and thereafter preparing action plans for

delivery of corporate improvements in performance review of Staff. These have been further strengthened with the introduction of annual appraisals for all Staff via the Ceri HR system.

- A comprehensive induction programme is provided for all Members following the Local Elections in 2022. Ongoing training is arranged for specific issues e.g. Treasury management.
- Members attend various events, seminars and conferences (see above).
- Survey of members training and development needs carried out annually.
- Utilisation of research and benchmarking exercises.
- The Ceri HR payroll system has ensured that meaningful data on Staff is now available to Managers on a monthly basis in order to monitor costs turnover and absence.
- Effective operation of partnerships which deliver agreed outcomes.
- Effective Partnerships have been developed in a number of areas and services including:
  - o School Improvement;
  - o Health & Social care; and
  - o Waste.
- Additional partnerships are included in the strategic Collaboration Projects List.
- Strategic workforce planning is undertaken utilising the Strategic workforce planning tool kit and is completed by all service areas. The Workforce Plan 2023-2028 is currently being developed and will be published once approved by Cabinet in Autumn 2023. Once in place, annual updates on progress of the workforce plan are reported to scrutiny.

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

- The Leadership and Senior Officer structure has defined these roles, including how they integrate with each other.
- Joint meeting of senior Managers ensures that roles, responsibilities and accountabilities are clear.
- Job descriptions clearly define the roles and responsibilities required of posts.
- The Constitution sets out the roles and responsibilities of Members (Part 3.4 Table 4) and senior Officers (part 2 Article 2)
- The Strategic Planning Toolkit includes an element of succession planning and talent management.
- Learning and Development opportunities are offered to those within a Leadership role or who are aspiring leaders.
- A Scheme of Delegation (The Constitution Part 3.5) exists and clearly sets out responsibilities for Members and Officers.
- Protocols are in place for working relationships between Members and Officers (e.g. Officer-Member Protocol).
- Codes of Conduct for Officers and Members are in place.
- Member Officer working groups in place and working effectively.
- Contract Procedure Rules ('CPR') (Part 4 Document G Constitution) and Financial Regulations and accompanying financial procedures (Part 4 Document F Constitution) are reviewed on a regular basis e.g. CPR updated March 2019.
- The Council's Constitution sets out the functions and responsibilities of the Leader and Chief Executive.
- The Corporate structure of the Council has been established to ensure that the Statutory Officers are able to perform their roles effectively.

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- The CE is responsible for reviewing this structure, as necessary.
- Democratic Services Committee agreed the revised set of Member Role Descriptions, designed to be used alongside Welsh member Development (Competency) Framework, of Welsh Local Government Association ('WLGA') Framework.
- Member Role Descriptions and Person Specifications presented to Council.
- Comprehensive Induction Programme for all Members undertaken following the Local Elections 2022.
- Access to courses/information briefings on new legislation.
- Provision of opportunities for ongoing skills and refresher training for Officers.
- Members Workshops arranged, as necessary.
- Personal reviews for Officers.
- Survey of members training and development needs carried out annually.
- Development/training done as part of person specifications for key finance and legal posts (mandatory qualification, job requirements).
- Induction and Corporate Manager Development plans are in place.
- E-learning packages are regularly being developed and rolled out for mandatory and non-mandatory training for staff and Members.
- Performance Reviews are undertaken by all Staff as part of the Ceri system Performance Management module.
- The Corporate Performance Management arrangements provide the forum for performance management's needs and thereafter preparing action plans for delivery of corporate improvements in performance review of Staff.
- Induction programme is provided for new Members and new comprehensive induction programme has been provided post-election (from May 2022) with additional e-learning modules available. Ongoing training is arranged for specific issues. Members attend various events, seminars and conferences (see above).
- Scrutiny self-assessment undertaken annually.
- Succession planning is undertaken through discussions and actions within service areas and with partners this cannot always be evidenced. This will be further developed through the strategic workforce planning toolkit.
- Ceredigion Manager Programme offers personal development including governance arrangements and organisational knowledge.
- Members are encouraged and supported to complete Annual Reports, which are published on the Council's website.
- Chair of the Democratic Services Committee attends the National Network, facilitated by the WLGA.
- Chair of Governance and Audit Committee attends All Wales Governance and Audit Committee Chair's Networking Meetings to develop and compare role within Local Authorities.
- Staff development plans linked to appraisals have been strengthened with the introduction of the Performance Management module in Ceri.
- Implementing appropriate Human Resource policies and ensuring that they are working effectively.
- Smoke-Free Workplace Policy.
- Alcohol and Drug Misuse Policy.
- The Council has introduced a range of resources and options to enhance the health and well-being of Staff.
- Health and Well-being Strategy 2021-2026 has been introduced to support the improvement in the workforce health and well-being.

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- The Council has appointed an Employee Health & Wellbeing Officer to coordinate and promote health and wellbeing within the workforce.
- A Care First employee assistance package has been introduced that offers:
- Counselling service; and
- Advice on financial, legal, consumer, eldercare, childcare and employment issues.
- Other support available for Staff includes:
  - Cognitive Behaviour Therapy Interactive health and wellbeing programme;
  - Eyecare scheme;
  - Childcare voucher scheme;
  - Iechyd Da; and
  - Mindfulness training for Staff and Managers.
- Counselling service is also available to Members.

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

Managing risk

- The Corporate Risk Management Framework and the Risk Management Policy and Strategy were approved by Cabinet on the 24th of September 2019 and continue to be updated.
- The Corporate Risk Register is considered at all Leadership Group, Corporate Lead Officers, Corporate Performance Management meetings and by the Governance and Audit Committee as a standing item. The Committee refers matters to Scrutiny Committees, where appropriate. This provides ongoing information and assurance that risks continue to be managed.
- All Risks are allocated to a Corporate Lead Officer (Risk Owner).
- Specific Project Risk Monitoring is undertaken.
- Risk Management is integral to operational business planning Policy and Strategy setting.
- Project and transformation Risks are all logged.
- All Plans included Risk logs including:
  - The Medium-term Financial Plan;
  - Business Plans (level 1); and
  - Service Plans (level 2).
- Corporate Risk Management arrangements are audited regularly.
- The management of risks is included in individual Services service/establishment audit programmes.
- 'Risks' form the basis of Internal Audit's audit programmes of work, as required by the Pentana audit management software system. Cabinet report template expanded to include risks and implications arising.

Managing performance

- Corporate performance management is linked to the Well-being and Improvement Objectives, Corporate Strategy 2022-2027 and the PSB's plans. The Council also has many local indicators which helps it determine whether it has achieved the priorities in its Corporate Strategy 2022-2027.

- Council approved the Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report 2021-22.
- Benchmarking information carried out as part of service re-modelling.
- External & internal assessments by:
  - Audit Wales;
  - Estyn;
  - Care Inspectorate Wales ('CSIW'); Investigatory Powers' Commissioner's Office ('IPCO'); and
  - Information Commissioner's Office ('ICO').
- Self-Assessment (Governance and Audit Committee) - self-assessment exercise discussed at 28.11.22 workshop and will be carried out in 2023.
- Individual Services carry out self-assessment through a performance matrix.
- IA undertake an annual self-assessment and have a 5-yearly independent external assessment / peer review as required by the PSIAS. The external assessor concluded that Ceredigion County Council's Internal Audit function generally conforms with the PSIAS. With the function currently conforming to 50 of the best practice areas, partial conformance in six areas and no areas of non-conformance.
- A Corporate Performance Management Panel meets quarterly. All Corporate Lead Officers report to this Panel and the Dates for reporting are published in the report. The Chairs and Vice Chairs of the Overview and Scrutiny Committees attend with the principle that they can identify areas that require inclusion on their respective Forward Work Programmes.
- Chief Officers provide support and advice to Members and advice provided by Chief Finance Officer and MO.
- Scrutiny arrangements are in place which provide opportunities to challenge decision making and review the provision of services. The scrutiny function's aim is to provide added value to the continuous improvement agenda in their role as "critical friend". In addition, Overview and Scrutiny Committees also provide opportunities to undertake pre-decision and policy development work, which is a function of scrutiny, which has developed over recent years. The Council's aim is to scrutinise, where possible, before decisions are made.
- Overview and Scrutiny Committees can instigate Task and Finish Groups to investigate and research a matter further prior to reporting back to the relevant Committee.
- Training for Members on the role of Scrutiny and Scrutiny Chair and Vice Chair training provided.
- The Council's Overview and Scrutiny Co-ordinating Committee is responsible for taking an overview of the overall effectiveness of the PSB.
- Work undertaken with the Future Generations Office to develop a Scrutiny Framework in relation to the WFGA.
- A Corporate Performance Management Board meets each quarter, with Chairs of the Overview and Scrutiny Committees invited to attend.
- Reporting dates are set at beginning of each year.
- Transformation and Risks are all referred to joint Local Government meetings and Panels.
- Financial monitoring is regularly undertaken throughout the Council under a devolved accountancy arrangement and formal reporting is made to Cabinet. Monitoring is also incorporated into the quarterly performance management reports.

- Accounting practices - Codes of Practice are complied with. Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.
- Business/Service plans are monitored to ensure delivery outcomes are achieved.

Robust internal control

- Risk Management Policy and Strategy and the Risk Management Framework were approved by Cabinet on 24 September 2019.
- Updates in relation to Business Continuity and Civil Contingencies arrangements submitted on a regular basis in line with the Corporate Risk Register, Risk CORP04.
- Business Continuity and Civil Contingencies Group meet quarterly.
- Regular meetings of the Emergency and Business Continuity Management Group take place to review Corporate and Service Area Emergency and Business Continuity Arrangements and Plans as well as recommendations arising from past incidents and exercises to evidence risk, identify emerging trends, and document any lessons learnt for follow up.
- The annual Internal Audit Plan is risk-assessed and takes account of Council aims and objectives, and corporate policies and procedures; to include a review of the Risk Management corporate arrangements, and testing the mitigating controls in place for a sample of risks noted in the Corporate Risk Register
- Internal Audit Strategy & Annual Plan 2022-2023 approved by Governance and Audit Committee 10 March 2022, & continues to take account of additional risks presented by the pandemic. The IA Plan for 2023-24 was presented to and approved by GAC on the 9 March 2023.
- IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.
- Regular Quarterly Internal Audit Progress Reports to Governance and Audit Committee for monitoring (e.g. Internal Audit Progress Report for period 1 July 2022 to 30 September 2022 presented to Governance & Audit Committee on 17 January 2023, period 1 October – 31 December presented to GAC 9 March 2023 and period 1 January – 31 March presented to GAC 21 June 2023).
- Internal audit reports issued to Managers highlight the risks of not implementing any IA recommended actions. Fundamental & significant recommended actions are followed up as part of IA's Management Action Programme and reported to Governance and Audit Committee on a 6-monthly basis. If CMIA considers that any fundamental risks have not been addressed by a Manager this is reported to Governance and Audit Committee who has the discretion of requesting that Manager to attend & explain reasoning for non-compliance.
- Summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year-end. IA Annual Report for 2021/22 approved by Governance & Audit Committee 6 June 2022. IA Annual report for 2022/23 approved by GAC 21 June 2023.
- Follow-up IA reviews to monitor implementation of required actions as part of the Management Actions Programme.
- Internal controls, risk & governance processes are monitored according to the Internal Audit Charter (last version approved by Governance & Audit Committee 17/1/23) & the Annual Internal Audit Strategy and Plan.

- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness in his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- Risk evaluation always appears on agendas.
- Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption ('CIPFA', 2014). (no further update)
- Internal Auditors have procedures in place if fraud discovered.
- Two Officers in the IA team are accredited Counter Fraud Technicians.
- An officer) in the IA team holds a CIPFA Certificate in Investigative Practices ('CCIP').
- 'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' updated and approved by Council 17 June 2021 (minutes confirmed 23 September 2021) has been written with regard to the Code of Practice & updated to ensure all requirements are included.
- IA undertakes counter fraud work where required (as well as dealing with the discovery of fraud as considered earlier).
- Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by IA.
- IA presents Counter-Fraud Report to Governance and Audit Committee annually (2021/22 Counter-Fraud Report presented to Governance & Audit Committee on 6 June 2022). 2022/23 Counter-Fraud Report presented to GAC on 21 June 2023.
- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);
- Membership and active participation in professional networks and groups (Tisonline, KHub, etc);
- IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;
- Nominated Council Officers undertake various fraud training to maintain knowledge and expertise;
- Where appropriate, successful prosecutions publicised on Council website (and in local press)
- IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.
- The AGS contains the CMIA's annual opinion on assurance.
- The IA function is headed by a CMIA who is currently studying to gain an IIA qualification, they have considerable audit & local government experience, and are supported by a team with appropriate knowledge and skills. Regular reporting to Governance and Audit Committee on the activity of IA is undertaken. Robust risk-based forward work programme and business planning is in place.
- IA evaluates and improves the effectiveness of risk management, control & governance processes in accordance with PSIAS, which is self-assessed and reported to Governance and Audit Committee annually along with any improvements required. A peer review is undertaken every 5 years the most recent having been completed in May 2022. The report and resulting action plan were presented to Governance & Audit Committee on 27 September 2022.
- IA provides an individual assurance to Managers after each audit review – these are then used to provide an overall corporate level of assurance annually, which feeds in to the AGS.
- A re-structure of IA was implemented in May 2019, and another in November 2020. The service has been fully resourced since 1 June 2022.

- Three members of the team are currently pursuing the Institute of Internal Auditors' professional training qualification.
- Governance and Audit Committee self-assessment - self-assessment exercise underway
- Regular meetings between CMIA and Chair of Governance and Audit Committee.
- Meetings as necessary between MO & Chair of Governance and Audit Committee.
- Regular meetings between MO & CMIA.
- Regular meetings between MO, CMIA & Audit Wales when necessary.
- Regular Meetings between Governance and Audit Committee Members and external regulator Audit Wales (with and without Officers).

Managing data

- ICT and Digital Strategy for 2018-2022 has been approved.
- All policies are up to date including; (all approved in February 2019).
    - Data Protection & GDPR Policy (updated in 2023)
    - Information Security Policy; (to be updated 2024) and
    - Records Management Policy. (to be updated 2024)
- A mandatory E-learning training module on Information Security must be completed by all Staff.
- A mandatory E-learning training module on Data Protection must be completed by all Staff.
- Designated Data Protection Officer.
- Corporate Lead Officer Customer Contact is the Senior Information Risk Owner ('SIRO') and has attended appropriate training for that role.
- The following responsible Officers are identified:
    - IT Security Officer ('ITSO'); and
    - Information and Records Management Officer ('IRMO')
- In addition the following groups/committees consider Information security:
    - Corporate Data Protection Group; and
    - Emergency & Business Continuity Meeting.
- External assessments to include compliance with Code of Conduct.
- Regular Internal Audit of data protection Registration requirements.
- Procedures following Audit Wales audit have been implemented.
- Officers are considering the introduction of privacy notices in relation to applications to all Members, including the Development Management Committee.
- Training provided to Members on their obligations under the GDPR as part of the new Member training and a section on said legislation is now included in the protocol for Members in planning.
- Ceredigion County Council signed Wales Accord on the Sharing of Personal Information ('WASPI') and therefore uses WASPI framework for Information Sharing Agreements.
  ***The Accord is a common set of principles and standards under which partner organisations will share personal information. Organisations who adopt the Accord will show their commitment in meeting the agreed conditions, obligations and requirements within the framework.
- In most cases agreements are forwarded to the Data Protection Officer.
- There is also a public register on WASPI Website.
- Regular external Assessments e.g. Compliance with Code of Conduct.
- Internal performance monitoring and evidence.

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- Cross matching data happens across the different services.
- Performance Indicator values are validated with evidence.
- Retention Schedule –now <u>published</u> on intranet.
- All Councillors signed Personal / Confidential Data Agreement.

Strong public financial management

- The latest version of the <u>Medium Term Financial Strategy</u> ('MTFS') was approved by Full Council on 21/09/23.   This reflects the 2023/24 WG Final Settlement and the 2024/25 WG indicative All Wales Settlement and covers the period 2023/24 to 2026/27.   This was also considered by Corporate Resources Overview & Scrutiny Committee on 19/07/23 and Cabinet on 05/09/23.
- This now includes a policy framework for setting the budgets annually as well as a three-year plan. The MTFS features as a corporate risk that is updated at least three times a year. The annual budget setting also included a risk assessment. The Council is responding to the proposal in the 2016 Wales Audit Office (now Audit Wales) Annual Improvement Report and considering the report in light of the MTFS through ensuring that the Council's financial management arrangements are sufficiently robust to meet the significant challenges ahead.
- A Strategic Plan has been developed and has improved the programme of work necessary to consider service priorities whilst addressing financial constraints.
- An annual budget project plan/timetable is established to ensure that a balanced budget is approved within the statutory period in accordance with the Councils budget framework.
- Regular budget reports are taken to Cabinet and Leadership Group throughout the year and operational budgets are monitored on a monthly basis.
- Budget monitoring is regular throughout the year, within services, to Cabinet and to Member Officer working groups e.g. Development Group and CMG.
- Quarterly Executive Panel meetings take place if required with Corporate Lead Officers together with the Leader of the Council, the CE, Corporate Lead Officer for Finance and Cabinet Member with Finance responsibility.
- Detailed scrutiny of the budgets prior to final decision by Council.
- Overview and Scrutiny Committees have the ability to scrutinise budgets at any time during the year.

G. Implementing Good Practices in transparency, reporting and audit to deliver effective accountability:

Implementing good practice in transparency

- Council's <u>Website</u>.
- Council and Cabinet meetings are broadcasted.
- Standard templates for Cabinet, Scrutiny and Council.
- Compliance to the <u>Welsh language Standards and publication of the annual monitoring report</u>.
- Use of Modern.Gov for publishing agendas and Councillor Information.
- Councillors' contact details, attendance records, Committee membership and Declarations of Interests available on the <u>Council's Website</u>.

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- Councillors' annual reports available on the Council's Website.
- Overview and Scrutiny Annual Report available on the <u>Council's Website</u>.
- <u>Democratic Services Annual Report available on the Council's Website</u>.
- Equipment has been installed in the Council Chamber to enable hybrid meetings to be held, as per the Local Government and Elections Act 2021. Members of the public and press can attend in person or remotely where the meeting is not broadcast on the Council's Facebook page. The Council provides alternative ways for citizens to access information if they don't have access to digital services.

Implementing good practices in reporting

- The County Council's Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report <u>is</u> published on the Ceredigion County website to inform Ceredigion citizens what activities and actions the Council undertakes in support of its Well-being and Improvement Objectives. This also forms part of the Council's self-assessment. A summary plan is also available in public offices for our citizens.
- <u>Annual financial statements</u> are published on the Council's Website.
- Council's <u>AGS</u> evidences how it complies with the seven core Governance Framework Principles and sub-principles contained in the Framework and in the Local Code of Corporate Governance, including how it puts in place proper arrangements for the governance of its affairs, facilitates the effective exercise of its functions, and makes arrangements for risk management (the Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016). In compliance also with Local Government (Wales) Measure 2009 and The Well-being of Future Generations (Wales) Act 2015.
- Assessment of the framework for corporate governance carried out to ensure compliance. Decision by Council whether <u>AGS</u> approved alongside Statement of Accounts.
- <u>AGS</u> shared with accounts, reviewed and updated with Members and Officers providing a wider engagement process.
- Council's <u>Local Code of Corporate Governance</u> demonstrates how it has the necessary corporate governance arrangements in place to perform effectively. The Local Code of Governance is a public statement that sets out the way the Council will meet that commitment. 2023-24 Local Code of Corporate Governance approved by Council 20.4.2023 and published on Council website.
- Financial implications are a requirement for inclusion in all Cabinet Meeting reports. <u>Financial Regulations and Financial Procedure Rules (Document F Constitution), Contract Procedure Rules (Document G Constitution)</u> are all up to date.
- Accounting practices - Codes of Practice are complied with Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.

Assurance and effective accountability

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- A good working relationship exists with Welsh Government and external regulators, including Audit Wales, Estyn, CIW, Financial Services Authority ('FSA') and Food Standards Agency as key regulators.
- Audit Wales Protocol documented and procedures in place to ensure all 'Management Response Forms' from each Audit Wales report addressed and that Service responses are presented to Leadership Group, Governance and Audit Committee and Audit Wales.
- Regarding monitoring of progress of actions/recommendations, Governance Officer is Audit Wales point of contact for ongoing governance related MRFs/governance matters. Corporate Performance and Improvement Officer is point of contact for performance related MRFs/performance matters. This system is set out in a Protocol, approved by Leadership Group and presented to Governance and Audit Committee, with updated version (to reflect that the Corporate Performance and Improvement Officer is in post) presented to Governance and Audit Committee 9.9.2021 Meeting.
- Monthly meetings are also being held between Performance Officers & Audit Wales and can be arranged with other officers as necessary. Regular dialogue is maintained with representatives from Audit Wales.
- Recommendations from Audit Wales are taken forward in the Corporate Performance Management arrangements.
- All Audit Wales reports presented to Leadership group and Governance and Audit Committee, which monitors implementation of corrective actions required.
- Monitoring of progress of Actions process has been developed.
- Chief Internal Auditor (CMIA) is currently studying to gain an IIA qualification, and has considerable local government experience, and is supported by a team with appropriate knowledge and skills.
- The Audit Manager & Senior Auditor are undergoing an IIA qualification.
- and two auditors are developing ICT auditing skills.
- IA Officers are undergoing audit qualifications to enhance knowledge, skills and competency.
- A re-structure of IA was implemented in May 2019, and another in November 2020 and April 2022. The service has been fully resourced since 1 June 2022.
- A new CMIA has been in place from 1 January 2022, and has considerable experience in IA, and is supported by a knowledgeable & skilled Audit Manager.
- The role of CMIA has free and unfettered access to the Chair of the Governance & Audit Committee and both meet regularly during the year.
- Robust risk-based forward work programme and business planning is in place.
- Regular reporting to Governance & Audit Committee on the activity of IA is undertaken, i.e. quarterly Internal Audit Progress Reports to Governance & Audit Committee for monitoring progress performance and improvement and summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year end. Follow-up reviews undertaken to monitor corrective actions are implemented.
- Internal Audit Charter regularly reviewed and approved by Governance & Audit Committee (last version approved by Audit Committee 17/1/23).
- CMIA provides annual objective opinion on assurance placed on Council's risk management, control and governance processes, based on the individual assurances given to Managers after each audit review, & feeds into the AGS.
- The external assessor concluded that Ceredigion County Council's Internal Audit function generally conforms with the PSIAS. With the function currently

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- IA's mission is to enhance & protect organisational value by providing risk-based & objective assurance, advice & insight. This is detailed in the internal Audit Charter, which also states IA's right of access (as per the Council's Financial Regulations/<u>Constitution</u>).
- Partnership and Accountability agreements are established in collaborative projects.

4   Opinion on the level of assurance that the governance arrangements can provide

The Corporate Manager - Internal Audit (CMIA) prepares an Annual Internal Audit Report at year-end, which is usually presented to the Governance and Audit Committee at its June meeting. The report sets out the individual and collective outcomes of the audit reviews undertaken during the year and provides the overall audit opinion of assurance based on this audit work. The assurance provided also takes into account progress in implementing improvements, consideration of the risk register and assurances provided in reports issued by external regulators. The scope of audit work and how the need to constantly reprioritise to ensure sufficient work is undertaken for the assurance is detailed in the report.

The Annual Report at year-end contains the results of the internal audit annual self-assessment of the service, based on CIPFA's LG Application Note's template.

The external assessor concluded that Ceredigion County Council's Internal Audit function generally conforms with the PSIAS. With the function currently conforming to 50 of the best practice areas, partial conformance in six areas and no areas of non-conformance.

A Report on the Annual Governance Statement 2022-2023 Progress and Current Year Action Plan was provided to the Governance and Audit Committee on 27 September 2023.

The Quarter 1 Internal Audit Progress Report 1/4/2022-30/6/2022 (presented to the Governance and Audit Committee on 27 September 2022 and subsequent periods expected on 17 January 2023, 9 March 2023 and 21 June 2023) include the actions taken to date to achieve the identified proposed improvements.

The Internal Audit staffing structure has been at full complement during the year 2022-2023.

On 10 March 2022, the CMIA also presented to the Governance and Audit Committee the Internal Audit Strategy and Plan for 2022/23. This is designed to ensure a sufficient area of coverage is undertaken to support the annual opinion on the effectiveness of the systems of governance, risk management and internal control across the Council. The Internal Audit Strategy and Plan for 2022/23

summarised the work areas the Internal Audit Section aimed to concentrate their time on during the year, taking account of the situation due to the pandemic.

The service is provided on a reactive basis, this addresses various risks introduced from changes in the Council's working practices such as the interim hybrid working strategy etc. Internal audit work has been assessed on an on-going basis with regular consideration given to the Council's changing risks, needs and priorities. In addition to this reactive work, assurance for 2022/23 is placed on planned reviews either carried forward or undertaken during the year to assess the annual level of assurance for the Council. In addition, more resources have been dedicated to developing the assurance mapping system to provide additional support to the assurance provided at year-end.

The CMIA concluded in her 2022/23 Annual Report presented to the Governance and Audit Committee on 21/06/2023 that the Council has a satisfactory framework of governance, risk management and internal controls in place to manage the achievement of the organisation's objectives during the year, based on:

- the number, scope and assurances from internal and external sources during the year to 31 March 2022, and
- the acceptance of actions by management (where available).

The Annual Governance Statement will be the subject of review by Audit Wales to ensure that it is consistent with their knowledge and with legislation. In addition, the Internal Audit section undertakes an annual independent review of the Annual Governance Framework and the method of scoring and evidence, as noted in Point 2 above.

The Council's Corporate Lead Officer - Customer Contact acts as the Authority's Senior Information Risk Owner and also has responsibility for Data Protection and ICT Security.

The SIRO Forum traditionally included subject matter experts: E.g. Facilities, Data Protection, IT Security, Head of IT, Legal, HR and some departmental representation. This meets every quarter to discuss information risk and information management issues.

The current key roles and scrutiny of Information Assets are as follows:

- An IT Security Officer ('ITSO') who advises on data security and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements;
- An Information and Records Management Officer ('IRMO') advises on legal compliance and ensures that policies and procedures are in place and are being adhered to;
- Corporate Data Protection (known internally as Corporate Data Protection / FOI / EIR Group Meeting) meets quarterly and is chaired by the Head of Service Policy (Deputy HOS ICT&CS); and

- Annual Reports as required to the Council's Governance and Audit Committee.

Additionally:
- ITSO is the Vice-chair of Wales National Public Sector Security Forum (CymruWARP) which meets quarterly.
- IRMO Chairs the Information and Records Management Society Wales/Cymru and arranges events across Wales.
- IRMO is part of the WASPI - Mid and West Wales Quality Assurance Panel.

Following the Governance Framework review, overall governance arrangements are considered to be good on the basis that the majority of scores applied were 9/10.

The introduction of the Local Code for Corporate Governance outlining how the Council is committed to the core principles of the CIPFA/SOLACE delivering Good Governance in Local Government Framework provides guidance to all Members and Officers on the governance agenda.

Regular review of the Local Code of Governance will provide a high level of assurance that the governance arrangements are fit for purpose.

5　Issues identified for last year (2022-2023)

The following table records the actions that have been taken during 2022-23 to resolve the issues identified in the Annual Governance Statement for 2021-2022:

Note: Any actions not fully completed by the completion date will be carried forward into the 2023-2024 Action Plan

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
A1.1 Ensuring Members and Officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	MO to continue to advise Members further on the need to declare hospitality/gifts. MO to continue to advise Chief Officers further on the need to declare: • close personal associations with other Officers or Members, Ongoing review on Chief Officers business declarations MO and CLO Democratic Services to continue to review Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, MO to consider member feedback and added	MO advising Members on need to declare hospitality/gifts is ongoing. MO advises members on need to declare close personal associations with other Officers or Members and will continue to do so. Ongoing review on Chief Officers business declarations is still in progress. Review of Members holding directorships, trusteeships, or memberships is ongoing.	EP/LE	March 2023- complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	value and continue to update Code of Conduct for Officers and Members	Work regarding member feedback and added value outstanding. Code of Conduct for Officers has been updated.		
	Update Dispensations forms for Members			
	Appraisals were halted due to Covid-19 Pandemic but have now recommenced (undertaken in May 2021 and continue to be held virtually).)	Dispensations form for members has been updated.		
	Reviewed Code of Conduct for Officers to be issued once updated & approved.	Appraisals recommenced.		
	Officers to complete a Mandatory Ethics/Fraud e-training module once completed & approved.	Review of Code of Conduct for Officers completed and published April 2023, and Staff News update for CeriNet published to inform Staff of changes.		
		Ethics/Fraud E-learning training content completed,- e-learning training module launched November 2023		
	Planning/Development Management Committee governance actions/documents established, training			

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	to be provided and progress to be reviewed during 2022-2023.	Governance arrangements shall continue to be reviewed in relation to the Planning Service, including as part of the response to the recommendations from the Audit Wales Planning Service Follow-Up Review (received 18.7.2023). Members Task & Finish group appointed by Council 26/10/23		
A1.2 Ensuring Members take the lead in establishing specific standard operating principles or values for the Organisation and its Staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023.	Governance arrangements shall continue to be reviewed in relation to the Planning Service, including as part of the response to the recommendations from the Planning Service Follow-Up Review (received 18.7.2023).Members Task & Finish group appointed by Council 26/10/23	EP/LE/RHP	March 2023-ongoing

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Leadership Group to be updated on e-learning with HR reporting to Leadership Group.	Complete Code of Conduct Training provided to all Members following the Local Elections 2022 as part of a comprehensive induction programme for all Members. Refresher training provided on 18.5.2023.	LE	March 2023 – Complete
A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Delegated Decisions Register to be published. Continued monitoring of the Mandatory e-learning take up of Whistleblowing module. Currently lower than required. Whistleblowing Policy to be reviewed.	Work on publishing Delegated Decisions Register is still in progress. Continued monitoring of completion of mandatory Whistleblowing e-learning module. Whistleblowing policy has been reviewed, updated,	EP/ HR	March 2023-complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		presented to Overview and Scrutiny Co-ordinating Committee (recommended to approve) and Cabinet (approved). Updated Policy published on CeriNet 17.4.2023.		
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Further training to be provided to all Members regarding their responsibilities in relation to Data Protection Principles and privacy notices. Privacy notices for Councillors being developed and to be provided.	Training has been provided to all Members regarding their responsibilities in relation to Data Protection Principles.

Privacy notices for Councillors being developed and to be provided by Data Protection Officer. | EP/LE/AM | March 2023 |
| B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness | Completion of review of the FOI Publication Scheme, which is in progress. | FOI Policy and EIR Policy both to be further updated under current business plan. Review of the FOI | LE/AW/MNH | March 2023 |

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Publication Scheme to be undertaken. Hybrid system in place for Members and the public and press to attend public meetings. Council and Cabinet meetings broadcast live on the Council's Facebook pages.		
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	Due to the Covid-19 pandemic, decisions have needed to be made by Gold Command for emergency reasons (under the temporary executive function transfer of power in place until 31.8.2021 and for operational procedures under the Civil Contingencies Act 2004 following that date), therefore it has been impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect this.	Gold Command is no longer meeting. A new Engagement and Participation Policy, 'Talking, Listening and Working Together' has been published. Implementation of this policy to be reviewed before action complete.	AW	March 2023

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	To continue to progress the review of the Community Engagement Policy that will include provisions for how stakeholders are engaged in future.			
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	To continue to take into account legislative changes e.g. Local Government and Elections (Wales) Act 2021. To implement legislative changes, such as regarding the Local Government and Elections (Wales) Act 2021 and consider/monitor risks facing each partner when working collaboratively, including shared risks.	Work is ongoing to account for legislative changes. Risks facing each partner when working collaboratively will continue to be considered/monitored.	AW/EP	March 2023
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitor progress of actions/recommendations.	Monitoring progress of actions/recommendations is ongoing.	EP/AW	March 2023

6   Agreed action plan for matters to be considered during 2023-2024

Following the implementation and review of the CIPFA/SOLACE Delivering good governance in Local Government Framework (2016) the following issues have been identified for resolution during 2023-2024:

Issue	Action	Outcome	Lead Officer	Completion Date
A1.1 Ensuring Members and Officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	MO to continue to advise Members further on the Code of Conduct. MO to continue to advise Chief Officers further on the need to declare: • close personal associations with other Officers or Members, Ongoing review on Chief Officers business declarations Review Members holding directorships, trusteeships, or memberships. Work regarding member feedback and added value outstanding. Code of Conduct for Officers has been updated. Officers to complete a Mandatory Ethics/Fraud e-training module once completed & approved (e-learning training content completed, to be	Further embedding of behaviour with integrity. e-module completed November 2023	EP/LE	March 2024

Issue	Action	Outcome	Lead Officer	Completion Date
	created into e-learning training module shortly). Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023. Governance arrangements shall continue to be reviewed in relation to the Planning Service, including as part of the response to the recommendations from the Audit Wales Planning Service Follow-Up Review (received 18.7.2023).	Task & Finish Group established October 2023		
A1.2 Ensuring Members take the lead in establishing specific standard operating principles or values for the Organisation and its Staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023. Governance arrangements shall continue to be reviewed in relation to the Planning Service, including as part	Further embedment of Standard Operation Principles and values, including their communication. Task & Finish Group established October 2023	EP/LE	March 2024

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Issue	Action	Outcome	Lead Officer	Completion Date
	of the response to the recommendations from the Audit Wales Planning Service Follow-Up Review (received 18.7.2023). Audit Wales – setting of well-being objectives examination received June 2023. The recommendations will be responded to.			
A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Delegated decision Decisions Register to be published – in progress. Report on generic whistleblowing activity to be presented to Overview and Scrutiny Co-ordinating Committee.	Further embedment of Standard Operating principles and communication through publication of documents. Delegated decision Decisions Register to be published – in progress. TPO Register prepared and to be published January 2024 Chief Officer Register of Personal Business Interests to be updated & published	EP/ HR	March 2024

Issue	Action	Outcome	Lead Officer	Completion Date
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Privacy notices for Councillors being developed and to be provided by Data Protection Officer.	Demonstrating strong commitment to rule of law. and adherence to relevant laws and regulations	EP/LE/AM	March 2024
A3.2 Creating the conditions to ensure that the statutory Officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	CMIA has completed and attained the Institute of Internal Auditors' Certified Internal Auditor qualification. The CMIA to complete the IIA's CMIIA qualification.	Ensuring key post holders are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. CIA qualification completed- 2023	EP/AJ	March 2024- complete CMIIA March 2026
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	FOI Policy and EIR Policy both to be further updated under current business plan. Review of the FOI Publication Scheme to be undertaken.	Demonstrating commitment to openness.	LE/AW/MNH	March 2024
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that	A new Engagement and Participation Policy, 'Talking, Listening and Working Together' has been published. Implementation of this policy to be considered before action complete.	Improving Community Engagement.	AW	March 2024

Issue	Action	Outcome	Lead Officer	Completion Date
service (or other) provision is contributing towards the achievement of intended outcomes				
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	To continue to take into account legislative changes e.g. Local Government and Elections (Wales) Act 2021. To implement legislative changes, such as regarding the Local Government and Elections (Wales) Act 2021 and consider/monitor risks facing each partner when working collaboratively, including shared risks.	Risk management and compliance with legislation to demonstrate commitment to rule of law. Implementation of legislative changes -complete	AW/EP	March 2024
E2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	Delegated Decision Register to be published.	Further clarity on which decisions are delegated through communication by way of publication. TPO Register prepared and to be published January 2024	EP	March 2024

Issue	Action	Outcome	Lead Officer	Completion Date
		Chief Officer Register of Personal Business Interests to be updated & published		
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitor progress of actions/recommendations – ongoing action.	Assurances and managing risk. Organisation Response Forms are completed for all External Audit reports and are presented to GAC as a standing item on the agenda.	EP/AW	March 2024

7   Conclusion

The annual governance framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be acceptable or good. The review confirmed that the Council's governance arrangements are effective and fit for purpose.

The Council has made good progress during the year with recorded achievements against each of the seven core principles.

The development of a Local Code of Corporate Governance bringing together all the local codes and documents together in one document provides assurance that there are clear governance arrangements in place.

The Council has identified a number of minor issues for resolution during 2023/24 and has set these out in an action plan for completion (as above). The actions taken as a direct result of the pandemic will be recorded, as appropriate.

8   Certification of Annual Governance Statement

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 throughout the 2023/24 year and will monitor their implementation and operation as part of our next annual review. It is acknowledged that the pandemic may hinder some of these steps, which will be addressed and reported accordingly to Council in the 2023/24 AGS.

Cyngor Sir CEREDIGION County Council

REPORT TO: **Governance and Audit Committee**

DATE: **24 January 2024**

LOCATION: **Remotely via Video-conference**

TITLE: **Report on the Annual Governance Statement 2023-24 progress update & Governance Framework Review 2023-24**

PURPOSE OF REPORT: **To present an update regarding progress with the Annual Governance Statement 2023-24 & Framework Review 2023-24**

For: **Decision**

Introduction and Requirements

The Accounts and Audit (Wales) Regulations 2014 requires local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control. This review must be documented in an Annual Governance Statement and published as part of the Council's Annual Statement of Accounts. The Governance & Audit Committee is responsible for monitoring the governance arrangements on behalf of the Council.

The Annual Governance Statement must be prepared in accordance with proper practices, including those set out
in the Chartered Institute of Public Finance and Accountancy ('CIPFA') and The Society of Local Authority Chief Executives ('SOLACE') '*Delivering Good Governance in Local Government: Framework*' (2016). The Framework, published in April 2016, is based on the CIPFA/International Federation of Accountants ('IFAC') '*International Framework: Good Governance in the Public Sector'*.

The CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework'* (2016) sets out a framework of 7 key principles that will enable organisations, public sector partnerships and combined authorities to achieve their outcomes while working in the public interest. The principles are further supported by core-principles of behaviour that demonstrate what good governance should look like in practice. These principles are the basis for the Council's Local Code of Corporate Governance and are considered in the Governance Framework Document.

Draft Annual Governance Statement 2023-24- Appendix 1
The Annual Governance Statement for 2023-24 is attached.
Committee is requested to:
 i)   note and consider its contents

Governance Framework Review 2023-24

A workshop was held on 6ᵗʰ December 2023 for relevant Officers and committee Members to consider progress on the actions set out in the 2023-24 Governance Framework Review. During this workshop, the Governance Framework Review was reviewed to consider any updated evidence which may be included in the document and to reflect on previously identified actions. It was also agreed to amend the scoring to the document to be out of 5 rather than 10 as previous years.

The Governance Framework Review 2023-24 (**Appendix 2**) has been produced as a result of the aforementioned workshop and contributions from the various responsible Officers set out in the document. This is a working document.

The Governance Framework Review 2023-24 will form the basis for the Annual Governance Statement 2023-24, which will be presented again to Committee in draft form at its 14ᵗʰ March 2024.

The final review scoring completed during the workshop is included (see **Appendix 2**). In summary a total of 92 behaviors were reviewed.

Therefore,
92 total behaviors are scored as follows:
- 2 scored at 3,
- 27 scored at 4
- 63 are scored at 5.

RECOMMENDATION(S):

The Governance and Audit Committee is requested to:

i)   Note the Annual Governance Statement 2023-24 (**Appendix 1)**
ii)   Note the Governance Framework Review (**Appendix 2**);

REASON FOR RECOMMENDATIONS: To progress work on the Annual Governance Statement 2023-24 and publication of the Local Code of Corporate Governance 2024-25.

Appendices:	**Appendix 1 – Draft Annual Governance Statement 2023-24** **Appendix 2 – Governance Framework Review 2023-24**
Head of Service:	Elin Prysor, Corporate Lead Officer – Legal & Governance Services / Monitoring Officer
Reporting Officer:	Katy Sinnett-Jones, Governance Officer
Date:	20.12.2023

Annual Governance Statement

2023-2024

DRAFT – To be approved

Contents

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1   EXECUTIVE SUMMARY

Ceredigion County Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

Council's Governance Framework

The Council's Governance Framework serves to review the Council's governance arrangements to ensure that the Council is achieving the intended outcomes for its stakeholders/service users. The Framework is based upon the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, *International Framework: Good Governance in the Public Sector* (CIPFA/IFAC, 2014) and the following seven principles:

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 the 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

The Council is required, each year, to produce an Annual Governance Statement ('AGS') (this document), which explains how the Council has complied with the seven core principles and sub-principles contained in its Governance Framework and the Local Code of Corporate Governance, and also meets the requirement of The Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.

Annual Governance Statement (AGS)

This Annual Governance Statement(AGS) sets out the results of the annual review of the Council's Governance Arrangements in delivering its Corporate Priorities and gives assurances on compliance for the year ending 31 March 2024 and up to the date of approval of the Statement of Accounts.

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The review confirmed that the Council's governance arrangements are effective and fit for purpose.

The Annual Governance Framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be acceptable or good. The review confirmed that the Council's governance arrangements are effective and fit for purpose.

The Council has made good progress during the year with recorded achievements against each of the seven core principles.

The Council's governance arrangements for the year 2023/24 have been reviewed in line with its Local Code of Corporate Governance. This Local Code of Corporate Governance is a public statement that sets out the way the Council will meet that commitment in order to achieve its Corporate Well-being Objectives.

The Governance and Audit Committee concluded that, based upon the evidence presented to it during 2023/24, the Council's governance arrangements and internal controls are considered satisfactory/good].

In consideration of the evidence presented to it, the Leadership Group has also concluded the Council's governance arrangements and internal controls are considered satisfactory/good.

In addition, it is considered that the Council has made good progress during the year with recorded achievements against each of the seven core principles.

The Council has identified a number of minor issues for resolution during 2023/24 and has set these out in an action plan for completion (as shown below)

The actions taken as a direct result of the pandemic have been recorded, as appropriate and are now deemed historical

Local Code of Corporate Governance

To be successful the Council must have a solid foundation of good governance and sound financial management. The Council's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values, enabling the Council to monitor the achievement if its strategic objectives and consider whether they have led to the delivery of appropriate, cost-effective services.

The Code provides guidance to all Members and Officers on the governance agenda and its regular review provides a high level of assurance that the governance arrangements are fit for purpose.

The Code sets out the systems and processes, and cultures and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It is supported by a Governance Assurance Framework that sets out what assurances the Council seeks to obtain, and how this will be done.

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The Council's Local Code of Corporate Governance is available on the Council's website at https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/.

The Code has been has been reviewed for 2024-25 and brings together in one document all the governance and accountability arrangements the Council has in place. It is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and CIPFA/SOLACE Delivering Good Governance in Local Government Framework Guidance notes for Welsh authorities (2016 Edition).

The Council also has a duty under the Local Government (Wales) Measure 2009 to arrange to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council must ensure proper arrangements for the governance of its affairs are in place, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk. The Council also continues to take steps to ensure compliance with the Local Government and Elections (Wales) Act 2021.

The Well-being of Future Generations (Wales) Act 2015 introduced new governance arrangements for public services in Wales, such as carrying out sustainable development, a well-being duty to set and publish well-being objectives (designed to maximise their contribution to the 7 national well-being goals) and taking all reasonable steps towards achieving their objectives.

Corporate Strategy

The Council's Corporate Strategy sets out the Council's Corporate Well-being Objectives, which aim to improve and enhance the social, economic, environmental and cultural wellbeing of citizens of Ceredigion and into which the Council will direct its resources.

The Council's Corporate Strategy 2022-2027 (available on the Council's website at: https://www.ceredigion.gov.uk/media/12183/corporate-strategy-2022-2027.pdf with a document summary available at: https://www.ceredigion.gov.uk/media/12294/corporate-strategy-summary-2022-2027.pdf) describes how the Council will meet the challenges ahead and make the most of opportunities.

The Council's vision is to deliver value for money, sustainable bilingual public services, that support a strong economy and healthy environment, while promoting well-being in the people and communities of Ceredigion. This is to be achieved by fulfilling Corporate Well-Being Objectives, which are:

1. Boosting the Economy, Supporting Businesses and Enabling Employment;

2. Creating Caring and Healthy Communities;

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3. Providing the Best Start in Life and Enabling Learning at All Ages; and

4. Creating Sustainable, Greener and Well-Connected Communities.

The steps the Council plans to take to achieve its Corporate Well-being Objectives will help improve outcomes for local people and maximise its contribution to the 7 National Well-being Goals (see below):

THE 7 NATIONAL WELL-BEING GOALS

From the Well-being of Future Generations (Wales) Act 2015

- A globally responsible Wales
- A prosperous Wales
- A Wales of vibrant culture and thriving Welsh Language
- A resilient Wales
- A Wales of cohesive communities
- A healthier Wales
- A more equal Wales
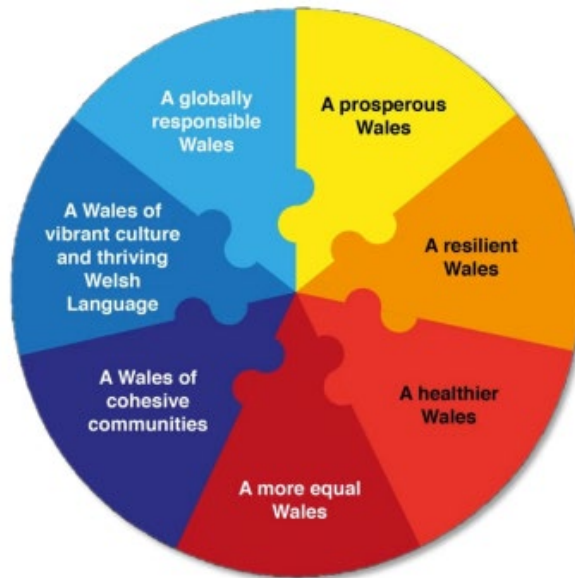
Governance Framework Review

The current Governance Framework monitors how the Council is fulfilling its Corporate Priorities and adhering to its Corporate Strategy.

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The Governance Framework and local code is being reviewed and a workshop was held on 6.12.2023. It is proposed that the new Governance Framework will be approved by the Governance and Audit Committee and Council and implemented from 01.04.2024

Constitution

The Council's Constitution sets out the governance arrangements (Standing Orders) for the Council and is revised regularly.

constitution-eng.pdf (ceredigion.gov.uk)

The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance the Council's governance arrangements.

The Leader and Chief Executive confirm they have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this AGS will address the areas for improvement.

Signed on behalf of **Ceredigion County Council**

Leader of the Council   **Chief Executive**

Date: xx/xx/xxxx   Date: xx/xx/xxxx

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2 Assessment of the effectiveness of key elements of the Governance Framework

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively.

The Leader of the Council provides clear strategic direction, and the Constitution clearly defines the roles of Councillors and Officers. Internal and External Audit, Ethics and Standards Committee and the Governance and Audit Committee are committed to ensuring the governance arrangements are effective and robust.

The Council has conducted an annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance Framework (2016). The review involved a member/officer workshop in which the Council's Governance Framework Document was analysed and reviewed, with further changes made after the workshop reported to the Governance and Audit Committee. Contributions were made to the review by the following Members: The Chair of the Governance and Audit Committee along with councillor and lay members of the Committee. In addition, the Monitoring Officer, Corporate Manager - Internal Audit, Governance Officer, Corporate Lead Officer - Democratic Services, Corporate Manager – Democratic Services, Corporate Lead Officer – People & Organisation and the Corporate Manager – Partnerships, Performance and Public Protection also took part.

During the workshop each behaviour was introduced and scored against a scoring mechanism, as follows:

1 Unacceptable Immediate action required

2 Below satisfactory - urgent Action Required (within 3-6 months)

3 Satisfactory - Action Required (before end of year 9-12 months)

4 Acceptable Minor adjustments may be required

5 Good - overall Governance considered to be good and meets best practice no further action required

Each score used in the Governance Framework Review is a score out of 5

The Governance Framework Review is reviewed by officers, who have governance/management responsibilities within the Council, and also by the Council's Leadership Group on xxxxxxx

The Leadership Group, which consists of the Chief Executive, Corporate Directors and Corporate Lead Officers, concluded in their review that [enter comments/statement from LG].

The review framework was also reviewed by the Governance and Audit Committee on 24/01/2024 (see Report at [enter link] and meeting minutes at [enter link]).

Based on the evidence presented to the Governance and Audit Committee during 2023/24, including during the annual Workshop, the Governance and Audit Committee concluded that [. the Council does have effective governance arrangements in place…].

Actions recommended by the Governance and Audit Committee are included in the Actions and also monitored through the Committee's Actions Log.

The effectiveness of the governance framework draws on evidence and assurances from:

- Internal and External Audit and Inspection;
- Financial Controls;
- Risk and Performance Management;
- Legal and Ethical Standards;
- Corporate Directors and Other Senior Management, including the S.151 Officer and the Monitoring Officer;
- The Governance and Audit Committee; and
- Overview and Scrutiny Committees.

Internal Audit

In addition, the Chief internal Auditor (Corporate Manager - Internal Audit) undertakes an independent review of the Annual Governance Statement and the method of scoring and evidence, on an annual basis. The conclusion of the review was that

The review of the 2023/24 Framework Review was completed in December 2023 and provided '**high'** assurance that there was a sound system of scrutiny and robustness in place.

This was reported to the Governance and Audit Committee in January 2024 (report available at [enter link]).

The system of internal control is a significant part of the Local Code of Corporate Governance 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 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 Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The CIPFA Financial Management Code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability. The S.151 Officer has undertaken a self-assessment review and is satisfied that the Council is compliant with the code.

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3   Corporate Governance Achievements for 2023-24

The Local Code for Corporate Governance sets out the Council's commitment to the principles of good governance. The following paragraphs provide a brief summary of the Council's main Corporate Governance achievements during 2023-24 (consideration of the achievements in full having been considered during the Framework review carried out between relevant Officers and Governance and Audit Committee members as part of the review process).

To avoid unnecessary repetition, included below is a summary of *new* evidence of the Council's work *during 2023-2024 only* relevant to each of the A-G principles. For a full breakdown of evidence, including continuing ways the Council evidences adherence to the principles, see the Governance Framework Review at [enter link].

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

Behaving with integrity

All Council Members and Officers must comply with Codes of Conduct, which are set out in the Constitution and set out responsibilities and duties.
Mandatory training is also provided on the Code of Conduct and ethics to Members, as well as training on Ethics/Fraud for Managers.

The Corporate Lead Officer – Legal & Governance is the Monitoring Officer whose duties include ensuring lawfulness and fairness of decision making, and supporting the Ethics and Standards Committee. The Monitoring Officer advises on Member interests (and holds the Register of interests), declarations of interest and Officer/Member relationships. The declaration of interest process [enter update on review].

Members are required to update Register of Interests in accordance with the Code of Conduct, and in addition, annually, which is opportunity to reference any close personal associates/roles etc. Additionally, declarations of interest made by members at meetings. This includes lay/independent members. Regular updates employee declarations of interest and hospitality were published on the Council's CeriNet site.

The Ethics & Standards Committee champions ethical compliance to ensure that public have trust and confidence that Members and Officers work to highest ethical and moral standards. It considers member standards and conduct matters, and the Committee provided its Annual Report to Council on [date]

The Council has several policies and strategies in place to prevent fraud and [any statistics e.g. number of staff who've done training?] and the Governance and Audit Committee presented with Internal Audit's Annual Report on Counter Fraud on [date] in which it was concluded [enter comments]. [insert any relevant work e.g., grant assistance payments and how fraud avoided?]

The Politically Restricted Post Register for Officers is maintained and a review carried out in [enter date], with and the Political Restrictions on Local Government Employees Policy available to employees on CeriNet. The Register of Politically Restricted Posts has been updated and is published on Council website.

The Constitution is subject to regular reviews, with ongoing updates as required, including presenting proposed changes to Cross Party Constitution Working Group, to make recommendations on changes to Constitution to Council. MO/Governance Officer report to Council to update delegations and Constitution. The Constitution Working Group met up three times in 2023. The 25th of April, 26th of September and 14th of November.

The Governance and Audit Committee, which is chaired by a lay person and has a 1/3 Lay Person/Member make-up, formed part of the AGS review process during the Workshop stage 6th December 2023 and reviewed the AGS at its meeting of 24th January 2023.

Since the Ethics Audit undertaken during 2019, a follow up Internal Audit of Council's arrangements regarding ethics

During April 2023 the review of the Whistleblowing Policy, which is available to Employees and Contractors, has been completed and published on CeriNet for Staff. The MO keeps a register of referrals and reports 6-monthly to the Overview and Scrutiny Co-ordinating Committee.

B. Ensuring openness and comprehensive stakeholder engagement:

Consulting and engaging with citizens is important to the Council. Consultations are published on the Council's website and promoted on social media. Consultations carried out during 2023-24 included:

- Proposed and recently introduced Traffic Regulation Orders/Experimental Traffic Regulation Orders;
- Welsh Government Consultation to establish Corporate Joint Committees;
- Flooding reduction;
- Ysgol Gymraey Aberystwyth Pre-planning Application Consultation Event;
- Aberaeron Secondary School Footpath;
- Re the Charitable Trust 'New Quay Library and Reading Room';
- Use of trust money of the charity 'Old County School, Tregaron';
- Ceredigion Respite and Day Services;
- 20mph speed limits on Ceredigion country roads
- Application for the Registration of Erw Goch Field;
- Ceredigion Crime and Disorder Strategic Assessment Questionnaire; and
- Ceredigion Local Well-being Plan 2023-28 (Draft)

[Council and Cabinet meetings are broadcasted online
IIA conclusions reported to Council, Cabinet and Overview and Scrutiny.

- Summary reports on consultation and engagement activities are reported back to Members and service users.

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- We have worked in partnership with Local Authorities and Public Services across Mid and West Wales on the review of our Strategic Equality Plans. A joint question set and engagement and consultation framework was produced and as a result, feedback was obtained from people with protected characteristics.
- Minutes of engagement groups with people with protected characteristics.
- Effective Community involvement carried out with the well-being assessment work.
- Effective Community involvement carried out with service users from different backgrounds to inform the new Strategic Equality Plan.
- Corporate Communications Strategy 2019-2022 is currently under review and a new Strategy will be developed in 2023.
- Dissemination of consultation results and reports on completed consultations and engagement exercises are posted on the Council's public consultations webpage in order to provide feedback to the public.
- Processes have been introduced to monitor feedback e.g. any consultation/engagement reports are presented to Scrutiny and Cabinet to inform their decision-making.
- Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.
- A Well-being assessment (PSB) has been carried out that will inform the development of the PSB's Local Well-being Plan, which will be published in May 2023.
- An annual report on progress made against the Council's Well-being objectives and Corporate priorities in published on the Council Website.
- UNCRC – United Nations Convention on the Rights of the Child have been adopted by the Council.
- Participation Standards have been adopted by Council.

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

Defining outcomes

- The Council's Corporate Well-being Objectives are included in the Council's Corporate Strategy 2022-2027 and are reviewed each year and reported in the Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report published on the Ceredigion County Council website.
- The purpose and the vision of the Council have been determined by Council and is contained in the Corporate Strategy 2022-2027. This strategy illustrates how the authority will support and promote the well-being of the citizens of Ceredigion.
- All Planning arrangements reflect the Golden Thread and make the links to Corporate plans including;
  - o Business Plans;
  - o Strategic Plan;
  - o Corporate Performance Management Reporting; and
  - o Well-being and Improvement Objectives.
- Performance information is outlined in the Council's Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report .
- Business Plans are prepared on an annual basis and are monitored quarterly by a Performance Board, which includes Cabinet members and the Chairs and Vice

Chairs of the Overview and Scrutiny Committees and Chair of the Governance and Audit Committee.

- Budget setting subject to detailed scrutiny by the five Overview and Scrutiny Committees.
- The Medium Term Financial Plan is in place.
- Quarterly performance arrangements provide a challenge protocol to ensure outcomes are delivered.
- Business planning process includes resource allocation.
- Cross-Party Transformation and efficiency Group monitors the budget savings and delivery of services within budgets.
- Corporate performance management arrangements include quarterly assessment of risks to the achievement of outcomes or service delivery.
- Risk management includes risk logs for;
    o Business Plans (Level 1); and
    o Service Plans (Level 2).
- Local performance measures are included in Business and service delivery plans.
- Capital Plans include;
    o Rights of Way;
    o Highways;
    o Annual Budget Plan; and
    o Transformation.
- The Risk Management Policy and Strategy and the Risk Management Framework was approved by Cabinet on 24 September 2019.
- Risk Management training to be rolled out to Members and Senior Managers.
- Risk management e-learning package has been developed for all other Staff and training took place in 2019, with workshop with insurers arranged for senior Managers.
- Publication of service performance, including costs and value for money data is routinely considered within service reports.

Sustainable economic, social and environmental benefits

- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness. In his letter he has stated that the Council has complied with its responsibilities to the use of its resources.
- The most recent Audit of the Council's Improvement Plan (2020-2021) was issued in November 2020. The report concluded positively that the Council discharged its duties and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- A capital appraisal form is completed for new capital projects, which covers the requirement for the project, and is used to assess value for money and the revenue implications of major projects.
- Capital Investment Strategy is contained within the Medium Term Financial Strategy.
- The Authority has undertaken the following steps towards the implementation of the Well-being of Future Generations (Wales) Act 2015:
    o Prepared well-being objectives and statement;
    o Embedded the Well-being Goals and Sustainable; development principal into the business planning process
    o Developed a new IIA tool and guidance;
    o Established a Well-being of Future Generations Act group and action plan;

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- The Constitution is continually monitored and reviewed;
- PSB <u>assessment of Local Well-being</u> published in March 2017;
- Scrutiny arrangements agreed for PSB;
- Cabinet Reports, to include the Social/economic/ environmental impact assessment;
- A mandatory e-learning module on the Act has been developed and promoted to all Council Staff;
- an Equality, community and Welsh language Impact Assessment must be undertaken on all school restructuring proposals as required under the Welsh Government School Organisation Code; and

- Members have contributed to The Future Generations Officer Scrutiny Framework in relation to the WFGA.
- Wales procurement policy statement is aligned to the Council's <u>Procurement Strategy 2018-2022.</u> Task and Finish Group established December 2023 to consider Procurement & Commissioning Strategy 2024
- Procurement training also being rolled
- The Council wide WFGA Group Action Plan.
- <u>Strategic Equality Plan 2020-2024</u>.
- <u>Welsh Language Standards.</u>
- <u>Annual Welsh Language Standards monitoring report.</u>
- A mandatory E-learning training module on Welsh Language Awareness must be completed by all Staff.
- Members provided with Welsh Language Awareness and Equalities Training as part of their Induction Programme.

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

Determining interventions

- The <u>IIA tool and guidance</u> is available and training has been rolled out for Officers and Members.
- Corporate project management group has been established to formalise project development and management.
- Standard reporting templates are used in decision making process.
- Organisational Awareness training available as an optional module of the Corporate Manager Programme, which includes information relating to the decision-making process, Wellbeing of Future Generations, Equalities, Welsh Language and the use of the IIAs, Head of Democratic Services and MO (CLO-Legal & Governance) advise as necessary.
- Risk Management Policy, Strategy and Framework with training programme for Members, Senior Management and Managers, published on CeriNet and available to all Members of Staff. Documents amended to reflect additional risks and background information to make informed decisions. Corporate Risk Register reported regularly to Governance and Audit Committee.
- <u>Medium Term Financial Strategy</u> has been regularly updated.
- <u>Consultation decision tree tool</u> includes a guidance section on dissemination of consultation results.
- Finance challenge regarding savings on Council Website.

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Planning interventions

- Corporate Performance Management arrangements include quarterly:
  - Weekly leadership Group meetings;
  - Quarterly reporting of progress against level 1 Business Plans;
  - Quarterly Performance Board meetings; and
  - Quarterly Executive Panel Meetings.
- A calendar is used to report deadlines and Board/Executive Panel dates are published with reports.
- All major collaboration projects have established governance and management arrangements including risk management.
- All projects considered by Corporate Project Management Panel, which is also attended by IA and is an effective forum for advice/challenge and highlighting risks as Service areas develop projects, including collaboration projects.
- The Corporate Project Management Panel helps ensure projects give early consideration to: the Well Being and Future Generations Act; to other guidance; to finance, procurement, governance and legal arrangements; to HR implications; Health & Safety; and Audit. Improve project arrangements prior to reporting to the Development Group and other authorisation processes. This also helps identify capital requirements for inclusion in future capital programmes.
- Ensuring Staff with project management skills are available.
- Account will be taken of legislative changes e.g. work is ongoing in relation to implementing legislative changes such as LGEW 2021 Act changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks. Meetings are being held and preparation being carried out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first meeting held on 19th April 2021, to consider the requirement to establish the Mid Wales CJC in accordance with the 2021 Act).
- Appropriate Joint Scrutiny arrangements are in place in relation to the Growing Mid Wales Board. Similarly, the Mid Wales Corporate Joint Committee will have Sub appropriate arrangements in place (Joint Scrutiny, Standards and Governance and Audit Committee)- arrangements in compliance with legislation and its Standing Orders.
- Local performance indicators have been established and approved for each service element and included in the service plan and are reported upon regularly.
- The Business Planning process for 2022-23 is being implemented with Level 1 Business Plans shared with the Performance and Research Team.
- Performance measures have been identified within each Level 1 Business Plan that have in turn translate into the reporting Dashboard for each service. These measures have been closely scrutinised and have received final sign-off from senior leadership. Services report against these measures as part of the performance management process for the year.
- Business Plans include budget and finance information and form part of the quarterly Corporate Performance Management arrangements.
- Budget Framework in place.
- Service Accountancy – Budget monitoring takes place.
- <u>Financial Regulations and Financial Procedure Rules (Document F Constitution)</u> along with Budgetary Control Guidance are all up to date. Chief Officer Assurance Statements. The internal controls in place are subject to regular review by Internal Audit, in accordance with the annual risk-based audit plan.

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- Changes through the corporate savings plan have been through a robust governance process to ensure that all savings all link to the desired outcome.
- Community Benefits is embedded in our Processes and Policies and has been regularly applied, monitored and reported upon. Well-being of Future Generations (Wales) Act is integrated into our processes.

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

Developing the entity's capacity

- Corporate and line management induction is now in place. Corporate induction and Corporate Manager Development plans were introduced in April 2018 and revised in October 2022. Corporate induction sessions are part of these requirements, all new Staff must attend an induction session. Senior Managers present within these face-to-face or virtual sessions.
- CeriNet (the HR intranet and resource to Staff and management) is continually reviewed and improved for effectiveness.
- Learning & Development in now managed via the Ceri system offering opportunities to all Staff.
- Ongoing annual Personal Performance scheme – Performance Reviews link to Corporate and strategic objectives.
- The Corporate Performance Management arrangements provide the forum for performance management's needs and thereafter preparing action plans for delivery of corporate improvements in performance review of Staff. These have been further strengthened with the introduction of annual appraisals for all Staff via the Ceri HR system.
- Induction programme is provided for new Members. Ongoing training is arranged for specific issues e.g. Treasury management.
- Members attend various events, seminars and conferences (see above).
- Personal Development Review process in place for Members.
- Utilisation of research and benchmarking exercises.
- The Ceri HR payroll system has ensured that meaningful data on Staff is now available to Managers on a monthly basis in order to monitor costs turnover and absence.
- Effective operation of partnerships which deliver agreed outcomes.
- Effective Partnerships have been developed in a number of areas and services including:
  - School Improvement;
  - Health & Social care; and
  - Waste.
- Additional partnerships are included in the strategic Collaboration Projects List.
- Strategic workforce planning is undertaken utilising the Strategic workforce planning tool kit and is completed by all service areas. The Workforce Plan 2022-2027 is currently being developed and will be published once approved by Cabinet in early 2023. Once in place, annual updates on progress of the workforce plan are reported to scrutiny.

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

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- The Leadership and Senior Officer structure has defined these roles, including how they integrate with each other.
- Joint meeting of senior Managers ensures that roles, responsibilities and accountabilities are clear.
- Job descriptions clearly define the roles and responsibilities required of posts.
- The Constitution sets out the roles and responsibilities of Members (Part 3.4 Table 4) and senior Officers (part 2 Article 2)
- The Strategic Planning Toolkit includes an element of succession planning and talent management.
- Learning and Development opportunities are offered to those within a Leadership role or who are aspiring leaders.
- A Scheme of Delegation (The Constitution Part 3.5) exists and clearly sets out responsibilities for Members and Officers.
- Protocols are in place for working relationships between Members and Officers (e.g. Officer-Member Protocol).
- Codes of Conduct for Officers and Members are in place.
- Member Officer working groups in place and working effectively.
- Contract Procedure Rules ('CPR') (Part 4 Document G Constitution) and Financial Regulations and accompanying financial procedures (Part 4 Document F Constitution) are reviewed on a regular basis e.g. CPR updated March 2019.
- The Council's Constitution sets out the functions and responsibilities of the Leader and Chief Executive.
- The Corporate structure of the Council has been established to ensure that the Statutory Officers are able to perform their roles effectively.
- The CE is responsible for reviewing this structure, as necessary.
- Democratic Services Committee agreed the revised set of Member Role Descriptions, designed to be used alongside Welsh member Development (Competency) Framework, of Welsh Local Government Association ('WLGA') Framework.
- Member Role Descriptions and Person Specifications presented to Council.
- Comprehensive Induction Programme for Members (new and old) undertaken following the Local Elections 2022.
- Access to courses/information briefings on new legislation.
- Provision of opportunities for ongoing skills and refresher training for Officers.
- Members Workshops arranged, as necessary.
- Personal reviews for Officers.
- Provision and ongoing review of opportunities for skills and refresher training for Members (see above), including Personal Development Review Scheme.
- Development/training done as part of person specifications for key finance and legal posts (mandatory qualification, job requirements).
- The Council aims to achieve the standard level for the Wales Charter for Member Support and Development.
- A process for Member Personal Development Reviews has been developed and the information used to develop a Members' Training Plan.
- Induction and Corporate Manager Development plans are in place.
- E-learning packages are regularly being developed and rolled out for mandatory and non-mandatory training for staff and Members.
- Performance Reviews are undertaken by all Staff as part of the Ceri system Performance Management module.

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- The Corporate Performance Management arrangements provide the forum for performance management's needs and thereafter preparing action plans for delivery of corporate improvements in performance review of Staff.
- Induction programme is provided for new Members and new comprehensive induction programme has been provided post-election (from May 2022) with additional e-learning modules available. Ongoing training is arranged for specific issues. Members attend various events, seminars and conferences (see above).
- Scrutiny self-assessment undertaken annually.
- Succession planning is undertaken through discussions and actions within service areas and with partners this cannot always be evidenced. This will be further developed through the strategic workforce planning toolkit.
- Ceredigion Manager Programme offers personal development including governance arrangements and organisational knowledge.
- Members are encouraged and supported to complete Annual Reports, which are published on the Council's website.
- Chair of the Democratic Services Committee attends the National Network, facilitated by the WLGA.
- Chair of Governance and Audit Committee attends All Wales Governance and Audit Committee Chair's Networking Meetings to develop and compare role within Local Authorities.
- Staff development plans linked to appraisals have been strengthened with the introduction of the Performance Management module in Ceri.
- Implementing appropriate Human Resource policies and ensuring that they are working effectively.
- Smoke-Free Workplace Policy.
- Alcohol and Drug Misuse Policy.
- The Council has introduced a range of resources and options to enhance the health and well-being of Staff.
- Health and Well-being Strategy 2021-2026 has been introduced to support the improvement in the workforce health and well-being.
- The Council has appointed an Employee Health & Wellbeing Officer to coordinate and promote health and wellbeing within the workforce.
- A Care First employee assistance package has been introduced that offers:
- Counselling service; and
- Advice on financial, legal, consumer, eldercare, childcare and employment issues.
- Other support available for Staff includes:
  - o Cognitive Behaviour Therapy Interactive health and wellbeing programme;
  - o Eyecare scheme;
  - o Childcare voucher scheme;
  - o Iechyd Da; and
  - o Mindfulness training for Staff and Managers.
- Counselling service is also available to Members.

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

Managing risk

- The Corporate Risk Management Framework and the Risk Management Policy and Strategy were approved by Cabinet on the 24th of September 2019 and continue to be updated.
- The Corporate Risk Register is considered at all Leadership Group, Corporate Lead Officers, Corporate Performance Management meetings and by the Governance and Audit Committee as a standing item. The Committee refers matters to Scrutiny Committees, where appropriate. This provides ongoing information and assurance that risks continue to be managed.
- All Risks are allocated to a Corporate Lead Officer (Risk Owner).
- Specific Project Risk Monitoring is undertaken.
- The Cross party Transformation and Efficiency Group regularly monitors Transformation Risks.
- Risk Management is integral to operational business planning Policy and Strategy setting.
- Project and transformation Risks are all logged.
- All Plans included Risk logs including:
  - The Medium term Financial Plan;
  - Business Plans (level 1); and
  - Service Plans (level 2).
- Corporate Risk Management arrangements are audited regularly.
- The management of risks is included in individual Services service/establishment audit programmes.
- 'Risks' form the basis of Internal Audit's audit programmes of work, as required by the Pentana audit management software system. Cabinet report template expanded to include risks and implications arising.

Managing performance

- Corporate performance management is linked to the Well-being and Improvement Objectives, Corporate Strategy 2022-2027 and the PSB's plans. The Council also has many local indicators which helps it determine whether it has achieved the priorities in its Corporate Strategy 2022-2027.
- Council approved the Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report 2021-22.
- Benchmarking information carried out as part of service re-modelling.
- External & internal assessments by:
  - Audit Wales;
  - Estyn;
  - Care Inspectorate Wales ('CSIW');Investigatory Powers' Commissioner's Office ('IPCO'); and
  - Information Commissioner's Office ('ICO').
- Self-Assessment (Governance and Audit Committee) - self-assessment exercise discussed at 28.11.22 workshop and will be carried out in 2023.
- Individual Services carry out self-assessment through a performance matrix.
- IA undertake an annual self-assessment and have a 5-yearly independent external assessment / peer review as required by the PSIAS. The external assessor concluded that Ceredigion County Council's Internal Audit function generally conforms with the PSIAS. With the function currently conforming to 50 of the best practice areas, partial conformance in six areas and no areas of non-conformance.
- Cost performance (using inputs and outputs).

- A Corporate Performance Management Panel meets quarterly. All Corporate Lead Officers report to this Panel and the Dates for reporting are published in the report. The Chairs and Vice Chairs of the Overview and Scrutiny Committees attend with the principle that they can identify areas that require inclusion on their respective Forward Work Programmes.
- Chief Officers provide support and advice to Members and advice provided by Chief Finance Officer and MO.
- Scrutiny arrangements are in place which provide opportunities to challenge decision making and review the provision of services. The scrutiny function's aim is to provide added value to the continuous improvement agenda in their role as "critical friend". In addition, Overview and Scrutiny Committees also provide opportunities to undertake pre-decision and policy development work, which is a function of scrutiny, which has developed over recent years. The Council's aim is to scrutinise, where possible, before decisions are made.
- Training for Members on the role of Scrutiny and Scrutiny Chair and Vice Chair training provided.
- The Council's Overview and Scrutiny Co-ordinating Committee is responsible for taking an overview of the overall effectiveness of the PSB.
- Work undertaken with the Future Generations Office to develop a Scrutiny Framework in relation to the WFGA.
- A Corporate Performance Management Board meets each quarter, with Chairs of Scrutiny Committees invited to attend.
- Reporting dates are set at beginning of each year.
- Transformation and Risks are all referred to joint Local Government meetings and Panels.
- Financial monitoring is regularly undertaken throughout the Council under a devolved accountancy arrangement and formal reporting is made to Cabinet. Monitoring is also incorporated into the quarterly performance management reports.
- Accounting practices - Codes of Practice are complied with. Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.
- Business/Service plans are monitored to ensure delivery outcomes are achieved.

Robust internal control

Risk Management Policy and Strategy and the Risk Management Framework were approved by Cabinet on 24 September 2019.
Updates in relation to Business Continuity and Civil Contingencies arrangements submitted on a regular basis in line with the Corporate Risk Register, Risk CORP04.
Business Continuity and Civil Contingencies Group meet quarterly.
Regular meetings of the Emergency and Business Continuity Management Group take place to review Corporate and Service Area Emergency and Business Continuity Arrangements and Plans as well as recommendations arising from past incidents and exercises to evidence risk, identify emerging trends, and document any lessons learnt for follow up.
The annual Internal Audit Plan is risk-assessed and takes account of Council aims and objectives, and corporate policies and procedures; to include a review of the

Risk Management corporate arrangements, and testing the mitigating controls in place for a sample of risks noted in the Corporate Risk Register

Internal Audit Strategy & Annual Plan 2021-2022 approved by Governance and Audit Committee10 March 2022 & continues to take account of additional risks presented by the pandemic.

IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.

Regular Quarterly Internal Audit Progress Reports to Governance and Audit Committee for monitoring (e.g. Internal Audit Progress Report for period 1 July 2022 to 30 September 2022 presented to Governance & Audit Committee on 17 January 2023).

Internal audit reports issued to Managers highlight the risks of not implementing any IA recommended actions. Fundamental & significant recommended actions are followed up and reported to Governance and Audit Committee. If CMIA considers that any fundamental risks have not been addressed by a Manager this is reported to Governance and Audit Committee who has the discretion of requesting that Manager to attend & explain reasoning for non-compliance.

Summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year-end. IA Annual Report for 2021/22 approved by Governance & Audit Committee 6 June 2022.

Follow-up IA reviews to monitor implementation of required actions.

Internal controls, risk & governance processes are monitored according to the Internal Audit Charter (last version approved by <u>Governance & Audit Committee 19/1/22</u>) & the Annual Internal Audit Strategy and Plan.

The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness in his letter he has stated that the Council has complied with its responsibilities to the use of its resources.

Risk evaluation always appears on agendas.

Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption ('CIPFA', 2014).

Internal Auditors have procedures in place if fraud discovered.

An Officer in the IA team is an accredited Counter Fraud Technician, and a second officer is also currently undertaking the qualification.

An officer) in the IA team holds a CIPFA Certificate in Investigative Practices ('CCIP').

'Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering)' updated and approved by Council 17 June 2021 (minutes confirmed 23 September 2021) has been written with regard to the Code of Practice & updated to ensure all requirements are included.

IA undertakes counter fraud work where required (as well as dealing with the discovery of fraud as considered earlier).

Council complies with Audit Wales's annual National Fraud Initiative requirements, currently co-ordinated by IA.

IA presents Counter-Fraud Report to Governance and Audit Committee annually <u>(2021/22 Counter-Fraud Report presented to Governance & Audit Committee on 6 June 20226</u>).

Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);

Membership and active participation in professional networks and groups (Tisonline, KHub, etc);

IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;

Nominated Council Officers undertake various fraud training to maintain knowledge and expertise;

Where appropriate, successful prosecutions publicised on Council website (and in local press)

IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.

The AGS contains the CMIA's annual opinion on assurance.

The IA function is headed by a CMIA who is currently studying to gain an IIA qualification, they have considerable local government experience, and are supported by a team with appropriate knowledge and skills. Regular reporting to Governance and Audit Committee on the activity of IA is undertaken. Robust risk-based forward work programme and business planning is in place.

IA evaluates and improves the effectiveness of risk management, control & governance processes in accordance with PSIAS, which is self-assessed and reported to Governance and Audit Committee annually along with any improvements required. A peer review is undertaken every 5 years the most recent having been completed in May 2022. The report and resulting action plan were presented to Governance & Audit Committee on 27 September 2022.

IA provides an individual assurance to Managers after each audit review – these are then used to provide an overall corporate level of assurance annually, which feeds in to the AGS.

A re-structure of IA was implemented in May 2019, and another in November 2020. The service has been fully resourced since 1 December 2020.

Two members of the team are currently pursuing the Institute of Internal Auditors' professional training qualification.

Governance and Audit Committee self-assessment - self-assessment exercise underway

Regular meetings between CMIA and Chair of Governance and Audit Committee.

Meetings as necessary between MO & Chair of Governance and Audit Committee.

Regular meetings between MO & CMIA.

Regular meetings between MO, CMIA & Audit Wales when necessary.

Regular Meetings between Governance and Audit Committee Members and external regulator Audit Wales (with and without Officers).

Managing data

- ICT and Digital Strategy for 2018-2022 has been approved
- All policies are up to date including; (all approved in February 2019).
    - Data Protection & GDPR Policy (updated in 2023)
    - Information Security Policy; (to be updated 2024) and
    - Records Management Policy. (to be updated 2024)
- A mandatory E-learning training module on Information Security must be completed by all Staff.
- A mandatory E-learning training module on Data Protection must be completed by all Staff.
- Designated Data Protection Officer.
- Corporate Lead Officer Customer Contact is the Senior Information Risk Owner ('SIRO') and has attended appropriate training for that role.
- The following responsible Officers are identified:
    - IT Security Officer ('ITSO'); and
    - Information and Records Management Officer ('IRMO')

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- In addition the following groups/committees consider Information security:
  - o Corporate Data Protection Group; and
  - o Emergency & Business Continuity Meeting.
- External assessments to include compliance with Code of Conduct.
- Regular Internal Audit of data protection Registration requirements.
- Procedures following Audit Wales audit have been implemented.
- Officers are considering the introduction of privacy notices in relation to applications to all Members, including the Development Management Committee.
- Training has been scheduled for Members on their obligations under the GDPR as part of the new Member training and a section on said legislation is now included in the protocol for Members in planning.
- Ceredigion County Council signed Wales Accord on the Sharing of Personal Information ('WASPI') and therefore uses WASPI framework for Information Sharing Agreements.
  ***The Accord is a common set of principles and standards under which partner organisations will share personal information. Organisations who adopt the Accord will show their commitment in meeting the agreed conditions, obligations and requirements within the framework.
- In most cases agreements are forwarded to the Data Protection Officer.
- There is also a public register on WASPI Website.
- Regular external Assessments e.g. Compliance with Code of Conduct.
- Internal performance monitoring and evidence.
- Cross matching data happens across the different services.
- Performance Indicator values are validated with evidence.
- Retention Schedule –now published on intranet.

Strong public financial management

- The latest version of the Medium Term Financial Strategy ('MTFS') was approved by Full Council on 21/09/23.   This reflects the 2023/24 WG Final Settlement and the 2024/25 WG indicative All Wales Settlement and covers the period 2023/24 to 2026/27.   This was also considered by Corporate Resources Overview & Scrutiny Committee on 19/07/23 and Cabinet on 05/09/23.
- This now includes a policy framework for setting the budgets annually as well as a three-year plan. The MTFS features as a corporate risk that is updated at least three times a year. The annual budget setting also included a risk assessment. The Council is responding to the proposal in the 2016 Wales Audit Office (now Audit Wales) Annual Improvement Report and considering the report in light of the MTFS through ensuring that the Council's financial management arrangements are sufficiently robust to meet the significant challenges ahead.
- A Strategic Plan has been developed and has improved the programme of work necessary to consider service priorities whilst addressing financial constraints.
- An annual budget project plan/timetable is established to ensure that a balanced budget is approved within the statutory period in accordance with the Councils budget framework.
- Regular budget reports are taken to Cabinet and Leadership Group throughout the year and operational budgets are monitored on a monthly basis.
- Budget monitoring is regular throughout the year, within services, to Cabinet and to Member Officer working groups e.g. Development Group and CMG and

transformation programme savings to the Cross Party Transformation and Efficiency Consultative Group.

- Quarterly Executive Panel meetings take place if required with Corporate Lead Officers together with the Leader of the Council, the CE, Corporate Lead Officer for Finance and Cabinet Member with Finance responsibility.

G. Implementing Good Practices in transparency, reporting and audit to deliver effective accountability:

Implementing good practice in transparency

- Council's Website.
- Council and Cabinet meetings are broadcasted.
- Standard templates for Cabinet, Scrutiny and Council.
- Compliance to the Welsh language Standards.
- Use of Modern.Gov for publishing agendas and Councillor Information.
- Councillors' contact details, attendance records, Committee membership and Declarations of Interests available on the Council's Website.
- Councillors' annual reports available on the Council's Website.
- Overview and Scrutiny Annual Report available on the Council's Website.
- Democratic Services Annual Report available on the Council's Website.
- Equipment has been installed in the Council Chamber to enable hybrid meetings to be held, as per the Local Government and Elections Act 2021. The Council provides alternative ways for citizens to access information if they don't have access to digital services. The Citizen can telephone the Council's Contact Centre or visit its Libraries where public access to computers are available or free 4G Wi-Fi to allow anyone to use their own device.

Implementing good practices in reporting

- The County Council's Self-assessment and Annual Review of Performance and Well-being Objectives Annual Report is published on the Ceredigion County website to inform Ceredigion citizens what activities and actions the Council undertakes in support of its Well-being and Improvement Objectives. This also forms part of the Council's self-assessment. A summary plan is also available in public offices for our citizens.
- Annual financial statements are published on the Council's Website.
- Council's AGS evidences how it complies with the seven core Governance Framework Principles and sub-principles contained in the Framework and in the Local Code of Corporate Governance, including how it puts in place proper arrangements for the governance of its affairs, facilitates the effective exercise of its functions, and makes arrangements for risk management (the Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016). In compliance also with Local Government (Wales) Measure 2009 and The Well-being of Future Generations (Wales) Act 2015.
- Assessment of the framework for corporate governance carried out to ensure compliance. Decision by Council whether AGS approved alongside Statement of Accounts.

- <u>AGS</u> shared with accounts, reviewed and updated with Members and Officers providing a wider engagement process.
- Council's <u>Local Code of Corporate Governance</u> demonstrates how it has the necessary corporate governance arrangements in place to perform effectively. The Local Code of Governance is a public statement that sets out the way the Council will meet that commitment.
- Financial implications are a requirement for inclusion in all Cabinet Meeting reports. <u>Financial Regulations and Financial Procedure Rules (Document F Constitution)</u>, <u>Contract Procedure Rules (Document G Constitution)</u> are all up to date.
- Accounting practices - Codes of Practice are complied with Prudential Indicators are prepared and reported to Council and monitored throughout the year. Regular budget monitoring takes place throughout the year. IA also reviews controls over income collection and monitoring.

Assurance and effective accountability

- A good working relationship exists with Welsh Government and external regulators, including Audit Wales, Estyn, CIW, Financial Services Authority ('FSA') and Food Standards Agency as key regulators.
- Audit Wales Protocol documented and procedures in place to ensure all 'Management Response Forms' from each Audit Wales report addressed and that Service responses are presented to Leadership Group, Governance and Audit Committee and Audit Wales.
- Regarding monitoring of progress of actions/recommendations,
Governance Officer is Audit Wales point of contact for ongoing governance related MRFs/governance matters. Corporate Performance and Improvement Officer is point of contact for performance related MRFs/performance matters. This system is set out in a Protocol, approved by Leadership Group and presented to Governance and Audit Committee, with updated version (to reflect that the Corporate Performance and Improvement Officer is in post) presented to Governance and Audit Committee 9.9.2021 Meeting.
- Monthly meetings are also being held between Performance Officers & Audit Wales and can be arranged with other officers as necessary. Regular dialogue is maintained with representatives from Audit Wales.
- Recommendations from Audit Wales are taken forward in the Corporate Performance Management arrangements.
- All Audit Wales reports presented to Leadership group and Governance and Audit Committee, which monitors implementation of corrective actions required.
- Monitoring of progress of Actions process has been developed.
- Chief Internal Auditor (CMIA) is currently studying to gain an IIA qualification, and has considerable local government experience, and is supported by a team with appropriate knowledge and skills.
- The Audit Manager is undergoing an IIA qualification.
- and two auditors are developing ICT auditing skills.
- IA Officers are undergoing audit qualifications to enhance knowledge, skills and competency.
- A re-structure of IA was implemented in May 2019, and another in November 2020 and April 2022. The service has been fully resourced since 1 June 2022.
- A new CMIA has been in place from 1 January 2022, and has considerable experience in IA, and is supported by a knowledgeable & skilled Audit Manager.

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- The role of CMIA has free and unfettered access to the Chair of the Governance & Audit Committee and both meet regularly during the year.
- Robust risk-based forward work programme and business planning is in place.
- Regular reporting to Governance & Audit Committee on the activity of IA is undertaken, i.e. quarterly Internal Audit Progress Reports to Governance & Audit Committee for monitoring progress performance and improvement and summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year end. Follow-up reviews undertaken to monitor corrective actions are implemented.
- Internal Audit Charter regularly reviewed and approved by Governance & Audit Committee (last version approved by Audit Committee 19/1/22).
- CMIA provides annual objective opinion on assurance placed on Council's risk management, control and governance processes, based on the individual assurances given to Managers after each audit review, & feeds into the AGS.
- The external assessor concluded that Ceredigion County Council's Internal Audit function generally conforms with the PSIAS. With the function currently conforming to 50 of the best practice areas, partial conformance in six areas and no areas of non-conformance.
- IA's mission is to enhance & protect organisational value by providing risk-based & objective assurance, advice & insight. This is detailed in the internal Audit Charter, which also states IA's right of access (as per the Council's Financial Regulations/Constitution).
- Partnership and Accountability agreements are established in collaborative projects.

4   Opinion on the level of assurance that the governance arrangements can provide

The Corporate Manager - Internal Audit (CMIA) prepares an Annual Internal Audit Report at year-end, which is usually presented to the Governance and Audit Committee at its June meeting. The report sets out the individual and collective outcomes of the audit reviews undertaken during the year, and provides the overall audit opinion of assurance based on this audit work. The assurance provided also takes into account progress in implementing improvements, consideration of the risk register and assurances provided in reports issued by external regulators. The scope of audit work and how the need to constantly reprioritise to ensure sufficient work is undertaken for the assurance is detailed in the report.

The Annual Report at year-end contains the results of the internal audit annual self-assessment of the service, based on CIPFA's LG Application Note's template. This was subject to an external peer review in [enter date].

The external assessor concluded that Ceredigion County Council's Internal Audit function generally conforms with the PSIAS. With the function currently conforming to 50 of the best practice areas, partial conformance in six areas and no areas of non-conformance.

A Report on the Annual Governance Statement 2023-2024 Progress and Current Year Action Plan was provided to the Governance and Audit Committee on [enter date].

The Quarter 1 Internal Audit Progress Report 1/4/2023-30/6/2023 (presented to the Governance and Audit Committee on [enter date] and subsequent periods expected on [enter date], [enter date] and [enter date]) include the actions taken to date to achieve the identified proposed improvements.

The Internal Audit staffing structure has been at full complement during the year 2023-2024.

On [enter date], the CMIA presented to the Governance and Audit Committee the Internal Audit Strategy and Plan for 2023/24. This is designed to ensure a sufficient area of coverage is undertaken to support the annual opinion on the effectiveness of the systems of governance, risk management and internal control across the Council. The Internal Audit Strategy and Plan for 2023/24 summarised the work areas the Internal Audit Section aimed to concentrate their time on during the year,

Internal audit work has been assessed on an on-going basis with regular consideration given to the Council's changing needs and priorities. In addition to this reactive work, assurance for 2023/24 is placed on planned reviews either carried forward or undertaken during the year to assess the annual level of assurance for the Council. All actions taken have been consistent with the guidance note issued by the Internal Audit Standards Advisory Board. In addition, more resources have been dedicated to developing the assurance mapping system to provide additional support to the assurance provided at year-end.

The Council has, for example, had an urgent obligation to award various grants to eligible businesses in the County, and due to potential fraudulent claims, Internal Audit has continued to review a sample of applications prior to payment (easier to stop payments than recover after), adding value to the Council's operations due to changing circumstances, as supported by Internal Audit Standards Advisory Board guidance notes.

The CMIA concluded in her 2022/23 Annual Report presented to the Governance and Audit Committee on [enter date] that the Council has a satisfactory framework of governance, risk management and internal controls in place to manage the achievement of the organisation's objectives during the year, based on:

- the number, scope and assurances from internal and external sources during the year to 31 March 2023, and
- the acceptance of actions by management (where available).

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The Annual Governance Statement will be the subject of review by Audit Wales to ensure that it is consistent with their knowledge and with legislation. In addition, the Internal Audit section undertakes an annual independent review of the Annual Governance Framework and the method of scoring and evidence, as noted in Point 2 above.

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The Council's Corporate Lead Officer - Customer Contact, ICT & Digital acts as the Authority's Senior Information Risk Owner (SIRo) and also has responsibility for Data Protection and ICT Security.

The SIRO Forum traditionally included subject matter experts: E.g. Facilities, Data Protection, IT Security, Head of IT, Legal, HR and some departmental representation. This meets every quarter to discuss information risk and information management issues.

The current key roles and scrutiny of Information Assets are as follows:

- An IT Security Officer ('ITSO') who advises on data security and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements;
- An Information and Records Management Officer ('IRMO') advises on legal compliance and ensures that policies and procedures are in place and are being adhered to;
- Corporate Data Protection (known internally as Corporate Data Protection / FOI / EIR Group Meeting) meets quarterly and is chaired by the Head of Service Policy (Deputy HOS ICT&CS); and
- Annual Reports as required to the Council's Governance and Audit Committee.

Additionally:

- ITSO is the Vice-chair of Wales National Public Sector Security Forum (CymruWARP) which meets quarterly.
- IRMO Chairs the Information and Records Management Society Wales/Cymru and arranges events across Wales.
- IRMO is part of the WASPI - Mid and West Wales Quality Assurance Panel.

Following the Governance Framework review, overall governance arrangements are considered to be good on the basis that the majority of scores applied were 4/5.

5 Issues identified for last year (2023-2024)

The following table records the actions that have been taken during 2023-24 to resolve the issues identified in the Annual Governance Statement for 2022-2023, the Lead Officer responsible for oversight of the Action and the estimated Completion Date. The Lead Officer has responsibility to ensure the action is also detailed, monitored and updated in their own Service's Business Plans

Note: Any actions not fully completed by the completion date will be carried forward into the 2024-2025 Action Plan

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
A1.1 Ensuring Members and Officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	MO to continue to advise Members further on the Code of Conduct. MO to continue to advise Chief Officers further on the need to declare: • close personal associations with other Officers or Members, Ongoing review on Chief Officers business declarations Review Members holding directorships, trusteeships, or memberships. MO to consider member feedback and added value of memberships of outside bodies.	Outcome: Further embedding of behaviour with integrity. Progress: Code of Conduct for Officers revised and approved. MO advice ongoing Not complete	Elin Prysor/ Lowri Edwards	March 2024

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	Reviewed Code of Conduct for Officers to be issued once approved. Officers to complete a Mandatory Ethics/Fraud e-training module once completed & approved. Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023. Discussions are currently taking place with Audit Wales to support their Planning Service Follow-Up Review. Any recommendations will be responded to.	Fraud & Ethics mandatory eLearning module completed. Will be launched on 12/12/2023 for all Council employees to complete Task & Finish Group established October 2023		
A1.2 Ensuring Members take the lead in establishing specific standard operating principles or values for the Organisation and its Staff and that they are communicated and understood. These should build on the Seven	Planning/Development Management Committee governance actions/documents established, training to be provided and progress to be reviewed during 2022-2023. Discussions are currently taking place with Audit Wales to support their	Outcome: Further embedment of Standard Operation Principles and values, including their communication.	Elin Prysor/ Lowri Edwards	March 2024

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
Principles of Public Life (the Nolan Principles)	Planning Service Follow-Up Review. Any recommendations will be responded to.	Progress: Ongoing . Task & Finish group established.		
A1.4 Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	Delegated decision Decisions Register to be published – in progress. Continued monitoring of completion of mandatory Whistleblowing e-learning module.	Delegated decision Decisions Register to be published – in progress. TPO Register prepared and to be published January 2024 Chief Officer Register of Personal Business Interests to be updated & published	Elin Prysor/ Katy Sinnett-Jones	March 2024
	Whistleblowing policy has been reviewed and is awaiting approval by Overview and Scrutiny Co-ordinating Committee and Cabinet. Revised Officer Code of Conduct and Declaration of Interest forms to be presented to Scrutiny Committee Report on generic whistleblowing activity to be presented to Overview and Scrutiny Co-ordinating Committee.	Progress: Draft prepared. Consistency exercise required Approved by Scrutiny on Xx Approved by Corporate Resources scrutiny on 4.3.24 and Cabinet on xx		

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Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
		Due to be done on March 2024		
A3.1 Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	Privacy notices for Councillors being developed and to be provided by Data Protection Officer.	Outcome: Demonstrating strong commitment to rule of law. and adherence to relevant laws and regulations Progress: Complete A template privacy notice has been created and is provided and discussed with councillors as part of their DPO training	LowriEdwards /Alan Morris	March 2024
A3.2 Creating the conditions to ensure that the statutory Officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	CMIA to complete professional qualification	Outcome: Ensuring key post holders are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. Progress: (CIA)Certificate of Internal Audit completed November 2023	Elin Prysor/ Alex Jenkins	March 2024 Complete

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Review of the FOI Publication Scheme is in progress.	Outcome: Demonstrating commitment to openness. Progress:	Alun Williams /Marie-Neige Hadfield	March 2024
B3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes	A new Engagement and Participation Policy, 'Talking, Listening and Working Together' has been published. Implementation of this policy to be considered before action complete.	Outcome: Improving Community Engagement. Progress:	Alun Williams	March 2024
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	To continue to take into account legislative changes e.g. Local Government and Elections (Wales) Act 2021. To implement legislative changes, such as regarding the Local Government and Elections (Wales) Act 2021 and consider/monitor risks facing each	Outcome: Risk management and compliance with legislation to demonstrate commitment to rule of law. Progress: All complete save approval of Petitions pe-Protocol: Council 14/12/23. Constitution to be revised thereafter.	Alun Williams/ Elin Prysor	March 2024

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
	partner when working collaboratively, including shared risks.			
E2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	Delegated Decision Register to be published.	Outcome: Further clarity on which decisions are delegated through communication by way of publication. TPO Register prepared and to be published January 2024 Chief Officer Register of Personal Business Interests to be updated & published	Elin Prysor	March 2024
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitor progress of actions/recommendations – ongoing action.	Assurances and managing risk. Progress: ORF's presented to GAC as part of ongoing Action Plan. Updates are revisited at future meetings?	Elin Prysor/ Alun Williams/Alex Jenkins	March 2024

6. Agreed action plan for matters to be considered during 2024-2025

Following the implementation and review of the CIPFA/SOLACE Delivering good governance in Local Government Framework (2016) the following issues (see below table) have been identified for resolution during 2024-2025. The Table sets out the issue, action, desired outcome, Lead Officer responsible for oversight of the action and the estimated completion date. The Lead Officer has responsibility to ensure the action is also detailed, monitored and updated in their own Service's business plans.

Issue	Action	Outcome	Lead Officer	Completion Date

7. Conclusion

The annual governance framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be ==acceptable or good==. The Council has made good progress during the year with recorded achievements against each of the seven core principles. The Local Code of Corporate Governance brings together all the local codes and documents together in one document and provides assurance that there are clear governance arrangements in place. The Council set out an action plan for completion for 2024/25 (as above)

CEREDIGION COUNTY COUNCIL

Report to:	**Governance and Audit Committee**
Date of meeting:	**24 January 2024**
Title:	**Internal Audit Progress Report 1/7/23 – 30/9/23**
Purpose of the report:	**To provide Members with an update on the work undertaken by internal audit during the above period**

The Committee considered the annual Internal Audit Strategy 2023/24 at its meeting in March 2023 which also identified the main areas of work for the 2023/24 operational audit plan. The Plan included reviews carried forward from the previous year's audit plan, routine audits eg grant certifications and work prioritised dependant on risk, on which the Internal Audit Section can form its assurance opinion.

For 2023/24, a risk assessment was undertaken in addition to information from the Council's Corporate Risk Register as new risks to the Council continue to emerge, which are constantly changing. IA will therefore assess its work on an on-going basis, considering the Council's changing needs and priorities regularly. Any reactive work added to the Operational Plan is reported within this report.

This progress report notes the steps made to date toward delivery of the audit strategy, by providing a summary of the work undertaken. It also documents the current resource position, and the Section's improvement plan.

Recommendation(s):	**To consider the work undertaken and current position of the Internal Audit Section**
Reasons for decision:	**That the Committee is satisfied that the Internal Audit Section is undertaking sufficient and appropriate work in order to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.**
Appendices:	Internal Audit Progress Report 1/7/23-30/9/23
Corporate Lead Officer:	Elin Prysor CLO-Legal and Governance / Monitoring Officer
Reporting Officer:	Alex Jenkins Corporate Manager – Internal Audit
Date:	9 November 2023

Gwasanaethau Cyfreithiol a Llywodraethu

Legal and Governance Services

Gwasanaeth Archwilio Mewnol

Internal Audit Service

Cyngor Sir
CEREDIGION
County Council

Adroddiad Cynnydd Archwilio Mewnol

Internal Audit Progress Report

1 July – 30 September 2023

ADRODDIAD CYNNYDD ARCHWILIO MEWNOL
INTERNAL AUDIT PROGRESS REPORT
1/7/2023 – 30/9/2023

1 INTRODUCTION

1.1 The Internal Audit Strategy and Annual Plan for 2023/24 was approved by the Committee (GAC) on 9 March 2023.

1.2 The purpose of this report is to update the GAC on the work undertaken by Internal Audit (IA) and the progress made and position of the service in progress made towards the completion on the Internal Audit annual plan.

1.3 This report also provides an update of work undertaken by the service during the second quarter of the 2023/24 financial year and highlight any areas of concern that may have arisen during the completed audits.

1.4 As at 30/09/2023 a total of 95 items appear in the operational Interim Audit Plan. These are made-up of 82 'planned' pieces of work consisting of audits from the Annual Strategy & Plan. The remaining 13 items have been risk assessed and added during the first two quarters, ie reactive work. Further detail on these can be found in Section 3.

2 AUDIT WORK UNDERTAKEN

2.1 Audit Plan Progress:

Safle Cyfredol / Current Progress

Wedi dyrannu / Allocated	Arwaith / In Progress	Adolygu / Review	Drafft / Draft	Terfynol / Final	Cyfredol / Ongoing	Ar stop / On hold
2	12	7	1	9	20	4
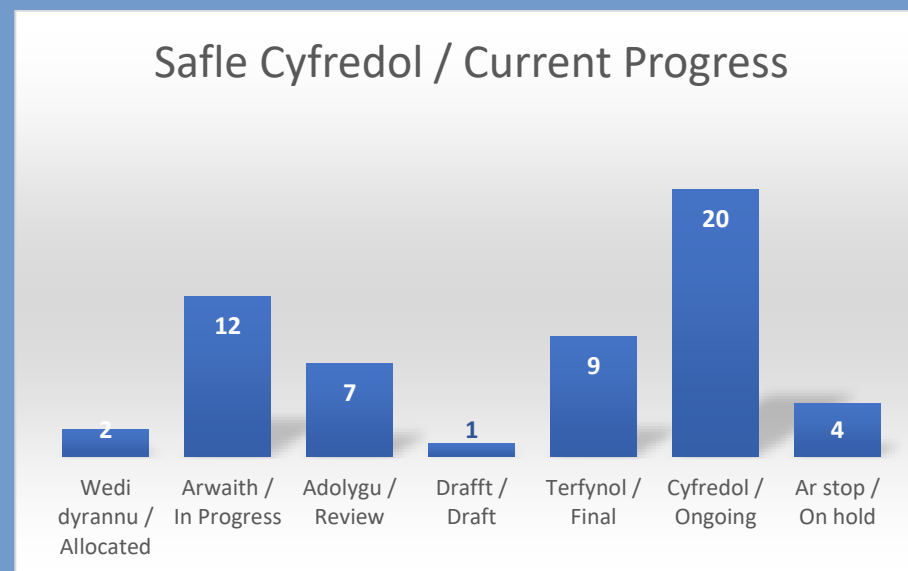
2.2 Nine pieces of work were finalised during the quarter, as per table below, which will be considered in determining the IA annual opinion:

Audit Area	Type of Audit	Assurance
HR/Payroll Amendments - F&P Assessment of processes in place for new starters, leavers and other contract amendments (including honoraria), and to evaluate the controls, risk management and governance processes audited.	System	Substantial
HR/Payroll Amendments - Legal & Gov Assessment of processes in place for new starters, leavers and other contract amendments (including honoraria), and to evaluate the controls, risk management and governance processes audited.	System	Substantial
Harbours account 2022/23 Account audit. The Council must prepare annual accounts as set out in the One Voice Wales/SLCC publication Governance and accountability for local councils in Wales – A Practitioners' Guide. The 'Practitioners' Guide' states that bodies may prepare their accounts in the form of an annual return prepared by Audit Wales, which includes internal audit input regarding account preparation.	Account	N/A
Harbours Report 2022/23 A review of items that support the Harbour Annual Return an evaluation of the controls, risk management and governance processes audited.	System	Substantial
Annual Members Declaration of Interest Review to obtain assurance on the elected members' submitting declarations in line with Ceredigion County Council's Members' Code of Conduct.	Consultancy	N/A
SI – Housing Grant Internal Audit were requested to assist with investigation into internal processes surrounding work undertaken on a property.	SI	Advisory
SI – Carers Fund Administration Review into governance and administrative processes of the Carers Fund.	Assurance / Counter Fraud	Substantial
Ethics & Fraud eLearning Module IA input into mandatory eLearning module for all Council staff.	N/A	N/A
Direct Payments Policy Request for advice on newly developed Direct Payments policy.	Consultancy	N/A

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2.3   Examples of good practice noted from the finalised audits have been listed below, which also form part of the annual assurance process:

- **HR Amendments**
  - ✓ Notification of Appointment forms completed for all new employees.
  - ✓ Statements of Particulars issued to new employees before commencing employment with the Council.
  - ✓ Terminations forms completed for all leavers.

- **Harbours Report 2022/23**
  - ✓ Detailed working papers are compiled to support the account, which reconcile to the ledger figures.
  - ✓ The Risk Register is reviewed quarterly by Leadership Group & is a standard item on the Governance and Audit committee agenda.

- **Ethics & Fraud eLearning Module**
  - ✓ All CCC employees will be required to complete the new eLearning module.
  - ✓ This will ensure that all staff are aware of key corporate policies such as Employees Code of Conduct, Strategy on Countering Fraud, Corruption & Bribery and the Whistleblowing Policy and what is expected of themselves as employees of the Council.

2.4   A total of 20 items included in the plan are on-going pieces of work, from which IA have extracted examples of good practice achieved during the quarter, which again will be considered in forming the IA annual opinion:

- **Emergency Planning & Business Continuity** – Corporate Business Continuity Plans being reviewed and updated by services & Civil Contingencies staff. Training was given to CMs in order to develop plans to respond to ransomware attacks.
- **Corporate Project Management Panel** – new project proposals put forward & actions requested by panel where appropriate.
- **Corporate Management Workshop** – updates to managers re ways of working, policies & procedures for information and role development.
- **Cyber Resilience & Information Governance Group** – the Group provides operational support, preparedness and direction to address and reduce cyber risks and improve the Council's cyber security, information security and governance.
- **Service Risk Register** - Risk management review which assesses the effectiveness of controls in place for ALL risks identified in the service risk registers.
- **Annual Governance Statement** - CMIA to contribute to finalising 2023/24 AGS & 2024/25 procedures, to include the Governance Framework, as necessary throughout the year.

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2.5   The levels of assurance provided for the audits completed so far this year are as follows:

Sicrwydd a Ddarparwyd / Assurance Provided

0	5	0	1	9
Uchel / High	Sylweddol / Substantial	Canolig / Moderate	Cyfyngedig / Limited	Cyngor yn unig / Advice only
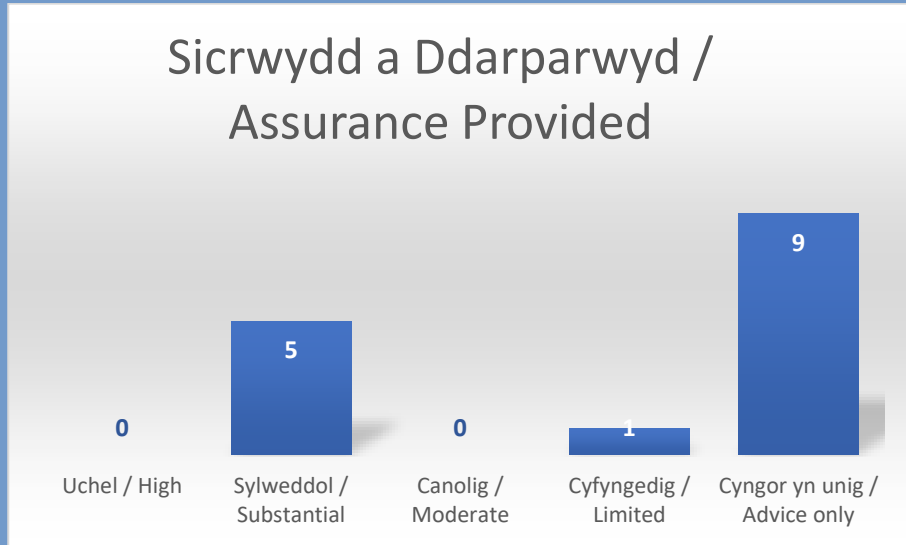
2.6   A guide to the criteria used to determine the overall assurance is shown in Appendix I.

2.7   A total of 15 'actions required' have been issued in the finalised reports during the quarter of which 5 were significant, 7 moderate and 3 merits attention:

Camau i'w Cymryd / Actions Required

	5	7	3
Angenrheidiol / Fundamental	Sylfaenol / Significant	Canolig / Moderate	Mân Sylwadau / Merits Attention
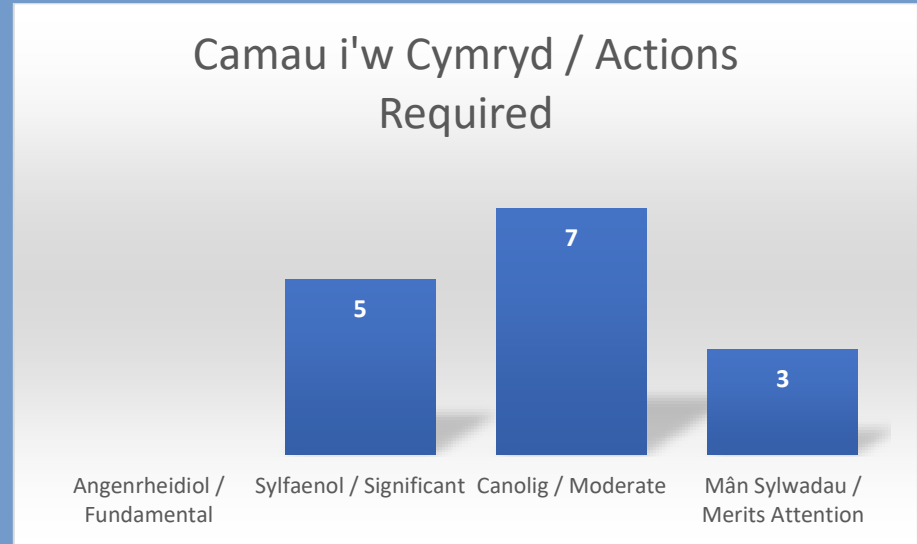
2.8   The criteria used to determine the 'actions required' is outlined in Appendix II.

4

2.9 The 5 significant actions issued during the second quarter are detailed below:

HR Amendments (Finance & Procurement)
R1
Managers must ensure that all NOAs are accurate before sending to HR to include correct pay grades, ALTE levels, start dates and personal information required by HR/Payroll.

HR Amendments (Legal & Governance)
R1
Managers must ensure that all NOAs are accurate before sending to HR to include correct pay grades and spinal column points.
R2
Honoraria payments must be closely monitored, especially when approaching agreed end dates. Where an employees' honoraria is expected to exceed 12 months, posts should be updated to include the member of staff's higher duties and job evaluated in accordance with the Council's Honorarium Policy.

Harbours Report 2022/23
R1
As per the Council's Financial Regulations, 'effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly and properly'. Where possible, fees should be paid in the financial year they are charged to. Consideration should be given to documenting accepted procedures for dealing with outstanding debtors to ensure that mooring requests are not approved in error.
R2
Care should be taken to ensure that all documents are accurate, particularly when requesting legal contracts such as the awarding of leases. To reduce the risk of errors, procedures should be documented to include an independent verification of bids and documents prior to issuing contracts.

5

3. A total of 13 'reactive' items have been risk assessed and included in the Operational Internal Audit Plan as shown in table (below).

Audit Area	Type of Audit	Status
Ceredigion Museum Shop – Independent Verification of Stock	SI	Completed
Special Investigation - CM	SI	Completed
Special Investigation - SS Motability	SI	In Progress
Special Investigation – Housing Grant	SI	Completed
Special Investigation – Carers Fund Administration	SI	Completed
Special Investigation - Aberaeron Leisure Centre Cash	SI	In Review
Direct Payment Respite Protocol	Consultancy	Completed
Face to Face Provision	Advice	Completed
Direct Payment Policy	Advice	Completed
Coroners Software	Advice	Completed
Safekeeping Review	Advice / Governance	In Progress
Governance Framework	Governance	In Progress
Museum – Income	Assurance	In Progress

6

4 RESOURCES

4.1 Internal Audit has been fully resourced during the second quarter of 2023/24.

4.2 A total of 182 days have been dedicated to audit work during the period 1 July 2023 to 30 September 2023, representing 50% of the assessed days estimated as required to complete the audit plan to year-end (or 100% of days required to complete the audit plan for the first two quarters).

4.3 The CMIA continues to support the Welsh Chief Auditors Group (WCAG) which ensures best practice and consistency between all authorities; and the North & Mid Wales Chief Auditors Group (NMWCAG) to compare practices and share generic documentation. These meetings continue to be held using 'Teams'.

4.4 The NMWCAG run a Counter Fraud Sub-Group, which dedicates more time to the subject. This Sub-Group is attended by the Audit Manager (via Teams).

4.5 All members of staff ensure they meet any continuous professional development conditions and complete the Council's mandatory training requirements. During this year:

- All members of audit staff have undertaken the required updates to the Council's webinars and e-learning training modules, the e-learning system has been redeveloped and several members of audit staff have completed refresher e-learning modules.

- The CMIA and Audit Manager attended the Council's Ceredigion Manager Update training.

- The CMIA along with other IA staff where relevant, have 'attended' regular webinars hosted by the Institute of Internal Auditors (IIA), CIPFA, Data Cymru.

- Three members of staff are pursuing their Institute of Internal Auditors' qualification.

4.6 Arrangements are also in place to develop IA staff's awareness of counter fraud and ICT/Digital risks and controls via training and online resources.

5 PERFORMANCE INDICATORS

5.1 The current Performance Indicator's (PI's) used by the Internal Audit service are set out below along with performance figures for Q2 (YTD).

Indicator	Measure	Target	Q2 (YTD)
Number of audits completed	Number	-	15
Percent of planned time spent on audits	%	80	100
Percentage of Quality Control Questionnaire's (QCQ) returned	%	50	83.33
Percentage of clients responses at least 'satisfied'	%	95	100
Percentage of actions accepted versus made	%	95	100
Av no of days from end of audit to issue of draft report	Days	10	2.8
Av no of days from exit meeting to final report	Days	5	0

6   IMPROVEMENT PLAN 2023/24

PSIAS Ref.	Conformance with Standard	Action Required	Target Date	Progress
1210	Does the CAE hold a professional qualification, such as CMIIA/CCAB or equivalent?	The Council should support the CMIA in achieving, at the earliest opportunity, the Chartered Institute of Internal Auditors professional qualification (CMIIA).	As soon as possible, within 3 years of appointment	CMIA's qualification is in progress. Final Exam due to be sat.

Guide to the assurance criteria used:

Level:	High	Substantial	Moderate	Limited
Adequacy of Controls:	Controls in place to ensure achievement of service objectives and to protect Council against significant foreseeable risks. No fundamental weaknesses found.	Controls in place to ensure achievement of service objectives and to mitigate significant foreseeable risks. Some areas of improvement identified.	Controls in place to varying degrees. Gaps identified which leaves service exposed to certain risks. Improvement required.	Controls considered insufficient. Need to strengthen procedures significantly and ensure compliance.
Risks:	Minor risks only.	Opportunity exists to improve on risk exposure.	Need to introduce additional controls and/or improve compliance.	Failure to improve controls leaves Council exposed to significant risk (major financial loss, reputation, failure to achieve service's key objectives).
Guide:	No fundamental or significant actions required.	No fundamental actions required. Limited significant actions.	Number of significant actions.	Number of fundamental / significant actions.
Follow-up required:	Initial audit only.	Follow-up of any significant actions only / self-assessment with samples to evidence compliance.	IA follow-up with sample tests undertaken to ensure all actions implemented, and to re-assess assurance.	IA follow-up with full testing undertaken to ensure all actions implemented, and to re-assess assurance.

Guide to the classification of actions used:

Classification of Actions			
Fundamental	Significant	Moderate	Merit Attention
Weakness that is crucial to the management of risk within the service. Needs to be notified and requires the attention of the CLO.	Important findings that identify non-compliance with established procedures that could lead to a risk of financial / reputational loss to Service.	Findings that identify non-compliance with established procedures but do not represent any major risk of financial / reputational loss to Service.	Items requiring little or no action. Included as may be of interest to service or best practice advice.

CEREDIGION COUNTY COUNCIL

Report to: **Governance and Audit Committee**

Date of meeting: **24 January 2024**

Title: **Internal Audit Management Actions Report 1/4/23 – 30/9/23**

Purpose of the report: **To provide Members with an update on the work undertaken by internal audit of the monitoring and updating Management Actions during the above period**

As stated in the Institute of Internal Auditor's International Professional Practices Framework, Performance Standard 2500 states that Internal Audit must establish a process to monitor and follow up management actions.

The Corporate Manager – Internal Audit is responsible for monitoring progress made against these actions and reporting to Governance & Audit Committee.

This report updates the Governance & Audit committee of progress made by management in addressing management actions issued in the action plan of Internal Audit reports.

Recommendation(s):   **To consider the work undertaken and current position of the Internal Audit Section**

Reasons for decision: **That the Committee is satisfied that the Internal Audit Section is effectively monitoring progress made against management actions issued and reporting to Governance & Audit Committee to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.**

Appendices: Internal Audit Management Action Report 1/4/23-30/9/23

Corporate Lead Officer: Elin Prysor
CLO-Legal and Governance / Monitoring Officer

Reporting Officer: Alex Jenkins
Corporate Manager – Internal Audit

Date: 8 November 2023

Gwasanaethau Cyfreithiol a Llywodraethu

Legal & Governance Services

Gwasanaeth Archwilio Mewnol

Internal Audit Service

Management Actions

_____

Date of Issue: 8ᵗʰ November 2023

Report Created by: Alex Jenkins, CMIA

Cyngor Sir
CEREDIGION
County Council

Introduction

1. As stated in the Institute of Internal Auditor's International Professional Practices Framework, Performance Standard 2500 states that Internal Audit must establish a process to monitor and follow up management actions.

2. It is the responsibility of management to implement management actions. The Corporate Manager – Internal Audit (CMIA) is responsible for monitoring progress made against these actions and reporting to Governance & Audit Committee (GAC).

3. Management Action Update forms (MAUs) have been developed to distribute to agreed responsible officers to provide an update along with any supporting evidence.

4. Internal Audit's process for following up management actions is as follows:

Stage	Description
Accepted	Management accepts the action at the exit meeting of the audit report
MAU Sent	A Management Action Update form is sent by Internal Audit to the responsible officers. Reminder is sent after 14 days, final reminder is sent after another 14 days. No response following a final reminder will be reported to Governance & Audit Committee.
MAU Received	Management return the Management Action Update form to internal audit with updates and attach evidence
Verification	Internal Audit verify whether the evidence received is sufficient in addressing the management action. A report is produced and reviewed by either the Senior Auditor, Audit Manager or Corporate Manager – Internal Audit.
Closed	A report is finalised and distributed to the responsible officer and service manager.

5. The progress of all significant and fundamental actions will be reported to GAC as part of this report on a six-monthly basis.

6. Internal Audit maintain a spreadsheet to allow a real-time snapshot of the current performance which enables effective tracking and reporting of this information.

7. Due to a backlog of management actions as a result of the Covid 19 pandemic, Internal Audit will prioritise fundamental and significant actions for reports issued 2020/2021 and older. From 2021/2022, all management actions will be followed up.

Current Performance

8. The following charts show performance of Management Actions as at 30/09/2023.

9. The total open actions are shown in figure 1. There is a total of 87 open Management Actions. Management Actions are considered open until the CMIA agrees with management that actions have been sufficiently implemented to reduce the risk identified or the risk level is tolerated by management. Actions are then recorded as 'Closed'.
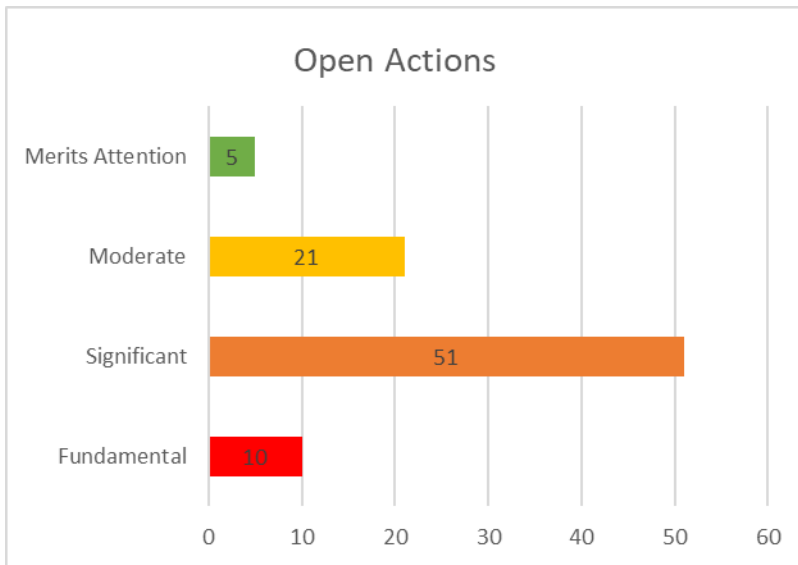
Figure 1

10. Open Management Actions by year issued is shown in figure 2a. Figure 2b sets out open actions per service area.
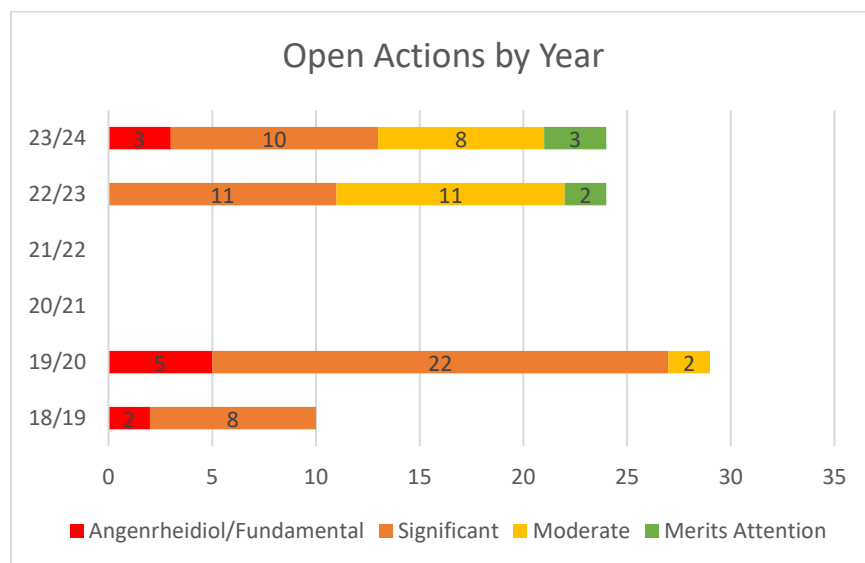
Figure 2a
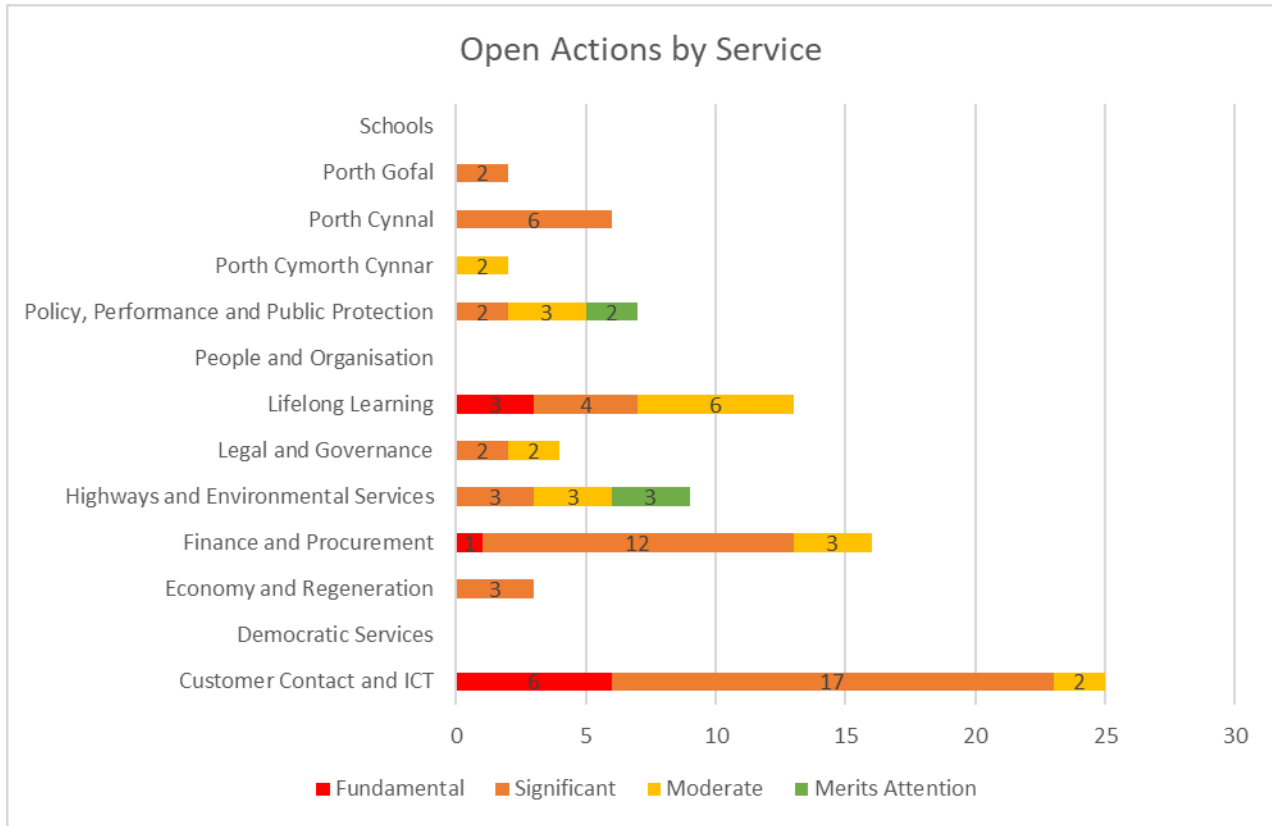
Figure 2b

11. The total overdue actions are shown in figure 3a. There is a total of 26 overdue actions. The overdue actions do not include Management Actions in the process of being followed up (i.e. in the MAU received, Verification, or Closed stages). Overdue actions include actions where MAU's have been sent but no response has been received. Figure 3b sets out overdue actions per service area.

Figure 3a

3
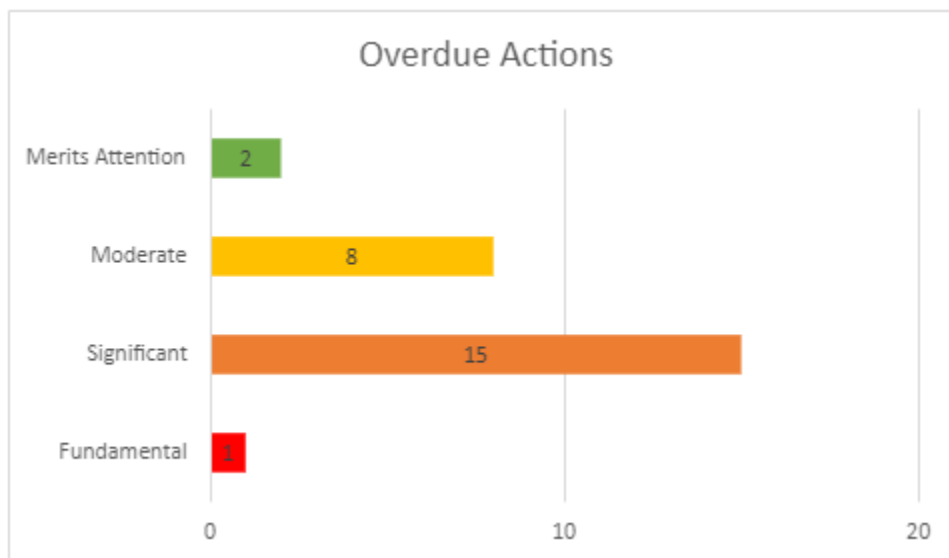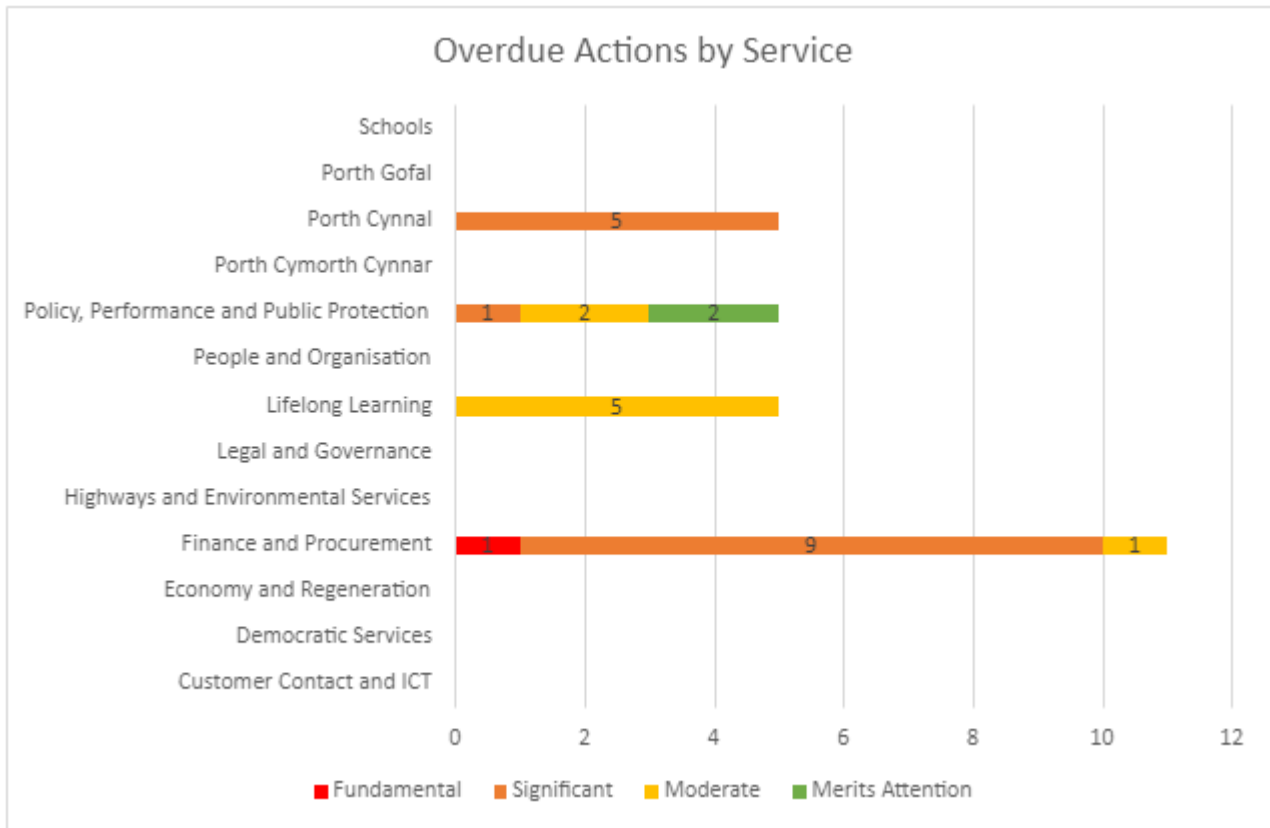
Figure 3b

12. The status of Management Actions is shown in figure 4. All outstanding actions monitored for the period are included in this chart regardless of whether they are overdue or not. Closed actions will then be removed from the monitoring spreadsheet for subsequent reports.
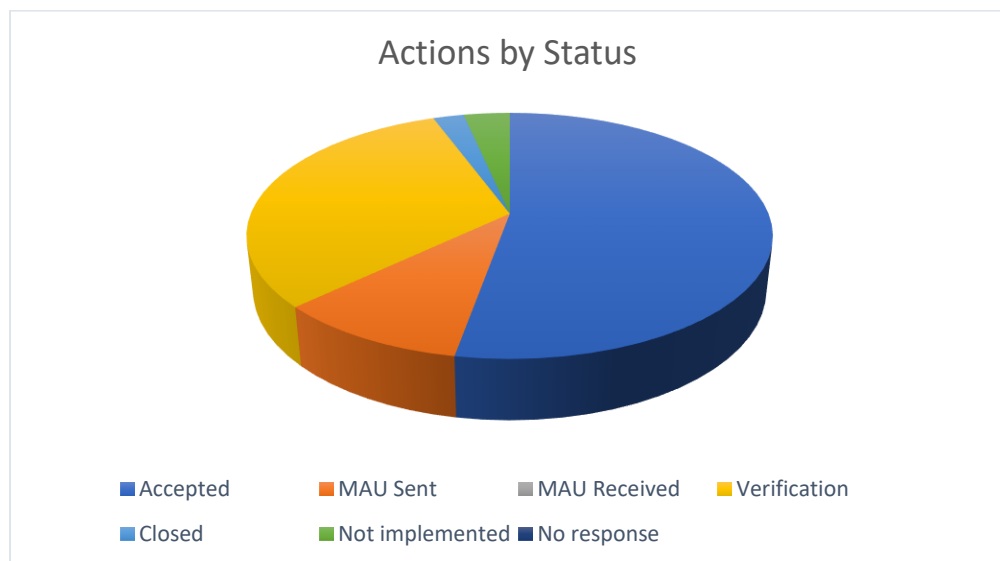
Figure 4

13. Internal Audit's progress of revisiting fundamental and significant Management Actions is detailed in Appendix 1.

Management Actions progress: up to 30/09/2023

Management Action Reports issued:

Safekeeping   Assurance level: | **Moderate**

Management Action	Priority	Outcome		Status
The annual service 'audit' of safekeeping continues as it is a useful control.	Significant	The actions have not been implemented. Emergency measures during the Covid-19 pandemic resulted in changed processes with Safekeeping. The service is currently reviewing Safekeeping processes to take into account changes to working practices in both residential homes and office staff.	**Updated Priority / Target Date** Significant 31st December 2023	**Not Implemented**
Residential homes' clerks and managers continue to undertake the monthly reconciliations.	Significant	The actions have not been implemented. Emergency measures during the Covid-19 pandemic resulted in changed processes with Safekeeping. The service is currently reviewing Safekeeping processes to take into account changes to working practices in both residential homes and office staff.	**Updated Priority / Target Date** Significant 31st December 2023	**Not Implemented**

Closed Management Actions

The following Management Actions have been risk assessed by the CMIA and have been allocated as 'Closed' as part of the Management Actions Update programme (the reasons are outlined under each item below):

Travelling (original audit date: 2020/21)   Assurance level: | Unknown
                                                 Status | Closed

1 Significant
No record of audit report, therefore it is not possible to ascertain further information of the audit findings. Travelling claims are audited as part of other internal audits. Significant improvements have been made in recent years in the submission of travelling claims. All travelling claims must be submitted electronically through Dodl and are automatically sent to the claimant's line manager for authorisation. Guidance has also been updated on Cerinet.

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CEREDIGION COUNTY COUNCIL

Report to: **Governance and Audit Committee**

Date of meeting: **24 January 2024**

Title: **Internal Audit Charter 2024/2025**

Purpose of the report: **To provide Members of the Committee with an update to the Internal Audit Charter**

The Public Sector Internal Audit Standards (PSIAS) attribute standard 1000 requires that all internal audit (IA) activities maintain an 'internal audit charter'. The charter is a formal document that defines the internal audit activity's purpose, authority and responsibility, and establishes internal audits' position within the organisation.

CSC's Internal Audit Charter was originally approved in March 2013 in conjunction with the introduction of the PSIAS. It has been regularly reviewed by the CMIA, and updated when required. All updated versions have been approved by the Governance and Audit Committee.

The 2024/25 IA Charter has been reviewed and updated by the CMIA. The updates include:

- The Governance Officer's administrative reporting lines to the Corporate Manager – Internal Audit to maintain Internal Audit independence;
- Internal Audit resourcing including professional qualifications;
- New Global Internal Audit Standards; and
- The Counter Fraud Risk Assessment & Fraud Risk Register.

Recommendation(s):   **To APPROVE the Report**

Reasons for decision: **To ensure compliance with PSIAS**

Appendices: **Internal Audit Charter 2024/2025**

Head of Service: Elin Prysor
Corporate Lead Officer Legal & Governance Services / Monitoring Officer

Reporting Officer: Alex Jenkins
Corporate Manager – Internal Audit

Date: 6 December 2023

1

GWASANAETHAU CYFREITHIOL A LLYWODRAETH

LEGAL AND GOVERNANCE SERVICES

GWASANAETH ARCHWILIO MEWNOL

INTERNAL AUDIT SERVICE

Mae'r adroddiad yma ar gael yn Gymraeg.
This report is available in Welsh.

SIARTER ARCHWILIO MEWNOL

INTERNAL AUDIT CHARTER

Cyngor Sir
CEREDIGION
County Council

GOLUD·GWLAD·RHYDDID

Report Prepared by: Alex Jenkins, Corporate Manager - Internal Audit

Date of Issue: 6 December 2023

Presented to Governance and Audit Committee: 24 January 2024

INTRODUCTION

1.1 The Public Sector Internal Audit Standards 2017 (PSIAS) are based on the mandatory elements of the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF). They are aimed at all appropriate officers and stakeholders, and define the nature and set out basic principles for internal auditing in the UK Public Sector.

1.2 The Welsh Government adopted the PSIAS from 1 April 2013 and they apply to all internal audit service providers in the public sector. They govern the framework within which Cyngor Sir Ceredigion County Council's (The Council) Internal Audit Section (IA) operates.

1.3 The Corporate Manager – Internal Audit (CMIA) is required to define the purpose, authority and responsibility of the internal audit activity in an annual Charter and present to the Governance & Audit Committee for approval.

1.4 The Council's Internal Audit service has adopted the PSIAS's Mission Statement and Core Principles.

1.5 For the purposes of the IA Charter, the following definitions shall apply regarding responsibilities in relation to internal audit:

The Board	Governance group charged with providing assurance on risk, governance and controls.	Governance and Audit Committee
Senior Management	Senior officers responsible for governance.	Leadership Group

Mission and Core Principles

The Public Sector Internal Audit Standards' <u>mission</u> for an internal audit service is:

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The <u>core principles</u> that underpin delivery of the mission require the internal audit service to:

- **Demonstrate integrity,**
- **Demonstrate competency and due professional care,**
- **Be objective and free from undue influence (independent),**
- **Align with strategies, objectives and risks of the organisation,**
- **Be appropriately positioned and adequately resourced,**
- **Demonstrate quality and continuous improvement,**
- **Communicate effectively,**
- **Provide risk-based assurance,**
- **Be insightful, proactive and future-focused,**
- **Promote organisational improvement.**

2

DEFINITION

According to the PSIAS the definition of Internal Audit is:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

PURPOSE

2.1   Internal audit is an assurance and consulting function that provides an independent and objective opinion to the Council by evaluating the effectiveness of the control environment, risk management and governance processes in place to achieve its objectives.

2.2   Internal Audit's main objectives are to:
- Provide independent assurance and advice to management and the Governance & Audit committee on risk management, governance and internal controls.
- Provide a quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources.
- Assist in ensuring the objectives of the Council are being met.
- Provide advice and support to management to enable an effective control environment to be maintained.
- Promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud and to investigate allegations of fraud, bribery, corruption and other irregularities.

2.3   Internal Audit assists the Council in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of the Council's risk management, control and governance processes.

Internal controls considered by internal audit include:
- Consistency of operations or programmes with established objectives and goals and effective performance
- Effectiveness and efficiency of operations and employment of resources
- Compliance with significant policies, plans, procedures, laws and regulations
- Reliability and integrity of management and financial information processes including the means to identify, measure, classify and report such information
- Safeguarding of assets.

3

AUTHORITY AND RIGHT OF ACCESS

3.1   The Accounts and Audit (Wales) Regulations 2014 require every Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes'.

3.2   Section 151 of the Local Government Act 1972 requires every authority to 'make arrangements for the administration of its financial affairs' and to ensure that one of the officers has responsibility for the administration of those affairs.

3.3   The Chief Finance (Section 151) Officer's responsibilities to the Internal Audit function are set out in point 1.8.2 of the Council's Constitution.

3.4   The CMIA reports functionally to the Board (Governance and Audit Committee).

3.5   The CMIA reports organisationally to the Corporate Lead Officer – Legal and Governance / Monitoring Officer.

3.6   Where it is considered necessary for the proper discharge of duties, the CMIA has right of direct access to the Chief Executive, Monitoring Officer, Chief Finance Officer, any other key officers and any elected Member, to include the Chair of Governance and Audit Committee.

3.7   Internal auditors also have the right of access to:
- Enter any Council premises or land at any reasonable time,
- Access all assets, records, documents, correspondence and control systems relating to any financial and other transactions of the Council,
- Require and receive any such information and explanations considered necessary concerning any matter under consideration / examination,
- Require any employee of the Council to account for cash, stores or any other Council property under his/her control, and
- Have access to records belonging to third parties, such as contractors or partnership agencies, according to the relevant contractual terms.

This forms part of the Council's Financial Regulations and Accompanying Financial Procedures contained in the Council's Constitution.

3.8   In strict emergency / crisis management situations only, audit personnel may be called upon to carry out non-audit work on a temporary basis. If a request is made the decision to allocate resources will be the CMIA's, who will agree clear terms of reference. The Governance and Audit Committee Chair or Vice Chair, the Monitoring Officer and the Chief Finance Officer/Section 151 Officer will be advised.

4

CODE OF ETHICS

4.1 IA operates in accordance with the PSIAS Code of Ethics by having regard to the principles and rules that encompass integrity, objectivity, confidentiality and competency.

4.2 Internal auditors are also expected to adhere to the requirements of any other professional body they are a member of; as well as the Council's Code of Conduct for Employees which is underpinned by the 'Seven Principles of Public Life' (also known as the Nolan Principles), ie selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

4.3 IA staff sign an annual affirmation to confirm their knowledge of, and compliance with, these requirements.

INDEPENDENCE AND OBJECTIVITY

5.1 The CMIA and their audit staff have no responsibility for any operational or non-audit functions, to ensure impartial and effective professional judgements and decisions are made at all times.

5.2 The Governance Officer reports administratively to the CMIA. The CMIA only directs any work undertaken with regards to audit e.g. assurance mapping. All other governance work is directed by the Monitoring Officer.

5.3 Individual auditors are required to demonstrate an impartial approach to work to ensure that any audit decision or opinion provided will be unbiased and objective and based on the proven facts available. All information provided is considered on its own merits as it is not possible to advocate a one-size-fits-all approach in such a diverse environment.

5.4 Staff are required to declare any interest that may impact upon their objectivity in an annual written statement to the CMIA, as well as in accordance with the Council's corporate policy on the declaration and registration of hospitality and interests. The CMIA is therefore able to plan the allocation of work to avoid the risk of any conflict of interest.

5.5 Objectivity may be impaired when staff review an activity in which they have previously had operational responsibility. Hence, internal auditors appointed from within the Council are not permitted to perform an audit which is in any way related to their previous post, for at least 1 year after appointment.

5.6 Long term responsibility for the audit of a particular section / service can also affect objectivity; therefore the assignment of routine audit work (eg central services' key controls) where practicable, is subject to regular rotation.

5.7 The CMIA will confirm in the Annual Report to Governance and Audit Committee that the internal audit service is organisationally independent. If there has been any impairment of independence or objectivity, this will be disclosed.

5

ACCOUNTABILITY / RESPONSIBILITY

6.1 The CMIA is responsible for effectively managing the internal audit activity in accordance with the PSIAS' 'Mission', 'Core Principles', 'Definition of Internal Audit', the 'Code of Ethics' and 'Standards'.

6.2 Internal Audit is responsible for evaluating all the Council's processes including governance processes and risk management processes. It also assists the Governance & Audit Committee in evaluating the quality of performance of external auditors and promoting good co-ordination between internal and external audit.

6.3 Internal audit also contributes to the achievement of the Council's objectives by providing an advice and consulting activity related to governance, risk management and control on the implementation or development of new or existing systems and procedures. It may also evaluate specific operations at the request of Governance and Audit Committee or management as appropriate. Advice is given without prejudice to the right of the IA section to review and make further actions at a later date.

6.4 The CMIA is required to create an annual IA Charter, which will be presented to the Governance and Audit Committee for approval and/or input (but not direction).

6.5 The IA Audit Strategy & Plan will include resource requirements for the next financial year. The CMIA will communicate the impact of resource limitations and significant interim changes to senior management and the Governance and Audit Committee.

6.6 A written report will normally be prepared by IA and issued by the CMIA at the conclusion of each audit and distributed as appropriate. The report will include management's response, corrective action taken and to be taken, and target dates for future actions required. IA will undertake a follow-up audit of all fundamental and significant weaknesses, which will be reported.

6.7 Internal Audit is fully committed to the Authority's Welsh Language Policy. Where a service wishes to have a review conducted through the medium of Welsh, Internal Audit will endeavour to utilise Welsh speaking staff and produce all correspondence, reports and action plans in the medium of Welsh.

6.8 The annual internal audit opinion on assurance is based upon IA's findings from all the audit reviews undertaken during each year. This opinion supports the Annual Governance Statement.

6.9 Based on its activity, Internal Audit is responsible for reporting significant risk exposures and control issues identified to the Governance and Audit Committee and senior management including fraud risks, governance issues and other matters needed or required.

6

6.10 The CMIA's responsibilities to the Governance and Audit Committee include:
- Presenting the Internal Audit Charter for approval,
- Presenting the risk-based Internal Audit Plan and Strategy for approval,
- Presenting the internal audit resource plan as part of the Audit Plan,
- Presenting regular Progress Reports on IA's audit activity and performance throughout the year (which will also highlight any staffing or budgetary resource constraints which the CMIA deems as being of concern to IA's service provision),
- Reporting a summary of all fundamental and significant weaknesses found during audit reviews, and the recommended corrective actions to be taken by services,
- Reporting any instances where management refuse to implement the recommended corrective action, especially those in high-risk areas,
- Providing an Annual Report with the annual audit opinion for approval,
- Providing an annual Counter Fraud Report outlining the proactive and reactive work undertaken by IA in this area of work, and
- Reporting the results of IA's Quality Assurance and Improvement Program (QAIP) to include both internal and external assessments.

6.11 The Governance and Audit Committee's Terms of Reference* set out its responsibility 'to provide an independent and high-level focus on the Council's audit, assurance and reporting arrangements that underpin good governance and financial standards'.

6.12 The Governance and Audit Committee must 'ensure the Council's systems of governance and internal control are effective, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption, and to ensure that the Council's internal audit services operates in accordance with agreed procedures'

6.13 The Governance & Audit Committee's Terms of Reference* state their responsibilities to Internal Audit as:
- To approve the Internal Audit Charter, the risk-based Internal Audit Plan and significant interim changes to the Internal Audit Plan and resource requirements.
- Consider the CMIA's annual report.
- Consider proposals made in relation to the appointment of any external providers of internal audit services.
- Make appropriate enquiries of both management and the CMIA to determine if there are any inappropriate scope or resource limitations.
- Consider reports from the CMIA on Internal Audit's performance, including: Progress Reports, Management Action reports, Quality Assurance and Improvement Programme results and instances of non-conformance to PSIAS.
- Support effective communication with the head of audit.
- To commission work from Internal Audit.

* Part 3.3 of the Council's Constitution.

7

APPROPRIATE RESOURCING

7.1   The CMIA is a Certified Internal Auditor, is currently undertaking the Institute of Leadership and Management qualification, has completed the Council's Management Programme of training, and is an Accredited Counter Fraud Technician. They have a wide-ranging internal audit experience and comply with their respective continuous professional development (CPD) requirements, as well as the Council's corporate performance appraisal system.

7.2   The Audit Manager (AM) and Senior Auditor are studying to become a member of the IIA (Institute of Internal Audit).

7.3   The CMIA is responsible for:

- Recruiting appropriate staff, in accordance with the Council's HR policies and processes, who have the required knowledge, qualifications, competencies, skills, experience and personal attributes required to deliver the audit plan;
- Engaging the use of specialist providers where appropriate;
- Periodically assessing individual auditors against the predetermined skills and competencies; and
- Providing any identified training or development needs on an on-going basis.

7.4   All staff are directly managed by the CMIA. The current staffing structure was approved by Governance and Audit Committee on 10 March 2022.
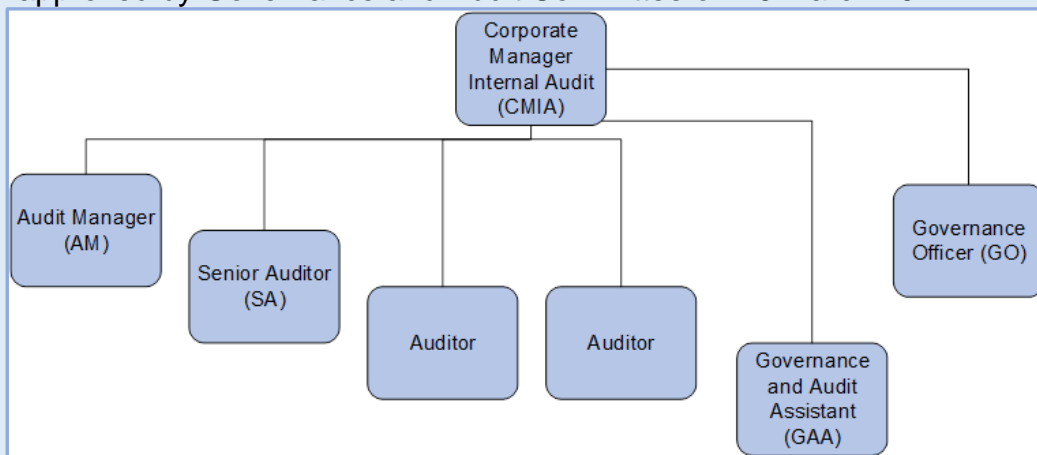
7.5   All staff have a responsibility to undertake the Council's performance appraisal system to record the development of their own skills and experience.

7.6   The internal audit budget is reported to the Governance and Audit Committee and Council for approval annually as part of the overall Council budget.

7.7   The CMIA will raise concerns with the Governance and Audit Committee if there are any significant matters arising which jeopardise the delivery of the audit plan, especially if this affects the provision of the annual assurance, due to limitations in resources. The CMIA meets with the Chair and Deputy Chair of the Governance & Audit Committee prior to each meeting.

8

NEW GLOBAL INTERNAL AUDIT STANDARDS

8.1 The IIA's new draft Global Internal Audit Standards™ update the International Standards for the Professional Practice of Internal Auditing.

8.2 The new standards highlight the public sector's unique characteristics that distinguish it from the private sector and affect how the internal audit function does its work. These include its purpose and governance structure.

8.3 The new standards will be published in January 2024 and become effective 12 months from the date of publication.

8.4 The main changes to the standards include:

- Simplified IPPF Structure
- Mission, Definition, Code of Ethics, Core Principles, Standards and Implementation Guides have been consolidated into the new standards
- New Purpose of Internal Auditing
- Due Professional Care added
- Added recommended practices and evidence of conformance after each standard
- Added nuances for Public Sector, small functions, and advisory functions
- Clarified GAC's role in governing IA function
- Clarified role of CMIA in managing IA function
- New performance requirements

COUNTER FRAUD

9.1 Managing the risk of fraud and corruption is the responsibility of management. IA procedures alone, even when performed with due professional care, cannot guarantee that fraud or any misappropriation will be detected. However, IA fully considers the risk of fraud when undertaking its activities.

9.2 The Council's Strategy to Counter Fraud, Bribery and Corruption (to include Anti-Money Laundering) requires managers to inform the CMIA of all suspected or detected fraud, corruption or impropriety. The Corporate Lead Officer concerned may notify the Section 151 Officer, Monitoring Officer or CMIA, who will consult with the Chief Executive, if necessary.

9.3 The CMIA coordinates an annual organisation-wide Counter Fraud Risk Assessment to evaluate the Council's response to fraud. The exercise also captures information on controls in place to prevent, detect, deter, investigate and correct instances of fraud against the Council.

9.4 The results of the annual Counter Fraud Risk Assessment feed into a Fraud Risk Register maintained by the CMIA and Internal Audit Annual Counter Fraud, Bribery and Corruption Report. The Fraud Risk Register will be used, along with the Corporate Risk Register, to feed into the Internal Audit Strategy and Annual Plan of work for the year ahead.

9

9.5 When notified of suspected fraud, corruption or impropriety, the CMIA will take appropriate actions in line with the Council's Strategy to Counter Fraud, Bribery and Corruption for the matter to be properly investigated and take appropriate actions they consider necessary to assist with the investigation of suspected fraud or corruption.

9.6 Management should send the outcome of all investigation activities to the CMIA for inclusion in the Internal Audit Annual Counter Fraud Report.

9.7 IA currently co-ordinates the Council's participation in the mandatory National Fraud Initiative (NFI) in which data from the Council's main systems are matched internally and with data supplied from other Local Authorities and external agencies to detect potential fraudulent activity.

9.8 The Council is committed to the NFI exercise, as a fraud deterrent as well as detection. Further actions and activities in place to support awareness of emerging fraud risks include:

- Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);
- Membership and active participation in professional networks and groups (Institute of Internal Auditors);
- Council has a Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering);
- Internal Audit offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;

A E Jenkins
Corporate Manager - Internal Audit   6 December 2023

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Cyngor Sir CEREDIGION County Council

Report to:	**Governance and Audit Committee**
Date of meeting:	**24th January 2024**
Title:	**Corporate Risk Register**
Purpose of the report:	**To update the Governance and Audit Committee on the Corporate Risk Register**
Cabinet Portfolio and Cabinet Member	**Councillor Bryan Davies, Leader of the Council and Cabinet Member for Policy, Performance, Partnerships and Democratic Services**

Regular reports are provided to the Governance and Audit Committee regarding the Council's Corporate Risk Register to provide on-going information and assurance that risks identified by senior managers are managed appropriately. This reinforces the Governance and Audit Committee role of providing independent assurance to Council of the appropriate management of the Corporate Risk Register.

During quarter 2, an additional risk was identified; R023: Systems End of Life, specifically, concerning the issue of the WCCIS system end of life, but also recognising that all software system contract end dates pose risks to the council. This was agreed at Leadership Group and has now been added to the Corporate Risk Register.

The Corporate Risk Register has also now been amended to split the R009 risk into R009: Information Management and R024: Cyber Resilience as recommended at the GAC meeting on 27/09/2023.

A review of the latest risk status was conducted at the LG meeting of 13.12.23 where candidates for promotion / demotion to the Corporate Risk Register were discussed and agreed.

De-escalated from corporate to service

None

Escalated from service to corporate

The Leadership Group meeting confirmed that R023 would be included in the Corporate Risk Register.

1

Appendix A contains the latest Corporate Risk Register.
The risk score for R005: Medium Term Financial Plan, has increased from 20 to 25 to reflect the current financial position and expected challenges ahead.
The risk score for R009: Information Management, has decreased to 16.
The risk score for R021: Phosphates, has decreased to 16.

All other risks have been reviewed and include the revised RAG status of mitigating actions and updated commentary.

Recommendations (s): That Governance and Audit Committee note the updated Corporate Risk Register

Reason for decision: **To ensure that the Council manages current Corporate Risks appropriately in line with the Corporate Risk Strategy and Framework**

Appendices: Appendix A – Corporate Risk Register

Corporate Lead Officer: Alun Williams (Corporate Leader Officer Policy, Performance and Public Protection)

Reporting Officer: Alun Williams (Corporate Leader Officer Policy, Performance and Public Protection)

Date: **13th December 2023**

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Corporate Risk Register

Cyngor Sir
CEREDIGION
County Council

Governance and Audit Committee

Reviewed and updated by Leadership Group	13/12/2023
Last Monitored by Governance and Audit Committee	27/09/2023
To be presented to Governance and Audit Committee	24/01/2024

Corporate Risk Register
Contents and Summary

Risk Name	Owner	Risk Rating			Review Status	
		Score	Status	Trend	By	When
R005: Medium Term Financial Plan	Duncan Hall	25	🟥	⬆️	Corporate Resources Overview and Scrutiny Committee	19/07/2023
R009: Information Management	Alan Morris	16	🟥	⬇️	Governance and Audit Committee	19/01/2022
R019: Climate Change and Coastal Erosion/Flooding	Russell Hughes Pickering / Rhodri Llwyd	25	🟥	➡️	Thriving Communities Overview and Scrutiny Committee	22/06/2023
R020: Ash Dieback	Rhodri Llwyd	20	🟥	➡️	Thriving Communities Overview and Scrutiny Committee	19/10/2022
R021: Phosphates	Russell Hughes-Pickering	16	🟥	⬇️	Thriving Communities Overview and Scrutiny Committee	07/12/2022
R022: Recruitment and Retention	Geraint Edwards	15	🟥	➡️	Corporate Resources Overview and Scrutiny Committee	19/07/2023
R023: Systems End of Life	Alan Morris	20	🟥	New		
R024: Cyber Resilience	Alan Morris	20	🟥	➡️	Governance and Audit Committee	19/01/2022

Risk Key

🔺	Red	High Risk
🟠	Amber	Medium Risk
⭐	Green	Low Risk

Trend Key

⬆️	Risk score has increased
➡️	No change to risk score
⬇️	Risk score has decreased

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Corporate Risk R005 Medium Term Financial Plan

Owner: CLO Duncan Hall

Description

The reduction of core and external funding will lead to the reduction in service provision in some areas. Failure to adapt, implement identified savings and consider alternative models of service provision in line with the Medium-Term Financial Plan will affect future service delivery and the financial responsibilities of the Council.

Potential Consequence

• Risk of failing to meet statutory budget setting deadlines. • Risk of service delivery impacted due to decreasing resources, short lead in times to service changes or failure to effectively prioritise spend in line with corporate priorities. • Risk that savings plans identified are not achieved as planned. • Risk that annual budget setting frustrates longer term planning

Evidence of Risk

• The Medium Term Financial Strategy (MTFS) endorsed by Cabinet on 05/09/23 and Full Council on 21/09/23 shows a budget gap of £15.9m for the financial years 24/25 to 26/27, including a potential budget shortfall of£6.4m for 24/25.
• Savings of £8.8m were required for the 23/24 budget and there is an indicative 3.1% all Wales increase for 24/25 (which would only provide a £4m funding increase)
• The level of WG AEF funding has reduced over the years from c80% down to just above 70% of the revenue budget, placing a far greater burden on funding raised locally through Council Tax.
• Continued elevated levels of inflation are still being seen in a significant number of areas, not least of which is Employee Pay which is a significant component to the Budget as well as Energy, Food and Contractor / Provider inflation. Many of these were recognised and provided for in the 23/24 Budget, however the risk is inflation (and therefore cost pressures) remains elevated for longer.
• A new 'Doing Things Differently: A Corporate Approach' is now in place and starting to deliver for 23/24. The new Through Age and Wellbeing Strategy is also now in the early stages of its implementation journey and the first year of funding for Growing Mid Wales of £4m has been agreed. These will need all to deliver across the medium term, as well as continuing to take advantage of Invest to Save type opportunities as when they arise.
• A solid track record exists of delivering Budgets and a positive year end Outturn position with unqualified Wales Audit options within the last few years. The Council's Balance sheet (pre-audit) as at 31/03/2023 is strong which contributes towards strong financial resilience.
• There are examples of individual Service Risks that fall within this overall Corporate Risk e.g. Potential failure to maintain the Highway network to acceptable standards if insufficient funding is allocated, insufficient funding to enable a comprehensive Vehicle fleet replacement programme (including the transition to Net Zero) and a risk that savings required in Delegated School Budgets may have a major impact on provision in certain schools.
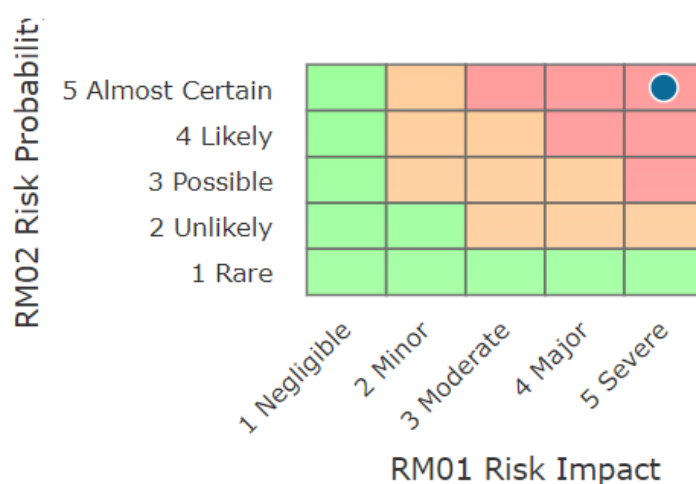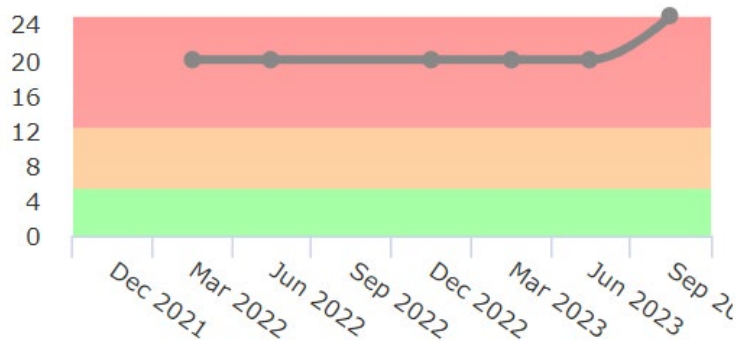
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R005T01: Continue arrangements for financial management	31 Mar 2024	★	★	★	★
R005T03: Ensure that Transformation and service efficiency savings are developed and implemented	31 Mar 2024	★	★	★	●
R005T04: Update Medium Term Financial Plan to reflect WG 3.1% indicative level of funding for 24/25	30 Sep 2023	●	●	●	✔

Comments (e.g., Progress to Date)

The WG Local Government Finance Settlement provided an 8.1% funding increase (£9.6m) for 23/24. However

with c£22m of Cost pressures (equivalent to an inflation rate of over 13%), that still lead to savings of c£9m being required for 23/24 and a Council Tax increase of 7.3%.

A new approach to Budget Savings has been taken which included a review of Corporate budget headings (£2.9m), Reduced Pension Fund Employers Contribution Rate (£0.8m), a limit to the increase applied to Delegated School budgets (£2.1m) and a new multi-year Savings Programme called 'Doing things Differently: A Corporate approach' implemented (£3m for 23/24 and further initial proposals for the 2 years beyond that). WG have indicated an average 24/25 Local Government Finance Settlement funding of only 3.1% (which would provide an additional £4m). The General Staff Pay award for 23/24 was finally agreed in November 2023 and this exceeded the Budget Provision by c£0.6m (after allowing for the Contingency sum set aside for Pay and Energy).

The Q2 in year Budget monitoring report was considered by Cabinet on 05/12/23. The projected year-end position is currently for an overspend of £2.7m (being 1.5% of the 23/24 Revenue budget of £180.1m), which is after taking account of various mitigating actions totalling £4.3m). There are a number of challenges being seen across Services including:
- National Pay awards remaining elevated and unaffordable
- Significant increase in Home to School Learner Transport costs
- Significant increase in the volume of Out of County Children's placements
- Significant costs regarding agency staff in Local Authority Residential Homes & in statutory Social Worker roles.
- Significant increase in the volume of Older Persons Social Care placements
- A significant increase in the overspend within Porth Cynnal from Q1 to Q2.

Leadership Group, with the input and advice of the Section 151 officer, put a framework in place at the Q1 stage across all Services (with the exception of Delegated School Budgets which are the responsibility of individual Governing Bodies). The framework includes constraining expenditure where possible for the remainder of the current financial year. This will apply to non-staffing revenue expenditure and also external recruitment activity, but is being done in a managed and controlled way to recognise that core statutory, contractual and existing obligations will continue to need to be met and for example activity that underpins income or is funded by grant(s) can continue. The approach is intended to slow down, pause or temporary curtail non-essential / non-critical expenditure.

The 24/25 Budget Process is now well advanced with 3 Members' Budget Workshops taking place since September 2023.   The latest Workshop including a prioritisation process for all Members to help shape and prioritise which areas of the Budget could be in scope for savings, which areas were more likely to be protected and to further discussions around potential Council Tax levels.   At this stage, the Council's estimated cost pressures for 24/25 are significant – potentially close to £20m being the equivalent of 11% inflation.   Work on the 24/25 Budget continues. The level of Council Tax increase is likely to be determined by the level of Budget Savings Considerations that Members are willing to make and the position will start crystalising when the WG Settlement is announced on 20/12/23.

Significant work has also been done to lay the groundwork for Full Council to make a decision on 14/12/23 on the level of Council Tax Premiums to be charged on Second Homes and Long-Term Empty Properties from 01/04/23.

Corporate Risk R009 Information Management
Owner: CLO Alan Morris

Description
Failure to ensure that we have effective Information Management compliance in place will increase the risk and damage from any governance or data breaches. Weakness in compliance will also affect our ability to respond to FOIs and Subject Access requests. This may lead to increased risk of fines, loss of data or access to one or more systems and cause reputational damage.

Potential Consequence
Failure to fully suitable governance of data processing could lead to – • Inappropriate processing • Security Risks • Failures in supplier assurance • Poor Decision making • Reputational damage • Damage to service users.

Evidence of Risk
• Strained capacity to move projects forward. • Lack of details Information Processing Register • Lack of active retention on electronic files • Poor electronic record keeping practices. • Difficulty maintaining required standards. • Current EDRMS end of life.
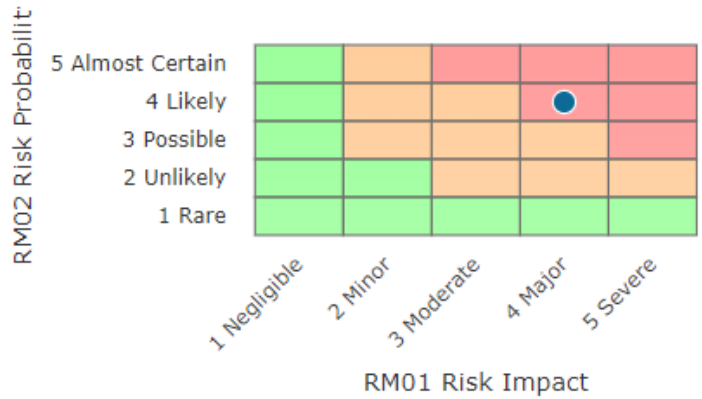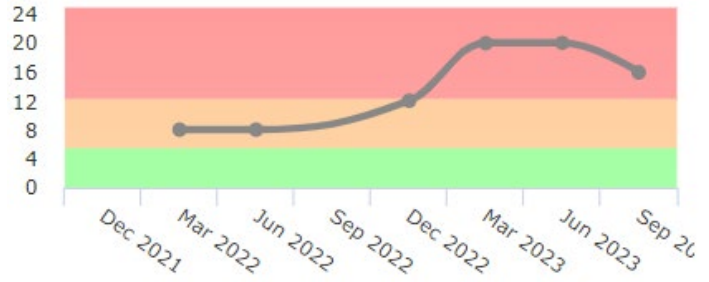
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R009T04: Continue with Data Audit across all service areas	31 Mar 2024	★	★	★	●
R009T05: Implement approved record retention schedule	31 Mar 2024	★	★	★	★
R009T08: Develop regular review and SIRO Annual report	31 Mar 2024			★	★

Comments (e.g., progress to
Good progress made automating and managing system vulnerabilities Excellent progress made on clients management. Server side management tools rolled out. Work migrating old servers prioritised and being delivered. Pace of change and discovery of new vulnerabilities meaning work is being undone as fast as it can be repaired. Capacity issues raised and costs of capacity increase being considered.

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Corporate Risk R019 Climate Change and Coastal Erosion / Flooding

Owner: CLO Russell Hughes-Pickering / Rhodri Llwyd

Description

Climate change is one of the biggest environmental challenges we face. Although failure to meet carbon emission and energy reduction targets will have both financial and environmental impacts for the Authority, there are wider implications for the County as a whole e.g., increased instances of flooding, drought and storms, which carry a huge potential impact on our communities and the Council's Estate, which includes our buildings, schools, Nature Reserves, Parks, allotments and also other holdings which are not actively managed.

It is recognized that we must lead by example and do all we can to reduce future climate change and address and mitigate the risks associated with it. Policy initiatives and strategies to include for ecosystem resilience, biodiversity enhancements and flood reduction schemes must be developed and implemented if we are to succeed in reducing our carbon footprint and reducing the risk to our major infrastructure, assets, residents and communities and landscape.

Potential Consequence

Climate change means we may face more frequent or severe weather events like flooding, droughts and storms. These events bring 'physical risks' that directly impact communities and have the potential to affect the economy. Parts of Ceredigion's coastline are susceptible to coastal erosion and flooding, and some inland communities are at risk of flooding and loss of land from watercourses. The impacts could be far reaching, with stakeholders facing life-threatening or life changing consequences, and the effects impacting on large sectors of the County/Council.

In addition, failure to reduce the effects of climate change could have reputational, financial and environmental consequences for the Council including in the form of financial penalties for failing to meet Welsh Government targets for carbon management and for biodiversity.

Indirect impacts will include changes to the insects, pests and diseases which will colonise and affect our environment. As well as immediate impacts of these, the impacts on staff time and other costs dealing with these will be significant.

Loss of canopy cover from Ash Dieback already has consequences for local microclimates and will exacerbate climate change impacts as well as contribute to them.

Evidence of Risk

Climate change is real and is happening across the world; it is impacting on local communities in Ceredigion. The West of Wales Shoreline Management Plan and Ceredigion's Flood and Coastal Erosion Risk Management Strategy has identified locations within the County which are at current and future risk from coastal erosion and flooding, and from main river/watercourse/surface water flooding. There is scientific evidence showing that in order to halt climate change, carbon emissions have to stop – reducing them is not sufficient, we need to go further and work towards becoming a net-zero local authority.
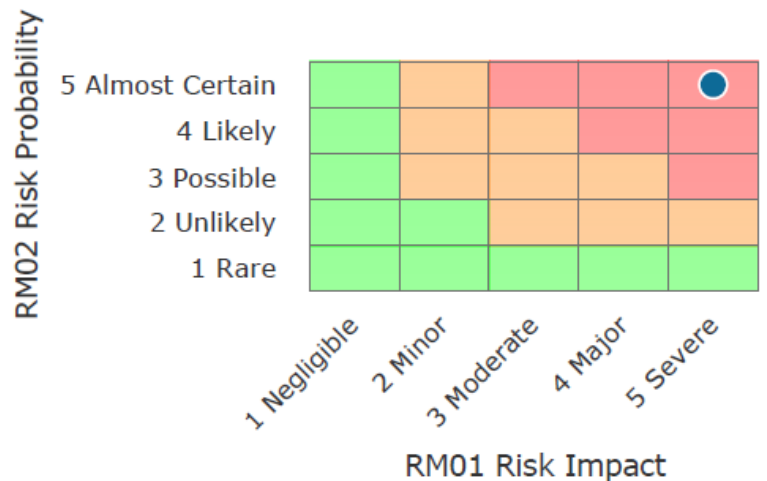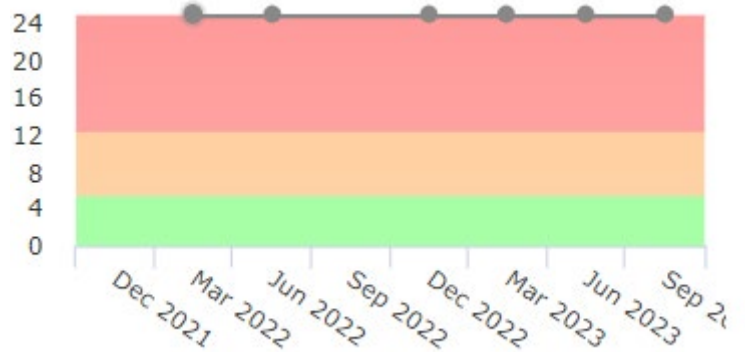
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R019T01: Develop a Corporate Climate Change Strategy	31 Mar 2024	🟠	🟥	🟥	🟥
R019T03: Increase the amount of energy generated from renewable sources.	31 Mar 2024	🟠	⭐	⭐	⭐
R019T04: Identify and manage the corporate estate	31 Mar 2024	🟠	🟥	🟥	🟥
R019T05: Develop Flood Alleviation Schemes	31 Mar 2024	🟠	🟠	🟠	🟠

R019T06: Monitor the coastline with the Wales Coastal Monitoring Centre, develop Coastal Defence	31 Mar 2024	★	★	★	★
R019T08: Apply for funding to implement projects which mitigate the effect of climate change	31 Mar 2024	●	●	●	●

Comments (e.g., progress to

Local Area Energy Plan (LAEP) work is progressing well, Energy Systems Catapult (ESC), the consultant undertaking the work are currently completing the modelling work and workshops have been scheduled for 23rd November (workshop 4) and 7th December (workshop 5). Final LAEP report to be completed by end of March 2024, and a Regional Energy Strategy Strategic Action Plan has been developed and recently reviewed to bring it up to date. A new Carbon Reduction Officer is in post which will assist with delivery of emission reduction schemes, contributing to the Council's Net-Zero ambition for 2030. Permission to proceed with Re:fit framework has been received and initial agreement signed. Re:fit is an energy efficiency retrofit framework, which will provide us with the means to deliver energy efficiency and renewables schemes on a larger scale. Initial Soft Market Testing (SMT) exercise has been completed with a view of tenders to be returned by 26th January. An assessment of the annual operational Carbon Footprint has now been completed for 2022/23 and which saw a 2.11% reduction, when compared to the previous year, equating to a 22.64% reduction over the last 5 years and 57.44% reduction since the publication of the first Carbon Management Plan. WG Annual emissions reporting was submitted in September, following completion of the annual operational emissions figures. Work on reviewing the Carbon Management Plan has started, looking at aligning with the Net-Zero Action Plan and net-zero ambition for 2030. Spreadsheets have been shared with all CLO's, detailing emissions by CLO, but also asking for emissions reduction/energy saving schemes that they have in mind for the Services which they control. Currently looking at PV opportunities for Care homes, which should be able to be delivered by the end of the financial year – Tender documents are being reviewed, with a view to getting a tender out before Christmas. Welsh Government grant funding has been approved for delivery of Ceredigion County Council Phase/Year 3 public EV charge-point programme with a focus on roll-out to community-managed facilities, along with the recruitment of dedicated Projects and Programme Manager. EV charge-points installed in the two earlier phases are all operational with EV charging provision very significantly increased as a result of the Council's intervention over the last 18 months, with 76 EV spaces now available across 18 locations within the County – more information is available at: https://www.ceredigion.gov.uk/resident/travel-roads-parking/electric-vehicle-charging-in-ceredigion/ and https://www.ceredigion.gov.uk/resident/news/2023/ceredigion-on-top-with-ev-charging-point-provision/ Borth Leat Flood Alleviation Scheme – Business Justification Case - A tender invitation for the scheme to appoint a new consultant was sent in July 2023 using the regional civil engineering services framework – Southwest & Mid Wales Regional Civil Engineering Services Framework. The Authority received 1 bid and the bid is in the process to be evaluated. A new consultant was identified in September 2023. Llandre Village Flood Alleviation Scheme - The project has been finished and a draft Business Justification Case has been issued to Welsh Government for review and appraisal. It was identified that there is no viable scheme. Capel Bangor Outline Business Case - Capel Bangor Model and Hydrology review has been send to NRW by the consultant for review by NRW as requested by WG prior to an updated OBC being finalised. Talybont Outline Business Case - The draft OBC has been submitted to CCC for comments whilst the hydraulic modelling runs are completed. The Wales Coastal Monitoring Centre (WCMC) continue to monitor the defended coastline on behalf of CCC to provide the evidence based on data necessary for our FCERM decisions and to monitor the coastal change. The collected data provides evidence to update information in relation to coastal evolution, sea level rise and climate change mitigation. Any additional coastal data collected by Ceredigion County Council is shared with the WCMC. CCC is working in partnership with the University of Bath, who are looking to install a permanent laser scanner at Borth for a 12-month period. The submission for the NERC project has been recommended for funding, but approval timescales are unclear at the moment. Grant funding has been approved for (a number of approved Active Travel Fund Core Grant scheme development and minor work, and for construction of 'Waunfawr to IBERS/ Plas Gogerddan Link - Phase 1' - £1.49 Million. Delivery of in-year projects currently proceeding to plan. Statutory Active Travel Annual Report approved by Chief Executive and submitted to Welsh Government at end of September https://www.ceredigion.gov.uk/resident/travel-roads-parking/active-travel/

Corporate Risk R020 Ash Dieback

Owner: CLO Rhodri Llwyd

Description

Ash Dieback is the most significant tree disease to affect the UK since Dutch elm disease and will lead to the decline and death of an estimated 90% to 95% of Ash trees in the UK, with the Ash being widespread across Ceredigion. This includes outside of woodlands in the form of hedgerow and specimen trees along roads, other public rights of way (PRoWs) and in public spaces. Infection with ADB causes trees to become brittle, shed limbs, and subsequently they may fail. The structural changes to the timber in dying ash significantly increase the risk of failure.

Ash Dieback is already having an impact on canopy cover across the county. It is estimated that there are 42,000 mature Ash trees along the county roads alone and a further 10,000 on the Council's Corporate Estate. Assuming a similar Ash tree density across all other public and private land including woodland and hedgerows, the impact of the loss of trees from Ash Dieback over the last 5 years and into the next 5 years on Ceredigion's carbon footprint, micro-climate and local impacts on climate change is significant.

Potential Consequence

There is the ongoing potential for death or injury as a result of Ash Dieback related accidents, to include risks to statutory functions or service delivery, with increased health and safety issues due to declining ash trees on roads, county parks, housing estates, schools, cycle ways, bridle paths and footpaths. Increased expenditure from direct and indirect costs as a result of Ash Dieback. Carbon emission from trees that fail/need to be removed will impact the Council's net zero carbon 2030 target, and a significant planting programme will be required over the next decade to compensate for the loss of ash trees. The loss of ecosystems provided by ash e.g., air quality, flood reduction, urban shading, increased noise levels and the loss of visual screens adjacent highways, carbon storage, carbon sequestration and habitat for biodiversity, and risks to protected species / sites through alteration and loss of habitat structure, stability and composition.

Evidence of Risk

Ash Dieback is already widespread and visible across the County. A national guide for the assessment of diseased trees using a system based on the percentage of live canopy cover has been established and is used to determine when action is necessary to address the risks posed by a tree's decline. It is recommended to take action when approximately 50% of the crown remains. Due to the scale of completing a survey across all council owned trees, a prioritised approach has been developed to ensure that the high-risk areas are principally surveyed first. To achieve this a qualitative risk analysis has been carried out which considers the likelihood of injury and severity for each service in the authority identified to likely be affected by ash dieback. Consideration has been given to variables such as the estimated quantity of ash trees, estimated number of users who use the service and for highways road speed and visibility. The ADAP estimates that the total cost to the Council of managing its Ash Dieback risk could be of the order of £9.4m over a 10-year period, with a further £20m required to deal with Ash trees on private land.
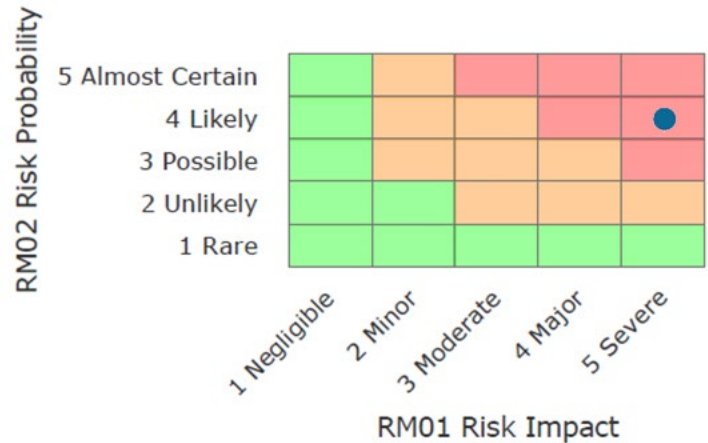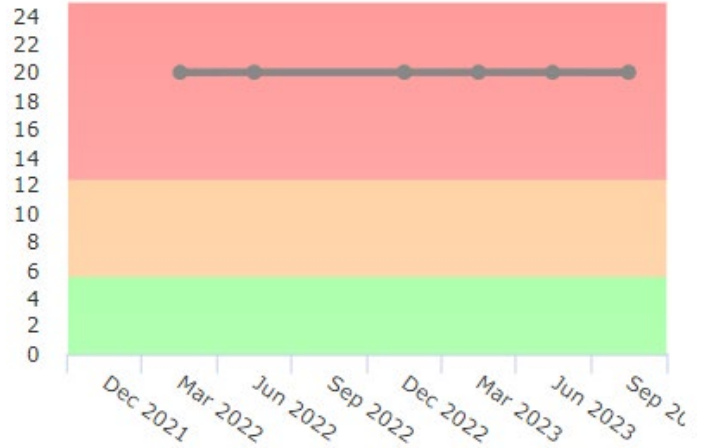
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R020T04: Undertake prioritised scheme of work to prune / remove trees as required	31 Mar 2024	🟠	⭐	⭐	⭐
R020T05: Seek Welsh Government and other funding opportunities to address the risk posed by	31 Mar 2024	🟥	🟥	🟥	🟥

8

The new tree works framework has closed to tenders, five contractors have applied and the process to assess the bids has begun, it is anticipated that the process will be complete and contractors onboard by the end of January/start of February 2024. Work is continuing to identify the owners of roadside trees in private ownership, which is followed by the issuing of a formal notice under Section 154 of the Highways Act 1980 requiring the owner to address the issues within a stipulated period. This work is being done alongside that of instructing owners of private trees which are deemed to be a risk to the public/traffic where they overhang the highway.

The same approach is being taken to trees which are brought to our attention by enquiries from members of the public and this work is being carried out in parallel to trees identified surveying.

A new prioritised scheme of work to prune / remove trees as required is underway for this quarter and into the next quarter, through till march. The new framework once online will expedite this.

Extensive efforts have been made to seek external funding options, though yet no such grant funding opportunities are available, but the ADBO is maintaining contact with colleagues in other authorities and continues to monitor the availability of external funding opportunities.

Corporate Risk R021 Phosphates

Owner: CLO Russell Hughes-Pickering

<table>
<tr><td colspan="2">Description</td></tr>
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In Jan 21 Natural Resources Wales (NRW) published evidence of phosphate levels for riverine Special Areas of Conservation (SACs) in Wales, (including the Afon Teifi) accompanied by interim planning position guidance (updated May 21).
The Council is the competent authority as defined in the Habitats Regulations and is required to have regard for advice when making planning decisions both for developments and the Local Development Plan (LDP).
There is a phosphate impact on 50% of Urban Service Centre's and 14% of Local Service Centre's designated in the LDP. The total land affected of Ceredigion equates to 806 km2 / 44.6% of the county. 14 allocated housing sites are constrained delivering potentially 572 homes of which 114 were expected to be affordable. There are significant issues relating to bringing development forward in this area. The area affected is expected to increase when further information and guidance is released in relation to the Marine SACs.

Potential Consequence

It is very likely that development across the County will be significantly constrained until measures can be implemented to mitigate the impacts of nutrients on riverine and marine environments. This could restrict the ability of the Council to deliver major elements of its Corporate Strategy, the Economic Strategy, the Local Development Plan, the 21st Century Schools Programme and key health and social care facilities. The situation is expected to worsen when data relating to Marine SAC assessments are released in 2022 which will have significant implications for the rest of the County.

Evidence of Risk

Nutrient monitoring by NRW has established that 8 of the 16 monitoring stations on the Afon Teifi are failing to meet their targets as set by the Joint Nature Conservation Committee (JNCC). Therefore, they are failing to meet the requirements of their conservation favourable status, potentially damaging the delicate eco systems which warranted its designation as a Special Area of Conservation (SAC). Such targets are also being monitored for other nutrients both on the Teifi SAC and on the marine SACs that encompass our coastline.
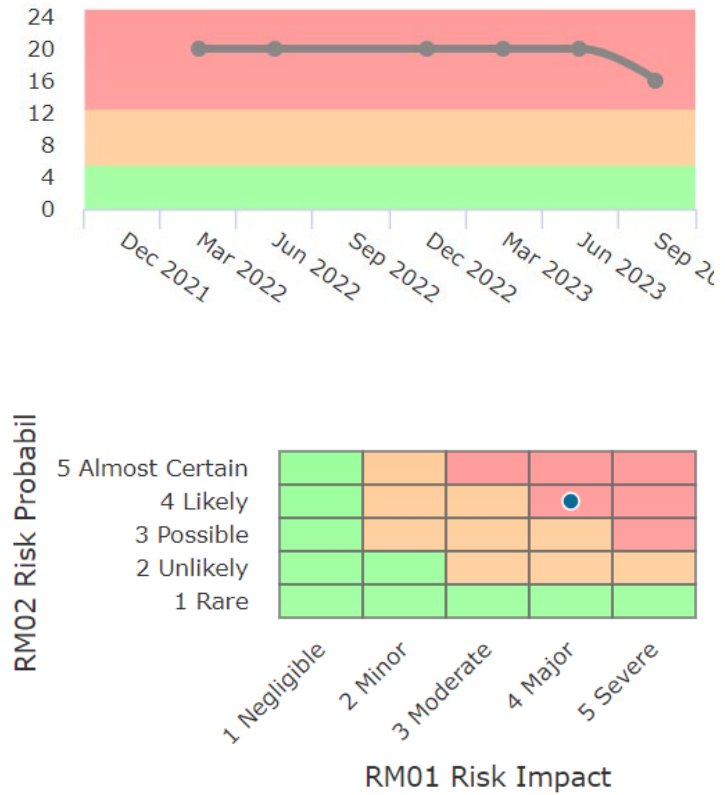
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R021T01: Ensure all applications, plans and projects are screened in accordance with NRW guidance	31 Mar 2024	★	★	★	★
R021T02: Raise awareness locally and nationally and identify ways to refine the guidance	31 Mar 2024	★	★	★	★
R021T03: Work at a sub national and national level through the working groups to identify solutions	31 Mar 2024	★	★	★	★
R021T04: Seek local solutions, learning from best practice elsewhere, utilizing council owned assets	30 Sep 2023	★	●	★	★
R021T07: Continue to lobby for a 'Team Wales' approach including a national mitigation list and data	31 Mar 2024	★	★	★	★
R021T08: Consider local solutions such as Private Treatment Plants and working with DCWW	31 Mar 2024	★	★	★	★

Comments (e.g., progress to

The Authority has created a Nutrient Management Board for the Afon Teifi SAC which has agreed a terms of reference, and appointed staff including a programme manager and a dedicated Teifi Nutrient Officer. The authority has secured SPF funding for water quality monitors and a tender will be going out shortly to procure the sensors, the only river in Wales with such technology. The authority has completed the Phosphate Reduction and Mitigation (PRaM) project delivering on the ground phosphate reduction by installing 4 SuDs schemes, 9km of Riparian fencing, 16 farm management plans and 8 farm capital improvement works and undertaken septic tank management engagement. Under the PraM project the authority has also developed 3 nature-based solutions up to outline design stage (2 wetlands and 1 wet woodland) for which a partner has been found for one and a potential funding partner for another. The authority has identified reserves to support further phosphate reduction measures and is considering its own assets. The authority plays a central role in the First Ministers phosphate action plan and are at regular attendance at various national and sub regional working groups. Finally, the Afon Teifi has been selected as a demonstrator catchment for a 'Team Wales' approach to river restoration, working with multiple agencies to take an innovative and experimental approach to river restoration. In national terms the Afon Teifi phosphate work is leading across Wales and securing funding and resources for a variety of solutions which will in time not only unlock development but also restore the river health in a cohesive way.

Corporate Risk R022 Recruitment & Retention

Owner: CLO Geraint Edwards

Description

Failure to recruit staff to key roles will have an impact on the ability to sustain safe and effective services and the requirement of meeting statutory and legislative responsibilities.

Potential Consequence

The impact of failure to recruit in a timely manner can lead to an inability to meet statutory duties or legislative requirements; an inability to deliver safe and effective services; or making it challenging for services to respond to changing demands. This would result in an intervention from regulators and/or being placed in special measures, creating significant additional budget pressures and damaging the Council's reputation, which would further impact our employer brand and ability to recruit. In addition, failure to recruit could lead to a negative impact on remaining workforce as a result of having to share the additional workload.

Evidence of Risk

Challenging labour market evidenced by historic high number of vacancies across UK, lowest rate of unemployment since 1974 and increase in the number of economically inactive people. Failure to recruit in a number of professional roles despite multiple campaigns. Increased use of agency staff to cover key professionally qualified roles, in particular in social care and senior management.
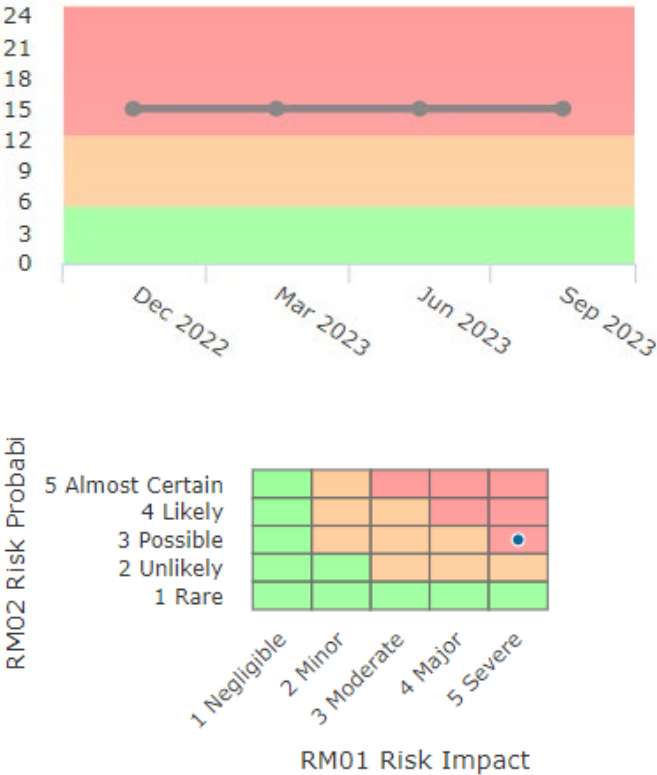
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R022T02: Undertake salary benchmark of all Welsh Local authorities	30 Nov 2023	🟠	🟠	🟠	🟠
R022T04: Consideration of multi-level apprenticeship scheme	31 March 2024	⭐	⭐	⭐	⭐
R022T05: Continue to lobby for Wales-wide pay scale for social workers	30 Sep 2023	🟥	⭐	⭐	⭐

Comments (e.g. Progress to Date)

Workforce Plan 2023-2028 adopted by Cabinet in September and implementation of YR1 targets has commenced. The Plan is key to addressing recruitment and retention challenges with a focus on employer branding, application process, employee voice, digital upskilling, succession planning, graduate scheme and apprenticeship programmes. Revised application process has been drafted and will be submitted to Leadership Group in early Q3 for approval and implementation. Lobbying of Wales-wide pay scale of social workers has taken place at regional and national level, including at Welsh Government level.

Corporate Risk R023 Systems End of Life

Owner: CLO Alan Morris

Description
We carry a range of risks associated to systems reaching end of life and maintaining security. WCCIS (Social Care Management System) will reach end of life 01/26. SharePoint EDRMS already end of life Variety of other systems needing migration soon. For WCCIS Our contract expires in March 2024 but is managed as an all-Wales contract under DHCW. Procurement of a new system is being delivered by DHCW but may not be completed until the end of contract leaving no time to migrate and could lead to no service in place. Replacement Systems will lose access to NHS data.

Potential Consequence
If systems reach end of life they will not be get security maintenance and open up cyber risks, however reaching end of contract will lead to more immediate loss. Mitigation is in place for all other systems, but for WCCIS, if contract extensions are not agreed, potential loss of support in March 24. If procurement is not agreed, then possible loss of system with no replacement. The service would not be able to manage cases, and this could lead to loss of access, unsafe storage of data and an unsafe service. Migration to a new system may run out of time and cause impact on service delivery. New system may not have as much data from partners leaving a less complete picture and requirement for more manual collaboration.

Evidence of Risk
• Security updates will not be carried out past Jan 26 • Procurement starting in 24 but dependent on DHCW business case and funding from WG which has not been agreed. • Project plans show implementation Dec 25 leaving no time to migrate. • Lack of service capacity to accept this change. • Limited resources to train staff
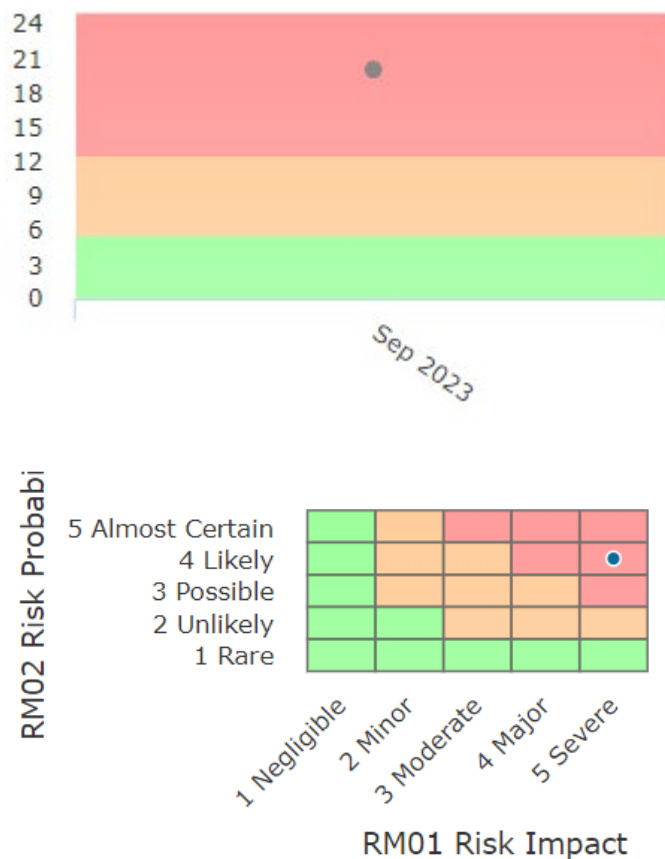
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R023T01: Improve QA processes to enable cleaner data for fast transfer	31 Mar 2025				🟠
R023T02: Continue to develop and document business processes so that clear process can be built into any new solution quickly	31 Mar 2025				🟠
R023T03: Work to support DHCW in developing procurement specifications	31 Mar 2025				🟠
R023T04: Service planning to delay other projects to make time for change to business functions	31 Mar 2025				🟠

Comments (e.g. Progress to Date)
New project manager appointed to work with DHCW and support workstreams. Information gathering and supporting requirements analysis.

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Corporate Risk R024 Cyber Resilience

Owner: CLO Alan Morris

Description
Cyber Resilience cannot guarantee resistance from cyber-attack and damage from system failures. It can, protect from opportunistic attacks, limit damage and plan for easier and quicker recovery from such incidents. Our defences will not protect from state backed hackers, but we will target cost effective recovery options. Failure to ensure that we have effective Cyber resilience in place will increase the risk of damage from cyber-attacks or system issues.

Potential Consequence
A failure of cyber resilience could lead to longer term or permanent loss of access to data. This will lead to damage to service users, may lead to enforcement, loss of data or access to one or more systems and cause significant reputational damage.

Evidence of Risk
• NCSC Cyber threat at heightened level. • Difficulty maintaining required standards. • Several major incidents to suppliers and partners. • Daily Cyber incidents • Lack of resources • Self-Assessment • External assessments
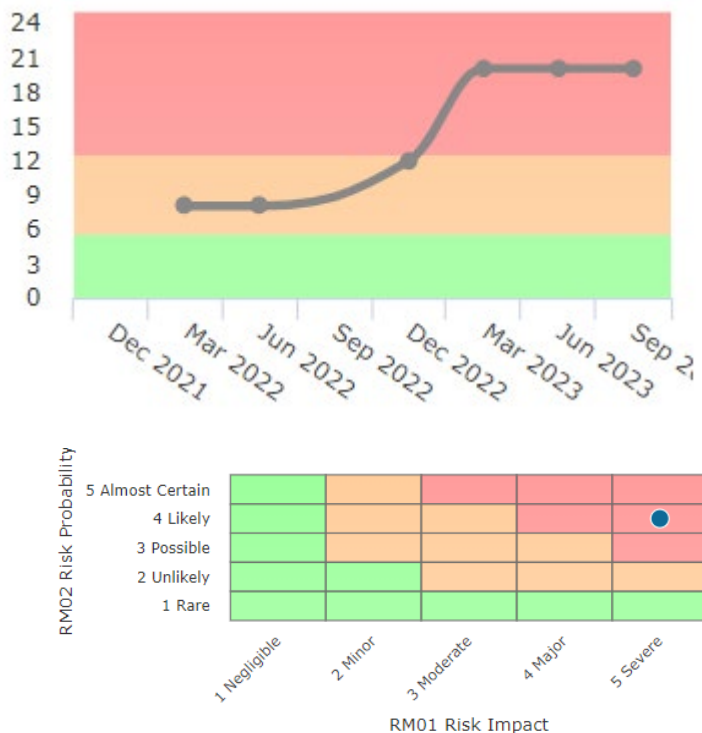
Mitigation Action	Due Date	Dec	Mar	Jun	Sep
R024T01: Work towards CAF Adoption	31 Mar 2025				🟠
R024T02: Support development of Wales SOC	31 Mar 2025				🟠
R024T03: Increase capacity and knowledge of Security Staff	31 Mar 2025				🟠

Comments (e.g. Progress to Date)
A new member of staff has been appointed internally to be a dedicated Cyber security officer but will not be back filled until the new year.

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CYNGOR SIR CEREDIGION COUNTY COUNCIL

<u>Report to:</u>   **Governance and Audit Committee**

<u>Date of meeting:</u>   **24 January 2024**

<u>Title:</u>   **Draft Corporate Risk Management Policy, Strategy and Framework**

<u>Purpose of the report:</u> **To present the amended Risk Management Policy, Strategy and Framework and to inform the Committee of the process and next steps.**

<u>Cabinet Portfolio and</u>   **Councillor Bryan Davies - Leader and Cabinet**
<u>Cabinet Member</u>:   **Member for Democratic Services, Policy, Performance and People and Organisation.**

<u>**Background**</u>
The Council's Risk Management Policy, Strategy and Framework are reviewed every three years to ensure they remain up to date and fit for purpose. The updated documents were considered by Leadership Group and resulted in a number of further updates to the Draft Risk Management Policy, Strategy and Framework.

Consultation was conducted with key stakeholders including members of the Governance and Audit Committee and Zurich Insurance between June and August 2023. A consultation letter was sent to all members of the Governance and Audit Committee on the 30th of June, inviting written comments by the 25 August. A detailed and useful response was received from the Deputy Chair of Governance and Audit Committee and a response from Zurich Insurance was also received.

Appendix 1 provides responses to the specific comments received on the draft documents and the actions taken as a result. Appendix 2 and 3 provide the latest drafts of the Risk Management Policy, Strategy and Framework.

<u>**Current Situation**</u>
The Risk Management Policy, Strategy and Framework has been updated to reflect the findings of the review and the feedback from the consultation exercise. The main updates are listed below:

- Strengthening the monitoring of service risks – service risks scoring 15 or above will be assessed quarterly by Leadership Group for escalation to the Corporate Risk Register and vice versa.
- Service risks will be added to the Teifi Performance Management System so that they can be updated and managed through the system.
- Clarified that the threshold for risks to be considered by Leadership Group to be escalated / de-escalated is 15.
- Clarified that Leadership Group are responsible for deciding if risks should be escalated or de-escalated.

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- Clarified the role of Internal Audit in the Policy and Framework, which is to assess and evaluate the effectiveness of actions in place to mitigate risk and provide objective assurance that risks are being managed appropriately. Additionally, Internal Audit will also provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures by including periodic reviews of the Corporate Risk Register, Service Risk Register and Corporate Risk Management procedures.
- Clarify that "target risk" scores should be provided to accompany the mitigating actions for risk, i.e. what score should the risk be reduced to by delivering the mitigating actions identified.

Next Steps

Following the review and the consultation, and presentation of the amended Policy, Strategy and Framework to Governance and Audit Committee, the documents will be taken through the Democratic process for decision. Any further feedback from Governance and Audit Committee on the Risk Management Policy, Strategy and Framework at that stage will be included in subsequent reports.

Recommendation(s):
1. To note the draft Risk Management Policy, Strategy and Framework.
2. To note current progress and the next steps

Reasons for recommendation:
To ensure the Risk Management Policy, Strategy and Framework are up to date and fit for purpose.

Appendices:
Appendix 1: Response to the Consultation Feedback on the Risk Management Policy, Strategy and Framework
Appendix 2: Updated Risk Management Policy and Strategy
Appendix 3: Updated Risk Management Framework

Contact Name:
Alun Williams

Designation:
Corporate Lead Officer Policy, Performance and Public Protection

Date of Report:
29 December 2023

Acronyms:

Appendix 1: Response to the Consultation Feedback on the Risk Management Policy Strategy and Framework

Risk Management Policy, Strategy and Framework

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
Zurich Insurance	Pages 1-14 Risk Management Policy and Strategy Pages 1-22 Risk Management Framework	• Whole document	Overall, Ceredigion's risk management documents demonstrate a well-informed understanding of risk management in a clear and accessible manner that aligns with best practice information.	Noted	No amendments have been made based on this comment.

Risk Management Policy and Strategy

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
Zurich Insurance	Pages 1-14 Risk Management Policy and Strategy	• Whole document	Often, risk management policies are long and complex documents that are unused and outdated. Ceredigion's updated Risk Policy manages to capture enough detail to sufficiently convey the organisation's approach to risk whilst being succinct and user friendly, which is refreshing to see.	Noted	No amendments have been made based on this comment.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			Specific areas of strength are: • The emphasis of the role in risk management supporting the organisation to achieve its objectives. • The inclusion of the actions being taken to achieve the risk management strategy objectives. • The separation between the Policy Statement and the Strategy, which organisations commonly merge together despite a Policy and Strategy having two distinct purposes. • The clarity of the roles and responsibilities. • The use of up-to-date context information in the policy setting out the long term emerging risks the organisation will face, thus making the document relevant and setting the scene of the Risk Management Framework.		

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
Zurich Insurance	Page 4 - Risk Objectives	The objectives of this Strategy are to: • Embed and integrate risk management into the culture of the Council. • Assign roles, responsibilities and accountability for risk management activities within the Council. The "Three Lines of Defence Model" is incorporated into Internal Audit's assurance mapping to obtain assurances from management, internal audit and external sources of assurance e.g. regulators & inspectorates. • Raise the awareness of the need for risk management by all those connected with the Council's delivery of services. • Prevent injury, damage and losses to reduce the cost of risk. • Enhance the realisation of opportunities and resulting benefits. • Ensure consistency throughout the Council in the management of risk.	The following recommendations are not improvement actions, but are future development areas that the organisation could explore as the risk maturity of Ceredigion grows and the Strategy and Framework are implemented and embedded: • **Risk Objectives:** It must be recognised that there is significant merit in the inclusion of specific risk management objectives and actions being outlined in the strategy element of the Risk Management Policy and Strategy document. Importantly, it sets out how the organisation intends to embed best practice. To further advance this approach, adding in a specific action plan (with deadlines and priority areas) or a plan on a page will support the team to track and monitor risk maturity progress over time. Being more	Accept	We note the recommendations for further improvement and we will develop a separate action plan on the risk management objectives.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			explicit about the actions will also support with progress reporting into the leadership team and relevant committees and enable the team to develop an updated strategy in the three year cycle.		
GAC Vice Chair	Page 4 – Risk Management Policy Statement	The Council has established an effective Risk Management Strategy that is becoming embedded into the culture of the organisation and contributes to the achievement of the Corporate Strategy and in particular its organisational effectiveness.	'... is becoming embedded'? what actions are being taken to embed properly? How can we be confident that these actions are appropriate?	Accepted	This is clarified in amended para 2.2.
GAC Vice Chair	Page 4 – Risk Management Policy Statement	The Council identifies, analyses, manages and applies cost-effective control of the risks it faces in order to: 1. Ensure that statutory obligations and policy objectives are met. 2. Ensure the Council achieves its Corporate Well-being Objectives and the National Well-being Objectives through improved service delivery.	These are all rather 'obvious' statements but how would you, for example, demonstrate that CCC has a learning culture and that lessons have been learnt from previous risk management issues/ failures and that this has informed this updated strategy?	Partially accepted	Having reconsidered this paragraph, we feel that the obvious statements are needed in the Policy. These set out the controls in place and help to make the policy readable and relevant for managers and staff. However, the Council does have a culture that encourages learning and is not to be afraid to change where required. Part of this culture is to learn from previous opportunities or threats. Where necessary policies and systems are revised where risks are uncontrolled, such as through the creation of new templates and guidance documents for staff, and introducing new monitoring and advisory structures to strengthen processes and reduce risk. The Corporate Project Management Group is an example of this learning. It was set up to manage risks following the

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Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		3. Ensure the successful delivery of major and innovative projects. 4. Establish and maintain effective ways of working in partnership. 5. Preserve and promote the reputation of the Council. 6. Improve decision-making, planning, prioritisation and optimise operational efficiency. 7. Safeguard its elected Members, employees, service users, pupils and all other stakeholders to whom the Council has a duty of care. 8. Learn from previous opportunities or threats successes and failures to inform future management of risks.			lessons learnt from an uncontrolled project where there were concerns regarding its governance and communications. This learning has been used in the updating of the Risk Management Policy, Strategy and Framework.
GAC Vice Chair	Page 4 – Risk Management Policy Statement	The appraisal and management of risk is applied to all Ceredigion County Council processes and in particular forms part of our: • Policy making, audit and review • Health & Safety policy and strategy • Financial planning and control	Which risk management methodology is applied to projects/ change management? How does this interface with the operational and strategic risk assessments and how are project risks escalated?	Noted	Project risks are considered by the Corporate Project Management Panel, and if there is a concern the Panel will suggest that a further report is needed for Leadership Group or other management group. The Panel quality assure the risks identified and assist the project manager/officer in identifying any additional risks where necessary. The Corporate Project Management Panel template is designed to help manage the risks around the whole project *before* the Council enters into the project. Project risks are managed using the same methodology as set

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Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		• Strategic planning and objective setting • Business and service planning and delivery, • Reporting and decision making processes • Performance management • Project and Change management processes			out in the Policy and Framework, although they are managed separately unless they become a major strategy. The Corporate Project Management Panel is made up of senior officers with expertise including Legal, Finance, Procurement, HR, Internal Audit, Policy and Digital, who quality assure the risk submission.
GAC Vice Chair	Page 5 – Risk Management Policy Statement	The Chief Executive has overall responsibility for securing adherence to the Council's policy on Risk Management	How does he discharge this responsibility? What MI does he rely on? Is he comfortable with current levels of adherence and please share what MI is used to monitor adherence?	Noted	The Chief Executive discharges this responsibility through chairing Leadership Group where the Corporate Risk Register is a standing item. All Corporate Risk Registers submitted to Governance and Audit Committee are approved by the Chief Executive and by Leadership Group. Regarding being comfortable with levels of adherence, this level of information would not be expected to be included in a policy document. The Chief Executive uses the management information that is included in the Corporate Risk Register, that is submitted to the Quarterly Performance Board, as well as other sources such as internal audit and external regulators reports.
GAC Vice Chair	Page – 6 Objectives	Assignment of roles, responsibilities and accountability for risk management activities within the Council	I don't think this objective sits well in a strategy… it may be best to re-articulate around how you apply the 3 lines of assurance model as a basis for apportioning responsibility, assuming you do of course- if you don't, why don't you?	Accepted	Clarified in amended para 3.2.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
GAC Vice Chair	Page – 6 Objectives	These objectives will be achieved by the following actions • Incorporating risk management considerations into all levels of business planning; • Incorporating risk management considerations into all levels of programme, project and partnership arrangements. • Skills training and development for all elected Members, managers and staff, in the effective management of risk; • Regular monitoring and reporting of risk to identify trends and likely direction of risks for Members and Senior Managers to be aware of when making decisions. • The Risk Management Framework will be available to all elected Members, staff, the public and other stakeholders on the Councils intranet and internet and will be	I do think that for each strategic strand that you do have more specific/tailored actions as otherwise how can we be confident that these strategic ambitions will be achieved.	Partially accepted	We have made some amendments to para 3.3 but overall we don't think they need to be more specific.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		communicated via management channels. • All Members will receive training on risk so that they can consider the implications of risk in their work for the Council. • Leadership Group and Senior Managers will receive risk management training with the aim of ensuring that they have the skills necessary to identify, appraise and control the risks associated with the services they provide. • All managers and other identified officers will receive risk management and risk assessment training as required.			
GAC Vice Chair	Page 8 – Resourcing Risk Management	The designated Corporate Lead Officer for Risk at Leadership Group Level is the Corporate Lead Officer Policy, Performance & Public Protection.	This is an important element. So precisely what is your responsibility? How do you effectively challenge other officers on the adequacy of risk management? The whole document is silent on effective management challenge of risks - this is an essential component given that your whole risk	Partially accepted	The paragraph has been misunderstood. The Corporate Lead Officer undertakes a great deal of challenge with colleagues around scoring, setting mitigating actions and whether actions have been delivered. Please refer to paragraph 3.15 in the Resourcing Risk Management section. It should be noted that the Corporate Lead Officer cannot be an expert in every area of risk for the Council, but officers are challenged on their risks. The individual Corporate Lead Officers are the experts in their field. Challenge takes place at Leadership Group where risks are presented for escalation/de-escalation. Paras 1.35 to 1.40 of the Framework provide further information on this process.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			approach is essentially based on risk self-assessment which has inherent limitations.		
GAC Vice Chair	Page 9 – Internal Audit	The Council's Internal Audit service will provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures. Internal Audit will periodically review the Corporate Risk Register and evaluate the Corporate Risk Management procedures including the reporting of risks.	Yes but I would expect you/ the CEO to this as well... we should not wholly rely on the 3rd line	Accept	The CEO, Corporate Directors and the CLO also provide assurance on the robustness of risk management as outlined in earlier paras 3.12 to 3.16, and also in Appendix 1. These paras have been amended to more clearly explain this. This particular section specifically details the role of Internal Audit.
	Page 9 – Internal Audit	The Annual Internal Audit Plan is risk-based and is aligned to the Corporate Risk Register to ensure resources are prioritised according to risk. Internal Audit will periodically evaluate the management of key risks included in Risk Registers. All red risks within the Corporate Risk Register will be included in the Internal Audit plan of work over a rolling two-year period and periodic reviews of Service Risk Registers will also be included in the Internal Audit plan.	We shouldn't be this definitive. IA may choose to do this if they have confidence in the risk process and this is a priority.	Not accepted	Lengthy discussions have been had with Leadership Group and the appropriate Corporate Lead Officers/service on this. It was agreed that the involvement of Internal Audit was needed and would strengthen the risk management process and provide additional assurance.
GAC Vice Chair	Page 9 – Internal Audit	Checks will be undertaken by Internal Audit to ensure agreed	Yet again we are missing the 1st and 2nd line	Not accepted	This section is specifically about Internal Audit and only refers to their involvement in risk management. First and

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		actions are implemented by management.	responsibilities. Management should be assuring themselves that actions have been implemented. IA are a backcheck.		Second line responsibilities are referenced in paragraphs 3.2 of the Policy and 1.8 of the Framework, while specific responsibilities of each line of support (Corporate Lead Officers, Leadership Group and Internal Audit) are outlined in Appendix 1 of the Policy.
GAC Vice Chair	Page 10 – Community Risks	The top risks identified include: • Impact of Brexit • Pandemic Flu • Flooding • other Severe Weather (such as storms, gales, low temperatures, heavy snow, heat waves and drought) • Loss of Infrastructure • Pollution • Animal Disease • Industrial Incidents • Transport Incidents	Surprised? I thought one of the major findings to date was that the UK was prepared for a flu pandemic but not covid i.e. the risk was too narrowly defined and hence anticipated actions were inadequate	Noted	This para refers to Community Risks as defined in the Dyfed Powys Local Resilience Forum Community Risk Register. Pandemic Flu is clearly identified in the Risk Register. However, please note that following publication of the UK national risk register in August 2023, both the Welsh Government and the Dyfed Powys Local Resilience Forum are reviewing their risk register.
GAC Vice Chair	Page 10 – Community Risks	Long Term Risks include: • Financial Resilience • Workforce resilience capability and capacity • Cyber Attack	really? long term as these are current risks, are they not?	Accepted	This para has been reworded and the reference to long-term removed. See para 3.31.
GAC Vice Chair	Page 12 – Governance and Audit Committee	• To monitor the effective development and operation of risk management in the Council. • To monitor progress in addressing risk-related issues reported to the Committee	Suggest this is more fully aligned to what is said in our ToR.	Accepted	This has been updated and is now aligned with the Governance and Audit Committee Terms of Reference.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		• To consider the Corporate Risk Register as an agenda item			
GAC Vice Chair	Page 13 – Corporate Lead Officer, Policy Performance and Public Protection	• The Corporate Lead Officer Policy & Performance is responsible for risk management	Too imprecise	Accepted	Para 3.15 and Appendix 1 have been amended to provide clarity.
GAC Vice Chair	Page 13 – Corporate Lead Officer Finance & Procurement	• The Corporate Lead Officer Finance & Procurement is responsible for the insurance provision within the Authority	plus risks within his area of responsibility?	Accepted	Appendix 1 has been amended to clarify this.

Risk Management Framework

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
Zurich Insurance	Pages 1-22 Risk Management Framework	• Whole document	Much like the Risk Management Policy and Strategy document, similar strengths are highlighted in the Risk Management Framework, which provides additional detail regarding the practical application of the risk methodology. The document also strikes the balance between informative, well structured and accessible.	Noted	No amendments have been made based on this comment.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			The use of diagrams, tables and examples help to break up heavy text and ensure that information is conveyed in an efficient and effective way.		
GAC Vice Chair	Page 4 – Risk Management Approach	To ensure that risk management is handled in the most efficient way within the Council, risk is included as: • part of the Business Planning and Service Planning process • an agenda item on all departmental meetings to identify emerging risks and changes • part of Corporate Project Management processes • part of procurement processes • As an agenda item at all Leadership Group meetings • As an agenda item at Governance and Audit Committee meetings	How is this done and how can this be evidenced? What positive outcomes have been achieved by applying this approach?	Accepted	This is clarified in a new paragraph (para 1.8).
Zurich Insurance	Page 5 - Risk Analysis Page 7 - Risk Level Page 8 - Risk Appetite	• Risk Analysis • Risk Level • Risk Appetite	The following recommendations are not improvement actions, but are future development areas that the organisation could explore as the risk maturity of Ceredigion grows and the Strategy and Framework	Accepted	We accept the recommendations for further improvement and have embedded risk appetite into the risk management process. This is reflected in paras 3.3 and 3.8 of the Policy and Strategy, and in paras 1.25 and 1.26 of the Framework.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			are implemented and embedded: • **Risk Appetite:** Risk Appetite is referenced in the Risk Framework and explained clearly, however, further explanation of how risk appetite is determined, the organisation's approach to risk appetite and how it is factored into leadership decision making would show a more evolved approach. This may take the form of setting risk appetite levels and tolerance levels using the strategy/ corporate risk register, or setting levels against risk management categories based on the organisation's long term ambitions and operating environment.		
GAC Vice Chair	Page 6 – Risk Identification	The objectives of the Authority or Service should always be a primary focus when identifying risks. Consideration should be given to; what could pose a potential threat, or opportunity, to the achievement of those objectives?	objectives as set out within the approved Council & Community Strategic Plan ? If so where is the assessment of the delivery risks?	Accepted	The Corporate Well-being Objectives are set out in the new Corporate Strategy 2022-27: https://www.ceredigion.gov.uk/eich-cyngor/strategaethau-cynllunio-a-pholisiau/strategaeth-gorfforaethol/ https://www.ceredigion.gov.uk/your-council/strategies-plans-policies/corporate-strategy/

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
					Para 1.11 has been amended to make it clear that the Council's Corporate Well-being Objectives should always be a primary focus when identifying risks. The biggest risk to the delivery of the Corporate Well-being Objectives is the financial risk in relation to the updated Medium Term Financial Strategy 2023/24–2026/27. Refer to pages 22-24 of the Medium Term Financial Strategy for details of the challenging financial position: https://www.ceredigion.gov.uk/media/14037/strategaeth-ariannol-tymor-canolig-202324-i-202627.pdf https://www.ceredigion.gov.uk/media/14036/medium-term-financial-strategy-202324-to-202627.pdf
GAC Vice Chair	Page 6 – Risk Identification	Risks and issues often get confused and a useful way of remembering the difference is: • Risks are things that might happen and stop us achieving objectives, or otherwise impact on the success of the organisation. • Issues are things that have already happened and require management action.	An important distinction but this is not carried through in to how you identify and articulate risks in the risk register.	Not accepted	The Risk Management Policy, Strategy Framework outlines the management of risks only, this definition is included to help risk owners understanding of what constitutes, and should be considered, a risk.
GAC Vice Chair	Page 6 - Risk Identification	Risks can be identified by anyone and in a variety of ways including: Internally through: • Self-assessments	These are all fundamentally self-assessment/ judgement-based identification techniques and as such are inherently limited. What metrics do you	Not accepted	It is not possible to demonstrate that we have identified *all* risks and we will probably never be 100% confident, but neither is national government, the COVID-19 pandemic being a recent example. Unfortunately, there isn't a set list or criteria for identifying risks, but we appreciate that there is a level of

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Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		• Risk Assessment carried out annually jointly with Audit Wales • Current performance • User satisfaction • Complaints • Internal Audit reports • Team Meetings / Staff suggestions and feedback	have? More importantly how can we be confident that you have identified all relevant risks and that these have been assessed properly?		anxiety that something could be missed. To mitigate this, the Risk Policy is clear that risk identification isn't the responsibility of just one group, instead everyone has a part to play and can contribute if they feel something is missing (refer to Risk Management Policy and Strategy para 3.9). These messages will continue to be reiterated to managers and members at appropriate forums. Furthermore, we take account of national, community and service risks in drawing up the Corporate Risk Register. We also keep risk under continuous review to identify new and emerging risks, and we look externally to draw on the work of regulators other bodies to make our horizon scanning as effective as possible. The Framework also makes it clear that the PESTLE categories should be considered as part of this process to give a more structured approach to risk identification (para 1.17 and Appendix 1).
GAC Vice Chair	Page 7 – Risk Identification	Once identified, it is essential the risk is clearly described to ensure it is understood by all potential audiences.	I think the risk consequence should be described in terms of the impact on our citizens and delivery of Council's services so for me it's about citizens being unable to go to work/ live their normal lives and the Council being unable to provide social care in the community which has a meaningful, adverse impact on our constituents. Articulating risks in this way makes them feel more relevant	Accepted	Agreed, an alternative diagram has been used to convey the cause, event and consequence of risks.

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Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			and helps focus the right risk response		
GAC Vice Chair	Page 8 – Risk Analysis	Category may be Strategic or Operational	Conceptually I think I understand why you try to categorise risks as strategic or operational but in practice this is an artificial distinction with a concern being that risks may be wrongly categorised and not escalated properly. So that leads me on to a question over the detail of this escalation process (from service to strategic risk register) and its robustness.	Not accepted	We note your concerns and understand the value of your comments. However, at this point in time, the Authority believes that there is a clear distinction between strategic and operation where operational risks are managed by services. Nevertheless, there is a mechanism at Leadership Group where operational or service risks can be added to the Corporate Risk Register if the risk score is high enough, for example Ash Dieback. The escalation process works and is referred to in paras 1.35 to 1.40 of the Risk Framework. There are also exceptions where an operational risk will be escalated to the Corporate Risk Register. The distinction between strategic and operational also aligns with that used by the Council's insurers.
GAC Vice Chair	Page 9 – Categorisation	Strategic Risks will impact on the medium to long term goals and objectives of the Council and will often include external factors that could impact decisions made inside the Authority.	Where are these goals and objectives set out... the corporate strategy? There needs to be a clear linkage between each corporate strategy and individual strategic risks so the Council can see/ understand the vulnerabilities associated with achieving each objective.	Accepted	We note the comment and we will review the document and the Corporate Risk Register itself to make this link to Corporate Well-being Objectives clear.
GAC Vice Chair	Page 11 – Assessing Likelihood (Probability)	This requires assessing the chance or likelihood that a risk will occur. Likelihood should as	It is so difficult and indeed pretty meaningless to assign a point value to a subjectively assessed risk	Not accepted	The points of references are contained in Appendix 2 (Likelihood) and Appendix 3 (Impact).

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		far as possible be based on an objective assessment of: a) the likelihood of their occurrence b) the strength of measures (such as contingency plans) to prevent or anticipate such an occurrence c) are there opportunities to make improvements and are there any barriers in the way?	unless you have some metrics or points of reference. How do you do this in practice?		
GAC Vice Chair	Page 11 - Assessing Likelihood (Probability)	The Likelihood or probability of an event occurring should be scored on a scale of one to five where one is rare and five is almost certain. Appendix 2 sets out the criteria that should be applied in assessing how likely an event is to occur.	This does confuse me... i think you are mixing up likelihood (of risk occurring in a defined period) with risk frequency (number of occurrences). For strategic risks I would suggest you think about the likelihood of x risk occurring in the next 3 years (linked to corporate plan period) with operational risks over the 1 year time horizon.	Noted	The likelihood refers to the likelihood or probability of an event occurring and not the frequency. Clear definitions and parameters are provided in para 1.24 and Appendix 2. The risk scoring methodology is not an exact science and is about understanding and communicating what is a priority for the Council.
Zurich Insurance	Page 12 - De-escalating a Risk Page 20 - Levels of Risk Pages 21-22 Risk Proposal Template	• De-escalating a Risk • Appendix 4: Levels of Risk • Appendix 5: Risk Proposal Template	Furthermore, the reference to levels of risk (including project, partnership and contract risk), de-escalation of risk and risk register templates are all evidence of a well evolved and more advanced understanding	Noted	No amendments have been made based on this comment.

Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
			of embedding risk management.		
GAC Vice Chair	Page 12 – Risk Level	The Risk Level is determined as follows: Likelihood x Impact = Risk Level	Multiplying impact and likelihood appears to be an accepted practice in the public sector but I would caution against it as the important element is to focus on and rank risks based on their relative likelihood and impact... as the management actions should be targeted on reducing likelihood and/ or impact should the risk occur.	Not accepted	We thank you for your comments, but this is how the public sector manages risk and we believe that this provides us with a useful and understandable system, and is in widespread use throughout risk management in public services. At the current time, this is the most appropriate tool for risk in public sector.
GAC Vice Chair	Page 13 – Risk Treatment	Manage the risk within existing management routines. Risks should only be accepted where officers believe that the residual risk is tolerable and have no material impact upon objectives (i.e. where they are in the green zone of the matrix).	All risks impact either corporate or local objectives? how are you defining 'material'?	Partially accepted	As stated in the Framework, the definition of green zone on the Risk Matrix is the most relevant mechanism in this case. The use of the word material is not appropriate and has been removed.
GAC Vice Chair	Page 13 – Risk Treatment	The risk is accepted and appropriate budget is allocated to meet costs resulting from the risk occurring.	Accepted by whom? What are the authority levels? Who verifies that risks are being accepted in accordance with policy?	Accepted	The risk is accepted by Leadership Group and they recommend the allocation of the budget to Cabinet, who as elected Members, ultimately approve the budget. This has been clarified in the table in para 1.29.
GAC Vice Chair	Page 17 – Completing the Risk Register	On identification and assessment of a risk and completion of a risk proposal, An owner must be assigned and the risk accepted before	what is meant by being 'accepted' in this context?	Accepted	Accepted means that the risk is recognised and approved by Leadership Group. However, we agree that the word "accepted" is not clear enough and has been replaced with "recognised and approved" in para 1.32.

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Response From	Page Reference	Paragraph	Comment Received	Response	Response Comments
		being recorded on the appropriate Risk Register.			
GAC Vice Chair	Page 23 - Appendix 2: Risk Assessment Criteria for Likelihood of an event happening	Could occur at least once between 5-10 years Could occur at least once between 1-5 years	This is methodologically confused (likelihood v frequency)	Accepted	Appendix 2 refers to likelihood and has been clarified that it does not refer to frequency. See also answer to similar question raised above on page 17 in relation to Assessing Likelihood (Probability).

Ceredigion County Council:
Risk Management Policy & Strategy

November 2023

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1 Foreword

1.1 Welcome to the Risk Management Policy and Risk Management Strategy document for Ceredigion County Council.

1.2 Effective risk management allows the Council to:

- Have increased confidence in achieving our priorities and outcomes.
- Constrain threats to acceptable levels.
- Take informed decisions about exploiting opportunities.
- Ensure that we get the right balance between rewards and risks.
- Improve partnership working arrangements and corporate governance.
- Protect people, assets and council's reputation.
- Maximise opportunities.

1.3 Ultimately, effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the council and damage to its reputation.

1.4 The Risk Management Policy and Strategy document provides a comprehensive framework and process designed to support Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The policy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that we have in place to manage risk successfully.

1.5 The Council will review the Policy and Strategy at least every three years and any variations from this policy will be reviewed by the Governance and Audit Committee, prior to approval by Cabinet.

1.6 This Policy and Strategy is underpinned by a complementary risk Management Framework document, which should be read in conjunction with this document.

2 Risk Management Policy

Risk Management Policy Statement

2.1 Ceredigion County Council recognises that a proactive approach to risk management is a vital aspect to achieving its vision of delivering value for money sustainable bilingual public services that support a strong economy and healthy environment while promoting well-being in our people and our communities.

2.2 The Council has established an effective Risk Management Strategy that is becoming embedded into the culture of the organisation through review, training, continuous discussion at Leadership Group, the identification of service risks and the expectation that all service risks are reported on a quarterly basis. This contributes to the achievement of the Corporate Strategy and in particular its organisational effectiveness.

2.3 The Council identifies, analyses, manages and applies cost-effective control of the risks it faces in order to:

1. Ensure that statutory obligations and policy objectives are met.
2. Ensure the Council achieves its Corporate Well-being Objectives and the National Well-being Objectives through improved service delivery.
3. Ensure the successful delivery of major and innovative projects.
4. Establish and maintain effective ways of working in partnership.
5. Preserve and promote the reputation of the Council.
6. Improve decision-making, planning, prioritisation and optimise operational efficiency.
7. Safeguard its elected Members, employees, service users, pupils and all other stakeholders to whom the Council has a duty of care.
8. Learn from previous opportunities, threats, successes and failures to inform future management of risks through introducing new structures, advice, templates and guidance to staff, as well as closer monitoring.

2.4 The appraisal and management of risk is applied to all Ceredigion County Council processes and in particular forms part of our:

- Policy making, audit and review
- Health & Safety policy and strategy
- Financial planning and control
- Strategic planning and objective setting
- Business and service planning and delivery
- Reporting and decision-making processes
- Performance management
- Project and Change management processes

2.5   It is acknowledged that some risks will always exist and will never be eliminated, however all employees must consider risk and accept responsibility for managing risks associated with their area of authority.

2.6   The Chief Executive has overall responsibility for securing adherence to the Council's policy on Risk Management.

2.7   Risk Management Policies, Strategies and Processes will be reviewed for efficiency effectiveness and compliance as part of the management review cycle.

3 Risk Management Strategy

Purpose

3.1   The Risk Management Strategy sits alongside the policy statement, and sets the actions required to meet a series of risk management objectives.

Objectives

3.2   The objectives of this Strategy are to:

- Embed and integrate risk management into the culture of the Council.
- Assign roles, responsibilities and accountability for risk management activities within the Council. The "Three Lines of Defence Model" is incorporated into Internal Audit's assurance mapping to obtain assurances from management, internal audit and external sources of assurance e.g. regulators & inspectorates.
- Raise the awareness of the need for risk management by all those connected with the Council's delivery of services.
- Prevent injury, damage and losses to reduce the cost of risk.
- Enhance the realisation of opportunities and resulting benefits.
- Ensure consistency throughout the Council in the management of risk.

3.3   These objectives will be achieved by the following actions:

- Incorporate risk management considerations into all levels of business planning.
- Incorporate risk management considerations into all levels of programme, project and partnership arrangements.
- Provide skills training and development for all elected Members, managers and staff, in the effective management of risk.
- Regularly monitor and report risks to identify trends and likely direction of risks for Members and Senior Managers to be aware of when making decisions.
- Provide risk appetite scores in each Corporate Risk Register to support informed decision making in line with the risk appetite along with reduced uncertainty and improved consistency.
- The Governance and Audit Committee monitor the effective development and operation of corporate risk management in the Council, the progress in addressing risk-related issues reported to the Committee and consider the Corporate Risk Register on a quarterly basis.
- Make the Risk Management Framework available to all elected Members, staff, the public and other stakeholders on the Council's intranet and website and communicate via management channels.
- Make the Corporate Risk Register available to all Members on a quarterly basis.
- Provide risk management training for Leadership Group and all managers with the aim of ensuring that they have the skills necessary to identify, appraise and control the risks associated with the services they provide.

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Definitions

3.4   Ceredigion County Council defines Risk as:

> *"the possibility that something might happen that will have a detrimental impact on the achievement of the Council's objectives, reputation, or service delivery'. Risk is measured in terms of impact and likelihood."*

3.5   Risk Management is the planned and systematic processes, by which key risks are identified, evaluated and managed enabling maximisation of benefits and minimisation of potentially negative consequences to the Council and its partners. Risks can be broken down and further defined as risk management allows the Council to:

   a) Identify risks in the context of Corporate objectives, including potential opportunities.
   b) Assess risks to determine the likelihood and impact of each risk.
   c) Determine the response to each risk individually.
   d) Develop the necessary actions, controls and processes to implement the chosen response to each risk.
   e) Communicate the approach to risk management and the results of risk management activity.
   f) Maximise opportunities.

3.6   Managing risks informs strategic and business planning and helps the Council to meet the Corporate Well-Being objectives set out in its Corporate Strategy 2017- 2022, improve service delivery and enhance value for money.

Risk Culture

3.7   A strong business wide risk culture is an important aspect of strong corporate governance. Risk Culture is the shared values, attitudes and practices that characterise how the Council considers risk on a day-to-day basis by:

   a) Raising awareness of risks faced by the Council.
   b) Understanding of the business and the relevance of risk.
   c) Clear ownership of risks.
   d) Clearly defined responsibilities for risk management activity.
   e) Effective monitoring and reporting of the effectiveness of risk.

3.8   While the Council should not be risk averse, the principles contained within this policy ensure that the Council strikes the right balance in its approach to business opportunity and risk management. To assist in achieving this, risk appetite is an integral part of the risk management process with the Corporate Risk Register including risk appetite scores that the authority is willing to tolerate. This is to ensure that the risk culture supports informed decision making in line with the risk appetite.

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Roles & Responsibilities

3.9 Responsibility for effective risk management rests with all Members and Officers of the Council. Given the diversity of Council services and the wide range of potential risks, it is essential that responsibility for identifying and taking action to address potential risks is clear.

3.10 The Governance and Audit Committee is responsible for monitoring the effective development and operation of corporate risk management in the Council.

3.11 The allocation of further roles and responsibilities are set out in Appendix 1.

Resourcing Risk Management

3.12 Risk management is not a new issue and every Member and Officer is responsible for considering risk implications as they relate to their actions.

3.13 The Leader of Ceredigion County Council, supported by the Chief Executive is responsible for ensuring that a Risk Management Policy and Strategy is in place, taking overall responsibility for securing adherence to the Council's Policy on Risk Management and providing objective assurance on the effectiveness of the risk management procedures in place.

3.14 Corporate Directors support the Chief Executive Officer and Leadership Group in promoting risk management across the Council, securing adherence to the Policy and providing assurance that this is being successfully achieved. They provide line management support to Corporate Lead Officers in relation to risk management where risks are escalated or where an impasse is reached.

3.15 The designated Corporate Lead Officer for Risk at Leadership Group Level is the Corporate Lead Officer Policy, Performance & Public Protection. They have delegated responsibility for securing adherence to the Council's Policy on Risk Management and providing objective assurance that this is being successfully achieved along with the effectiveness of the mechanisms used to control identified risks. They are also responsible for challenging colleagues around risk scoring, setting mitigating actions and whether actions have been delivered.

3.16 The Performance and Research team will act as a link between elected members, and Leadership Group for all aspects of risk management. Further details of the Roles and Responsibilities are contained in Appendix 1.

Corporate Governance

3.17 In accordance with the CIPFA / SOLACE Guidance on Corporate Governance, the County Council has adopted a Local Code of Corporate Governance setting out the framework through which it will carry out its responsibilities to deliver effective services.

3.18 Principle F of the above CIPFA guidance states: Managing Risks and performance through robust internal control and strong public financial management in the above framework recognises that 'Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities'.

3.19 This Risk Management Strategy ensures that the Council's Risk Management Policy is fully embedded into the Council's strategic and operational planning and monitoring processes.

Involvement of other Related Groups

3.20 There are a number of other officer groups in existence, which will deal with specific areas of risk management. These include:

- Health and Safety Forum
- Personal Safety Group
- Emergency Planning and Business Continuity Management Group
- Ceredigion Severe Weather group
- Information Technology (Strategy)
- Information Management Group
- SIRO – Information Risk Group
- Capital Monitoring Group
- Corporate Project Management Group
- Development Group
- Asset Management Group

Internal Audit

3.21 As the 3rd line of defence, the Council's Internal Audit service will provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures. Internal Audit will periodically review the Corporate Risk Register and evaluate the Corporate Risk Management procedures including the reporting of risks.

3.22 The Annual Internal Audit Plan is risk-based and is aligned to the Corporate Risk Register to ensure resources are prioritised according to risk. Internal Audit will periodically evaluate the management of key risks included in Risk Registers. All red risks within the Corporate Risk Register will be included in the Internal Audit plan of work over a rolling two-year period and periodic reviews of Service Risk Registers will also be included in the Internal Audit plan.

3.23 Internal Audit will provide objective assurance that risks are being managed appropriately for each completed audit engagement. The auditor will identify risks and test the controls in place to mitigate these risks. Audit findings will be reported to the

relevant Corporate Lead Officer and Corporate Managers together with a resulting action plan including risks identified, areas for improvement and management actions required to mitigate risks.

3.24   Checks will be undertaken by Internal Audit to ensure agreed actions are implemented by management.

3.25   Leadership Group will receive copies of all finalised external audit reports and internal audit progress reports to assess if   implemented actions sufficiently address the identified risks and whether any changes are required to the Corporate Risk Register.

Partnerships

3.26   Collaboration projects and subsequent partnership working will adhere to the internal Collaboration Projects Protocol. The protocol establishes the process to be followed when entering into a new project/partnership, how to review and assess current projects/partnerships and how to end our involvement in a project/partnership. All templates that make up the protocol will include risk identification, assessment or monitoring.

National Risks

3.27   The National Risk Register (NRR) published by the UK Government and updated in 2023, is the government's assessment of the most serious risks facing the UK.

3.28   The risks that meet the threshold for inclusion in the NRR would have a substantial impact on the UK's safety, security and/or critical systems at a national level.

3.29   The NRR includes information about risks themes:

- Terrorism
- Cyber
- State threats
- Geographic and diplomatic
- Accidents and systems failures
- Natural and environmental hazards
- Human, animal and plant health
- Societal
- Conflict and instability

Community Risks

3.30   The Dyfed Powys Local Resilience Forum Community Risk Register outlines specific risks that may cause a civil emergency in the Dyfed Powys Police region. Inclusion of a risk in the Community Risk Register, doesn't mean it will happen. It means it is recognised as a possibility and organisations have made arrangements to reduce its impact.

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3.31 The top risks identified include:

- Impact of Brexit
- Pandemic Flu
- Flooding
- Other Severe Weather (such as storms, gales, low temperatures, heavy snow, heat waves and drought)
- Loss of Infrastructure
- Pollution
- Animal Disease
- Industrial Incidents
- Transport Incidents
- Financial Resilience
- Workforce resilience capability and capacity
- Cyber Attack

Corporate Risks

3.32 The corporate risk register identifies potential developments or occurrences which, were they to occur, would jeopardise the Council's ability to achieve its priorities, provide services as planned and fulfil its statutory duties. Specifically, it is those risks which have a high-risk score and are deemed necessary to be managed at corporate, rather than service level.

External Contracts

3.33 The central Procurement Team maintains a Contracts Register.

3.34 The Council will consider all potential risks around supply and service delivery when preparing for the procurement, and mitigate these through due diligence questions in tenders and appropriate measures in contracts. Subsequent contract management, monitoring of key contracts and good relationships with suppliers will allow for early identification of risks arising during the lifetime of the contract, and for appropriate action to be taken when necessary.

3.35 Central Procurement will establish networks with other authorities and agencies and share risk management information and raise awareness of potential risk issues that could impact on the Council from a procurement perspective.

Reviews

3.36 The Risk Management Policy and Strategy will be reviewed every three years (or more frequently if required by changes to statutory legislation) and both the Governance and Audit Committee and Leadership Group will be consulted prior to finalising and submitting the policy to Cabinet for approval.

3.37 The Corporate Risk Register will be reviewed by Leadership Group and the Governance and Audit Committee at each of their meetings and will be made available to all managers through the Teifi performance system.

3.38 Service risks will also be held on the Teifi performance system and available to all managers.

3.39 Other Risk Registers to be reviewed as part of the appropriate partnership and management arrangements.

Appendix 1: Roles and Responsibilities

Everyone has a role to play in an integrated risk management framework, for example everyone has a responsibility to report any identified new risks. Combining shared leadership with a team approach will help contribute to its ultimate success. Roles as identified at present are:

GROUP / STAKEHOLDER	ROLE DESCRIPTION
CABINET MEMBERS	• To approve and review the Risk Management Policyand Strategy underpinned by the Risk Management Framework in order to protect its assets and as an integral part of its vision for Ceredigion.
GOVERNANCE AND AUDIT COMMITTEE	• To provide independent assurance to full Council and management of the adequacy of the risk management framework. • To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council. • To monitor the effective development and operation of risk management in the Council. • To monitor progress in addressing risk-related issues reported to the Committee. • To consider the Corporate Risk Register as an agenda item.
SCRUTINY COMMITEES	• Use the Corporate Risk Register to help prioritise matters on the work programme. • Integrate an awareness of risk management into their work through wider reviews of policy development. • Report any newly identified risks through the course of their work. • Support Governance and Audit Committee in relation to understanding where and how strategic risks are emerging, in relation to matters of emerging concern arising from regular financial, performance or risk reporting, and in the most effective method of understanding and evaluating risk management arrangements.
CHIEF EXECUTIVE OFFICER	• Promote Risk Management and its benefits throughout the Council. • To take overall responsibility for securing adherence to the Council's Policy on Risk Management and provide assurance that this is being successfully achieved. • Appoint a Corporate Lead Officer to take responsibility for risk management.
LEADERSHIP GROUP (LG)	• Recommend the approval of Risk Management Policy and Strategy underpinned by the Risk Management Framework.

	• To ensure Risk Management is implemented across the Council in line with the approved Risk Management Policy and Strategy. • To oversee the establishment and maintenance of a Corporate Risk Register. • To be responsible for the acceptance or removal of a Corporate Risk to or from the Corporate Risk Register. • Allocate responsibility to Corporate Lead Officers to develop action plans for corporate strategic risks. • To consider and approve Risk management plans and initiatives including action plans for the management of Critical Risks. • Consider risks attached to proposals for new / changed policies and service delivery arrangements. • To take collective responsibility for securing adherence to the Council's Policy on Risk Management and provide assurance that this is being successfully achieved. • Take collective responsibility for confirming the risk score for each risk.
CORPORATE DIRECTORS	• Promote Risk Management and its benefits throughout the Council. • To take responsibility for securing adherence to the Council's Policy on Risk Management and provide assurance that this is being successfully achieved. • To ensure that there are regular reviews of risk within their directorates. • Provide line management support to Corporate Lead Officers in relation to risk management when risks are escalated or where an impasse is reached.
CORPORATE LEAD OFFICER, POLICY PERFORMANCE & PUBLIC PROTECTION	• The Corporate Lead Officer Policy & Performance has delegated responsibility for securing adherence to the Council's Policy on Risk Management and providing assurance that this is being successfully achieved. • To appraise the effectiveness of mechanisms used to control identified risks.
CORPORATE LEAD OFFICER FINANCE & PROCUREMENT	• The Corporate Lead Officer Finance & Procurement (Section 151 Officer) is responsible for the insurance provision within the Authority. • To manage financial risks through the Medium-Term Financial Strategy.
CORPORATE MANAGER PARTNERSHIPS & PERFORMANCE, PERFORMANCE & RESEARCH MANAGER AND CORPORATE	• Coordinate risk management activity across the Council. • Report on risk management activity to Corporate Lead Officer - Policy Performance & Public Protection. • Maintain a corporate risk register and liaise with Corporate Lead Officers relating to service risks. • Arrange risk management training for officers and Members, appropriate to their needs and responsibilities. • Provide advice and assistance as required.

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PERFORMANCE & IMPROVEMENT OFFICER	• Review the Risk Management Framework as required.
CORPORATE LEAD OFFICERS	• To be responsible for the management of risks within their control in order to safeguard their employees and clients, protect assets and to preserve and enhance service delivery to the citizens by ensuring the successful deliveryof the Council's stated objectives. • To ensure that risk management and business continuity are embedded at all levels within their area of responsibility. • To establish and maintain a Service Risk Register on Teifi. • Develop action plans in relation to corporate strategic risks as they relate to their area and record these in the relevant Service Improvement Plan. • To review the suitability of Risk Management plans and initiatives and make recommendations on these to the Leadership Group. • To ensure the timely escalations of risks identified as being of significance to the Council as a whole. • To encourage the availability and sharing of risk information Council-wide. • To share experience on risk, risk management and risk management strategy implementation across the Council. • Responsible for the acceptance of Risk from the Corporate Risk Register or from a Team Risk Register. • Responsible for recommending the escalation of a Risk to the Corporate Risk Register or de-escalation or approving the archiving of a risk. • Review service risks at Corporate Lead Officer Manager meetings on a regular basis. • Notify the Director of Finance of any significant changes in service provision likely to arise if a risk materialises to enable him / her to ensure that appropriate and adequate insurance and financing measures are in place.
CORPORATE MANAGERS	• To ensure that risk is managed effectively at all levels in each service area within their particular service areas. • To continue to develop their Team Risk Registers and update them on a regular (at least quarterly) basis. • To ensure the timely escalations of risks identified as being of significant to the Service / Council as a whole. • To ensure that risk management is linked to Service Plans, projects etc. and apply risk management to those risks requiring further action, particularly new developments and "project" work. • Understand and maintain awareness of risk management. principles and take responsibility for managing risk within their own working environment.

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	• Be aware of existing risk assessments related to their area of work and relevant procedures or control measures for adoption in order to reduce identified risks.
EMPLOYEES	• To bring to the attention of their line manager any matters that they believe to be a risk to the successful delivery of services or the meeting of the Council's objectives. • Contribute to the identification, assessment and control of risks wherever possible.
INTERNAL AUDIT	• The Head of Internal Audit provides objective assurance on the organisation's performance to the Risk Management Framework, the adequacy and effectiveness of risk management procedures and that risks are being managed appropriately.
EXTERNAL AUDIT	• Audit Wales are the Council's External Auditors andattend meetings of the Audit Committee and contribute to the assurances on Risk Management provided.

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Ceredigion County Council:
Risk Management Framework

November 2023

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1 Risk Management Framework

Introduction

1.1 The Risk Management Framework underpins the Risk Management Policy and Strategy to ensure that the objectives of the Council's Risk Management Policy are realised.

Background

1.2 Good risk management is a key tool in assisting the organisation to manage uncertainty in order to enable the organisation to better achieve the outcome of its objectives. Risk management is intended to be a planned and systematic approach to the identification, assessment and management of the risks facing the organisation. It is essential that steps are taken to effectively manage those risks. Risk management supports innovative solutions as it carefully considers benefits, alongside the risks, that may occur.

1.3 All organisations exist to achieve their objectives. The purpose of risk management is to manage the barriers to achieving these objectives through the coordination of identification, assessment, management and reporting of risks.

1.4 The traditional means of protecting against the more obvious risks has been through insurance. However, there are many risks which cannot be insured against and which must be addressed in different ways. Even in the case of those risks which are insurable, action can be taken to reduce the potential risks with consequent savings of premiums and disruption of work.

1.5 The risk management framework aims to:

- Clarify responsibilities for identifying and managing risks.
- Ensure that an appropriate level of risk management is consistently applied across the Council.
- Increase awareness and use of risk management as a normal element of service management and improvement.
- Facilitate sharing of experience and good practice across the Council and with other bodies.

Risk Management Approach

1.6 The development of a consistent, corporate approach to risk management needs to be done in a methodical and proportionate way in order to avoid the creation of a self-defeating bureaucratic burden.

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1.7 To ensure that risk management is handled in the most efficient way within the Council, risk is included as:

- A required part of the Business Planning and Service Planning process
- An agenda item on all service meetings to identify emerging risks and changes.
- A required part of Corporate Project Management processes
- Part of procurement processes
- An agenda item at all Leadership Group meetings
- An agenda item at Governance and Audit Committee meetings

1.8 The effectiveness of the risk approach is evidenced through the fact that new risks are being identified via the meetings outlined above, risks are being escalated/de-escalated where appropriate, and through the Council's joined up approach to corporate planning. The Council's Internal Audit function has also developed the Assurance Mapping process to incorporate the 'Three Lines of Defence Model', obtaining assurances from management, IA and external sources of assurance e.g. regulators & inspectorates. Assurance Mapping is discussed at weekly team meetings.

Methodology

1.9 A methodology for identifying, assessing and managing risk within the Council has been developed. This methodology has the advantage of being relatively straightforward to use and can be applied to both the strategic risks of the Council and as part of the routine service, partnership arrangements, project planning and change management processes.

- **Risk Identification** deals with the mechanisms for identifying risk by anyone within the organisation.
- **Risk Analysis** deals with how we assess risk.
- **Risk Treatment** deals with how we respond to the risk.
- **Completing the Risk Register** deals with recording the risk.
- **Risk ownership Reviewing, Monitoring, and Reporting Risks** sets out how we manage our risk.

1.10 The first phase of the risk management cycle involves the identification of existing and emerging threats and opportunities. This is carried out in all areas of the council's business, and are classified as Corporate, Service, Team, Partnership Project or Community.

Risk Identification

1.11 The Council's Corporate Well-being Objectives should always be a primary focus when identifying risks. These are set out in the Council's new Corporate Strategy for 2022 to 2027. This contributes to the achievement of the Corporate Strategy and in particular its organisational effectiveness. Consideration should be given to what are the key barriers or threats which will prevent the Council from achieving its objectives and why do those barriers exist? What could pose a potential opportunity to have a positive effect on the achievement of objectives? Everyone has a role to play in the identification of new and emerging risks, as outlined in the Risk Management Policy and Strategy para 3.9.

1.12 Risks and issues often get confused and a useful way of remembering the difference is:

- Risks are things that might happen and stop us achieving objectives, or otherwise impact on the success of the organisation.
- Issues are things that have already happened and require management action.

1.13 Risks can be identified by anyone and in a variety of ways including:

Internally through:
- Self-assessments
- Risk Assessment carried out annually jointly with Audit Wales

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- Current performance levels
- Performance Board monitoring
- User satisfaction
- Complaints
- Internal Audit reports
- Team Meetings / Staff suggestions and feedback

Externally through:
- Audit Wales reports
- Other Regulators' reports
- Our insurance provider Zurich
- The press / media
- Consultation and Citizen Engagement

The Governance and Audit Committee, Scrutiny Committees and the Council's insurers have a role to play in identification of risks. Scrutiny through the monitoring of service performance levels, Governance and Audit Committee through the ongoing review of the risk register and the Council's insurers Zurich through the provision of their public sector risk profile used in conducting gap analyses with the sector.

1.14 Once identified, it is essential the risk is clearly described to ensure it is understood by all potential audiences. The following table should be used to help identify the impact of the risk on the delivery of Council services and on Ceredigion's citizens.

RISK		
RISK DESCRIPTION		POTENTIAL EFFECT
Cause	Event	Consequence
Situation or event (real or perceived), that exposes us to a risk(s)	Include the event that could or has occurred that results in a negative impact on the objectives being achieved	The negative impact How big? How bad? How much? Consider BEST worst likely scenario
How and Why?	What and Where?	How big, How Bad?

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Risk Analysis

1.15   Risk Analysis involves categorisation, assessing how likely it is that an incident might occur and what the impact will be if it does happen. The Council's appetite for dealing with the risk is determined using the Council's Risk Rating matrix.

Category may be Strategic or Operational

How **Likely** is it that it will occur

What will be the **Impact** if it does happen
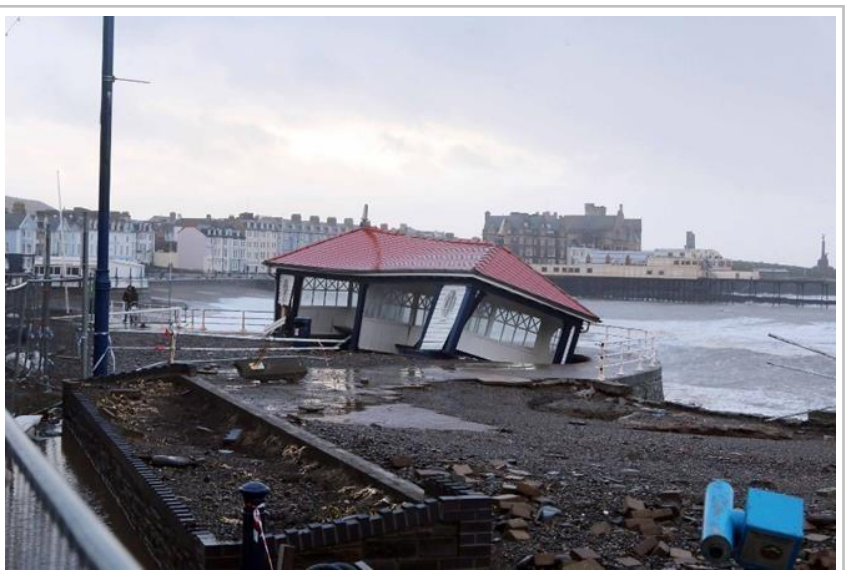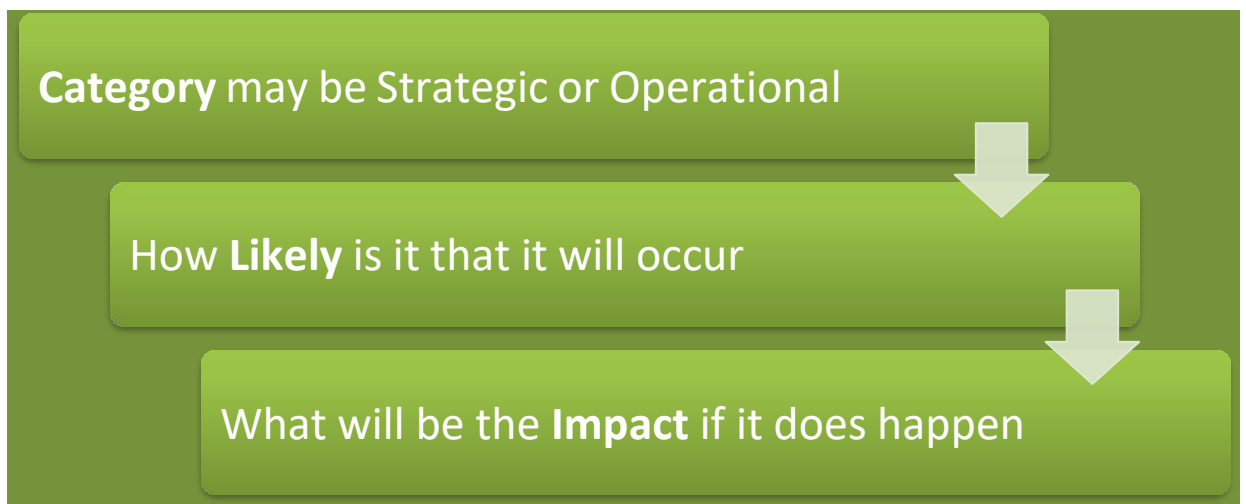
Categorisation

1.16 Risks can be categorised as Strategic or Operational.

1.17 **Strategic Risks** will impact on the medium to long term goals and objectives of the Council and will often include external factors that could impact decisions made inside the Authority. The following table identifies the external PESTLE categories that should be considered. Appendix 1 provides further examples of the factors that could contribute to each category.

Strategic	*Political:*	Those associated with failure to deliver either local or central government policy, or meet the local administration's manifesto commitments.
	Economic:	Those affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or the consequences of proposed investment decisions.
	Social:	Those relating to the effect of changes in demographic, residential or socio-economic trends on the council's ability to deliver its objectives
	Technological:	Those associated with the capacity of the council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the council's ability to deliver its objectives.
	Legislative:	Those associated with current or potential changes in Law (e.g. TUPE regulations).
	Environmental:	Those relating to the environmental consequences of progressing the Council's strategic objectives (e.g. in terms of energy efficiency, pollution, recycling, landfill requirements, emissions etc.)

1.18 Operational Risks are those that managers and staff will encounter in the daily course of their work. These may be considered as follows.

	Professional:	Those associated with the particular nature of each profession (e.g. housing service concerns, as to the welfare of tenants).
	Financial:	Those associated with financial planning and control and the adequacy of insurance cover.
	Legal:	Those related to possible breaches of legislation.

Operational	Physical:	Those related to fire, security, accident prevention, and health and safety (e.g. hazards,risks associated with buildings, vehicles, plant and equipment, etc.).
	Contractual:	Those associated with the failure of contractors to deliver services or products to the agreed cost and specification.
	ICT (Operational):	Those relating to reliance on operational equipment (e.g. IT systems or equipment and machinery
	Customer/Client	Those relating to the identification of customer / client needs and expectations.

Assessing Likelihood (Probability)

1.19 This requires assessing the chance or likelihood that a risk will occur. Likelihood should as far as possible be based on an objective assessment of:

   a) the likelihood of the risk occurring
   b) the strength of measures (such as contingency plans) to prevent or anticipate such an occurrence
   c) are there opportunities to make improvements and are there any barriers in the way?

1.20 The Likelihood or probability of an event occurring should be scored on a scale of one to five where one is rare and five is almost certain. Appendix 2 sets out the criteria that should be applied in assessing how likely an event is to occur.

Assessing Impact

1.21 Assessing Impact or severity looks at the consequences for the Authority, service-users and others, of such an occurrence if it were to happen.

1.22 The impact of any event if it occurs should be scored on a scale of one to five, where one is negligible and five is severe. Appendix 3 provides the assessment criteria that should be applied to assess the impact that an event could have on the Authority.

Risk Level

1.23 The Risk Level is determined by selecting a scale for both likelihood and impact and multiplying them to produce the Risk Level:

Likelihood ✖ Impact ＝ Risk Level
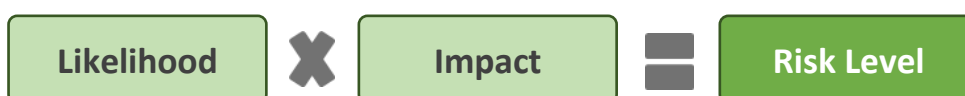
1.24 The Risk Matrix below demonstrates Risk Level and determines the Council's appetitefor responding to the risk.

	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
Almost Certain (5)	5 Medium Risk	10 Medium Risk	15 High Risk	20 High Risk	25 Critical Risk
Likely (4)	4 Low Risk	8 Medium Risk	12 Medium Risk	16 High Risk	20 High Risk
Possible (3)	3 Low Risk	6 Medium Risk	9 Medium Risk	12 Medium Risk	15 High Risk
Unlikely (2)	2 Low Risk	4 Low Risk	6 Medium Risk	8 Medium Risk	10 Medium Risk
Rare (1)	1 Low Risk	2 Low Risk	3 Low Risk	4 Low Risk	5 Medium Risk

Risk Appetite

1.25 The Councils appetite for responding to risk can be summarised as follows. A detailed description of the levels of Risk can be found at Appendix 4.

Risk Level	Occurrence likelihood	Risk Type	Management
Low Risk (1-4)	Either remote or possible likelihood of occurrence	Team/Service/Project Risk	Accept or manage with routine procedures
Medium Risk (5-12)	Either remote, possible or likely chance of occurrence	Corporate/Service/Project Risk	Manage with specific monitoring or response procedures
High Risk (15-20)	Is Likely to occur	Corporate Risk	Escalated for further consideration / planning
Critical Risk (25)	Almost certain to occur	Corporate Risk	Escalated with detailed contingency planning

1.26 Risk appetite can be defined as the amount of risk that the Council is willing to take in order to achieve its Corporate Well-being Objectives. The Council has built on the risk probability and impact used to determine its risk priorities to further embed the use of risk appetite. For example, each Corporate Risk Register identifies a risk appetite score

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that the authority is willing to tolerate. The aim of this work is to ensure that the risk management process supports informed decision-making in line with the risk appetite along with reduced uncertainty and improved consistency.

Risk Treatment

1.27 Risk Treatment will require an assessment of the appetite for risk See previous section and determining the appropriate risk treatment. Risk Treatment determines how the risk will be reacted to or managed.

1.28 Risk treatment is the process of assessing how the risk is to be reacted to or managed.

1.29 This needs to include consideration of the most cost-effective way to mitigate the risk and if the action taken will effectively reduce the risk to an acceptable level within a reasonable time span based on the severity of the risk. The following table sets out the Council's different approaches to managing risk.

Treatment	Action
Accept / tolerate	Manage the risk within existing management routines. Risks should only be accepted where officers believe that theresidual risk is tolerable and have no impact upon objectives (i.e. where they are in the green zone of the matrix).
Retention (accept and budget)	The risk is accepted and appropriate budget is allocated to meet costs resulting from the risk occurring. The risk is accepted by Leadership Group and they recommend the allocation of the budget to Cabinet, who as elected Members, ultimately approve the budget.
Reduction (optimise – mitigate)	Identify additional action(s) to be taken that will reduce the likelihood and / or impact if the event occurred. • A clear plan of action is required, stating what will be done, by whom and by when. • A target Risk Rating should be provided (i.e. what ratingshould the risk be reduced to by taking the actionsidentified). • Resources will need to be identified and a cost/benefit analysis included.

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Sharing (transfer – outsource or insure)	Transferring risk by: • Using an insurer or other third party to cover the cost or losses should a risk materialise. However, care needs to be taken to accurately specify the risks to be covered. • Making arrangements with others such as joint working, partnerships or contracting out to provide services could also be used to transfer risks. However, other risks can arise from these arrangements and the responsibility of providing the service could remain with the Council. When transferring risks to other parties, ensure that risk registers give detail of where liability and accountability lie between parties involved.
Avoidance (eliminate, withdraw from or not become involved)	Ceasing to carry out the activity because modifying it or controlling it would not reduce the risk to an acceptable level. Consequences to the successful delivery of the Objectives affected should be documented and reported to the relevant Corporate Lead Officer and Leadership Group before implementing this action.
Exploiting	Where an opportunity is identified, actively take advantage of risk through realisation, enhancement and exploitation to gain benefit.

Completing the Risk Register

1.30 All risks must be recorded on a Risk Register. The Corporate and Service level Risk Registers will be held on Teifi Performance, the Council's Corporate Performance Management System. Team, contract and partnership risks will continue to be held and monitored at local level but will promote to service level risks if deemed appropriate at the relevant monitoring review. Responsibility for maintaining the risk registers lies at each appropriate level of the Authority.

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Risk Registers

1.31 The Council will maintain a number of Risk Register Types. The following table provides a definition of the current risk types and the required ownership.

Risk Level	Definition	Owner
Corporate Risks	Risks that could have an effect on the successful achievement of our long term vision, priorities and outcomes. These are: • Risks that could potentially have a council-wide impact and/or • Risks that cannot be managed solely at a business unit level because higher level support is needed.	Leadership Group
Service Risks	Risks at a service area level that could have an effect on the successful achievement of the group and business unit outcomes / objectives. Potentially these risks could have a significant financial, reputational and/or service delivery impact on the council as a whole if the risk is not well managed.	Corporate Lead Officer
Team Risks	Risks at a Team level that could have an effect on the successful achievement of the team's outcomes / objectives.	Corporate Manager
Contract risks	Risks that could have an effect on the successful achievement of the contract's outcomes / objectives interms of delivery, outcomes and value for money. Contract risks are managed throughout the contracting process including contract management/business as usual.	Corporate Manager
Programme/Project/ Partnership risks	Risks that could have an effect on the successful achievement of the programme, project or partnership'soutcomes / objectives in terms of service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).	Project Manager

1.32 On identification and assessment of a risk and completion of a risk proposal, an owner must be assigned and the risk recognised and approved by Leadership Group before being recorded on the appropriate Risk Register.

1.33 On acceptance, a signed copy of the Risk Proposal (Appendix 5) must be sent to TeifiPerformanceSupport@ceredigion.gov.uk for it and the mitigating tasks to be uploaded to the Corporate Performance Management System, Teifi Performance.

1.34 Once uploaded to the risk register, the risk owner will be responsible for assessing and updating the risk rating at least every quarter in accordance with the Teifi Performance Guidance notes.

Escalating a Risk

1.35 This is a key process by which risks identified and managed within one level of the Council can be raised to the next level should it be considered appropriate or necessary.

1.36 Risks should be escalated: either

- To the Corporate Risk Register if the risk is rated as 15 or higher and the prospects for immediate reduction are poor or
- To the Corporate Risk Register for a cross service risk or the appropriate Service Risk Register if the risk is rated as 5 or higher and the prospects for immediate reduction are poor

   And/or if
- Control of the risk has failed/been lost (i.e. risk level continues to rise despite controls having been applied)
- The risk identified is beyond the scope/remit of the Service/Team
- An incident/number of incidents of the risk has occurred.

De-Escalating a Risk

1.37 A risk should be de-escalated either:

- From the Corporate Risk Register if the Risk Rating has reduced to 14 or less and the risk is a single service risk or
- From the Service Risk Register if the Risk Rating has reduced to 4 or less

   And/or if

- The Risk is no-longer considered as far-reaching as previously thought.

Candidate Risks

1.38 Each quarter, once the risks have been updated on the Teifi Performance Management system, a report will be presented to Leadership Group highlighting any risks that require review to either escalate or de-escalate between the Corporate Risk Register and the Service Risk Register. These are known as 'Candidate Risks'.

1.39 Leadership Group are responsible for deciding if risks should be escalated or de-escalated.

1.40 There are instances where risk scores exceed 15 and remain a service risk, and conversely where scores are lower than 15 but remain on the Corporate Risk Register. In these instances, Leadership Group are responsible for making the final decision regarding escalation and de-escalation. Some examples of these instances include:

- A risk that scores 15 or above but is deemed to be best managed at service level because the risk is well understood, is resourced adequately and has strong mitigating actions in place which are being delivered.
- A risk that scores 15 or above that is clearly within the definition of operational risks, i.e. those risks that managers and staff will encounter in the daily course of their work.
- A risk that is considered to need a greater level of oversight may score below 15 but remain on the Corporate Risk Register. Once a risk is added to the Corporate Risk Register it will receive greater scrutiny and monitoring from Leadership Group, Governance and Audit Committee, Internal Audit and Performance. For example, this might be where there are issues outside of the service's control which make it difficult for the service to mitigate the risk and reduce its impact and/or likelihood of occurring.
- A risk could also be escalated to the Corporate Risk Register to ensure the resources required are available to effectively respond to, and mitigate, the risk, such as financial resources or people.
- Some risks could remain on the Corporate Risk Register if they score lower than 15, such as a corporate risk that has recently been reduced in score, but where additional monitoring is required to ensure it remains below the threshold of 15.

Archiving a Risk

1.41 A risk may be archived if:

- The Risk Rating has reduced to 4 or less and
- The Risk is no longer considered to be a priority for the Council or service

1.42 An archived risk may be brought back to an appropriate risk register if the risk re-emerges as a priority in the future.

1.43 Again, each quarter, once the risks have been updated on the Teifi Performance Management system, service risks that are 4 or below will appear on the relevant CLO's Teifi desktop requesting them to either archive or retain the service risk.

Risk, Review, Monitoring and Reporting

1.44   Teifi Performance is used as the mechanism for:

- Recording all corporate and service risks
- Reviewing the identified corporate and service risks
- Review of the mitigating tasks
- Monitoring the impact of mitigating tasks on corporate and service risks
- Reporting corporate and service Risks to the appropriate forum

Reviewing Risk

1.45   Risk scores, controls and tasks should be reviewed regularly by risk owners, to ensure they are current and that there is full accountability.

1.46   If a risk is no longer current, it should be removed from the risk register.

1.47   Risk registers should be taken regularly to the Governance and Audit Committee, Leadership Group and Management Teams for review and to horizon scan for any new emerging risks.

Monitoring Risk

1.48   Monitoring of risk is a key stage of the risk management process. There needs to be a continual and regular assessment of the effectiveness of the tasks put in place to reduce the likelihood/impact of adverse risk events occurring.

1.49   Risks should also be monitored regularly at service, team or group meetings as part of the performance management within all services. Group discussion and review of risks is actively encouraged to aid not only the monitoring of risks, but also the identification of new risks. This includes assessing whether the mitigating actions are still adequate or need revising and or replacing.

Reporting Risk

1.50 Risk reporting should always be a two-way communication process, to ensure risk management becomes fully embedded as a day-to-day management tool. The risk reporting structure is shown below.

```
                                                        ┌──────────────┐
                    ┌────────────────────┐    ──────▶   │   Quarterly  │
                    │ Governance and Audit│             └──────────────┘
                    │     Committee       │
                    └────────────────────┘
                              ▲
  ┌──────────────┐   ◀──  ┌────────────────────┐    ──────▶  ┌──────────────┐
  │              │        │  Corporate Risks    │            │Standing Agenda│
  │              │        │  Leadership Group   │            │     Item      │
  │  Quarterly   │        └────────────────────┘            └──────────────┘
  │ Performance  │                  ▲
  │    Board     │   ◀──  ┌────────────────────┐    ──────▶  ┌──────────────┐
  │              │        │ Service / Project   │            │Standing Agenda│
  │              │        │ Risks CLO Management │            │     Item      │
  │              │        │      Meetings        │           └──────────────┘
  │              │        └────────────────────┘
  │              │                  ▲
  │              │        ┌────────────────────┐    ──────▶  ┌──────────────┐
  │              │        │   Tea, / Project    │            │    Ad hoc     │
  │              │        │   Risks Team        │            └──────────────┘
  └──────────────┘        │     Meetings         │
                          └────────────────────┘
```

Frequency
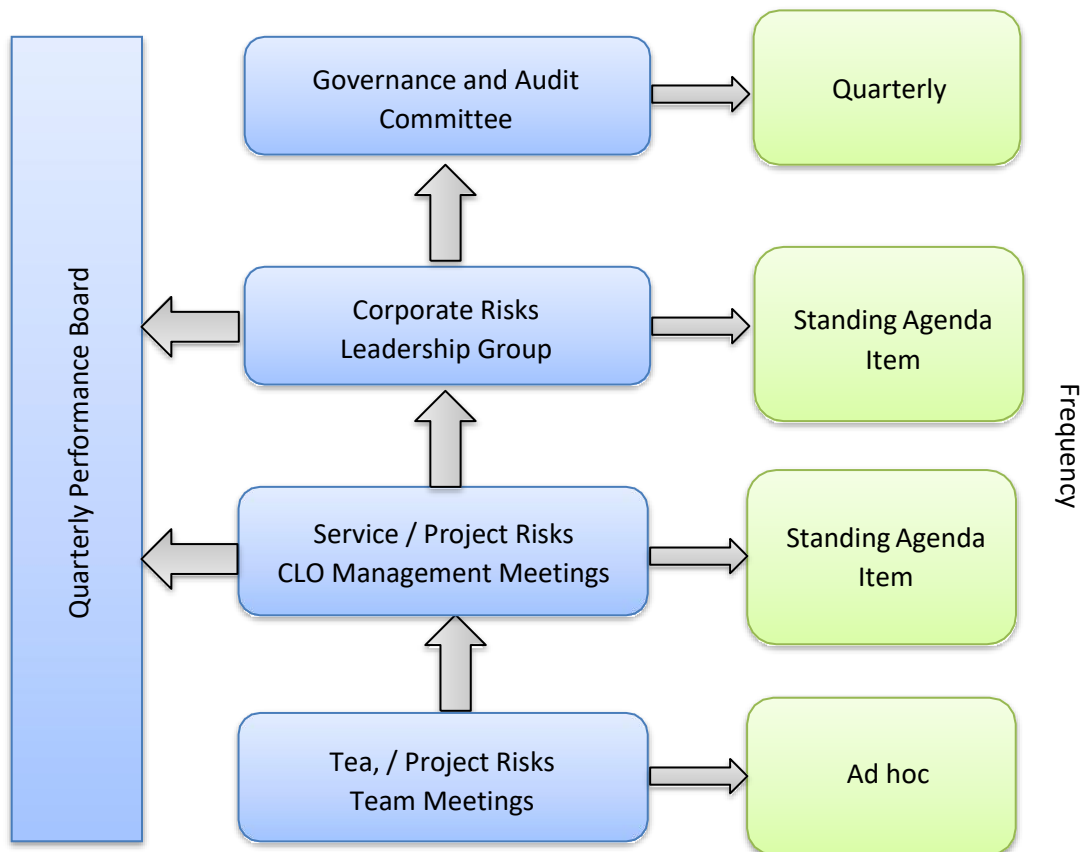
Evaluation / Assurance

1.51 Internal Audit will assess and evaluate the effectiveness of actions in place to mitigate risk and provide objective assurance that risks are being managed appropriately. Additionally, Internal Audit will also provide objective assurance to Leadership Group, Governance & Audit Committee and Council on the robustness and effectiveness of the risk management procedures by including periodic reviews of the Corporate Risk Register, Service Risk Register and Corporate Risk Management procedures.

Appendix 1: Assessment Criteria for PESTLE Categories

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
• Government stability. • Freedom of speech, corruption, party in control • Regulation trends. • Tax policy, and trade controls. • War • Government policy • Elections • Terrorism • Likely changes to the political environment.	• Stage of business cycle. • Current and projected economic growth. • International trends • Job growth • Inflation and interest rates • Unemployment and labour supply. • Levels of disposable income across economy and income distribution. • Globalization. • Likely changes to the economic environment.	• Population growth and demographics. • Health, education and social mobility of the population • Consumer attitudes • Advertising and media • National and regional culture • Lifestyle choices and attitudes to these. • Levels of health and education • Major events • Socio-cultural changes.	• Impact of new technologies. • Inventions and innovations • The internet and how it affects working and business. • Licensing and patents • Research funding and Development.	• Home legislation • International legislation • Employment law • New laws • Regulatory bodies • Environmental regulation • Industry-specific regulations • Consumer protection.	• Ecology • International environmental issues • National environmental issues • Local environmental issues • Environmental regulations • Organizational culture • Staff morale and attitudes.

Appendix 2: Risk Assessment Criteria for Likelihood of an Event Happening

SCORE 1: RARE	SCORE 2: UNLIKELY	SCORE 3: POSSIBLE	SCORE 4: LIKELY	SCORE 5: ALMOST CERTAIN
Previous experience at this and other similar councils makes this outcome highly unlikely to occur.	Previous experience discounts this risk as being likely to occur, but other councils have experienced problems in this area.	The council has in the past experienced problems in this area but not in the last three years.	The council has experienced problems in this area in the last three years.	The council is experiencing problems in this area or expects to in the next 12 months.
There are effective, tested, and verifiable controls in place that prevent occurrence of this risk.	There are controls in place that whilst not tested appear to be effective.	Some controls are in place and generally work but there have been occasions when they have failed and problems have arisen.	Controls may be in place but are generally ignored or ineffective.	No controls are in place.

Where the probability and timing score differently, a judgement should be made as to the correct likelihood score.

Appendix 3: Risk Assessment Criteria for the Impact that an Event Would Have

ASPECT	SCORE 1: NEGLIGIBLE	SCORE 2: MINOR	SCORE 3: MODERATE	SCORE 4: MAJOR	SCORE 5: SEVERE
Financial	Little or no financial impact (less than £5,000)	The financial impact would be losses or lost income of no greater than £25,000	The financial impact would result in losses or lost income of no greater than £100,000.	The financial impact would result in losses or lost income of no greater than £500,000	The financial impact would be greater than £500,000.
Service	Council Services are not disrupted	Some temporary disruption to the activities of one council service but not beyond this.	Regular disruption to the activities for one or more council service.	Severe service disruption on a departmental level orregular disruption affecting more than one department.	Severe disruption to the activities of all council departments. Long term suspension of a service or statutoryduties not delivered
Project	Projects experience minor delay (days)	A few project milestones missed	Significant project milestones missed / delayed	A major project milestone missed	Project does not achieve objectives and misses majority of milestones
Health and Safety	One Injury or illness requiring First Aid Treatment No lost time injury days	Injury or illness requiring medical treatment Lost time injury <10 days	Serious injury or illness Lost time injury >10 days	Significant / extensive injury or illness Permanent or partial disability	Multiple Loss of Life / Large scale major illness Permanent total disability
Corporate Well-being Objective delivery	No impact on the delivery of the Council's Corporate Well-being Objectives.	It may cost more or there may be delay in delivering one of the Council's Corporate Well-Being Objectives	A number of Corporate Well-being objectives would be delayed or not delivered	Many corporate objectives delayed or not delivered.	Unable to deliver most objectives.

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ASPECT	SCORE 1: NEGLIGIBLE	SCORE 2: MINOR	SCORE 3: MODERATE	SCORE 4: MAJOR	SCORE 5: SEVERE
	Morale: No effect	Morale: Some hostile relationships and minor non-cooperation	Morale: Hostile relationships and major non-cooperation across the organisation	Morale: Industrial Action	Morale: Mass Staff leaving / unable toattract staff
Reputation	No media attention / minor letters	Adverse localmedia Leader	One off national media exposure	Reputation: Prolonged Adverse National exposure	Extensive coverage in National Press and on TV. Requires resignation of Senior Officer / Member
Government Objectives	No effect	Poor Assessments(s)	Service taken over temporarily	Service taken over temporarily	Service taken over permanently
Statutory / Legal Obligations	No impact /breach	Warningreceived	Breech Challenging Improvement Notice	Enforcement Action Improvement Notice	Prosecution Fine
Community Risk	Insignificant impact to health, persons displaced disruption to community services, economy and environment	Minor impact to health, persons displaced disruption to community services, economy and environment	Damage to specific location or number of locations, fatalities and some causalities, displacement of > 100 people for 1 – 3 days, Limited impact on	Significant damage, 100 to 500 people displaced for longer than 1-week, significant impact on community services and environment	Significant of fatalitiesand injuries, extensive damage to property, displacement of >500 people for prolonged duration, serious damage to
Confidence	No loss of confidence and trust in the council	Some loss of confidence and trust in the council felt by a certain group or within a small	A general loss of confidence and trust in the council within the local community.	A major loss of confidence and trust in the council within the local community.	A disastrous loss of confidence and trust in the council both locally and nationally.

Identify the impact most relevant to the risk being evaluated (it is not necessary for all points in each category to apply.

Appendix 4: Levels of Risk

Low Risk (1-4)	Either a remote or possible likelihood of occurrence • Slight inconvenience/difficulty in operational performance of function/activity area. • Some accountability implications for the function/activity area, but would not affect the Authority/Service/Team abilityto meet key reporting requirements. • Recovery from such consequences would be handled quickly without the need to divert resources from core activity areas. • Some minor effects on ability of stakeholders to pursue rights and entitlements. For example, other sources or avenues would be available to stakeholders. • Public perceptions of the Authority/Service/Team would alter slightly, but no significant damage or disruption occurs.	**Team / ServiceRisk** Accept or manage by routine procedures
Medium Risk (5-12)	Either a remote likelihood, a possible likelihood of occurrence or is likely to occur • Operational performance of Authority/Service/Team would be compromised to the extent that revised planning would be required to overcome difficulties experienced by function/activity area • The Authority/Service/Team would experience difficulty in complying with key reporting requirements, which would jeopardise some Council interests. • Recovery would be more gradual and require detailed corporate planning with resources being diverted from core activity areas. • Stakeholders would experience considerable difficulty in pursuing rights and entitlements. • Considerable adverse public reaction would result in some damage and disruption to the Authority/Service/Team	**Corporate or Service Risk** Manage by specific monitoring or response procedures, with responsibilities identified
High Risk (15-20)	Is likely to occur • Operational performance would be compromised to the extent that the Authority/Service/Team is unable to meetobligations and liabilities in core activity areas. • Severe accountability implications would result in the organisation being unable to meet key reporting requirements. • The Authority/Service/Team would incur significant financial losses. • Major adverse repercussions would affect large sectors of the Council and its clients, including the general public. • Stakeholders could face life-threatening consequences. • The Authority/Service/Team would have difficulty in recovering from such consequences.	**Corporate Risk** Must be considered for escalation for further review, planning and management
Critical Risk (25)	• The Authority/Service/Team would be unable to recover from such consequences. • Stakeholders would face life-threatening consequences. • Severe adverse repercussions would affect large sectors of the Council and its clients, including the general public • The Authority/Service/Team would cease to operate.	**Corporate Risk** As above and Detailed contingency action plan required.

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Appendix 5: Risk Proposal Template

CYFEIRNOD RISG: RISK ID:	*Cynhyrchwyd gan y System System Generated*	**TEITL TITLE**	*Teitl Byr Short Title*
PERCHENNOG/SWYDDOG DIWEDDARU OWNER/UDATING OFFICER		**SWYDDOG ARWEINIOL CORFFORAETHOL SY'N GYFRIFOL RESPONSIBLE CLO**	
RHANDDEILIAID STAKEHOLDERS	*Enwch eraill a all fod â diddordeb/ a all gael effaith ar y risg Name others who may have an interest/impact on the risk*		
DISGRIFIAD O'R RISG RISK DESCRIPTION	*Beth yw'r Risg What is the Risk Mae yna risg o X, oherwydd Y, There's a risk of X, due to Y,*		
CANLYNIADAU POSIBL I'r Gwasanaeth ac I'r Cyngor POTENTIAL CONSEQUENCES To Service and To Council	*Gwnewch yn glir Make clear a allai arwain at Z ac a fydd yn effeithio ar y Gwasanaeth/Cyngor drwy…. which may result in Z' and will impact on the Service/Council by…*		
TYSTIOLAETH O RISG Enghreifftiau o'r Risg yn digwydd dros amser EVIDENCE OF RISK Incidences of the Risk Occurring overtime	*Rhowch enghreifftiau a/neu wybodaeth i ddarlunio'r risg. Cyfeiriwch at y matrics tebygolrwydd Provide examples and/or information to illustrate the risk. Relate to the likelihood matrix*		

Dadansoddiad RISG RISK Analysis	**Math o risg**	**Risk Type**	**Prif GATEGORI**	**Main CATEGORY**
	Dewiswch eitem.	Choose an item.	**Dewiswch eitem.**	Choose an item.

Asesiad Risg Cychwynnol	**Posibilrwydd Dewiswch eitem.**	**EFFAITH Dewiswch eitem.**	**SGÔR (Tebygolrwydd x Effaith)Dewiswch eitem.**
Initial Risk Assessment	**Probability** Choose an item.	**IMPACT** Choose an item.	**SCORE (Probability x Impact)** Choose an item.

Mesur Measure *Cofiwch gynnwys mesur ar gyfer y risg Include a measure for the risk*	**Disgrifiad Description**	**Lefel Bresennol Current Level**	**Lefel Darged Target Level**
Sut y bwriedir trin y risg Risk Treatment	**Dewiswch eitem.** Choose an item.		

Continued overleaf

CAMAU I LINIARU'R RISG ACTIONS TO MITIGATE RISK *Teitl byr* *Brief Title*	CAM I'W GYMRYD ACTION *Disgrifiwch y cam a gymerir i liniaru'r risg*	EFFAITH DDISGWYLIEDIG Y CAM EXPECTED IMPACT OF THE ACTION *Sut bydd y cam gweithredu hwn yn lleihau/lliniaru'r risg* *How will this action reduce/mitigate the risk or exploit the risk.*
1		
2		
ADNODDAU ANGENRHEIDIOL AR GYFER LLINIARU'R RISG RESOURCES REQUIRED TO MITIGATE THE RISK	*Amlinellwch yr adnoddau y mae eu hangen er mwyn cyflawni'r camau gweithredu uchod, gan gynnwys unrhyw adnoddau ariannol y bydd eu hangen* *Outline the resources that are required to deliver the actions above include any financial resources that may be required*	

ASESIAD RISG NEWYDD NEW RISK ASSESSMENT			
Asesiad Risg newydd gyda chamau gweithredu lliniarol yn eu lle	Posibilirwydd Dewiswch eitem.	EFFAITH Dewiswch eitem.	SGÔR (TebygolrwyddxEffaith) Dewiswch eitem.
New Risk Assessment with mitigating actions in place	Probability Choose an item.	IMPACT Choose an item.	SCORE (Probability x Impact) Choose an item.

DYDDIAD CYCHWYN START DATE		DYDDIAD GORFFEN END DATE	
Risg yn cael ei dderbyn gan Acceptance of Risk By	Reolwr y Tîm/Swyddog Arweiniol Corfforaethol/Grŵp Arweiniol/Gadeirydd y Bartneriaeth/Y Gymuned Team Manager / CLO / Leadership Group / Partnership Chair / Community		
Llofnodwyd Signed		Dyddiad Date	

Cyfeiriwyd at y Pwyllgor Craffu	Dyddiau Date	Pwyllgor Craffu Scrutiny Committee	
Referred to Scrutiny			

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Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	**24th January 2024**
LOCATION:	Remotely via Video Conference
TITLE:	**Statutory and non-statutory guidance on democracy within principal councils**
PURPOSE OF REPORT:	For information

Background

There has been an amendment to the consolidated statutory and non statutory guidance for principal councils in Wales at Part 2, Section 6.0, paragraph 6.4.

This is statutory guidance issued under section 38 of the Local Government Act 2000, as amended by section 45 of the Local Government and Elections (Wales) Act 2021- Statutory and non-statutory guidance on democracy within principal councils | GOV.WALES
 A local authority must have regard to it.

The following sections are relevant to the Governance and Audit Committee: Appendix 1.

RECOMMENDATION(S):

The Committee is requested to:
  i.   Note the contents of this report and the relevant parts of the Guidance;

REASON FOR RECOMMENDATION(S): To note the Statutory and non-statutory guidance within principal councils

Appendices:	Statutory and non-statutory guidance on democracy within principal councils **(Part 4-Appendix 1)**
Head of Service:	Elin Prysor, Corporate Lead Officer – Legal & Governance Services / Monitoring Officer
Reporting Officer:	Katy Sinnett-Jones – Governance Officer
Date:	24.01.2024

Statutory and Non-Statutory Guidance for Principal Councils in Wales – supporting provisions within the Local Government Act 2000, the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 (WG23-23)

June 2023

Extract

14.0 Governance and Audit Committees Statutory Guidance Status of this Guidance

14.1 This is statutory guidance under section 85 of the Local Government (Wales) Measure 2011 (the Measure). It replaces any previous guidance issued under this section.

Purpose of this Guidance

14.2 The purpose of this guidance is to set out the key matters councils must take into consideration when establishing and operating governance and audit committees.

Overview

14.3 Councils must establish a Governance and Audit Committee.

The committee has the following functions (s81, Local Government (Wales) Measure 2011):

• review and scrutinise the authority's financial affairs;

• make reports and recommendations in relation to the authority's financial affairs;

• review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority;

• make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements;

• review and assess the authority's ability to handle complaints effectively;

• make reports and recommendations in relation to the authority's ability to handle complaints effectively;

• oversee the authority's internal and external audit arrangements, and

• review the financial statements prepared by the authority.

14.4 The Welsh Government's view is that well-functioning governance and audit committees are critical to the effective governance of councils. They should be viewed positively by all council members as part of the improvement and governance system. They also have an important role to play in improving strategic planning and facilitating both scrutiny and constructive challenge within the structures of a council.

14.5 In addition to these statutory functions, a council can confer other functions on the committee which it deems suitable for it. Each governance and audit committee can decide how it wants to carry out its functions, but in doing so it must have regard to this guidance.

14.6 Detailed guidance on the operation of governance and audit committees has been produced by Chartered Institute of Public Finance and Accountancy 122 (CIPFA). In deciding how the Governance and Audit Committee will operate and how it will transact its key tasks, councils and committees themselves should consider the intersection between the formal role of this committee and the role

of other bodies – in particular, the Democratic Services Committee (in respect of corporate governance) and the Overview and Scrutiny Committee(s) (in respect of financial oversight and review of strategic risks).

Membership

14.7 The full council must have regard to this guidance when determining membership. Two thirds of the members of the committee are to be members of the council and one third must be a lay members. Only one member of the executive or assistant to the executive may sit on the committee, and that person must not be the leader (s82, Local Government (Wales) Measure 2011).

14.8 The chair of the committee is to be decided upon by the committee members themselves. However, the chair must be a lay member. The committee must also appoint a deputy chair who must not be a member of the council's executive or an assistant to the executive (section 81, subsections 5A, 5B and 5C of the Measure). All committee members, including lay members, have the right to vote on any issue considered by the committee. Lay members are therefore required by statute to comply with the council's code of conduct made under Part 3 of the Local Government Act 2000 and uphold the highest standards of ethical conduct.

14.9 The rules within section 15 et seq of the Local Government and Housing Act 1989 apply to governance and audit committees. The authority must however decide how many non-councillors should be appointed to the committee, and all members of the committee should display independence of thinking and unbiased attitudes, and must recognise and understand the value of the governance and audit function.

14.10 All new members will need to be provided with induction training. Although it is to be hoped that appointed councillors would have some relevant expertise, this cannot be guaranteed. What will be important, though, is to try and ensure that members do not have any other responsibilities which might conflict with their role on the governance and audit committee. That might be particularly the case in the choice of any executive member or assistant to the executive on the committee.

14.11 It may also mean that the members should not have too many other commitments, in general such as membership of other committees because of the significant commitment which being a member of the governance and audit committee implies. All members should receive adequate training and development.

14.12 The governance and audit committee should try and ensure it appoints a member as chair who will be strong and experienced enough to lead the questioning which the committee will have to perform.

14.13 Whatever recruitment method is employed, lay members should be independent from the council and have no business connection with it, although knowledge of how local government functions would be a definite advantage. In appointing lay members whose political allegiances are well known, local authorities should consider if this compromises the independence and perception of independence from the council a lay member should demonstrate. Councils should follow a public recruitment exercise, similar to that used to appoint members of standards committees, to recruit their lay members. It is recommended that a lay member should not be appointed for more than two full terms of a local authority.

Meetings and Proceedings

14.14 As a committee of the council, the governance and audit committee is subject to normal arrangements of openness. Meetings should be held in public, agendas and reports should be published and available for inspection. The exception to this is where "exempt items" are being considered, which are chiefly matters which involve discussions concerning named individuals or commercial in confidence matters.

14.15 Any officer or member called to attend the governance and audit committee meeting must do so. They must answer any questions asked of them save ones which they could refuse to answer if they were in court. The committee can invite other persons to attend before it, but anyone else so invited to attend is under no compulsion to do so.

14.16 The committee must meet at least once a year and must also meet if the full council so decides, or if at least a third of the committee's members require that a meeting be held. Beyond these stipulations, the committee can meet whenever it determines. 14.17 The Welsh Government suggests councils consider appropriate publications by relevant professional bodies such as CIPFA when establishing and reviewing their procedures for governance and audit committees.

Functions of a Governance and Audit committee

Reviewing the authority's financial affairs

14.18 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of its financial affairs. Putting in place the governance and audit committee and providing it with the duty to keep the authority's financial affairs under review must be viewed as assisting in the fulfilment of this requirement.

14.19 This is an area which is given close attention by the authority's external auditors and ties in with the duty of the governance and audit committee to oversee the arrangements for internal and external audit, and also the need to monitor the internal control and risk management arrangements made by the authority.

14.20 Local authorities should make their own arrangements, in their constitution, to provide for clear demarcation between the role of the governance and audit committee and that of a relevant scrutiny committee. The governance and audit committee role should be more to seek assurance that the budgetary control systems (as an internal control) of the council are working, rather than the actual scrutiny of spend. This may serve as acceptable demarcation between the role of the governance and audit committee and that of an overview and scrutiny committee.

Risk management, internal control, performance assessment and corporate governance arrangements of the authority

14.21 The attention to this matter should raise the profile of risk management as a necessary control tool within the authority as a whole. By providing regular review, the governance and audit committee forms a significant part of the authority's corporate governance system.

14.22 The authority should have a clear 'Statement of Purpose' for its governance and audit committee, ensuring the committee has a prime role in ensuring effective corporate governance is central to the organisation's procedures. As such, the governance and audit committee should review the Annual Governance Statement1 and Corporate Governance Strategy. An effective and high profile governance and audit committee is critical to engendering public confidence that the authority has a solid approach to its financial and organisational propriety

14.23 The governance and audit committee will need to report on the adequacy of the authority's risk management and internal control arrangements, and comment on their effectiveness. It will also follow up on risks identified by internal and external auditors and require reports as to action taken in response. This means the council must ensure the governance and audit committee is briefed on the contents and recommendations contained in auditor's reports and has access to them. It should also have access to reports from regulators where these have identified risks, failures in internal control or the corporate governance systems of the council. It would be good practice for all reports from auditors and regulators to be shared with the governance and audit committee as a matter of course.

14.24 In addition to these existing duties, the 2021 Act added a new duty to this group of duties which requires the governance and audit committee to review and assess and make reports of the effectiveness of the arrangements the council has put in place for the performance assessments it is required to complete under section 91 of the Local Government and Elections (Wales) Act 2021 in order to fulfil its duty to keep performance under review in section 89 of the 2021 Act. This is not intended to be a repeat of the performance assessment itself but consideration, for example, of the rigour and comprehensive nature of the process. Neither is it intended to duplicate the role of overview and scrutiny committees in holding the council's executive to account in relation to the performance management of the council's services.

14.25 The council must make a draft of its self-assessment report (and panel assessment report when published) available to its governance and audit committee. The committee must review the draft reports and may make recommendations for changes to the conclusions or action the council intends to take. If the council does not make a change recommended by the governance and audit committee, it must set out in the final self-assessment report (or response to a panel assessment report) the recommendation and the reasons why the council did not make the change.

Review and assess the authority's ability to handle complaints effectively

14.25 The way in which an organisation manages its internal and external complaints process for service and organisational complaints (consideration of the complaints process for complaints made under the members' code of conduct is not a function of the Governance and Audit Committee) is an integral part of its corporate governance systems. It is vital that people, communities and other stakeholders have trust and confidence their complaints will be treated with due respect and gravity. It is also important that staff and others internal to the organisation have trust and confidence internal complaints are treated with similar respect.

14.26 The role of the governance and audit committee is not to consider whether individual complaints have been dealt with appropriately but to consider the effectiveness of the complaints process. For example, is the process accessible to everybody in the community, is the council giving proper consideration to its statutory duties in relation to equalities and Welsh language when handling complaints, is there internal learning built into the complaints process to improve systems and services going forward. The Welsh Government expectation is that councils provide the PSOW with an assessment of the arrangements in place for handling complaints and the effectiveness of its approach as part of its regular communication with the PSOW.

Internal and external auditors

14.27 An effective governance and audit committee should provide the authority's chief finance officer with advice which can serve to bolster the work of internal and external auditors. The

committee can ensure that audit reports are kept in the authority's mind, so timing of meetings might be planned so as to effectively follow-up auditors' recommendations.

14.28 The governance and audit committee will expect to input into the planning of internal audit priorities, approving the annual programme of audits and ensuring the internal auditors have the necessary resources to conduct their work effectively. They will want to meet with the Head of Internal Audit and receive their annual report.

14.29 The governance and audit committee should also receive the reports from the external auditors and follow up their recommendations during the year. The committee should have a role in agreeing the authority's response to the auditor's letters or reports as well as being able to meet with the external auditor.

14.30 In addition, the governance and audit committee should receive and consider reports from any regulators or inspectors. In respect of these, the authority will need to ensure there is no unnecessary duplication between the governance and audit committee and any overview and scrutiny committee in considering such reports.

Financial statements

14.31 Before their approval by the authority, the governance and audit committee should consider and comment on the authority's certified draft financial statements. They will want to see to what extent the statements take cognisance of audit reports during the year, and changes in accounting policy and internal control mechanisms. The Committee should also review the external audit

statement and also seek assurance on the management of the council's financial affairs. Any concerns should be reported to the Council. 14.32 Governance and audit committees may approve the financial statements themselves where local authorities have delegated that power to them under regulation 10 of the Accounts and Audit Regulations (Wales) 2014 (as amended).

Governance and Audit Committee Reports and Recommendations

14.33 Reports and recommendations by the governance and audit committee should be considered by full council in particular, as well as the executive. The processes for these considerations should be set out in the council's constitution

Cyngor Sir CEREDIGION County Council

Report to:	**Governance and Audit Committee**
Date of meeting:	**24 January 2024**
Location:	**Council Chamber / Remotely Via Video Conference**
Title:	**Ceredigion County Council Final Self-Assessment Report 2022/23**
Purpose of the report:	**To provide the Governance and Audit Committee with the Council's Final Self-Assessment Report 2022-23 as required by the Local Government and Elections (Wales) Act 2021**
Cabinet Portfolio and Cabinet Member	**Councillor Bryan Davies - Leader of the Council and Cabinet Member for Policy and Performance**

Background

Part 6 of the **Local Government and Elections (Wales) Act 2021** introduced a new Self-Assessment based performance regime for Principal Councils.

The new performance regime is intended to build and support a culture in which councils continuously seek to improve and do better in everything they do, regardless of how well they are performing already. It is the expectation of the Act that councils will always be striving to achieve more and seek to ensure best outcomes for local people and communities.

There are 5 specific duties for Councils introduced by the Act:

- Duty to keep performance under review
- Duty to consult on performance
- Duty to report on performance
- Duty to arrange a Panel Performance Assessment
- Duty to respond to a Panel Performance Assessment

Under its duty to report on performance, the Council is required to publish a Self-Assessment Report once in respect of every financial year setting out the conclusions as to the extent to which the Council met the performance requirements during that financial year, and any actions it will take, or has already taken, to increase the extent to which it will meet the performance requirements. The emphasis of the Report is on understanding how the Council is operating now, the likely demands it will face in the future, and how it can build sustainability.

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Current Position

The Governance and Audit Committee considered the Draft Self-Assessment Report at its meeting on 27 September 2023. No formal recommendations to change the conclusions or the actions that the Council intends to take were made.

The Final report was subsequently approved by Council on 14 December 2023 and is attached at Appendix 1.

Next Steps

Governance and Audit Committee are one of the four statutory recipients of the Final Self-Assessment Report. The Report will also be submitted to Ministers, Estyn and the Auditor General for Wales, as well as being published on the Council's website.

Panel Performance Assessment Update

Part of the new Self-Assessment Performance Regime is the duty to undertake a Panel Performance Assessment once in every election cycle. Panel Assessments are intended to provide an independent and external perspective of the extent to which the Council is meeting the performance requirements of the Local Government and Elections (Wales) Act 2021. The aim is to support Councils to achieve their aspirations through developing and understanding how it is operating and how it can ensure it is able to deliver effective services long-term. Work is continuing to organise the Council's first Panel Performance Assessment due to take place during 2024/25 and supported by the Welsh Local Government Association.

Recommendations (s):	**To note the Self-Assessment Report 2022/23 including the Annual Review of Performance and Well-being Objectives**
Reason for decision:	**To ensure compliance with Part 6 of the Local Government and Elections (Wales) Act 2021 / Well-being of Future Generations (Wales) Act 2015**
Appendices:	Appendix 1 - Final Self-Assessment Report 2022/23
Corporate Lead Officer:	Alun Williams (Corporate Leader Officer Policy, Performance and Public Protection)
Reporting Officer:	Rob Starr (Performance and Research Team)
Date:	29 December 2023

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg

This document is also available in Welsh

2022/23
SELF-ASSESSMENT REPORT

Annual Review of Performance and Well-being Objectives

Cyngor Sir
CEREDIGION
County Council

Page 672

CONTENTS

Caru · Love
Ceredigion

Photo: Aberporth Beach
Approved: Not yet approved

INTRODUCTION

From the Leader of Ceredigion County Council

Welcome to Ceredigion County Council's latest Self-Assessment Report. This report reviews our overall performance and progress towards delivering our Corporate Well-being Objectives in 2022/23.

We conducted our most recent Self-Assessment in the summer of 2023, looking at a wide range of evidence, regulatory reports and extensive consultation feedback. It confirms that Ceredigion County Council continues to perform above its stature and makes good use of the resources it has available, despite the challenges faced in recent years such as extensive budget cuts, the COVID-19 pandemic and the cost of living crisis affecting many households in the County.

In the last year we have pushed ahead with delivering our new Corporate Well-being Objectives and good progress has been made. For example, the £110m Mid Wales Growth deal is a further step closer to unlocking the potential of the local economy after the positive portfolio assessment review. The Lampeter Well-being Centre is now open and offering a range of services to support local people and plans are progressing for centres in the north and south of the county. We also underwent a Care Inspectorate Wales inspection of our social services in February/March 2023. The inspection reflected positively on our Through Age Well-being Programme that is transforming the delivery of social care in Ceredigion.

We are also investing in new ways of working and new technology to transform the way services are provided to our customers. This is to ensure they meet growing demand, are sustainable in the future, and provide an enhanced experience for our customers.

By adapting the way we work, we can enable the Council to deliver modern services that will enhance the social, economic, environmental and cultural wellbeing of the people of Ceredigion.

However, like all local authorities, there are challenges and opportunities ahead, and these are reflected in this report. The principles of self-assessment are not new to Ceredigion. We have long been using self-assessment as a learning tool to reflect on how we are doing things now, and how we can deliver improvements or provide greater efficiency.

In the last year, self-assessment has helped us identify key actions that will help to drive better outcomes for the county and its citizens. We will be conducting further consultation with citizens, businesses, council staff and Trade Unions over the coming months, to capture further views on how we can improve performance and we look forward to hearing your thoughts.

We hope you find this report informative and a useful way to keep in touch on our performance improvement journey.

Councillor Bryan Davies
Leader of Ceredigion County Council

ABOUT CEREDIGION

Ceredigion covers an area of 1,900km² and is mostly made-up of agricultural land, moorland and forestry, with the upland areas to the east forming a significant portion of the Cambrian Mountains.

The County has a variety of natural landscapes and habitats: coastal cliffs and beaches, marshlands and open upland. The County's landscapes and natural environment are highly valued by local people and visitors alike.

Ceredigion has a high proportion of land recognised for its high environmental value through official designations, including two internationally important wetland areas (the Dyfi estuary and Cors Caron); 13 Special Areas of Conservation (SAC); around 100 Sites of Special Scientific Interest (SSSI's) seven National Nature Reserves and three Local Nature Reserves. The Cambrian Mountains uplands are important for wildlife as are the wet 'rhos pastures'.

The County is bordered by over 90km of coastline, with four sections (around 35km) designated as Heritage Coast. The Wales Coast Path follows a 60 mile (96km) route between the Teifi and Dyfi estuaries. The Coast Path links towns and villages dotted along the spectacular Cardigan Bay coastline.

The rivers in the Ceredigion catchment are the Rheidol, Ystwyth, Clarach, Aeron and Teifi rivers. Ceredigion's river catchment is varied and distinctive, with each river flowing through a variety of landscapes, before reaching the sea. The Teifi River is one of the longest rivers in Southwest Wales, at 122km long.

The attractive landscapes and remote locations in Ceredigion form the basis of 'rural well-being' tourism, which draws in many visitors to the area. Overall, there are almost 3 million visitors to Ceredigion each year.

Although the environment has always been a valued feature of well-being, over the past few years protecting the environment has become much more important to people. The adverse effects of climate change on the environment and nature are far more recognised and people want to do more to protect our environment. In 2020 Ceredigion County Council declared a global climate emergency, prior to this the Council had also committed to being a net zero carbon council by 2030.

The economy of Ceredigion is fairly typical of that of many rural and coastal areas. A high proportion of jobs are in the tourism industry (12.9%), wholesale and retail (12.9%) and human health and social work activities (12.3%). Education is the largest sector in the county, employing around 4,300 people and accounting for around 13.9% of jobs in the county.

Unlike many rural areas, the County has two universities at Aberystwyth and the

Photo: Aberystwyth Promenade

University of Wales Trinity St. David's Campus at Lampeter. It is also home to national institutions such as the National Library of Wales. The knowledge economy is strong in Ceredigion and it has a growing 'green economy' focusing on low carbon emissions, efficient use of resources and being socially inclusive.

Self-employment is an important element in the local economy, and Ceredigion has one of the highest proportions of self-employed people nationally. Many are farmers with others working in a range of established small-scale enterprises such as building repair and maintenance.

The vast majority (99%) of enterprises in Ceredigion are 'micro' or 'small' sized (up to 49 employees). Only 1% of enterprises in Ceredigion have fifty or more employees. The survival rates of newly established businesses are consistently amongst the highest nationally, making Ceredigion a great place to start and grow a business

Ceredigion is one of the heartlands of the Welsh language, despite a substantial student population. The 2021 Census showed that 45.3% of Ceredigion's residents could speak Welsh, the third highest of all counties nationwide.

There are 43 schools in Ceredigion, a mixture of primary, secondary and through age schools. 37 are Welsh medium schools, meaning that the majority of our younger population are learning and using the Welsh language from a young age.

Ceredigion's Welsh in Education Strategic Plan 2022-32 aims for all pupils in the Authority's schools to attend Welsh-medium immersion education until the age of seven and increase the pupils' opportunity to follow a fully bilingual path throughout their school career and in their future work and social life. It also contributes to the national well-being goal and Welsh Government's aim of increasing the number of Welsh speakers to 1 million by 2050.

Ceredigion is a County well known for its cultural and heritage sites. There are castles and museums situated across the County, which draw many tourists to the area throughout the year.

OUR COUNTY IN NUMBERS

71,468 people

48 years average age

4% BAME population*

7,845 university students

22% with a disability

30,893 households

43 schools and 9,560 pupils

6 leisure facilities

2,265km of roads

2,500km of bridleways and footpaths

2,810 active enterprises

45.3% of residents are Welsh speakers

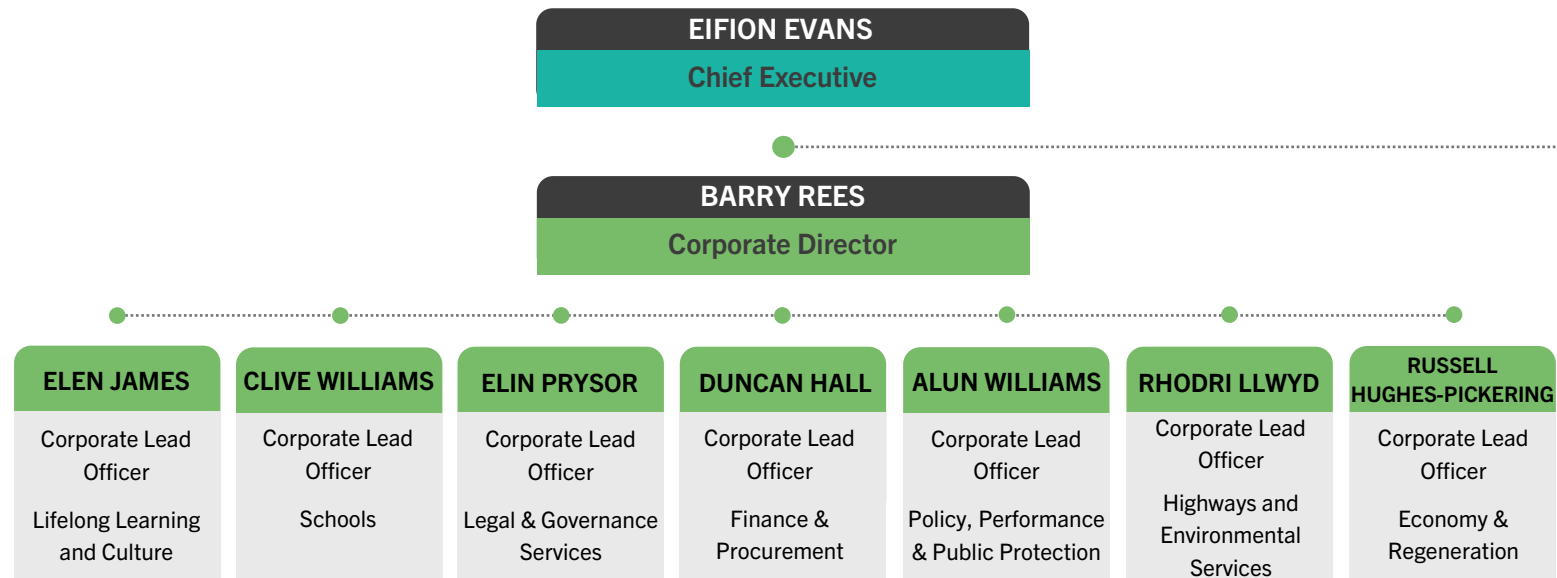*BAME = Black, Asian and Minority Ethnic population

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THE COUNCIL

At the local elections in May 2022, Ceredigion residents returned 38 councillors in 34 wards across the County. As at March 2023, the new administration is a Plaid Cymru majority with 20 councillors, along with 9 independents, 7 Welsh Liberal Democrats and 2 un-grouped. The new Leader of the Council is Councillor Bryan Davies and Councillor Maldwyn Lewis is the current Chairman of the Council.

Ceredigion is investing in new technology to transform the way services are provided to our customers. This is to ensure they meet growing demands, are sustainable in the future, and also provide an enhanced experience for our customers.

The Through Age Well-being Programme that is transforming social care and the Customer Contact Centre called 'CLIC' are two good examples of this.

We are operating in a challenging environment with escalating budgetary pressures. To deliver our Corporate Well-being Objectives whilst maintaining effective and efficient services, our workforce's journey must be one of continuous review and change. It is critical we maintain an innovative and agile approach, are open and resilient to change, with the skills to support smarter ways of working in a digitised world.

CEREDIGION COUNTY COUNCIL
MANAGEMENT STRUCTURE:

EIFION EVANS
Chief Executive

BARRY REES
Corporate Director

| ELEN JAMES	CLIVE WILLIAMS	ELIN PRYSOR	DUNCAN HALL	ALUN WILLIAMS	RHODRI LLWYD	RUSSELL HUGHES-PICKERING
Corporate Lead Officer	Corporate Lead Officer	Corporate Lead Officer	Corporate Lead Officer	Corporate Lead Officer	Corporate Lead Officer	Corporate Lead Officer
Lifelong Learning and Culture	Schools	Legal & Governance Services	Finance & Procurement	Policy, Performance & Public Protection	Highways and Environmental Services	Economy & Regeneration

Council Chamber, Penmorfa

Our aim is to enhance the efficiency of our internal processes and systems, enabling us to measure our performance effectively.

The Council employs 2,037 staff (1,567 full-time equivalent (FTE). Our goal is to advocate for, and build upon, our 'Team Ceredigion' ethos. Promoting our sense of belonging, connection and shared purpose. We aspire for all Team Ceredigion members to be proud of the work that they do, and to recognise the significance of their contribution to the overall success of the Council.

The County is made up of three geographical areas covering the north, mid and south of the County. The Council's services are aligned with these three areas to assist in workforce development and ensure consistency and equity in the delivery of service across the County ▶

North

Mid

South
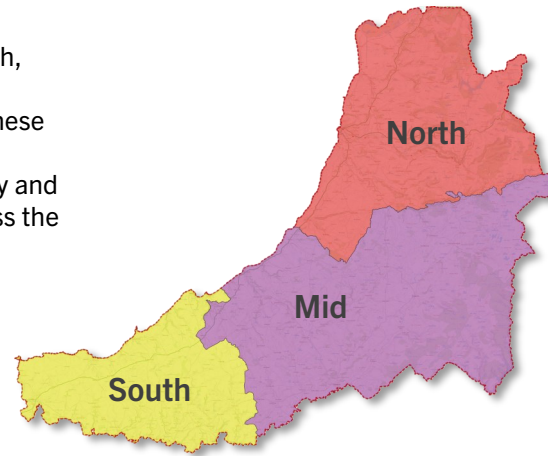
WE ARE ONE TEAM: TEAM CEREDIGION

The One Team approach is part of the Council's culture and is integral to its new ways of working

One Team supports Self-Assessment by facilitating collaborative working, joining-up thinking and cross-service support to deliver our Corporate Well-being Objectives and improve outcomes for local people and stakeholders

JAMES STARBUCK

Corporate Director

DONNA PRITCHARD	**GREG JONES**	**AUDREY SOMERTON-EDWARDS**	**ALAN MORRIS**	**LOWRI EDWARDS**	**GERAINT EDWARDS**
Corporate Lead Officer	Corporate Lead Officer	Interim Corporate Lead Officer Porth Cynnal (Specialist Through Age Services)	Corporate Lead Officer	Corporate Lead Officer	Corporate Lead Officer
Porth Gofal (Targeted Intervention Services)	Porth Cymorth Cynnar (Community Wellbeing and Housing)	Interim Statutory Director of Social Services	Customer Contact & ICT	Democratic Services	People & Organisation

BACKGROUND TO 2022-23 SELF-ASSESSMENT

This is the second of Ceredigion County Council's Self-Assessment Reports. We have learnt a great deal since first implementing the new local government performance regime introduced by the Local Government and Elections (Wales) Act 2021.

During winter 2022 we reviewed our approach to self-assessment and made a number of minor adjustments to strengthen the process. This included allocating more time for the desktop review of evidence, adjusting the timescales to start the workshops earlier in the year and providing an additional workshop to review the scores prior to publication. The aim was to fine tune the process based on our experiences in the previous year. We will continue to review the way we conduct self-assessment annually.

In producing this year's Self-Assessment Report which reviews our progress during 2022/23, we have learnt a great deal. The exercise has brought together a wide variety of evidence to assess our performance and review our Corporate Well-being Objectives. It has also highlighted and focused our attention on the challenges we face. These are important because we need to continue to adapt to meet these challenges in order to ensure our services are sustainable and continue to identify opportunities to raise performance levels, identify efficiency savings, or both.

We have built on the first Self-Assessment Report by including further information on the consultation and engagement undertaken during the year, highlighting the outcomes achieved from our activities and providing links to other key strategies and policies that link to, or support, the Self-Assessment Report.

The exercise provides an organisation-wide view of performance. There are seven themes that we assess ourselves against:

- Exercising our functions effectively
- Using our resources economically, efficiently and effectively
- Ensuring our governance is effective
- Innovation and creativity
- Collaboration
- Involvement
- Risk Management

These themes are derived from a combination of the Statutory Guidance on the Local Government and Elections (Wales) Act 2021 along with the Sustainable Development Principle. They reflect the seven core activities of public bodies as defined in the Well-being of Future Generations (Wales) Act 2015. For each theme we assess whether we have plans and objectives in place, whether those plans and objectives are being delivered and whether they are sustainable over the longer-term. These form our Key Lines of Enquiry and the way in which we assess our overall performance.

The following pages provide a summary of the findings and scores from each theme. The scoring system used is aligned to the Council's Annual Governance Statement for consistency. The Council's Governance Framework is based on the CIPFA/SOLACE Delivering Good Governance in Local Government framework. It provides a Red-Amber-Green scale to indicate where performance is good and where further action needs to be taken, see diagram to the right.

KEY TO ASSESSMENT

GOOD
Overall considered to be good and meets best practice no further action required

ACCEPTABLE
Minor adjustments may be required

SATISFACTORY
Action required (before end of year 9-12 months)

BELOW SATISFACTORY
Urgent action required (within 3-6 months)

UNACCEPTABLE
Immediate action required

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SUMMARY OF 2022-23 PERFORMANCE

EXERCISING OUR FUNCTIONS EFFECTIVELY

The Council's new Corporate Strategy for the period 2022 to 2027 was published in November 2022, setting out its new Corporate Well-being Objectives. The Council has a suite of key strategies in place to support and help deliver the Objectives. These include the Medium-Term Financial Strategy, the Through Age Well-being Strategy, and the Economic Strategy. During 2022/23 we updated our Engagement and Participation Strategy and published new strategies on Equity and Deprivation in schools and adopted the new Welsh in Education Strategic Plan. We are currently reviewing and rewriting our Procurement, Asset Management and Welsh Language Strategies, while our new Workforce Plan has been drafted and is currently going through the democratic process.

Progress in delivering these key strategies continues to be good. The Growing Mid Wales and Regional Skills Partnerships are good examples of this. During 2022/23, the updated Strategic Portfolio Business case was formally submitted to Welsh and UK Governments, which means that we are moving closer to receiving the first tranche of the £110m funding as part of the Growth Deal for the region, which is expected during the 2023/24 year.

Priority setting is also considered to be strong and positive work with the Council's new administration took place during the year to develop the new Corporate Strategy and Corporate Well-being Objectives. The new objectives are based on extensive consultation and research including the Ceredigion Assessment of Local Well-being.

Some other examples are the Through Age Well-being Programme objectives which were endorsed and strengthened through the Care Inspectorate Wales (CIW) inspection.

Outcomes from the Through Age Strategy are being strengthened as the programme continues to be implemented.

The relaunched business planning process has been further embedded, along with strengthening the 'golden thread', which shows how everyone's activities help to deliver the Corporate Well-being Objectives and maximise our impact on the national well-being goals.

There is a recognition that the Council's Strategies are constructed in-line with 5 Ways of Working which increases their level of resilience and sustainability.

The Council has an ambitious vision for the future, and the overall assessment is that the strategies in place are sustainable and consider the short, medium and long-term context.

However, like all local authorities, there are challenges to delivering these ambitions. There is limited capacity and resources available whilst demand from customers continues to grow. Although the Council has a track record of innovation and creativity in service delivery and seeking new ways of working, it is recognised that managing expectations on services is also important as we move forward. Keeping these strategies up to date is a key way of helping us achieve that by putting in place strong foundations from which to invest in new technology, find new ways of delivering services and maintaining performance levels.

Although it has been a positive start to our performance journey post COVID-19, we recognise there is still a lot of work to do, in particular completing the refresh of key strategies. The Procurement Strategy, Asset Management Strategy, Housing Strategy, Performance Management Framework and Corporate Risk Policy are all in the process of review and due for completion in 2023/24.

SUMMARY OF SCORING BY THEME

Does the Council have a set of corporate and service strategies in place which set out the Council's vision and priorities?

Are these strategies delivering their aims and objectives?

Are Service Business Plans delivering their objectives and performance targets?

EXERCISING OUR FUNCTIONS EFFECTIVELY

Are these strategies sustainable in adapting to the future needs of the organisation?

Does the Council have an effective performance management framework and democratic scrutiny in place to support delivery of the Council's vision and priorities?

Putting these plans in place provides a solid foundation from which to deliver an improved customer experience by working and delivering services in a different way.

During 2022/23 none of the 35 complaints made to the Public Services Ombudsman for Wales against the Council were upheld, however, the number of complaints per 1,000 residents referred to the Ombudsman was the highest across Wales. A half yearly report on complaints has been put in place along with the full annual report and are considered by the Council's Governance and Audit Committee.

Last year we reported on the challenges around obtaining regular benchmarking data. Since then, Data Cymru has developed a Self-Assessment Performance Tool which has been used in the production of this report. We are working proactively with Data Cymru to help support the tool's ongoing development to strengthen the provision of nationally available benchmarking data. This longer-term action will be invaluable in helping to communicate the Council's performance and aligns with our long-term aim of becoming more performance and data-driven.

We recognise there is a lot of work to do around strengthening performance management and realising the benefits that it can bring. The first step is publishing the new Performance Framework that sets out the overall approach and standardised processes for managing performance in the Council, including the new Self-Assessment process. This work has been completed and the Framework is due to go through the democratic process in autumn 2023.

SUMMARY OF 2022-23 PERFORMANCE

There are a number challenges facing all local authorities at the current time, such as local authority funding, recruitment in areas such as social care, the cost of living crisis and our ongoing work to tackle poverty in the County. To help us mitigate these challenges, we are continuing to monitor their impacts and adjust our action plans accordingly.

USING OUR RESOURCES ECONOMICALLY, EFFICIENTLY AND EFFECTIVELY

The Council has strategies in place for its core activities of Workforce Planning, Financial Management, Procurement and Asset Management. The overall position is assessed as being good, particularly in relation to financial management.

Regulatory reports are positive, notwithstanding that there is further work to do to respond to Audit Wales' Planning service review report. This is evidenced by the unqualified audit opinion on the Council's accounts and the positive feedback from regulators at the Joint Regulatory Workshop in January 2023. This places the Council in a strong position to deliver the new Corporate Strategy and Corporate Well-being Objectives. During the budget setting process for 2023/24 there was unanimous approval from Members for the budget, which demonstrates a coherent approach towards funding resources to deliver front-line services.

Furthermore, the Hybrid Working Policy and home working arrangements are working well overall, and the Council continues to monitor progress and staff feedback closely.

Over the longer term, £60m of cumulative savings have been made since 2013, which has involved a major restructuring of all services.

The financial resilience of the Council is a strength, particularly when assessing the sustainability of services. However, we recognise the ongoing budgetary challenges that exist and the impact that could have on the delivery of our ambitions. We also recognise that further work is required to maximise the expenditure and impact of the capital programme and we are addressing this through our Self-Assessment Action Plan.

Our learning has also shown that we need to ensure we update key strategies that will impact on our economy, efficiency and effectiveness. These include the Medium Term Financial Strategy which will be refreshed in the first quarter of 2023/24 and the revised Joint Procurement and Commissioning Strategy 2023-27 which is complete and will shortly go forward for approval. Work is also continuing on developing the new Asset Management Plan setting out how we will maintain our property portfolio and maximise the use of our assets.

In the last year the Council has made good and innovative use of its buildings to support new ways of working. Canolfan Rheidol in Aberystwyth for example, is now being used by Hywel Dda to provide outpatient physiotherapy services. The updated strategy will help in developing opportunities for those buildings no longer needed and in repurposing them for other uses or the delivery of improved services.

The other key challenge is the re-writing of our Workforce Plan. We recognise the challenges around recruitment and retention that are being experienced across the whole of Wales. This is important because recruitment to key posts is essential to delivering our ambitions. As a result, a new Workforce Plan has been developed to address these key challenges, including recruitment, retention and succession planning to ensure stable staffing levels, a sustainable workforce and that vacant posts are filled with appropriately qualified staff.

ENSURING OUR GOVERNANCE IS EFFECTIVE

Overall, the evidence shows that the Council's governance arrangements are robust and supporting the work of the Council in delivering its Corporate Well-being Objectives and improving outcomes for residents. The Annual Governance Statement, Governance Framework and Code of Local Governance are all in place and relationships with regulators are productive.

Internal and external regulator reports evidence this. For example, the most recent Governance Review conducted in March 2023 provides high assurance that there is a sound system of scrutiny and robustness in place. The 2022/23 Annual Governance Statement shows that good progress has been made during the year across the seven core principles of governance, and an action plan is in place to resolve a number of minor issues identified.

In the last twelve months, the robustness of the Governance and Audit Committee, in particular its role in challenging the Council, has been working well. It was also recognised that the Development Committee is also working well, although it is accepted that there is further work to do to respond to Audit Wales' Planning Service Review Report.

Ceredigion is also leading on complex work in relation to regional partnerships for Corporate Joint Committees (CJC) and Growing Mid Wales (GMW). The Mid Wales Corporate Joint

SUMMARY OF SCORING BY THEME

Are these strategies sustainable in adapting to the future needs of the organisation?

Does the Council have comprehensive strategies in place for Workforce Planning, Financial Management, Procurement and Asset Management?

USING OUR RESOURCES ECONOMICALLY, EFFICIENTLY AND EFFECTIVELY

Are these strategies delivering their stated aims and objectives for Workforce Planning, Financial Management, Procurement and Asset Management?

Committee has been set up and governance structures are in place.

LONG-TERM INNOVATION AND CREATIVITY

One of the Council's strengths is its long-term innovation and creativity. The Council has a track record of embracing new ways of working and identifying new ways of delivering services to provide an enhanced customer experience, efficiency savings, or both.

The COVID-19 pandemic created windows of opportunity to learn from, to transform services and to bring about sustainable change and improvements. In essence, it allowed us to reconsider the way we work and reorganize it in a way that benefits the customer, the workforce, and has much less impact on our environment.

There are many examples of this, including the new hybrid working model that maintains the high level of service delivery whilst also providing employees with greater flexibility in balancing their work and home lives. Our learning shows that hybrid working has resulted in increased productivity, improved collaboration and provided a more flexible working environment to help maintain the health and well-being of the workforce. The sustainability of the organisation is also supported through a reduction in costs and overall expenditure per employee.

The Through Age Well-being Programme is transforming social care in Ceredigion. This is in response to the changing demographics of the County which has seen increased demand and greater financial pressure on services. Providing support for all ages and needs is a significant challenge for the Council with limited resources.

Many of the individual elements of Through Age Well-being are working well, for example the investment in accommodation for children in care. The programme improves outcomes by maximising people's independence and enabling them to remain in their own home and in their own community wherever possible. We will continue to push forward with transforming how people's health, wellbeing and safety are supported in Ceredigion.

The Council also worked with partners as part of a multi-agency delivery group to support 90 Ukrainian families fleeing their country. The The Urdd Gobaith Cymru Gwersyll site at Llangrannog was the first Welcome Centre of its kind in Wales and received national acclaim. Refugees were supported and offered unique 'wrap-around' services.

In addition was the improvement actions identified by the Thriving Communities Overview and Scrutiny Committee in response to waste collection issues during the winter of 2022. Ceredigion was the first authority in Wales to put in place the missed refuse collections reporting, which is now being adopted by other authorities.

Good feedback was also received from Estyn and Welsh Government in supporting schools with digital innovation and collaboration across ICT. Ceredigion is also the only authority across the UK to have a full Lorawan rollout.

Other projects that demonstrate innovation are the setting up of the Well-being Centres across the County, the setting up of Warm Hubs and leading on the rollout of the Additional Learning Needs Code of Conduct systems in schools.

Looking ahead, the adoption of the Welsh in Education Strategic Plan (WESP) has the potential to be transformative for Welsh Language education in Ceredigion.

The investment in and nurturing the use of innovation and creativity in the organisation

SUMMARY OF SCORING BY THEME

Does the Council work productively with its external regulators and demonstrate good compliance?

Does the Council have a comprehensive local code and governance framework in place for maintaining the corporate governance of the organisation?

ENSURING OUR GOVERNANCE IS EFFECTIVE

How effective is the code and governance framework applied and observed?

Does the Council embrace innovation and creativity in its activities and implement transformation?
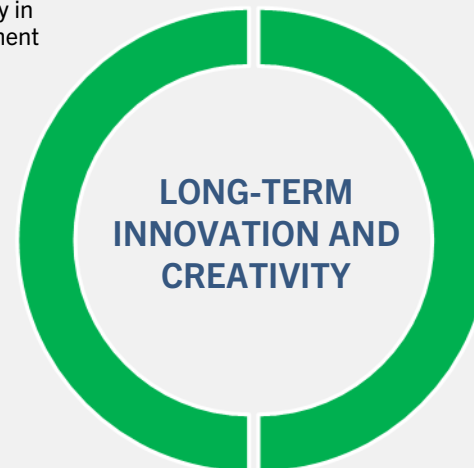
How effective have Council transformation projects been in identifying and implementing creativity and innovation across the organisation?

LONG-TERM INNOVATION AND CREATIVITY

SUMMARY OF 2022-23 PERFORMANCE

cannot be overstated. We recognise that tapping into this creativity is essential to the Council's overall performance and its long term sustainability. The Medium Term Financial Strategy highlights the future funding challenges for the Council. The response to the COVID-19 pandemic was good but the Council will need to identify further areas for alternative service delivery to ensure sustinability of services.

COLLABORATION

The Council is proactive in engaging in local, regional and national partnerships. There are good examples of where this collaborative working is improving outcomes such as through Growing Mid Wales, the Mid Wales Regional Skills Partnership, and the Mid Wales Education Partnership.

During 2022/23, we have also worked jointly with Pembrokeshire County Council and Hywel Dda University Health Board in transforming the Contract Tracing Service set up to support the response to the COVID-19 pandemic to an All-Hazards approach to health protection. The Risk Share Oversight Group (RSOG) with Carmarthenshire and Pembrokeshire County Councils is also working well in supporting community cohesion and people with protected characteristics.

Nationally, the Council also led on, and completed, a project on behalf of Welsh Government to investigate using the Cyber Assessment Framework (CAF) for national critical infrastructure across all Welsh Local Authorities. The Cyber Assessment Framework provides a systematic and comprehensive approach to assessing the extent to which cyber risks to essential functions are being managed by the organisation responsible.

However, the Council focuses on engaging with partnerships which are beneficial for the

people and communities of Ceredigion, and where there are demonstrable benefits. The Council proactively engages in these partnerships and challenges the value of the arrangement if not, pursuing alternative arrangements where necessary. An example of this is in the decision to withdraw from Education through Regional Working (ERW) and instead pursue more effective arrangements through the Mid Wales Education Partnership. In these cases, a robust rationale is always provided to set out why it is not in Ceredigion's interests to pursue the partnership arrangement. This proactive approach to assessing the value of collaborative working is recognised as essential to maximising the impact of collaboration and improving outcomes for local people.

INVOLVEMENT

In July 2022, the Council published its new Engagement and Participation Strategy to ensure compliance with new legislation and keep up to date with best practice.

The new Strategy puts plans in place to ensure the best methods are used to maximise engagement and deliver a consistent approach across the organisation. In doing so, the new Strategy will help ensure that all communities in Ceredigion have a voice, and that we actively seek the views and lived experiences of those groups whose voices are seldom heard. It also adds the new decision making and participation elements required by the Local Government and Elections (Wales) Act 2021.

Considerable work has been undertaken in embedding engagement and consultation best practice. This is particularly important following the COVID-19 pandemic period when our ability to engage and consult was compromised by the restrictions in place.

Some of this work includes a new

SUMMARY OF SCORING BY THEME

Does the Council proactively engage in local, regional and national partnerships?

How effective are the partnerships in which the Council is invested in delivering their aims and objectives?

COLLABORATION

Does the Council have a comprehensive strategy and action plan for engagement and consultation in place?
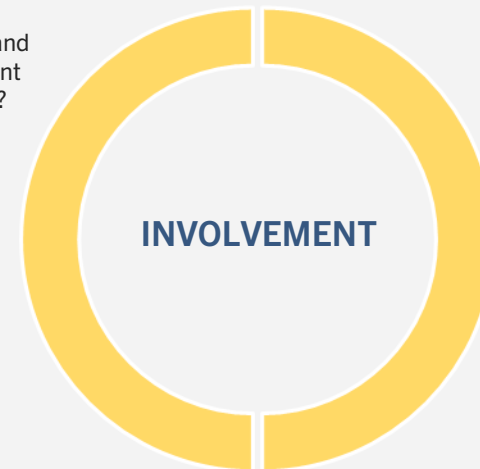
How effectively does the Council use engagement and consultation feedback to review and improve its services?

INVOLVEMENT

11

engagement and consultation register, and an annual report on progress. The Strategy itself includes a detailed action plan which the Council is currently delivering. The outcomes from the Plan have not been fully realised yet but there are some actions still to be delivered such as the relaunch of Integrated Impact Assessments and the introduction of a performance measure around consultation.

There are still some areas to strengthen in moving forward, such as ensuring that consultation feedback is more widely disseminated and in recording respondents' lived experiences to further involve people in, and support, decision making. There are also concerns that there are a low number of responses to some key consultations which need to be increased to ensure they are statistically significant. There are plans in place to achieve this, such as the new E-Newsletter which should help encourage people to respond and the wider use of the Engagement HQ platform that provides new ways of engaging with the Council.

There are some good examples of engagement during 2022/23 where the results are being used to drive improvements and shape services. These include the consultation on the Welsh in Education Strategic Plan (WESP) which included a pupil friendly version which received a 100% response, the consultation on the Equity and Deprivation Strategy for schools which involved consultation with particular groups who were disproportionately affected, and further engagement on Traffic Regulation Orders which is being used to inform decisions around the measures. Further plans are in place for the year ahead which include the introduction of the Corporate Stakeholder Survey and the consultation on the second Well-being Centre.

The combination of these actions will help us demonstrate that we have listened and

considered the feedback from engagement and consultation. Overall, engagement and consultation is considered to be good in some areas, but there are areas where further work is needed. Work will continue to deliver the Engagement and Participation Strategy action plan over the next twelve months.

RISK MANAGEMENT

The Council's management of risk has developed well over the las three years. The Corporate Risk Register has developed into a 'living' and evolving document as risks change and new risks emerge. The Register is updated regularly, consistently includes a full set of updates and is reviewed regularly by Leadership Group and quarterly by Governance and Audit Committee. The level of understanding of individual risks has increased over time and the quality of scrutiny by the Governance and Audit Committee increased as a result.

We review the risk management process every three years and are in the process of conducting the latest review. Overall, the process is working well, but the review has identified a number of specific improvements needed. In particular, is the need for greater consistency in the management of service risks along with strengthening the process of escalation/de-escalation of risks to the Corporate Risk Register.

We have updated the Risk Management Policy, Strategy and Framework with a more effective way of managing service risks. The review also highlighted a series of other adjustments such as clarifying the role of Internal Audit and introducing the use of target risk scores. We are currently consulting on the updated Risk Management Policy, Strategy and Framework before seeking approval during autumn 2023. The updated Policy will aim to ensure our arrangements remain up to date and fit for purpose and

SUMMARY OF SCORING BY THEME

Does the Council have a comprehensive strategy and framework in place for managing risk?

Are these strategies delivering their aims and objectives?

RISK MANAGEMENT

Are these strategies sustainable in adapting to the future needs of the organisation?

based on best practice.

As part of our drive to continually improve, we are also working with the Council's insurers, Zurich, to deliver workshops to support services in strengthening risk management. The Council has a good working relationship with Zurich and has regularly used them to provide training and an independent view on our approach to risk management.

THE SELF-ASSESSMENT ACTION PLAN

In response to these findings, we have identified a number of opportunities for improvement. Through consultation with Council services and elected Members, the actions we propose to take in response to this learning are contained in the action plan overleaf and are also reflected in services' business plans.

Most of the actions will be delivered over the next twelve months but some are longer term and will extend into the following year. The Action Plan retains previously completed actions as a log of progress on our self-assessment performance journey. The Plan builds on last year's action plan as our learning develops and as new opportunities are identified. All actions will continue to be monitored through to completion as part of our ongoing performance management arrangements and progress will be reported in the Self-Assessment Report.

We have prioritised the actions in order to lay the foundations for future work across the seven themes by ensuring the essential building blocks of our Key lines of Enquiry are met before developing further. We have already identified a list of emerging actions that we will reassess during the coming year and move into the live action plan if, and when, appropriate.

SELF-ASSESSMENT ACTION PLAN: OPPORTUNITIES FOR IMPROVEMENT

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
PROVIDE A STANDARDISED AND EFFECTIVE METHOD OF ENGAGEMENT AND PARTICIPATION ACROSS THE COUNCIL AND ENSURE THE COUNCIL ENGAGES WITH THE PEOPLE OF CEREDIGION IN THE BEST AND MOST APPROPRIATE WAY			
Publish the new Engagement and Participation Strategy to improve engagement and participation opportunities for Ceredigion's citizens and stakeholders	January 2023 - March 2024	Alun Williams (Corporate Lead Officer Partnerships, Performance and Public Protection)	• Provides a standardised and effective method of engagement and participation across the Council • Ensures the Council engages with the people of Ceredigion in the best and most appropriate way • Keeps the Council up to date with best practice in the field of engagement and consultation • Citizens and stakeholders are involved in the decision making process and in shaping Council services • Ensures Council resources are directed to priority areas, such as the current cost of living crisis, as identified through engagement and consultation. • Ensures that the voices of all those in Ceredigion are heard

STATUS: In Progress 🟢

Ceredigion County Council is committed to engaging with its residents, service users and other key stakeholders. The new Engagement and Participation Policy has been developed and was approved by Cabinet in October 2022. The new Policy provides corporate direction and guidance to the Council's elected members and officers in order to bring engagement into the heart of the Council's work and to ensure that engagement activities are of a consistently high standard. Further developments will be made over the next twelve months include launching an engagement toolkit and ensuring that all consultation results are shared with decision makers.

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
DELIVER WORKFORCE PLAN TO ENSURE THE COUNCIL HAS A SUSTAINABLE AND QUALIFIED WORKFORCE			
Update and deliver the Workforce Plan to address key issues including recruitment, retention and succession planning to ensure stable staffing levels, a sustainable workforce and that vacant posts are filled with appropriately qualified staff. The Workforce Plan to be aligned with the Council's new Corporate Strategy for 2022-27.	January 2023 - March 2027	Geraint Edwards (Corporate Lead Officer People and Organisation)	• Ensures vacant roles are filled by appropriately qualified and experienced staff to provide a high quality customer experience and level of service • Ensures that capacity exists in services to provide quality services • Ensures the sustainability of services over the longer-term • Allows us to identify and respond to changing customer needs • Improves employee recruitment and retention • Improves productivity and quality of service

STATUS: In Progress 🟢

A draft of the updated Workforce Plan 2023-28 has been produced and sets out the Council's approach to managing its workforce to meet its current and future service delivery needs. The Plan has been updated to address key issues including recruitment, retention and succession planning to ensure stable staffing levels, a sustainable workforce and that vacant posts are filled with appropriately qualified staff. The draft Workforce Plan was considered by Scrutiny in July 2023 and is scheduled to go to Cabinet for approval in September 2023.

KEY:	COMPLETE (0) ●	IN PROGRESS (6) ●	NEW ACTIONS (3) ●

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
DELIVER PHASE 2 OF THE THROUGH AGE WELL-BEING PROGRAMME TO TRANSFORM SOCIAL CARE IN CEREDIGION			
Monitor and review progress of the Through Age Well-being Programme to ensure delivery of services that will deliver the outcomes of the programme and enhance the social, economic, environmental and cultural well-being of the people of Ceredigion	January 2023 - March 2027	Audrey Somerton-Edwards (Interim Corporate Lead Officer Porth Cynnal and Interim Statutory Director of Social Services)	- Manages the increased demand and financial pressures on services to provide sustainable services in the future - Ensures people get the right level and type of support at the right time - Promotes positive health and well-being and supports people to self-support - Strengthens families so that children and young people remain with their family - Enables individuals to live independently in their own community - Provides proportionate approaches to managed care and support - Protects individuals and keeps them safe from abuse, harm and neglect

STATUS: In Progress ●

Work is continuing to deliver the Through Age Well-being Programme. In November 2022 the governance structure of the Programme was reviewed, and as a result, refreshed workstreams commenced, new supervision arrangements have been published, the new Quality Assurance Model has been approved, the Quality Assurance Team is being recruited to progress with thematic and case file audits, the data sharing strategy is being developed and the longer term solution to the end of the contract for the Wales Community Care information System (WCCIS) is under review by the Steering Group. The CIW inspection in February/March 2023 reflected positively on the Through Age Well-being model.

DELIVER ASSET MANAGEMENT STRATEGY THAT IMPLEMENTS NEW WAYS OF WORKING FOR THE STAFF OF CEREDIGION COUNTY COUNCIL AND IMPROVES THE CUSTOMER EXPERIENCE			
Update the Asset Management Strategy to reflect current issues, in particular supporting new ways of working and taking advantage of the opportunities that exist post COVID-19 to ensure sustainable and high quality services	January 2023 - March 2025	Russell-Hughes Pickering (Corporate Lead Officer Economy & Regeneration)	- Provides an updated and long-term strategy to manage the Council's physical assets - Ensures efficient and effective use of council assets (funds, land, buildings, staff and information communication technology) - Supports new ways of working post COVID-19 including the rationalisation of assets - Provides a strategy to release efficiency savings and potential new income streams - Ensures the Council's approach to asset management is fit for purpose and that services are sustainable - Supports more joined-up and high quality services

STATUS: In Progress ●

The updated Asset Management Strategy is currently in the process of being developed and will reflect the new ways of working, the investment to improve the customer experience and the opportunities that exist post COVID-19 pandemic. The Council's approach to developing its portfolio of assets is underpinned by the Council's Corporate Strategy.

SELF-ASSESSMENT ACTION PLAN: OPPORTUNITIES FOR IMPROVEMENT

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
ENSURE CAPITAL EXPENDITURE IS MAXIMISED AND UTILISED			
Develop monitoring system to enable the Council to make full use of its capital resources and increase the proportion of capital expenditure in each year	January 2023 - March 2024	Duncan Hall (Corporate Lead Officer Finance & Procurement and Section 151 Officer)	• Ensures the Council's Capital Programme is delivered and spend maximised • Supports partnership working with the Welsh Government on capital projects • Supports the delivery of the Council's vision and Corporate Well-being Objectives • Supports the reduction of long-term costs and increases in productivity • Along with the revenue budget provides the resources to meet the delivery of the services' business plans

STATUS: In Progress 🟢

The Council continues to work to ensure that capital expenditure is maximised. Good use has been made in recent years of capital expenditure, including investment in key areas such as in county children's facilities, the establishment of Well-being Centres, Local Authority Care Homes and piloting for Technology-Enabled Care. A revised Multi Year Capital Programme for 2023/24 to 2025/26 was approved by Cabinet in July 2023. The Capital Programme continues to be reported to Cabinet detailing the outturn position and the amended programme for the next three years.

SUPPORT LOCAL BUSINESSES AND THE LOCAL ECONOMY THROUGH IMPLEMENTING THE UPDATED PROCUREMENT STRATEGY			
Update the Council's Procurement Strategy to support local businesses and the local economy, and to ensure the Council provides value for money in the use of its financial resources	January 2023 - March 2024	Russell Hughes-Pickering (Corporate Lead Officer Economy & Regeneration)	• Ensures procurement practices are up to date and fit for purpose • Helps to achieve value for money by ensuring the Council spends its financial resources economically, efficiently and effectively • Supports the identification of efficiency savings and eliminates waste • Delivers savings by capitalising on the savings achievable through greater buying capacity of Local, Regional and National Frameworks • Maintains high ethical standards of investment and purchasing • Maximises the contribution towards sustainable development through the procurement of sustainable solutions • Supports the delivery of the Council's vision and Corporate Well-being Objectives • Supports local businesses, supply chains and development of the local economy

STATUS: In Progress 🟢

The revised and updated draft Joint Procurement and Commissioning Strategy 2023-27 is complete and will shortly be considered by the Council's Leadership Group before going to Cabinet in autumn 2023 for approval. The updated strategy is aligned to the Council's Corporate Strategy timescales and has been designed to specifically assist in the delivery of its new Corporate Well-being Objectives in accordance with the Well-being of Future Generations (Wales) Act 2015 through its procurement and commissioning. The Strategy builds on the Council's strengthened approach to procurement in recent years including the corporatisation of the procurement process, and reflects the situation post COVID-19 pandemic.

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
DEVELOP THE USE OF CUSTOMER SATISFACTION SURVEYS			
Introduce regular customer satisfaction surveys such as the annual stakeholder survey	November 2023 - March 2025	All Corporate Lead Officers	• Keeps the Council up to date with customer perceptions of services and the organisation at large as part of its ongoing engagement activity • Helps to identify areas for improvement to help raise performance levels or achieve efficiencies • Strengthens and develops the ongoing dialogue with customers and their perceptions • Provides a greater understanding of customer's needs, wants and priorities • Helps to strengthen local democracy through greater customer involvement in decision making and service design • Helps to identify where additional communication is needed to support customers and / or advertise services • Aids the Council's learning to improve the customer experience

STATUS: New action ●

Introduced a new Corporate Stakeholder Survey in the summer of 2023, asking a series of questions about the Council's overall performance, how performance is monitored and the progress being made in delivering the new Corporate Well-being Objectives. The survey closes on 31st August 2023 and the results will be presented to Leadership Group in September 2023. Other activities are being developed such as the possibility of including satisfaction surveys as part of customer contacts via the contact centre (CLIC).

SELF-ASSESSMENT ACTION PLAN: OPPORTUNITIES FOR IMPROVEMENT

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
DELIVER THE RECOMMENDATIONS IN THE CIW INSPECTION OF SOCIAL SERVICES			
Implement the ten recommendations made in the CIW inspection report to help the Council deliver its vision for the delivery of social socials across Ceredigion according to the Through Age Well-being model	May 2023 - March 2025	Audrey Somerton-Edwards (Interim Corporate Lead Officer Porth Cynnal and Interim Statutory Director of Social Services)	• Ensures that people's voices are central to the work we undertake • Increases provision of respite for parents and carers and positively impacting on people's outcomes • Ensures people are kept informed of how well social care services are being delivered in Ceredigion • Prioritises a sufficient and sustainable workforce with the capacity and capability to consistently meet statutory responsibilities • Ensures a standardised approach to supervision and oversight of practice • Ensures a competent and confident workforce • Provides a robust quality assurance framework • Ensures complaints are consistently responded to in accordance with the prescribed timescales

STATUS: New action ●

An action plan has been formulated to respond to the recommended improvements outlined in the CIW report. The majority of these are already in progress as the issues identified were already being addressed before the inspection took place. The areas that the Council sought to improve were reflected in the evidence to the inspectors in advance of the inspection and the production of the final report. There were no areas of non-compliance identified during the inspection. The action plan was approved by the Council's Cabinet in June 2023 and progress will be monitored after six months through the Healthier Communities Overview and Scrutiny Committee for a period of one year to maintain progress and track through to completion.

DESCRIPTION	TIMESCALES	LEAD OFFICER	OUTCOMES
DEVELOP AND PUBLISH A NEW DIGITAL STRATEGY FOR CEREDIGION			
Develop and publish a new Digital Strategy to continue the development of Information Communication Technology and digital services across Ceredigion	September 2023 - September 2024	Alan Morris (Corporate Lead Officer Customer Contact, ICT and Digital)	- Provides a clear strategic vision to develop digital services - Ensures the Council has modern, stable and resilient Digital Infrastructure - Supports the delivery of the Council's Corporate Strategy and Corporate Well-being Objectives, such as the drive to create well-connected communities through improved digital connectivity and digital services - Supports easier digital access to Council services and an enhanced customer experience - Supports the Council's work to improve digital inclusion. - Support colleagues to make the best, fullest use of the tools and technologies available to them, developing high levels of digitally skilled collaboration

STATUS: New action ●

Ceredigion County Council is currently reviewing the impact of the previous strategy and consulting with stakeholder to understand needs, latest digital trends and issues to address. Later in the year, once these lessons and stakeholder engagements have been undertaken, we will produce a draft strategy for wider consultation.

WHAT IS SELF-ASSESSMENT?

The Local Government and Elections (Wales) Act 2021 introduced a new process for monitoring the performance of all local authorities, based on self-assessment.

The new performance regime defines principal councils as 'self-improving organisations' through a system based on self-assessment and panel performance assessment. The new approach is intended to build on, and support, a culture in which councils continuously challenge the status quo and ask questions about how they are operating and how they can learn from best practice. A transparent and open self-assessment of a council will form a fundamental part of this approach.

Effective self-assessment provides reliable assurance both internally and externally to regulators and inspectorates and above all helps councils to continually learn and achieve sustainable improvement and better outcomes for citizens, service users and their own workforce.

There are five specific duties introduced by the Act:

1. **Duty to keep performance under review**
    Ceredigion County Council has a duty to keep under review the extent to which it is fulfilling its 'performance requirements by determining the extent to which it is:
    - Exercising its functions effectively
    - Using its resources economically, efficiently and effectively
    - Ensuring its governance is effective for securing the above

2. **Duty to consult on performance**
    Councils must consult a range of people at least once in every financial year about the extent to which they are meeting their

performance requirements. The statutory consultees are:
- Local people
- Other persons carrying on a business in the County
- The staff of the Council
- Every Trade Union which is recognised by the Council

3. **Duty to report on performance**
    The Council must produce a self-assessment report each financial year. The report must set out its conclusions on the extent to which it met the performance requirements, and any actions it intends to take, or has already taken to further improve.

4. **Duty to arrange a panel performance assessment**
    At least once in each election period, the Council must arrange for an independent panel to undertake an assessment of the extent to which the council is meeting the performance requirements and report its results. The Council is currently making preparations to undertake its first Panel Performance Assessment during 2024/25.

5. **Duty to respond to a panel performance assessment**
    The Council must prepare a response to a Panel Assessment Report setting out
    - The extent to which it accepts the conclusions in the report
    - How it intends to follow any recommendations
    - Any further actions the Council intends to take to improve

performance

The purpose of the performance and governance provisions in the Act is to build on and support a developing culture in which councils actively seek and embrace challenge, whether presented from within the council, for example through scrutiny procedures, or externally. The provisions are designed to develop a framework which supports councils, through an ongoing process of review, to think about their performance and effectiveness now and for the future; to encourage more inquisitive organisations willing to challenge themselves to do more; and to be more innovative and more ambitious in what they do.

Reflective Practice

For Ceredigion, the principles of self-assessment already form an integral part of its ongoing strategic and corporate governance arrangements.

We recognise the opportunity for self-reflection and constructive challenge. For example, this form of reflective practice is already an integral part of the Council's Business Planning and Annual Governance Statement, and already well-established in the Council. Reflective practice is a core element of the Council's overall performance management process, and focuses on evaluating *how we do things* and not just *what we do.*

We have taken a similar approach with Self-Assessment - reflective practice forms a key part of our Self-Assessment Workshops where we reflect on how we are currently operating, the challenges we face in the future and how we build sustainability into our activities moving forward.

The Local Government and Elections (Wales) Act came into force in 2021

The Five Duties on Principal Councils are:

> KEEP PERFORMANCE UNDER REVIEW

> CONSULT ON PERFORMANCE

> REPORT ON PERFORMANCE

> ARRANGE A PANEL PERFORMANCE ASSESSMENT

> RESPOND TO A PANEL PERFORMANCE ASSESSMENT

HOW WE CONDUCT SELF-ASSESSMENT

Our Approach to Self-Assessment

Our approach to Self-Assessment is based on assessing ourselves against a set of Key Lines of Enquiry. "KLOEs" as they are sometimes referred to, are a series of relevant key questions that we ask ourselves as we work through the Self-Assessment.

The Key Lines of Enquiry approach is a tried and tested approach to conducting self-assessments in Local Government and across the wider public sector. It ensures we remain focused on the corporate or 'holistic' view of the Council's performance as required by the Act. It also provides the clarity of self-evaluation needed to help us identify opportunities for improvement, and in doing so, provides a strong audit trail to explain the actions we have undertaken in response.

The findings are recorded in our Self-Assessment Matrix document. The Matrix records the evidence demonstrating how we are currently performing, our ambitions for the future and the actions we need to take in order to achieve those ambitions. This document is used to identify the opportunities that exist for improvement and is used to develop our Self-Assessment Action plan. The Self-Assessment Matrix is available on request.

Continuous Cycle

Self-Assessment is an ongoing process of improvement - throughout the year we conduct consultation in support of self-assessment, we collate evidence to inform our workshops, we deliver the actions in our Self-Assessment action plan and we monitor their progress towards completion. The Self-Assessment Report is the key output from the

process but the work on improving outcomes is an ongoing year round activity.

The diagram below summarises the main steps and timescales involved in conducting the Self-Assessment and the production of the Self-Assessment Report.

Evaluation, Reflection and Identifying Opportunities

During April each year we bring together a wide variety of evidence to help us in assessing our current performance. This includes internal performance monitoring such as performance dashboards and complaints reports, regulatory reports from inspections and the results from consultation and engagement activities.

We undertake an exercise of reviewing the evidence to identify key findings - where performance has improved, where there are opportunities for improvement and what the key themes are from our consultation.

The findings from this exercise are

presented to Self-Assessment Workshops with the Council's Leadership Group and Overview and Scrutiny Coordinating Committee to help in assessing our performance.

The workshops are where we re-assess ourselves against the Key Lines of Enquiry, updating our evidence for each question and using this to identify actions for improvement. They review the evidence available to them and add their own perspective to provide updated scores for each question.

The findings workshops are collated by the Performance and Research Team. They produce the draft Self-Assessment Report by drawing on the evidence matrix, scores and the improvement actions identified in the workshop, along with other key sources such as key strategies and inspection reports.
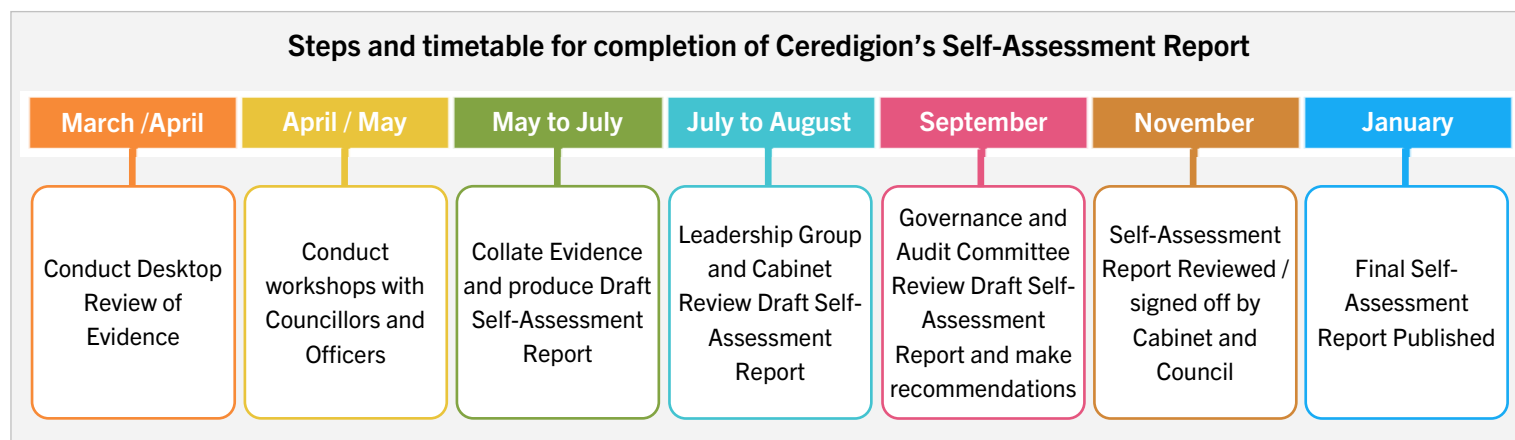
Part of the collation includes cross-checking the scoring with the evidence provided and seeking clarity on our conclusions where necessary. Gaps in evidence and understanding of our performance are also

highlighted, all of which is designed to ensure the process is robust.

By focusing on this, we can learn from our experiences and tap into the innovation and creativity that exists in the Council to identify opportunities to improve our performance, whether that's through raising performance levels, identifying efficiencies or improving customer satisfaction.

The Council's Governance and Audit Committee play a key role in the Self-Assessment process. They are responsible for reviewing the draft Self-Assessment Report and making recommendations for changes to the conclusions drawn or the actions the Council intends to take. The draft Report is reviewed by the Governance and Audit Committee in September.

The Self-Assessment Report is updated following the Committee's recommendations and the final report published in January and submitted to the statutory recipients.
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Steps and timetable for completion of Ceredigion's Self-Assessment Report

March /April	April / May	May to July	July to August	September	November	January
Conduct Desktop Review of Evidence	Conduct workshops with Councillors and Officers	Collate Evidence and produce Draft Self-Assessment Report	Leadership Group and Cabinet Review Draft Self-Assessment Report	Governance and Audit Committee Review Draft Self-Assessment Report and make recommendations	Self-Assessment Report Reviewed / signed off by Cabinet and Council	Final Self-Assessment Report Published

SELF-ASSESSMENT IN OUR PERFORMANCE MANAGEMENT FRAMEWORK

Integration into the Council's Performance Framework

Self-assessment is not a standalone process, rather it is integrated as part of the Council's ongoing corporate planning and performance management arrangements. The diagram below demonstrates how self-assessment fits into our overall performance framework.

It is integral to driving Business Planning and Risk Management, and in turn draws on the outcomes from monitoring business plans and the corporate risk register to evaluate our current performance and complete the self-assessment. It is, in essence, a two-way communication between each pillar of the Performance Framework.

The timing of Self-Assessment is also important. It has been timed to transparently inform and influence the Council's strategic planning, financial management and budget process, risk management reviews, improvement planning and ongoing performance management. For example, the publication of the Self-Assessment Report in November ensures it is prepared in time to drive the annual business planning and target setting process in the final quarter of each year between January and March.

Self-Assessment in the Wider Performance Framework

Ceredigion has a long history of using self-assessment to good effect in identifying innovative ways of delivering services, most recently in the 'Through Age Well-being Programme' being implemented to transform the delivery of social care in the County over the next five years.

It is also an integral part of operational performance and used in the setting of annual business plans for each service. We all recognise that capacity is at a premium and demand is high, and as a result effective business planning has never been so important to ensure we are delivering 'the right services in the right way'. Having the opportunity to 'reflect' on past and current performance is crucial to understanding our strengths, weaknesses and opportunities. This form of reflective practice is critical in helping us determine our actions and priorities for the years ahead.

The Golden Thread

The Council uses a 'Golden Thread' diagram (shown right) to show the links between its key strategies and plans. It describes the flow of information from national and regional priorities for improvement contained in the Local Well-being Plan and Corporate Strategy, through to individual services, teams and members of staff in the Council responsible for delivering them.

A strong Golden Thread is important as it shows how each level of planning and action contributes to the next level, and how each role within the Council contributes towards achieving Ceredigion's Corporate Well-being Objectives.

Self-Assessment occupies a key place in the Golden Thread as the way in which we measure success and drive performance improvements, along with Business Planning and management and risk.

The 'Golden Thread' in Ceredigion

- National Well-being Goals → Public Services Board Local Well-being Plan
- Our Strategy and Corporate Well-being Objectives → Corporate Strategy (Council Vision & Corporate Well-being Objectives)
- How will we deliver and measure success → Self-Assessment, Performance Framework, Risk Register, Scrutiny & Performance Board
- Our Business Plans → Business Plans (for all Council Services)
- How will we manage and deliver with our teams and staff → Team Plans, Team Meetings and 1:1 meetings with line managers
- Annual Appraisal and Individual Development Plans

Self-Assessment

- Business Plans
- Performance Board
- Corporate Risk Register
- Audit Monitoring

MANAGING OUR PERFORMANCE

Our Performance Journey

Put simply, performance management is taking action in response to actual performance and predicted performance to make outcomes for the people of Ceredigion better than they would otherwise be.

Over the last four years, Ceredigion's approach to performance management has been revitalised and updated. Since then, good progress has been made in building a strong performance management culture across the organisation and preparing for the Self-Assessment performance regime introduced by the Local Government and Elections (Wales) Act 2021.

This is reflected in the new business planning process, the relaunched Performance Board and the positive feedback on the Council's approach to self-assessment.
The new legislation emphasizes the importance of embedding a strong performance management culture and achieving this is the overriding principle of the Council's ongoing performance journey.

The learning during the COVID-19 pandemic has created the opportunity to bring about sustainable change and improvements through new ways of working and investing in new technologies to deliver high quality services in an efficient and environmentally friendly way.

The Council has a track record of innovation and over the next five years it will continue to develop this innovative approach and move to more agile and smarter ways of working. Performance management will play a key role in this transformation.

Who is Responsible for Performance Management?

Performance management is everyone's responsibility – everyone has a role to play in delivering business plan objectives, tasks and measures which support the delivery of the Council's Corporate Well-being Objectives and its overall vision.

Performance Management Framework

To ensure we achieve this, we have a new Performance Management Framework in place which allows us to regularly review and track progress, check how we are performing and ensure we are delivering the Corporate Wellbeing Objectives and improving outcomes for the people and communities of Ceredigion.

The Performance Framework operates alongside the overall structure of Corporate Strategy, Medium Term Financial Strategy, Corporate Well-being Objectives, Annual Governance Statement and Programme/Project Management.

It is part of the Council's corporate planning process and ensures a ensure a consistent understanding of the principles of performance management, and how they are applied in Ceredigion.
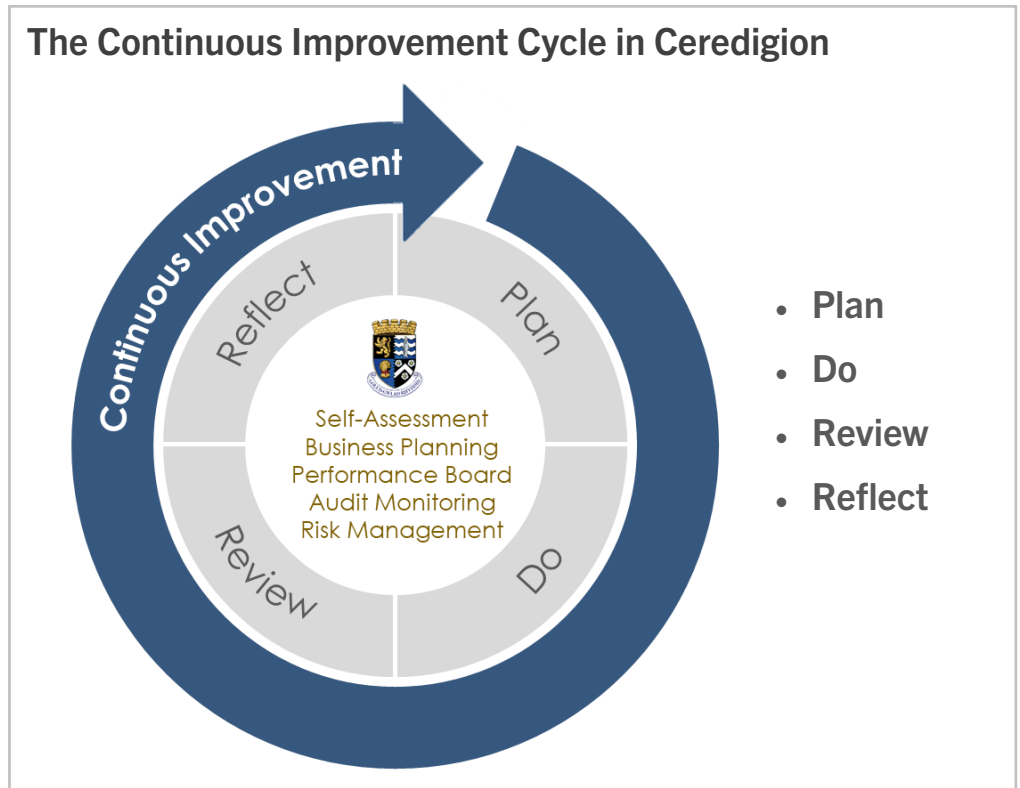
The Continuous Improvement Cycle

Our overall approach to performance management is based on a continuous cycle of improvement, following the industry recognised Plan-Do-Review cycle as shown in the diagram below. This cycle is underpinned by the following steps:

- **Plan** our activities to deliver our vision and Corporate Well-being Objectives

- **Do** or deliver the activities

- **Review** our progress regularly to assess whether we are delivering our objectives

- **Reflect** on how we are delivering our activities to identifying opportunities for improvement, efficiencies, or both

Performance Management is a high priority in Ceredigion. The Council is committed to continuous improvement, regularly seeks citizen's views and undertakes self-evaluation to identify opportunities for improvement.

The Continuous Improvement Cycle in Ceredigion

Continuous Improvement

Reflect — Plan — Review — Do

Self-Assessment
Business Planning
Performance Board
Audit Monitoring
Risk Management

- **Plan**
- **Do**
- **Review**
- **Reflect**

EVIDENCE-BASED ASSESSMENT

Ceredigion strives to be an evidence and data driven organisation. A wide variety of evidence has been used in assessing our performance and in the production of this report.

These sources are split into three categories which help us check that our conclusions are correct and provide an accurate picture of our current performance.

The three categories are the **internal evidence** available to us through key strategies and internal monitoring, such as the Medium Term Financial Strategy, our Annual Governance Statement and complaints monitoring. This provides us with an internal view of how the organisation is performing.

We also draw on the extensive **regulatory and external evidence** that exists. This includes inspection reports from Estyn, Care Inspectorate Wales and the ongoing work conducted by Audit Wales. This provides us with the regulatory or external view of how we're performing from independent bodies.

The third category of evidence is the **consultation and engagement** undertaken on an ongoing basis. This records the views of all stakeholders in Ceredigion, including citizens, businesses, council staff and Trade Unions, offering the perspective of those receiving services from the Council.

The Council has an ongoing process of engagement and consultation in place throughout the year which is used to record residents' views on a variety of Council functions (see pages 22-27).

These three categories of evidence help us 'triangulate' or check that the conclusions we draw are robust by allowing us to compare the key findings from each and ensure they align before producing the Self-Assessment Report. This relationship is shown in the diagram opposite, where the evidence equally feeds into the desktop analysis and ultimately the self-assessment report.

Types of evidence used in conducting self-assessment

Regulatory / Inspections

Desktop Analysis of Evidence & Self-Assessment Report

Internal Evidence

Consultation / Engagement
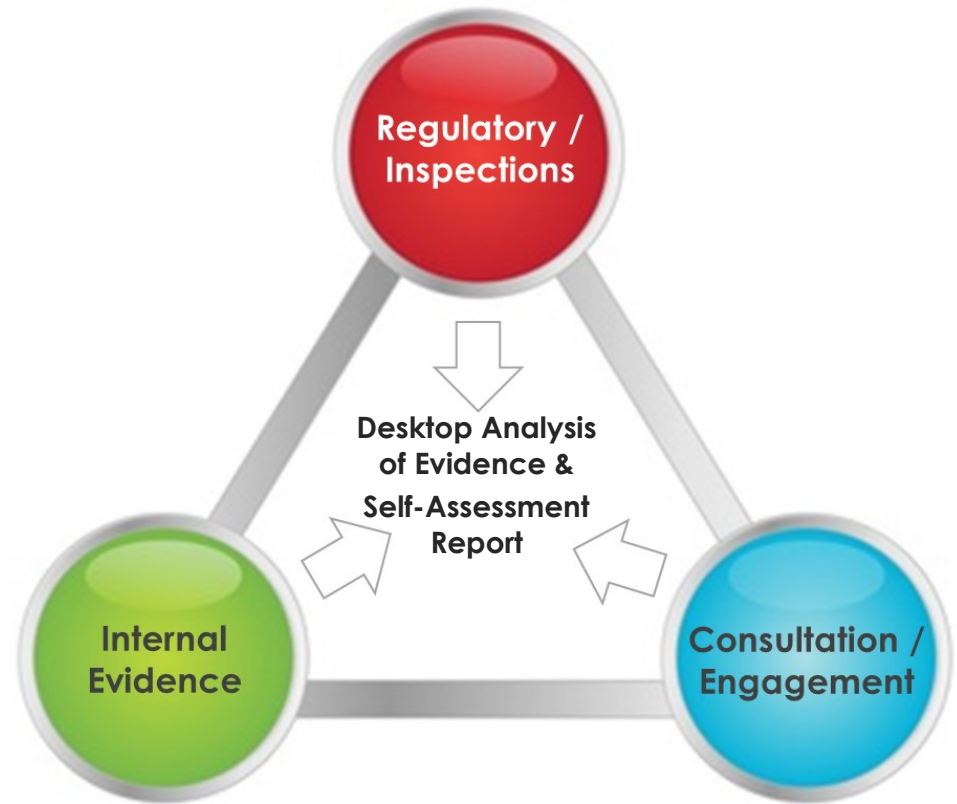
CATEGORIES OF EVIDENCE

Data Quality

Every stage of the self-assessment and wider performance management process relies on evidence and data to allow the Council to make judgements on what Ceredigion's needs are, what its customers' needs are, what it has achieved, and how it compares. It is therefore vital that all this information is based on high quality, reliable, and timely data to ensure that the judgements that based upon it are sound.

Our performance framework supports this by helping to ensure the provision of complete, accurate and timely data used in internal monitoring and published externally to communicate the Council's progress in delivering its vision and Corporate Well-being Objectives to the public and stakeholders.

The table opposite provides a list of the types and sources of data that are taken into account in Ceredigion's self-assessment, and split by category type. ▶

Sources used in conducting the Self-Assessment and Review of Well-being Objectives

INTERNAL EVIDENCE	REGULATORY & EXTERNAL EVIDENCE	CONSULTATION & ENGAGEMENT

INTERNAL EVIDENCE

- Corporate Strategy
- Medium Term Financial Strategy
- Statement of Accounts
- Annual Governance Statement
- Overview and Scrutiny Committee Feedback and Reports
- Director of Social Services Annual Report
- Quarterly Performance Dashboards
- Business Plan Monitoring
- Corporate Strategy Dashboard
- Self-Assessment Dashboard
- Corporate Risk Register
- Internal Audit reports
- Compliments, Comments & Complaints Reports
- Performance Measures Results
- Previous Self-Assessment Reports
- National Survey for Wales Results
- Council Tax / Collection Rate
- Digital Skills Audit 2022
- Review of Hybrid Working Arrangements

REGULATORY & EXTERNAL EVIDENCE

- Audit Wales Annual Improvement Report
- Care Inspectorate Wales Annual Performance Report
- Audit Wales Review reports
- Care Inspectorate Wales (CIW) reports
- Estyn inspection reports
- Public Service Ombudsman Wales (PSOW)
- Panel Performance Assessment (PPA)
- Future Generations Commissioner Reports
- Ceredigion PSB Annual Report
- Ceredigion PSB Assessment of Local Well-being
- West Wales Population Assessment
- Data Cymru
- StatsWales
- National Well-being Indicators

CONSULTATION & ENGAGEMENT

- Consultation Feedback reports incl.
  - Annual Stakeholder Consultation
  - Childcare Sufficiency Assessment
  - Engagement and Participation policy
  - Maternity and Early Years Strategy
  - Ceredigion Corporate Strategy
  - Local Well-being Plan
- Engagement exercises including:
  - Development of Regional Investment Plan to deliver UK Shared Prosperity fund
  - Mid Wales Employment and Skills survey
  - Flooding at Llanybydder, Llandysul and Pont-Tyweli
  - Post-16 education
  - Crime and Disorder Strategic Assessment
  - Future uses in Council Buildings
- Regional Well-being Survey
- Engagement with stakeholder groups including Disability Forum, Older Persons Forum
- Ceredigion Budget Challenge
- Trade Unions monthly meetings
- Staff New Ways of Working surveys
- Staff Health and Well-being Surveys

LEARNING FROM CONSULTATION AND ENGAGEMENT

Consultation and engagement with stakeholders is a core theme throughout our self-assessment process and wider performance management approach.

It is an integral part of the evidence used in our performance management and will continue to play an even greater role as we explore opportunities for improvement with a variety of individuals and groups across the County.

It's important that we give residents and stakeholders the opportunity to tell the Council about their own vision for their communities and about what they want in terms of service provision.

Our new **Engagement and Participation Policy**, that was approved in October 2022, sets out how we will talk and listen with all of those who live, work or study in Ceredigion, including people whose voices are seldom heard.

Our legal duty to consult is set out in various pieces of legislation, including:

- The Well-being of Future Generations (Wales) Act 2015 – the Council must involve people with an interest in achieving the National Well-being goals.
- The Local Government and Elections (Wales) Act 2021 – the Council must encourage public participation in our decision making.
- The Welsh Language Measure 2011 – the Council must ask the public for their views on the impact that our decisions will have on the Welsh Language.

- The Equality Act 2010 – the Council must involve and engage with people who share Protected Characteristics.
- The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 – the Council must consult with organisations specified in the Regulations and must inform people that are likely to be affected by a traffic order.
- School Standards and Organisation (Wales) Act 2013 – the Council must comply with the School Organisation Code which outlines the principles that should be taken into account when proposing to make changes to school provision.

Where more feedback is needed from particular groups, we adjust our approach during the year to target those areas and ensure that all of Ceredigion's communities are involved. We engage with the many groups and organisations that represent specific groups in the county, and in particular to ensure that the voices of those seldom heard are indeed heard.

It's not just about our legal duty, however, as engaging and consulting with the public gives us better information to help our decision making. This can lead to better outcomes for our residents.

There is no 'one size fits all' solution to engagement. We aim to use the best type of engagement for the right situation.

Continuous engagement is achieved through an ongoing conversation between the Council and our local communities. Sometimes a targeted engagement or consultation exercise is the best method. In other instances, the Council has a legal duty to follow a specific process to inform the public and provide opportunity for feedback.

A lot is being done to engage with residents and stakeholders, Feedback on our engagement and consultation campaigns is usually presented to Cabinet meetings

Discussion sessions, thematic workshops, meetings with key stakeholders and face to face drops ins are also offered, particularly where feedback is sought from a specific cohort, for example the Youth Council, or in a specific place, for example flooding in Llanybydder, Llandysul/Pont-Tyweli.

In 2022/23 we have benefitted from some important engagement events that provide a unique insight into the views of citizens and stakeholders.

These include the Corporate Strategy during September to October 2022, in which residents told us their views on the new Corporate Well-being Objectives, and the Future Use of Council Offices consultation in December 2022 to January 2023 which asked about how best to use the main Council offices in the future. Both of these have been used in the production of this report.

Trade Unions

Monthly meetings are in place between the Council and recognised Trades Unions. These are chaired by the Corporate Lead Officer for People Organisation and provide a consultative forum to engage in and help steer direction for workforce matters and individual concerns around wellbeing and conduct. This ongoing dialogue is important to the Council through ensuring staff have a voice and to build on the intelligence gained from our staff surveys and consultations.

As part of the self-assessment, we met with the Trade Union representatives to outline the process and their role as statutory consultees. No specific issues have been raised by the Trade Unions at this point, although this is likely to develop as the process becomes increasingly embedded. Working in partnership with our Trade Unions is critical to the successful delivery of Workforce Plan, and feedback on the Council's performance can be provided at any time.

Staff Consultation

Ceredigion has a strong history of keeping staff informed and measuring staff sentiment, even before the COVID-19 pandemic and the adoption of the new ways of working initiative. In 2022/23 staff engagement took place in the form of the Interim Hybrid Working Policy to record views on the new working arrangements, the latest annual Health and Well-being Survey to record staff sentiment across a range of issues from their well-being to working arrangements, and the New Ways of Working Project Hybrid Working Review in March 2023 to record feedback on the effectiveness of the new hybrid working arrangements. Some of the regular surveys undertaken to ensure the Council engages with its staff are listed below. The findings from these exercises have been used in the self-assessment.

- IT Working From Home Survey (June 2020)
- Coronavirus Health and Well-being Survey (November 2020)
- The Way We Work Staff Survey (March 2021)
- Interim Hybrid Working Policy Staff Survey (July 2022)
- Heath and Well-being Survey (February 2020)
- Employee Health and Well-being Pulse Survey (November 2021)
- Employee Health and Well-being Survey (December 2022)

- NWOW Project Hybrid Working Review

We welcome your views on our Self-Assessment Report, the Council's Corporate Well-being Objectives and our current performance. We would also like to know how you, your family and your community have been affected by our work to improve well-being for everyone in the county.

Public Engagements

Seven targeted engagement exercises were undertaken during 2022-23. Some were run by the Council alone and some were run in partnership with others as we try and reduce 'consultation fatigue'. Feedback from these exercises will contribute to the development of future plans and strategies. Details of these exercises are contained overleaf.

CORPORATE STAKEHOLDER CONSULTATION

During 2023 we ran our first in an ongoing series of 'Stakeholder Surveys' to support self-assessment and the council's ongoing performance journey.

It allowed us to check in with residents, businesses and other stakeholders such as community groups, on a variety of issues such as progress against our corporate well-being objectives, the priorities moving forward and the way in which we monitor and measure performance.

The first of these was run during the summer of 2023 and the results will be used to inform the next round of self-assessment.

Your views are important to us. We welcome your views on this report, our performance and the actions we are delivering at any time. Please use the contact details on the back cover of this report to get in touch or look out for the annual stakeholder surveys.
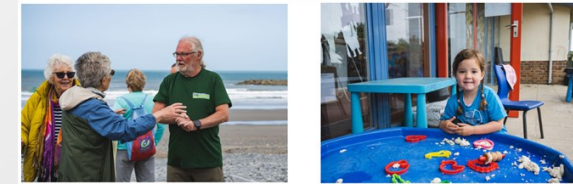
Have your say on Ceredigion's Wellbeing Objectives
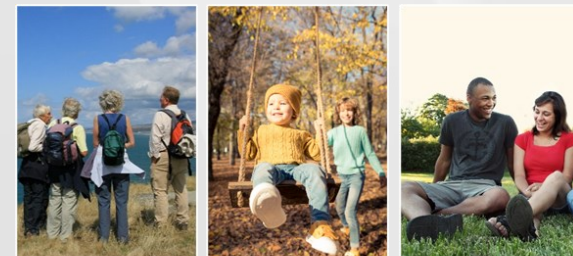
Closing date: 31 August 2023

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ENGAGEMENT EXERCISES IN 2022/23

Title of Activity	Description	Response	What next
Development of Regional Investment Plan to deliver UK Shared Prosperity fund (May/June 2022)	Growing Mid Wales (Ceredigion County Council and Powys County Council) ran an internal and external engagement exercise to invite views on how the UK Shared Prosperity Fund should be used over the next 3 years.	176 responses to an online survey plus over 150 stakeholders who attended a webinar and 20 member organisations of the Growing Mid Wales Partnership.	Responses were used to help shape the high-level priorities of the Mid Wales Regional Investment Plan 2022-25. The Plan provides guidance to local businesses and organisations who wish to apply for funding from the UK Shared Prosperity Fund.
Flooding at Llanybydder, Llandysul and Pont-Tyweli (June - August 2022)	Highways and Environmental Services ran a 12-week engagement run in partnership with National Resources Wales and Carmarthenshire County Council to seek views of the public to get a better understanding of the impact that flooding has on the communities.	124 (58: Llanybydder and 66: Llandysul/Pont-Tyweli).	Responses will feed into the next stage of the work and form part of decision making that Natural Resources Wales and Welsh Government will undertake to design and implement any flood risk reduction scheme.
Mid Wales Employment and Skills survey (July - September 2022)	A 7-week engagement run by the Mid Wales Regional Skills Partnership (Ceredigion County Council and Powys County Council) to inform the Mid Wales Employment and Skills Plan 2022-25.	69 (73% from Powys / 27% from Ceredigion)	The Mid Wales Employment and Skills Plan 2022-25 was launched in March 2023. The Plan identifies key sectors and skills and priorities for regional investment to support jobs and growth in the Mid Wales region.
Post-16 education (October 2022)	Schools and Culture ran a 4-week engagement with businesses, parents, primary and secondary school pupils and university students. Respondents were asked for their views about the range of courses and type of provision needed for post-16 learners.	1,307 to the online survey.	Responses will feed into the review of post-16 provision in Ceredigion.
Future uses in Council Buildings (December 2022/ January 2023)	Economy and Regeneration ran an 8-week engagement with the public to ask for their views on how best to use the main Council offices in the future.	533 (508 to the online survey and 25 to a paper version). Additional responses also received via Clic	Feedback will be considered, alongside feedback from Council staff and data on the use of desks and meeting rooms in pilot hybrid office areas.
Crime and Disorder Strategic Assessment (January – March 2023)	Ceredigion Community Safety Partnership ran an 8-week engagement to gather views about crime and disorder in the county	89 responses to the online survey, 3 responses on a paper survey and 9 responses from a Ceredigion Youth Council event.	Responses will inform the Ceredigion Community Safety Delivery Plan which aims to protect local communities from crime and to help people feel safer.
Ceredigion Dementia Action Plan (Feb/March 2023)	Our Through Age Well-being programme ran a 6-week engagement with the public, with particular emphasis on older people, to establish how we are doing and what we can do to improve the lives of people living with dementia and those who care for them.	35 from the online survey plus 10 from drop-in sessions at 6 locations across the county. Additional responses were collected from face-to-face visits to 5 groups/care homes, focus sessions with service providers and 55 x one to one video calls.	Responses will feed into the development of a Ceredigion Dementia Action Plan.

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CONSULTATION EXERCISES IN 2022/23

Five consultation exercises were undertaken to obtain public feedback on specific plans or proposals. Results of the consultation exercises were presented to Cabinet alongside the final plan or policy. All approved plans and policies are now published on the Council website (apart from the Maternity and Early Years Strategy for Mid Wales which will be presented to Cabinet on 06/06/23).

Title of Activity	Description	Response	Impact of the Consultation
Childcare Sufficiency Assessment report (May/June 2022)	Schools and Culture ran a 4-week consultation to seek the views of interested parties on the draft Childcare Sufficiency Assessment report. The draft document was based on the results of an extensive assessment of the availability of childcare in Ceredigion.	17	People generally agreed with the content of the Childcare Sufficiency Assessment. This is probably due to the extensive consultation undertaken in 2021-22 to inform the assessment report. The action plan was developed in line with the original document.
Engagement and Participation policy (July-Sept 2022)	Policy, Performance and Public Protection ran an 8-week consultation to seek the views of interested parties on how the council should engage with the public and to ask for feedback on the draft Engagement and Participation policy.	112	The final policy was amended in response to the feedback received.
Maternity and Early Years Strategy for Mid Wales (July/ August 2022)	A 13-week regional consultation was run by Carmarthenshire, Ceredigion and Pembrokeshire Local Authorities and Hywel Dda University Health Board to seek the views of interested parties on this strategy which focusses on integrated support in the first 7 years of a child's life.	137	Amendments were made to the strategy based on feedback received.
Ceredigion Corporate Strategy 2022-27 (August/September 2022)	Policy, Performance and Public Protection ran a 5-week consultation to seek the views of Ceredigion residents on Ceredigion Council's draft Corporate Strategy and steps we'll take to achieve our proposed Corporate Well-being Objectives over the next 5 years.	51	Amendments made as a result of the consultation were incorporated into the final document.
Ceredigion Public Services Board Local Well-being Plan 2023-28 (October 2022- January 2023)	Ceredigion Public Services Board ran a 14-week consultation to seek feedback from the public on the content of the draft Local Well-being Plan for Ceredigion. The draft Plan was based on the results of an extensive assessment, including consultation, carried out in 2021-22 on the state of well-being in Ceredigion.	34 completed surveys, plus feedback from focus sessions with 16 schools and Ceredigion Youth Council. 7 detailed responses from local and national organisations and 15 responses on the ideas wall on 'Have your Say'.	Comments and feedback were incorporated into the final document and will also enhance the development of the detailed delivery plan.

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INFORM EXERCISES IN 2022/23

In some instances, the Council has a duty to inform the public about a proposal and provide a way for interested parties to respond. Four 'inform' exercises took place during the period.

Title of Activity	Description	Response
Application for the Registration of Erw Goch Field	All correspondence, including minutes of Cabinet meetings relating to this matter, are listed on the Council website	2
Experimental Traffic Regulation Orders (ETRO)	Two ETRO's were made to retain and amend a number of traffic management measures that were previously introduced during the Covid-19 pandemic in Aberaeron, Aberystwyth, Cardigan & New Quay via Temporary Traffic Regulation Orders.	34, plus discussions with the Disability Forum
Architect Plans for Aeron Valley Community Area School	An open evening was held at Theatr Felinfach campus for people to view the architect plans which were also available on the Council website.	48
Aberaeron Secondary School Footpath closure	A copy of the Traffic Regulation Order, responses, and comments on responses from the Council are listed on the Council website. All respondents also receive a written response from the Council.	8

CORPORATE STRATEGY CONSULTATION

One example of consultation undertaken was on the Council's new Corporate Strategy covering the period 2022 to 2027. This document is important because it sets out the Council's new Corporate Well-being Objectives (corporate priorities) in moving forward. Stakeholders were asked a series of questions about the Strategy between September and October 2022. Although we recognise that the consultation produced a low number of responses, the responses are crucial to understand what is and remains a priority for Ceredigion.

Overall, there was a high degree of support for the Corporate Well-being Objectives and the written comments where respondents highlighted themes relevant to them, align closely to the ambitions and the steps in the Strategy. The diagram opposite demonstrates this.

WHAT YOU TOLD US

78%
Agree or strongly agree with the Boosting the Economy Objective (6% disagree or strongly disagree)

75%
Agree or strongly agree with the Creating Caring and Healthy Communities objective (8% disagree or strongly disagree)

71%
Agree or strongly agree with the Providing the Best Start in Life objective (4% disagree or strongly disagree)

73%
Agree or strongly agree with the Creating Sustainable, Greener and Well-connected Communities objective (2% disagree or strongly disagree)

CORPORATE STRATEGY CONSULTATION

WHAT YOU TOLD US	HOW OUR CORPORATE STRATEGY ALGINS
Support for businesses, SME's and new start-ups	• Continue to develop the £110m Mid Wales Growth Deal • Supporting Ceredigion's UK Shared Prosperity Fund bid • Support the development of the Smart Towns project in Cardigan in our other Ceredigion towns
Digital connectivity for all, not just a percentage	• Support the roll-out of 4G Broadband
Environmental impact from development and economic growth	• Enable initiatives and mitigation measures to help with the resolution to the phosphates and nutrient ecological issue in the Teifi Valley and other catchments • Pursue the Ceredigion Local Development Plan • Prioritise locally-sourced produce and supply chains in council business
Leisure facilities and opportunities for young people	• All children and young people have opportunities to access after-school, evening and weekend activities, including opportunities for freely chosen self-directed Play and that these services are registered to enable parents to access financial support • Support pupils and families to access local youth clubs, social groups and organised activities
Active travel opportunities particularly walking and cycling	• Provide modern, accessible and inspiring leisure facilities across all three areas of Ceredigion (north, mid and south) • Encouraging people to Get Physically Active so they can benefit from positive health and wellbeing • Introducing an improved membership package for use of council operated leisure facilities • Providing outreach physical activity opportunities outside of the county's towns
Challenges facing provision of social care	• Pursue the building of a new nursing home in the Aberystwyth area and fully provide for the nursing care needs of our population • Support the aspiration of creating a National Care Service for Wales • Progress the Through Age Delivery Model providing 70% of services within universal and early help services, 20% in Assessment and short-term services and 10% in Specialist services

WHAT YOU TOLD US	HOW OUR CORPORATE STRATEGY ALGINS
Learning opportunities for adults and older people	• Develop through the Regional Skills Partnership, Economy and Regeneration, and LL&S a robust employer forum • Develop online/ social connectivity and pop-up events to market roles/ sectors within Ceredigion • Undertake a review of post-16 education and implement the approved recommendations • Continue to develop the E-sgol provision • Ensure that the UK Shared prosperity fund is utilised on identified projects to develop appropriate skills to support the local economy
Connecting communities via active travel routes	• Securing increased funding for the delivery of a wide range of active travel improvements • Campaigning for active travel routes alongside the whole length of our trunk roads • Pushing for our smaller towns and rural areas to be included in Welsh Government's criteria for funding active travel routes.
Public transport improvements and high costs	• Support the Bwcabus on-demand service in our rural communities subject to continued and increased Welsh Government funding opportunities • Make the case strongly for any Welsh Government ambitions to franchise public transport routes to include small locally-based bus companies • Working with stakeholders to support and sustain the public transport network, and identify funding/improvement where appropriate
Provision of childcare and recruitment of Welsh speakers	• Promoting the Childcare Offer to working parents of 3 to 4 year-olds • Parents/guardians who are in education or training and meet the eligibility criteria will be able to access the Childcare Offer • Supporting childcare availability for 2-year-olds • Raising awareness/promote Tax Free Childcare for working parents • Supporting the development and sustainability of registered childcare provision
Rural deprivation	• Developing a resource centre to support vulnerable / low-income families • Household income above national average

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REVIEW OF OUR WELL-BEING OBJECTIVES

The Council's new Corporate Strategy 2022-27 was published in November 2022 and the new Corporate Well-being Objectives agreed:

- Boosting the Economy, Supporting Businesses and Enabling Employment
- Creating Caring and Healthy Communities
- Providing the Best Start in Life and Enabling Learning at All Ages
- Creating Sustainable, Green and Well-connected Communities

The Council's Corporate Well-being Objectives enable the delivery of services that will enhance the social, economic, environmental and cultural well-being for the citizens and communities of Ceredigion. The Objectives were reviewed during 2022 and a new set agreed to coincide with the new Corporate Strategy. The new Objectives were identified through a wide variety of evidence, including public engagement, the Ceredigion Assessment of Local Well-being and the ambitions of the new political administration.

The process started with a desktop analysis of a variety of evidence, in order to identify the main issues affecting the well-being of Ceredigion's citizens. This included reviewing the Ceredigion Public Service's Board Assessment of Local Well-being, which provides a comprehensive picture of well-being in the county, and included extensive public engagement during 2021. This told us about the concerns people had and the areas they would like to see improve.

A triangulation exercise was then conducted, looking at the new Administration's priorities for the next five years and comparing with the Assessment to identify any gaps. Workshops were run with Council services to provide a further check and to develop the individual steps to be taken to deliver the Objectives.

The Well-being of Future Generations (Wales) Act requires the Council to set and publish Well-being Objectives that are designed to maximise our contribution to the achievement of the seven Well-being Goals for Wales specified in the Act. At the same time we must publish a statement explaining why meeting the objectives will contribute to the achievement of the well-being goals and what actions we will take to meet the objectives

We review our Corporate Well-being Objectives and steps annually to ensure they remain the right Objectives for Ceredigion and ensure we are delivering them.

The following pages provide a summary of how our 2022/23 Well-being Objectives contribute to the national Well-being Goals, a review of progress against delivering the Objectives and how we have applied the Sustainable Development Principle.

Our Vision:

Ceredigion County Council delivers value for money, sustainable bilingual public services, that support a strong economy and healthy environment, while promoting well-being in our people and our communities

Our Corporate Well-being Objectives:

BOOSTING THE ECONOMY, SUPPORTING BUSINESSES AND ENABLING EMPLOYMENT

CREATING CARING AND HEALTHY COMMUNITIES

CORPORATE WELL-BEING OBJECTIVES

2022-23

CREATING SUSTAINABLE, GREEN AND WELL-CONNECTED COMMUNITIES

PROVIDING THE BEST START IN LIFE AND ENABLING LEARNING AT ALL AGES

ASSESSING PROGRESS

Local authorities are required by the Well-being of Future Generations (Wales) Act 2015 to review progress in delivering their well-being objectives. Although we keep progress under continuous review, we publish our latest performance every year in our Self-Assessment Report.

This report combines the statutory reporting requirements of the Local Government and Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015.

In assessing our overall progress, we use the Future Generations Journey Checker to assist in providing a standardised assessment of progress against each Corporate Well-being Objective.

The Journey Checker is a useful tool that categorises progress according to five criteria, ranging from 'No Change' where no progress has been made to 'Leading the Way', where not only good progress has been made and our level of understanding of the issues affecting well-being is comprehensive but where the needs of future generations are understood and considered by everyone. These categories are highlighted in the scoring system in the table below.

The Journey Checker provides a useful way of assessing not only the delivery of individual actions taken, but also provides an assessment of *how* we're delivering the objectives.

The following pages provide a review of our progress during the last year, including some recent highlights and key successes, along with some of the longer term achievements in the delivery of our Corporate Well-being Objectives.

Future Generations Journey Checker

NO CHANGE	SIMPLE CHANGE	MORE ADVENTUROUS	OWNING AMBITION	LEADING THE WAY
▱	▱	▱	▱	▱

KEY ACHIEVEMENTS

During 2022/23 our customer contact centre (CLIC) handled the following enquiries:

130,908

Telephone calls received during the 2022/23 year

35,852

Emails responded to during the 2022/23 year

95,421

Enquiries logged during the 2022/23 year (an increase of 17,500 on the previous year)

16%

Of telephone calls (or 20,970) were in Welsh

Progress Made

- The Mid Wales Growth Deal is making real progress since the signing of the Final Deal Agreement by the Welsh and UK Governments and regional delivery partners in January 2022.

- The Growth Deal, developed from the Vision for Growing Mid Wales, reached a significant milestone in 2022 when the Final Deal Agreement was signed by the Welsh Government, UK Government and Ceredigion and Powys Councils, based on the development and submission of the Portfolio Business Case. Both governments agreed to provide £55m totalling £110m over a period of up to 15 years. The updated Strategic Portfolio Business Case was formally submitted in March 2023 to the Welsh Government and the UK Government and release of the first tranche of Growth Deal funding is now expected during 2023/24 via a formal Grant Award.

- The Council has been successful in applying for £10.9m of Levelling Up funding for Aberystwyth from the UK Government. This is being used to deliver three regeneration projects that will help transform 'The Old College' in Aberystwyth, revitalise the promenade and create a 'Living harbour'.

- The Council has worked in partnership with Powys County Council and a range of local businesses to launch the Mid Wales Regional Skills Partnership Employment and Skill Plan 2022-25. The plan addresses the barriers and issues affecting businesses in Mid Wales. It identifies key sectors and skills, priorities for regional investment to support jobs and growth, and sets out the mechanism to create a more prosperous skills infrastructure for the region for the next 3 years and beyond.

- Ceredigion Workways+ has continued to help people that are not in employment to access funded face-to-face and online training, work experience, volunteering opportunities and jobs. The scheme is staffed by officers from Ceredigion County Council and is part funded through the Welsh Government. Support is available to help people affected by work-limiting health conditions or disabilities; carers; those with low or no qualifications; people with childcare responsibilities; the over 54's; people in a single adult or jobless household or anyone from a Black, Asian and Minority Ethnic group.

- Investments have led to Ceredigion being the first county to have a county-wide LoRaWAn network that is available to private and public sector partners to improve the use of technology as a business efficiency aid. Ceredigion County Council has completed the installation of 40 LoRaWAN Gateways on several Council assets in order to create the network. Ceredigion's is the most extensive network across any other local authority in Wales and the first to have coverage across much of the county. Crucially, as well as the Council having access, the network will also be available and accessible to all businesses, organisations and residents, with the freedom for the network to be used in the manner in which they feel most effective.

- £2.8m worth of investment has been secured from the UK Government's Community Renewal Fund, and is currently being delivered via 12 projects involving stakeholders supporting individuals and businesses directly linked to actions identified in the Economic Strategy.

- One project, led by Antur Cymru addresses increased numbers of people considering necessity-based entrepreneurship who face barriers to engaging with established business support services. The project is empowering individuals to acquire transferrable skills through participation in a project delivering basic business skills

- £379k of funding from Welsh Government has been secured to support a range of projects to bring town centre assets into economic use and to enhance green infrastructure in town centres. Investment includes the purchase of 10/11 Harford Square in Lampeter, and the development of a Green Infrastructure project in Market Street, Lampeter.

- The Council is the lead authority for the UK Shared Prosperity Fund (UKSPF) in the Mid Wales Region. The indicative funding for Ceredigion is £12.4m for the years 2022/23 to 2024/25. £2.9m is funding for capital projects with £9.5m for revenue projects. The UKSPF is part of a suite of funding from the UK Government as part of its Levelling Up Policy and is intended to build pride in local areas and empower local communities.

- Four projects in Ceredigion, along with five in Powys, have received funding totalling just over £1.3m from the Welsh Government Transforming Towns programme, which is anticipated will trigger potential investment worth just over £3m. These projects are part of the overarching Placemaking Grant scheme which sits under the Transforming Towns programme. The town centres in Ceredigion where the projects are taking place are in Aberystwyth, Cardigan and Llandysul. Transforming Towns is a Welsh Government programme providing a further £7million to town centre regeneration in mid Wales over three years.

- With the support of Leader funding through the Cynnal y Cardi programme, a Towns Development Officer is in place to engage with town representatives to help facilitate and support ideas to reinvigorate Ceredigion's rural towns.

- Over £250,000 has been secured to improve access to Ceredigion's natural assets through Access Improvement Grants and the Local Places for Nature programme.

- In March 2023, Ceredigion County Council approved the adoption of the continuation of the Retail, Leisure and Hospitality Rates Relief Scheme for 2023/24, which allows an estimated 800 businesses in Ceredigion to take advantage of a 75% discount on non-domestic rates, with a total of £3.6m available to businesses under the scheme.

- Ceredigion County Council and its partners on the Ceredigion Public Services Board continue to work proactively in mitigating the causes and impacts of poverty in Ceredigion.

- Ceredigion County Council has provided food banks across the county with a share of £30,000 from the discretionary homeless prevention fund which is provided to local authorities by the Welsh Government. The boost comes as food banks have seen a large increase in demand due to the cost-of-living crisis.

- The ECO4 scheme, aimed at low income, vulnerable and fuel poor households living in energy inefficient properties, was launched in October 2022.

- Significant work has been undertaken to raise the profile of the Direct Payment Personal Assistant workforce through active recruitment with team members attending job fairs and drop-in events at job centres. 56 Personal Assistants have been recruited so far, which is a significant increase.

- Porth Cymorth Cynnar are leading on a project to work with regional partners in the development of social and micro enterprise opportunities. Shared Prosperity Funding has been secured and the Council has supported the planning for a specification for micro enterprises to go out to tender in the second quarter of 2023/24. The Council is actively involved in establishing how Direct Payments can be one of the payment mechanisms when micro enterprises are established.

- To support a sustainable and resilient independent care sector, the new Domiciliary Care specification and tender programme has been completed with new contracts to be awarded in the second quarter of 2023/24.

- The Council supports the independent sector through collaborative working providing mutual aid, funding and resources, equipment as well as health and safety advice.

- Ceredigion County Council have been successful in receiving funding to progress a project to enable 'SMART Towns' in Ceredigion. The project will initially involve the installation of wi-fi access points in Aberaeron, Llandysul, Lampeter, New Quay and Tregaron, with Aberystwyth and Cardigan already having systems in place. As well as providing 'Town wi-fi' across each of the Towns, the equipment will provide the ability to collect anonymised data upon footfall, space usage and dwell time, and will enable Town Councils and the County Council to conduct analysis to assist towns and businesses to identify which approaches are best to improve efficiencies and the effectiveness of their business.

- The Planning Service follow-up review found that the Council has taken swift action to begin responding to the recommendations made by Audit Wales and good progress is being made, including changes to the governance arrangements to support new Development Management Committee. We are continuing to work through the remaining recommendations as well as any additional recommendations made.

KEY ACHIEVEMENTS

£10.9m
of capital funding secured through the Levelling Up Fund 2022-25

£760,000
of external capital funding attracted

37
Businesses supported across Ceredigion

7,547
Winter Fuel Grant Recipients paid during the cost of living crisis, with a total value of £3.2m

21,363
£150 Cost of Living Support payments made to recipients with a total value of £1.51m

41
New jobs created during the year

703
Carers Grant Scheme recipients paid with a total value of £352,000

£42.4m
Mid Wales region's application for the UK Shared Prosperity Fund approved

IMPROVING OUTCOMES

CREATING OPPORTUNITIES

The Mid Wales Growth deal has continued to progress during 2022/23 with some significant developments that bring the £110m investment into the region a step closer. The Final Deal Agreement was signed by the Welsh Government, UK Government and Ceredigion and Powys Councils in 2022. At the end of the year, in March 2023, the updated Strategic Portfolio Business case was formally submitted to Welsh and UK Governments and the first tranche of the funding is expected during the 2023/24 year.

The Growth Deal is a ground-breaking partnership to bring a combined investment of £110m from UK and Welsh Government, which is expected to lever in significant additional investment from other public and private sources. The programmes and projects supported by the Growth Deal are expected to produce wider social and economic benefits, such as **enhanced quality of life**, **creating business opportunities** following the impact of COVID-19, **decarbonisation** in industry and consideration of climate change impacts.

The outcomes that are achievable in Mid Wales through Growth Deal investment are:

- To create between 1,100 and 1,400 new jobs in Mid Wales by 2032.
- To support a net additional Gross Value Added (GVA) uplift of between £570m and £700 million for the Mid Wales Economy by 2032.
- To deliver a total investment of up to £400 million in the Mid Wales economy by 2032.

DEVELOPING SKILLS

Over the last year, the Council has worked in partnership with Powys County Council and a range of local businesses to launch the Mid Wales Regional Skills Partnership Employment and Skills Plan 2022-25.

The plan addresses the barriers and issues affecting businesses in Mid Wales. It identifies key sectors and skills, priorities for regional investment to support jobs and growth, and sets out the mechanism to create a more prosperous skills infrastructure for the region for the next 3 years and beyond.

Through engaging closely with businesses and **giving them a voice to influence priorities** for the region, the Plan addresses the importance of making **strong connections between the local learning system and the skills needed across the region**, so that we are **creating the right conditions for a thriving workforce**.

Launched at the Grow - Define - Deliver Together event, the Plan identifies key sectors and skills, priorities for **regional investment to support jobs and growth** in the Mid Wales region and sets out the mechanism to create **a more prosperous skills infrastructure** for the region for the next 3 years and beyond.

During 2023, the Partnership will be consulting with businesses and stakeholders about the challenges faced by businesses and, in particular, the recruitment of skills now and in the future, to help us inform the skills provision needed for the economy and the people across the region to thrive.

SHARING PROSPERITY

Ceredigion's fifteen year Economic Strategy sets out how we will work together towards achieving strong, sustainable and more resilient economic growth for Ceredigion, created and shared by all. The Strategy is focused on the areas of influence where the Council can make a difference to the economy, i.e. how it uses its capital, human and revenue assets to positively impact the economy in Ceredigion.

The strategy document sets out the actions that will address the challenges and opportunities that exist in the local economy. It focuses on four main priority areas – People, Enterprise, Place and Connectivity, with each section outlining some of the early interventions considered.

Many initiatives have already been developed and implemented under the strategic direction set by the Economic Strategy. A significant amount of external funding has been secured from a range of key stakeholder organisations, which will enable the building blocks for further economic growth to be put in place.

For example, a Welsh Government funded Small Capital Grant Scheme led to almost £500,000 of grant investment in local businesses, attracting a further £631,000 of private sector funding, which led to the creation of 146 new jobs and a further 408 jobs safeguarded in 81 businesses. A further funding package worth £173,000 was secured in 2022 leading to the level of £250,000 worth of private sector funding match funding across 10 businesses in

Ceredigion, creating 35 new jobs and safeguarding 86.

The investment and the delivery of these projects to date has supported the strategy's aims to **support businesses to get started and grow**, **promoting Ceredigion as a place to live, work and visit**, **leading to developing skills in the workforce**.

The Strategy will continue to guide the development of further projects to deliver the aims of the Strategy over the next fifteen years.

STRENGTHENING COMMUNITIES

In December 2022 the Mid Wales region's application for the UK Shared Prosperity Fund was approved, enabling access to £42.4 million which has been allocated to invest in the Mid Wales region up to March 2025, with Ceredigion entitled to nearly £15m worth of funding.

The Council is working hard to put the arrangements in place to enable local organisations to bring their ideas forward which require funding.

The funding will support Levelling Up objectives that seek to **boost productivity, pay, jobs and living standards** by growing the private sector, **improving public services**, **restoring a sense of community, local pride and belonging**, **empowering local leaders and communities** and **increasing levels of numeracy in the adult population**.

Overall assessment of the journey so far

Progress in delivering this objective is **good** and prospects for improvement are also **good**. The steps to *boost the economy, support businesses and enable employment* are progressing well. Of particular note is the move closer to drawing down the £110m growth deal for the region to unlock the local economy's potential and create a variety of opportunities for local businesses employment and skills development.

The Growing Mid Wales Partnership is an example of collaborative working to ensure that we strengthen the local and regional economy as part of a prosperous and resilient Wales post COVID-19.

OWNING OUR AMBITION

MAXIMISING OUR CONTRIBUTION TO THE NATIONAL WELL-BEING GOALS

The **Boosting the economy, supporting businesses and enabling employment** corporate well-being objective supports the following national well-being goals. ▶

Prosperous
Resilient
Healthier
More Equal
Cohesive
Culture
Global

DELIVERING SUSTAINABLE DEVELOPMENT

Long-Term

- The Economic Strategy plans for the long-term development of the economy up to 2035
- The Mid Wales Growth Deal and the Economic Strategy addresses structural weaknesses for long-term benefit
- The Growing Mid Wales Partnership sets the vision for 15+ year timeframe
- Future trend analysis has been used to develop the Growing Mid Wales vision

Prevention

- Increased economic opportunities will prevent further out-migration of skilled young people
- Economic growth will prevent the future negative impact of migration patterns on Welsh language and culture
- Interventions in the Economic Strategy will prevent further growth in the productivity gap
- Attracting and creating high paid job opportunities will help prevent households falling into poverty and hardship

Collaboration

- The Growing Mid Wales Partnership brings together public, private and academic sectors to achieve shared goals
- Working with Powys County Council and Welsh and UK Government to maximise use of resources and capitalise on opportunities through Growing Mid Wales
- The Mid Wales Regional Skills Partnership brings together business leaders and stakeholders across the region to understand skills provision and labour market needs, in order to drive investment that meets the requirements of both employers and the workforce

Involvement

- Private sector businesses, drivers of future economic growth are involved in identifying key priorities and strategies
- Private, public and third sectors involved in shaping the emerging Growth Deal programme
- Extensive engagement was undertaken in the development of the Economic Strategy
- The Regional Well-being Survey that is instrumental in driving all local strategies was based on extensive public and stakeholder engagement

Integration

- The Economic Strategy provides a shared vision and action for development of the local economy and the interventions contained within it will be delivered by a variety of partners and stakeholders over the next 15 years
- Economic growth strategies are integrated with other service provision, including education, skills, planning and infrastructure

CYNNAL Y CARDI

Cynnal y Cardi continues to support rural community regeneration through pilot projects, feasibility studies, facilitation, networking activities and training and mentoring.

Approximately 70 activities have been supported including:

- **"Ceredigion360",** a feasibility to discover whether there is desire to create and maintain lively, sustainable local area websites across areas of Ceredigion.
- Feasibility work into the opportunities for developing "**Canolfan Tir Glas Centre**" on the Lampeter UWTSD campus.
- Piloting a **Community Fridge** scheme in Aberporth.
- Piloting **bilingual, digitised learning** in the outdoor environment through developing woodland-based courses.
- Supporting with engagement activities and exploring the feasibility of the Vale of Aeron Community Pub community venture

Cynnal y Cardi is a LEADER project, which has received funding through the Wales Rural Development Programme. The project aims to stimulate innovations that increase the value and variety of sustainable economic opportunity for the people of Ceredigion.

36

Progress Made

- Ceredigion has responded to the challenges in the provision of social care by moving towards combining the previously separate children and adults' service into a single Through-Age Well-Being Service. This eliminates departmental barriers, provides a more consistent, lifelong service for users and maintains the generic skills and flexibility of staff.

- The transformed social care service focusses on prevention, intervening at an early stage to help connect people to the communities and facilities around them, building individual and family resilience and preventing problems from escalating into a need for higher end services.

- The Council now operates a Through Age Wellbeing model (TAW) for the delivery of what would traditionally be considered Social Care services.

- Implementation and delivery of the Through Age Wellbeing Programme (TAW) continues as the transformation of services progresses well with the integration of Social Care and Lifelong Learning into 3 Services - Porth Cymorth Cynnar, Porth Gofal and Porth Cynnal who, along with Customer Contact, make up the 4 main areas that fall within the Through Age Wellbeing Programme of change.

- Social Care however continues to see increased demands on services driving significant cost pressures across the TAW model. These are particularly prevalent in areas such as Looked after Children (in county), Children's Out of County Placements, older persons' placements and Learning Disability placements. The Council is also seeing an increased complexity of cases across these services adding a further dynamic to the increased demand.

- Capital investment is being made into key areas such as In county Children's facilities, the establishment of Wellbeing Centres, Local Authority Care Homes and piloting for Technology-enabled Care.

- As part of its prevention work, the Council has invested in giving full recognition and support to the role of carers, in particular by providing opportunities for respite, allowing carers to take a rest from what can be a demanding 24/7 role.

- The Disabled Facility Grant and associated Welsh Government funding has been maximised to provide adaptations to homes, in order to enable people to remain within their communities.

- As the first Welsh local authority to volunteer to welcome refugees from Syria, Ceredigion has welcomed and integrated 74 Syrian refugees to the county and 90 Ukrainian families during 2022/23. The displaced people resettlement programmes are progressing well.

- Community Connectors assist residents of all ages in Ceredigion, by helping them access support opportunities in their area that could maintain and improve their wellbeing.

- Throughout winter 2022/23, Ceredigion's team of Community Connectors worked with the Ceredigion Association of Voluntary Organisations and many community groups to set up Warm Welcome Spaces. Warm Welcome Spaces are safe warm places that are free and welcoming to all ages, some of them also provide hot drinks, snacks and activities. Cafes, churches, community centres, village halls, libraries and book shops across the county opened their doors and welcomed people of all ages. The Warm Welcome Spaces provided a social meeting place for people to come together and build friendships. There were 42 Warm Welcome Spaces across Ceredigion.

- The "On your Bike" project funded by Cynnal y Cardi and managed by Rural Health and Care Wales installed 9 exercise bikes in three towns to encourage young people to take part in more outdoor physical activity, which is proven to improve both physical health and mental well-being. The towns covered by the project are Cardigan, Aberaeron and Lampeter.

- Ceredigion County Council approved the transfer of Hafan y Waun Care Home to Council ownership in September 2023 with a focus on ensuring continuity of home operations for residents and staff alike. The decision is an important step towards maintaining the future of this vital resource and providing certainty to residents and their families. Hafan y Waun is the County's main residential facility with capacity for 90 beds.

- Plans are progressing to create a Well-being Centre in Lampeter, and additional projects are developing to create Well-being Centres in the north and south of the county as well.

- The National Exercise Referral Service (NERS) is now very busy - 1,011 referrals were received in 2022-23 with 343 clients completing the 16-week programme during the year. The Service is one of a range of health intervention classes and activities, including Fit4Life and Wellbeing Walks. 424 classes and activities were offered each month in North, Mid and South of the County. The programmes are proving very popular amongst clients across Ceredigion.

- The Cylch Caron Integrated Health and Social Care project in partnership with Hywel Dda University Health Board continues to progress. The Project Board are developing the tender specification and working with Welsh Government in relation to develop the proposal.

- Ceredigion County Council is supporting the aspiration of creating a National Care Service for children, families and adults in Wales and how care could be made free at the point of need. This is a national programme following the cooperation agreement between the Welsh Government and Plaid Cymru.

CREATING CARING AND HEALTHY COMMUNITIES

- Work has commenced in relation to identifying the Council vision for Technology Enabled Care (TEC) services. This will inform the Development of our Technology enabled care strategy including digital improvements to the Local Authority estate.
- Our Through-Age approach to triage and assessment has now been embedded.
- The Review of Direct Services is continuing and is due to be complete at the end June 2023. An implementation plan will then be developed.
- The Family Group Meeting Coordination Service is now up to capacity and work is progressing to develop and maximise opportunities in relation to supporting prevention and early help.
- The Through Age respite model review is continuing and due to complete at the end June 2023. An Implementation plan will then be developed.
- A new Domiciliary Care specification and tender programme has been completed with new contracts to be awarded during the second quarter of 2023/24
- During 2022/23, the expansion of Flying Start in Ceredigion included Llechryd, joining Cardigan, Penparcau, Llanarth, Llandysul and Aberporth. Flying Start is a Welsh Government initiative that helps families with young children in the most disadvantaged areas of Wales. Ceredigion Flying Start includes early years health service, funded sessional childcare for children aged 2-3, parenting support to develop children's talking, language and communication skills.
- Following the implementation of Ceredigion County Council's Hybrid Working Strategy and Interim Hybrid Policy, there are significant opportunities to reconfigure and make better use of the Council's office space to provide other public services by working with partner organisations. Part of Canolfan

Rheidol in Aberystwyth is now being used by Hywel Dda to provide outpatient physiotherapy services. This move provides the opportunity to enable the health board to bring clinical services closer to home for residents in the north of Ceredigion to help them live active and healthy lives.

- During the 2022/23 year, £116,197 was awarded from the Ceredigion Carers Fund to 776 carers to help improve their health and well-being. The majority of the awards were spent on short breaks and holidays, therapies and spa sessions and sports, fitness and outdoor activities to help carers in Ceredigion look after their physical and mental health.
- Supported Gofalwyr Ceredigion Carers to deliver information advice and guidance to 805 adult carers across Ceredigion and provide 2,016 hours of replacement care to give carers a break from their caring role.
- The Carers Information Service membership has increased by 14% to 1,888 carers. The service provides support, useful information relating to services, and support in relation to legislation which is tailored to individual needs. Membership provides information relating to the Carers Forum which meets regularly to share support, information and friendship, information about events for carers, relevant training courses, and notification about consultations taking place on local and national issues. The service ensures that carers have a voice on issues affecting them.
- Between May and September 2022, a total of £351,500 was paid to 703 eligible applicants for the Welsh Government's £500 support payments for unpaid carers.
- The Regional Community Cohesion Team lead on supporting this work in Ceredigion. Weekly Tension Monitoring meetings are held to horizon scan and consider operational matters in a timely manner.

KEY ACHIEVEMENTS

607
Referrals to the Community Connectors for support received

99,457
Views of Ceredigion resources on the Dewis Cymru website that aims to support people's well-being

4,250
Carers magazines printed and distributed across Ceredigion

146
Refugees resettled across Ceredigion

42
Warm Spaces available across Ceredigion during winter 2022/23

531
People in receipt of a direct payment to support their own social care

1,150
Public protection enforcement actions taken to improve the well-being and public health of people and communities

1,567
People experiencing mental health issues receiving support in the community

453,000
People engaging in physical activity programmes supported / delivered by the Well-being Centre

15
Engagement exercises completed by the Council in 2022/23

IMPROVING OUTCOMES

SUPPORTING VULNERABLE PEOPLE

A new Refugee Resettlement team was established in response to the increase of refugees due to the Ukrainian conflict.

The Council has continued to provide ongoing support to 7 families that have fled the dangerous situations in Afghanistan and Syria, welcomed 1 new Afghan family and welcomed 114 new Ukrainian families to Ceredigion during the 2022-23 year.

Many of the Ukrainian families, particularly those who arrived to the Welcome Centre, have now moved out of Ceredigion to other locations in the UK and across the world. Preparations are being made to make sure that we're ready to welcome asylum seekers to Ceredigion as part of our contribution to the National Asylum Seeker Dispersal Plan.

Ceredigion has a history of supporting families fleeing from war, hunger and homelessness. Over the past few years the Council has successfully supported refugees from Syria to be welcomed into the community, and we will continue to play a leading role in helping refugees and resettling them into our communities. In doing so, we can **provide a safe place for them and their families**, a chance to have a **safe home**, to **rebuild their life** and to **contribute to society**. Not only does this support our ambition of creating caring communities, it also supports the national well-being goal of a Globally Responsible Wales.

ENHANCING WELL-BEING FOR ALL

Providing support for all ages and needs is a significant challenge for the Council with limited resources. The profile of society and demographics have changed considerably over the last decade with a significant increase in the prevalence and impact of substance misuse, poor mental health and domestic abuse and older age groups living in Ceredigion.

As a consequence, demand for certain services has increased placing a greater financial pressure on those service areas.

The Through Age Wellbeing strategy sets out the vision and approach that will be taken to transform how the wellbeing and safety of the people of Ceredigion is supported.

To achieve our vision we have developed a Through Age Wellbeing operating model that is designed to **ensure people get the right level and type of support**, at the right time, **to prevent, reduce or delay the need for ongoing support,** and to **maximise people's independence** and to be able to **remain in their own home in their own community wherever possible**.

We are in the third year of the Programme and progress is continuing in delivering the programme to enhance the social, economic, environmental and cultural well-being for the people of Ceredigion.

In February/March 2023 we underwent a Care Inspectorate Wales (CIW) inspection of our social services. The inspection reflected positively on our Through Age Well-being Model, highlighting several areas of good practice, and also providing us with

constructive recommendations to help us in delivering the programme and transforming the delivery of social care in the County.

In particular, the strong corporate and political support for social services in Ceredigion was noted, along with strong senior leadership within social services.

Feedback gathered by the inspectors demonstrated a culture which was focused on **well-being**, **building and maintaining relationships** and achieving **safe outcomes for people.**

INDEPENDENT AND FULFILLING LIVES

The first residents at Aberystwyth's new extra care scheme have spoken about how it has transformed their lives, from sparking new friendships to providing the platform for a fresh start in life.

Maes y Môr, provided by Wales & West Housing in partnership with Ceredigion County Council, is located at Pen yr Angor in Aberystwyth, overlooking the town and harbour. For many of its new residents, it has offered much more than just spectacular sea views.

Their new homes provide easy access to a range of facilities, 24-hour on-site care and support as well as a Wellbeing Officer, ensuring that residents **lead an independent**, **healthy**, and **fulfilling life**.

CONNECTING PEOPLE

Community Connectors support residents of all ages and their families to make connections, access advice and assistance opportunities as well as identify appropriate services and groups within their own communities, such as social groups that can have a **positive impact and improve their well-being**.

Community Connectors also look more widely at the opportunities that are available that can help **contribute to a fulfilled life.** This includes increasing the awareness of services and help to access them, such as provision of small home adaptations or assistance with shopping, an in doing so **building confidence**, improving **mental health, creating opportunities** and in doing so **building resilient communities**.

During the year 971 enquiries for support were logged through the Council's customer contact centre (CLIC), 845 referrals were received and 468 individuals and community groups were referred and signed posted to other council services, health services and third sector organisations.

DELIVERING SUSTAINABLE DEVELOPMENT

Overall assessment of the journey so far

Progress in delivering this priority is **good** and prospects for improvement are also **good**.

Progress in supporting people to be healthy and in creating communities that are caring is good and improved outcomes are already visible such as the creation of well-being centres across the county, the ongoing delivery of the Through Age Well-being programme and the support to Ukrainian refugees to resettle in the County.

Despite the challenges that exist, such as the increasing demands and recruitment in social care, plans are in place to realise further benefits in the year ahead.

OWNING OUR AMBITION

MAXIMISING OUR CONTRIBUTION TO THE NATIONAL WELL-BEING GOALS

The **Creating Caring and Healthy** corporate well-being objective supports the following national well-being goals. ▶

| Prosperous |
| Resilient |
| Healthier |
| More Equal |
| Cohesive |
| Culture |
| Global |

Long-Term

- The Through Age Model involves long-term planning to ensure sustainable services for the next 15 years +
- Future Trends, such as demographic change have been utilised in the Model
- The Through Age Well-being Strategy covers a six year period from 2021 to 2027
- The recovery from the pandemic is projected to last for a number of years and our plans to improve physical and mental well-being take a long-term approach to support in response

Prevention

- The Through Age Model provides a coordinated approach to social care in order to prevent, reduce or delay the need for ongoing support, and allow people to remain in their own home in their own community wherever possible
- Preventing homelessness and promoting independence remains a priority for the Council and is the most effective way of tackling homelessness
- Developing the Well-being Centres across the County supports the ambition to create healthy and resilient communities
- As part of its prevention work, the Council has invested in giving full recognition and support to carers by providing opportunities for respite from their demanding 24/7 role

Collaboration

- Hywel Dda University Health Board, the Council and Third Sector partners work collaboratively to implement integrated health and social care programmes across West Wales
- Multi agency weekly tension monitoring meetings address early signs of community tensions through early intervention and prevention.
- The Council works proactively with partners through the Ceredigion Public Services Board Poverty Sub Group to tackle the causes and impacts of poverty across the County

Involvement

- Supporting people's physical and emotional well-being impacts on all of the national Well-being Goals and helps to build stronger and more resilient communities
- The Objective of creating caring and healthy communities included the findings of the Ceredigion Assessment of Local Well-being and extensive consultation

Integration

- Public and private sectors working together to maximise contribution to healthier Wales and other goals
- Supporting people's physical and emotional well-being impacts on all of the national Well-being Goals and helps to build stronger and more resilient communities

FURTHER ACHIEVEMENTS

100%
Of Carers Information Service members received the Welsh Government's Charter for unpaid carers

158
Young carers supported through working with Gofalwyr Ceredigion Carers to have a life outside of their caring role

3,000
Information for Young Carers booklets distributed to schools across the County

144%
Increase in Young Carers Information Service members

Progress Made

PROVIDING THE BEST START IN LIFE AND ENABLING LEARNING AT ALL AGES

- The Council is continuing to modernise education establishments, for example, using Band B of 21st Century Schools programme funding to build an area school for the Aeron Valley as well as improvements to Cardigan Secondary School, Cardigan Primary School and Canolfan y Mor at Aberaeron Secondary School.

- The Council was awarded funding of £5.7m in 2022 towards a Language Immersion Centre which will be based at Ysgol Cymraeg and new classroom buildings at the school.

- Plans to build the new the new Aeron Valley Primary School at Felinfach are progressing. The £13m design and build scheme will provide 30 places in the nursery and 210 places in the primary school, (see overleaf).

- Schools developments already underway include the £100k of construction work at Penglais secondary school, providing the school with new and improved facilities, £160k of construction work at Ysgol Henry Richard School and £5.4m of work on the Cardigan Secondary School as part of the 21st Century Schools Programme.

- Professional consultants and contractors are being appointed to deliver the new £5.4m extension at Ysgol Gymraeg, Aberystwyth, which was the first Welsh-medium school in Wales.

- Consultants are also being appointed to scope works to Aberystwyth Museum totalling approximately £1m.

- Ceredigion Nursery, Plas Gogerddan Nursery, won Nursery of the Year Award in Wales in the National Day Nurseries Association (NDNA) Awards in June 2022. Plas Gogerddan is one of many nurseries in Ceredigion that delivers the Foundation Phase education funded by Ceredigion County Council within their Cylch Meithrin sessions.

- Porth Cymorth Cynnar delivered 88 workshops to young people aged 16+ providing support and prevention. The workshops included volunteering in the community, indoor bowling, gardening and Welsh culture and heritage discovery.

- 125 young people who worked with a youth worker demonstrated an improvement to their wellbeing and confidence. For example, one young person who was unwilling to leave their home went on a well-being walk with a youth worker.

- The mobile youth provision engaged with 10 communities and 176 young people. Free weekly football sessions were delivered with Dyfed-Powys Police and Swansea Football Foundation, and one young person has been nominated as a young ambassador due to his commitment.

- Jobs Growth Wales + (new traineeships) Hyfforddiant Ceredigion Training engaged with 51 learners of which 75% progressed onto either employment or further learning. Jobs Growth Wales+ is a training and development programme for 16−19 year olds who need the skills, qualifications, and experience to progress onto an apprenticeship, set up a business or gain a new job.

- Sgiliau Gwaith / Work Skills received 126 referrals last year with 69 learners gaining qualifications.

- Hyfforddiant Ceredigion Training is in the process of including Health and Social Care and Electrical apprenticeships that will be delivered in Ceredigion. The apprenticeship contract continues to grow every year as part of the ACT network, strengthening the pool of highly skilled and qualified candidates in the County by developing new apprenticeships, micro-enterprises and social enterprises.

- Ceredigion's Lifelong Learning and Skills service constantly reviews its curriculum offer. Dysgu Bro continues to offer courses in blended learning with the majority of courses returning to face to face. Employment Support Team are delivering C4W+ which offers volunteering and work experience opportunities.

- Dysgu Bro are delivering a number of courses through Ceredigion in community venues. The Welsh Government have funded an engagement grant which is being used to promote courses via videos on our social media pages as well as being able to offer free courses. The Council is currently advertising for Numeracy Training Advisors as part of the Multiply programme (Shared Prosperity Fund).

- Hyfforddiant Ceredigion Training JGW+ offers paid work experience through its Engagement strand.

- Ceredigion's Education system continues to be considered amongst the most successful in Wales. The percentage of working age adults qualified at level 2 is 91.7% in Ceredigion, higher than average (86.6%) and one of the highest nationally. Level 2 qualifications are GCSE grades A*-C or equivalent.

- The Council has worked with the third sector and private businesses to provide

work experience opportunities for individuals/vulnerable groups.

- Work has begun on developing an employer working group which will include key partners such as Department for Work and Pensions (DWP), Careers Wales, Business Wales and the Regional Skills Partnership.

- Lifelong Learning and Skills attend a number of agricultural shows to raise the profile of courses delivered. For example, the service has attended Aberystwyth show offering a number of tasters to the general public.

- Lifelong Learning and Skills have also attended Ysgol Bro Pedr and Ysgol Henry Richards promoting Jobs Growth Wales+ and apprenticeships.

- The Welsh language is integrated into Ceredigion County Council's new Corporate Strategy covering the period 2022 to 2027.

- The Council approved its new Welsh in Education Strategic Plan (WESP) 2022-32 Action Plan. The plan sets out the steps to deliver the actions within the WESP with the overall aim of increasing the number of Welsh speakers in the County by 2032.

- Cered, the Welsh language initiative, continues to support, influence and develop the use of the Welsh language in Ceredigion. They provide information, advice and leadership to ensure that the language thrives and continues to be a core language and has a central role in the communities of Ceredigion. Recent successes include the 'Start every conversation in Welsh' campaign, the 'Powerhouse Project' to improve the opportunities for communities to socialise

and contribute, and the Language Charter where over 26 organisations businesses and clubs have been awarded a gold, silver or bronze charter for their commitment to the Welsh language.

- The Council published a campaign, 'how to contact the Council by phone, online, face-to-face, and in your preferred language' to ensure customers are aware of their right to use their preferred language and the channels available to do that.

- The Council has provided a Welsh Language Awareness Session along with an overview of the requirements of the Welsh Language Standards for Councillors.

- We have also been working with the National Centre for Learning Welsh to pilot a Raising Confidence to Use Welsh residential course.

- The Council is committed to increasing recruitment of in-house Welsh speaking foster carers, and in response, recent recruitment campaigns have been supported and opportunities explored to achieve this.

- Following a £20,000 grant from Welsh Government's Transforming Towns programme, the former doctor's surgery in Aberaeron has been reopened as a gallery - Gallery Gwyn. The project was led by Ceredigion County Council and officially opened in April 2022, showcasing work from established artists as well as early career creative practitioners.

KEY ACHIEVEMENTS

907
Learners enrolled on all Lifelong Learning and Skills courses

189
People engaged with the Employment Support Team

53
People who engaged with the Employment Support Team were successful in acquiring a job

126
Referrals to Sgiliau Bwyd Sgiliau Gwaith

117
Apprentices attended Hyfforddiant Ceredigion Training in the last year

82%
Of apprentices attending Hyfforddiant Ceredigion Training completed their apprenticeships

87.5%
Of learners at the Pupil Referral Unit gained appropriate qualifications

98.65%
Children/young people reporting a positive benefit from extra curricular and holiday activities

8,620
Public access computer sessions used across all libraries

268,572
Loans by the Library Service (both physical and e-resource)

IMPROVING OUTCOMES

MODERN FACILITIES

Plans to build the new the new Aeron Valley Primary School at Felinfach are progressing. The £13m design and build scheme is for a single storey primary school with an Additional Learning Needs Unit, Canolfan Iaith, Meithrin, and infrastructure including new road access, parking and multiuse games area.

The project will bring together three primary schools - Ciliau Parc Primary, Dihewyd Primary and Felinfach Primary as well as Ysgol Feithrin and the language Immersion Centre at Felinfach.

The new 3-11 area school will cater for 30 nursery/wrap around places and 210 places in the primary school and approximately 56 teaching staff will be employed at the facilities.

The new facility will bring the learning accommodation within the Aeron Valley up to the Sustainable Communities Learning Programme standards (previously known as 21st Century Schools).

Apart from delivering **modern and improved teaching facilities**, the project will also deliver a **net zero carbon school** with **reduced running costs**, which supports the Council's carbon net zero ambition as well as provide more **opportunities for learning and physical activity** through the new sports pitch.

REDUCING INEQUALITY

A new Mid Wales Partnership Equity and Deprivation Strategy was approved by Cabinet in February 2023. The new strategy offers guidance for schools supporting disadvantaged young people.

The key message at the core of the strategy is that disadvantaged learners need more support, more often, in order to have the same opportunities as their peers.

The threshold for support to engage with the Educational Inclusion Officers has decreased for disadvantaged young people, meaning that they get support sooner than non-disadvantaged young people.

The life chances of children and young people are strongly influenced by their home and community. The strategy provides teachers with more support in addressing the issues some children and young people face.

Delivering the strategy ensures that the challenges faced by some of Ceredigion's children and young people are tackled and **fair and equal access to education and opportunities is provided**.

It also supports the Council's ongoing work to **tackle the impact of poverty**, including the **impact on educational attainment**, which **will help to achieve high standards and aspirations for all in the County.**

CREATING OPPORTUNITIES

Lifelong Learning and Skills, the Youth Service, Careers Wales and Job Centre Plus are all members of the NEET (Not in Employment, Education or Training) Panel. Taster sessions have been offered in placements such as carpentry, mechanics, hairdressing, beauty and plumbing. Apprenticeships have been promoted at Careers festivals, schools and events throughout the county. 64% of learners supported by Porth Cymorth Cynnar gained qualifications in traineeships and 70% of learners gained qualifications in apprenticeships. **Creating opportunities** supports the Council's ambition to **enhance the provision of skills and learning opportunities for people aged 16+.**

STRONG COMMUNITIES

Ceredigion Museum is delighted to have been awarded £115,894 development funding by the National Lottery Heritage Fund for the following project: Perthyn 'belonging to/possessing': An exploration of how collections can **create community in Ceredigion**.

Perthyn is an ambitious project that aims to ensure that every Ceredigion resident can find something in the museum collection that resonates with their **sense of identity and values**, regardless of their age, gender, ethnicity, beliefs, sexuality, ability or other characteristics that they identify with.

SUPPORTING EMPLOYMENT

Gwaith has seen an increase in numbers and has received 126 referrals over the last year. These are year 10 and 11 learners who are disengaged and at risk of exclusion.

The service ensures vulnerable learners have **access to a tailored vocational curriculum** to meet their needs with a range of different courses being offered giving them the **best opportunity to achieve and reach their full potential**.

A total of 69 learners achieved qualifications this academic year.

This is part of the Council's ambition to support those furthest from the labour market, including disengaged learners, and **ensuring every pupil in Ceredigion has a destination**.

DELIVERING SUSTAINABLE DEVELOPMENT

Overall assessment of the journey so far

Progress in meeting this objective is **good** and prospects for improvement are **good**.

Capital investments in schools are progressing such as the refurbishment and extension to create a 3-16 school at Henry Richard. The educational attainment of Ceredigion's pupils remains amongst the highest nationally, and post-16 learning is continuing to provide training and support to open new opportunities for all of Ceredigion's learners.

Key strategies have been delivered in the last year to create the foundations for further improvements such as Welsh in Education Strategic Plan 2022-32 to increase the number of Welsh speakers in the County and the Equity and Deprivation Strategy for schools which will support pupils who are disproportionately affected.

OWNING OUR AMBITION

MAXIMISING OUR CONTRIBUTION TO THE NATIONAL WELL-BEING GOALS

The **Providing the best start in life and enabling learning at all ages** corporate well-being objective supports the following national well-being goals. ▶

Prosperous
Resilient
Healthier
More Equal
Cohesive
Culture
Global

Long-Term

- Ceredigion's Welsh in Education Strategic Plan (WESP) is a 10-year strategy to strengthen Welsh language provision and work towards a million Welsh speakers Wales wide by 2050
- School improvements provide improved facilities for future generations of learners
- Developing leadership skills within our children and young people takes a long-term view of their learning and future careers

Prevention

- Supporting learners at all ages helps to provide them with better learning and career opportunities
- Working to raise income levels across the County will help in the prevention of in-work poverty
- Developing children's and young people's skills and confidence to be physically active will help to improve the health and well-being of the County's population

Collaboration

- Working with the Third Sector to provide mental health support to young people following the COVID-19 pandemic
- Working with partners to deliver the Maternity and Early Years Strategy for West Wales will help to deliver the best start in life for Ceredigion's young people
- Supporting the provision of Free School Meals for primary school pupils and the funded childcare for all two year olds

Involvement

- Supporting the Ceredigion Youth Council as a forum for children and young people ensures the voices of young people across Ceredigion are heard

Integration

- Providing the best start in life will have a positive effect on all of the Corporate Well-being Objectives and the National Well-being Goals
- Better skills and jobs increase income levels and therefore allow the local economy to grow
- The Arfor Programme to support and strengthen the links between economic growth and the Welsh language also strengthen each of the four pillars of well-being (economic, social, environmental and cultural)

FURTHER ACHIEVEMENTS

51
Jobs Growth Wales + Learners engaged with Hyfforddiant Ceredigion Training

75%
of people engaged with Hyfforddiant Ceredigion Training progressed onto either employment or further learning

91.7%
of Ceredigion's working age population qualified to Level 2 or higher, above average nationally

75.7%
Of Ceredigion's working age population qualified to Level 3 or higher, above average nationally

PROGRESS MADE

CREATING SUSTAINABLE, GREEN AND WELL-CONNECTED COMMUNITIES

- The Council has continued to pursue funding and delivery of the coastal defence works at Aberaeron, Aberystwyth, Borth and Llangrannog, and the flood risk management works at Llandre, Aberaeron, Borth, Talybont and Capel Bangor.

- The Aberaeron Coastal Defence Scheme construction contract award is imminent. The Aberystwyth Outline Business Case will be completed during the 2023/24 year, while the business case for Llangrannog will be consulted upon during the autumn of 2023. In Talybont and Capel Bangor, the outline business cases are nearing completion, and discussions are ongoing with Natural Resources Wales. Llandre, Aberaeron and Borth are in development.

- Funding has been secured to develop the business case for solutions to flooding at both Llanybydder and Llandysul, with Natural Resources Wales anticipated to lead on construction delivery once the business case has been completed and agreed.

- The amenity grass cutting service has been reviewed and now incorporates 'No Mow May' to support wildlife and biodiversity in the County. The long-standing management of road verges to enable bio-diversity and wildflowers to thrive is being reviewed to further enhance this provision.

- The Council is working with the local bus operators and other key stakeholders. The Highways and Environmental Service has been able to secure the best level of service that operators were able to provide.

- The highway network continues to be inspected, maintained and repaired subject to available funding and additional funding is being sought through the Welsh Local Government Association for highway refurbishment.

- Climate change and carbon reduction has been prioritised. Since 2007 the Council has implemented a series of three 5-year Carbon Management Plans.

- In 2019, the Council declared a Climate Emergency and committed the Council to achieving Net Zero Carbon by 2030.

- Our programme of installing energy-saving LED bulbs in street lights has been completed. This involved replacing hundreds of bulbs around the county, resulting in a saving of over £2 million.

- In the last five years Ceredigion has consistently achieved one of the highest recycling rates in both Wales and the UK and is currently at 70.3% for the twelve months to June 2022, which is above the national average of 65.5% and third highest nationally. The high levels of recycling in the County divert waste away from landfill.

- The Council has delivered energy efficiency initiatives providing efficiency measures and advice in people's homes.

- Public transport infrastructure improvements have been delivered along the TrawsCymru corridor through Local Transport Funding.

- A new Net Carbon Zero Action Plan for Ceredigion Council has been published setting out its response to the county-wide climate emergency, explaining why we need to take this action and why the 2030 target is so important to tackling climate change.

- The Council has had a longstanding recognition of the importance of climate change and its long-term impact on communities and on the environment. It has an ongoing commitment to reduce its carbon footprint, which will benefit both the Authority and the wider community through reduced carbon emissions and also energy cost savings.

- As part of this commitment the Council is currently developing a three-phase roadmap to move towards its goal of achieving net zero carbon emissions status by 2030. This is a key priority for the Council and is consistent with Welsh Government's stated goal of decarbonisation of the Welsh public sector by 2030.

- The Waste Service has faced operational challenges during last winter, but new approaches have already been trialled to overcome some of these (e.g. bringing forward Bank Holiday collections) and recycling performance remains strong. 89.33% of waste collection routes collected on the scheduled day of collection, and 96.56% of waste collection routes collected on the scheduled week of collection.

- A new Waste Management Strategy will be forthcoming which will be used to review the service and prioritise where best to allocate resources. The Highways and Environmental Service is in the process of commissioning consultants to assist with the holistic review of the waste service.

- Following the successful application for funding in 2021, a sum of £420,000 has been awarded from the "Ultra Low Emissions Vehicle Transformation Fund" (ULEVTF) which has been used for the development of a Ceredigion ULEV Strategy in alignment with the Growing Mid Wales Energy Strategy for the development of ULEV work programmes.

- Ceredigion County Council has partnered with Silverstone Green Energy Limited as its charge-point operator and have begun to install EV charge-points in 11 public Pay and Display off-street car parks in the county. A significant growth in demand for public and private Electric Vehicle (EV) charge-points is forecast during the next 10 years as the sales of EVs increase.

- To date Ceredigion County Council have installed almost 450kW of solar panels

across a number of buildings, generating in excess of 400,000kWh of electricity. This has the potential to provide up to £113,000 of revenue savings per annum (at current prices).

- This Investment in carbon reduction equates to a cumulative 20.48% reduction in carbon emissions against a 15% target (2017/18 to 2021/22).

- Five of Ceredigion's most popular beaches will be flying Blue Flags once again in 2023 after receiving the award from Keep Wales Tidy. The Blue Flag beaches are Borth, Aberystwyth South, Llangrannog, Tresaith and Aberporth.

- A further four beaches have achieved Seaside Award status which are Aberystwyth North, New Quay Harbour, Traeth y Dolau, New Quay and Clarach. Beaches achieving Blue Flag and Green Coast award status must meet the highest "excellent" water quality standard and are judged for the provision of facilities for beach users and for demonstrating good management and safety provision.

- New Quay Traeth Gwyn, Cilborth, Llanrhystud, Mwnt and Penbryn have all won the Green Coast Award. The Seaside Award recognises beaches that have an overall "Good" standard of water quality, public facilities, safety provision and management.

- As a local authority , we have worked closely with developers and landlords to provide a range of affordable housing within the county. 657 net affordable homes have been completed since 2017.

- Significant lobbying by Ceredigion County Council and others has resulted in 40.9% coverage of full fibre broadband giving over 100 Mbps capability. Over the last two years, the provision of Fibre to the premises (FTTP) has increased from 28.3% to 40.9%.

- Following the completion of the Superfast

Cymru Programme it is expected that 90% of Ceredigion will be able to receive +30Mbps. Investment is taking place within the County with 4 differing alternative network providers proposing fibre projects across the County, with currently over 20 project areas being proposed and to be initiated in 2022 and 2023.

- The Council is currently developing a new Digital Strategy that will outline the high-level strategic direction and plans for its Information and Communications Technology (ICT) and digital delivery to customers.

- The Civil Contingencies Team prepare for and respond to civil contingency emergencies across the County. In order to achieve this, local exercising has been prioritised alongside regional exercising and training events. In addition, preparedness plans have been updated and reviewed over the past year along with updates to Business Continuity Plans.

- Air quality remained well within the legal limit for NO2 at all monitoring sites within the county. Monthly air quality monitoring is continuing along with annual reporting on trends.

- The Council is proactively working with Cadw (Welsh Government's historic environment service) and the Royal Commission on the Ancient and Historical Monuments of Wales "Historic Place Names Task and Finish Group".

- 67% of households supported by the Homelessness Team were successfully prevented from becoming homeless.

- Following extensive public engagement, Ceredigion County Council developed Active Travel Network Maps (ATNMs) which were approved by the Minister for Climate Change in August 2022. The maps

KEY ACHIEVEMENTS

70.3%
of waste recycled composted or reused for the twelve months to June 2022

1.8m
Total kilowatt hours of renewable energy generated by council assets

1.67
Days on average to clear fly -tips across the county

20.5%
Cumulative reduction in carbon emissions since 2017/18, above the target of 15%

14
Of Ceredigion's beaches recognised in this year's Wales Coast Awards

93.6%
Of category 1 highway defects repaired or made self by the end of the next working day

2
Regional Energy Efficiency awards to recognise the work in helping homeowners reduce their energy bills, tackle fuel poverty and reduce carbon emissions

40.9%
Provision of Fibre to the premises (FTTP) broadband, increased from 28.3%, due to investment in digital connectivity over the last two years

IMPROVING OUTCOMES

LOCAL AFFORDABLE HOUSING

A range of measures are used by the Housing service to maximise the availability of affordable housing in the county. This now includes a newly launched Community Housing Scheme using existing Council Tax Second Homes Premium monies.

In March 2022 the Council made a commitment to support the scheme which helps people meet their affordable housing needs in their local communities by creating a pathway to home ownership.

This is due to the increasing demand for rural properties and availability of affordable units in rural settlements. The scheme is designed to **prevent those eligible households from being priced out of the market**, **prevent further rural decline and depopulation,** and **provide new options for people to remain in their local community.** Schemes like this can lead to a greater sense of connection, leading to **long-term sustainability of a community**.

Funds raised from the Council Tax Second Homes Premium are ringfenced to fund the Community Housing scheme, to assist local residents purchase homes in the County by providing interest free shared equity loans. The scheme is due to be launched in September 2023.

RESPONSIBLE DEVELOPMENT

The new extension at Llwyn yr Eos School in Penparcau Aerystwyth, has become the Council's first net-zero building in operation.

Ground source heating and solar panels were installed as part of the scheme, and it is intended that this will set a benchmark for future building works undertaken by the Council in future.

Renewable energy is now also routinely being introduced as part of building refurbishment works and also as part of the 21st Century Schools programme. This demonstrates the Council's commitment to its carbon net zero target of 2030.

We know that children feel connected to their local natural environment and recognise the importance of protecting the environment for theirs and future generations. Climate change was recognised by children as the biggest challenge being faced currently in the Ceredigion Assessment of Local Well-being. Investing in renewable energy, reducing carbon emissions and proactively working with contractors to achieve the Council's net carbon zero ambitions will not only help to **protect the environment**, but also **reduce energy costs** and **lower its environment footprint**.

PROTECTING HISTORY AND CULTURE

The Street Naming and Numbering Policy has been updated to promote and facilitate the use of the Welsh language and to encourage homeowners to consider adopting Welsh house names, which may have linguistic origins, with reference to historical or cultural reference, within the geographical area.

This approach has received acknowledgement of good practice from Cymdeithas Enwau Lleoedd Cymru, who has asked for permission to share this good practice with other local authorities nationwide.

When house names are registered in Ceredigion, each applicant is informed of the Welsh language and culture of the area to help encourage the use of Welsh or historic names. The majority of house name applications in Ceredigion are Welsh and / or have historic significance.

This approach encourages the **retention of historical Welsh place names for future generations** and supports the national well-being goal of a **Wales of Vibrant Culture and Thriving Welsh Language**.

INCREASING ENERGY EFFICIENCY

In June 2022 at the Wales Regional Energy Efficiency Awards, Ceredigion County Council's Energy Efficiency Schemes scooped 2 awards.

The Energy Efficiency Awards recognise the work being undertaken by the energy efficiency sector in Wales. The measures were introduced to help homeowners **reduce their energy bills**, tackle **fuel poverty** and **reduce carbon emissions**.

The Council has been delivering the ECO Local Authority Flexibility scheme along with the Warm Homes Cozy Ceredigion Scheme for a number of years. These schemes have seen a number of insulation measures and heating systems being installed in properties improving their **energy efficiency**.

To date, the Council has invested over £5 million in energy efficiency and carbon reduction projects, and this investment has saved £2.8m to date.

DELIVERING SUSTAINABLE DEVELOPMENT

Overall assessment of the journey so far

Progress in meeting this objective is **good** and prospects for improvement are **very good**.

Ceredigion has taken a leading role in its ambitions to achieve net zero and protect its unique environment for future generations. Despite the challenges that exist in achieving net zero the steps to reduce our carbon footprint, improve active travel and connect communities are on track and further developments are planned in the year ahead.

The Council's Carbon Management Plan, Community Housing Scheme and continued high performance in recycling are examples of how Ceredigion is leading the way in delivering this objective.

LEADING THE WAY

MAXIMISING OUR CONTRIBUTION TO THE NATIONAL WELL-BEING GOALS

The **Creating sustainable, green and well-connected communities** corporate well-being objective supports the following national well-being goals. ▶

Prosperous
Resilient
Healthier
More Equal
Cohesive
Culture
Global

LONG-TERM

- Long-term planning to reduce carbon emissions will help protect our beautiful landscape for future generations
- Future trend analysis utilised in developing the Council's 5-Year Carbon Management Plan

PREVENTION

- Creating sustainable, green and well-connected communities focuses on preventing further impact on the environment, particularly reducing carbon emissions, but also the impact on biodiversity across the County
- Active travel is a key part of Ceredigion's strategy to improve health and well-being, and thus preventing health related problems in the future
- Being connected has come to the fore since the COVID-19 pandemic, and investment in connectivity will help to create stronger and more resilient communities

COLLABORATION

- Collaborative working with partners and stakeholders will help to ensure a coordinated approach to minimising the impact of climate change and that we all focus on more sustainable forms of energy in the future
- We are working on projects in partnership with colleagues on the Ceredigion Public Services Board, for example, in the development of the Penglais District Heating Project where all public sector organisations in the locality will be able to take advantage of green solutions to energy.

INVOLVEMENT

- Everyone is involved and encouraged to make choices that will reduce costs now and protect the environment for the future

INTEGRATION

- Decarbonisation, improving the health of the County through encouraging active travel, and improving connectivity has clear benefits for maximising our contribution to all of the well-being goals

LONGER-TERM ACHIEVEMENTS

210
Units of Social Housing developed

£3.5m
Warm Homes Fund for heating and insultations / upgrades

£510,853
Spent on 35 Home Improvement Loans

56
Units of Extra Care accommodation at the new Maes y Mor site

CONTRIBUTION TO THE NATIONAL WELL-BEING GOALS

The Well-being of Future Generations Act (Wales) 2015 seeks to improve the social, economic, environmental and cultural well-being of Wales by requiring public bodies to work together to create a sustainable Wales. It is intended to help to create a Wales that we all want to live in, now and in the future. There are 7 national well-being goals that set out a shared vision for all public bodies to work towards (shown right).

We know that we face challenges in Ceredigion - the COVID-19 pandemic has been unprecedented in its impact on all walks of life, but more recently the cost of living crisis is impacting many households in the County. Some of these issues have been exacerbated by the pandemic and have come to the fore such as housing affordability, while others remain a consistent challenge such as tackling poverty.

There is also the need to grow the local economy and create opportunities for local people to stay and thrive in their local communities. The County's changing demographics towards an ageing population and out-migration of younger people will have far-reaching impacts across the four pillars of well-being.

Ceredigion County Council has worked collaboratively with its local and regional partners to tackle these complex issues to create the Ceredigion that we want. Some examples are the Mid Wales Growth Deal leveraging significant funding for regeneration across the region, the coordinated response to the COVID-19 pandemic with a variety of partners across the County, and the Public Services Board Poverty Sub Group in tackling the impact of Poverty across the County.

The Council's 2021/22 Well-being Objectives focused on the immediate response to the

COVID-19 pandemic and supported the longer-term recovery. They were set based on evidenced local needs and on the views of local people. A variety of sources were used to determine these needs including the last Ceredigion Assessment of Local Well-being and Local Well-being Plan.

The Well-being Objectives will help us improve outcomes for local people and also maximise our contribution to the national Well-being Goals.

We monitor and review progress towards delivering the Objectives on a regular basis and produce an annual Self-Assessment Report in which we convey progress.

Ceredigion Public Services Board brings together the County's public service leadership and decision-makers, to improve the economic, social, environmental and cultural well-being of the County by strengthening joint working across the County's services.

Like the Council, its priorities were developed using the evidence and engagement feedback from key sources such as the Assessment of Local Well-being. This ensures that both Ceredigion County Council and Ceredigion Public Services Board's Well-being Objectives are aligned to focus on the priority needs of the County, and maximise the contribution to the national Well-being Goals.

Common themes such as tackling poverty, environmental responsibility, creating opportunities and providing the best start in life are all closely aligned and together allow us to provide a coordinated and shared response to improving well-being. The table overleaf demonstrates how Ceredigion's Well-being Objectives contribute to the 7 national Well-being Goals.

THE 7 NATIONAL WELL-BEING GOALS
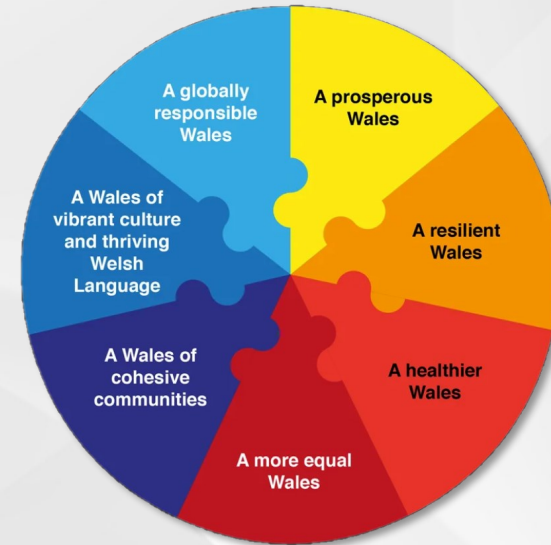
The Well-being of Future Generations (Wales) Act 2015 puts in place 7 Well-Being Goals.

The Act gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being.

It requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

▼ Well-being Goal	How the Council's Well-being Objectives contribute to the national Well-being Goals ▼
A Prosperous Wales	All of our Well-being Objectives reflect the importance of developing the local economy in Ceredigion. Enabling employment, developing skills, providing affordable housing, protecting the environment, supporting businesses and investing in regeneration will contribute to the national goal of a prosperous Wales. Supporting businesses to respond to the impacts of Covid-19 helps both the immediate response and the longer-term future as we seek to increase economic growth, create more and better paid jobs and support the workforce through opportunities for learning.
A Resilient Wales	Delivering our carbon net zero ambition, increasing opportunities for active travel and ensuring communities are well-connected will help to protect our natural environment and create strong and resilient communities. This contributes to the national well-being goal of creating a resilient Wales by reducing our impact on the environment and enhancing our capacity to adapt to change.
A Healthier Wales	Supporting learners in education and training, and protecting people from poverty, and the promotion of healthier, more active lifestyles seeks to build a healthier Ceredigion and a healthier Wales. It also enables independent living and provides early intervention and prevention services for the most vulnerable. Supporting citizens who have been disproportionately impacted by COVID-19 to improve their physical and emotional wellbeing will support other initiatives to deliver a healthier Wales.
A more Equal Wales	All of our Well-being Objectives seek to establish a more Equal Wales by ensuring equal opportunities for all in employment, housing, education, healthier lifestyles and sustainable communities.
A Wales of Cohesive Communities	Building the strength of our communities is a key feature in our Well-being Objectives. Providing support for our communities to be strong and well connected so that they are able to thrive despite Covid-19 will enhance the Wales of cohesive communities.
A Wales of Vibrant culture and thriving Welsh language	The Council continues to promote the distinct and vibrant bilingual culture and identity of Ceredigion. The cultural pillar of Well-being was highlighted as being particularly important to Citizens in the Ceredigion Assessment of Local Well-being, and further measures to promote bilingualism and the Welsh Language are in place.
A Globally responsible Wales	In considering our Wellbeing Objectives we have taken into account the Ceredigion Assessment of Local Well-being and engagement activity to ensure we can make a positive contribution to global well-being. Support for active travel, other modes of transport and new ways of working that build on our zero-carbon ambition continues our work in this area.

THE SUSTAINABLE DEVELOPMENT PRINCIPLE

The Well-being of Future Generations (Wales) Act 2015 introduced the Sustainable Development Principle and outlines the 5 Ways of Working that all public bodies must adopt. Sustainable development is the central organising principle that shapes what we do and how we do it.

In essence, it means we must strive to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. This approach provides an opportunity for innovative thinking, reflecting the way we live our lives and what we expect of our public services

We have embedded the principle across the Council and adopt the principle in the planning and delivery of our Well-being Objectives.

Some of the ways in which we have used the Sustainable Development Principle are outlined right.

	Ways of Working	How the Council has demonstrated the Sustainable Development Principle
	Long term Looking to the long term so that we do not compromise the ability of future generations to meet their own needs	• Medium Term Financial Planning ensures that decisions consider the impact on future generations. • Workforce Planning ensures the development of workforce skills for the future and ensures services are sustainable over the longer term. • The Council's Corporate Strategy seeks to improve the social, economic, environmental and cultural well-being of Ceredigion over the next 5 years and beyond. • The recovery from the COVID-19 pandemic is projected to last for a number of years and our plans to tackle poverty and take a long-term approach to economic development reflect this.
	Integrated Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their Wellbeing Objectives	• The Well-being Objectives are aligned with those of the Ceredigion Public Services Board which promotes a shared understanding and coordinated response to the challenges Ceredigion faces to improve the well-being of citizens.
	Involvement Involving a diversity of the population in the decisions that affect them	• The Council's Corporate Strategy has taken into account the Public Services Board's Assessment of Local Well-being, which has been produced following extensive engagement with citizens, including those with protected characteristics. • The Council consults on an annual basis with citizens and its engagement groups on the review and setting of its annual Well-being Objectives. • The Council's Engagement and Participation Strategy will help to ensure the voices of all groups in Ceredigion are heard.
	Collaborative Working with others in a collaborative way to find shared sustainable solutions	The Council actively supports, amongst others, the following partnerships: • The Growing Mid Wales Partnership • The Ceredigion Public Services Board • The Community Safety Partnership The Council worked alongside Hywel Dda University Health Board and other partners in responding to COVID-19, including the setting up of two temporary hospitals, mass vaccination centres and a multi-agency panel to ensure the safe re-opening of community venues.
	Prevention Understanding the root causes of issues to prevent them from occurring	• The Council's Well-being Objectives have been set in order to prevent problems from occurring or getting worse. These include addressing the effects of poverty, the issues of rurality and improving the well-being of people of all ages, from early years through to older age. • The Through Age Model provides a coordinated approach to social care in order to prevent, reduce or delay the need for ongoing support, and allow people to remain in their own homes.

JOINING UP OUR PLANS - LINKS TO KEY RESOURCES

KEY RESOURCES

Our Self-Assessment Report discharges our duties under the Local Government and Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) 2015 in respect of the Council's performance and the setting and review of well-being objectives.

The requirements of Self-Assessment align with, and support, the duties outlined in other Acts. The following pages provide a summary of these duties and the Council's appropriate policy or strategy in place to respond to the duty.

- Equalities
- Welsh Language
- Finance
- Procurement
- Governance
- Asset Management
- Human Resources
- Through-Age Well-being
- Economy
- Tackling Hardship
- Hybrid Working Strategy
- Housing

EQUALITIES

The Council's **Strategic Equality Plan** (SEP), sets out how we, as Ceredigion County Council, will ensure that our actions are fair to all. Being treated fairly and with respect is relevant to all of us and to our families and friends. The five Equality Objectives of the Strategy are:

- An exemplar equal opportunities employer
- Fostering good relations and tackling prejudice
- Engagement and participation
- Dignity, respect and access to services
- Fair and inclusive education

The Equality Act 2010 brings together and replaces previous anti-discrimination laws within a single act. It simplifies and strengthens the law and makes it easier for people to understand and comply with it. The Act protects the rights of individuals and advances equality of opportunity for all. It includes a general duty on public sector organisations to 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 by tackling prejudice and promoting understanding.

Public sector bodies are required to review their Strategic Equality Objectives and action plan every four years. To do this, we carry out consultation and engagement with our local communities to inform the plan and the objectives. The Mid and West Wales Regional Equality, Diversity and Inclusion Group, of which Ceredigion Council is a member, agreed to take a regional approach to this piece of work. The regional engagement and consultation plan was developed in Q4 of 2022 -23 and will be implemented during 2023-24 in order that our updated Strategic Equality Plans are ready for publishing by 31st March 2024.

WELSH LANGUAGE

To sustain viable Welsh communities where Welsh is a natural language of communication in Ceredigion, the Council's **Language Strategy** recognises three key areas of priority; they are to:

- Increase the Welsh Language skills of the people of Ceredigion,
- To increase opportunities to use the Welsh Language, and
- To create favourable conditions that will enable the Welsh Language to thrive in Ceredigion.

It is acknowledged that the sustainability of the Welsh language depends on the process of strengthening Welsh communities through providing educational, cultural and social opportunities to use the language daily.

In accordance with the Welsh Language Standards, the strategy sets out how the Council will encourage the Welsh language and facilitate its use more broadly within the local area, through cooperating with organisations that are members of Ceredigion's Bilingual Futures Language Forum. The Strategy supports the Council's overall vision to deliver value for money, sustainable bilingual public services, and also the Welsh Government's vision to achieve a million of Welsh speakers in Wales by 2050.

The Council believes that the publication of the Welsh Government's Cymraeg 2050 strategy, alongside the implementation of the Welsh Language Strategy in Ceredigion, has instigated some change in attitudes towards the Welsh language, and as a result, the number of people wishing to learn and speak the language in Ceredigion has increased. A summary of the main achievements of implementing the Language Strategy are:

- The Ceredigion Association of Voluntary Organisations (CAVO) was one of the first county voluntary councils in Wales to earn recognition via the Welsh Language Commissioner's Welsh Offer scheme
- Natural Resources Wales won the Work Welsh Employer of the Year Award in 2022
- Hywel Dda Health Board has signed up to the Work Welsh scheme to provide confidence building courses for 100 of their staff
- Coleg Ceredigion has put a policy in place, requiring all staff to follow an internal training programme to create bilingual classes, 'Basic, Better, Best'
- The Council analysed the 2021 Census data as regards its implications on language use in Ceredigion and the full report was published on the Council's website, and results shared widely with partners
- Aberystwyth University has been investing in large-scale developments that support the use of the Welsh language including the welcoming of its first nursing students who will receive training to become Adult and Mental Health Nurses and will be able to study through the medium of Welsh.

The Language Strategy and **Action Plan** will be reviewed during 2023 and an updated Strategy published in early 2024 covering the next five years.

FINANCE

The **Medium Term Financial Strategy** provides a financial governance framework to operate within by setting out the issues that are considered and taken into account for financial planning for the medium term.

JOINING UP OUR PLANS - LINKS TO KEY RESOURCES

By bringing together financial assumptions; standards of service delivery; demographic needs; and workforce planning issues into this document it is expected that the Council will be better able to consider overall management of its resources to meet its objectives.

The Council's financial objective is for the careful and responsible use of resources and to ensure that the financial resilience of the Council is maintained and strengthened.

Understanding the overall financial context is important in order to deliver a robust and balanced budget during the next few years as it is recognised that funding for the Public Sector will be limited. The financial forecast includes a three year budget forecast. Despite the challenges that exist, from this challenge there are opportunities arising by considering how services can be delivered differently and better, and ensuring greater value for money for the taxpayer. A transformation savings plan has also been prepared and is being implemented, although Covid-19 has impacted on the timescales envisaged.

PROCUREMENT

The Council's vision for procurement, as published in its **Procurement Strategy**, is to achieve value for money through the effective procurement of its service requirements, and to demonstrate continuous improvement in its procurement activity.

The Council incurs annual third party expenditure of more than £60m while delivering wide-ranging public services. Through careful strategic procurement planning, this expenditure is targeted to support the delivery of the Council's overall vision and Corporate Well-being Objectives. The Council's Procurement Strategy aims to:

- Provide value for money by basing procurement decisions on an appropriate combination of quality and price.

- Deliver outcome focused public services procured with the needs of service users in mind and in the language of their choice, through consultation and incorporating the Welsh Language (Wales) Measure (2011) into contracts.

- Support a healthy environment through procuring sustainable solutions and by pre-qualifying prospective suppliers on their sustainability records and values.

- Maximise the contribution towards sustainable development through embedding the Wellbeing of Future Generations (Wales) Act 2015 Sustainable Development Principles in Procurement processes.

During 2023/24, we will be reviewing and updating the Procurement Strategy as part of its standard five-year review to ensure it is up to date and fit for purpose. The aim of the review will be to ensure that the strategy continues to support local businesses and the wider local economy, and ensure the Council provides value for money in the use of its financial resources.

GOVERNANCE

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

This means ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Its governance arrangements support the delivery of its Corporate Well-being Objectives and its ongoing commitment to improving the social, economic, environmental and cultural wellbeing of the County.

The Council's **Local Code of Corporate Governance** ensures that the Council is doing the right things, in the right way, in line with its values. The Local Code is supported by a **Governance Assurance Framework** that sets out what assurances the Council seeks to obtain, and how this will be done.

The Local Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Council has in place. It is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016. The most recent 2022/23 Code has been reviewed to take account of ongoing changes to governance due to the COVID-19 pandemic.

An annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance Framework document has been conducted. This is the **Annual Governance Statement**. The review process involves a member/officer workshop in which the Council's Governance Framework Document is analysed and reviewed. The review of the 2021/22 Framework was approved by Council in July 2022 and provided 'high' assurance that there was a sound system of scrutiny and robustness in place. All Councils Officers must comply with the **Code of Conduct for local Government Employees**, while the Council's Councillors must comply with the **Code of Conduct for Members**.

ASSET MANAGEMENT

The purpose of the Council's **Asset Development Policy** is to set out Ceredigion County Council's approach to optimising its assets through leasing, disposals and acquisition in pursuit of its priorities and objectives. The key objectives of the Policy are:

- To set out key steps in the Asset Development review process.

- To set a strategic context to the management of vacant or underused land and buildings.
- To ensure that Ceredigion County Council has the most appropriate and effective asset portfolio in relation to its aims.
- To maximise revenue from assets owned by the Council.
- To identify assets that are surplus to requirements for original use and to maximise income through their development and / or disposal.
- To add to the asset portfolio where appropriate to achieve corporate aims.

The Council uses a range of different actions to deliver these objectives, including the disposal of land and buildings that are vacant or deemed to be surplus to requirements, investing in land and buildings to increase income through lease agreements and investing to develop land and buildings for alternative commercial or other uses in-line with the Council's Corporate Well-being Objectives.

Crucially, it also considers the Council's use of space. This is important because during 2023/24 we will be reviewing the Policy and publishing a new Asset Management Plan to reflect current issues. In particular, this will involve supporting the Council's new ways of working, investing in new technology and repurposing our assets to transform the way services are provided to our customers to ensure sustainable and high quality services for the long term.

HUMAN RESOURCES

Underpinning the success of the Council's Corporate Strategy is a high performing workforce, operating in a way that is innovative, digitally mature and sustainable. To achieve this, a **Workforce Plan** is in place, that outlines the Council's approach to managing its workforce to meet its current and future service delivery needs. It involves analysing the organisation's

workforce requirements, identifying any gaps, and focussing on the development plans to address them.

During 2023, the Workforce Plan is being updated to address key issues including recruitment, retention and succession planning to ensure stable staffing levels, a sustainable workforce and that vacant posts are filled with appropriately qualified staff. Following the publication of the new Corporate Strategy 2022-27, the updated Workforce Plan will be aligned to the new Corporate Well-being Objectives. It will also support the Council's new ways of working and the realisation of the benefits including increased productivity, reduced travelling and improved work life balance.

The updated **Workforce Plan 2023-2028** recognises the achievements over the course of the previous plan, the link with other corporate strategies, our workforce profile and sets out four key themed priorities to meet the identified challenges.

The four themed priorities set out in the plan are:

1. Realising Potential

2. Candidate Experience and Talent Attraction

3. New Ways of Working

4. Our Culture

The Workforce Plan 2023-2028 sets out an overview of each theme before detailing the actions which will be taken to meet the requirements of the Plan. A set of proposed measures are included at end of the document to allow effective monitoring of progress over the course of the three-year plan. The updated Workforce Plan is scheduled to go through the democratic process for approval during the summer of 2023.

THROUGH AGE WELL-BEING

Providing support for all ages and needs is a significant challenge for the Council with limited resources. The profile of society and demographics have changed considerably over the last decade with a significant increase in the prevalence and impact of substance misuse, poor mental health and domestic abuse and older age groups living in Ceredigion. As a consequence, demand for certain services has increased placing a greater financial pressure on those service areas.

The **Through Age Well-being Strategy** sets out the vision and approach that will be taken to transform how the well-being and safety of the people of Ceredigion is supported.

To achieve our vision we have developed a Through Age Well-being operating model that is designed to ensure people get the right level and type of support, at the right time, to prevent, reduce or delay the need for ongoing support, to maximise people's independence and to be able to remain in their own home in their own community wherever possible.

ECONOMY

Ceredigion's **Economic Strategy** was published in March 2021. It sets out a framework for action covering the fifteen year period to 2035, outlining out how we will work together towards achieving strong, sustainable and more resilient economic growth for Ceredigion, created and shared by all.

It highlights the actions that will address the challenges and opportunities that exist in the local economy, and focuses on four main priority areas of People, Enterprise, Place and Connectivity, with each section outlining some of the early interventions considered.

Work will continue on developing the detailed implementation plans during 2023/24. Many initiatives have already been developed and implemented under the strategic direction set by the Economic Strategy. A significant amount of external funding has been secured from a range of key stakeholder organisations, which will enable the building blocks for further economic growth to be put in place. The Strategy provides an exciting opportunity to build on Ceredigion's solid foundations and support an ambitious thriving economy for the future.

TACKLING HARDSHIP & POVERTY

The Ceredigion **Local Well-being Plan 2023-28** contains four well-being objectives plus a cross-cutting theme on tackling hardship and poverty because it links to each of the objectives covering economic, social, environmental and cultural well-being.

The Ceredigion Public Services Board (PSB) will prioritise tackling hardship and poverty in response to the cost of living crisis, cross referencing with economic, social, environmental and cultural well-being pillars. The mechanism for implementing the tackling hardship and poverty theme is through the PSB's Poverty Sub-Group which consists of a network of partner organisations who scrutinise the work of the PSB to enhance the work undertaken to combat poverty across each of the four objectives.

HYBRID WORKING

The **Interim Hybrid Working Strategy** sets out the vision and approach that will be taken to ensure the Council has a workforce with the skills and ability to work in a way that is fit for the organisation's future.

Having responded well to the initial challenges posed by the pandemic, focus shifted to how the Council could learn and build from the experience. Using research findings and staff engagement, the Hybrid Working Strategy was developed setting out the principles and implementation process of a hybrid working model that maintains the required high level of service delivery whilst also providing employees with greater flexibility in balancing their work and home lives.

The interim policy will be in place for 12 months to allow for hybrid working to be trialled as the managers and our workforce identify an effective new way of working post-pandemic. As the interim period comes to an end during 2023, a review of the working arrangements will be conducted with a view to developing a permanent Hybrid Working Policy.

HOUSING

An updated **Housing Strategy 2023-28** has been developed during 2023 which sets out the Council's housing vision and ambitions for the period 2023 to 2028. We are currently consulting on the new strategy and will take it forward for adoption in October 2023.

The vision of the new strategy is: *there will be sufficient suitable and sustainable accommodation to meet residents' needs now and in the future*. We recognise the important role that housing plays together with the influence it has on the health and well-being of individuals, families and the wider community.

It responds to key challenges including the national picture of the economic recession, legislative changes, the recovery from the COVID-19 pandemic and the phosphates issues affecting development in the County, that all play their part in affecting housing Ceredigion.

The two main priorities of the new Strategy are:

- Increasing supply and improving housing conditions
- Supporting residents in their own homes and communities.

The existing **Housing Strategy**, which ends in 2023 is available on the Council's website.

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OUR PERFORMANCE

How We Benchmark Performance

The Council routinely monitors and benchmarks its performance as part of its ongoing performance management arrangements. Performance benchmarking contributes to our overall effectiveness and efficiency by allowing us to identify best practice and opportunities for improvement.

With the change in legislation concerning the performance regime for principal councils in 2021, the national set of Performance Accountability Measures (PAMs) used across all twenty-two councils in Wales were removed. Historically, Ceredigion had performed well against these measures. In the final full year of recording the PAMs in 2019/20, twenty-one measures were collected, with Ceredigion achieving 14 or

72% on target, with a further 3 or 14% slightly off target and 4 or 13% were significantly off-target.

Following the change in legislation, we now use four main forms of routine benchmarking; our Level 1 Business Plan measures, a set of key benchmarking measures, a set of community benchmarking measures and a periodic assessment of our individual performance against the national well-being indicators. The following pages provide a summary of these results.

Business Plan Performance

Our business plan performance is monitored through the Performance Board, and on an ongoing basis, by Leadership Group. At the end of 2022/23 our performance shows that 72% of our measures were on target and

71% of our objectives were either complete or on schedule (see charts below left). The measures and objectives off-target are scrutinised in more detail by the Performance Board and Leadership Group.

Value for Money

Value for Money can be defined as the relationship between Economy, Efficiency and Effectiveness. It is a term used to

assess whether the Council has obtained the maximum benefit from the goods and services it procures and provides within the constraint of the limited resources facing the Council.
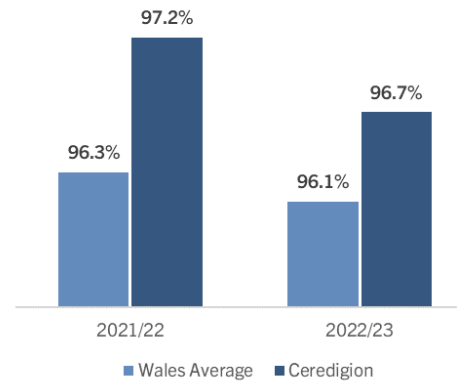
For example, two key measures of efficiency, the collection of Council Tax and Non-domestic (business) rates, both remain above average, although collection rates nationally were affected by the COVID-19 Pandemic.

BUSNESS PLAN MEASURES COMPARED TO TARGET 2022/23
20, 26, 117

- On target: **117** (72%)
- Off target by less than 15%: **26** (16%)
- Off target by more than 15%: **20** (12%)

BUSINESS PLAN OBJECTIVES PROGRESS 2022/23
9, 75, 206

- On schedule / complete: **206** (71%)
- In progress but behind schedule: **75** (26%)
- Not started / not complete **9** (3%)

Council Tax Collection Rate

2021/22: Wales Average 96.3%, Ceredigion 97.2%
2022/23: Wales Average 96.1%, Ceredigion 96.7%

■ Wales Average ■ Ceredigion

Band D Council Tax Rate

2022/23: Wales Average £1,777, Ceredigion £1,777
2023/24: Wales Average £1,879, Ceredigion £1,908

■ Wales Average ■ Ceredigion
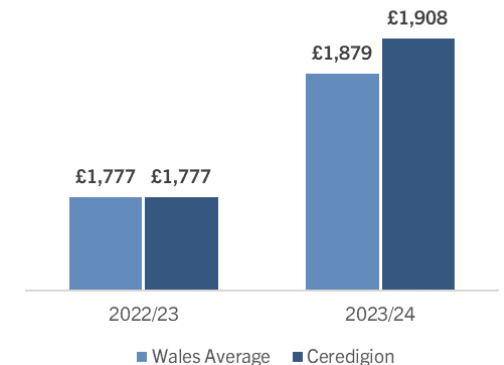
Non-Domestic Rates Collection

2021/22: Wales Average 95.9%, Ceredigion 97.5%
2022/23: Wales Average 95.5%, Ceredigion 97.6%

■ Wales Average ■ Ceredigion

Revenue Outturn Expenditure Per Head

2020/21: Wales Average £2,872, Ceredigion £2,697
2021/22: Wales Average £2,996, Ceredigion £2,843

■ Wales Average ■ Ceredigion
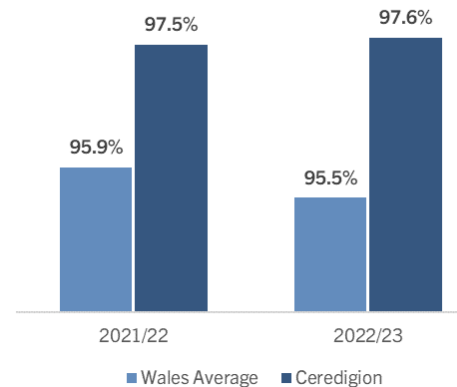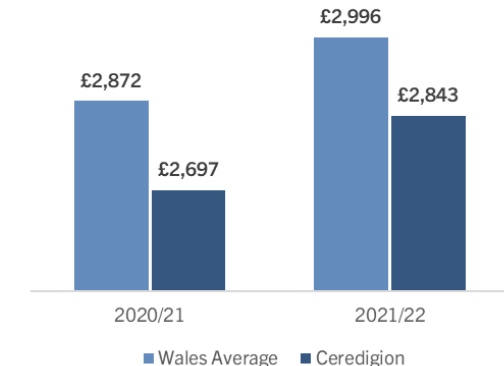
The average Band 'D' Council Tax, often used as a comparator between different counties, shows that current rates are slightly higher than the national average across Wales at £1,908, while our cumulative savings made over the last ten years total £60m through restructuring, service-redesign and transformation projects. Revenue outturn expenditure per head was £2,843 for the last full year and budgeted expenditure for the current 2023/24 year is £3,173.

Key Performance Measures

The Council uses a variety of performance indicators to monitor how well our services are performing in meeting the needs of service users and to measure their efficiency and value for money.

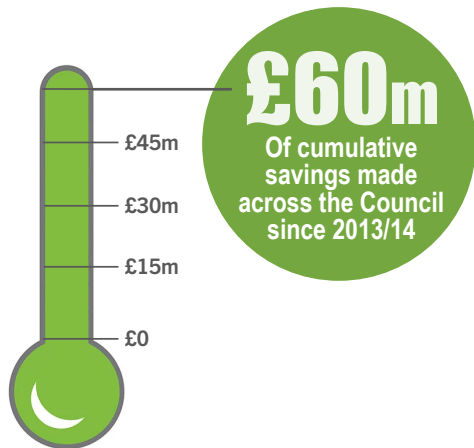They measure performance across a wide range of Council services including: financial management, education, housing, leisure services, waste management and street cleansing. The following pages (49-50)

provide a selection of these measures, showing the Council's performance compared to its nearest neighbours in the mid and south west Wales regions. Data is provided for the latest full year results and the time period covered is noted on the individual chart.

Well-being of Wales National Indicators

The 46 national well-being indicators are designed to represent the outcomes for Wales and its people that will help demonstrate progress towards the 7 National Well-being Goals.

They are not performance indicators specifically for the Council, they are county-wide results, to which the Council, along with other public bodies, contribute. We, do however, periodically review Ceredigion's contribution to these indicators. The last of these exercises was conducted in 2022 as Appendix 9 to the Ceredigion Assessment of Local Well-being 2022.

The annual 'Wellbeing of Wales' report provides an update on progress made in Wales towards the achievement of the 7 National Well-being Goals which draws on the latest national indicators results.
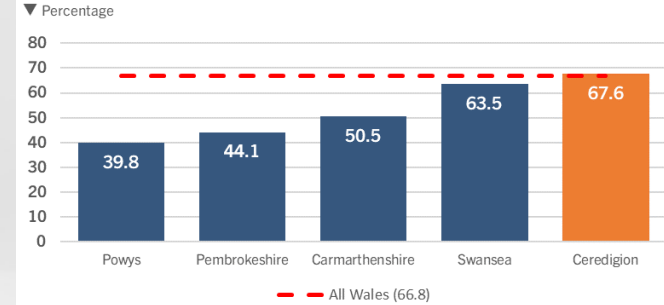
Future Plans

The Council is proactively working with Data Cymru and all 21 other councils nationwide to support the development of the new Self-Assessment Data Tool. The Tool, developed by Data Cymru, provides access to a wide range of performance data across local government services.

Further work will take place during 2023 and 2024 to strengthen the measures and fill gaps in data such as in assessing value for money, asset management and consultation.

£60m
Of cumulative savings made across the Council since 2013/14

£45m
£30m
£15m
£0

KEY PERFORMANCE MEASURES

Homelessness Prevention
% of households successfully prevented from becoming homeless (2021/22)
▼ Percentage

Powys 39.8	Pembrokeshire 44.1	Carmarthenshire 50.5	Swansea 63.5	Ceredigion 67.6

— — All Wales (66.8)

Recycling
Percentage of municipal waste reused, recycled or composted (2021/22)
▼ Percentage

Carmarthenshire 61.8	Swansea 65.1	Powys 66.8	Ceredigion 69.6	Pembrokeshire 73.2

— — All Wales (65.2)
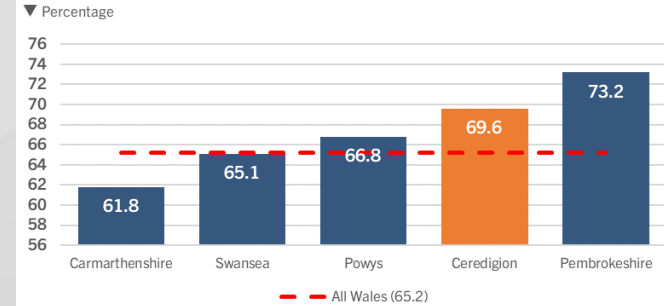
Waste Collection
Kilograms of household waste generated per person (2021/22)
▼ Kgs

Powys 144	Swansea 154	Carmarthenshire 154	Pembrokeshire 200	Ceredigion 205

— — All Wales (178)
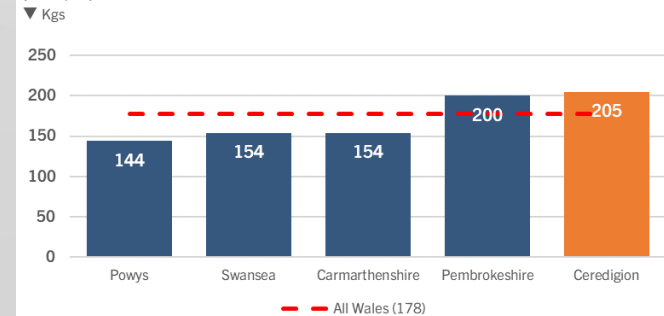
KEY PERFORMANCE MEASURES

Fly-tipping
Number of recorded fly-tipping incidents per 1,000 population (2021/22)
▼ Number

Ceredigion	Powys	Pembrokeshire	Swansea	Carmarthenshire
1.9	3.1	5.3	7.5	25.5

— All Wales (13.3)

Community Learning
Number of learners enrolled in local authority community learning per 1,000 population (2021/22)
▼ Number

Powys	Carmarthenshire	Swanesea	Ceredigion	Pembrokeshire
1.3	2.6	2.8	4.7	11.2

— All Wales (3.3)

School Counselling
Number of children and young people who received counselling in Wales per 1,000 population aged 10-18 (2021/22)
▼ Number

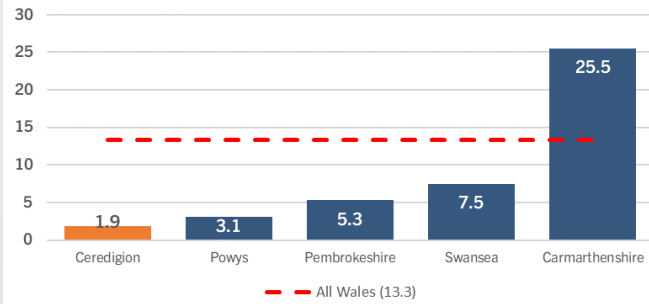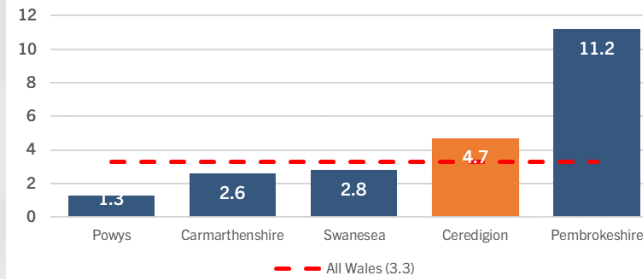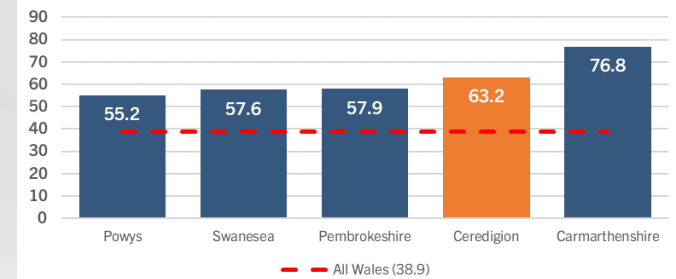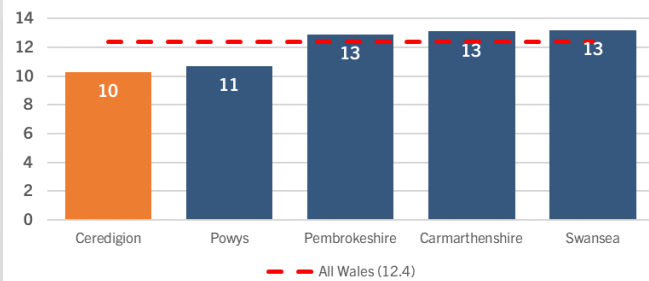| Powys	Swanesea	Pembrokeshire	Ceredigion	Carmarthenshire
55.2	57.6	57.9	63.2	76.8

— All Wales (38.9)

Apprenticeships
Number of learners enrolled on apprenticeship programmes per 1,000 population (2021/22)
▼ Number

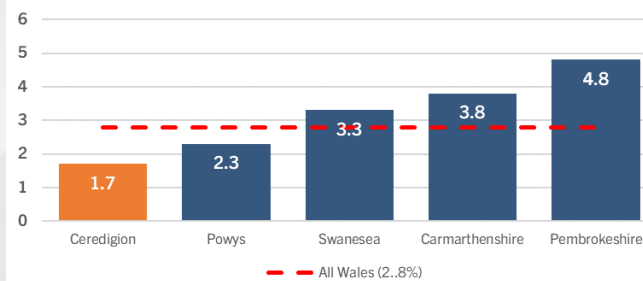| Ceredigion	Powys	Pembrokeshire	Carmarthenshire	Swansea
10	11	13	13	13

— All Wales (12.4)

Not in Education Employment or Training (NEET)
Year 13 school leavers known not to be in Education, Training or Employment (2022)
▼ Percentage

Ceredigion	Powys	Swanesea	Carmarthenshire	Pembrokeshire
1.7	2.3	3.3	3.8	4.8

— All Wales (2..8%)

Welsh Medium Schools
Percentage of primary schools that are Welsh medium (2021-22)
▼ Percentage

Swanesea	Powys	Pembrokeshire	Carmarthenshire	Ceredigion
13.0	13.2	26.9	59.6	86.1

— All Wales (28.9)

Complaints Received by the Local Authority
Number of complaints received per 1,000 residents (2022/23)
▼ Number

Carmarthenshire	Powys	Pembrokeshire	Swansea	Ceredigion
0.28	0.29	0.36	0.39	0.49

— All Wales (0.33)

Free School Meals
Percentage of eligible pupils who took up the offer of a free school meal (2021/22)
▼ Percentage

Powys	Carmarthenshire	Swansea	Pembrokeshire	Ceredigion
67.0	68.3	74.2	82.7	86.5

— All Wales (72.8%)

Council Tax Collection
Percentage of Council Tax collected (2022-2023)
▼ Percentage

Swanesea	Ceredigion	Pembrokeshire	Powys	Carmarthenshire
94.4	96.7	97.1	97.2	97.3

— All Wales (96.1%)

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WIDER COMMUNITY MEASURES

Business Survival
1 year survival percentage of new enterprises in 2020
(Business Demography 2021, ONS)
▼ Percentage

Swanesea	Carmarthenshire	Pembrokeshire	Powys	Ceredigion
88.4	95.0	96.0	96.3	97.4

General Health
Percentage of population in good or very good health
(ONS Census 2021)
▼ Percentage

Carmarthenshire	Pembrokeshire	Swansea	Ceredigion	Powys
76.8	78.1	78.6	78.7	79.0

- - - All Wales (78.6)

Satisfaction with Local Area
Percentage of adults (16+) satisfied with their local area as a place to live
(National Survey for Wales 2021-2022)
▼ Percentage

Swansea	Carmarthenshire	Pembrokeshire	Ceredigion	Powys
90.1	90.3	92.3	92.7	94.9

- - - All Wales (88.6%)

Employment Rate
Employment rate January 2022 to December 2022
(ONS Annual Population Survey)
▼ Percentage

Carmarthenshire	Powys	Ceredigion	Pembrokeshire	Swanesea
72.3	73.1	73.2	73.7	76.1

- - - All Wales (73.3)

Healthy Behaviours
Percentage of people who have two or more healthy behaviours
(National Survey for Wales 2021-22 & 2022/23)
▼ Percentage

Pembrokeshire	Carmarthenshire	Ceredigion	Swanesea	Powys
91.9	92.5	94.3	94.4	94.8

- - - All Wales (92.6)

Community Cohesion
Percentage of people agreeing that they belong to the area; that people from different backgrounds get on well together; and that people treat each other with respect
(National Survey for Wales 2021/22)
▼ Percentage

Swansea	Carmarthenshire	Ceredigion	Powys	Pembrokeshire
59.3	68.0	69.2	70.6	77.6

- - - All Wales (64.5)

Unemployment
Unemployment rate January 2022 to December 2022
(ONS Annual Population Survey)
▼ Percentage

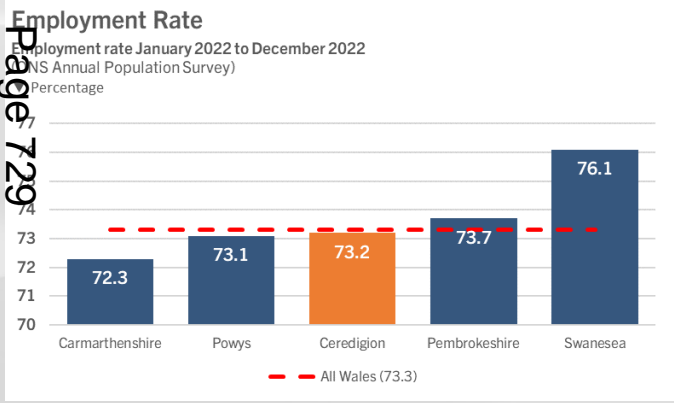| Ceredigion	Powys	Carmarthenshire	Swanesea	Pembrokeshire
2.6	2.8	3.0	3.4	3.5

- - - All Wales (3.0)

Skills and Qualifications
Percentage of working age adults qualified to Level 2 or above
(Year ending December 2022)
▼ Percentage

Pembrokeshire	Swansea	Carmarthenshire	Ceredigion	Powys
85.9	88.3	89.3	91.7	92.3

- - - All Wales (86.6)

Decision Making
Percentage of people who feel able to infuence decisions affecting their local areas
(National Survey for Wales 2021/22)
▼ Percentage

Powys	Ceredigion	Pembrokeshire	Carmarthenshire	Swansea
23.1	28.0	28.4	31.6	33.4

- - - All Wales (29.7)

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Have your say

We welcome your views on this report and the Council's performance. Please get in touch at any time.

Contact Us

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A **Plain Text Version** or **Easy Read Version** of this document is available from Ceredigion County Council

www.ceredigion.gov.uk

24th January 2024 Governance and Audit Committee Forward Work Programme

Standing Items:
Regulatory & Inspectorate Reports & Council Responses
Internal Audit Progress Reports
AGS Progress Report
Corporate Risk Register
Forward Work Programme
GAC Meeting Actions Log
Complaints Reports
Performance Reports

Additional items for consideration

February 2024	Annual Financial Statement only (to include AGS)	Duncan Hall
March 2024	Draft Annual Governance Statement 2023-24	Katy Sinnett-Jones
	Governance Framework and Local Code	Katy Sinnett-Jones
	Internal Audit Progress Report – Q3	Alex Jenkins
	Internal Audit Strategy and Plan 2024-2025	Alex Jenkins
	Internal Audit Report – Governance Framework Review 2023/2024	Alex Jenkins
	Internal Audit National Fraud Initiative Self-Assessment	Alex Jenkins
	Corporate Risk Register – Q3	Alun Williams
June 2024	Governance & Audit Committee Annual Report 2023-24	Katy Sinnett-Jones
	Internal Audit Progress Report – Q4	Alex Jenkins
	Internal Audit Management Actions Report	Alex Jenkins
	Internal Audit Annual Report	Alex Jenkins
	Internal Audit Annual Counter Fraud Report 2023-2024	Alex Jenkins
	Corporate Risk Register – Q4	Alun Williams
September 2024	Self-Assessment of good practice and evaluating effectiveness of Governance and Audit Committee	Katy Sinnett-Jones
	Internal Audit Progress Report – Q1	Alex Jenkins
	Internal Audit Self-Assessment 2023-2024	Alex Jenkins
	Corporate Risk Register – Q1	Alun Williams
	Annual Compliments, Complaints and FOI Report	Marie-Neige Hadfield
	Ceredigion County Council Draft Self-Assessment	Rob Starr
January 2025	Draft Annual Governance Statement 2023-24	Katy Sinnett-Jones
	Governance Framework and Local Code	Katy Sinnett-Jones
	Internal Audit Progress Report – Q2	Alex Jenkins
	Internal Audit Management Actions Report	Alex Jenkins
	Internal Audit Charter	Alex Jenkins
	Internal Audit National Fraud Initiative Self-Appraisal	Alex Jenkins
	Corporate Risk Register – Q2	Alun Williams

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