

Agenda – Public Accounts Committee

Meeting Venue:	For further information contact:
Committee Room 3 – Senedd	Fay Buckle
Meeting date: Monday, 12 December 2016	Committee Clerk 0300 200 6565
Meeting time: 13.45	SeneddPAC@assembly.wales

1 Introductions, apologies, substitutions and declarations of interest

(14.00)

2 Paper(s) to note

(14.00 – 14.10)

(Pages 1 – 3)

Valedictory session: Additional information from Sir Derek Jones, Permanent Secretary, Welsh Government (24 November 2016)

(Pages 4 – 7)

Cardiff Airport: Additional information from the Welsh Government (28 November 2016)

(Pages 8 – 19)

Inquiry into value for money of Motorway and Trunk Road Investment: Additional information from the Welsh Government (28 November 2016)

(Page 20)

The Welsh Government’s Funding of Kancoat Ltd: Additional information from the Welsh Government (29 November 2016)

(Pages 21 – 72)

Governance Arrangements at Betsi Cadwaladr University Health Board: Additional information from Healthcare Inspectorate Wales (28 November 2016)

(Page 73)

Governance Arrangements at Betsi Cadwaladr University Health Board: Additional information from the Welsh Government (29 November 2016)

(Pages 74 – 86)



Welsh Government historic debt: Letter from Simon Thomas AM, Chair of Finance Committee (29 November 2016)

(Pages 87 – 88)

**Welsh Government investment in next generation broadband infrastructure:
Additional information from the Welsh Government (30 November 2016)**

(Pages 89 – 91)

Auditor General for Wales Report: Preparedness for the introduction of fiscal powers

(Pages 92 – 120)

3 Coastal flood and erosion risk management in Wales

(14.10 – 15.15)

(Pages 121 – 236)

Research Briefing

PAC(5)-12-16 Paper 1 – Letter from the Welsh Government

James Price – Deputy Permanent Secretary, Economy, Skills and Natural Resources Group, Welsh Government

Matthew Quinn – Director, Environment & Sustainable Development, Welsh Government

James Morris – Head of the Flood & Coastal Erosion Risk Management Team, Welsh Government

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

(15.15)

Items 5, 6, 7, 8, & 9 of today's meeting and the meeting on 9 January 2017

(15.15 – 15.25 Break)

**5 Coastal flood and erosion risk management in Wales:
Consideration of evidence received**

(15.25 – 15.40)

6 Community Safety in Wales: Auditor General for Wales Report

(15.40 – 15.55)

(Pages 237 – 329)

Research Briefing

PAC(5)-12-16 Paper 2 – Auditor General for Wales Report

PAC(5)-12-16 Paper 3 – Welsh Government response to the Auditor General for Wales's Report

**7 The strategic approach of councils to income generation and
charging: Auditor General for Wales report**

(15.55–16.10)

(Pages 330 – 409)

Research Briefing

PAC(5)-12-16 Paper 4 – Auditor General for Wales Report

PAC(5)-12-16 Paper 5 – Welsh Government response to the Auditor General for Wales's Report

8 Hospital Catering and Patient Nutrition: Key issues

(16.10 – 16.40)

(Pages 410 – 505)

PAC(5)-12-16 Paper 6 – Analysis by Wales Audit Office of questions asked of health boards and Velindre NHS Trust

PAC(5)-12-16 Paper 7 – Abertawe Bro Morgannwg University Health Board

PAC(5)-12-16 Paper 8 – Aneurin Bevan University Health Board

PAC(5)-12-16 Paper 9 – Betsi Cadwaladr University Health Board

PAC(5)-12-16 Paper 10 – Cardiff & Vale University Health Board

PAC(5)-12-16 Paper 11 – Cwm Taf University Health Board

PAC(5)-12-16 Paper 12 – Hywel Dda University Health Board

PAC(5)-12-16 Paper 13 – Powys Teaching Health Board

PAC(5)-12-16 Paper 14 – Velindre NHS Trust

Concise Minutes – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Monday, 28 November
2016

Meeting time: 14.00 – 16.42

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/3903>

Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Mohammad Asghar (Oscar) AM Neil Hamilton AM Neil McEvoy AM Rhianon Passmore AM Lee Waters AM
Witnesses:	Jeremy Parr, Natural Resources Wales Jean-Francois Dulong, Welsh Local Government Association
Committee Staff:	Huw Vaughan Thomas Andy Phillips Fay Buckle (Clerk) Meriel Singleton (Second Clerk) Richard Johnson (Deputy Clerk)

Transcript



1 Introductions, apologies, substitutions and declarations of interest

- 1.1 The Chair welcomed Members of the Committee.
- 1.2 Apologies were received from Mike Hedges. There was no substitute.

2 Paper(s) to note

2.1 The minutes were agreed and the papers were noted.

2.2 Member's agreed that the Chair will write to the Welsh Government seeking clarification of the intentions to bring forward legislation to deal with a number of the recommendations that have been rejected from the Mark's Review. Regarding Recommendation 6, the Chair will write to HIW seeking clarification on the number of GP practice inspections they have undertaken over a certain period to enable the Committee to ascertain whether the level of funding is adequate.

- 2.1 **Unscheduled Care: Additional information from the Welsh Government (21 November 2016)**
- 2.2 **NHS Wales Health Board's Governance: Additional information from the Welsh Government & Healthcare Inspectorate Wales (16 November 2016)**
- 2.3 **Scrutiny of Accounts 2015–16: Additional information from the Welsh Government (21 November 2016)**

3 Senior Management Pay: Welsh Government Update

3.1 Members noted the update from the Welsh Government and agreed that they were satisfied with the progress being made on the outstanding issues and that they would not seek any further updates. However, Members did request that the Committee receives a copy of the Public Services Staff Commission Report on the Transparency of Senior Pay, when published later this year

4 Coastal flood and erosion risk management in Wales: Evidence Session

1

4.1 The Committee scrutinised Jeremy Parr, Head of Flood and Operational Risk Management, Natural Resources Wales and Jean-Francois Dulong, Flood and Water Officer, Welsh Local Government Association on coastal flood and erosion risk management in Wales.

5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

5.1 The motion was agreed.

6 Coastal flood and erosion risk management in Wales: Consideration of evidence received

6.1 Members discussed the evidence received.

7 Forward Work Programme Spring 2017

7.1 Members considered the draft work programme for the spring term 2017.

7.2 Members agreed the outlined work programme and also agreed to undertake a visit to the Scottish Parliament as part of the inquiry into the regulatory oversight of housing associations.

8 Scrutiny of Accounts 2015–16: Consideration of the draft report

8.1 Members considered the draft report and asked for a number of recommendations to be included.

8.2 An amended draft report will be circulated to Members for agreement.

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee
PAC(5)-12-16 PTN1
Agenda Item 2.1

Sir Derek Jones KCB
Ysgrifennydd Parhaol
Permanent Secretary



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Dear Nick,

24th November 2016

Thank you for the opportunity to appear before the Committee for a valedictory session ahead of my departure from the Welsh Government Civil Service; I hope that you found the session useful. The Committee has asked two follow-up questions concerning whistle-blowing in relation to bus concession fraud and the Welsh Government's anti-fraud resources.

Bus concession whistle-blowing

During the scrutiny session, Lee Waters suggested that concerns were raised with Welsh Government officials in 2011 in relation to possible fraud in the bus concession scheme. In response to the Committee's follow-up question, records for the Welsh Government's External Assurance Panel, the Whistle-blowing Panel, the Counter Fraud Unit's 'hotline' and the Internal Audit Service have been checked. There is no record of this complaint having come through these channels. If I am to take this enquiry further, it will be very helpful to know who it is suggested met with whom so that any papers can be identified without a very resource-consuming search of records from 2011.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Pack Page 4

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

With respect to the subsequent fraud case in 2014/15, there was no whistle-blower to the Welsh Government. One of the Directors, later prosecuted and imprisoned for fraud, approached the police independently to report criminal activity.

Counter fraud resources

The Committee has asked for further details of the Welsh Government's Counter-Fraud Unit and its budget, which are provided below. However, I would also like to set this within a wider context - both in terms of the resources that are allocated to audit and assurance work more widely but which are regularly called upon for counter fraud activity, and the Welsh Government's use of counter-fraud technology.

The Welsh Government's Counter-Fraud Unit is part of the Corporate Governance and Assurance Division, where it sits alongside the Internal Audit Service (IAS), Central Governance Unit (CGU), and European Funds Audit Team (EFAT). The Head of the Counter-Fraud Unit is a retired police officer with experience of leading economic crime and proceeds of crime recovery units. He is also a member of the organising committee for the Wales Fraud Forum. The Unit also includes 50% of the time of the Welsh Government's Computer Auditor – who is ISACA qualified and a CIPFA trained Counter-Fraud Technician. The Unit is also supported by an administrator and its overall budget is approximately £188,000 per annum.

While the Unit itself is small, it plays a leadership role and in reality draws on considerable support from audit, assurance and finance professionals in IAS, CGU, EFAT and from across the organisation to carry out its work. In 2015, a group of 14 members of staff drawn from these units and other parts of the organisation were trained as CIPFA Counter-Fraud Technicians – with this training they are able to undertake their own investigations in their own business areas, undertake their own investigations under the direction of the Counter-Fraud Unit, and assist the Head of Counter-Fraud with his work. Within the IAS's 2016/17 programme of work, 200 auditor days have been allocated specifically for special investigations and counter-fraud work (at an approximate cost of £55,000). In the interests of economy, we have not attempted to attribute a cost to all of the other staff time involved in anti-fraud work.

In addition to staff resources, our counter-fraud work is supported by technology; some examples are provided below. As part of our work to improve the management of grants, the Welsh Government's due-diligence system is now integrated with our grants payment system meaning grants cannot be paid without due diligence work being recorded. The Welsh Government holds licences for data analysis software 'IDEA' which is used by auditors to interrogate large and complex datasets. We are also increasing our use of National Fraud Initiative technology called 'Application Checker' to proactively use data matching at the point of grant application – this is currently being

used by the Marine and Fisheries teams. We are working with the Wales Audit Office, using National Fraud Initiative technology to develop a series of interfaces between local authority housing benefit systems and Rent Smart Wales (RSW) which will provide RSW will business intelligence to support their compliance role.

WEFO also uses the counter-fraud software provided by the European Commission called 'Arachne' to assist in the prevention and detection of fraud by grant recipients.

I hope that the Committee finds this summary of counter-fraud resources and activities useful.

Yours,
Derek

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... technology to develop a series of interfaces between
... systems and ... (ISA) which will allow
... to assist their compliance role.
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John ...

Agenda Item 2.2

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Public Accounts Committee

28 November 2016

Dear Mr Ramsay

Further to the Committee meeting on 14 November, I am writing with additional information in relation to Cardiff Airport International Airport Ltd (CIAL).

KPIs developed by CIAL for presentation to WGC Holdco cover five areas and are as follows:

- Business performance
 - Passenger numbers
 - Revenue
 - EBITDA
 - Seats available
 - Average load factor
- Customer experience
 - Customer satisfaction
 - On-time performance
- Compliance
 - Health and safety performance
 - Safety and security compliance
- Marketing and public relations
 - Media activity
 - Social media
- Market share

The data contained in these KPIs is commercially sensitive, so I hope that you understand why I am not in a position to share examples of the KPI dashboard with the committee.

In terms of the impact of the Future Generations Act, I have written to Cardiff International Airport setting out Holdco's expectations for the Act to be considered as part of the annual business planning process, and have attached a copy of the letter. The airport's annual business plan is subject to Holdco approval.



The instrument landing system procedure for St Athan has completed its Safety Case. Its design is nearing completion and has been submitted for regulatory approval to the Military Aviation Authority, which has thirty days to respond.

Regarding Cardiff Aviation Limited - a due diligence exercise was carried out by Welsh Government officials on 16 April 2012. The report concluded that the company would be profitable and stable.

Finally, I have attached copies of correspondence relating to the role of Chair of CIAL on the Holdco Board and will forward on a copy of the Master Plan for the airport once it is available in 2017.

Yours sincerely

Simon Jones
Director Transport and ICT Infrastructure

Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport

WGC Holdco



Llywodraeth Cymru
Welsh Government

SEND BY EMAIL: roger.lewis@cwl.aero

Mr Roger Lewis
Chairman
Cardiff International Airport Limited
Cardiff Airport
Vale of Glamorgan
Wales
CF62 3BD

25 November 2016

Dear Roger

The Wellbeing of Future Generations (Wales) Act 2015

The Wellbeing of Future Generations (Wales) Act (The Act) seeks to improve the social, economic, environmental and cultural wellbeing of Wales. The Act lists the 44 public bodies which fall under its remit. Whilst Cardiff International Airport Limited (CIAL) is not directly captured under the Act, the Welsh Ministers fall within its scope.

At the Public Accounts Committee on 14th November 2016, there was a discussion on the approach to the Act by CIAL. Given the relationship between CIAL and the Welsh Ministers we would recommend that the CIAL as best practice follow the requirements of the Act.

The Act is a key piece of legislation for the Welsh Government which requires identified public bodies to think more about the long term, work better with people, communities and each other, look to prevent problems and take a more joined-up approach.

The Act includes a wellbeing duty which requires the Welsh Ministers to set wellbeing objectives which maximise their contribution to achieving the goals and to take all reasonable steps to achieve those objectives

The Act also sets out the sustainable development principle, which says that public bodies must act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their needs. To help bodies put that into practice, the Act sets out five 'ways of working', and we would encourage the CIAL to consider these, and the wider principles of the Act over the next few months as you develop.



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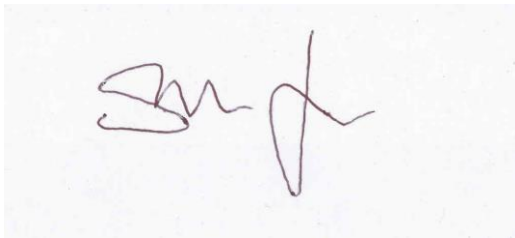
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This could be illustrated by way of including the five 'ways of workings' in your business plan for 2017/18 where you:

- a) Set and publish objectives ("wellbeing objectives") that are designed to maximise your contribution to meeting the wellbeing goals
- b) Take all reasonable steps, in exercising your functions, to meet those objectives
- c) Apply the sustainable development principle and the ways of working to your activities.

We will need to jointly consider how your application towards the wellbeing goals and an assessment of your ways of working is monitored and reviewed. Can I suggest we discuss at a forthcoming Holdco Board meeting?

Yours sincerely

A handwritten signature in dark ink, appearing to read 'SJ', is centered on a white rectangular background.

Simon Jones
Chair, WGC Holdco

29th September 2016

Cardiff Airport, Vale of Glamorgan, Wales CF62 3BD
Maes Awyr Caerdydd, Bro Morgannwg, Cymru CF62 3BD

Simon Jones
Chair
WGC HoldCo
Department for Economy, Science and Transport
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Main Avenue
Treforest
CF37 5Y

Dear Simon

WGC Holdco & Cardiff International Airport Limited (CIAL) Management Arrangement

Thank you for your letter dated 6 September 2016. Appropriate Governance arrangements between CIAL and WGC Holdco are important to the operation and development of CIAL and I welcome the opportunity, on behalf of the Board of CIAL to work with you in the evolution of these processes.

I acknowledge your view that the Scottish Government approach to managing Glasgow Prestwick Airport does not offer the appropriate solution for Wales. Thank you for the opportunity to respond to your suggestions for amendment to the Management Arrangement. I have considered each point in turn.

WGC Holdco involvement in the appointment of CIAL directors

I agree with your proposal that the Board of CIAL should remain responsible for appointing, re-appointing and removing executive and non-executive directors as set out under the terms of the Management Arrangement and CIAL Articles of Association, and subject to the Shareholder's overarching rights and the requirement for Shareholder consent.

I agree the recruitment and appointment process for directors will ordinarily be a matter for the CIAL Board, subject to consent from WGC Holdco to proceed at the following points:

1. Once a skills and experience gap has been identified and a recruitment process is proposed;
2. Once a shortlist of candidates is identified, at which point WGC Holdco will also have the opportunity to exercise its veto over any candidates.

WGC Holdco representation at CIAL Board meetings

I agree WGC Holdco will be represented at CIAL Board meetings by either the WGC Holdco Chair or a substitute from the WGC Holdco Board. I agree the role of the WGC Holdco representative will be to observe that the proceedings of the Board meeting are consistent with the Management Arrangements. I also welcome that the WGC Holdco representative may, as required, assist proceedings by communicating Welsh Government policy and advice on interpretation of that policy.

To assist this role it would be beneficial for the WGC Holdco representative to be provided electronic and/or paper copies of any appropriate material in advance of each meeting (as is already the case). However to ensure the efficient delivery of information in a timely manner it is imperative that, should the Holdco Chair not be able to attend the CIAL Board, the name and contact details of the substitute are communicated in a timely manner to allow efficient delivery of Board papers.

CIAL representation at WGC Holdco Board meetings

I note your intent for WGC Holdco to move from monthly Board meetings to meetings every two months, and in time this may further move to quarterly meetings as our arrangements continue to mature. I welcome the invitation to attend WGC Holdco Board meetings, and it is appropriate for the CIAL Board to determine the composition of the CIAL delegation as matters arising dictate.

I believe it is beneficial to have a formalised set of standard agenda items, as indicated in your letter, in addition to any other agenda items. However it is important that standard agenda items in respect are reviewed at the appropriate frequency. Where it is appropriate to review Key Performance indicators and summary financial performance at each WGC Holdco Board meeting, the delivery of the CIAL Business Plan and financial projections for a further four years, and an indicative projection out to the duration of any outstanding loan commitment should be reviewed on an annual basis, unless circumstances significantly change and events determine that it is appropriate to change the timing of review.

I agree that any non-standard agenda items should be agreed in advance of Board meetings. I believe it would be beneficial that if any non-standard agenda items are to be included that this information is agreed and papers circulated at least one week in advance of the meeting.

For good governance, WGC Holdco Board meetings should also consider Consent Matters. I agree that any Consent matters should be communicated, a week in advance of WGC Holdco Board meetings in writing. I agree a nil return would be useful for completeness where no Consent Matters are identified.

As you will be aware the industry in which CIAL operates is incredibly fast moving and as such CIAL as a business needs to be agile in its response to changing business needs. I would request that where circumstances require a more rapid response to a Consent Matter (that is, outside of the planned WGC Holdco Board meetings) the ability to convene a special WGC Holdco Board meeting to consider a Consent Matter request, as soon as is practicably possible, is included with the amended management arrangement.

Provision of CIAL Management Information

I agree that the provision of CIAL management information is important for the above approach to be viable. As you will be aware the information included within the monthly CIAL Board pack is highly commercially sensitive and should not be available to a wider audience than the Holdco Directors.

Therefore for detailed CIAL information to be provided, in line with your request, information should be supplied to named Secretariat members only with the formal agreement that this information should not be circulated to a wider audience without the prior consent of the CIAL Board.

CIAL Board Capability

I agree it is appropriate for an update to be provided on CIAL Board capability. I believe it would be appropriate for these updates to be provided on a six monthly basis. Whilst these updates should remain confidential, I believe these updates should be transparent and should be derived in the following ways;

1. The outcome of CIAL's annual Board Effectiveness Survey along with associated actions will be reported to you;
2. I will report six monthly following the annual Board Effectiveness Survey on the capability of the CIAL Board.

WGC Holdco Directors

I agree that in line with the recommendations of the Wales Audit Office and Public Accounts Committee findings, it would be beneficial for WGC Holdco to seek the appointment of an external, independent Non-Executive Director, to develop their Governance processes.

It would also be beneficial for the WGC Holdco Board to remain as lean and efficient as possible. I would welcome the opportunity to comment upon the job specification before you publish it.

Annual Report

CIAL has committed to the production of an Annual Report to coincide with the filing of statutory accounts. In addition, with a view to ensuring greater transparency, CIAL has committed to publishing an interim annual report to provide an update on our progress.

Master Plan

The CIAL Board agree that it is no longer sensible for CIAL to deliver this Master Plan alone. We agree that the Master Plan work will be led by Welsh Government, but with CIAL playing an integral role in shaping this new wider Master Plan.

The CIAL Board believe that it is very important that the Plan does not only include Cardiff Airport, but does take full account of the surrounding area, as well as St Athan. Communication links to CIAL are key for the future sustainability of the Airport and therefore the CIAL Board welcome the inclusion of issues raised by the Public Account Committee regarding rail and bus public transport links, as well as broader surface access issues.

Thank you for consulting with us on the proposed amendments to the Management Arrangement. Should you have any questions please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Lewis', with a horizontal line underneath.

Roger Lewis
Chair, Cardiff International Airport Limited.

Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Transport

WGC Holdco



Llywodraeth Cymru
Welsh Government

SEND BY EMAIL: roger.lewis@cwl.aero

Mr Roger Lewis
Chairman
Cardiff International Airport Limited
Cardiff Airport
Vale of Glamorgan
Wales
CF62 3BD

6 September 2016

Dear Roger

WGC Holdco & Cardiff International Airport Limited (CIAL) Management Arrangement

Since November 2015 you and I have been working to develop the management relationship between WGC Holdco and CIAL in a number of areas. Your assistance in helping to evolve this process has been very welcome.

During this period, and as recommended by the Public Account Committee. Holdco has also discussed the lessons learned from the Scottish Government's approach to managing Glasgow Prestwick Airport. After careful consideration WGC Holdco is of the view that the Prestwick model does not offer an appropriate solution in Wales.

At the most recent CIAL board meeting you initiated a discussion about the appointment of a new Non-Executive Director, again partly in response to the findings of the Public Accounts Committee. The discussion highlighted the need to be overt about the process through which Holdco is involved in the recruitment of CIAL Directors.

Following these refinements to our collective thinking I would like to seek your views in advance of amending the Management Arrangement accordingly.

WGC Holdco involvement in the appointment of CIAL directors

The Board of CIAL should remain responsible for appointing, re-appointing and removing executive and non-executive directors as set out under the terms of the Management Arrangement and CIAL Articles of Association, and subject to the Shareholder's overarching rights and the requirement for Shareholder consent. As discussed at the CIAL board of 25 August it would be helpful for us to agree the process that defines when Shareholder consent for these appointments, via the WGC Holdco Board, should be sought.

1 of 4



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The recruitment and appointment process for directors will therefore ordinarily be a matter for the CIAL Board, subject to consent from WGC Holdco to proceed at the following points:

1. once a skills and experience gap has been identified and a recruitment process is proposed;
2. once a shortlist of candidates is identified, at which point WGC Holdco will also have the opportunity to exercise its veto over any candidates.

WGC Holdco representation at CIAL Board meetings

The Management Arrangements set out the framework within which the CIAL Board operates, including reporting responsibilities, limits of delegations and governance.

WGC Holdco will be represented at CIAL Board meetings by either the WGC Holdco Chair or a substitute from the WGC Holdco Board. The role of the WGC Holdco representative will be to observe that the proceedings of the Board meeting are consistent with the Management Arrangements. The WGC Holdco representative may, as required, assist proceedings by communicating Welsh Government policy and advice on interpretation of that policy. The WGC Holdco representative will report back, as appropriate, to the WGC Holdco Board on proceedings.

To assist this role, the WGC Holdco representative should be provided electronic and/or paper copies of any appropriate material in advance of each meeting (as is already the case).

CIAL representation at WGC Holdco Board meetings

WGC Holdco is moving from monthly Board meetings to meetings every two months, and in time this may further move to quarterly as our arrangements continue to mature.

You have kindly accepted the invitation to attend these meetings in the past, and I would like this arrangement to continue in future. The invitation extends to you and members of your board, but the composition of the CIAL delegation shall be at your discretion. You are invited to observe proceedings and provide updates on the following matters. These matters will be formalised as standard agenda items in addition to any other agenda items I agree in advance of each meeting:

- progress against Key Performance Indicators;
- delivery of the CIAL Business Plan which will focus on an operating budget for the following year, with financial forecasts for a further four years, and an indicative projection out to the duration of any outstanding loan commitment; and
- a summary of financial performance.

The WGC Holdco Board meetings will also consider any Consent Matters. It would be helpful if, a week in advance of WGC Holdco Board meetings, you could provide written notice of any Consent Matters for the WGC Holdco Board to consider. A nil return would be useful for completeness where no Consent Matters are identified.

Where circumstances require a more rapid response to a Consent Matter (that is, outside of the planned WGC Holdco Board meetings) I will convene a special WGC Holdco Board meeting to consider the request at the earliest opportunity following receipt of the Consent Matter request in writing.

Provision of CIAL Management Information

In order for the above approach to be viable, all of the Holdco Directors will need to be appraised of the performance of CIAL. Accordingly, I would be grateful if the an electronic copy and three hard-copies of the CIAL Management Information could be supplied to the WGC Holdco secretariat each month (as opposed to a single paper copy for the Holdco Director), in line with the provision of papers for CIAL Board meetings.

CIAL Board Capability

I would also appreciate periodic updates of your assessment of CIAL Board capability. I appreciate the potential confidential nature of these updates and will be grateful for your view on how these can be provided.

WGC Holdco Directors

In line with the recommendations of the Wales Audit Office and Public Accounts Committee findings, WGC Holdco will be seeking the appointment of an external, independent Non Executive Director. We have identified a skills need to support Holdco with assurance of the CIAL business as a whole, rather than focussing on a particular specialism such as commercial, aviation or real estate. We have concluded that these specialisms, if they are needed somewhere in our joint governance arrangements, are best placed within CIAL rather than Holdco.

In order to ensure that our revised arrangements are as lean and efficient as we can make them, it is likely that one of the existing Welsh Government senior civil servants currently on the board of WGC Holdco will step down. It is for this reason, when considered in light of the recommendation to appoint an external Director that WGC Holdco does not currently propose to further consider the appointment of an additional Senior Civil Service Director from a different part of Welsh Government.

The new external Director will join the board of WGC Holdco via the formal Public Appointments process. In the spirit of partnership, I would like to offer you the opportunity to comment upon the job specification before we publish it.

Annual Report

CIAL has committed to the production of an Annual Report to coincide with the filing of statutory accounts.

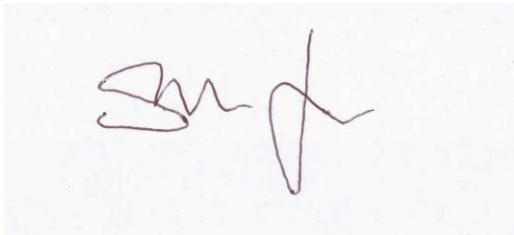
Master Plan

The Management Arrangement required CIAL to produce a Master Plan within 12 months of their issue. However, we recognise that since the Management Arrangement document was first published the Enterprise Zone was launched, a number of wider strategic projects have been initiated by Welsh Government and external commercial organisations, and the Welsh Government has accepted the recommendations of the Public Policy Institute for Wales into “Maximising the Economic Benefits of the Welsh Government’s Investment in Cardiff and St. Athan Airports”, which was published earlier this year.

On this basis it is no longer sensible for CIAL to deliver this Master Plan alone. We have therefore agreed that the Master Plan work will be led by Welsh Government, but with CIAL playing an integral role in shaping this new wider Master Plan. The Plan will cover Cardiff Airport, and the surrounding area, as well as St Athan. It will consider issues raised by the Public Account Committee regarding rail and bus public transport links, as well as broader surface access issues.

I would welcome your views on addressing the issues discussed above in a revised Management Arrangement document.

Yours sincerely

A handwritten signature in red ink, appearing to read 'SJ', is centered on a white rectangular background.

Simon Jones
Chair, WGC Holdco

Agenda Item 2.3

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Public Accounts Committee

28 November 2016

Dear Mr Ramsay

Further to the Committee meeting on 14 November, I am writing with additional information in relation to the National Transport Plan and the input of the Future Generations Commissioner.

Following a full public consultation exercise, the National Transport Finance Plan was published in August 2015. In response to feedback, the proposed plan was reconfigured to become a live document. Information contained in relation to the finance and timing of interventions listed in the plan will be updated periodically. We propose to next update the plan in the new year.

Each update of information to the live document will not be subject to consultation, as interventions contained within the plan are subject to public consultation requirements in their own right, at the appropriate time.

The Future Generations Commissioner for Wales has a range of actions they can carry out which are set out in the Wellbeing and Future Generations Act. The Commissioner's office is a standing consultee for consultation on transport projects.

Yours sincerely

Simon Jones
Director Transport and ICT Infrastructure





Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth
Department for Economy, Science and Natural Resources

Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Public Accounts Committee

29 November 2016

Dear Mr Ramsay

Further to the Committee meeting on 14 November, I am writing with additional information in relation to Kancoat.

The attached document contains SIC codes 2003 and 2007, which are generally associated and aligned to Advanced Materials and Manufacturing Sector. This references Manufacture of coating (row 150), Cold rolling of Narrow Strip (row 193), Cold Forming (row 194), Treatment and Coating of Metals (row 213), and Manufacture of light metal packaging (row 219). These are the codes that best fit the Kancoat operation and production.

The Sectors and Business Department has recently completed a review of the 1264 offers made during the fourth Assembly term. Of these, a total of 30 projects have failed to deliver the conditions of the offer. This represents 2.4 per cent of these offers made in the fourth Assembly term. The enterprise death rate in Wales during 2015 was 9.1 per cent (source ONS).

The appraisal process for Repayable Business Finance applications includes an assessment of the risks regarding the project. In relation to Kancoat, the project was identified as high risk by both the appraisal and financial due diligence officers. This is not an unusual assessment for a start-up business like Kancoat. The appraisal documents presented to panel in support of each of the requests for funds stated that as a large investment for a new company the risk profile was high. However, the market appeared to be receptive to a new UK source of supply and if properly managed the business should be successful.

The financial due diligence review conducted as part of the appraisal process also concluded that the risk was high, with the Welsh Government potentially exposed to the annual lease costs as well as property remediation and the risk of the project not succeeding.

Mitigations to reduce the risk were introduced, including the Welsh Government taking a debenture and legal charge on the coating line whose value was considerably above the amount of funding approved.

The various risks assessed during the appraisal process included:

1. Failure to achieve viable level of orders
2. Failure to obtain the right people
3. Failure of Products supplied to customers
4. Failure of Products supplied as incoming stock
5. Failure of process equipment
6. Extended prequalification trials
7. Failure to supply to customers on time
8. Loss of Key Personnel
9. Under achievement of production targets
10. Energy Price rises
11. Insured Risks

For each of these risks, a risk mitigation was considered.

The lease contains the usual obligations with which a commercial tenant is required to comply. At the expiry of the lease, or if it is terminated early, for example by way of a tenant's break, the Welsh Government is required to return the property in a condition required by the lease. This involves making repairs and leaving the property in a clean and tidy condition. It is not possible to provide an estimated cost for this work (known as dilapidations) at this time because it is dependant upon the landlord's intentions for the property and this is not yet known. However, the extent of any repairs is limited to returning the property in no better condition than that recorded in a schedule of condition that the Welsh Government commissioned prior to taking the lease.

In addition to the above obligations, there is a requirement to erect a separation wall to divide the leased building from an adjoining building in the ownership of the landlord. The landlord's decision to enforce this obligation may be influenced by whether the coating line is sold in-situ or if not, the landlord's intentions for the property following the termination of the lease.

In terms of additional demand, Kancoat proposed to target lower volume demand customers with tab stock and aerosol caps, offering smaller batch runs, increased flexibility and bespoke product / colour runs for customers including Rexam, Crown, Ball, Canpack, Nafcel, Ardagh, William King and Tata steel. Forecast production volumes for year 1 and 2 were 450,000sqm per month. This differentiated Kancoat from the existing suppliers which were full supply operators who operated an integrated process of which coating is the final process. By necessity, competitors have to operate at high volume which removes the ability to be flexible in terms of customer demands for low volume, specific colour tab stock.

There was no impact on Port Talbot or Shotton as neither Port Talbot or Shotton were the intended suppliers for the Kancoat facility.

Finally, in relation to your question about loans at the Principality Building Society, this is a matter for the Principality Building Society, not the Welsh Government.

Yours sincerely

Mick McGuire

Director, Sectors and BusinessPack Page 22

Provisional Definition based on 4 digit SIC2003

4 Digit Code	Description	Sector 1	Sector 2	Old Sector	Proportion
0111	Growing of cereals and other crops not elsewhere classified	Not In A Sector	-	Not In A Sector	1
0112	Growing of vegetables, horticultural specialities and nursery products	Not In A Sector	-	Not In A Sector	1
0113	Growing of fruit, nuts, beverage and spice crops	Not In A Sector	-	Not In A Sector	1
0121	Farming of cattle, dairy farming	Not In A Sector	-	Not In A Sector	1
0122	Farming of sheep, goats, horses, asses, mules and hinnies	Not In A Sector	-	Not In A Sector	1
0123	Farming of swine	Not In A Sector	-	Not In A Sector	1
0124	Farming of poultry	Not In A Sector	-	Not In A Sector	1
0125	Other farming of animals	Not In A Sector	-	Not In A Sector	1
0130	Growing of crops combined with farming of animals (mixed farming)	Not In A Sector	-	Not In A Sector	1
0141	Agricultural service activities; landscape gardening	Not In A Sector	-	Not In A Sector	1
0142	Animal husbandry service activities, except veterinary activities	Not In A Sector	-	Not In A Sector	1
0150	Hunting, trapping and game propagation including related service activities	Not In A Sector	-	Not In A Sector	1
0201	Forestry and logging	Not In A Sector	-	Not In A Sector	1
0202	Forestry and logging related service activities	Not In A Sector	-	Not In A Sector	1
0501	Fishing	Not In A Sector	-	Not In A Sector	1
0502	Fish farming	Not In A Sector	-	Not In A Sector	1
1010	Mining and agglomeration of hard coal	Energy & environment	-	Energy & environment	1
1020	Mining and agglomeration of lignite	Energy & environment	-	Energy & environment	1
1030	Extraction and agglomeration of peat	Energy & environment	-	Energy & environment	1
1110	Extraction of crude petroleum and natural gas	Energy & environment	-	Energy & environment	1
1120	Service activities incidental to oil and gas extraction excluding surveying	Energy & environment	-	Energy & environment	1
1200	Mining of uranium and thorium ores	Not In A Sector	-	Not In A Sector	1
1310	Mining of iron ores	Not In A Sector	-	Not In A Sector	1
1320	Mining of non-ferrous metal ores, except uranium and thorium ores	Not In A Sector	-	Not In A Sector	1
1411	Quarrying of ornamental and building stone	Not In A Sector	-	Not In A Sector	1
1412	Quarrying of limestone, gypsum and chalk	Not In A Sector	-	Not In A Sector	1

1413	Quarrying of slate	Not In A Sector	-	Not In A Sector	1
1421	Operation of gravel and sand pits	Not In A Sector	-	Not In A Sector	1
1422	Mining of clays and kaolin	Not In A Sector	-	Not In A Sector	1
1430	Mining of chemicals and fertiliser minerals	Not In A Sector	-	Not In A Sector	1
1440	Production of salt	Not In A Sector	-	Not In A Sector	1
1450	Other mining and quarrying not elsewhere classified	Not In A Sector	-	Not In A Sector	1
1511	Production and preserving of meat	Not In A Sector	-	Not In A Sector	1
1512	Production and preserving of poultry meat	Not In A Sector	-	Not In A Sector	1
1513	Production of meat and poultry meat products	Not In A Sector	-	Not In A Sector	1
1520	Processing and preserving of fish and fish products	Not In A Sector	-	Not In A Sector	1
1531	Processing and preserving of potatoes	Not In A Sector	-	Not In A Sector	1
1532	Manufacture of fruit and vegetable juice	Not In A Sector	-	Not In A Sector	1
1533	Processing and preserving of fruit and vegetables not elsewhere classified	Not In A Sector	-	Not In A Sector	1
1541	Manufacture of crude oils and fat	Not In A Sector	-	Not In A Sector	1
1542	Manufacture of refined oils and fat	Not In A Sector	-	Not In A Sector	1
1543	Manufacture of margarine and similar edible fats	Not In A Sector	-	Not In A Sector	1
1551	Operation of dairies and cheese making	Not In A Sector	-	Not In A Sector	1
1552	Manufacture of ice cream	Not In A Sector	-	Not In A Sector	1
1561	Manufacture of grain mill products	Not In A Sector	-	Not In A Sector	1
1562	Manufacture of starches and starch products	Not In A Sector	-	Not In A Sector	1
1571	Manufacture of prepared feeds for farm animals	Not In A Sector	-	Not In A Sector	1
1572	Manufacture of prepared pet foods	Not In A Sector	-	Not In A Sector	1
1581	Manufacture of bread; manufacture of fresh pastry goods and cakes	Not In A Sector	-	Not In A Sector	1
1582	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	Not In A Sector	-	Not In A Sector	1
1583	Manufacture of sugar	Not In A Sector	-	Not In A Sector	1
1584	Manufacture of cocoa, chocolate and sugar confectionery	Not In A Sector	-	Not In A Sector	1
1585	Manufacture of macaroni, noodles, couscous and similar farinaceous products	Not In A Sector	-	Not In A Sector	1
1586	Processing of tea and coffee	Not In A Sector	-	Not In A Sector	1
1587	Manufacture of condiments and seasonings	Not In A Sector	-	Not In A Sector	1
1588	Manufacture of homogenised food preparations and dietetic food	Not In A Sector	-	Not In A Sector	1
1589	Manufacture of other food products not elsewhere classified	Not In A Sector	-	Not In A Sector	1
1591	Manufacture of distilled potable alcoholic beverages	Not In A Sector	-	Not In A Sector	1

1592	Production of ethyl alcohol from fermented materials	Not In A Sector	-	Not In A Sector	1
1593	Manufacture of wines	Not In A Sector	-	Not In A Sector	1
1594	Manufacture of cider and other fruit wines	Not In A Sector	-	Not In A Sector	1
1595	Manufacture of other non-distilled fermented beverages	Not In A Sector	-	Not In A Sector	1
1596	Manufacture of beer	Not In A Sector	-	Not In A Sector	1
1597	Manufacture of malt	Not In A Sector	-	Not In A Sector	1
1598	Manufacture of mineral waters and soft drinks	Not In A Sector	-	Not In A Sector	1
1600	Manufacture of tobacco products	Not In A Sector	-	Not In A Sector	1
1711	Preparation and spinning of cotton-type fibres	Not In A Sector	-	Not In A Sector	1
1712	Preparation and spinning of woollen-type fibres	Not In A Sector	-	Not In A Sector	1
1713	Preparation and spinning of worsted-type fibres	Not In A Sector	-	Not In A Sector	1
1714	Preparation and spinning of flax-type fibres	Not In A Sector	-	Not In A Sector	1
1715	Throwing and preparation of silk including from noils and throwing and texturing of synthetic or artificial filament yarns	Not In A Sector	-	Not In A Sector	1
1716	Manufacture of sewing threads	Not In A Sector	-	Not In A Sector	1
1717	Preparation and spinning of other textile fibres	Not In A Sector	-	Not In A Sector	1
1721	Cotton-type weaving	Not In A Sector	-	Not In A Sector	1
1722	Woollen-type weaving	Not In A Sector	-	Not In A Sector	1
1723	Worsted-type weaving	Not In A Sector	-	Not In A Sector	1
1724	Silk-type weaving	Not In A Sector	-	Not In A Sector	1
1725	Other textile weaving	Not In A Sector	-	Not In A Sector	1
1730	Finishing of textiles	Not In A Sector	-	Not In A Sector	1
1740	Manufacture of made-up textile articles, except apparel	Advanced materials / manufacturing	-	Not In A Sector	1
1751	Manufacture of carpets and rugs	Not In A Sector	-	Not In A Sector	1
1752	Manufacture of cordage, rope, twine and netting	Not In A Sector	-	Not In A Sector	1
1753	Manufacture of non-wovens and articles made from non-wovens, except apparel	Advanced materials / manufacturing	-	Not In A Sector	1
1754	Manufacture of other textiles not elsewhere classified	Not In A Sector	-	Not In A Sector	1
1760	Manufacture of knitted and crocheted fabrics	Not In A Sector	-	Not In A Sector	1
1771	Manufacture of knitted and crocheted hosiery	Creative industries	-	Creative industries	0.00 5
1771	Manufacture of knitted and crocheted hosiery	Not In A Sector	-	Not In A Sector	0.99

					5
1772	Manufacture of knitted and crocheted pullovers, cardigans and similar articles	Creative industries	-	Creative industries	0.00 5
1772	Manufacture of knitted and crocheted pullovers, cardigans and similar articles	Not In A Sector	-	Not In A Sector	0.99 5
1810	Manufacture of leather clothes	Creative industries	-	Creative industries	0.00 5
1810	Manufacture of leather clothes	Not In A Sector	-	Not In A Sector	0.99 5
1821	Manufacture of workwear	Creative industries	-	Creative industries	0.00 5
1821	Manufacture of workwear	Not In A Sector	-	Not In A Sector	0.99 5
1822	Manufacture of other outerwear	Creative industries	-	Creative industries	0.00 5
1822	Manufacture of other outerwear	Not In A Sector	-	Not In A Sector	0.99 5
1823	Manufacture of underwear	Creative industries	-	Creative industries	0.00 5
1823	Manufacture of underwear	Not In A Sector	-	Not In A Sector	0.99 5
1824	Manufacture of other wearing apparel and accessories not elsewhere classified	Creative industries	-	Creative industries	0.00 5
1824	Manufacture of other wearing apparel and accessories not elsewhere classified	Not In A Sector	-	Not In A Sector	0.99 5
1830	Dressing and dyeing of fur; manufacture of articles of fur	Creative industries	-	Creative industries	0.00 5
1830	Dressing and dyeing of fur; manufacture of articles of fur	Not In A Sector	-	Not In A Sector	0.99 5
1910	Tanning and dressing of leather	Not In A Sector	-	Not In A Sector	1
1920	Manufacture of luggage, handbags and the like, saddlery and harness	Not In A Sector	-	Not In A Sector	1
1930	Manufacture of footwear	Creative industries	-	Creative industries	0.00 5
1930	Manufacture of footwear	Not In A Sector	-	Not In A Sector	0.99 5
2010	Saw milling and planing of wood, impregnation of wood	Not In A Sector	-	Not In A Sector	1
2020	Manufacture of veneer sheets; manufacture of plywood, laminboard, particle	Not In A Sector	-	Not In A Sector	1

	board, fibre board and other panels and boards				
2030	Manufacture of builders' carpentry and joinery	Not In A Sector	-	Not In A Sector	1
2040	Manufacture of wooden containers	Not In A Sector	-	Not In A Sector	1
2051	Manufacture of other products of wood	Not In A Sector	-	Not In A Sector	1
2052	Manufacture of articles of cork, straw and plaiting materials	Not In A Sector	-	Not In A Sector	1
2111	Manufacture of pulp	Not In A Sector	-	Not In A Sector	1
2112	Manufacture of paper and paperboard	Advanced materials / manufacturing	-	Not In A Sector	1
2121	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	Not In A Sector	-	Not In A Sector	1
2122	Manufacture of household and sanitary goods and of toilet requisites	Not In A Sector	-	Not In A Sector	1
2123	Manufacture of paper stationery	Not In A Sector	-	Not In A Sector	1
2124	Manufacture of wallpaper	Not In A Sector	-	Not In A Sector	1
2125	Manufacture of other articles of paper and paperboard not elsewhere classified	Not In A Sector	-	Not In A Sector	1
2211	Publishing of books	Creative industries	-	Creative industries	1
2212	Publishing of newspapers	Creative industries	-	Creative industries	1
2213	Publishing of journals and periodicals	Creative industries	-	Creative industries	1
2214	Publishing of sound recordings	Creative industries	-	Creative industries	1
2215	Other publishing	Creative industries	-	Creative industries	0.5
2215	Other publishing	Not In A Sector	-	Not In A Sector	0.5
2221	Printing of newspapers	Not In A Sector	-	Not In A Sector	1
2222	Printing not elsewhere classified	Not In A Sector	-	Not In A Sector	1
2223	Bookbinding	Not In A Sector	-	Not In A Sector	1
2224	Pre-press activities	Not In A Sector	-	Not In A Sector	1
2225	Ancillary activities related to printing	Not In A Sector	-	Advanced materials / manufacturing	1
2231	Reproduction of sound recording	Creative industries	-	Creative industries	0.25

2231	Reproduction of sound recording	ICT	-	ICT	0.75
2232	Reproduction of video recording	Creative industries	-	Creative industries	0.25
2232	Reproduction of video recording	ICT	-	ICT	0.75
2233	Reproduction of computer media	Creative industries	-	Creative industries	0.25
2233	Reproduction of computer media	ICT	-	ICT	0.75
2310	Manufacture of coke oven products	Energy & environment	-	Energy & environment	1
2320	Manufacture of refined petroleum products	Energy & environment	Advanced materials / manufacturing	Energy & environment	1
2330	Processing of nuclear fuel	Energy & environment	Advanced materials / manufacturing	Energy & environment	1
2411	Manufacture of industrial gases	Advanced materials / manufacturing	-	Not In A Sector	1
2412	Manufacture of dyes and pigments	Advanced materials / manufacturing	-	Not In A Sector	1
2413	Manufacture of other inorganic basic chemicals	Advanced materials / manufacturing	-	Not In A Sector	1
2414	Manufacture of other organic basic chemicals	Advanced materials / manufacturing	-	Not In A Sector	1
2415	Manufacture of fertilisers and nitrogen compounds	Advanced materials / manufacturing	-	Not In A Sector	1
2416	Manufacture of plastics in primary forms	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2417	Manufacture of synthetic rubber in primary forms	Advanced materials / manufacturing	-	Not In A Sector	1
2420	Manufacture of pesticides and other agro-chemical products	Advanced materials /	-	Not In A Sector	1

		manufacturing			
2430	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	Advanced materials / manufacturing	-	Not In A Sector	1
2441	Manufacture of basic pharmaceutical products	Life sciences	Advanced materials / manufacturing	Life sciences	1
2442	Manufacture of pharmaceutical preparations	Life sciences	Advanced materials / manufacturing	Life sciences	1
2451	Manufacture of soap and detergents, cleaning and polishing preparations	Advanced materials / manufacturing	-	Not In A Sector	1
2452	Manufacture of perfumes and toilet preparations	Advanced materials / manufacturing	-	Not In A Sector	1
2461	Manufacture of explosives	Advanced materials / manufacturing	-	Not In A Sector	1
2462	Manufacture of glues and gelatine	Advanced materials / manufacturing	-	Not In A Sector	1
2463	Manufacture of essential oils	Advanced materials / manufacturing	-	Not In A Sector	1
2464	Manufacture photographic chemical material	Advanced materials / manufacturing	-	Not In A Sector	1
2465	Manufacture of prepared unrecorded media	Not In A Sector	-	Not In A Sector	1
2466	Manufacture of other chemical products not elsewhere classified	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2470	Manufacture of man-made fibres	Advanced materials / manufacturing	-	Not In A Sector	1
2511	Manufacture of rubber tyres and tubes	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1

2512	Retreading and rebuilding of rubber types	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2513	Manufacture of other rubber products	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2521	Manufacture of plastic plates, sheets, tubes and profiles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2522	Manufacture of plastic packing goods	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2523	Manufacture of builders' ware of plastic	Not In A Sector	-	Not In A Sector	1
2524	Manufacture of other plastic products	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2611	Manufacture of flat glass	Advanced materials / manufacturing	-	Not In A Sector	1
2612	Shaping and processing of flat glass	Not In A Sector	-	Not In A Sector	1
2613	Manufacture of hollow glass	Advanced materials / manufacturing	-	Not In A Sector	1
2614	Manufacture of glass fibres	Advanced materials / manufacturing	-	Not In A Sector	1
2615	Manufacture and processing of other glass including technical glassware	Advanced materials / manufacturing	-	Not In A Sector	1
2621	Manufacture of ceramic household and ornamental articles	Not In A Sector	-	Not In A Sector	1
2622	Manufacture of ceramic sanitary fixtures	Not In A Sector	-	Not In A Sector	1
2623	Manufacture of ceramic insulators and insulating fittings	Advanced materials / manufacturing	-	Not In A Sector	1
2624	Manufacture of other technical ceramic products	Advanced materials / manufacturing	-	Not In A Sector	1
2625	Manufacture of other ceramic products	Not In A Sector	-	Not In A Sector	1

2626	Manufacture of refractory ceramic products	Not In A Sector	-	Not In A Sector	1
2630	Manufacture of ceramic tiles and flags	Not In A Sector	-	Not In A Sector	1
2640	Manufacture of bricks, tiles and construction products, in baked clay	Not In A Sector	-	Not In A Sector	1
2651	Manufacture of cement	Not In A Sector	-	Not In A Sector	1
2652	Manufacture of lime	Not In A Sector	-	Not In A Sector	1
2653	Manufacture of plastic	Not In A Sector	-	Not In A Sector	1
2661	Manufacture of concrete products for construction purposes	Not In A Sector	-	Not In A Sector	1
2662	Manufacture of plaster products for construction purposes	Not In A Sector	-	Not In A Sector	1
2663	Manufacture of ready mixed concrete	Not In A Sector	-	Not In A Sector	1
2664	Manufacture of mortars	Not In A Sector	-	Not In A Sector	1
2665	Manufacture of fibre cement	Advanced materials / manufacturing	-	Not In A Sector	1
2666	Manufacture of other articles of concrete, plaster and cement	Not In A Sector	-	Not In A Sector	1
2670	Cutting, shaping and finishing of ornamental and building stone	Not In A Sector	-	Not In A Sector	1
2681	Production of abrasive products	Not In A Sector	-	Not In A Sector	1
2682	Manufacture of other non-metallic mineral products not elsewhere classified	Advanced materials / manufacturing	-	Not In A Sector	1
2710	Manufacture of basic iron and steel and of ferro-alloys	Advanced materials / manufacturing	-	Not In A Sector	1
2721	Manufacture of cast iron tubes	Advanced materials / manufacturing	-	Not In A Sector	1
2722	Manufacture of steel tubes	Advanced materials / manufacturing	-	Not In A Sector	1
2731	Cold drawing	Advanced materials / manufacturing	-	Not In A Sector	1
2732	Cold rolling of narrow strip	Advanced materials / manufacturing	-	Not In A Sector	1
2733	Cold forming or folding	Advanced materials /	-	Not In A Sector	1

		manufacturing			
2734	Wire drawing	Advanced materials / manufacturing	-	Not In A Sector	1
2741	Precious metals production	Advanced materials / manufacturing	-	Not In A Sector	1
2742	Aluminium Production	Advanced materials / manufacturing	-	Not In A Sector	1
2743	Lead, zinc and tin production	Advanced materials / manufacturing	-	Not In A Sector	1
2744	Copper production	Advanced materials / manufacturing	-	Not In A Sector	1
2745	Other non-ferrous metal production	Advanced materials / manufacturing	-	Not In A Sector	1
2751	Casting of iron	Advanced materials / manufacturing	-	Not In A Sector	1
2752	Casting of steel	Advanced materials / manufacturing	-	Not In A Sector	1
2753	Casting of light metals	Advanced materials / manufacturing	-	Not In A Sector	1
2754	Casting of other non-ferrous metals	Advanced materials / manufacturing	-	Not In A Sector	1
2811	Manufacture of metal structures and parts of structures	Advanced materials / manufacturing	-	Not In A Sector	1
2812	Manufacture of builders' carpentry and joinery of metal	Not In A Sector	-	Not In A Sector	1
2821	Manufacture of tanks, reservoirs and containers of metal	Not In A Sector	-	Not In A Sector	1
2822	Manufacture of central heating radiators and boilers	Advanced materials /	-	Not In A Sector	1

		manufacturing			
2830	Manufacture of steam generators, except central heating hot water boilers	Advanced materials / manufacturing	-	Not In A Sector	1
2840	Forging, pressing, stamping and roll forming of metal; powder metallurgy	Advanced materials / manufacturing	-	Not In A Sector	1
2851	Treatment and coating of metals	Advanced materials / manufacturing	-	Not In A Sector	1
2852	General mechanical engineering	Advanced materials / manufacturing	-	Not In A Sector	1
2861	Manufacture of cutlery	Advanced materials / manufacturing	-	Not In A Sector	1
2862	Manufacture of tools	Advanced materials / manufacturing	-	Not In A Sector	1
2863	Manufacture of locks and hinges	Not In A Sector	-	Not In A Sector	1
2871	Manufacture of steel drums and similar containers	Not In A Sector	-	Not In A Sector	1
2872	Manufacture of light metal packaging	Advanced materials / manufacturing	-	Not In A Sector	1
2873	Manufacture of wire products	Advanced materials / manufacturing	-	Not In A Sector	1
2874	Manufacture of fasteners, screw machine products, chains and springs	Advanced materials / manufacturing	-	Not In A Sector	1
2875	Manufacture of other fabricated metal products not elsewhere classified	Not In A Sector	-	Not In A Sector	1
2911	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2912	Manufacture of pumps and compressors	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2913	Manufacture of taps and valves	Advanced	-	Advanced	1

		materials / manufacturing		materials / manufacturing	
2914	Manufacture of bearings, gears, gearing and driving elements	Advanced materials / manufacturing	-	Not In A Sector	1
2921	Manufacture of furnaces and furnace burners	Advanced materials / manufacturing	-	Not In A Sector	1
2922	Manufacture of lifting and handling equipment	Advanced materials / manufacturing	-	Not In A Sector	1
2923	Manufacture of non-domestic cooling and ventilation equipment	Advanced materials / manufacturing	-	Not In A Sector	1
2924	Manufacture of other general purpose machinery not elsewhere classified	Not In A Sector	-	Not In A Sector	1
2931	Manufacture of agricultural tractors	Advanced materials / manufacturing	-	Not In A Sector	1
2932	Manufacture of other agricultural and forestry machinery	Advanced materials / manufacturing	-	Not In A Sector	1
2941	Manufacture of portable hand held power tools	Advanced materials / manufacturing	-	Not In A Sector	1
2942	Manufacture of other metalworking machine tools	Advanced materials / manufacturing	-	Not In A Sector	1
2943	Manufacture of other machine tools not elsewhere classified	Advanced materials / manufacturing	-	Not In A Sector	1
2951	Manufacture of machinery for metallurgy	Advanced materials / manufacturing	-	Not In A Sector	1
2952	Manufacture of machinery for mining, quarrying and construction	Advanced materials / manufacturing	-	Not In A Sector	1
2953	Manufacture of machinery for food, beverage, and tobacco processing	Advanced materials /	-	Not In A Sector	1

		manufacturing			
2954	Manufacture of machinery for textile, apparel and leather production	Advanced materials / manufacturing	-	Not In A Sector	1
2955	Manufacture of machinery for paper and paperboard production	Advanced materials / manufacturing	-	Not In A Sector	1
2956	Manufacture of other special purpose machinery not elsewhere classified	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2960	Manufacture of weapons and ammunition	Advanced materials / manufacturing	-	Not In A Sector	1
2971	Manufacture of electric domestic appliances	Advanced materials / manufacturing	-	Not In A Sector	1
2972	Manufacture of non-electric domestic appliances	Not In A Sector	-	Not In A Sector	1
3001	Manufacture of office machinery	ICT	Advanced materials / manufacturing	ICT	1
3002	Manufacture of computers and other information processing equipment	ICT	Advanced materials / manufacturing	ICT	1
3110	Manufacture of electric motors, generators and transformers	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3120	Manufacture of electricity distribution and control apparatus	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3130	Manufacture of insulated wire and cable	ICT	Advanced materials / manufacturing	ICT	1
3140	Manufacture of accumulators, primary cells and primary buttons	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3150	Manufacture of lighting equipment and electric lamps	Advanced materials / manufacturing	-	Not In A Sector	1

3161	Manufacture of electrical equipment for engines and vehicles not elsewhere classified	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3162	Manufacture of other electrical equipment not elsewhere classified	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3210	Manufacture of electronic valves and tubes and other electronic components	ICT	Advanced materials / manufacturing	ICT	1
3220	Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy	ICT	Advanced materials / manufacturing	ICT	1
3230	Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods	ICT	Advanced materials / manufacturing	ICT	1
3310	Manufacture of medical and surgical equipment and orthopaedic appliances	Life sciences	Advanced materials / manufacturing	Life sciences	1
3320	Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment	Life sciences	Advanced materials / manufacturing	Life sciences	1
3330	Manufacture of industrial process control equipment	ICT	Advanced materials / manufacturing	ICT	1
3340	Manufacture of optical instruments and photographic equipment	Life sciences	Advanced materials / manufacturing	Life sciences	1
3350	Manufacture of watches and clocks	Not In A Sector	-	Not In A Sector	1
3410	Manufacture of motor vehicles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3420	Manufacture of of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3430	Manufacture of parts and accessories for motor vehicles and their engines	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3511	Building and repairing of ships	Advanced	-	Advanced	1

		materials / manufacturing		materials / manufacturing	
3512	Building and repairing of pleasure and sporting boats	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3520	Manufacture of railway and tramway locomotives and rolling stock	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3530	Manufacture of aircraft and spacecraft	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3541	Manufacture of motorcycles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3542	Manufacture of bicycles	Advanced materials / manufacturing	-	Not In A Sector	1
3543	Manufacture of invalid carriages	Advanced materials / manufacturing	-	Not In A Sector	1
3550	Manufacture of other transport equipment not elsewhere classified	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3611	Manufacture of chairs and seats	Not In A Sector	-	Not In A Sector	1
3612	Manufacture of other office and shop furniture	Not In A Sector	-	Not In A Sector	1
3613	Manufacture of other kitchen furniture	Not In A Sector	-	Not In A Sector	1
3614	Manufacture of other furniture	Not In A Sector	-	Not In A Sector	1
3615	Manufacture of mattresses	Not In A Sector	-	Not In A Sector	1
3621	Striking of coins	Advanced materials / manufacturing	-	Not In A Sector	1
3622	Manufacture of jewellery and related articles not elsewhere classified	Not In A Sector	-	Not In A Sector	1
3630	Manufacture of musical instruments	Advanced materials / manufacturing	-	Not In A Sector	1
3640	Manufacture of sports goods	Not In A Sector	-	Not In A Sector	1
3650	Manufacture of games and toys	Not In A Sector	-	Not In A Sector	1

3661	Manufacture of imitation jewellery	Not In A Sector	-	Not In A Sector	1
3662	Manufacture of brooms and brushes	Not In A Sector	-	Not In A Sector	1
3663	Other manufacturing not elsewhere classified	Not In A Sector	-	Not In A Sector	1
3710	Recycling of metal waste and scrap	Energy & environment	-	Energy & environment	1
3720	Recycling of non-metal waste and scrap	Energy & environment	-	Energy & environment	1
4011	Production of electricity	Energy & environment	-	Energy & environment	1
4012	Transmission of electricity	Energy & environment	-	Energy & environment	1
4013	Distribution and trade in electricity	Energy & environment	-	Energy & environment	1
4021	Manufacture of gas	Energy & environment	-	Energy & environment	1
4022	Distribution and trade of gaseous fuels through mains	Energy & environment	-	Energy & environment	1
4030	Steam and hot water supply	Energy & environment	-	Energy & environment	1
4100	Collection, purification and distribution of water	Energy & environment	-	Energy & environment	1
4200	Mixed Utilities - DUMMY CODE	Not In A Sector	-	Not In A Sector	1
4511	Demolition and wrecking of buildings; earth moving	Energy & environment	-	Energy & environment	1
4512	Test drilling and boring	Not In A Sector	-	Not In A Sector	1
4521	General construction of buildings and civil engineering works	Not In A Sector	-	Not In A Sector	1
4522	Erection of roof covering and frames	Not In A Sector	-	Not In A Sector	1
4523	Construction of motorways, roads, railways, airfields and sports facilities	Not In A Sector	-	Not In A Sector	1
4524	Construction of water projects	Energy & environment	-	Energy & environment	1
4525	Other construction work involving special trades	Not In A Sector	-	Not In A Sector	1
4531	Installation of electrical wiring and fittings	Not In A Sector	-	Not In A Sector	1
4532	Insulation work activities	Energy & environment	-	Energy & environment	1
4533	Plumbing	Not In A Sector	-	Not In A Sector	1
4534	Other building installation	Not In A Sector	-	Not In A Sector	1

4541	Plastering	Not In A Sector	-	Not In A Sector	1
4542	Joinery installation	Not In A Sector	-	Not In A Sector	1
4543	Floor or wall covering	Not In A Sector	-	Not In A Sector	1
4544	Painting and glazing	Not In A Sector	-	Not In A Sector	1
4545	Other building completion	Not In A Sector	-	Not In A Sector	1
4550	Renting of construction or demolition equipment with operator	Not In A Sector	-	Not In A Sector	1
5010	Sale of motor vehicles	Not In A Sector	-	Not In A Sector	1
5020	Maintenance and repair of motor vehicles	Not In A Sector	-	Not In A Sector	1
5030	Sale of motor vehicle parts and accessories	Not In A Sector	-	Not In A Sector	1
5040	Sale, maintenance and repair of motorcycles and related parts and accessories	Not In A Sector	-	Not In A Sector	1
5050	Retail sale of automotive fuel	Not In A Sector	-	Not In A Sector	1
5111	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi finished goods	Not In A Sector	-	Not In A Sector	1
5112	Agents involved in the sale of fuels, ores, metals and industrial chemicals	Not In A Sector	-	Not In A Sector	1
5113	Agents involved in the sale of timber and building materials	Not In A Sector	-	Not In A Sector	1
5114	Agents involved in the sale of machinery, industrial equipment, ships and aircraft	Not In A Sector	-	Not In A Sector	1
5115	Agents involved in the sale of furniture, household goods, hardware and ironmongery	Not In A Sector	-	Not In A Sector	1
5116	Agents involved in the sale of textiles, clothing, footwear and leather goods	Not In A Sector	-	Not In A Sector	1
5117	Agents involved in the sale of food, beverages and tobacco	Not In A Sector	-	Not In A Sector	1
5118	Agents specialising in the sale of particular products or ranges of products not elsewhere classified	Not In A Sector	-	Not In A Sector	1
5119	Agents involved in the sale of a variety of goods	Not In A Sector	-	Not In A Sector	1
5121	Wholesale of grain, seeds and animal feeds	Not In A Sector	-	Not In A Sector	1
5122	Wholesale of flowers and plants	Not In A Sector	-	Not In A Sector	1
5123	Wholesale of live animals	Not In A Sector	-	Not In A Sector	1
5124	Wholesale of hides, skins and leather	Not In A Sector	-	Not In A Sector	1
5125	Wholesale of unmanufactured tobacco	Not In A Sector	-	Not In A Sector	1
5131	Wholesale of fruit and vegetables	Not In A Sector	-	Not In A Sector	1
5132	Wholesale of meat and meat products	Not In A Sector	-	Not In A Sector	1
5133	Wholesale of dairy produce, eggs and edible oils and fats	Not In A Sector	-	Not In A Sector	1
5134	Wholesale of alcoholic and other beverages	Not In A Sector	-	Not In A Sector	1
5135	Wholesale of tobacco products	Not In A Sector	-	Not In A Sector	1

5136	Wholesale of sugar and chocolate and sugar confectionery	Not In A Sector	-	Not In A Sector	1
5137	Wholesale of coffee, tea, cocoa and spices	Not In A Sector	-	Not In A Sector	1
5138	Wholesale of other food including fish, crustaceans and molluscs	Not In A Sector	-	Not In A Sector	1
5139	Non-specialised wholesale of food, beverages and tobacco	Not In A Sector	-	Not In A Sector	1
5141	Wholesale of textiles	Not In A Sector	-	Not In A Sector	1
5142	Wholesale of clothing and footwear	Not In A Sector	-	Not In A Sector	1
5143	Wholesale of electrical household appliances and radio and television goods	Not In A Sector	-	Not In A Sector	1
5144	Wholesale of china and glassware, wallpaper and cleaning materials	Not In A Sector	-	Not In A Sector	1
5145	Wholesale of perfume and cosmetics	Not In A Sector	-	Not In A Sector	1
5146	Wholesale of pharmaceutical goods	Not In A Sector	-	Not In A Sector	1
5147	Wholesale of other household goods	Not In A Sector	-	Not In A Sector	1
5151	Wholesale of solid, liquid and gaseous fuels and related products	Not In A Sector	-	Not In A Sector	1
5152	Wholesale of metals and ores	Not In A Sector	-	Not In A Sector	1
5153	Wholesale of wood, construction materials and sanitary equipment	Not In A Sector	-	Not In A Sector	1
5154	Wholesale of hardware, plumbing and heating equipment and supplies	Not In A Sector	-	Not In A Sector	1
5155	Wholesale of chemical products	Not In A Sector	-	Not In A Sector	1
5156	Wholesale of other intermediate products	Not In A Sector	-	Not In A Sector	1
5157	Wholesale of waste and scrap	Energy & environment	-	Energy & environment	1
5181	Wholesale of machine tools	Not In A Sector	-	Not In A Sector	1
5182	Wholesale of mining, construction and civil engineering machinery	Not In A Sector	-	Not In A Sector	1
5183	Wholesale of machinery for the textile industry, and of sewing and knitting machines	Not In A Sector	-	Not In A Sector	1
5184	Wholesale of computers, computer peripheral equipment and software	ICT	-	ICT	1
5185	Wholesale of other office machinery and equipment	Not In A Sector	-	Not In A Sector	1
5186	Wholesale of other electronic parts and equipment	ICT	-	ICT	1
5187	Wholesale of other machinery for use in industry, trade and navigation	Not In A Sector	-	Not In A Sector	1
5188	Wholesale of agricultural machinery and accessories and implements, including tractors	Not In A Sector	-	Not In A Sector	1
5190	Other wholesale	Not In A Sector	-	Not In A Sector	1
5211	Retail sale in non-specialised stores with food, beverages or tobacco predominating	Not In A Sector	-	Not In A Sector	1
5212	Other retail sale in non-specialised stores	Not In A Sector	-	Not In A Sector	1
5221	Retail sale of fruit and vegetables	Not In A Sector	-	Not In A Sector	1

5222	Retail sale of meat and meat products	Not In A Sector	-	Not In A Sector	1
5223	Retail sale of fish, crustaceans and molluscs	Not In A Sector	-	Not In A Sector	1
5224	Retail sale of bread, cakes, flour confectionery and sugar confectionery	Not In A Sector	-	Not In A Sector	1
5225	Retail sale of alcoholic and other beverages	Not In A Sector	-	Not In A Sector	1
5226	Retail sale of tobacco products	Not In A Sector	-	Not In A Sector	1
5227	Other retail sale of food, beverages and tobacco in specialised stores	Not In A Sector	-	Not In A Sector	1
5231	Dispensing chemists	Not In A Sector	-	Not In A Sector	1
5232	Retail sale of medical and orthopaedic goods	Not In A Sector	-	Not In A Sector	1
5233	Retail sale of cosmetic and toilet articles	Not In A Sector	-	Not In A Sector	1
5241	Retail sale of textiles	Not In A Sector	-	Not In A Sector	1
5242	Retail sale of clothing	Not In A Sector	-	Not In A Sector	1
5243	Retail sale of footwear and leather goods	Not In A Sector	-	Not In A Sector	1
5244	Retail sale of furniture, lighting equipment and household articles not elsewhere classified	Not In A Sector	-	Not In A Sector	1
5245	Retail sale of electrical household appliances and radio and television goods	Not In A Sector	-	Not In A Sector	1
5246	Retail sale of hardware, paints and glass	Not In A Sector	-	Not In A Sector	1
5247	Retail sale of books, newspapers and stationery	Not In A Sector	-	Not In A Sector	1
5248	Other retail sale in specialised stores	Creative industries	-	Creative industries	0.05
5248	Other retail sale in specialised stores	Not In A Sector	-	Not In A Sector	0.95
5250	Retail sale of second-hand goods in stores	Creative industries	-	Creative industries	0.05
5250	Retail sale of second-hand goods in stores	Not In A Sector	-	Not In A Sector	0.95
5261	Retail sale via mail order house	Not In A Sector	-	Not In A Sector	1
5262	Retail sale via stalls and markets	Not In A Sector	-	Not In A Sector	1
5263	Other non-store retail sale	Not In A Sector	-	Not In A Sector	1
5271	Repair of boots, shoes and other articles of leather	Not In A Sector	-	Not In A Sector	1
5272	Repair of electrical household goods	Not In A Sector	-	Not In A Sector	1
5273	Repair of watches, clocks and jewellery	Not In A Sector	-	Not In A Sector	1
5274	Repair not elsewhere classified	Not In A Sector	-	Not In A Sector	1
5510	Hotels	Not In A Sector	-	Not In A Sector	1
5521	Youth hostels and mountain refuges	Not In A Sector	-	Not In A Sector	1
5522	Camping sites, including caravan sites	Not In A Sector	-	Not In A Sector	1

5523	Other provision of lodgings not elsewhere classified	Not In A Sector	-	Not In A Sector	1
5530	Restaurants	Not In A Sector	-	Not In A Sector	1
5540	Bars	Not In A Sector	-	Not In A Sector	1
5551	Canteens	Not In A Sector	-	Not In A Sector	1
5552	Catering	Not In A Sector	-	Not In A Sector	1
6010	Transport via railways	Not In A Sector	-	Not In A Sector	1
6021	Other scheduled passenger land transport	Not In A Sector	-	Not In A Sector	1
6022	Taxi operation	Not In A Sector	-	Not In A Sector	1
6023	Other passenger land transport	Not In A Sector	-	Not In A Sector	1
6024	Freight transport by road	Not In A Sector	-	Not In A Sector	1
6030	Transport via pipelines	Not In A Sector	-	Not In A Sector	1
6110	Sea and coastal water transport	Not In A Sector	-	Not In A Sector	1
6120	Inland water transport	Not In A Sector	-	Not In A Sector	1
6210	Scheduled air transport	Not In A Sector	-	Not In A Sector	1
6220	Non-scheduled air transport	Not In A Sector	-	Not In A Sector	1
6230	Space transport	Not In A Sector	-	Not In A Sector	1
6311	Cargo handling	Not In A Sector	-	Not In A Sector	1
6312	Storage and warehousing	Not In A Sector	-	Not In A Sector	1
6321	Other supporting land transport activities	Not In A Sector	-	Not In A Sector	1
6322	Other supporting water transport activities	Not In A Sector	-	Not In A Sector	1
6323	Other supporting air transport activities	Not In A Sector	-	Not In A Sector	1
6330	Activities of travel agencies and tour operators; tourist assistance activities not elsewhere classified	Not In A Sector	-	Not In A Sector	1
6340	Activities of other transport agencies	Not In A Sector	-	Not In A Sector	1
6411	National post activities	Not In A Sector	-	Not In A Sector	1
6412	Courier activities other than national post activities	Not In A Sector	-	Not In A Sector	1
6420	Telecommunications	ICT	-	ICT	1
6511	Central banking	Financial and professional services	-	Financial and professional services	1
6512	Other monetary intermediation	Financial and professional services	-	Financial and professional services	1
6521	Financial leasing	Financial and professional	-	Financial and professional	1

		services		services	
6522	Other credit granting	Financial and professional services	-	Financial and professional services	1
6523	Other financial intermediation not elsewhere classified	Financial and professional services	-	Financial and professional services	1
6601	Life insurance	Financial and professional services	-	Financial and professional services	1
6602	Pension funding	Financial and professional services	-	Financial and professional services	1
6603	Non-life insurance	Financial and professional services	-	Financial and professional services	1
6711	Administration of financial markets	Financial and professional services	-	Financial and professional services	1
6712	Security broking and fund management	Financial and professional services	-	Financial and professional services	1
6713	Activities auxiliary to financial intermediation not elsewhere classified	Financial and professional services	-	Financial and professional services	1
6720	Activities auxiliary to insurance and pension funding	Financial and professional services	-	Financial and professional services	1
7011	Development and selling of real estate	Not In A Sector	-	Not In A Sector	1
7012	Buying and selling of own real estate	Not In A Sector	-	Not In A Sector	1
7020	Letting of own property	Not In A Sector	-	Not In A Sector	1
7031	Real estate agencies	Not In A Sector	-	Not In A Sector	1
7032	Management of real estate on a fee or contract basis	Not In A Sector	-	Not In A Sector	1
7110	Renting of automobiles	Not In A Sector	-	Not In A Sector	1
7121	Renting of other land transport equipment	Not In A Sector	-	Not In A Sector	1
7122	Renting of water transport equipment	Not In A Sector	-	Not In A Sector	1
7123	Renting of air transport equipment	Not In A Sector	-	Not In A Sector	1

7131	Renting of agricultural machinery and equipment	Not In A Sector	-	Not In A Sector	1
7132	Renting of construction and civil engineering machinery and equipment	Not In A Sector	-	Not In A Sector	1
7133	Renting of office machinery and equipment including computers	ICT	-	ICT	1
7134	Renting of other machinery and equipment not elsewhere classified	Not In A Sector	-	Not In A Sector	1
7140	Renting of personal and household goods not elsewhere classified	Not In A Sector	-	Not In A Sector	1
7210	Hardware consultancy	ICT	-	ICT	1
7221	Publishing of software	Creative industries	-	Creative industries	1
7222	Other software consultancy and supply	Creative industries	-	Creative industries	1
7230	Data processing	ICT	-	ICT	1
7240	Database activities	ICT	-	ICT	1
7250	Maintenance and repair of office, accounting and computing machinery	ICT	-	ICT	1
7260	Other computer related activities	ICT	-	ICT	1
7310	Research and experimental development on natural sciences and engineering	Life sciences	-	Life sciences	1
7320	Research and experimental development on social sciences and humanities	Not In A Sector	-	Not In A Sector	1
7411	Legal activities	Financial and professional services	-	Financial and professional services	1
7412	Accounting, book-keeping and auditing activities; tax consultancy	Financial and professional services	-	Financial and professional services	1
7413	Market research and public opinion polling	Financial and professional services	-	Financial and professional services	1
7414	Business and management consultancy activities	Financial and professional services	-	Financial and professional services	1
7415	Management activities of holding companies	Financial and professional services	-	Financial and professional services	1
7420	Architectural and engineering activities and related technical consultancy	Creative industries	-	Creative industries	0.25
7420	Architectural and engineering activities and related technical consultancy	Financial and professional services	-	Financial and professional services	0.75

7430	Technical testing and analysis	Financial and professional services	-	Financial and professional services	1
7440	Advertising	Creative industries	-	Creative industries	1
7450	Labour recruitment and provision of personnel	Financial and professional services	-	Financial and professional services	1
7460	Investigation and security activities	Financial and professional services	-	Financial and professional services	1
7470	Industrial cleaning	Financial and professional services	-	Financial and professional services	1
7481	Photographic activities	Creative industries	-	Creative industries	0.25
7481	Photographic activities	Financial and professional services	-	Financial and professional services	0.75
7482	Packaging activities	Financial and professional services	-	Financial and professional services	1
7485	Secretarial and translation activities	Financial and professional services	-	Financial and professional services	1
7486	Call centre activities	Financial and professional services	-	Financial and professional services	1
7487	Other business activities not elsewhere classified	Creative industries	-	Creative industries	0.02
7487	Other business activities not elsewhere classified	Financial and professional services	-	Financial and professional services	0.98
7511	General (overall) public service activities	Not In A Sector	-	Not In A Sector	1
7512	Regulation of the activities of agencies that provide health care, education, cultural services and other social services excluding social security	Not In A Sector	-	Not In A Sector	1
7513	Regulation of and contribution to more efficient operation of business	Not In A Sector	-	Not In A Sector	1
7514	Supporting service activities for the government as a whole	Not In A Sector	-	Not In A Sector	1

7521	Foreign affairs	Not In A Sector	-	Not In A Sector	1
7522	Defence activities	Not In A Sector	-	Not In A Sector	1
7523	Justice and judicial activities	Not In A Sector	-	Not In A Sector	1
7524	Public security, law and order activities	Not In A Sector	-	Not In A Sector	1
7525	Fire service activities	Not In A Sector	-	Not In A Sector	1
7530	Compulsory social security activities	Not In A Sector	-	Not In A Sector	1
8010	Primary education	Not In A Sector	-	Not In A Sector	1
8021	General secondary education	Not In A Sector	-	Not In A Sector	1
8022	Technical and vocational secondary education	Not In A Sector	-	Not In A Sector	1
8030	Higher education	Not In A Sector	-	Not In A Sector	1
8041	Driving school activities	Not In A Sector	-	Not In A Sector	1
8042	Adult and other education not elsewhere classified	Not In A Sector	-	Not In A Sector	1
8511	Hospital activities	Not In A Sector	-	Not In A Sector	1
8512	Medical practice activities	Not In A Sector	-	Not In A Sector	1
8513	Dental practice activities	Not In A Sector	-	Not In A Sector	1
8514	Other human health activities	Not In A Sector	-	Not In A Sector	1
8520	Veterinary activities	Not In A Sector	-	Not In A Sector	1
8531	Social work activities with accomodation	Not In A Sector	-	Not In A Sector	1
8532	Social work activities without accomodation	Not In A Sector	-	Not In A Sector	1
9001	Collection and treatment of sewage	Energy & environment	-	Energy & environment	1
9002	Collection and treatment of other waste	Energy & environment	-	Energy & environment	1
9003	Sanitation, remediation and similar activities	Energy & environment	-	Energy & environment	1
9111	Activities of business and employers organisations	Not In A Sector	-	Not In A Sector	1
9112	Activities of professional organisations	Not In A Sector	-	Not In A Sector	1
9120	Activities of trade unions	Not In A Sector	-	Not In A Sector	1
9131	Activities of religious organisations	Not In A Sector	-	Not In A Sector	1
9132	Activities of political organisations	Not In A Sector	-	Not In A Sector	1
9133	Activities of other membership organisations not elsewhere classified	Not In A Sector	-	Not In A Sector	1
9211	Motion picture and video production	Creative industries	-	Creative industries	1
9212	Motion picture and video distribution	Creative industries	-	Creative industries	1

9213	Motion picture projection	Creative industries	-	Creative industries	1
9220	Radio and television activities	Creative industries	-	Creative industries	1
9231	Artistic and literary creation and interpretation	Creative industries	-	Creative industries	1
9232	Operation of arts facilities	Creative industries	-	Creative industries	1
9233	Fair and amusement park activities	Not In A Sector	-	Not In A Sector	1
9234	Other entertainment activities not elsewhere classified	Creative industries	-	Creative industries	0.5
9234	Other entertainment activities not elsewhere classified	Not In A Sector	-	Not In A Sector	0.5
9240	News agency activities	Creative industries	-	Creative industries	1
9251	Library and archive activities	Not In A Sector	-	Not In A Sector	1
9252	Museum activities and perservation of historical sites and buildings	Not In A Sector	-	Not In A Sector	1
9253	Botanical and zoological gardens and nature reserve activities	Not In A Sector	-	Not In A Sector	1
9261	Operation of sport arenas and stadiums	Not In A Sector	-	Not In A Sector	1
9262	Other sporting activities	Not In A Sector	-	Not In A Sector	1
9271	Gambling and betting activities	Not In A Sector	-	Not In A Sector	1
9272	Other recreational activities not elsewhere classified	Creative industries	-	Creative industries	0.25
9272	Other recreational activities not elsewhere classified	Not In A Sector	-	Not In A Sector	0.75
9301	Washing and dry cleaning of textile and fur products	Not In A Sector	-	Not In A Sector	1
9302	Hairdressing and other beauty treatment	Not In A Sector	-	Not In A Sector	1
9303	Funeral and related activities	Not In A Sector	-	Not In A Sector	1
9304	Physical well-being activities	Not In A Sector	-	Not In A Sector	1
9305	Other service activities not elsewhere classified	Not In A Sector	-	Not In A Sector	1
9500	Activities of households as employers of domestic staff	Not In A Sector	-	Not In A Sector	1
9600	Undifferentiated goods producing activities of private households for own use	Not In A Sector	-	Not In A Sector	1
9700	Undifferentiated services producing activities of private households for own use	Not In A Sector	-	Not In A Sector	1
9900	Extra-territorial organisations and bodies	Not In A Sector	-	Not In A Sector	1

Provisional Definitions based on 4 digit SIC2007

4 Digit Code	Description	Sector 1	Sector 2	Old Sector	Proportion
0111	Growing of cereals (except rice), leguminous crops and oil seeds	Not In A Sector	-	Not In A Sector	1
0112	Growing of rice	Not In A Sector	-	Not In A Sector	1
0113	Growing of vegetables and melons, roots and tubers	Not In A Sector	-	Not In A Sector	1
0114	Growing of sugar cane	Not In A Sector	-	Not In A Sector	1
0115	Growing of tobacco	Not In A Sector	-	Not In A Sector	1
0116	Growing of fibre crops	Not In A Sector	-	Not In A Sector	1
0119	Growing of other non-perennial crops	Not In A Sector	-	Not In A Sector	1
0121	Growing of grapes	Not In A Sector	-	Not In A Sector	1
0122	Growing of tropical and subtropical fruits	Not In A Sector	-	Not In A Sector	1
0123	Growing of citrus fruits	Not In A Sector	-	Not In A Sector	1
0124	Growing of pome fruits and stone fruits	Not In A Sector	-	Not In A Sector	1
0125	Growing of other tree and bush fruits and nuts	Not In A Sector	-	Not In A Sector	1
0126	Growing of oleaginous fruits	Not In A Sector	-	Not In A Sector	1
0127	Growing of beverage crops	Not In A Sector	-	Not In A Sector	1
0128	Growing of spices, aromatic, drug and pharmaceutical crops	Not In A Sector	-	Not In A Sector	1
0129	Growing of other perennial crops	Not In A Sector	-	Not In A Sector	1
0130	Plant propagation	Not In A Sector	-	Not In A Sector	1
0141	Raising of dairy cattle	Not In A Sector	-	Not In A Sector	1
0142	Raising of other cattle and buffaloes	Not In A Sector	-	Not In A Sector	1
0143	Raising of horses and other equines	Not In A Sector	-	Not In A Sector	1
0144	Raising of camels and camelids	Not In A Sector	-	Not In A Sector	1
0145	Raising of sheep and goats	Not In A Sector	-	Not In A Sector	1
0146	Raising of swine/pigs	Not In A Sector	-	Not In A Sector	1
0147	Raising of poultry	Not In A Sector	-	Not In A Sector	1
0149	Raising of other animals	Not In A Sector	-	Not In A Sector	1
0150	Mixed farming	Not In A Sector	-	Not In A Sector	1
0161	Support activities for crop production	Not In A Sector	-	Not In A Sector	1
0162	Support activities for animal production	Not In A Sector	-	Not In A Sector	1
0163	Post-harvest crop activities	Not In A Sector	-	Not In A Sector	1
0164	Seed processing for propagation	Not In A Sector	-	Not In A Sector	1

0170	Hunting, trapping and related service activities	Not In A Sector	-	Not In A Sector	1
0210	Silviculture and other forestry activities	Not In A Sector	-	Not In A Sector	1
0220	Logging	Not In A Sector	-	Not In A Sector	1
0230	Gathering of wild growing non-wood products	Not In A Sector	-	Not In A Sector	1
0240	Support services to forestry	Not In A Sector	-	Not In A Sector	1
0311	Marine fishing	Not In A Sector	-	Not In A Sector	1
0312	Freshwater fishing	Not In A Sector	-	Not In A Sector	1
0321	Marine aquaculture	Not In A Sector	-	Not In A Sector	1
0322	Freshwater aquaculture	Not In A Sector	-	Not In A Sector	1
0510	Mining of Hard Coal	Energy & environment	-	Energy & environment	1
0520	Mining of lignite	Energy & environment	-	Energy & environment	1
0610	Extraction of crude petroleum	Energy & environment	-	Energy & environment	1
0620	Extraction of natural gas	Energy & environment	-	Energy & environment	1
0710	Mining of iron ores	Not In A Sector	-	Not In A Sector	1
0721	Mining of uranium and thorium ores	Not In A Sector	-	Not In A Sector	1
0729	Mining of other non-ferrous metal ores	Not In A Sector	-	Not In A Sector	1
0811	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	Not In A Sector	-	Not In A Sector	1
0812	Operation of gravel and sand pits; mining of clays and kaolin	Not In A Sector	-	Not In A Sector	1
0891	Mining of chemical and fertilizer minerals	Not In A Sector	-	Not In A Sector	1
0892	Extraction of peat	Energy & environment	-	Energy & environment	1
0893	Extraction of salt	Not In A Sector	-	Not In A Sector	1
0899	Other mining and quarrying n.e.c.	Not In A Sector	-	Not In A Sector	1
0910	Support activities for petroleum and natural gas mining	Energy & environment	-	Energy & environment	1
0990	Support activities for other mining and quarrying	Not In A Sector	-	Not In A Sector	1
1011	Processing and preserving of meat	Not In A Sector	-	Not In A Sector	1
1012	Processing and preserving of poultry meat	Not In A Sector	-	Not In A Sector	1
1013	Production of meat and poultry meat products	Not In A Sector	-	Not In A Sector	1
1020	Processing and preserving of fish, crustaceans and molluscs	Not In A Sector	-	Not In A Sector	1
1031	Processing and preserving of potatoes	Not In A Sector	-	Not In A Sector	1
1032	Manufacture of fruit and vegetable juice	Not In A Sector	-	Not In A Sector	1
1039	Other processing and preserving of fruit and vegetables	Not In A Sector	-	Not In A Sector	1
1041	Manufacture of oils and fats	Not In A Sector	-	Not In A Sector	1
1042	Manufacture of margarine and similar edible fats	Not In A Sector	-	Not In A Sector	1

1051	Operation of Dairies and Cheese making	Not In A Sector	-	Not In A Sector	1
1052	Manufacture of ice cream	Not In A Sector	-	Not In A Sector	1
1061	Manufacture of breakfast cereals and cereals-based food	Not In A Sector	-	Not In A Sector	1
1062	Manufacture of starches and starch products	Not In A Sector	-	Not In A Sector	1
1071	Manufacture of bread; manufacture of fresh pastry goods and cakes	Not In A Sector	-	Not In A Sector	1
1072	Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	Not In A Sector	-	Not In A Sector	1
1073	Manufacture of macaroni, noodles, couscous and similar farinaceous products	Not In A Sector	-	Not In A Sector	1
1081	Manufacture of sugar	Not In A Sector	-	Not In A Sector	1
1082	Manufacture of cocoa ,chocolate and sugar confectionery	Not In A Sector	-	Not In A Sector	1
1083	Processing of tea and coffee	Not In A Sector	-	Not In A Sector	1
1084	Manufacture of condiments and seasonings	Not In A Sector	-	Not In A Sector	1
1085	Manufacture of prepared meals and dishes	Not In A Sector	-	Not In A Sector	1
1086	Manufacture of homogenized food preparations and dietetic food	Not In A Sector	-	Not In A Sector	1
1089	Manufacture of other food products n.e.c.	Not In A Sector	-	Not In A Sector	1
1091	Manufacture of prepared feeds for farm animals	Not In A Sector	-	Not In A Sector	1
1092	Manufacture of prepared pet foods	Not In A Sector	-	Not In A Sector	1
1101	Distilling, rectifying and blending of spirits	Not In A Sector	-	Not In A Sector	1
1102	Manufacture of wine from grape	Not In A Sector	-	Not In A Sector	1
1103	Manufacture of cider and other fruit wines	Not In A Sector	-	Not In A Sector	1
1104	Manufacture of other non-distilled fermented beverages	Not In A Sector	-	Not In A Sector	1
1105	Manufacture of beer	Not In A Sector	-	Not In A Sector	1
1106	Manufacture of malt	Not In A Sector	-	Not In A Sector	1
1107	Manufacture of soft drinks; production of mineral waters and other bottled waters	Not In A Sector	-	Not In A Sector	1
1200	Manufacture of tobacco products	Not In A Sector	-	Not In A Sector	1
1310	Preparation and spinning of textile fibres	Advanced materials / manufacturing	-	Not In A Sector	1
1320	Weaving of textiles	Advanced materials / manufacturing	-	Not In A Sector	1
1330	Finishing of textiles	Advanced materials / manufacturing	-	Not In A Sector	1

1391	Manufacture of knitted and crocheted fabrics	Not In A Sector	-	Not In A Sector	1
1392	Manufacture of made-up textile articles except apparel	Advanced materials / manufacturing	-	Not In A Sector	1
1393	Manufacture of carpets and rugs	Not In A Sector	-	Not In A Sector	1
1394	Manufacture of cordage, rope, twine and netting	Not In A Sector	-	Not In A Sector	1
1395	Manufacture of non-wovens and articles made from non-wovens, except apparel	Advanced materials / manufacturing	-	Not In A Sector	1
1396	Manufacture of other technical and industrial textiles	Advanced materials / manufacturing	-	Not In A Sector	1
1399	Manufacture of other textiles n.e.c.	Not In A Sector	-	Not In A Sector	1
1411	Manufacture of leather clothes	Creative industries	-	Creative industries	0.005
1411	Manufacture of leather clothes	Not In A Sector	-	Not In A Sector	0.995
1412	Manufacture of workwear	Creative industries	-	Creative industries	0.005
1412	Manufacture of workwear	Not In A Sector	-	Not In A Sector	0.995
1413	Manufacture of outerwear	Creative industries	-	Creative industries	0.005
1413	Manufacture of outerwear	Not In A Sector	-	Not In A Sector	0.995
1414	Manufacture underwear	Creative industries	-	Creative industries	0.005
1414	Manufacture underwear	Not In A Sector	-	Not In A Sector	0.995
1419	Manufacture of other wearing apparel and accessories n.e.c.	Creative industries	-	Creative industries	0.005
1419	Manufacture of other wearing apparel and accessories n.e.c.	Not In A Sector	-	Not In A Sector	0.995
1420	Manufacture of articles of fur	Creative industries	-	Creative industries	0.005
1420	Manufacture of articles of fur	Not In A Sector	-	Not In A Sector	0.995
1431	Manufacture of knitted and crocheted hosiery	Creative industries	-	Creative industries	0.005
1431	Manufacture of knitted and crocheted hosiery	Not In A Sector	-	Not In A Sector	0.995
1439	Manufacture of other knitted and crocheted apparel	Creative industries	-	Creative industries	0.005
1439	Manufacture of other knitted and crocheted apparel	Not In A Sector	-	Not In A Sector	0.995
1511	Tanning and dressing of leather; dressing and dyeing of fur	Not In A Sector	-	Not In A Sector	1
1512	Manufacture of luggage, handbags and the like, saddlery and harness	Creative industries	-	Creative industries	0.005
1512	Manufacture of luggage, handbags and the like, saddlery and harness	Not In A Sector	-	Not In A Sector	0.995
1520	Manufacture of footwear	Creative industries	-	Creative industries	0.005
1520	Manufacture of footwear	Not In A Sector	-	Not In A Sector	0.995
1610	Sawmilling and planing of wood	Not In A Sector	-	Not In A Sector	1
1621	Manufacture of veneer sheets and wood-based panels	Not In A Sector	-	Not In A Sector	1

1622	Manufacture of assembled parquet floors	Not In A Sector	-	Not In A Sector	1
1623	Manufacture of other builders' carpentry and joinery	Not In A Sector	-	Not In A Sector	1
1624	Manufacture of wooden containers	Not In A Sector	-	Not In A Sector	1
1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	Not In A Sector	-	Not In A Sector	1
1711	Manufacture of pulp	Not In A Sector	-	Not In A Sector	1
1712	Manufacture of paper and paperboard	Advanced materials / manufacturing	-	Not In A Sector	1
1721	Manufacture of corrugated paper and paperboard, and of containers of paper and paperboard	Not In A Sector	-	Not In A Sector	1
1722	Manufacture of household and sanitary goods and of toilet requisites	Not In A Sector	-	Not In A Sector	1
1723	Manufacture of paper stationery	Not In A Sector	-	Not In A Sector	1
1724	Manufacture of wallpaper	Not In A Sector	-	Not In A Sector	1
1729	Manufacture of other articles of paper and paperboard n.e.c.	Not In A Sector	-	Not In A Sector	1
1811	Printing of newspapers	Not In A Sector	-	Not In A Sector	1
1812	Other printing	Not In A Sector	-	Not In A Sector	1
1813	Pre-press and pre-media services	Not In A Sector	-	Not In A Sector	1
1814	Binding and related services	Not In A Sector	-	Not In A Sector	1
1820	Reproduction of recorded media	Creative industries	-	Creative industries	0.25
1820	Reproduction of recorded media	Not In A Sector	-	Not In A Sector	0.75
1910	Manufacture of coke oven products	Energy & environment	-	Energy & environment	1
1920	Manufacture of refined petroleum products	Energy & environment	Advanced materials / manufacturing	Energy & environment	1
2011	Manufacture of industrial gases	Advanced materials / manufacturing	-	Not In A Sector	1
2012	Manufacture of dyes and pigments	Advanced materials / manufacturing	-	Not In A Sector	1
2013	Manufacture of other inorganic basic chemicals	Life Sciences	Advanced materials / manufacturing	Life Sciences	1
2014	Manufacture of other organic basic chemicals	Life Sciences	Advanced materials / manufacturing	Life Sciences	1
2015	Manufacture of fertilizers and nitrogen compounds	Life Sciences	Advanced materials / manufacturing	Life Sciences	1
2016	Manufacture of plastics in primary forms	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1

2017	Manufacture of synthetic rubber in primary forms	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2020	Manufacture of pesticides and other agrochemical products	Life Sciences	Advanced materials / manufacturing	Life Sciences	1
2030	Manufacture of paints, varnishes and similar coatings, printing ink and mastics	Advanced materials / manufacturing	-	Not In A Sector	1
2041	Manufacture of soap and detergents, cleaning and polishing preparations	Advanced materials / manufacturing	-	Not In A Sector	1
2042	Manufacture of perfumes and toilet preparations	Advanced materials / manufacturing	-	Not In A Sector	1
2051	Manufacture of explosives	Advanced materials / manufacturing	-	Not In A Sector	1
2052	Manufacture of glues	Advanced materials / manufacturing	-	Not In A Sector	1
2053	Manufacture of essential oils	Advanced materials / manufacturing	-	Not In A Sector	1
2059	Manufacture of other chemical products n.e.c.	Advanced materials / manufacturing	-	Not In A Sector	1
2060	Manufacture of man-made fibres	Advanced materials / manufacturing	-	Not In A Sector	1
2110	Manufacture of basic pharmaceutical products	Life sciences	Advanced materials / manufacturing	Life sciences	1
2120	Manufacture of pharmaceutical preparations	Life sciences	Advanced materials / manufacturing	Life sciences	1
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2219	Manufacture of other rubber products	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2221	Manufacture of plastic plates, sheets, tubes and profiles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2222	Manufacture of plastic packing goods	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2223	Manufacture of builders ware of plastic	Not In A Sector	-	Not In A Sector	1
2229	Manufacture of other plastic products	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2311	Manufacture of flat glass	Advanced materials / manufacturing	-	Not In A Sector	1
2312	Shaping and processing of flat glass	Not In A Sector	-	Not In A Sector	1

2313	Manufacture of hollow glass	Advanced materials / manufacturing	-	Not In A Sector	1
2314	Manufacture of glass fibres	Advanced materials / manufacturing	-	Not In A Sector	1
2319	Manufacture and processing of other glass, including technical glassware	Advanced materials / manufacturing	-	Not In A Sector	1
2320	Manufacture of refractory products	Not In A Sector	-	Not In A Sector	1
2331	Manufacture of ceramic tiles and flags	Not In A Sector	-	Not In A Sector	1
2332	Manufacture of bricks, tiles and construction products, in baked clay	Not In A Sector	-	Not In A Sector	1
2341	Manufacture of ceramic household and ornamental articles	Not In A Sector	-	Not In A Sector	1
2342	Manufacture of ceramic sanitary fixtures	Not In A Sector	-	Not In A Sector	1
2343	Manufacture of ceramic insulators and insulating fittings	Advanced materials / manufacturing	-	Not In A Sector	1
2344	Manufacture of other technical ceramic products	Advanced materials / manufacturing	-	Not In A Sector	1
2349	Manufacture of other ceramic products n.e.c.	Advanced materials / manufacturing	-	Not In A Sector	1
2351	Manufacture of cement	Not In A Sector	-	Not In A Sector	1
2352	Manufacture of lime and plaster	Not In A Sector	-	Not In A Sector	1
2361	Manufacture of concrete products for construction purposes	Not In A Sector	-	Not In A Sector	1
2362	Manufacture of plaster products for construction purposes	Not In A Sector	-	Not In A Sector	1
2363	Manufacture of ready-mixed concrete	Not In A Sector	-	Not In A Sector	1
2364	Manufacture of mortars	Not In A Sector	-	Not In A Sector	1
2365	Manufacture of fibre cement	Advanced materials / manufacturing	-	Not In A Sector	1
2369	Manufacture of other articles of concrete, plaster and cement	Not In A Sector	-	Not In A Sector	1
2370	Cutting, shaping and finishing of stone	Not In A Sector	-	Not In A Sector	1
2391	Production of abrasive products	Advanced materials / manufacturing	-	Not In A Sector	1
2399	Manufacture of other non-metallic mineral products n.e.c.	Advanced materials / manufacturing	-	Not In A Sector	1
2410	Manufacture of basic iron and steel and of ferro-alloys	Advanced materials / manufacturing	-	Not In A Sector	1
2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	Advanced materials / manufacturing	-	Not In A Sector	1

2431	Cold drawing of bars	Advanced materials / manufacturing	-	Not In A Sector	1
2432	Cold rolling of narrow strip	Advanced materials / manufacturing	-	Not In A Sector	1
2433	Cold forming or folding	Advanced materials / manufacturing	-	Not In A Sector	1
2434	Cold drawing of wire	Advanced materials / manufacturing	-	Not In A Sector	1
2441	Precious metals production	Advanced materials / manufacturing	-	Not In A Sector	1
2442	Aluminium production	Advanced materials / manufacturing	-	Not In A Sector	1
2443	Lead, zinc and tin production	Advanced materials / manufacturing	-	Not In A Sector	1
2444	Copper production	Advanced materials / manufacturing	-	Not In A Sector	1
2445	Other non-ferrous metal production	Advanced materials / manufacturing	-	Not In A Sector	1
2446	Processing of nuclear fuel	Advanced materials / manufacturing	-	Not In A Sector	1
2451	Casting of iron	Advanced materials / manufacturing	-	Not In A Sector	1
2452	Casting of steel	Advanced materials / manufacturing	-	Not In A Sector	1
2453	Casting of light metals	Advanced materials / manufacturing	-	Not In A Sector	1
2454	Casting of other non-ferrous metals	Advanced materials / manufacturing	-	Not In A Sector	1
2511	Manufacture of metal structures and parts of structures	Advanced materials / manufacturing	-	Not In A Sector	1
2512	Manufacture of doors and windows of metal	Not In A Sector	-	Not In A Sector	1
2521	Manufacture of central heating radiators and boilers	Advanced materials / manufacturing	-	Not In A Sector	1
2529	Manufacture of other tanks, reservoirs and containers of metal	Not In A Sector	-	Not In A Sector	1
2530	Manufacture of steam generators, except central heating hot water boilers	Advanced materials / manufacturing	-	Not In A Sector	1
2540	Manufacture of weapons and ammunition	Advanced materials /	-	Not In A Sector	1

		manufacturing			
2550	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	Advanced materials / manufacturing	-	Not In A Sector	1
2561	Treatment and coating of metals	Advanced materials / manufacturing	-	Not In A Sector	1
2562	Machining	Advanced materials / manufacturing	-	Not In A Sector	1
2571	Manufacture of cutlery	Advanced materials / manufacturing	-	Not In A Sector	1
2572	Manufacture of locks and hinges	Not In A Sector	-	Not In A Sector	1
2573	Manufacture of tools	Advanced materials / manufacturing	-	Not In A Sector	1
2591	Manufacture of steel drums and similar containers	Not In A Sector	-	Not In A Sector	1
2592	Manufacture of light metal packaging	Advanced materials / manufacturing	-	Not In A Sector	1
2593	Manufacture of wire products, chain and springs	Advanced materials / manufacturing	-	Not In A Sector	1
2594	Manufacture of fasteners and screw machine products	Advanced materials / manufacturing	-	Not In A Sector	1
2599	Manufacture of other fabricated metal products n.e.c.	Not In A Sector	-	Not In A Sector	1
2611	Manufacture of electronic components	ICT	Advanced materials / manufacturing	ICT	1
2612	Manufacture of loaded electronic boards	ICT	Advanced materials / manufacturing	ICT	1
2620	Manufacture of computers and peripheral equipment	ICT	Advanced materials / manufacturing	ICT	1
2630	Manufacture of communication equipment	ICT	Advanced materials / manufacturing	ICT	1
2640	Manufacture of consumer electronics	ICT	Advanced materials / manufacturing	ICT	1
2651	Manufacture of instruments and appliances and appliances for measuring, testing and navigation	ICT	Advanced materials / manufacturing	ICT	1
2652	Manufacture of watches and clocks	ICT	-	ICT	1
2660	Manufacture of irradiation, electromedical and electrotherapeutic equipment	Life sciences	Advanced materials / manufacturing	Life sciences	1
2670	Manufacture of optical instruments and photographic equipment	Life sciences	Advanced materials / manufacturing	Life sciences	1

2680	Manufacture of magnetic and optical media	ICT	-	ICT	1
2711	Manufacture of electric motors, generators and transformers	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2712	Manufacture of electricity distribution and control apparatus	-	-	Advanced materials / manufacturing	1
2720	Manufacture of batteries and accumulators	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2731	Manufacture of fibre optic cables	ICT	Advanced materials / manufacturing	ICT	1
2732	Manufacture of other electronic and electric wires and cables	ICT	Advanced materials / manufacturing	ICT	1
2733	Manufacture of wiring devices	-	-	Advanced materials / manufacturing	1
2740	Manufacture of electric lighting equipment	Advanced materials / manufacturing	-	Not In A Sector	1
2751	Manufacture of electric domestic appliances	Advanced materials / manufacturing	-	Not In A Sector	1
2752	Manufacture of non-electric domestic appliances	Not In A Sector	-	Not In A Sector	1
2790	Manufacture of other electrical equipment	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2811	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2812	Manufacture of fluid power equipment	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2813	Manufacture of other pumps and comoressors	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2814	Manufacture of taps and valves	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2815	Manufacture of bearings, gears, gearing and driving elements	Advanced materials / manufacturing	-	Not In A Sector	1
2821	Manufacture of ovens, furnaces and furnace burners	Advanced materials / manufacturing	-	Not In A Sector	1
2822	Manufacture of lifting and handling equipment	Advanced materials / manufacturing	-	Not In A Sector	1
2823	Manufacture of office machinery and equipment (except computers and peripheral equipment)	ICT	Advanced materials / manufacturing	ICT	1
2824	Manufacture of power-driven hand tools	Advanced materials / manufacturing	-	Not In A Sector	1

2825	Manufacture of non-domestic cooling and ventilation equipment	Advanced materials / manufacturing	-	Not In A Sector	1
2829	Manufacture of other general-purpose machinery n.e.c.	Not In A Sector	-	Not In A Sector	1
2830	Manufacture of agricultural and forestry machinery	Advanced materials / manufacturing	-	Not In A Sector	1
2841	Manufacture of metal forming machinery	Advanced materials / manufacturing	-	Not In A Sector	1
2849	Manufacture of other machine tools	Advanced materials / manufacturing	-	Not In A Sector	1
2891	Manufacture of machinery for metallurgy	Advanced materials / manufacturing	-	Not In A Sector	1
2892	Manufacture of machinery for mining, quarrying and construction	Advanced materials / manufacturing	-	Not In A Sector	1
2893	Manufacture of machinery for food, beverage and tobacco processing	Advanced materials / manufacturing	-	Not In A Sector	1
2894	Manufacture of machinery for textile, apparel and leather production	Advanced materials / manufacturing	-	Not In A Sector	1
2895	Manufacture of machinery for paper and paperboard production	Advanced materials / manufacturing	-	Not In A Sector	1
2896	Manufacture of plastics and rubber machinery	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2899	Manufacture of other special-purpose machinery n.e.c.	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2910	Manufacture of motor vehicles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2920	Manufacture of bodies (coachwork) for motor vehicles, manufacture of trailers and semi-trailers	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2931	Manufacture of electrical and electronic equipment for motor vehicles and their engines	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
2932	Manufacture of other parts and accessories for motor vehicles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3011	Building of ships and floating structures	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3012	Building of pleasure and sporting boats	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3020	Manufacture of railway locomotives and rolling stock	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3030	Manufacture of air and spacecraft and related machinery	Advanced materials /	-	Advanced materials /	1

		manufacturing		manufacturing	
3040	Manufacture of military fighting vehicles	Advanced materials / manufacturing	-	Not In A Sector	1
3091	Manufacture of motorcycles	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3092	Manufacture of bicycles and invalid carriages	Advanced materials / manufacturing	-	Not In A Sector	1
3099	Manufacture of other transport equipment n.e.c.	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3101	Manufacture of office and shop furniture	Not In A Sector	-	Not In A Sector	1
3102	Manufacture of kitchen furniture	Not In A Sector	-	Not In A Sector	1
3103	Manufacture of mattresses	Not In A Sector	-	Not In A Sector	1
3109	Manufacture of other furniture	Not In A Sector	-	Not In A Sector	1
3211	Striking of coins	Advanced materials / manufacturing	-	Not In A Sector	1
3212	Manufacture of jewellery and related articles	Not In A Sector	-	Not In A Sector	1
3213	Manufacture of imitation jewellery and related articles	Not In A Sector	-	Not In A Sector	1
3220	Manufacture of musical instruments	Advanced materials / manufacturing	-	Not In A Sector	1
3230	Manufacture of sports goods	Not In A Sector	-	Not In A Sector	1
3240	Manufacture of games and toys	Not In A Sector	-	Not In A Sector	1
3250	Manufacture of medical and dental instruments and supplies	Life sciences	Advanced materials / manufacturing	Life sciences	1
3291	Manufacture of brooms and brushes	Not In A Sector	-	Not In A Sector	1
3299	Other manufacturing n.e.c.	Not In A Sector	-	Not In A Sector	1
3311	Repair of fabricated metal products	Not In A Sector	-	Not In A Sector	1
3312	Repair of machinery	Advanced materials / manufacturing	-	Not In A Sector	1
3313	Repair of electronic and optical equipment	Life sciences	Advanced materials / manufacturing	Life sciences	1
3314	Repair of electrical equipment	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3315	Repair and maintenance of ships and boats	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3316	Repair and maintenance of aircraft and spacecraft	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1

3317	Repair and maintenance of other transport equipment n.e.c.	Advanced materials / manufacturing	-	Advanced materials / manufacturing	1
3319	Repair of other equipment	Not In A Sector	-	Not In A Sector	1
3320	Installation of industrial machinery and equipment	ICT	-	ICT	1
3511	Production of electricity	Energy & environment	-	Energy & environment	1
3512	Transmission of electricity	Energy & environment	-	Energy & environment	1
3513	Distribution of electricity	Energy & environment	-	Energy & environment	1
3514	Trade of electricity	Energy & environment	-	Energy & environment	1
3521	Manufacture of gas	Energy & environment	-	Energy & environment	1
3522	Distribution of gaseous fuels through mains	Energy & environment	-	Energy & environment	1
3523	Trade of gas through mains	Energy & environment	-	Energy & environment	1
3530	Steam and air conditioning supply	Energy & environment	-	Energy & environment	1
3600	Water collection, treatment and supply	Energy & environment	-	Energy & environment	1
3700	Sewerage	Energy & environment	-	Energy & environment	1
3811	Collection of non-hazardous waste	Energy & environment	-	Energy & environment	1
3812	Collection of hazardous waste	Energy & environment	-	Energy & environment	1
3821	Treatment and disposal of non-hazardous waste	Energy & environment	-	Energy & environment	1
3822	Treatment and disposal of hazardous waste	Energy & environment	-	Energy & environment	1
3831	Dismantling of wrecks	Energy & environment	-	Energy & environment	1
3832	Recovery of sorted materials	Energy & environment	-	Energy & environment	1
3900	Remediation activities and other waste management services	Energy & environment	-	Energy & environment	1
4110	Development of building projects	Not In A Sector	-	Not In A Sector	1
4120	Construction of buildings	Not In A Sector	-	Not In A Sector	1
4211	Construction of roads and motorways	Not In A Sector	-	Not In A Sector	1
4212	Construction of railways and underground railways	Not In A Sector	-	Not In A Sector	1
4213	Construction of bridges and tunnels	Not In A Sector	-	Not In A Sector	1
4221	Construction of utility projects for fluids	Not In A Sector	-	Not In A Sector	1
4222	Construction of utility projects for electricity and telecommunications	Not In A Sector	-	Not In A Sector	1
4291	Construction of water projects	Energy & environment	-	Energy & environment	1
4299	Construction of other civil engineering projects n.e.c.	Not In A Sector	-	Not In A Sector	1
4311	Demolition	Energy & environment	-	Energy & environment	1
4312	Site preparation	Energy & environment	-	Energy & environment	1
4313	Test drilling and boring	Not In A Sector	-	Not In A Sector	1

4321	Electrical installation	Not In A Sector	-	Not In A Sector	1
4322	Plumbing, heat and air-conditioning installation	Not In A Sector	-	Not In A Sector	1
4329	Other construction installation	Energy & environment	-	Energy & environment	1
4331	Plastering	Not In A Sector	-	Not In A Sector	1
4332	Joinery installation	Not In A Sector	-	Not In A Sector	1
4333	Floor and wall covering	Not In A Sector	-	Not In A Sector	1
4334	Painting and glazing	Not In A Sector	-	Not In A Sector	1
4339	Other building completion and finishing	Not In A Sector	-	Not In A Sector	1
4391	Roofing activities	Not In A Sector	-	Not In A Sector	1
4399	Other specialised construction activities n.e.c.	Not In A Sector	-	Not In A Sector	1
4511	Sale of cars and light motor vehicles	Not In A Sector	-	Not In A Sector	1
4519	Sale of other motor vehicles	Not In A Sector	-	Not In A Sector	1
4520	Maintenance and repair of motor vehicles	Not In A Sector	-	Not In A Sector	1
4531	Wholesale trade of motor vehicle parts and accessories	Not In A Sector	-	Not In A Sector	1
4532	Retail trade of motor vehicle parts and accessories	Not In A Sector	-	Not In A Sector	1
4540	Sale, maintenance and repair of motorcycles and related parts and accessories	Not In A Sector	-	Not In A Sector	1
4611	Agents selling agricultural raw materials, livestock, textile raw materials and semi-finished goods	Not In A Sector	-	Not In A Sector	1
4612	Agents involved in the sale of fuels, ores, metals and industrial chemicals	Not In A Sector	-	Not In A Sector	1
4613	Agents involved in the sale of timber and building materials	Not In A Sector	-	Not In A Sector	1
4614	Agents involved in the sale of machinery, industrial equipment, ships and aircraft	Not In A Sector	-	Not In A Sector	1
4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery	Not In A Sector	-	Not In A Sector	1
4616	Agents involved in the sale of textiles, clothing, fur, footwear and leather goods	Not In A Sector	-	Not In A Sector	1
4617	Agents involved in the sale of food, beverages and tobacco	Not In A Sector	-	Not In A Sector	1
4618	Agents specialized in the sale of other particular products	Not In A Sector	-	Not In A Sector	1
4619	Agents involved in the sale of a variety of goods	Not In A Sector	-	Not In A Sector	1
4621	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	Not In A Sector	-	Not In A Sector	1
4622	Wholesale of flowers and plants	Not In A Sector	-	Not In A Sector	1
4623	Wholesale of live animals	Not In A Sector	-	Not In A Sector	1

4624	Wholesale of hides, skins and leather	Not In A Sector	-	Not In A Sector	1
4631	Wholesale of fruit and vegetables	Not In A Sector	-	Not In A Sector	1
4632	Wholesale of meat and meat products	Not In A Sector	-	Not In A Sector	1
4633	Wholesale of dairy products, eggs and edible oils and fats	Not In A Sector	-	Not In A Sector	1
4634	Wholesale alcoholic and other beverages	Not In A Sector	-	Not In A Sector	1
4635	Wholesale of tobacco products	Not In A Sector	-	Not In A Sector	1
4636	Wholesale of sugar and chocolate and sugar confectionery	Not In A Sector	-	Not In A Sector	1
4637	Wholesale of coffee, tea, cocoa and spices	Not In A Sector	-	Not In A Sector	1
4638	Wholesale of other food, including fish, crustaceans and molluscs	Not In A Sector	-	Not In A Sector	1
4639	Non-specialised wholesale of food, beverages and tobacco	Not In A Sector	-	Not In A Sector	1
4641	Wholesale of textiles	Not In A Sector	-	Not In A Sector	1
4642	Wholesale of clothing and footwear	Not In A Sector	-	Not In A Sector	1
4643	Wholesale of electrical household appliances and radio and television goods	Not In A Sector	-	Not In A Sector	1
4644	Wholesale of china and glassware and cleaning materials	Not In A Sector	-	Not In A Sector	1
4645	Wholesale of perfume and cosmetics	Not In A Sector	-	Not In A Sector	1
4646	Wholesale of pharmaceutical goods	Not In A Sector	-	Not In A Sector	1
4647	Wholesale of furniture, carpets and lighting equipment	Not In A Sector	-	Not In A Sector	1
4648	Wholesale of watches and jewellery	Not In A Sector	-	Not In A Sector	1
4649	Wholesale of household goods	Not In A Sector	-	Not In A Sector	1
4651	Wholesale of computers, computer peripheral equipment and software	ICT	-	ICT	1
4652	Wholesale of electronic and telecommunications equipment and parts	ICT	-	ICT	1
4661	Wholesale of agricultural machinery, equipment and supplies	Not In A Sector	-	Not In A Sector	1
4662	Wholesale of machine tools	Not In A Sector	-	Not In A Sector	1
4663	Wholesale of mining, construction and civil engineering machinery	Not In A Sector	-	Not In A Sector	1
4664	Wholesale of machinery for the textile industry and of sewing and knitting machines	Not In A Sector	-	Not In A Sector	1
4665	Wholesale of office furniture	Not In A Sector	-	Not In A Sector	1
4666	Wholesale of other office machinery and equipment	Not In A Sector	-	Not In A Sector	1
4669	Wholesale of other machinery and equipment	Not In A Sector	-	Not In A Sector	1
4671	Wholesale of solid,liquid and gaseous fuels and related	Not In A Sector	-	Not In A Sector	1

	products				
4672	Wholesale of metals and metal ores	Not In A Sector	-	Not In A Sector	1
4673	Wholesale of wood, construction materials and sanitary equipment	Not In A Sector	-	Not In A Sector	1
4674	Wholesale of hardware, plumbing and heating equipment and supplies	Not In A Sector	-	Not In A Sector	1
4675	Wholesale of chemical products	Not In A Sector	-	Not In A Sector	1
4676	Wholesale of other intermediate products	Not In A Sector	-	Not In A Sector	1
4677	Wholesale of waste and scrap	Energy & environment	-	Energy & environment	1
4690	Non-specialised wholesale trade	Not In A Sector	-	Not In A Sector	1
4711	Retail sale in non-specialised stores with food, beverages or tobacco predominating	Not In A Sector	-	Not In A Sector	1
4719	Other retail sale in non-specialised stores	Not In A Sector	-	Not In A Sector	1
4721	Retail sale of fruit and vegetables in specialised stores	Not In A Sector	-	Not In A Sector	1
4722	Retail sale of meat and meat products in specialised stores	Not In A Sector	-	Not In A Sector	1
4723	Retail sale of fish, crustaceans and molluscs in specialised stores	Not In A Sector	-	Not In A Sector	1
4724	Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	Not In A Sector	-	Not In A Sector	1
4725	Retail sale of beverages in specialised stores	Not In A Sector	-	Not In A Sector	1
4726	Retail sale of tobacco products in specialised stores	Not In A Sector	-	Not In A Sector	1
4729	Other retail sale of food in specialised stores	Not In A Sector	-	Not In A Sector	1
4730	Retail sale of automotive fuel in specialised stores	Not In A Sector	-	Not In A Sector	1
4741	Retail sale of computers, peripheral units and software in specialised stores	ICT	-	ICT	1
4742	Retail sale of telecommunications equipment in specialized stores	ICT	-	ICT	1
4743	Retail sale of audio and video equipment in specialised stores	ICT	-	ICT	1
4751	Retail sale of textiles in specialised stores	Not In A Sector	-	Not In A Sector	1
4752	Retail sale of hardware, paints and glass in specialised stores	Not In A Sector	-	Not In A Sector	1
4753	Retail sale of carpets, rugs, wall and floor coverings in specialised stores	Not In A Sector	-	Not In A Sector	1
4754	Retail sale of electrical household appliances in specialised stores	Not In A Sector	-	Not In A Sector	1

4759	Retail sale of furniture, lighting equipment, and other household articles in specialized stores	Not In A Sector	-	Not In A Sector	1
4761	Retail sale of books in specialised stores	Not In A Sector	-	Not In A Sector	1
4762	Retail sale of newspapers and stationery in specialised stores	Not In A Sector	-	Not In A Sector	1
4763	Retail sale of music and video recordings in specialised stores	Not In A Sector	-	Not In A Sector	1
4764	Retail sale of sports goods, fishing gear, camping goods, boats and bicycles	Not In A Sector	-	Not In A Sector	1
4765	Retail sale of games and toys in specialised stores	Not In A Sector	-	Not In A Sector	1
4771	Retail sale of clothing in specialised stores	Not In A Sector	-	Not In A Sector	1
4772	Retail sale of footwear and leather goods in specialised stores	Not In A Sector	-	Not In A Sector	1
4773	Dispensing chemist in specialised stores	Not In A Sector	-	Not In A Sector	1
4774	Retail sale of medical and orthopaedic goods in specialised stores	Not In A Sector	-	Not In A Sector	1
4775	Retail sale of cosmetic and toilet articles in specialised stores	Not In A Sector	-	Not In A Sector	1
4776	Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialised stores	Not In A Sector	-	Not In A Sector	1
4777	Retail sale of watches and jewellery in specialised stores	Not In A Sector	-	Not In A Sector	1
4778	Other retail sale of new goods in specialised stores	Creative industries	-	Creative industries	0.038
4778	Other retail sale of new goods in specialised stores	Not In A Sector	-	Not In A Sector	0.962
4779	Retail sale of second-hand goods in stores	Creative industries	-	Creative industries	0.211
4779	Retail sale of second-hand goods in stores	Not In A Sector	-	Not In A Sector	0.789
4781	Retail sale via stalls and markets of food, beverages and tobacco products	Not In A Sector	-	Not In A Sector	1
4782	Retail sale via stalls and markets of textiles, clothing and footwear	Not In A Sector	-	Not In A Sector	1
4789	Retail sale via stalls and markets of other goods	Not In A Sector	-	Not In A Sector	1
4791	Retail sale via mail order houses or via Internet	Not In A Sector	-	Not In A Sector	1
4799	Other retail sale not in stores, stalls or markets	Not In A Sector	-	Not In A Sector	1
4910	Passenger rail transport, interurban	Not In A Sector	-	Not In A Sector	1
4920	Freight rail transport	Not In A Sector	-	Not In A Sector	1
4931	Urban ,suburban or metropolitan area passenger land transport	Not In A Sector	-	Not In A Sector	1
4932	Taxi operation	Not In A Sector	-	Not In A Sector	1

4939	Other passenger land transport	Not In A Sector	-	Not In A Sector	1
4941	Freight transport by road	Not In A Sector	-	Not In A Sector	1
4942	Removal services	Not In A Sector	-	Not In A Sector	1
4950	Transport via pipeline	Not In A Sector	-	Not In A Sector	1
5010	Sea and coastal passenger water transport	Not In A Sector	-	Not In A Sector	1
5020	Sea and coastal freight water transport	Not In A Sector	-	Not In A Sector	1
5030	Inland passenger water transport	Not In A Sector	-	Not In A Sector	1
5040	Inland freight water transport	Not In A Sector	-	Not In A Sector	1
5110	Passenger air transport	Not In A Sector	-	Not In A Sector	1
5121	Freight air transport	Not In A Sector	-	Not In A Sector	1
5122	Space transport	Not In A Sector	-	Not In A Sector	1
5210	Warehousing and storage	Not In A Sector	-	Not In A Sector	1
5221	Service activities incidental to land transportation	Not In A Sector	-	Not In A Sector	1
5222	Service activities incidental to water transportation	Not In A Sector	-	Not In A Sector	1
5223	Service activities incidental to air transportation	Not In A Sector	-	Not In A Sector	1
5224	Cargo handling	Not In A Sector	-	Not In A Sector	1
5229	Other transportation support activities	Not In A Sector	-	Not In A Sector	1
5310	Postal activities under universal service obligation	Not In A Sector	-	Not In A Sector	1
5320	Other postal and courier activities	Not In A Sector	-	Not In A Sector	1
5510	Hotels and similar accommodation	Not In A Sector	-	Not In A Sector	1
5520	Holiday and other collective accommodation	Not In A Sector	-	Not In A Sector	1
5530	Recreational vehicle parks, trailer parks and camping grounds	Not In A Sector	-	Not In A Sector	1
5590	Other accommodation	Not In A Sector	-	Not In A Sector	1
5610	Restaurants and mobile food service activities	Not In A Sector	-	Not In A Sector	1
5621	Event catering activities	Not In A Sector	-	Not In A Sector	1
5629	Other food services	Not In A Sector	-	Not In A Sector	1
5630	Beverage serving activities	Not In A Sector	-	Not In A Sector	1
5811	Book publishing	Creative industries	-	Creative industries	1
5812	Publishing of directories and mailing lists	Not In A Sector	-	Not In A Sector	1
5813	Publishing of newspapers	Creative industries	-	Creative industries	1
5814	Publishing journals and periodicals	Creative industries	-	Creative industries	1
5819	Other publishing activities	Creative industries	-	Creative industries	0.5
5819	Other publishing activities	Not In A Sector	-	Not In A Sector	0.5

5821	Publishing of computer games	Creative industries	-	Creative industries	1
5829	Other software publishing	Creative industries	-	Creative industries	1
5911	Motion picture, video and television programme production activities	Creative industries	-	Creative industries	1
5912	Motion picture, video and television programme post-production activities	Creative industries	-	Creative industries	1
5913	Motion picture, video and television programme distribution activities	Creative industries	-	Creative industries	1
5914	Motion picture projection activities	Creative industries	-	Creative industries	1
5920	Sound recording and music publishing activities	Creative industries	-	Creative industries	1
6010	Radio broadcasting	Creative industries	-	Creative industries	1
6020	Television programming and broadcasting activities	Creative industries	-	Creative industries	1
6110	Wired telecommunications activities	ICT	-	ICT	1
6120	Wireless telecommunications activities	ICT	-	ICT	1
6130	Satellite telecommunications activities	ICT	-	ICT	1
6190	Other telecommunications activities	ICT	-	ICT	1
6201	Computer programming activities	Creative industries	-	Creative industries	1
6202	Information technology consultancy activities	Creative Industries	-	Creative Industries	1
6203	Computer facilities management activities	ICT	-	ICT	1
6209	Other information technology service activities	ICT	-	ICT	1
6311	Data processing, hosting and related activities	ICT	-	ICT	1
6312	Web portals	ICT	-	ICT	1
6391	News agency activities	Creative industries	-	Creative industries	1
6399	Other information service activities n.e.c.	ICT	-	ICT	1
6411	Central banking	Financial and professional services	-	Financial and professional services	1
6419	Other monetary intermediation	Financial and professional services	-	Financial and professional services	1
6420	Activities of holding companies	Financial and professional services	-	Financial and professional services	1
6430	Trusts, funds and similar entities	Financial and professional services	-	Financial and professional services	1
6491	Financial leasing	Financial and professional services	-	Financial and professional services	1
6492	Other credit granting	Financial and professional services	-	Financial and professional services	1

6499	Other financial intermediation not elsewhere classified	Financial and professional services	-	Financial and professional services	1
6511	Life insurance	Financial and professional services	-	Financial and professional services	1
6512	Non-life insurance	Financial and professional services	-	Financial and professional services	1
6520	Reinsurance	Financial and professional services	-	Financial and professional services	1
6530	Pension funding	Financial and professional services	-	Financial and professional services	1
6611	Administration of financial markets	Financial and professional services	-	Financial and professional services	1
6612	Security and commodity contracts dealing activities	Financial and professional services	-	Financial and professional services	1
6619	Activities auxiliary to financial intermediation n.e.c.	Financial and professional services	-	Financial and professional services	1
6621	Risk and damage evaluation	Financial and professional services	-	Financial and professional services	1
6622	Activities of insurance agents and brokers	Financial and professional services	-	Financial and professional services	1
6629	Other activities auxiliary to insurance and pension funding	Financial and professional services	-	Financial and professional services	1
6630	Fund management activities	Financial and professional services	-	Financial and professional services	1
6810	Buying and selling of own real estate	Not In A Sector	-	Not In A Sector	1
6820	Renting and operating of own or leased real estate	Not In A Sector	-	Not In A Sector	1
6831	Real estate agencies	Not In A Sector	-	Not In A Sector	1
6832	Management of real estate on a fee or contract basis	Not In A Sector	-	Not In A Sector	1
6910	Legal activities	Financial and professional services	-	Financial and professional services	1
6920	Accounting, bookkeeping and auditing activities;tax consultancy	Financial and professional services	-	Financial and professional services	1
7010	Activities of head offices	Financial and professional services	-	Financial and professional services	1
7021	Public relations and communications activities	Financial and professional services	-	Financial and professional services	1
7022	Business and other management consultancy activities	Financial and	-	Financial and	1

		professional services		professional services	
7111	Architectural activities	Creative industries	-	Creative industries	1
7112	Engineering activities and related technical consultancy	Financial and professional services	-	Financial and professional services	1
7120	Technical testing and analysis	Financial and professional services	-	Financial and professional services	1
7211	Research and experimental development on biotechnology	Life sciences	-	Life sciences	1
7219	Other research and experimental development on natural sciences and engineering	Life sciences	-	Life sciences	1
7220	Research and experimental development on social sciences and humanities	Not In A Sector	-	Not In A Sector	1
7311	Advertising agencies	Creative industries	-	Creative industries	1
7312	Media representation services	Creative industries	-	Creative industries	1
7320	Market research and public opinion polling	Financial and professional services	-	Financial and professional services	1
7410	Specialised design activities	Creative industries	-	Creative industries	1
7420	Photographic activities	Creative industries	-	Creative industries	0.25
7420	Photographic activities	Financial and professional services	-	Financial and professional services	0.75
7430	Translation and interpretation activities	Financial and professional services	-	Financial and professional services	1
7490	Other professional, scientific and technical activities n.e.c.	Financial and professional services	-	Financial and professional services	1
7500	Veterinary activities	Not In A Sector	-	Not In A Sector	1
7711	Renting and leasing of cars and light motor vehicles	Not In A Sector	-	Not In A Sector	1
7712	Renting and leasing of trucks and other heavy vehicles	Not In A Sector	-	Not In A Sector	1
7721	Renting and leasing of recreational and sports goods	Not In A Sector	-	Not In A Sector	1
7722	Renting of video tapes and disks	Not In A Sector	-	Not In A Sector	1
7729	Renting and leasing of other personal and household goods	Not In A Sector	-	Not In A Sector	1
7731	Renting and leasing of agricultural machinery and equipment	Not In A Sector	-	Not In A Sector	1
7732	Renting and leasing of construction and civil engineering machinery and equipment	Not In A Sector	-	Not In A Sector	1
7733	Renting and leasing of office machinery and equipment (including computers)	ICT	-	ICT	1
7734	Renting and leasing of water transport equipment	Not In A Sector	-	Not In A Sector	1
7735	Renting and leasing of air transport equipment	Not In A Sector	-	Not In A Sector	1

7739	Renting and leasing of other machinery, equipment and tangible goods n.e.c.	Not In A Sector	-	Not In A Sector	1
7740	Leasing of intellectual property and similar products, except copyright works	Financial and professional services	-	Financial and professional services	1
7810	Activities of employment placement agencies	Creative industries	-	Creative industries	0.005
7810	Activities of employment placement agencies	Financial and professional services	-	Financial and professional services	0.995
7820	Temporary employment agency activities	Financial and professional services	-	Financial and professional services	1
7830	Human resources provision and management of human resources functions	Financial and professional services	-	Financial and professional services	1
7911	Travel agency activities	Not In A Sector	-	Not In A Sector	1
7912	Tour operator activities	Not In A Sector	-	Not In A Sector	1
7990	Other reservation service and related activities	Not In A Sector	-	Not In A Sector	1
8010	Private security activities	Financial and professional services	-	Financial and professional services	1
8020	Security systems service activities	Financial and professional services	-	Financial and professional services	1
8030	Investigation activities	Financial and professional services	-	Financial and professional services	1
8110	Combined facilities support activities	Not In A Sector	-	Not In A Sector	1
8121	General cleaning of buildings	Financial and professional services	-	Financial and professional services	1
8122	Other building and industrial cleaning activities	Financial and professional services	-	Financial and professional services	1
8129	Other cleaning services	Energy & environment	-	Energy & environment	1
8130	Landscape service activities	Not In A Sector	-	Not In A Sector	1
8211	Combined office administrative service activities	Financial and professional services	-	Financial and professional services	1
8219	Photocopying, document preparation and other specialised office support activities	Financial and professional services	-	Financial and professional services	1
8220	Activities of call centres	Financial and professional services	-	Financial and professional services	1
8230	Convention and trade show organisers	Financial and professional services	-	Financial and professional services	1
8291	Activities of collection agencies and credit bureaus	Financial and professional services	-	Financial and professional services	1

8292	Packaging activities	Financial and professional services	-	Financial and professional services	1
8299	Other business support service activities n.e.c.	Financial and professional services	-	Financial and professional services	1
8411	General public administration activities	Not In A Sector	-	Not In A Sector	1
8412	Regulation of health care, education, cultural and other social services, not incl. social security	Not In A Sector	-	Not In A Sector	1
8413	Regulation of and contribution to more efficient operation of businesses	Not In A Sector	-	Not In A Sector	1
8421	Foreign affairs	Not In A Sector	-	Not In A Sector	1
8422	Defence activities	Not In A Sector	-	Not In A Sector	1
8423	Justice and judicial activities	Not In A Sector	-	Not In A Sector	1
8424	Public order and safety activities	Not In A Sector	-	Not In A Sector	1
8425	Fire service activities	Not In A Sector	-	Not In A Sector	1
8430	Compulsory social security activities	Not In A Sector	-	Not In A Sector	1
8510	Pre-primary education	Not In A Sector	-	Not In A Sector	1
8520	Primary education	Not In A Sector	-	Not In A Sector	1
8531	General secondary education	Not In A Sector	-	Not In A Sector	1
8532	Technical and vocational secondary education	Not In A Sector	-	Not In A Sector	1
8541	Post-secondary non-tertiary education	Not In A Sector	-	Not In A Sector	1
8542	Tertiary Education	Not In A Sector	-	Not In A Sector	1
8551	Sports and recreation education	Not In A Sector	-	Not In A Sector	1
8552	Cultural education	Not In A Sector	-	Not In A Sector	1
8553	Driving school activities	Not In A Sector	-	Not In A Sector	1
8559	Other education n.e.c.	Not In A Sector	-	Not In A Sector	1
8560	Educational support services	Not In A Sector	-	Not In A Sector	1
8610	Hospital activities	Not In A Sector	-	Not In A Sector	1
8621	General medical practice activities	Not In A Sector	-	Not In A Sector	1
8622	Specialists medical practice activities	Not In A Sector	-	Not In A Sector	1
8623	Dental practice activities	Not In A Sector	-	Not In A Sector	1
8690	Other human health activities	Not In A Sector	-	Not In A Sector	1
8710	Residential nursing care facilities	Not In A Sector	-	Not In A Sector	1
8720	Residential care activities for mental retardation, mental health and substance abuse	Not In A Sector	-	Not In A Sector	1
8730	Residential care activities for the elderly and disabled	Not In A Sector	-	Not In A Sector	1

8790	Other residential care activities n.e.c.	Not In A Sector	-	Not In A Sector	1
8810	Social work activities without accommodation for the elderly and disabled	Not In A Sector	-	Not In A Sector	1
8891	Child day-care activities	Not In A Sector	-	Not In A Sector	1
8899	Other social work activities without accommodation n.e.c.	Not In A Sector	-	Not In A Sector	1
9001	Performing arts	Creative industries	-	Creative industries	1
9002	Support activities to performing arts	Creative industries	-	Creative industries	1
9003	Artistic creation	Creative industries	-	Creative industries	1
9004	Operation of arts facilities	Creative industries	-	Creative industries	1
9101	Library and archive activities	Not In A Sector	-	Not In A Sector	1
9102	Museums activities	Not In A Sector	-	Not In A Sector	1
9103	Operation of historical sites and buildings and similar visitor attractions	Not In A Sector	-	Not In A Sector	1
9104	Botanical and zoological gardens and nature reserves activities	Not In A Sector	-	Not In A Sector	1
9200	Gambling and betting activities	Not In A Sector	-	Not In A Sector	1
9311	Operation of sports facilities	Not In A Sector	-	Not In A Sector	1
9312	Activities of sport clubs	Not In A Sector	-	Not In A Sector	1
9313	Fitness facilities	Not In A Sector	-	Not In A Sector	1
9319	Other sports activities	Not In A Sector	-	Not In A Sector	1
9321	Activities of amusement parks and theme parks	Not In A Sector	-	Not In A Sector	1
9329	Other amusement and recreation activities n.e.c.	Not In A Sector	-	Not In A Sector	1
9411	Activities of business and employers membership organizations	Not In A Sector	-	Not In A Sector	1
9412	Activities of professional membership organizations	Not In A Sector	-	Not In A Sector	1
9420	Activities of trade unions	Not In A Sector	-	Not In A Sector	1
9491	Activities of religious organizations	Not In A Sector	-	Not In A Sector	1
9492	Activities of political organizations	Not In A Sector	-	Not In A Sector	1
9499	Activities of other membership organizations n.e.c.	Not In A Sector	-	Not In A Sector	1
9511	Repair of computers and peripheral equipment	ICT	-	ICT	1
9512	Repair of communication equipment	ICT	-	ICT	1
9521	Repair of consumer electronics	ICT	-	ICT	1
9522	Repair of household appliances and home and garden equipment	ICT	-	ICT	1
9523	Repair of footwear and leather goods	Not In A Sector	-	Not In A Sector	1

9524	Repair of furniture and home furnishings	Not In A Sector	-	Not In A Sector	1
9525	Repair of watches, clocks and jewellery	Not In A Sector	-	Not In A Sector	1
9529	Repair of personal and household goods n.e.c.	Not In A Sector	-	Not In A Sector	1
9601	Washing and (dry-)cleaning of textile and fur products	Not In A Sector	-	Not In A Sector	1
9602	Hairdressing and other beauty treatment	Not In A Sector	-	Not In A Sector	1
9603	Funeral and related activities	Not In A Sector	-	Not In A Sector	1
9604	Physical well-being activities	Not In A Sector	-	Not In A Sector	1
9609	Other service activities n.e.c.	Not In A Sector	-	Not In A Sector	1
9700	Activities of households as employers of domestic personnel	Not In A Sector	-	Not In A Sector	1
9810	Undifferentiated goods-producing activities of private households for own use	Not In A Sector	-	Not In A Sector	1
9820	Undifferentiated service-producing activities of private households for own use	Not In A Sector	-	Not In A Sector	1
9900	Activities of extraterritorial organizations and bodies	Not In A Sector	-	Not In A Sector	1
9999	Not allocated	Not In A Sector	-	Not In A Sector	1

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Mr Nick Ramsay AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Eich cyf / Your ref
Ein cyf / Our ref

28 November 2016

Dear Mr Ramsay

Thank you for your letter dated 8 November 2016 regarding the involvement of voluntary lay reviewers in our inspection plans.

This is timely, as, in my previous letter, I informed you that my team closely monitors the availability of voluntary lay reviewers. Recently, we have needed to increase the frequency that we use our voluntary lay reviewers due to changes to our inspection plan. We are increasing the number of voluntary lay reviewers so that we have more capacity to deal with any future changes. Consequently, we will shortly be advertising to increase the pool of voluntary lay reviewers.

Regarding the short review, I am happy to provide the Committee with an update once it has been completed.

I will write to you again early in the next financial year.

Yours sincerely



DR KATE CHAMBERLAIN
Chief Executive

Agenda Item 2.6

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/

Prif Weithredwr GIG Cymru

Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/

NHS Wales Chief Executive

Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay, AM

Chair

Public Accounts Committee

Our Ref:AG/JM/TB
29 November 2016

Dear Mr Ramsay AM

Putting Things Right progress report

In response to recommendation 4 of the governance review of Betsi Cadwaladr University Health Board Public Accounts Committee report, the Committee requested regular (six monthly) progress reports on the review of Putting Things Right guidance and how it is being received and implemented by health boards.

Please find enclosed the first update for the Committee.

Yours sincerely

Dr Andrew Goodall



Public Accounts Committee – Putting Things Right Progress Report – November 2016

1. This document provides an update to the Public Accounts Committee on progress around the review of the Putting Things Right system and the handling of concerns and complaints by NHS organisations in Wales. The report will be refreshed and presented to the PAC on a six monthly basis.

Background

2. Putting Things Right, a revised process for concerns, complaints and redress in the NHS in Wales, was introduced in 2011. It established a single consistent and proportionate method for grading concerns, an integrated process for their investigation, as well as more openness and involvement of the person raising the concern. It also introduced a new way of dealing with low level claims where the NHS organisation was found to be at fault and to have caused harm.
3. The overriding aim of Putting Things Right is for concerns to be investigated once and resolved to the satisfaction of all parties in an open and constructive way which facilitates learning - a philosophy of 'do it once, do it well'.
4. In 2014, an independent review into the Putting Things Right arrangements was undertaken by Keith Evans, the former Managing Director of Panasonic UK and Ireland. Mr Evans's report, "*Using the gift of complaints*", concluded that Putting Things Right was a good overall approach to managing complaints and concerns; however the report made over 100 recommendations where further improvements could be made.
5. The recommendations cut across a number of themes, including **culture and leadership, infrastructure, responsiveness and learning.**

Culture and leadership

6. The Evans review indicated that in order to achieve the maximum benefit and learning, organisations should draw on information from a number of sources, including patient and staff feedback, complaints, concerns, patient safety incidents, Ombudsman's reports and other intelligence. The whole organisation should share the aim of learning from feedback in all its forms - from boards to the front line. A number of high level strategies and expectations have therefore been put in place to support this way of working and we are seeing progress in a number of areas, as outlined below:

Health and Care Standards

7. In April 2015 new [health and care standards](#) were developed to include a specific standard around listening and learning from feedback.

Standard 6.3 Listening and Learning from Feedback

“People who receive care, and their families, must be empowered to describe their experiences to those who provided their care so there is a clear understanding of what is working well and what is not, and they must receive an open and honest response. Health services should be shaped by and meet the needs of the people served and demonstrate that they act on and learn from feedback”.

8. Achieving this standard requires a robust, integrated approach by NHS organisations to dealing with patient experience feedback, including concerns. This will be monitored as part of the [NHS Outcome Framework 2016-17](#) through the ‘My voice is heard and listened to’ in the Dignified Care indicator.
9. **Abertawe Bro Morgannwg University Health Board**, for example, encourages staff to discuss with family, friends and caregivers the role they would like to play in helping to provide care to their relative while in hospital.

Framework for Assuring Service User Experience

10. The [Framework for Assuring Service User Experience](#) sets out the range of methods and sources that we expect to be used to give a balanced view of experience. It was updated in 2015, following the Evans review, to link with the Listening and Learning from Feedback standard described above and includes the need to gain feedback from concerns, complaints, compliments and clinical incidents. This integrated approach to patient feedback aims to ensure that listening to patients and responding to concerns in a timely and effective manner avoids some concerns progressing to a more serious level. The Framework brings together feedback in four quadrants – **real time** (i.e. when patients are in NHS care); **retrospective** (i.e. following NHS care); **proactive/reactive** (i.e. follow up in-depth surveys) and **balancing** (i.e. concerns, complaints, patient stories)

Core questions for service users

11. A set of [core questions for service users](#) were developed to assist NHS organisations with the ‘real time’ quadrant of the Framework. All organisations are expected to use the core questions as part of their patient feedback methods. The core questions were developed to be used across all care settings, to ensure a consistent approach to determining service user experience across Wales. Information gained

from the questions and resulting service improvements are included in patient experience reports to NHS Boards and their Annual Quality Statements.

12. Organisations have also developed a range of different feedback mechanisms consistent with the Framework's four quadrant approach, for example **Betsi Cadwaladr University Health Board** is using *iwantgreatcare*, an online patient experience feedback system.

Betsi Cadwaladr UHB – <u>iwantgreatcare</u>	
Results October 2016	
Reviews this period	572
Average score for all questions this period	4.72 out of 5
Likely to recommend	93.9%
Unlikely to recommend	2.1%

Involving patients in the design of feedback systems

13. Involving patients from the outset in the way patient feedback is captured ensures it is relevant and appropriate, and that organisations understand what matters to their local populations. For example, **Powys Teaching Health Board** held a consultation workshop with staff and stakeholders to aid the development of their patient experience strategy. Their Board approved the Patient Experience Strategy in February 2016. An implementation plan is now being developed in partnership with staff and stakeholders.

Infrastructure

14. The Evans review found that different structures were in place for the handling of concerns, with variable resources and leadership arrangements. It also noted that the Putting Things Right arrangements did not seem to extend to primary care in the same way as secondary care. The aim of recent work has therefore been to place more consistency around the structures which support the handling of concerns both nationally and at NHS organisational/primary care levels.

National support

15. On a national level, a Listening and Learning from Feedback Group has been set up with representatives from all health boards and trusts as well as a range of key stakeholders. The group sets the strategic direction for the implementation of the recommendations from the Evans review and a series of work streams have been set up to take

forward the work. These include a group looking at the structures necessary to deliver this integrated approach.

Local structures

16. One way of achieving this is to bring patient experience and concerns management teams together to share information/patient feedback in a proactive way which makes organisations more responsive to patient needs.
17. Guidance has been developed by the Listening and Learning from Feedback Group which sets out the functions and leadership required to provide an integrated approach to the management of patient experience and concerns. This involved bringing the separate teams together under one executive lead and each organisation having a dedicated board level champion to challenge on these issues. This approach has now been adopted across Wales. It means that information can now be triangulated and shared across the team to help identify where potential service issues may arise.
18. An example can be seen in the **Welsh Ambulance Services NHS Trust** which has brought together concerns, patient safety and partners in health team under the Executive Director of Quality, Safety and Patient Experience. The aim of this change will be to provide a more joined up response for patients and clearer assurance that learning and improvement has taken place.

Primary care

19. The Evans review highlighted that the Putting Things Right did not appear to be as well embedded within primary care as it was in hospital services. There appeared to be confusion about where the responsibility lies for investigation of the complaint. A work group has been formed to look at the way health boards handled complaints that related to primary care. The group recommended changes to the Putting Things Right guidance for NHS staff so a process is in place for health boards to manage primary care concerns when a complainant wishes the health board to undertake the investigation. The work group also looked at a range of materials to help the individual primary care professions deal with concerns under Putting Things Right.
20. As an example, the Welsh Risk Pool assessment for 2015-16 noted that **Betsi Cadwaladr University Health Board** has a good process for handling primary care complaints under the Putting Things Right process.

Bereavement Services

21. The Evans review felt there should be greater support for patients and families in particular for those who have suffered bereavement. A working group has looked at the current bereavement support arrangements across Wales and has found that there is variability in the service provided. The group is developing standards and information to support bereaved families to reduce the variability in the system. It is also linking the work of bereavement services with the proposed new medical examiner system.

Responsiveness

22. The Evans review found in many respects the process of handling complaints to be impersonal and lacking in responsiveness. Recent work has therefore focussed on improving the communication around concerns, and on identifying which issues might be therefore handled informally, which many patients and families prefer.

Dealing with concerns informally

23. The Keith Evans review felt that the NHS should support and empower staff to deal with concerns quickly and at source by “**nipping them in the bud**” before they escalated into formal complaints. This will make it easier to encourage people to raise any issues about their care and treatment during their care, so giving staff the opportunity to put it right. The review also found that many complaints could be avoided by some prompt contact and communication at the outset.

24. One of main changes has been around dealing with concerns quickly and at source to enable early resolution and prevent them from becoming formal concerns to be investigated via the Putting Things Right process. Progress has been made in this area and a number of organisations now deal with as many concerns informally as they do formal concerns, as shown below:

	Informal Concerns 2015-16	Formal Concerns 2015-16
Abertawe Bro Morgannwg	1,099	1,291
Aneurin Bevan	939	1,008
Betsi Cadwaladr	2,313	1,905
Cwm Taf	125	446
Cardiff and Vale	1,217	1,083
Hywel Dda	1,710	774
Powys	67	154
Wales	7,470	6,661

25. One example of being responsive is where teams have developed a triage system of grading the concerns when they come in. This means that some of the lower graded concerns are dealt with immediately if the complainant is happy for this to happen. Another way this is being dealt with is via a Patient Advice and Liaison Service (PALS). PALS provide a central point of contact for patients and their families who need advice and support with a wide variety of issues that affect their overall care. They can address the “on the spot” concerns that may otherwise escalate into formal complaints.
26. Some organisations are reporting a reduction in formal concerns as a result. For example, in **Cardiff and Vale University Health Board**, 60 per cent of the health board’s concerns are currently resolved informally. The conversion of informal to formal complaints in the health board is less than 0.5 per cent and is measured monthly as a Key Performance Indicator.
27. **Cwm Taf University Health Board** has a triage system for filtering and dealing with informal complaints which has helped reduced formal concerns by 200 in one financial year. It has also introduced Care to Share clinics which provide patients and relatives with an opportunity to raise any concerns they have with a view to ‘nipping them in the bud’.

Communication

28. The Evans review identified that NHS organisations are generally more reactive than proactive in the way they communicate with complainants during the complaints process.
29. One of the national work streams looked at how concerns teams interacted with complainants. A key change was to encourage teams to contact the complainant on receipt of the complaint. This introduces a named person to deal with their concern and scopes out the nature of the complaint prior to investigation. This approach has, in many cases, led to complaints being managed on the spot. Complainants are often happy for their complaint to be resolved at the time, following discussion. Many organisations now offer meetings at the outset so that all parties are clear about the issues. This has proved popular with complainants.
30. **Hywel Dda University Health Board** has been cited by Welsh Risk Pool as an area of good practice for their work in meeting complainants to scope out their concerns
31. In addition, concerns teams are encouraged to keep in regular contact with the complainant. However, they are discouraged from issuing standard letters where no new information is provided. Concerns

teams are encouraged to ring complainants with realistic timelines for when they could expect a final response.

32. To improve communication with the public, a new Putting Things Right leaflet has been developed. A public engagement exercise was undertaken with the Board of Community Health Councils in Wales to gain feedback on what information the public would wish to see in the leaflet. The leaflet will be supported by a range of factsheets which aim to explain to complainants some of the legal terminology around Qualifying Liability and breach of duty.
33. NHS organisations have also redeveloped their websites to ensure that information about how to make a complaint is easily accessible from the front page. They have also developed a range of posters for display within the care setting to ensure that patients and their families understand how they can make raise a concern before they leave the setting. These also indicate where patients and their families can obtain support with their concern via the advocacy service of the Community Health Council.
34. Following the revision of Putting Things Right posters, **Cardiff and Vale University Health Board** had a 40 per cent increase in phone calls and e mails to the department rather than letters.

Dealing with formal concerns

35. Once complaints have been graded, some concerns will need to be investigated under the Putting Things Right arrangements. The concern is still scoped out and contact made with the complainant immediately. A named person is identified who will manage the concern.

Templates

36. One of the Evans recommendations was around the use of templates and some work has taken place on how template letters can strike the right balance between providing consistent standard information and lacking the personal touch. A number of standard paragraphs have been piloted across NHS organisations and are being refined accordingly. They have also been shared with the Public Services Ombudsman for Wales in order that they can feed in any comments/suggestions as part of their review work. These will be kept under regular review.

Learning

37. The Evans review concluded that formal learning mechanisms must be in place at all levels from Board to individual services to ensure that

learning from complaints and incidents is reviewed regularly and seriously, but more importantly that change and actions are taking place and being shared.

National learning

38. On a national level, the Listening and Learning from Feedback group is sharing lessons and good practice from all NHS organisations and key stakeholders. Additionally, there is a concerns network led by the Welsh Risk Pool that learn and share lessons around concerns and claims. **NHS Legal & Risk Services** have also recently appointed to a post specifically to assist with learning lessons around concerns and claims nationally.
39. All NHS Wales organisations are required to report patient safety incidents and near misses to the National Reporting and Learning System (NRLS). Data reported to the system from England and Wales is analysed to identify hazards, risks and opportunities to improve the safety of patient care. The data enables themes to be identified and the Welsh Government issues advice to NHS Wales in the form of Patient Safety Alerts and Patient Safety Notices. This advice is based on advice issued by NHS England but tailored to NHS Wales.
40. In addition, all NHS Wales organisations are required to report serious patient safety incidents to Welsh Government. These are also analysed to identify risks and opportunities to improve the safety of patients and can lead to the development of Patient Safety Alerts or Notices specific to NHS Wales.
41. A good example of a Patient Safety Notice which arose through specific incidents is that on [Positive Patient Identification](#) which was issued in April 2106. This came about through two mechanisms:
- inspection reports by Healthcare Inspectorate Wales which raised concerns about positive patient identification.
 - serious patient safety incidents reported to Welsh Government around the safe administration of medicine, radiology and blood transfusions.

Local learning

42. Evidence from the Welsh Risk Pool assessments for 2015-16 showed organisations are better at learning from higher graded incidents than they are from lower level routine incidents. Health boards and trusts have pathways in place for learning from concerns. Quality and safety committees provide assurances to Boards that improvement actions are being taken. Some organisations also have learning bulletins to make sure that organisational wide learning takes place. One criticism from the review was that families who raised complaints did not always

know what remedial actions had been taken as a result of the concern being raised.

43. Health boards and trusts have developed “You said, we did” notices setting out what actions have been taken. For example, **Aneurin Bevan University Health Board** publishes examples of service improvements made as a result of patient experience feedback on their website as [“You said, we did”](#):
44. **Cwm Taf University Health Board’s** [natural waking initiative](#) promotes choice for dementia patients and has led to a reduction in complaints and an increase in staff satisfaction.
45. **Public Health Wales NHS Trust** undertook an audit of the effectiveness of lessons learnt to determine if the lessons have been fully implemented to improve service and reduce the risk of reoccurrence. The audit found that learning is taking place and being implemented. One example is where bowel screening results are now offered face to face instead of by telephone messages.
46. NHS organisations are encouraged to triangulate information from complaints, concerns, compliments and patient experience feedback to develop a ‘whole picture’ of the organisation. As indicated above, the ‘balancing’ quadrant of the [Framework for Assuring Service User Experience](#) provides the qualitative source of feedback and can often be used to identify areas for service improvements. Patient stories are used at NHS organisation’s Board meetings to link with a theme on the agenda and demonstrate the need for service improvements.
47. **Abertawe Bro Morgannwg University Health Board** produces patient experience feedback reports which triangulate complaints, incidents and family and friends results for Mental Health and Learning Disabilities and Primary and Community, Morriston, Neath Port Talbot, Singleton and Princess of Wales hospitals

Information and data

48. In order to learn from concerns it is important to be able to identify themes and trends. The Evans review felt that there should be better and more information in respect of complaints and concerns.

Dataset

49. In this regard a dataset was developed with participation from across NHS Wales. The dataset looks at both concerns and patient experience. One of the aims is to test the robustness of the complaints handling process. This dataset is currently being piloted with Abertawe Bro Morgannwg University Health Board, Betsi Cadwaladr University

Health Board and Velindre NHS Trust. The Welsh Government is also working with the office of the Public Services Ombudsman for Wales (PSOW). They are providing data on cases that come to them for referral as well as those that have a quick resolution or that the PSOW does not investigate at all.

50. All this information and data is to provide reassurance on the way complaints are being handled by health boards and trusts and will also include data around timeliness. It also helps to identify trends on a national basis. The data will also look at the compliments that NHS organisations receive to provide a rounded picture of the patient experience. The pilot will run until December 2016 and this will be put for approval to the Welsh Information Standards Board to allow the data to be captured on an all Wales basis going forward.

ICT infrastructure

51. One of the recommendations from the review was that the ICT infrastructure for recording concerns, incidents etc should be the same across Wales. At the moment, each organisation captures this information via their local risk management system. In Wales, all NHS organisations use the system of Datix. However, the platforms and modules that organisations use within Datix vary across Wales. Work has been undertaken to establish the infrastructure and contractual arrangements for each organisation. A project manager is currently being recruited to deliver this key piece of work which will also link with the development of a system to gather patient experience feedback across NHS Wales.

52. In the meantime, all NHS organisations are providing assurance to their local public by producing regular feedback on both concerns and patient experience. This information is scrutinised by their quality, experience and safety committees and made public via their websites. It is also contained within their Putting Things Right annual reports. Each organisation also has to produce and publish an Annual Quality Statement which provides an overview to the public on the work carried out to provide high quality services to its population and contains information regarding concerns as well as compliments.

53. [Velindre NHS Trust's Annual Quality Statement](#) includes examples of service improvements made as a result of patient experience feedback.

PROMs and PREMs

54. Finally some early work has begun Patient Reported Outcome Measures (PROMs) and Patient Reported Experience Measures (PREMs) and we will be able to provide a further update to the Committee in our next report.

Monitoring

55. The management of the concerns process is kept under constant scrutiny by a range of organisations.

Welsh Risk Pool

56. The Welsh Risk Pool undertakes an annual assessment of the way that health boards and trusts are handling concerns. They look at structures that support the PTR process and this year for the first time looked at informal concerns handling and primary care. Overall, the indication is that standards have improved marginally.

Public Service Ombudsman for Wales

57. The Public Services Ombudsman for Wales investigates concerns about NHS organisations where the complainant feels dissatisfied with the outcome of their complaint to the responsible organisation.

58. In 2015/16, health complaints accounted for 36 per cent of the Ombudsman's total caseload of 2,050 closed complaints compared to 34 per cent in 2014/2015. Of the complaints received by the PSOW only 16 per cent were upheld or partially upheld. Whilst there has been an increase in the number of referrals to the Ombudsman, the percentage of those upheld in full or in part is down by 2.8 per cent.

59. In 2015/16, the Ombudsman's office introduced improvement officers who will work with health boards and NHS trusts in Wales. This innovation will contribute to a whole systems approach to the sharing of best practice.

Community Health Councils

60. On a local level, local Community Health Councils provide advocacy services to those people needing support to raise concerns with health boards and NHS trusts. Since the Evans Review, the regulations governing Community Health Councils have been amended, giving the Board of CHCs in Wales new powers to set standards around the advocacy service provided by local Community Health Councils. The standards are currently out to public consultation.

61. In the last 12 months the Advocacy Service provided by Community Health Councils handled 1,528 new cases and closed 1,635 cases (includes cases opened before the reporting period).

Healthcare Inspectorate Wales

62. Healthcare Inspectorate Wales inspects NHS organisations in accordance with the Health and Care Standards. HIW's work is also informed by information gathered from a number of sources.

The future

63. The *Our Health, Our Health Service* Green Paper which was subject to consultation in 2015 looked at a number of areas which could impact on the way in which complaints and concerns are handled in the future. This included the role of Healthcare Inspectorate Wales, Community Health Councils and the potential for closer working with social care. Any proposals arising from this work will be subject to further consultation.

Nick Ramsay AM
Chair of the Public Accounts Committee
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
CF99 1NA

29 November 2016

Dear Nick,

Welsh Government historic debt

You will be aware that as part of the Finance Committee's scrutiny of the Welsh Government draft budget 2017–18, it received information from the Cabinet Secretary for Finance and Local Government on historic debt inherited by the Welsh Government. In a [letter to the Committee](#), the Cabinet Secretary said that outstanding debt as a result of borrowing for the merger with the Welsh Development Agency was just over £11 million (£11.406 million) in 2015–16. In oral evidence the Committee were told that this debt is at an interest rate of around 15%¹.

The Committee has referred to this historic debt in its [report](#) on the draft budget and agreed to draw this to the attention of the Public Accounts Committee should you wish to give any further consideration to this issue in terms of the value for money it represents.

¹ Finance Committee, Draft Record of Proceeding, 17 November 2016, paragraph 33



Kind regards

Simon Thomas

Simon Thomas

Chair



Grwp yr Economi, Sgiliau a Chyfoeth Naturiol
Economy, Skills and Natural Resources Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Public Accounts Committee

30 November 2016

Dear Mr Ramsay

Further to the Committee meeting on 14 November, I am writing with additional information in relation to digital skills.

We have a broad range of initiatives for raising awareness and increasing digital skills, including Superfast Broadband Communications and Marketing, Superfast Business Broadband Exploitation project, Digital Inclusion, Digital Communities Wales, Digital Literacy, Digital Competence Framework (DCF), Learning in Digital Wales and Skills Gateway.

In terms of Superfast Broadband, we have a new £1.5 million marketing and communications campaign for 2016-19. In October we began a public service campaign to promote the use of broadband, show how it can help improve the lives of people and encourage take-up of superfast broadband. It consists of marketing, advertising, events, media, website and social media activity. Although the activity has national reach it is delivered on a local basis. Activity will be delivered in every local authority area in Wales until December 2017. We are also working closely with local authorities to provide them with a toolkit to promote the use of superfast broadband.

The Superfast Business Exploitation is a £12.5 million programme to ensure businesses across Wales, including the Valley regions, maximise the benefits of superfast broadband. The programme is funded by the Welsh Government, local authorities and the European Regional Development Fund to support primarily small and medium sized businesses to understand, adopt and exploit the superfast infrastructure.

Through our Digital Inclusion programme, Digital Communities Wales, and the many other actions set out in our Digital Inclusion Delivery Plan, we are continuing to support more people to benefit from the latest digital technologies such as the internet. The Digital Inclusion Framework and Delivery Plan, published in March 2016, can be accessed through the following link: <http://gov.wales/topics/science-and-technology/digital/digital-inclusion/?lang=en>.

Digital Communities Wales (DCW) is our dedicated digital inclusion programme which is delivered by the Wales Co-operative Centre. DCW provides support to organisations which work with those individuals most likely to be digitally excluded (disabled people, those living in social housing, older people and the economically inactive and unemployed) to help them improve their lives, whether it is accessing cheaper online goods and services, helping reduce isolation or finding work. DCW works closely with public libraries and through programmes like Communities First, Communities for Work and LIFT to mitigate some of the adverse impacts of the digital elements of welfare reforms by helping give people the basic digital skills to meet online claiming requirements, including job searches. It is also working with local authorities and health boards to support greater take up of digital services. Good progress has been made against programme targets to date, with 557 organisations supported and an estimated 52,000 individuals engaged with technology. Its Wales wide training programme has so far trained 1,114 Front Line Staff and 435 volunteers.

Relevant and up to date digital literacy skills are becoming increasingly essential for future employability. Learners undertaking Welsh Government funded training provision are required to undertake an initial assessment of their essential skills, including Digital Literacy via the Wales Essential Skills Toolkit. If a need is identified then the training provider will ensure there is suitable provision in place to support the individual to develop their digital literacy so that they can apply these vital skills to a range of situations whilst at work, in learning and throughout life.

The Digital Competence Framework (DCF) seeks to embed digital skills and knowledge in everything pupils do as they progress through school and teachers will increasingly apply relevant digital skills in their lessons. The DCF was made available on 1 September together with a suite of supporting material, in advance of the new curriculum to give schools and settings the time to familiarise themselves with the Framework and to plan for its adoption. Details on DCF can be access through the following link:
<http://learning.gov.wales/resources/browse-all/digital-competence-framework/?lang=en>.

Learning in Digital Wales (LiDW) is the Welsh Government programme for improving the use of digital technology for teaching and learning in schools. The programme provides stakeholders across Wales with consistent access to a range of digital tools and resources that can support and assist the transformation of digital classroom practices. The LiDW programme encompasses multiple strands of work including Hwb, Hwb Zones and Hwb DCF Confidence Rating tool.

The Hwb platform, hosts a national collection of digital tools and resources to support learning and teaching for learners in Wales. It enables learners and teachers to access online resources anywhere, at any time and from a range of web-enabled devices. It also provides tools to help teachers create and share their own resources and assignments. We currently have over 66 per cent of schools across Wales 'actively engaged' in using the Hwb platform.

Hwb Zones allow for the underlying Hwb technology to create areas or 'zones' dedicated to a particular subject area, project or programme. Additionally, Hwb technology is able to support Welsh Government initiatives such as the award winning Creative Learning Zone and Academi Wales. The Creative Learning Zone has been developed to spotlight resources, news and events provided by arts, culture and heritage organisations.

The online confidence rating tool, developed on Hwb to support individuals and schools in self-assessing their confidence in delivering the DCF, allows teachers to self-assess their

confidence in implementing the framework and gives them a dashboard that tracks their growing confidence over time. It is anticipated that the tool will also be used to support practitioners in identifying relevant areas for their own professional development and we are currently working on enhancements to determine how information from the tool can be used to further support classroom practitioners.

The Skills Gateway is a single point of access for all unemployed individuals aged 18+ seeking employability and skills support in Wales, delivered by Careers Wales. The service includes open access and the free use of ICT facilities within a number of the 38 outreach centres located across Wales. Advisers can offer support where clients have limited digital literacy skills, enabling the client to access useful online tools and resources they may not have access to at home, or feel confident in using them by themselves, such as job searches. A new website feature, Employment Routes, has recently been launched which serves to assist individuals identify what support is on offer and available to them. The online tool asks a series of questions, the results from which are used as part of a filtering mechanism to identify those programmes and progression routes an individual could access, based on their current circumstances. Since the launch in January 2015 over 25,000 individuals have been supported and service access rates continue to rise on a monthly basis.

Yours sincerely

Simon Jones
Director Transport and ICT Infrastructure

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Preparations for the implementation of fiscal devolution in Wales



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



I have prepared and published this report in accordance with the Government of Wales Acts 1998 and 2006.

The Wales Audit Office study team comprised Matthew Coe, Gareth Lucey, Ben Robertson and Deborah Woods under the direction of Richard Harries.

**Huw Vaughan Thomas
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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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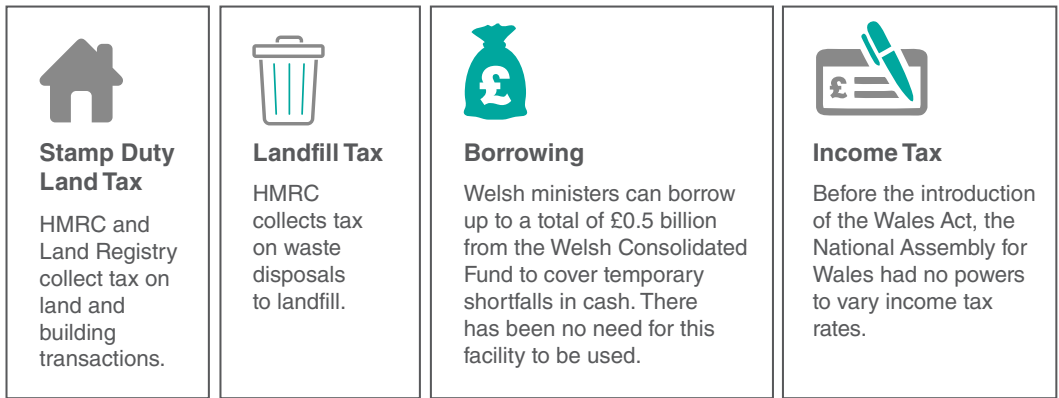
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	The work to deliver fiscal reform is adequately resourced at present, with appropriately skilled and experienced staff, but the resourcing and scope of future Welsh Treasury functions need to be continuously reviewed	12
	The Welsh Government has made good progress to date in developing the legislative and fiscal frameworks for devolved tax arrangements	13
	The Welsh Government is engaging extensively and effectively with a wide range of internal and external stakeholders	16
2	The Welsh Revenue Authority Implementation Programme is well structured and staffed, although the delivery of all projects will need very careful management in the coming months	18
	There is a clear governance and reporting structure to manage the establishment of the Welsh Revenue Authority and its functions	19
	While the Welsh Government estimates that the costs of the resources to set up the Welsh Revenue Authority remain in line with their initial published estimates, a key challenge will be ensuring the right resources are in place at the right time	21
	Despite some changes to initial timetables, the delivery of the Welsh Revenue Authority Implementation Programme is progressing well, but detailed plans for delivery now need to be finalised and approved	22
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Summary report

- 1 Fiscal devolution refers to the transfer of taxation and borrowing powers from the UK government to the National Assembly for Wales (the National Assembly) and Welsh Ministers. From 1 April 2018, and for the first time in over 800 years, Wales will become responsible for raising an element of its own tax revenues. The Welsh Government has been considering the implications of this fiscal devolution since 2013 as part of its fiscal reform agenda.
- 2 The **Wales Act (2014)** devolved certain taxation and borrowing powers from the UK Government and Parliament to the Welsh Government and the National Assembly. The Act empowers the National Assembly to legislate for taxes on the purchase or leasing of land and buildings and the disposal of waste to landfill for the first time. It also paves the way for the future devolution of an element of income tax-raising powers to the National Assembly, extends the circumstances in which Welsh Ministers can borrow in the short-term to manage the Welsh Government's budget, and grants Welsh Ministers new powers to borrow for capital expenditure. **Exhibit 1** sets out the specific changes to the financial environment in Wales.
- 3 The Wales Act 2014 was followed by the **Tax Collection and Management (Wales) Act 2016**, which was agreed unanimously by the National Assembly on 8 March 2016 and received Royal Assent in April 2016. The Act establishes the foundations for Wales' devolved tax regime, including the establishment of the Welsh Revenue Authority (WRA). This will be a new non-Ministerial Government Department. This means that whilst Welsh Ministers will set the policy framework and provide strategic direction, neither Ministers nor the Assembly will interfere in the day-to-day taxation decisions relating to the management and collection of devolved taxes.
- 4 The Welsh Government is also developing specific legislation for two new devolved taxes; the **Land Transaction Tax (LTT)** and **Landfill Disposals Tax (LDT)** to replace UK Stamp Duty Land Tax and UK Landfill Tax.
- 5 In September 2015, the Auditor General for Wales wrote to the Chair of the Finance Committee setting out his intention to issue a progress report on the state of the Welsh Government's preparations to implement fiscal devolution for Wales. This first review was undertaken in October 2016 and sought to answer the question 'Is the Welsh Government well placed to successfully implement fiscal devolution in Wales by 1 April 2018?'. **Appendix 1** provides more detail about the scope of our work and our audit methods.
- 6 This report looks first at the Welsh Government's approach in general to the overall fiscal devolution including the work of its Welsh Treasury functions; and secondly at specific work to date for establishing the WRA. The overall fiscal reform agenda is largely at the end of its planning phase and is now about to move forward into the delivery phase. Because the key work is still progressing, including the tax collection systems, the fiscal framework for adjustments to UK funding, and detailed forecasts required to underpin that fiscal framework, the arrangements around these areas will be covered in more detail in a second review the Auditor General intends to conduct in the autumn of 2017.

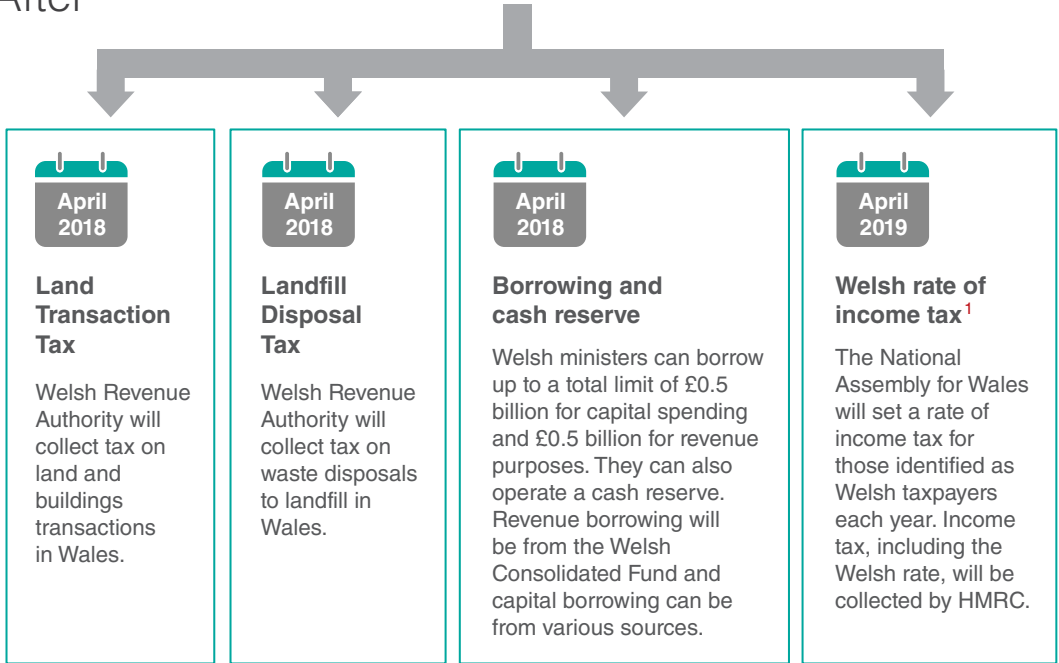
Exhibit 1 – Changes to the tax regime in Wales arising from the Wales Act 2014

Before



Wales Act 2014

After



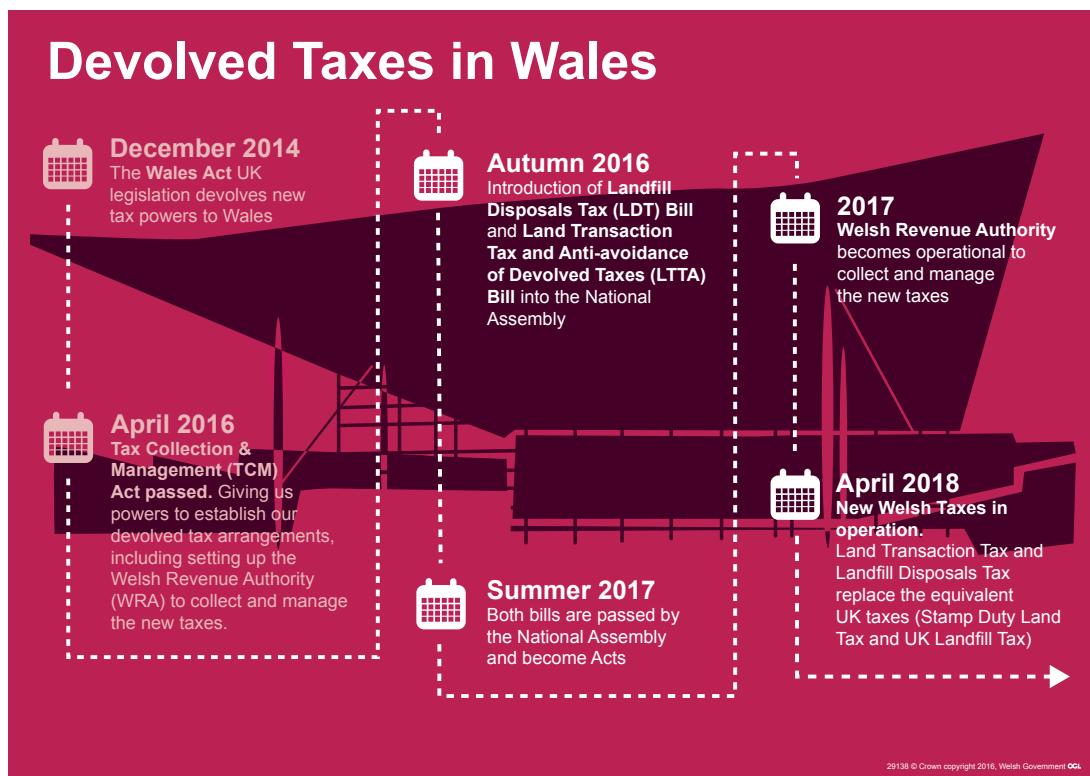
¹ A date for income tax devolution has not yet been set. April 2019 is the earliest possible date assuming Royal Assent for the Wales Bill in early 2017.

- 7 **We concluded that the Welsh Government is preparing well to take on its fiscal devolution responsibilities, including the establishment of the Welsh Revenue Authority by the April 2018 commencement date, although significant challenges remain in getting detailed plans in place and delivering key projects.** The main focus and challenges in the coming year are centred on agreeing the fiscal and legislative frameworks with key stakeholders including the UK Government; getting detailed plans for establishing the WRA in place; and very careful management of programme and project delivery. The following paragraphs provide a brief overview of our key findings.
- 8 **The fiscal reform agenda is well-structured, has been appropriately resourced, and is making generally good progress.** There is a robust structure for the governance of the fiscal reform agenda that has evolved appropriately over time to reflect changing circumstances. The work to deliver fiscal reform is adequately resourced at present, with appropriately skilled and experienced staff, but the resourcing and scope of future Welsh Treasury functions need to be continuously reviewed. The Welsh Government has made good progress to date in developing the legislative and fiscal frameworks for devolved tax arrangements. The Welsh Government is engaging extensively and effectively with a wide range of internal and external stakeholders.
- 9 **The Welsh Revenue Authority Implementation Programme is well structured and staffed, although the delivery of all projects will need very careful management in the coming months.** There is a clear governance and reporting structure to manage the establishment of the WRA and its functions. While the Welsh Government estimates that the costs of the resources to set up the WRA remain in line with their initial published estimates, a key challenge will be ensuring the right resources are in place at the right time. Despite some changes to initial timetables, the delivery of the Welsh Revenue Authority Implementation Programme (WRAIP) is progressing well, but detailed plans for delivery now need to be finalised and approved.

Key areas of focus through to April 2018

- 10 The Welsh Government has developed a well-defined critical timetable for the devolution of taxes to Wales which is summarised in [Exhibit 2](#) below.

Exhibit 2 – Summarised timetable for devolved taxes in Wales



Copyright: Welsh Government

- 11 In order to meet the key milestones of this critical timetable, the Welsh Government, through the various programme and project boards, is currently finalising its detailed delivery plans. Our key recommendation is that this process should be completed as soon as possible to allow the programme boards and groups to move forward into the delivery phase in 2017.

- 12 The specific areas that these detailed delivery plans need to address are:
- a Given that the bills for the specific taxes are progressing through the legislative process, the Welsh Government will need to ensure the impact of any amendments to these bills is reflected in the detailed project plans and processes.
 - b There will be challenges in agreeing a timely fiscal framework, striking the balance between preparing forecasts as late as possible to ensure accuracy, and allowing adequate time for the National Assembly's scrutiny of the 2018-19 budget.
 - c The Welsh Government needs to ensure that it is continuously reviewing what Welsh Treasury functions it needs in light of fiscal devolution, in particular the capacity and number of staff to deliver these roles up to and beyond 1 April 2018.
 - d Detailed and close engagement will be required as the programme moves through the delivery phase and approaches the implementation date of 1 April 2018, including the need to raise awareness of the changes to the tax regime in Wales among the wider general public.
 - e The WRA's statutory basis, governance and accountability frameworks need to be clearly defined and understood by all of its key stakeholders from the outset.
 - f The WRAIP needs to approve formally the underlying project plans as soon as possible for each project to move quickly into delivering its objectives. The programme will need very careful governance, management and monitoring as it progresses over the coming months.
 - g More detailed budgets now need to be developed to ensure the WRA is established on time, within cost and with the right skilled people.

Part 1

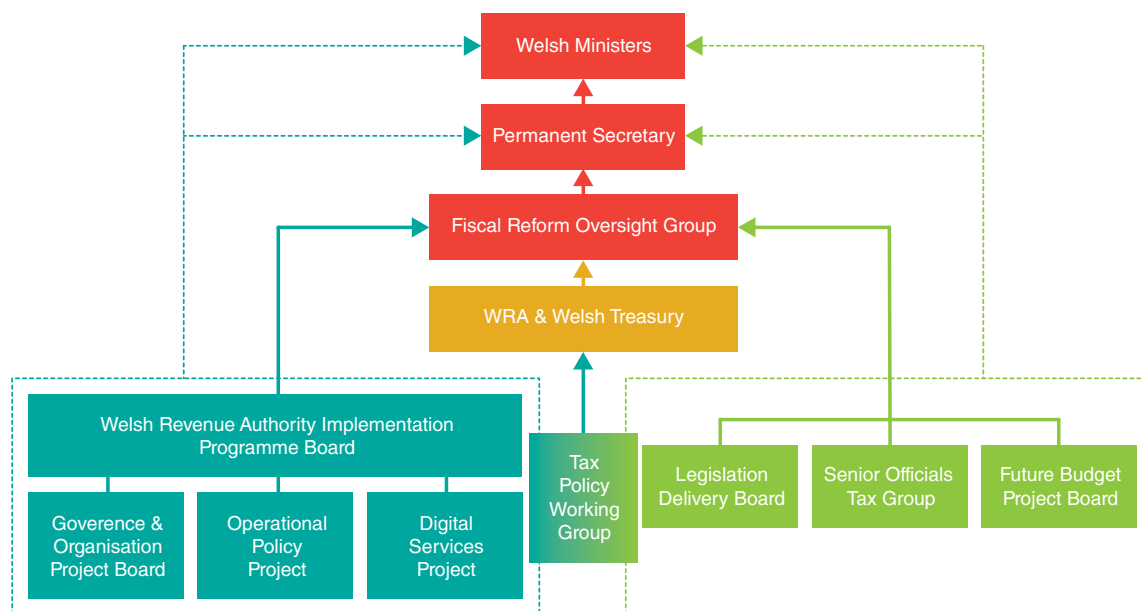
The fiscal reform agenda is well-structured, has been appropriately resourced, and is making generally good progress



There is a robust structure for the governance of the fiscal reform agenda that has evolved appropriately over time to reflect changing circumstances

- 1.1 The Welsh Government established a fiscal reform agenda in 2013 to implement the various requirements of the Wales Act 2014. This structure has developed as the detail, needs and circumstances of implementing the Act have become clearer. The structure at October 2016 of the fiscal reform agenda is shown in [Exhibit 3](#) and identifies two main parts to the fiscal reform agenda. We are aware that further changes are planned in the coming months as the fiscal reform agenda continues to evolve.
- 1.2 The WRAIP Board oversees projects aimed at the establishment and smooth running of the WRA. The Welsh Treasury, as part of the Welsh Government, oversees the Legislative Delivery Board, Senior Officials Tax Group and the Future Budget Project Board. The Future Budget Project is managed within the Finance Department, although it forms part of the fiscal reform agenda.

Exhibit 3 – Fiscal Reform Agenda - Governance, reporting and accountability



- 1.3 A Welsh Treasury Implementation Programme was originally established in November 2013 to manage and deliver the changes to the fiscal powers mandated by the Wales Act 2014. Following an independent assurance review in November 2015 the Welsh Treasury Implementation Programme was closed and a formal programme structure was mobilised around the establishment of the Welsh Revenue Authority. This provided an early separation between the future work of the Welsh Treasury (legislation, tax policy, Budget, borrowing etc.) and the future Welsh Revenue Authority.
- 1.4 The work of both the Welsh Revenue Authority Implementation Programme and the Welsh Treasury is overseen by the Fiscal Reform Oversight Group (the Oversight Group) which considers and advises on the wider impact of fiscal reform in Wales. The Oversight Group aims to ensure a coherent approach to planning and delivery, provides strategic assurance on future change decisions, and monitors progress by the WRAIP and the Welsh Treasury. The diagram at [Exhibit 3](#) illustrates this.
- 1.5 The Oversight Group receives high-level progress reports from the WRA Implementation Director and the Director, Welsh Treasury and monitors actions arising from the previous assurance reviews. The formal boards and groups meet regularly, have defined terms of reference and receive standard progress reports from the individual projects at each meeting, including the review and mitigation of key risks. Day-to-day operations and delivery are then managed by the various projects using the Welsh Government's established programme and project management procedures.
- 1.6 The Oversight Group benefits from the involvement of senior Welsh Government officials, and is chaired by the Deputy Permanent Secretary for Economy, Skills and Natural Resources. In addition, a broader perspective is brought by an external member of the Oversight Group who has experience of delivering change programmes outside the Welsh Government. More generally, there is a culture of welcoming challenge and external engagement, with external representation on all programme boards and a wide-ranging engagement strategy.
- 1.7 The consensus from our interviews with Welsh Government staff and external stakeholders is that the current governance arrangements are working well and are enabling fiscal reforms to be implemented in a timely and effective way. From our work, we would agree that the governance structures for the overall fiscal reform agenda are clearly articulated, well understood and have evolved appropriately to meet changing needs.

The work to deliver fiscal reform is adequately resourced at present, with appropriately skilled and experienced staff, but the resourcing and scope of future Welsh Treasury functions need to be continuously reviewed

- 1.8 The WRAIP, the Welsh Treasury and each of the formally constituted projects have appointed senior responsible officers, all of whom have a background and extensive experience in that particular area. While the WRA Implementation Director is a full time role, the majority of project officers are not and manage their time across a number of functions within the Welsh Government. At the individual project level, appropriate skills have been actively sought by advertising posts internally and assessing the suitability of candidates on a competitive basis, rather than simply allocating such roles to available staff.
- 1.9 To date, the Welsh Government's work on fiscal reform has been absorbed within its existing budgets for staff costs and other central services. The Welsh Government has published cost estimates for setting up and operating the WRA but has not separately identified the costs for the Welsh Treasury functions that are directly attributable to the fiscal reform agenda.
- 1.10 However, as the fiscal reform agenda moves into the delivery phase, there will need to be greater clarity on the costs of ensuring the WRA is adequately resourced and has suitable leadership to operate at arms length from the Welsh Government ahead of 1 April 2018. This is discussed in more detail in [Part 2](#). Alongside this, the challenge for the Welsh Government is to ensure that it is continuously reviewing the scope, capacity of existing staff, and resources to deliver the Welsh Treasury functions up to and beyond 1 April 2018.

The Welsh Government has made good progress to date in developing the legislative and fiscal frameworks for devolved tax arrangements

- 1.11 The Welsh Government is developing the legislative framework to establish the devolved tax arrangements set out in the UK's Wales Act 2014.
- 1.12 There are three pieces of additional Welsh primary legislation:

<p>Tax Collection and Management (Wales) Act</p> <p>Establishes the foundations of the tax regime in Wales. This includes the arrangements for collecting and managing the new devolved taxes, and the creation of the Welsh Revenue Authority.</p> <p>Introduced to the National Assembly for Wales in July 2015. Royal Assent received in April 2016.</p>	<p>Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill</p> <p>This will allow the WRA to collect taxes on land and buildings transactions, such as buying a house, and provides the WRA with the powers to take forward anti-avoidance action.</p> <p>Introduced to the National Assembly for Wales in September 2016. Royal Assent expected by summer 2017.</p>	<p>Landfill Disposal Tax Bill</p> <p>This will allow the WRA to collect the taxes on disposing of waste to landfill, and to enforce compliance with this legislation.</p> <p>Planned to be introduced to the National Assembly for Wales in autumn 2016. Royal Assent expected by summer 2017.</p>
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- 1.13 The Welsh Government started planning in 2013 for the devolution of these taxes and the legislation required. Following extensive engagement with stakeholders, including the Scottish Government, Wales has adopted a different approach to the timing of its legislation. In Scotland the legislation for the devolved taxes was considered first, and the Revenue Scotland and Tax Powers Act received Royal Assent in September 2014, after the devolved taxes legislation. By considering the Tax Collection and Management (Wales) Act before the devolved taxes bills, Welsh Government officials have had the benefit of providing a longer period of over 24 months (compared to six months in Scotland) to implement the WRA and its functions.
- 1.14 The Welsh Government considers that their legislative approach should both reduce the number of amendments to the primary legislation, and minimise the need for subsequent secondary legislation. Amongst other things, secondary legislation will be needed to provide the WRA with statutory criminal powers, and to allow Welsh ministers to vary tax rates and bands at short notice, with subsequent approval of any permanent variations by the National Assembly.
- 1.15 Given that the bills for the specific taxes are progressing through the legislative process, the challenge for the Welsh Government will be to ensure the impact of any amendments to these bills are reflected in the detailed project plans and processes.

1.16 The devolved taxes regime will also operate within a fiscal framework, as well as the legislative framework outlined above. The Welsh Government is currently discussing this fiscal framework with HM Treasury and expects to complete this work in January 2017, in conjunction with the passage through Parliament of the Wales Bill proposing the devolution of further powers and responsibilities to Wales. We understand that discussions between the Welsh Government and HM Treasury have been positive. The sharing of data analyses and jointly agreed briefings on fiscal impact to both Welsh and UK ministers has helped to avoid disagreements on the likely fiscal impact of the different changes. The fiscal framework being discussed will cover the following aspects:



The block grant adjustment

The UK Government provides a block grant of funding to the National Assembly, which in turn funds the Welsh Government. There will be an agreed method for calculating the reduction in this block grant in 2018-19 to reflect the anticipated revenues from taxes collected in Wales. The method for calculating the reduction of the block grant in subsequent years is still subject to negotiation between the UK and Welsh Governments. This increases the inherent risk to the Welsh Government's overall annual funding, because while the block grant is a known fixed amount, tax revenues are inherently uncertain and may be higher or lower than forecast.



Borrowing powers

Welsh ministers will have the authority to borrow for the first time – up to a total limit of £500 million for capital projects and up to £500 million for revenue purposes. The revenue borrowing will cover any shortfall arising from tax revenues being lower than forecasts or coming in more slowly than expected.



A cash reserve

A cash reserve will allow the Welsh Government to carry forward surplus tax receipts beyond the end of the year of receipt, making it easier to manage tax revenues that exceed forecasts or come in more quickly than expected. The new reserve may also replace the existing budget exchange arrangements for carrying forward unspent budgets from one year to the next.



Compensating adjustments

To compensate in the event that fiscal decisions in one country directly impact on revenues or public expenditure elsewhere in the UK.



Revenue forecasts

Having a robust forecasting system in place will be crucial in setting the Welsh Government's budget each year (although the borrowing powers and cash reserve should mitigate the cash consequences of any variances).

- 1.17 The ongoing negotiations on the fiscal framework are supported by the Fiscal Strategy team in the Welsh Treasury, working closely with teams responsible for fiscal forecasting and budgeting. Working relationships have also been established with other informed sources on fiscal devolution, including the Wales Governance Centre at Cardiff University.
- 1.18 Welsh Ministers are currently considering options for an independent fiscal body within Wales to provide independent assurance and oversight on tax revenue forecasts separate from those published by the Welsh Government. This could be a similar arrangement to the Office of Budgetary Responsibility for the UK, and the Scottish Fiscal Commission for Scotland, but will need to be proportionate to the scale of work involved in Wales.
- 1.19 It will be critical for the Welsh Government to have timely access to reliable data and well-founded forecasting tools for devolved tax revenues for it to effectively plan its budget and cost potential changes to tax rates and bands. The Welsh Treasury is developing forecasting methods for both devolved taxes using detailed and anonymised historic data obtained from HMRC and similar approaches as those used by the Scottish Government and HM Treasury. A quality assurance process will also begin in early 2017 to help ensure that the forecasting methodology is robust. Nevertheless, taxes based on property sales like LTT are difficult to forecast accurately because of the reliance on predictions of residential and commercial property prices and the annual volumes of sales and leases, both of which are highly volatile and susceptible to wider economic trends. Similarly, forecasting taxes like LDT is made more difficult due to limited landfill tax data currently available for Wales, and declining numbers of landfill operators as sites close, waste recycling rates continue to improve across Wales and other waste disposal methods such as incinerators are developed.
- 1.20 The Welsh Government will need forecasts or forecast assumptions regarding devolved tax revenues to inform its 2018-19 budget submission to the National Assembly in autumn 2017. The Welsh Government is currently reviewing its budgeting process to address the recommendations of the National Assembly's Finance Committee, which had asked for more time for the Assembly to scrutinise the budget before approval.
- 1.21 There will be challenges in agreeing a timely fiscal framework, striking the balance between preparing forecasts as late as possible to ensure accuracy, and allowing adequate time for the National Assembly's scrutiny of the 2018-19 budget.

The Welsh Government is engaging extensively and effectively with a wide range of internal and external stakeholders

- 1.22 Engagement with internal and external stakeholders to date has been extensive, detailed and well-managed. The Welsh Government carried out an initial stakeholder analysis exercise which identified a large number of internal and external stakeholders. A high-level Stakeholder Engagement Strategy was then designed to outline key messages and activities, and this is underpinned by specific Engagement or Communication Plans for each project, workstream and campaign within the fiscal reform agenda.
- 1.23 Engagement with stakeholders is centrally managed across the fiscal reform agenda. To date, over 350 interested or affected parties have been identified on a central database, which is accompanied by records of all engagement activities undertaken. These tools are used to centrally monitor and inform all engagement activity.
- 1.24 Key external stakeholders have been identified from this database, and consultation has been prioritised towards these bodies. Members of the Tax Advisory Group (which provides strategic advice to Welsh Ministers on tax policy and administration) and the Tax Forum (which enables the Welsh Government to engage with relevant professions and organisations) have been extensively consulted since 2014 to shape initial tax policy and legislative requirements in Wales. Other key parties that continue to be regularly consulted include HM Revenue & Customs, HM Treasury, Natural Resources Wales, the Law Society, the Valuation Office Agency and the Scottish Government.
- 1.25 There is also robust central management over stakeholder engagement within the Welsh Government itself to review the dissemination of key messages, and to minimise duplication of effort or clashes in policy. Key groups regularly consider stakeholder engagement as part of their work. These include the monthly communications and engagement meetings; and the Senior Officers Tax Group that will support a decision-making process for future Welsh tax policy decisions. The Fiscal Reform Oversight Group also continues to receive and review regular reports and plans for future engagement activities.

- 1.26 As part of overall stakeholder engagement, there are various discrete engagement activities undertaken as part of the WRAIP. A number of external stakeholders or end users have been widely consulted throughout the programme to date, and some key examples of this activity are detailed below:
- a Digital Services Project: This project has consulted widely with groups of proposed end users and practitioners, compiling over 700 individual 'user stories' to establish requirements for the system to be used for online filing of Land Transaction Tax and Landfill Disposals Tax returns. These stories have helped in the creation of a 'minimum viable product' specification which sets out the basic requirements for any online service to Welsh taxpayers, and will be used as the basis for negotiation with potential suppliers.
 - b HM Revenue & Customs (HMRC): HMRC have established a 'Transition Board' to formalise future relationships and structures with the WRA and enable a smooth transition in April 2018. The first meeting of this Board was in October 2016. The exact scope and terms of reference of this Board have yet to be agreed between HMRC and the Welsh Government.

To date, information has been shared between HMRC and the Welsh Government. Usage levels of the Stamp Duty Land Tax online system have been shared by HMRC to allow the Digital Services project to identify likely peaks and troughs of demand, and incorporate these into software system design.
 - c Natural Resources Wales (NRW): Fortnightly meetings have been held between NRW and the Welsh Government to determine future needs and requirements of both bodies under the Landfill Disposals Tax regime. NRW have been consulted on the drafting of key legislation such as the Tax Collection and Management (Wales) Act and the forthcoming Landfill Disposals Tax Bill. A Memorandum of Understanding has also been drafted to formalise the relationship between the two bodies.

NRW have also shared existing waste data returns with the Welsh Government to allow them to forecast future levels of collection of Landfill Disposals Tax.
- 1.27 Detailed and close engagement will be required as the overall fiscal reform agenda moves through the delivery phase and approaches the implementation date of 1 April 2018. A further key challenge will be to raise awareness of these tax changes in Wales among the wider public. A communications plan is being drafted and includes specific devolved tax related questions within the National Survey to allow the Welsh Government to monitor public awareness of the changes before they are implemented.

Part 2

The Welsh Revenue Authority Implementation Programme is well structured and staffed, although the delivery of all projects will need very careful management in the coming months



There is a clear governance and reporting structure to manage the establishment of the Welsh Revenue Authority and its functions

- 2.1 The WRAIP is responsible for establishing the WRA in line with the current internal timetable of November 2017. As shown in [Exhibit 3](#), the governance arrangements and structure of the WRAIP are clear and split into several project boards to take forward specific aspects of the WRA's implementation.
- 2.2 The WRA will be Wales's first non-ministerial department. It will be part of the Welsh Government and will be headed by senior civil servants, as well as a Non-Executive Board and Chair. However, whilst Welsh ministers will set the policy framework and provide strategic direction, neither ministers nor the Assembly will interfere in day-to-day taxation decisions relating to the management and collection of devolved taxes. There will be a 'minister responsible' who has strategic responsibility for the continued existence of the non-ministerial department; the overall policy and statutory framework within which it operates; wider tax policy; and represents the non-ministerial department in the National Assembly. The responsible minister will also ensure that the WRA receives an appropriate budget to undertake its functions, through the usual budgetary process.
- 2.3 Because this is the first non-ministerial department in Wales, a key challenge for the WRA will be to ensure that its statutory basis, governance and accountability frameworks are clearly defined and understood by all of its key stakeholders from the outset.
- 2.4 The WRAIP Board has well defined terms of reference which cover the structure and composition of the Board; Board members' roles and responsibilities; and the scope of WRAIP. Membership of the WRAIP Board includes both senior Welsh Government officials and representatives from external organisations who provide experience, knowledge and insight. The WRAIP is led by the WRA Implementation Director who took up post in August 2016. The Implementation Director, on loan for three years from HMRC/Valuation Office Agency (VOA), brings extensive experience in tax from working in HM Treasury, HMRC and latterly on the Board of the VOA.
- 2.5 At the time of our review, the WRAIP Board oversees three projects, which in turn have clearly defined remits and are led by senior staff. These projects cover:
 - a Governance and Organisation: to provide the elements for effective governance and organisation and all required corporate functions, for example, recruitment strategy, accommodation needs, governance and finance arrangements.
 - b Operational policy: to develop all operational policy for the Welsh Revenue Authority to administer devolved taxes, for example outward facing tax guidance, internal procedures and staff guidance, and elements of secondary legislation.

- c Digital Services: to provide a business process and a solution that is capable of administering, collecting and providing data about the devolved taxes within an agreed timetable and to budget.
- 2.6 The WRAIP Board monitors progress at its programme board meetings, receiving clear and concise highlight reports that provide updates on the WRAIP and each individual project. The reports include immediate milestones, successes, and risk identification and management. The delivery of key milestones and outcomes for the WRAIP and individual projects is then assessed against three classifications:
- a Red: Major Issues present affecting delivery of outcomes at this time. Significant Management attention required.
 - b Amber: May not reach next key milestones/outcome to time/cost/quality unless a major issue is resolved.
 - c Green: On schedule and achieving milestones within timescales with no major issues.
- 2.7 At its October 2016 meeting, the Governance and Organisation project was assessed as Green and the Digital Services project was assessed as Amber. The Operational Policy project was still mobilising and so was not classified. The overall progress of the WRAIP was therefore assessed by the WRAIP Board as being Amber due to the financial uncertainties given the annual nature of public sector budgeting and the wider economic environment at that date. In particular, the longer-term budget has not been agreed and the possible cost for the provision of digital services for the WRA is not yet confirmed. We would agree that the WRAIP Board's overall assessment of Amber is reasonable. A number of the key decisions that are due to be made shortly will also have a significant impact, including a decision on the WRA's office location within Wales.
- 2.8 Looking ahead beyond 1 April 2018, the longer-term functions of the WRA are being considered and scoped so that capacity can be built into the new organisation from the outset. The new Chair will play a pivotal role in these considerations and their appointment in early 2017 is therefore a critical milestone for the WRAIP.

While the Welsh Government estimates that the costs of the resources to set up the Welsh Revenue Authority remain in line with their initial published estimates, a key challenge will be ensuring the right resources are in place at the right time

- 2.9 To date, the Welsh Government has identified the roles and responsibilities required to deliver the WRAIP and, on a timely basis, have recruited people with the requisite skills and experience who are driving the programme forward. Looking ahead there are plans in place for a phased recruitment of WRA staff based on identified need. These plans do remain flexible, and are due to be reviewed and revised during November 2016 by the WRA Implementation Director; and in early 2017 on appointment of the first Chair of the WRA. It will be critical that not only are the right skills and experience in place, but that they are in place at the right stage of the WRA's implementation.
- 2.10 As noted in [Part 1](#), the costs to date of the overall fiscal reform agenda and the WRAIP have been absorbed within existing Welsh Government departmental budgets and day-to-day running costs. The revised Explanatory Memorandum published to accompany the Tax Collection and Management (Wales) Act in February 2016 included a Regulatory Impact Assessment outlining the best initial estimates for the set-up and subsequent annual operating costs for the WRA. These initial estimates included a range of between £4.9 million and £6.4 million for the estimated WRA set-up costs for the three-year period 2016-17 to 2018-19. The estimated annual operating costs of the WRA from 2018-19 onwards were estimated as being between £2.8 million and £4 million.
- 2.11 The Cabinet Secretary for Finance and Local Government has confirmed the expected set-up and operating costs for the WRA to be within the ranges previously published by the former Finance Minister. This remains the case at October 2016. These ranges are high level estimates at this point and the Welsh Government believes they will remain within the overall totals for the cost ranges.
- 2.12 The draft Welsh Government budget for 2017-18 specifically identifies for the first time an amount of £2 million related to the implementation of the WRA, which will be funded from existing budgets and reserves. There is also a further £0.5 million available from other sources, giving a total budget in 2017-18 of £2.5 million. We understand that the Cabinet Secretary for Finance and Local Government will be providing further detail on WRA implementation costs to the National Assembly in the coming months.
- 2.13 To date, the Welsh Government has ensured that the appropriate resources are in place for implementing the WRA. Following the appointment of the WRA Implementation Director and key decisions being taken, more detailed budgets now need to be developed to ensure the WRA is established on time, within cost and with the right skilled people.

Despite some changes to initial timetables, the delivery of the Welsh Revenue Authority Implementation Programme is progressing well, but detailed plans for delivery now need to be finalised and approved

2.14 The three projects of the WRAIP – Governance and Organisation, Operational Policy, and Digital Services – are in the process of finalising their detailed plans for the delivery phase in 2017-18. As shown in **Exhibit 4**, a number of key milestones and deliverables have already been successfully met, including starting the recruitment of the WRA Chair for an appointment in early 2017, and an agreed set of minimum requirements for the WRA’s online tax collection system following widespread consultation with end users.

Exhibit 4 – Key milestones and deliverables for the WRAIP

<p>Tranche 1 February 2016 – September 2016 Capabilities delivered:</p> <ul style="list-style-type: none"> • WRA Delegation Decision (July 2016) • Digital Services Project Confirmation Phase (May – June 2016) • Appointment of Welsh Revenue Authority Implementation Director (August 2016) 	<p>Tranche 2 September 2016 – April 2017 Capabilities to be delivered:</p> <ul style="list-style-type: none"> • Decision on location of WRA (November 2016) • Digital services ‘testing’ the market followed by procurement of serviced (November/December 2016) • WRA Chair announced (early 2017)
<p>Tranche 3 April 2017 – November 2017 Capabilities to be delivered:</p> <ul style="list-style-type: none"> • WRA Board (October 2017) • Phased recruitment of WRA Staff (from April 2017) • Delivery of Digital Services (October 2017) 	<p>Tranche 4 November 2017 – April 2018 Capabilities to be delivered:</p> <ul style="list-style-type: none"> • Communication campaign • Internal and external guidance published • Regulations in place (March 2018) • UK taxes ‘switched off’, Welsh taxes ‘switched on’ (April 2018)

Source: Welsh Government

- 2.15 There has been some rescheduling within the individual projects, whilst the WRA Implementation Director has conducted a review of the scope of the projects within the overall WRAIP. These have been reported via the reports of programme and project highlights to the WRAIP Board. Also a decision on the location of the WRA was originally planned to be taken some 12 months before occupation (anticipated by October 2017 to enable full testing of systems and location) but is now not likely to be announced before the end of 2016. The mobilisation of the Operational Policy project board began in spring 2016 with the appointment of a project lead but only recently held its first meeting in September 2016.
- 2.16 Detailed project work plans have been drafted for the Governance and Organisation project and Digital Services project, but the WRAIP Board has not yet formally ratified them. The Operational Policy project team are currently drafting the detailed project work plan, and although this is later than originally planned, there is no evidence to date that this project will not deliver to time on its objectives. It is the Implementation Director's intention that these plans will be integrated into a WRAIP plan once he has concluded his review of the scope of the projects within the programme, although they are reliant to some degree on other key decisions yet to be made, such as the location of the WRA office itself. A regular review of these plans will be needed as the programme evolves over the next 15 months.
- 2.17 A significant part of the WRAIP is the digital services project which is developing the online tax collections systems for the WRA. The digital services project is using the AGILE² software development methodology to manage its delivery. While a supplier is yet to be identified for this project, the Welsh Government plans to use the 'G-Cloud' framework contract located on the UK Government's Digital Marketplace, an online database of centrally-approved ICT suppliers. The Welsh Government plans to award a contract to the successful supplier for the first phase of development by the end of 2016, and the whole digital services project is scheduled for completion by October 2017. While this is an ambitious timetable for completion, it does allow a six month contingency period before the 1 April 2018 implementation date.
- 2.18 Any potential delays to the agreement of the detailed project plans risk slippage in the timetable for delivering the overall WRAIP and the projects, in particular the digital services project where there are tight time constraints. It also risks increasing the overall costs of the implementation of the WRA if additional resources are then needed to meet the required timetable. A key area of focus for the WRAIP is therefore to formally approve these project plans as soon as possible and keep them under regular review. Each project needs to move quickly into delivering its objectives with very careful governance, management and monitoring as it progresses over the coming months.

² This methodology involves a high degree of consultation with stakeholders to identify requirements, with development and testing of elements of the system then being combined into short 'sprints'. This contrasts with the more traditional 'waterfall' method of software development, which has clearly separate design, implementation and testing phases. AGILE is widely thought to produce software more in line with user needs, within tight timescales.

Appendices

Appendix 1 - Methods



Appendix 1 - Methods

We reviewed a range of information during our audit including:

- Various legislation and draft legislation including the Wales Act 2014, Tax Collection & Management (Wales) Act and the Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Bill
- Publicly available information on fiscal devolution relating to both Wales and Scotland
- The project plans
- The highlight reports from key programme and project/group boards
- The governance documents
- The results of gateway reviews that have been undertaken
- Various reports from other audit bodies on fiscal devolution and project management including Audit Scotland, the National Audit Office and the New Zealand Auditor General
- Published documents from the Welsh Government and Welsh ministers

We received an introductory presentation from the Welsh Government which covered:

- Presenting progress to the audit team to set the scene
- Identifying how the project is developing
- How the project is being delivered
- The key risks
- The next stages for the individual projects/group and the overall Welsh Government fiscal reform agenda

We attended a stakeholder event on 29 September 2016 organised by the Finance Committee of the National Assembly for Wales that considered the Land Transaction Tax and Anti-Avoidance of Devolved Taxes (Wales) Bill

We spoke to a wide range of representatives and officials from:

- The Welsh Government including the Deputy Permanent Secretary, the Director, Welsh Treasury and the WRA Implementation Director
- HM Revenue & Customs
- Natural Resources Wales
- External members of the Fiscal Reform Oversight Group and WRAIP Board

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Llywodraeth Cymru
Welsh Government

Mr Huw Vaughan Thomas
Auditor General for Wales
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9 December 2016

Dear Auditor General for Wales

**Response to the report 'Preparations for the implementation of fiscal devolution'
(1 December 2016)**

I would like to thank you for this report. I am pleased that the significant progress made to date has been recognised, and I very much welcome the recommendations made by the WAO.

Engagement between the WAO and the Welsh Government has been active and constructive throughout the fiscal devolution process so far. As a result, this report provides a well-informed and accurate reflection of our efforts to deliver fiscal reform for Wales.

As the report rightly recognises, this is a complex programme of activity and it is moving at pace towards April 2018. There will undoubtedly be some significant challenges ahead. The report clearly identifies these potential challenges and this will be helpful as we move forward with the Welsh Revenue Authority Implementation Programme and the wider work to implement fiscal devolution. We are confident that these challenges can be met with the appropriate plans and skilled and committed staff in place.

Yours sincerely

Andrew Jeffreys

Cyfarwyddwr - Director
Trysorlys Cymru - Welsh Treasury

c.c. Cabinet Secretary for Finance and Local Government
Chair of the NAW Finance Committee
Chair of the NAW Public Accounts Committee
Welsh Government Corporate Governance Unit
Permanent Secretary, Welsh Government
Welsh Revenue Authority Implementation Director



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Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Chair of the Public Accounts Committee
National Assembly for Wales
Cardiff Bay
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24 October, 2016

Dear Mr Ramsay,

AUDITOR GENERAL FOR WALES REPORT ON COASTAL FLOODING AND EROSION RISK MANAGEMENT IN WALES

Thank you for your letter of 26 September following up on the Committee's 19 September consideration of the Welsh Government's response to the Auditor General for Wales' report on Coastal Flooding and Erosion Risk Management in Wales.

In response to your concerns and queries I am providing the following additional information, numbered to match your queries:

1. Clarification on the Welsh Government's position in relation to the Wales Audit Office (WAO) 2009 report

- **Working with the main stakeholders to engage with communities at risk and give them a clear understanding of the strategic approach**

The Welsh Government continues to work closely with the main stakeholders, Local Authorities and Natural Resources Wales (NRW) on all aspects of flood and coastal risk management. Our position is that coastal local authorities and NRW are best placed to engage with local communities on local issues of flood and coastal erosion risk. Our strategic approach is to support risk management authorities in this activity but not to dictate what local action should be.

Welsh Government officials continue to work closely with all risk management authorities, offering policy and programme advice when required and conducting site visits when time allows. Officials also provide support and share best practice

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through Wales Flood Group, Coastal Groups Forum and regional meetings of risk management authorities.

- **Developing a Strategy on Managed Retreat**

The Welsh Government's strategic approach is informed by the Shoreline Management Plans under which all options are considered including, as appropriate 'Managed Re-Alignment' or 'No-Active Intervention'.

Re-aligning defences, or deciding not to continue defending parts of the coastline, may be an unavoidable strategic consideration in some circumstances. Our position is that a one-size fits-all strategy on Managed Re-Alignment and No Active Intervention is not feasible at this stage. However, we are committed to working with local authorities to support local strategies and ensure these can be shared.

We will learn from and work with others. This is a common challenge and as yet, there are few examples of well-developed national level strategies that go beyond communication to legal and financial provision for relocation of people and assets.

Our strategic approach is also to ensure that good practice and lessons identified can be shared across Wales through a coastal adaptation toolkit. This will be developed using findings from ongoing research in Fairbourne, Gwynedd and with input from the Welsh Coastal Groups.

2. **Use of the 2017-18 National Strategy for Flood and Coastal Erosion Risk Management in Wales rather than the Coastal Delivery Plan to take stock of progress on coastal risk and associated issues**

The Wales Coastal Flooding Review (2014) and its associated Delivery Plan (2015) were both documents produced by NRW at the request of Welsh Ministers to ensure that the lessons identified from the 2013-14 winter storms were captured and acted on. Their scope is clearly defined. The final report on the progress of the Delivery Plan was approved by the Cabinet Secretary for Environment and Rural Affairs at the start of October and will now be published by NRW.

The 2017/18 review of the National Strategy will be led and produced by Welsh Government working in collaboration with all risk management authorities. The National Strategy is the primary document for flood and coastal policy in Wales and the appropriate place for strategic objectives and setting out how we will manage risk. It provides an opportunity to include any ongoing recommendations from the Wales Coastal Review alongside other reviews.

3. **Development of a strategy for long term coastal funding**

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The Coastal Risk Management Programme (CRMP) represents significant progress in terms of enabling a three-year forward pipeline of projects. Previously programmes were more *ad hoc* in the light of available resources.

The programme acknowledges the challenge of delivering this work in the context of declining public funding at the UK level and looks to long term borrowing and revenue funding streams as an alternate source of finance.

CRMP is currently a three-year programme but provides a pilot and a possible strategic option for the longer term. The Programme is already looking to the longer term in its strategic decision to fund early business case development of a wide range of potential projects. This will enable priority projects to be taken forward through CRMP and assist in the identification of a longer term pipeline of potential projects than can help inform strategy and funding bids.

In terms of the core programme, we are continuing to work closely with Local Authorities and NRW to develop and prioritise a pipeline of schemes to inform a longer-term indicative programme.

Regarding the 25% Local Authority contribution to the Coastal Risk Management Programme

Under CRMP, Welsh Government provides revenue funding to local authorities to make the necessary capital investment in their role as risk management authorities with responsibilities for coastal protection. This is additional to annual capital allocations. This is an appropriate level of contribution from the local authority. It enables Welsh Government's funding to go further and ensures local ownership of the project.

The decision that CRMP should be co-funded and that local authorities should contribute 25% was taken alongside decisions on other revenue funded capital programmes and is in line with the Flood and Coastal Erosion Risk Management capital programme. Whilst Welsh Government is reliant on borrowing and future revenue repayments there is flexibility in the local authority's 25% contribution including the possibility of partnership contributions from other beneficiaries.

It should be noted that we have recognised the risk to local authorities in developing early business cases for projects this financial year and provided 100% grant funding. This enables local authorities to develop their schemes and for the programme to identify those which are a priority to take forward.

4. Coastal Adaptation Toolkit

A Shoreline Management Plan is a large-scale assessment of the risks associated with coastal processes and their aim is to identify risk management policies to reduce the

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risks to people and the developed, historic and natural environments over the long term. The Plans and their preferred policy for each area are non-statutory.

It is for Risk Management Authorities to set out how flood risk to coastal areas will be managed and the Shoreline Management Plans form a part of that consideration but should be accompanied by more detailed local evidence and monitoring. The Plans also form a material consideration in development decisions and local plans as set out in a letter to Chief Planning Officers and flood leads in January 2015.

The Welsh Government is already supporting local authorities to help communities think about all options for coastal risk management including Managed Re-alignment and No Active Intervention. It is not appropriate to dictate in the forthcoming review of National Strategy how this should work in every location, but it will contain policy considerations and practical advice relating to each of the four Shoreline Management Plan approaches.

There will never be one solution that is right for every coastal community and different areas will experience different issues. This approach has been discussed as part of the Coastal Review as well as with coastal local authorities. Support remains best provided at a local level taking into account the needs of a community and the risks at a specific location. A coastal adaptation toolkit is being prepared to set out common issues, best practice and examples. This will complement the new National Strategy. Research work ongoing in the village of Fairbourne will help inform this toolkit and our policy development in this area.

Please also see the response to **Developing a Strategy on Managed Retreat** under point 1.

I include a copy of the updated Coastal Review Delivery Plan.

Yours sincerely,



Matthew Quinn
Director, Environment and Sustainable Development

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Wales Coastal Flooding Review: Delivery Plan for Phase 2 Recommendations

Progress Report August 2016

Prepared by Natural Resources Wales
for Lesley Griffiths AM, Cabinet Secretary for Environment
and Rural Affairs

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Acknowledgement

This progress report has been collated and coordinated by Natural Resources Wales working in partnership with many colleagues across Wales, in particular with the coastal Local Authorities, the Welsh Local Government Association and Welsh Government.

We wish to acknowledge this contribution and thank our colleagues for their continued support with this initiative since its inception in January 2014, whilst they have also continued to deliver activities and services to manage the risks to the communities of Wales.



Delivery Plan Workshop Discussions, 26th March 2015

Executive Summary

Following the flooding to the North Wales Coast on 5th December 2013 and the more widespread coastal storms of early January 2014, Natural Resources Wales, working with partners around Wales, completed a two stage Review as instructed by the Minister for Natural Resources. Phase 1 identified the impacts incurred during the storms and Phase 2 concluded with the identification of 47 individual Recommendations ('the Phase 2 Recommendations'). Natural Resources Wales then published a Delivery Plan in January 2015 that outlined how each of the Recommendations could be taken forward.

At the time of Delivery Plan publication, some notable progress had already been made on the Phase 2 Recommendations, whereby:

- 5 were already complete.
- 35 were ongoing (with some significant progress made since the 2013/14 winter).
- 7 were yet to be commenced.

Consistent progress has been achieved in implementing the Delivery Plan throughout 2015/16 and as documented within this Progress Report. By the end of August 2016 and out of the 47 Phase 2 Recommendations:

- 40 are complete.
- 7 are ongoing (with significant progress made since the 2013/14 winter).

Completion of 35 Recommendations in the 20 month period between January 2015 and August 2016 is a significant achievement by all contributing parties, particularly when considering the demands of fluvial flooding during the 2015/16 winter upon Risk Management Authorities in Wales.

Of the 40 completed Recommendations, some tangible improvements are already benefitting the coastal risk management sector in Wales such as:

- Improvements made through supplying more local, longer-range information within flood forecasts to professional partners as and when required.
- 40 of the flood warning thresholds and flood warning areas have been revised following the December 2013 and January 2014 coastal storms.
- A programme of coastal risk management training courses has been delivered to 90 members of staff from across Welsh Risk Management Authorities (RMAs), the Welsh Local Government Association and Welsh Government in Spring 2016.

Realisation of the full benefits from all completed Recommendations will require further commitment and resources from all parties, including Welsh Government. There needs to

be a sustained effort and continuous improvement to ensure that the intended outcomes are fully delivered.

The 7 currently ongoing Recommendations reflect either inter-linkages with the England and Wales Flood and Coastal Erosion Risk Management (FCERM) Research and Development programme (Recommendation 5), specialised science and resource demand (Recommendations 6 and 8), or through recent best endeavours confirming their more onerous nature as tasks which will take place over much longer timescales (Recommendations 19, 31, 33 and 41).

A monitoring and review action should be established for 2016/17 to safeguard momentum on these 7 ongoing Recommendations. The following routes are suggested to further progress these ongoing Recommendations to completion:

- Recommendations 5 (review guidance design of coastal standards and joint probability), 6 (improvements to longer range forecasts), 8 (improvements to the accuracy of the coastal forecasting service) and 33 (developments in the national coastal modelling and mapping programme) are to be taken forward internally by Natural Resources Wales through integration alongside business as usual activities.
- Recommendation 19 (continue to develop potential 'impact scenario' assessments, maps and/or statements) will require further liaison with the Wales Flood Group to gauge level of need and priority to inform Natural Resources Wales' future Flood Incident Management workstreams.
- Recommendation 31 (a national dataset for all flood risk assets, across all key organisations) will require significant and continued collaboration between Welsh Government and all Risk Management Authorities in Wales to share and securely store asset data. This work is progressing well, but will require sustained effort.
- Recommendation 41 (development of local adaptation 'toolkit', to assist communities predicted to experience natural coastal change) will require further liaison with the Wales Coastal Group Forum and the Coastal Groups in Wales to support creation of a toolkit for local coastal adaptation.

Extensive consultation was undertaken with partners in the summer and autumn of 2015 to determine the existing baseline position upon which suggestions for improvements and the formulation of future options have been based. Reporting has appraised options where necessary and identified solutions for future implementation subject to Welsh Government agreement, supplemented by tangible Recommendation outputs where achievable.

Natural Resources Wales are grateful for the additional funding received from the Minister for Natural Resources for implementation of the Delivery Plan during 2015/16, in order to avoid the demands of this task having any detrimental impact on other Natural Resources Wales' flood risk management work.

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Supporting Information

A number of Annexes are available as separate documents, where necessary to provide supporting information for this Progress Report for 2015/16. The internally produced reports are published alongside this report on our website, whilst the externally produced reports have their hyperlinks within the corresponding Recommendation summary page of this report.

Project Reports List:

- Project 1 Report – Recommendation 7
- Project 2 Report – Recommendations 11 & 12
- Project 3 Report – Recommendation 13, 14, 15, 16 & 17
- Project 4 Report – Recommendation 19
- Project 5 Report – Recommendations 25 & 26
- Project 6 Report – Recommendation 31 & 32
- Project 7a Report – Recommendation 37
- Project 7b Report – Recommendation 38
- Project 8 Report – Recommendation 39
- *Project 10 Report – Recommendation 18, 43, 44, 45, 46 & 47

*There is no Project 9 Report for Recommendations 41 & 42 due to the longer-term, ongoing nature of Recommendation 41. The respective summary pages within this report recognise progress to date and associated external publications.

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Origin and Purpose of this Progress Report for 2015/16

This Progress Report supplements and complements the following four publications within the Wales Coastal Flooding Review initiative produced at the request of the Minister for Natural Resources in response to the coastal flooding events in Wales of December 2013 and January 2014:

- *Wales Coastal Flooding Review, Phase 1 Report – Assessment of Impacts* ('the Phase 1 Report'), was submitted to Welsh Government on 31st January 2014 and published on 14th February 2014.
- *Wales Coastal Flooding Review, Phase 2 Report* ('the Phase 2 Report') submitted to Welsh Government on 28th April 2014 and published on 30th April 2014.
- *Wales Coastal Flooding Review, Delivery Plan for Phase 2 Recommendations* ('Delivery Plan' main report) was submitted to Welsh Government on 2nd December 2014 and published on 5th January 2015.
- *Wales Coastal Flooding Review, Delivery Plan for Phase 2 Recommendations, Supporting Documents* ('Delivery Plan Supporting Documents') was submitted to Welsh Government on 2nd December 2014 and published on 5th January 2015.

The Delivery Plan drew together the Phase 2 Recommendations, considering them collectively, to provide a strategic approach to planning, prioritisation, programming and delivery. For efficiency, the Delivery Plan packaged 30 of the 47 Recommendations into a series of 10 Projects according to common technical themes, with the remaining 12 Recommendations standing outside of these Projects due to their individuality. The 10 Projects were aligned against the following five Priority Areas identified in Phase 2 of the Review where improvements could be made to deliver a more resilient coastal flood and erosion management service in Wales:

Priority Area:

More support to communities to help them become more self-sufficient and resilient

- Project 1 = Recommendations 3 to 8 – Flood Forecasting and Coastal Design
- Project 2 = Recommendations 11 and 12 – Flood Warning and Forecasting
- Project 3 = Recommendations 13 to 17 – Community Resilience
- Project 4 = Recommendations 19 and 20 – Operational Response

Priority Area:

Improved information on coastal flood defence and erosion management systems

- Project 5 = Recommendations 25 and 26 – Coastal Defences
- Project 6 = Recommendations 31 and 32 – National Coastal Defence dataset and inspection

Priority Areas:

Greater clarity of roles and responsibilities, and an assessment of skills and capacity of Risk Management Authorities

Project 7 = Recommendations 37 and 38 - Skills and Capacity Audit and Roles and Responsibilities

Priority Area:

Locally developed and delivered plans for coastal communities and infrastructure operators

Project 8 = Recommendation 39 – Review of Coastal Groups
Project 9 = Recommendations 41 and 42 – Coastal Adaptation
Project 10 = Recommendations 18* and 43 to 47 – Infrastructure Resilience

*Recommendation 18 was originally placed in Project 4 of the Delivery Plan, however practical implementation has moved it into Project 10 due to synergies with the other Recommendations relating to infrastructure resilience.

The Phase 2 Report also identified a sixth Priority Area of ‘Sustained investment to coastal flood and erosion risk management’. This is a core requirement addressed through Recommendation 27.

This Progress Report captures the effort invested in implementing the Delivery Plan in the twenty months following its publication in January 2015 through to the end of August 2016. Appendix 1 provides a list of the 47 Phase 2 Recommendations. For each Recommendation in turn, this Progress Report considers:

- Who has been the lead on delivering the Recommendation.
- If the Recommendation has been completed by the end of August 2016 and if so, by when.
- Summary of the implementation of the Recommendation.

Programme Management and Governance

Implementation of the Delivery Plan has been a considerable body of work which has needed management and prioritisation of the personnel and financial resources available and efficient and effective use of the collective expertise and capacity across Risk Management Authorities (RMAs) in Wales.

A governance structure was established to monitor and direct progress of the Delivery Plan. This governance structure was needed to be appropriate and proportionate and sought to use existing arrangements where possible.

Each of the 10 Projects required the resource of a temporary Project Manager. Collectively the 10 Projects were coordinated by a Natural Resources Wales Programme Manager and Support Officer, alongside their role in tracking progress of the remaining 12 Recommendations outside of the Projects (as 5 were already completed by January 2015). The Programme Manager reported to a Natural Resources Wales Programme Board on a monthly basis and to Welsh Government typically on a quarterly basis.

Consultation and engagement measures to shape progress

Since publication of the Delivery Plan in January 2015, Natural Resources Wales has designed and actioned an extensive consultation programme to gather baseline evidence to inform implementation of each Recommendation and/or Project and to seek views on options where appropriate. This consultation programme has included the following activities:

- Hosting two Wales Coastal Flooding Review: Delivery Plan workshops for RMAs.
- Hosting two workshops regarding community engagement and resilience under Project 3.
- Hosting two Flood Warden Volunteer networking events under Project 3.
- Presenting on coastal risk management assets under Project 6 to the three Regional Flood Risk Management Groups in Wales.
- Managing a comprehensive set of data requests to the 15 coastal LAs (or when considering inland flood risk management, a total of 22 LAs) in summer 2015.
- Data requests to the four Local Resilience Fora in Wales.
- Data requests to the Wales Utility Group, Network Rail and the Trunk Road Agencies under Project 10.
- Holding focused meetings and telephone conversations with partners as appropriate.

Regular updates on progress were given as part of the above activities, supplemented by presentations at the Institution of Civil Engineers Wales' 'Learning to live with flooding' conference of June 2015, to the Wales Flood Group twice, to the Wales Utility Group and at routine Coastal Group meetings. Briefing notes were also issued to stakeholders and Local Resilience Fora / their Severe Weather Groups.

Where an external organisation led implementation of a specific Recommendation(s), similar consultation activities such as questionnaires and discussion at pre-established practitioner group meetings was undertaken to shape direction.

Progress made prior to publication of the Delivery Plan

In addition to the priority given to the repair and restoration of coastal defences in the aftermath of the December 2013 and January 2014 coastal storms, some initial notable progress was made across the Recommendations prior to publication of the Delivery Plan in January 2015. This work was documented in the published Delivery Plan and included:

- Welsh Government worked to protect the flood risk core budgets in face of public spending pressures and the core flood budget was maintained for 2015/16.
- In Rhyl stop logs at stairwell openings have been replaced by pre-cast concrete walls and steel flood gates, and a topographic survey of Rhyl Golf Course has been completed. Work to evaluate longer term options is ongoing.
- Three Shoreline Management Plans were approved by Welsh Government (South Wales, West of Wales and Severn Estuary) by early December 2014.
- Rebranding of the flood warning service in Wales, so the provider is clearly identified as Natural Resources Wales.
- A permanent offshore waverider buoy has been deployed off the West Pembrokeshire coast to help improve flood forecasting.
- Improvements to Flood Forecasting, with 5 day forecast information now available to local Natural Resources Wales officers.
- Continued progress made by the Fairbourne Multi-Agency Project Board and accompanying Task and Finish Groups in identifying valuable lessons for wider application.
- Preparatory work undertaken for Exercise Megacyma Cymru in March 2015.
- Completion and publication of the assessment of environmental change experienced during the December 2013 and January 2014 storms (Duigan C, Rimington N & Howe M (Eds) 2014. *Welsh Coastal Storms, December 2013 & January 2014 – an assessment of environmental change*, NRW Evidence Report).
- Ongoing work to identify and evaluate improvement options at multiple locations around the coast which either experienced flooding or came close to flooding during last winter's storms.
- National Sciencewise Research & Development programme research carried out into the way Natural Resources Wales communicates flood messages to the public.

Progress made since publication of the Delivery Plan

Following publication of the Delivery Plan in January 2015, tangible progress has been made to support its implementation to date and in addition to the Project Reports produced to accompany this Progress Report for 2015/16. These successes include:

- A review of the extreme sea level dataset was undertaken by the National Oceanography Centre for Natural Resources Wales, using the UK Coastal Monitoring & Forecasting partnership, and concluded that the inclusion of the more recent peak sea level data does not make a statistically significant difference to the design sea level estimates around Wales.
- On-going engagement with the joint Wales and England Flood and Coastal Erosion Risk Management (FCERM) Research and Development programme working with UK partners to consider joint probability analysis.
- Improvements made through supplying more local, longer-range information within flood forecasts to professional partners as and when required.
- 40 of the flood warning thresholds and flood warning areas have been revised following the December 2013 and January 2014 coastal storms.
- Continued work on the Flood Awareness Wales Programme has increased registrations of at-risk members of the public to Flood Warnings Direct, with 866 full registrations between January 2015 and June 2016.
- Continued work developing community flood plans through Flood Awareness Wales.
- Completion of a Research and Development project focusing upon greater engagement of the youth sector in community flood resilience activities.
- NRW Flood Incident Management teams are now developing a training programme to improve staff confidence in their role in the decision-making process for issuing a Severe Flood Warning.
- 'Exercise Megacyma Cymru', being the national coastal evacuation exercise, was held in March 2015 to test capabilities and resources in dealing with a large scale flooding event in Wales.
- Option appraisal has been undertaken to result in a Project Appraisal Report for a future East Rhyl Coast Protection Scheme for determination by Welsh Government.
- Development of Welsh Government's Coastal Risk Management Programme providing a £150 million programme to Local Authorities to deliver coastal risk management activities between 2018 and 2021.
- Additional funding for 2016/17 has been secured for coastal local authorities to undertake project appraisals and detailed design work in preparation for the Coastal Risk Management Programme.
- Additional funding has been secured for NRW and local authority schemes, maintenance and emergency repairs in light of the December 2015 storms.

- Natural Resources Wales has updated the North Wales tidal defence survey which now offers valuable data to inform a future national dataset of coastal protection and defence assets.
- Completion of a national skills and capacity audit for all Risk Management Authorities to assess and quantify the scale of the issue plus to assess the size of the skills and capacity gap.
- A programme of coastal risk management training courses has been delivered to 90 members of staff from across RMAs, the Welsh Local Government Association and Welsh Government.
- The fourth and final Shoreline Management Plan for North Wales and North West England was approved by the Minister for Natural Resources in late December 2014.
- Progress has continued within the Fairbourne: Moving Forward project, with publication of the project's first Annual Report in May 2015 and Welsh Government's appointment of a researcher to work alongside the project through to the end of 2017.
- The National Trust published their '*Shifting Shores – playing our part at the coast*' in November 2015 that captures progress made in the ten years since their original 'Shifting Shores' publication and identified the opportunities and challenges facing delivery of coastal adaptation.
- In December 2015, the joint Wales and England Flood and Coastal Erosion Risk Management (FCERM) Research and Development programme published a report entitled '*Adapting to Coastal Erosion: Evaluation of rollback and leaseback schemes in Coastal Change Pathfinder projects*'.

Recommendations – Completion status and progress

At the time of Delivery Plan publication in January 2015, some notable progress had already been made on the Phase 2 Recommendations, whereby:

- 5 were already complete.
- 35 were ongoing (with some significant progress made since the 2013/14 winter).
- 7 were yet to be commenced.

Consistent progress has been achieved in implementing the Delivery Plan throughout 2015/16. By the end of August 2016 and out of the 47 Phase 2 Recommendations:

- 40 are complete.
- 7 are ongoing (with significant progress made since the 2013/14 winter).

Completion of 35 Recommendations in the twenty month period between January 2015 and August 2016 is a significant achievement by all contributing parties, particularly when considering the unforeseen demands of fluvial flooding during the 2015/16 winter upon Risk Management Authorities in Wales.

Table 1 overleaf provides a summary of completion status and/or progress made against each individual Recommendation or Project.

Key to Table 1: Classification of Recommendation Progress Status

RECOMMENDATION PROGRESS STATUS	
35	Recommendations complete following the publishing of the Delivery Plan (Jan 2015 to August 2016)
5	Recommendations complete when the Delivery Plan was published (Jan 2014 to Jan2015)
7	Recommendations ongoing (Aug 2016 onwards – Ongoing)
47	Total

Table 1: Summary of Recommendation and Project Status

Rec. no.	Report available ? Yes / No	Completion status	Summary of individual Recommendation / Project status	Delivery Lead	Delivery Plan target completion date	Actual completion date	
1	No		Recommendation completed prior to Delivery Plan publication.	NRW	Dec 2014	Dec 2014	
2	No		Recommendation completed prior to Delivery Plan publication.	NRW	Dec 2014	Dec 2014	
3	No		Project 1 – Flood Forecasting and Coastal Design See progress summarised within this report and supplementary Project 1 Report for Recommendation 7.	NRW	Ongoing and linked to progress of joint Research & Development Programme	Dec 2015	
4	Yes	Jan 2016					
5	No	Ongoing					
6	No			NRW	Summer 2015	Ongoing	
7	Yes			NRW		Oct 2015	
8	No			NRW		Ongoing	
9	No			Recommendation completed prior to Delivery Plan publication.	NRW	Dec 2014	Dec 2014
10	No			Recommendation completed prior to Delivery Plan publication.	NRW	Sep 2014	Sep 2014
11	Yes		Project 2 – Flood Warning and Forecasting See progress summarised within this report and supplementary Project 2 Report.	NRW	Autumn 2015	Oct 2015	
12	Yes			NRW		Oct 2015	
13	Yes		Project 3 – Community Resilience	NRW	Winter 2015	Mar 2016	
14	Yes					Mar 2016	

15	Yes		See progress summarised within this report and supplementary Project 3 Report.			Mar 2016
16	Yes					Mar 2016
17	Yes					Mar 2016
18 ¹	Yes		Project 4 – Operational Response See progress summarised within this report and supplementary Project 4 Report for Rec 19 and presentation for Rec 20.	NRW	Winter 2015	Nov 2015
19	Yes					Ongoing
20	No					Mar 2016
21	Yes		'Exercise Megacyma Cymru', a coastal mass evacuation exercise, was held in March 2015.	LRF	After Spring 2015	Jun 2015
22	Yes			Wales Flood Group	Spring 2015	Jun 2015
23	Yes		Recommendation was informed by the coastal exercise above.	LRFs	After Spring 2015	Jun 2015
24	Yes		Recommendation specific to Garford Road area Rhyl.	Denbighshire County Council	Ongoing and dependent upon completion of options appraisal work	Mar 2016
25	Yes		Project 5 – Coastal Defences See progress summarised within this report and supplementary Project 5 Report.	WLGA	Winter 2015	Jan 2016
26	Yes					Jan 2016
27	No		Welsh Government continually works to protect budgets and the core flood budget was maintained for 2015/16.	WG	Ongoing	Jun 2015
28	No					Jun 2015

¹Recommendation 18 has been moved from Project 4 to Project 10 due to the links with infrastructure resilience.

29	No		National Programme of Investment, now called Flood and Coastal Investment Programme (FaCIP), was consulted upon in early 2015.	WG	End 2014	Jun 2015
30	No		Announcements have been made regarding Welsh Government's Coastal Risk Management Programme and bids are currently being determined.	WG	Spring 2015	Jun 2015
31	Yes		Project 6 – National Coastal Defence dataset and inspection See progress summarised within this report and supplementary Project 6 Report.	NRW	Winter 2015	Ongoing
32	Yes					Nov 2015
33	No		Continue to develop a Flood Risk Modelling and Mapping Strategy/Work plan for Wales.	NRW	Spring 2016	Ongoing
34	No		Risk based review of flooded locations is completed. See progress summarised within this report.	NRW	Varies According to location	Nov 2015
35	No		Risk based review of 'near miss' locations is completed. See progress summarised within this report.	NRW	Varies According to location	Nov 2015
36	Yes		Recommendation completed prior to Delivery Plan publication.	NRW	Linked to other individual Recommendations	Dec 2014
37	Yes		Project 7 Skills and Capacity audit and roles and responsibilities See progress summarised within this report and supplementary Project 7a Report for Recommendation 37 and Project 7b Report for Recommendation 38.	WLGA	Winter 2015 (Rec. 37)	Dec 2015
38	Yes			NRW	Summer 2015 (Rec. 38)	Mar 2016

39	Yes		Project 8 – Review of Coastal Groups See progress summarised within this report.	WG	By Winter 2015	July 2016
40	No		WCMC future business case determined.	WG	Spring 2015	Feb 2016
41	No		Project 9 – Coastal Adaptation See progress summarised within this report.	*WG and LLFAs	Long term	Ongoing
42	No			*WG	Summer 2015	Mar 2016
43	Yes		Project 10 – Infrastructure Resilience See progress summarised within this report and supplementary Project 10 Report.	*WG	Spring 2015	Nov 2015
44	Yes			*WG	Spring 2015	Nov 2015
45	Yes			*WG	Spring 2015	Nov 2015
46	Yes			*WG	Ongoing	Nov 2015
47	Yes			*WG	Ongoing	Nov 2015

Table 1 - Summary of Recommendations and Project Status

Table 1 Acronyms: NRW – Natural Resources Wales, LRF – Local Resilience Forum, WLGA – Welsh Local Government Association, WG – Welsh Government, RMA - Risk Management Authority.

*The Delivery Plan named Welsh Government as the lead for Recommendations 41 to 47, however NRW have overseen progress and reporting on these Projects during 2015/16, in collaboration with Welsh Government.

As identified in Table 1, the 7 ongoing Recommendations are numbers 5, 6, 8, 19, 31, 33, and 41. The ongoing nature of these Recommendations reflect either inter-linkages with the Wales and England Flood and Coastal Erosion Risk Management (FCERM) Research and Development programme (Recommendation 5), specialised science and resource demand (Recommendations 6 and 8), or through recent best endeavours confirming their more onerous nature as tasks which will take place over much longer timescales (Recommendations 19, 31, 33 and 41).

Progress summaries for each Recommendation

Progress made by end of August 2016 is summarised in this section. Each summary confirms who has been the lead on delivering the Recommendation, the completion date for the Recommendation where applicable and outlines the methodology followed to implement the Recommendation. These progress summaries are supplemented as appropriate by a separate report within the Supporting Information.

Supporting Information

A number of Annexes are available as separate documents, where necessary to provide supporting information for this Progress Report for 2015/16. The internally produced reports are published alongside this report on our website, whilst the externally produced reports have their hyperlinks within the corresponding Recommendation summary page of this report.

Project Reports List:

- Project 1 Report – Recommendation 7
- Project 2 Report – Recommendations 11 & 12
- Project 3 Report – Recommendation 13, 14, 15, 16 & 17
- Project 4 Report – Recommendation 19
- Project 5 Report – Recommendations 25 & 26
- Project 6 Report – Recommendation 31 & 32
- Project 7a Report – Recommendation 37
- Project 7b Report – Recommendation 38
- Project 8 Report – Recommendation 39
- *Project 10 Report – Recommendation 18, 43, 44, 45, 46 & 47

*There is no Project 9 Report for Recommendations 41 & 42 due to the longer-term, ongoing nature of Recommendation 41. The respective summary pages within this report recognise progress to date and associated external publications.

Recommendation 1 – Progressing the Recommendations

Rec 1: The recommendations included in this report are compiled into a Delivery Plan. This Delivery Plan will identify how the recommendations will be progressed. It will consider matters such as; the parties to be involved lead responsibility, priorities, governance and resources and capacity to deliver.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: December 2014

Summary of Recommendation Implementation

Following the flooding to the North Wales Coast on 5th December 2013 and the more widespread coastal storms of early January 2014, Natural Resources Wales, working with partners around Wales, completed a two stage Review as instructed by the Minister for Natural Resources. This Review concluded with the identification of 47 individual recommendations in April 2014.

In January 2015, we published the Coastal Flooding Review Delivery Plan, which proposed how each recommendation can be taken forward and implemented.

Delivery Plan can be found at:

<http://naturalresources.wales/our-evidence-and-reports/flooding-reports/wales-coastal-flooding-review-delivery-plan-phase-2-recommendations/?lang=en>

The Delivery Plan identified that thirty recommendations have been packaged into ten Projects to reflect common themes. The remaining seventeen recommendations are being addressed independently outside of projects by individual leads.

The 10 Projects and their broad technical themes are listed below:

- Project 1 – Flood Forecasting and Coastal Design
- Project 2 – Flood Warning and Forecasting
- Project 3 – Community Resilience
- Project 4 – Operational Response
- Project 5 – Coastal Defences
- Project 6 – National Coastal Defence Dataset and Inspection
- Project 7 – Skills and Capacity Audit and Roles and Responsibilities
- Project 8 – Review of Coastal Groups
- Project 9 – Coastal Adaptation
- Project 10 – Infrastructure Resilience

Within the Delivery Plan a methodology has been proposed to take forwards and progress each Recommendation. These have been developed through liaison with coastal practitioners across Wales, to draw on the expertise and experience of the key people managing flood and erosion risk across the country.

Recommendation 2 – Progressing the Recommendations

Rec 2: The Delivery Plan should consider opportunities to expand the recommendations beyond just coastal flooding and erosion risks and to consider the link to risks from other sources of flooding.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: December 2014

Summary of Recommendation Implementation

Following the flooding to the North Wales Coast on 5th December 2013 and the more widespread coastal storms of early January 2014, Natural Resources Wales, working with partners around Wales, completed a two stage Review as instructed by the Minister for Natural Resources. This Review concluded with the identification of 47 individual Recommendations in April 2014.

In January 2015, we published the Coastal Flooding Review Delivery Plan, which proposed how each Recommendation could be taken forward and implemented.

Delivery Plan can be found at:

<http://naturalresources.wales/our-evidence-and-reports/flooding-reports/wales-coastal-flooding-review-delivery-plan-phase-2-recommendations/?lang=en>

The potential to expand each Recommendation to include additional sources of flood risk was determined within the Delivery Plan and hence this Recommendation is complete.

Where linkages were identified to other sources of flooding, the impact of including other flood sources upon the proposed methodology for a specific Recommendation has been considered.

Additional non-coastal sources of flooding increased the number of partners involved in developing and implementing the Delivery Plan, this required more liaison with partners and incorporating more ideas. This increased the cost and time required to implement Recommendations. Expanding a Recommendation to consider other non-coastal sources generated access to additional funding and resources. Such avenues were investigated where possible.

Recommendation 3 – Storm Severity

Rec 3: Further work is required to assess the joint probability of wind, waves and tides for these recent winter storms. This may take the form of an initial assessment coupled with consideration of more thorough analysis. The scope of this work will require further technical discussion.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 1

Completion Date: December 2015

Summary of Recommendation Implementation

The UK Coastal Monitoring and Forecasting Service (UKCMF) Factual Report into the Coastal Storms of December 2013 and January 2014 including Joint Sea Level and Wave Analysis was commissioned by Natural Resources Wales and produced by JBA Consulting. It was shared with RMAs on 9th June 2014 ^[1]. The joint probability assessment for that study used the “Desk Study” spreadsheet method within the Defra Best Practice Guide and the results gave very high estimates of joint return period which were deemed implausible. The JBA report recommended that:

“Return periods calculated for the coincident sea levels and wave heights seen in December 2013 and January 2014 are extreme and very uncertain. We recommend that they are quoted with this in mind. We recommend more robust statistical modelling to determine a more reliable estimate of return period”.

And that: *“We recommend further research to develop methods of joint probability assessment along the lines of those discussed in Environment Agency science project SC060088.”*³

JBA Consulting were also commissioned by Denbighshire County Council in 2015 to undertake a joint probability analysis focusing for Rhyl to support the development of a flood risk management scheme. For this, a detailed statistical analysis of the December 2013 coastal event was undertaken using the Heffernan and Tawn method for multivariate probability. The analysis indicated that the conditions on the 5th of December 2013 were the largest in the month, and were a relatively uncommon tidal event in their own regard. The probability of the offshore wave and skew surge conditions occurring during this extremely large tide was calculated to have a 0.005% AEP, representing an approximate 1 in 200-year return period.

JBA consulting also undertook a comparison of the Heffernan and Tawn multivariate probability assessment and the Defra “Desk Study” spreadsheet method. This identified that the Defra “Desk Study” method tended to under predict the range and magnitude of coastal storm events. This could lead to the under estimation of risk and the under design of structures. Further details of the work undertaken by JBA Consulting for Denbighshire County Council are provided under Recommendation 24.

It has become clear from the work carried out following the 2013/14 storms and further detailed modelling carried out at Rhyl that this is a very specialist area of work with a range of methods available, from the relatively simple to the more complex. There is the potential for misunderstanding on how to apply the methods and the situations in which the various methods should be used.

Following the initial assessment of the joint probability of wind, waves and tides for the 2013/2014 storms and the subsequent analysis of joint probability carried out for the Rhyl flood

Recommendation 3 – Storm Severity

risk management scheme, Recommendation 3 concludes that further specialist work is required to review and update standard methods of joint probability analysis and best practice guidance.

We believe this is best achieved by working at a UK level, because of the need to establish best practice which RMAs and their consultants can use across England and Wales, in a similar vein to the approach taken for fluvial flood frequency (where the Flood Estimation Handbook has become established as the UK wide industry standard).

We also share coastal waters with England (Liverpool Bay and Severn Estuary) so consistency becomes an issues for assessment of storm severity and joint probability in these locations.

To begin to take this forward, NRW have engaged through the Defra-Welsh Government Flood and Coastal Erosion Risk Management Joint Research Development (R&D) Programme with two projects which are developing new techniques related to joint probability assessment:

- Planning scenarios for FCRM and the National Risk Assessment (H21 widespread inland flooding) Capturing the true spatial nature and joint probability of flood risk across all sources
- Defra National Risk Assessment H19 extreme coastal flooding.

Further work engaging with these R&D projects will continue as part of Recommendation 5 (see page 29) with a view to using these projects as a platform for establishing best practice methodologies and supporting guidance, including the assessment of the joint probability of sources of coastal flooding. It is likely that any new guidance will need to be supported by practitioner workshops.

Until these projects are complete and best practice methodologies and guidance implemented, there would be little further benefit in trying to undertake further joint probability assessments on the severity of the 2013/2014 storm events at other sites across Wales.

^[1] JBA (2014) UKCMF Factual Report into the Coastal Storms of December 2013 and January 2014 Including Joint Sea Level and Wave Analysis

^[2] Heffernan, J.E., Tawn, J.A., 2004. A conditional approach for multivariate extreme values (with discussion). *J. R. Stat. Soc. Ser. B Stat Methodol.* 66 (3), 497–546

^[3] Environment Agency R&D project SC060088 “*The Risk of widespread flooding – capturing spatial patterns in flood risk from rivers and coasts*” was a scoping study to identify, develop and trial a method for assessing flood risk when aggregated over large spatial scales”. This work was a predecessor to the R&D project “*Planning scenarios for FCRM and the National Risk Assessment (H21 widespread inland flooding) Capturing the true spatial nature and joint probability of flood risk across all sources*” which is currently in progress.

Recommendation 4 – Storm Severity

Rec 4: Review and update if required, the extreme sea level dataset around the Welsh coast. The recent tidal conditions are amongst the highest for many years. This dataset may need to be amended.

This is to include methods for assessment of joint probability for storm severity.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 1

Completion Date: January 2016

Summary of Recommendation Implementation

The December 2013 and early January 2014 sea levels were significant in terms of the available records from the UK national tide gauge network.

The Phase 1 Report identified that the peak sea level experienced in December 2013 was the highest recorded in Liverpool Bay in over 20 years since the tide gauge was established. The level exceeded the previous highest value by a considerable amount (0.3m or 1 ft.).

In January 2014, the peak recorded sea level at:

- Milford Haven was 4.51mAOD. This was the highest level since at least February 1997 and exceeded the March 2008 level (another notable event) by 0.14m.
- Newport was 8.03mAOD. This was the highest level since at least February 1997 and exceeded the February 1997 level by 0.20m.
- Barmouth was 3.92mAOD. This was marginally higher than the February 1997 level.
- Liverpool was 5.86mAOD. This was 0.36m lower than the peak level on 5th December 2013.

The Coastal Flood Boundary conditions for UK mainland and islands: design sea levels, completed in 2010, published in February 2011, is the industry standard, best practice dataset used in coastal flood risk management across England and Wales. This Environment Agency (EA) R&D project, which worked in partnership with the Scottish Environment Protection Agency (SEPA), provided an up-to-date scientifically robust national evidence base and practical guidance on appropriate design sea level and swell wave conditions around the country and how to use them.

Following the 2013/14 coastal storms and the significant sea levels recorded around Wales, we needed to understand whether inclusion of the more recent 2013/14 peak sea levels in the datasets and analysis used for the 2010 published research would alter the design estimates of extreme sea levels at key locations around the Welsh coast. Put another way, would the 1 in 200 year and 1 in 1,000 year design levels frequently used in coastal modelling and asset design significantly change with inclusion of the 2013/14 peak data.

A study was commissioned by Natural Resources Wales, using the UK Coastal Monitoring & Forecasting partnership, and undertaken by the National Oceanography Centre (NOC), Liverpool.

This study carried out a re-analysis of the extreme sea level estimates for seven locations on the national tide gauge network around, or close to, the Welsh coastline (Liverpool, Llandudno,

Recommendation 4 – Storm Severity

Barmouth, Milford Haven, Mumbles, Newport and Avonmouth) using the same methodology as used in the 2011 published research.

The conclusion of the study was that inclusion of the more recent peak sea level data does not make a statistically significant difference to the design sea level estimates around Wales.

The table below, extracted from the report, shows the 200 year return period sea levels at all seven locations as calculated in the original 2011 published research, the change from including the 2013/14 recorded sea levels and the 95% confidence intervals.

Table 2. 200 year return level from McMillan et al. (2010), confidence interval, and change due to 2013/2014 data

	200 year level (m)	Change to 200 year level (m)	95% confidence interval (m)
Liverpool	6.03	0	0.2
Llandudno	5.38	+0.01	0.2
Barmouth	4.22	+0.05	0.2
Milford Haven	4.75	0	0.2
Mumbles	6.15	+0.04	0.3
Newport	8.41	+0.10	0.3
Avonmouth	9.11	+0.10	0.3

It would be reasonable to extrapolate these results, and hence the conclusions, to the entire Welsh coastline since the seven tide gauge locations (a) provide the best data available and (b) are well distributed around the entire Welsh coastline.

The full report from this study is provided at <http://nora.nerc.ac.uk/512661/>. It has been published as NOC Research & Consultancy Report No. 54.

We have therefore concluded that following this review of the extreme sea level data set around Wales, there is no immediate need to update the 2011 published coastal flood boundary design sea levels on account of the peak sea levels recorded around Wales during the 2013/14 winter.

However, the NOC study we commissioned has highlighted that whilst the methods used in the 2010 research remain valid, further recommended improvements could be made, in particular to:

- Refine the statistical models used at some locations for the most extreme sea levels;
- Include the seasonal dependencies between storm surges and tides within the 'skew surge' methodology which underpins the 2010 research.

These recommendations are beyond the scope of the Recommendation 4 project but will be picked up by Natural Resources Wales through:

- Ongoing engagement with the joint Defra-Welsh Government Flood & Coastal Erosion Risk Management R&D Programme;
- Our working relationships with the EA and SEPA, so we ensure design sea level estimates and supporting research remain coherent around the UK coastline.

Recommendation 5 – Storm Severity

Rec 5: Review and update if required, the guidance used for the assessment and design of coastal standard of service against flooding. The review should consider whether more clarification is needed, in particular on the issues of the treatment of joint probabilities, in combination effects and appropriate national consistency.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 1

Completion Date: Ongoing

Summary of Recommendation Implementation

There is a close dependency with Recommendation 3 which states:

“Further work is required to assess the joint probability of wind, waves and tides for these recent winter storms. This may take the form of an initial assessment coupled with consideration of more thorough analysis. The scope of this work will require further technical discussion.”

Following the initial assessment of the joint probability of wind, waves and tides for the 2013/2014 storms and the subsequent analysis of joint probability carried out for the Rhyl flood risk management scheme, Recommendation 3 concluded that further specialist work is required to review and update standard methods of joint probability analysis and best practice guidance.

As stated in the summary report for Recommendation 3, we believe this is best achieved by working at a UK level, because of the need to establish best practice which RMAs and their consultants can use across England and Wales, in a similar vein to the approach taken for fluvial flood frequency (where the Flood Estimation Handbook has become established as the UK wide industry standard).

We also share coastal waters with England (Liverpool Bay and Severn Estuary) so consistency becomes an issues for assessment of storm severity and joint probability in these locations.

To begin to take this forward, NRW have engaged through the Defra-Welsh Government Flood and Coastal Erosion Risk Management Joint Research Development (R&D) Programme with two projects which are developing new techniques related to joint probability assessment:

- Planning scenarios for FCRM and the National Risk Assessment (H21 widespread inland flooding) Capturing the true spatial nature and joint probability of flood risk across all sources.
- Defra National Risk Assessment H19 extreme coastal flooding.

NRW will continue to engage with these R&D projects to support delivery of this Recommendation with a view to using these projects as a platform for establishing best practice methodologies and supporting guidance for coastal design standards of service, including the assessment of the joint probability of sources of coastal flooding. It is likely that any new guidance will need to be supported by practitioner workshops.

Once these R&D projects are complete, we will review if further work is required to take forward the R&D outputs and/or develop best practice guidance based in order to deliver the Recommendation.

Recommendation 6 – Flood Forecasting

Rec 6: Continue to identify and implement risk based opportunities to deliver further improvements to longer range forecasts.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 1

Completion Date: Ongoing

Summary of Recommendation Implementation

This is addressed as part of ongoing work, including collaborative work with the Met Office, utilising emerging science. This enhancement and improvement to Natural Resources Wales' long range coastal forecasting capability enables earlier discussion around the scale, impacts and location of coastal flood events. Some illustrations of the ongoing work include:

- Natural Resources Wales input into the United Kingdom Coastal Flood Forecasting (UKCFF) partnership which provides a strategic overview of the current and future needs of those who provide coastal warnings. Natural Resources Wales contribute to, propose and lead, UKCFF work.

As part of the ongoing portfolio of the work of UKCFF, there are several examples of how Natural Resources Wales both input into the work and benefit from the collaborative work undertaken, including:

- A project to better align Met Office, Environment Agency and Natural Resources Wales' forecast data, enabling better sharing of data and discussions around specific forecasts – instigated by Natural Resources Wales;
 - A project to better understand coastal processes within the Bristol Channel – also instigated by Natural Resources Wales;
 - A project to review the potential benefit of, and implement the operation use of, wave ensemble forecasts, providing improved long range forecasting ability.
- Surge, wind and wave data provided by the Met Office, now extend to 5 days' worth of forecasts (compared to 48 hours' previously). This data is processed through Natural Resources Wales' bespoke forecasting models, providing site specific forecast at 80 locations around Wales to better inform the flood warning service.
 - Surge ensemble data has been implemented, in collaboration with the Met Office, to give a greater understanding of uncertainty in the current forecast and flagging potential events earlier.

These improvements provide a greater lead-in time to coastal flood events, giving a greater understanding of the potential risks earlier. This enables earlier discussions between professional partners around the scale and potential impacts of coastal flood events. Earlier and more informed discussions increase the effectiveness of both preparatory action and the resulting response.

Recommendation 7 – Flood Forecasting

Rec 7: Review with partners what additional forecast information could be provided to support local incident management decisions. Identify options and recommendations.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 1

Completion Date: October 2015

Summary of Recommendation Implementation

A Natural Resources Wales working group was set up to undertake this recommendation, comprising a Flood Incident Management team technical specialist from each area within Wales (North, South West and South East) and a member of the national Flood Forecasting team to advise on the forecast data which could be provided and how this could be done.

The first step was to consult with professional partners to identify what additional forecast information they felt would be useful for local incident management decisions. Professional Partners were asked three questions:

1. What forecasting information do you currently receive and in what format?
2. What additional forecast information would be beneficial to your operations and why?
3. Can you identify any situations when forecast information is diluted through onward sharing within organisations and may therefore not fully reach all the intended recipients?

A total of 20 consultation responses were received. The responses indicated that:

- There is a variety in the type and amount of forecast information received by partners across different areas within Wales.
- A large proportion of partners would like to receive additional forecast information.
- There are no current concerns over the dilution of information through onward sharing within organisations.

Based on this information the working group developed and discussed potential solutions to provide additional forecast information and achieve greater consistency in the forecast data provided across Wales.

This led to the development of a two-stage solution to achieve the Recommendation, which was reviewed and agreed with the NRW national forecasting team:

- Stage 1 - Short Term Response: Provide generic information on a more local level to partners via email
- Stage 2 - Long Term Response: Provide more detailed forecast information to partners

Stage 1, the short term solution, aims to provide professional partners with more local, longer-range information via email correspondence. Emails will be provided on a Local Resilience Forum basis, covering the geographical area associated with the each LRF in a similar style to those of the Met. Office Advisor emails. The contents of these emails will vary in detail depending on the conditions forecast, but templates and examples have been developed to enable this to be a consistent process across Wales. This solution can be implemented immediately and is already being implemented under some events.

Recommendation 7 – Flood Forecasting

Stage 2, the long term solution, is the provision of more detailed forecast information, such as site specific forecasts. This is technically more difficult to implement due to the need to ensure that uncertainty in the forecast is fully communicated and the need for development of a user friendly and efficient data dissemination process. A feasibility study should be undertaken by NRW to progress this task. Decisions on the level of data provided and the manner in which it is presented are key for this to work successfully.

Further information on this Recommendation can be found within the accompanying Project Report 1 - Recommendation 7.

Recommendation 8 – Flood Forecasting

Rec 8: Continue to progress risk based opportunities to deliver improvements to the accuracy of the coastal forecasting service. Develop and deliver a programme of improvement works.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 1

Completion Date: Ongoing

Summary of Recommendation Implementation

This is ongoing work and forms part of the continuous improvement, review and recalibration of Natural Resources Wales' coastal forecasting models. Improvements to the accuracy of the coastal forecasting service directly influences the coastal flood warning service, leading to more effective action in the lead up to coastal flood events. Some examples of the ongoing work to improve the accuracy of the coastal forecasting service include:

- Continuing to utilise improvements in forecast data available to Natural Resources Wales. This involves working with the Met. Office and the Flood Forecasting Centre, as well as the United Kingdom Coastal Flood Forecasting partnership (UKCFF) of which Natural Resources Wales is a member, to both identify our needs and understand advancing scientific forecasting methods. Examples of this include the empirical re-tuning of astronomic data, and the manual assessment of surge performance, both of which are done during flood events to improve the accuracy of the raw model outputs.
- Continuing to improve Natural Resources Wales' site specific coastal flood forecasting modelling capabilities by:
 - Updating forecasts for individual locations using the latest forecast modelling techniques to improve accuracy;
 - Continuing to capture site observations where possible to verify the model output, better understand model performance and recalibrate where necessary.
- Improving the understanding of strengths and limitations of current coastal forecasting techniques. Whilst Natural Resources Wales utilises the latest coastal flood forecasting modelling methods, this is still an emerging science. By delivering in-house training to duty officers on the nuances and assumptions of coastal flood modelling, the forecasting service benefits from detailed interpretation of the model outputs.

This work provides an enhancement to the coastal flood forecasting service, better informing the flood warning service and hence Natural Resources Wales' ability to advise and respond to coastal flood events. The understanding of coastal processes and hence the modelling of these is an emerging and evolving science – inputting into the development of coastal flood forecasting methods, and utilising the outputs enhances Natural Resources Wales' coastal flood warning capability.

Recommendation 9 – Flood Forecasting

Rec 9: Review the whole wave buoy network around the Welsh coast, including working with UKCMF to address a strategic gap in the offshore wave buoy network in the Irish Sea. This is required to better validate offshore wave forecasts, leading to improvements to the Wales forecasting service. (UKCMF- UK Coastal Monitoring and Forecasting Service).

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: December 2014

Summary of Recommendation Implementation

A new wave rider buoy was installed off the West Pembrokeshire Coast on 11th September 2014.

The method followed to reach this outcome comprised:

- The wave buoy network around the Welsh coast was reviewed and a gap identified in the network in the Irish Sea.
- Centre for Environment, Fisheries & Aquaculture Science (Cefas) helped assess locations and prepare for the operational deployment of the new buoy.
- Funding was secured via UKCMF (from the UK Government flood recovery funds).
- The optimal location was identified by Natural Resources Wales through consultation with professional partners and the new installation will provide directional wave data as well as wave height and wave period.

A live telemetry feed supplies instantaneous data and will be used to routinely calibrate Natural Resources Wales' forecast data, as well as monitor wave conditions during storm events. The resilience and suitability of the wave buoy network will continue to be assessed including the impact of the new buoy. Any issues or strategic gaps will continue to be raised as appropriate.

Recommendation 10 – Flood Warning and Community Response

Rec 10: Complete the ongoing work by summer 2014 to ‘rebrand’ the flood warning service in Wales so that the provider is clearly identified as Natural Resources Wales.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: September 2014

Summary of Recommendation Implementation

All flood warnings issued in Wales clearly identify Natural Resources Wales as the provider of the service.

- The work was completed in September 2014.
- We have continued to develop our own web products in the meantime, while continuing the partnership with the Environment Agency for certain products such as the 3 day flood forecast, live flood warnings and registration to the service.
- We developed a live flood warning map which went live in March 2015:
<http://naturalresources.wales/flooding/flood-warnings/?lang=en>
- We are developing our own pages for live flood warnings and the 3 day flood forecast - which is due to be live by the end of March 2016.
- We are procuring this system in partnership with the Environment Agency but the service for Wales will be entirely hosted by Natural Resources Wales’ website.

Natural Resources Wales continue to work in partnership with the Environment Agency for provision of online supporting information and we are working with them to improve their webpages to further help with this clarity.

Recommendation 11 – Flood Warning and Community Response

Rec 11: Develop and implement a prioritised programme of improvement works to flood warning areas and thresholds, using the experience and data gathered from these storms. This should include engagement with professional partners and communities as appropriate.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 2

Completion Date: December 2015

Summary of Recommendation Implementation

A Natural Resources Wales working group was set up to undertake these Recommendations, comprising a Flood Incident Management Team technical specialist from each local team within Wales (North, South West and South East).

Recommendations 11 and 12 are inherently linked, as to improve the Flood Warning Service, in particular the setting of flood warning areas and flood warning thresholds, validation information from real storm events is required. These two Recommendations were combined into one report.

The methodology involved consultation with Professional Partners to identify any concerns they may have with the current flood warning areas and thresholds including any specific locations.

Professional Partners were asked three questions with regards to Recommendation 11. From the replies received the Professional Partners had no concerns with the issue and timeliness of the flood warnings, but do have some concerns over the tone and wording of the messages. There were some specific locations which partners have raised, NRW are aware of these and are addressing these locations apart from two flood warning areas where further study is taking place (Caldicot and Wentlooge Levels in South East Wales).

Based on the responses from our Professional Partners the working group concluded that following review of the December 2013 and January 2014 flood events, the flood warning areas that required changes to them have already been undertaken and these areas are summarised within appendices to the report.

To help NRW improve our Flood Warning Service and our understanding of flood risk, for future events, we encourage anyone to send any evidence of flooding to the following email addresses so that we have all the available information to support any decisions taken.

South East Wales – flinese@cyfoethnaturiolcymru.gov.uk

South West Wales – flinesw@cyfoethnaturiolcymru.gov.uk

North Wales - flinen@cyfoethnaturiolcymru.gov.uk

Further information on this Recommendation can be found within the accompanying Project Report 2 - Recommendations 11 & 12.

Recommendation 12 – Flood Warning and Community Response

Rec 12: Review and consider additional sources of validation information for future incidents. This has potential to improve confidence in both forecasting and warning. This may involve seeking feedback from professional partners and others.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 2

Completion Date: December 2015

Summary of Recommendation Implementation

A Natural Resources Wales working group was set up to undertake these Recommendations, comprising a Flood Incident Management Team technical specialist from each local team within Wales (North, South West and South East).

Recommendations 11 and 12 are inherently linked, as to improve the Flood Warning Service, in particular the setting of flood warning areas and flood warning thresholds, validation information from real storm events is required. These two Recommendations were combined into one report.

The methodology to Recommendation 12 involved consultation. Professional Partners were consulted to identify what validation techniques they currently use, if any. There were five questions asked as part of Recommendation 12.

From the replies received the majority of the Professional Partners do not carry out formal validation of impacts following flood events, though a few replied that they do carry out site inspections following receipt of flood warnings. From the replies received only police drones were suggested as capturing event data that NRW doesn't currently use. Gaps within validation data relate more to the sharing of data rather than the data collection itself. The replies suggest that there are no formal triggers for carrying out data validation and there are a variety of systems used for validation data and that approximate 40% of the replies share their data with NRW.

Validation is already carried out and will continue to be used within NRW. The working group concluded that all available methods of validation are being used. These validation techniques have been shared within NRW to ensure best practices are followed and the group concluded that new technologies when they become available should always be explored to see if further validation methods can be used.

To help NRW improve our Flood Warning Service and our understanding of flood risk, for future events, we encourage anyone to send any evidence of flooding to the following email addresses so that we have all the available information to support any decisions taken.

South East Wales – flinese@cyfoethnaturiolcymru.gov.uk

South West Wales – flinesw@cyfoethnaturiolcymru.gov.uk

North Wales - flinen@cyfoethnaturiolcymru.gov.uk

Further information on this Recommendation can be found within the accompanying Project Report 2 - Recommendations 11 & 12.

Recommendation 13 – Flood Warning and Community Response

Rec 13: Work with sample communities to identify options to help sustain an effective local response to flood warnings. This should consider communities where effective response and or confidence in the warning system is low.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 3

Completion Date: March 2016

Summary of Recommendation Implementation

Natural Resources Wales led a series of participatory workshops which involved a wide range of professional partners along with members of the public who had experienced flooding, or who represented communities at risk from across Wales.

An assessment of barriers and ways to overcome them was considered which resulted in the identification of the following 5 options as key to achieving recommendation 13;

1. Better education about risks
2. Improve local gathering of information
3. Better local communication
4. Improve the quality of warnings
5. Improve the response to warnings

Summary:

There are interdependencies between all 5 options above, so they need to be progressed as part of an ongoing 'before during and after' a flood cycle.

They need to be achieved through better local engagement (see Recommendation 14) availability of good information and advice which details what warnings sound and look like what to do and when (Recommendation 15) and supported locally by volunteers as part of flood planning processes (Recommendation 16 & 17).

Organisations are already making improvements to existing warning services and using learning from Sciencewise and Ipsos Mori Flood communications research and public feedback to improve quality and accessibility of warning messages.

The recommended option: Better education about risks.

This needs to be led on a National Level by NRW, supported by a range of others, specifically the 4 newly formed LRF Community Resilience groups and locally by a wide range of interest groups and individuals.

Further information on this Recommendation can be found within the accompanying Project 3 Report – Recommendations 13, 14, 15, 16 & 17.

Recommendation 14 – Flood Warning and Community Response

Rec 14: Identify and evaluate options to help communities to become more self-sufficient and resilient and identify a recommended option

Recommendation Lead: Natural Resources Wales

Project Reference: Project 3

Completion Date: March 2016

Summary of Recommendation Implementation

Natural Resources Wales led a series of participatory workshops which involved a wide range of professional partners along with members of the public who had experienced flooding, or who represented communities at risk from across Wales.

The aims of the workshops were to;

- Bring together representatives of Risk Management Authorities, the public and other key delivery organisations within Wales who contribute to Recommendations 13 - 17.
- Act as a technical multi-partner advisory group, considering evidence, identifying gaps and opportunities which help to create more self-sufficient and resilient communities in Wales.
- Contribute practical ideas and suggestions as to how the recommendations are best taken forward, by identifying who should lead and support and the timescales involved (short, medium or long term).

Agreement was reached at an early stage of the project that;

- The scope of Project 3 work should be expanded to include all sources of flooding (not just coastal).
- Recommendations 13,15,16 & 17 should sit under the umbrella of Recommendation 14, as they are all essential components that contribute to achieving longer term sustainable resilience.

Findings were clear in that all 5 options listed below need to be delivered concurrently, delivering just one or two will not fully deliver Recommendation 14. This is due to the causal links that emerged.

- Improved Inter-Agency Working
- Better Engagement (current)
- Better public information about options
- Develop a broader community resilience plan – not just flooding
- Better engagement with future generations (education of young people)

Recommendation 14 – Flood Warning and Community Response

Summary:

As a result of a 4 stage consultative process, which was informed by existing and newly commissioned research, including 2 pilot Volunteer events, a set of practical suggestions for delivering recommendation 14's agreed vision '*Self-supporting communities that are resilient to flooding*' have been identified;

The recommended option (what needs to be done First):

Improved Inter-Agency Working, which needs to be supported by Better Engagement at local level

Improved Inter-Agency working needs to start with direction from Welsh Government – through the All Wales Community Resilience Group to implement the identified actions within this report. The new Flood and Coastal Risk Erosion Committee would also have a key role to play in supporting and progressing these recommendations.

Better Engagement at local level can also be improved by sharing of existing best practice and local resources. The mechanism for this is the same as above.

Further information on this Recommendation can be found within the accompanying Project 3 Report – Recommendations 13, 14, 15, 16 & 17.

Recommendation 15 – Flood Warning and Community Response

Rec 15: Produce and communicate nationally consistent, public focused information on the types and availability of property level protection measures and the support available.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 3

Completion Date: March 2016

Summary of Recommendation Implementation

There is a clear need to;

- Produce separate tailored advice for professional and public audiences.
- Consider and address issues regarding data protection, commercial sensitivity and confidentiality around sharing of information when storing and sharing advice for and between professionals.

Recommendations identified;

- Pilot an annual Wales Flood Conference for public, professionals and all partner organisations. Consider using the Institution of Civil Engineers (ICE) event.
- Strengthen Joint Communications meetings between NRW, EA, SEPA, Met Office and DARDNI.
- Establish All Wales Professional Partner Network training events.
- Increase access to and use of Resilience Direct for professional partners including voluntary orgs, and promote this through the Wales Flood Group, Warning and Informing Group, Community Resilience Group and LRF Community Resilience subgroups.
- Develop an online public microsite and ensure the content addresses **known** information gaps including, for example, how to access and how to use Property/Individual Level Protection (PLP/IPP);

The recommended option: All of the above are relevant, but the recommended next step is to establish an online ‘micro site’ for Wales that all organisations can signpost public to for consistent advice and information that covers before during and after a flood cycle.

This should be taken in the first instance to the All Wales Community Resilience Group (Welsh Government).

The rationale for this is that this group functions at all Wales Level, its membership includes representation from many of the relevant organisations including the LRFs and has a wider remit that allows for consideration of the whole flood cycle in the context of longer term social and emotional resilience. NRW and other organisations can assist with the micro-site development.

Further information on this Recommendation can be found within the accompanying Project 3 Report – Recommendations 13, 14, 15, 16 & 17.

Recommendation 16 – Flood Warning and Community Response

Rec 16: Using the experience from these recent storms, identify and evaluate options for the future development of local Flood Plans in coastal areas and identify a recommended option to help these be more effective at improving community resilience.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 3

Completion Date: March 2016

Summary of Recommendation Implementation

Natural Resources Wales led a series of participatory workshops which involved a wide range of Professional Partners along with members of the public who had experienced flooding, or who represented communities at risk from across Wales.

The following 5 options were identified as key to delivering Recommendation 16, with the acknowledgement that there are interdependencies with other Project 3 Recommendations (see Recommendation 14) ;

- Better understanding of who does what in the local community flood plan.
- Improve the engagement of communities in planning.
- Maintain community engagement if there is no flood, or after a flood.
- Better implementation of the local community flood plan.
- Learn and implement lessons after the event.

Recommendations identified;

- Consider and disseminate learning from Flood Awareness Wales' Independent Review commissioned by NRW which looks at flood plans and volunteers.
- Develop broader resilience plans that incorporate flooding (see Recommendation 14).
- Share emergency plans with relevant agencies and increase communication links with the public and partners on a more local level. (see Recommendation 14)

The recommended option: A combination of the above is required, starting with raising awareness of a better understanding of who does what in all resilience plans, and particularly local community flood plans.

This should be led at National Level by Welsh Government – through the Wales Flood Group and Local Resilience Forum structures. NRW can and will assist with this, but it needs buy-in from all parties.

Further information on this Recommendation can be found within the accompanying Project 3 Report – Recommendations 13, 14, 15, 16 & 17.

Recommendation 17 – Flood Warning and Community Response

Rec 17: Using the experience from these recent storms, identify and evaluate options for the future development of local Flood Plan Leads / Warden Volunteers in coastal areas and identify a recommended option.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 3

Completion Date: March 2016

Summary of Recommendation Implementation

Natural Resources Wales led a series of participatory workshops which involved a wide range of Professional Partners along with members of the public who had experienced flooding, or who represented communities at risk from across Wales. This included 2 pilot Volunteer Network events which aimed to ;

1. Provide an opportunity for Volunteers to meet others carrying out similar roles and share best practice.
2. Share advice from specialist partner organisations to obtain an increased understanding of roles and responsibilities at the 3 stages; before, during and after a Flood.
3. Discuss health and safety risks associated with flood volunteer roles and identify ways to mitigate them.

As there are strong linkages and interdependencies between this Recommendation and others within Project 3, (specifically Recommendation 16) the options and Recommendations should be considered together.

Options identified (specific to Volunteers):

- Consider and disseminate learning from Flood Awareness Wales' Independent Review commissioned by NRW which looks at flood plans and volunteers.
- Hold Flood Plan Volunteer Network events.
- Develop Volunteer Health and Safety Checklists.

These options should be considered in the first instance at National Level by Welsh Government – through the All Wales Community Resilience Group and its member organisations.

The rationale for this is that this group functions at all Wales Level, its membership includes representation from many of the relevant organisations including the LRFs and organisations that specialise in supporting volunteers. NRW can and will assist with this process.

Further information on this Recommendation can be found within the accompanying Project 3 Report – Recommendations 13, 14, 15, 16 & 17.

Recommendation 18 – Operational Response

Rec 18: Review and identify how to improve involvement of infrastructure operators and managers in the coastal flood risk incident management process.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 10

Completion Date: November 2015

Summary of Recommendation Implementation

Natural Resources Wales created a questionnaire which was sent out to 15 Coastal Risk Management Authorities (RMAs), Local Resilience Forums (LRFs), the Wales Utility Group (WUG), Network Rail (NR) and the Trunk Road Agencies within Wales.

This consultation process was to help identify:

- Current levels of awareness and involvement from infrastructure operators and managers;
- Concerns or barriers that restrict the involvement of other organisations;
- Suggestions on how improved involvement can be achieved and implemented.

A total of 26 consultation responses were received. The key points raised were that:

- There is a need for awareness raising and more regular contact / involvement between organisations;
- Infrastructure operators, utility providers and RMAs should be able to share appropriate contact details;
- There should be improved sharing and understanding of infrastructure and utility asset inspection and maintenance regimes at a local level;
- There should be a greater shared understanding at a local level of infrastructure and utility assets that are at risk of flooding.

Summary:

All groups consulted felt that more needed to be done, and could be done, to improve the involvement of infrastructure providers and utility operators in the flood risk management process from forward planning to incident response. The starting point for improved involvement was suggested to be better information sharing between organisations.

After considering the information gathered, the following solution has been proposed:

Resilience Direct is explored as an option for all parties to share and store information at the 'official sensitive' level.

Further information on this Recommendation can be found within the accompanying Project 10 Report – Recommendations 18, 43, 44, 45, 46 & 47.

Recommendation 19 – Operational Response

Rec 19: Continue to develop potential ‘impact scenario’ assessments, maps and/or statements. This work must be developed in close discussion with professional partners to ensure it meets all parties’ requirements.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 4

Completion Date: Ongoing

Summary of Recommendation Implementation

An internal Natural Resources Wales (NRW) working group was set up to undertake this Recommendation, which included a Flood Incident Management (FIM) team technical specialist from each area within Wales (North, South West and South East).

Static impact scenario assessment maps have previously been produced for South West and South East Wales, but there are currently no similar maps available for North Wales. These impact scenario maps were produced by the local FIM teams based on documented flood depths and extents which occurred during previous flood events.

The working group discussed whether these static maps should be extended to the North Wales area. During the discussion it was identified that North Wales would prefer a more dynamic approach to the mapping, with maps produced automatically each time a flood event is forecast to occur, based on the forecast condition triggering activation of the flood warning areas. Consultation has been undertaken with Risk Management Authorities (RMAs) to identify their opinion on the existing static mapping approach and the new more dynamic mapping methodology proposed for North Wales.

For this Recommendation, a pilot study has been undertaken to trial the new dynamic mapping for a number of sites in North Wales. This has involved work being undertaken by the FIM teams with help from NRW GIS specialists. A review of the pros and cons of the existing static mapping and the pros and cons of the proposed dynamic mapping has been undertaken.

The scope of this work needs to be considered within NRW’s future mapping and modelling programme. The merits of these proposals need to be gauged against other priorities within the business before engaging externally with Welsh Government and the Wales Flood Group as end users of the maps via Local Resilience Forum activities and access to the Resilience Direct website.

Further information on this Recommendation can be found within the accompanying Project Report 4 - Recommendation 19.

Recommendation 20 – Operational Response

Rec 20: Review the local decision making process associated with the issue of Severe Flood Warnings and evacuation procedures in December 2013 and early January 2014. Identify improvements and share at an all Wales level.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 4

Completion Date: March 2016

Summary of Recommendation Implementation

A working group was set up to undertake this Recommendation internally within Natural Resources Wales (NRW), which included a Flood Incident Management (FIM) team technical specialist from each area within Wales (North, South West and South East) with a Senior Advisor in Flood Warning and Informing to steer the Recommendation.

“Severe Flood Warnings (SFW) are reserved for exceptional flooding situations. They should not be used when flooding of property is expected, even if evacuation may be necessary, unless at least one of the following criteria are met:

- *Significant risk to life, or*
- *Significant disruption to the community caused by widespread or prolonged flooding.”*

The first stage included consultation with our Professional Partners through a short questionnaire to establish the level of understanding of the meaning and purpose of a Severe Flood Warning as well as their role in the decision making process. Responses to the questionnaire highlighted varying degrees of understanding.

A review of NRW processes confirm that the decision making process was consistently applied. However it was felt that staff and duty officer confidence in their role in the decision-making process varied.

The SFW is a nationally consistent message and there is no clear driver for changing it.

Levels of understanding within both NRW and Partner organisations could however be improved. This led to an action plan to deliver training and table-top exercising to both groups. A training presentation has been developed and will be rolled through internal NRW duty officer training along with presentations and (light-touch) table-top exercises to multi-agency groups.

NRW Flood Incident Management teams are now developing a programme of training for these groups with the aim to complete by Autumn 2016.

Recommendation 21 – Operational Response

Rec 21: Assess our national capacity to respond to a widespread and sustained period of coastal flooding. This should include consideration of when the current national resource pool will no longer function effectively. This should also consider post incident recovery issues.

Provide a report with recommendations for improvement.

Recommendation Lead: Welsh Government

Project Reference: Outside Projects

Completion Date: June 2015

Summary of Recommendation Implementation

Wales Flood Group is best placed to lead on this work as each agency within the group has emergency plans in place, which they have tested against flood scenarios.

Recommendation 22 and the coastal evacuation exercise ('Exercise Megacyma) held in March 2015 helped inform the process of how we prepare for major incidents but ultimately this Recommendation relates to local multi-agency planning which is already taking place; particularly in the high risk areas.

In terms of national capacity, the emergency services have national arrangements for wide-area support for all emergencies but nothing like this exists for Local Authorities. In taking forward planning at the local level, the LRFs also need to consider how Local Authorities broker mutual aid not only with neighbouring authorities but also with those from further afield.

- Review output and lessons learnt from Exercise Megacyma in March 2015. There are 10 recommendations within the Exercise's de-brief report which will be ongoing and monitored by the Wales Flood Group.
- Link with Recommendation 22 and 37.

Further information on this Recommendation can be found within the linked summary page of the Megacyma Exercise.

Recommendation 22 – Operational Response

Rec 22: Assess the collective ability to provide an effective response to a potential large scale evacuation scenario in either north east or south east Wales. This should also consider post incident recovery issues.

Provide a report with recommendations for improvement.

Recommendation Lead: Wales Flood Group

Project Reference: Outside Projects

Completion Date: June 2015

Summary of Recommendation Implementation

Wales Flood Group is best placed to lead on this work as each area of the agencies within the group have emergency plans in place, which they have tested against flood scenarios.

Recommendation 22 and the coastal evacuation exercise ('Exercise Megacyma) held in March 2015 helped inform the process of how we prepare for major incidents but ultimately this Recommendation relates to local multi-agency planning which is already taking place; particularly in the high risk areas.

In terms of national capacity, the emergency services have national arrangements for wide-area support for all emergencies but nothing like this exists for Local Authorities. In taking forward planning at the local level the LRFs also need to consider how Local Authorities broker mutual aid not only with neighbouring authorities but also with those from further afield.

- Review output and lessons learnt from Exercise Megacyma. There are 10 Recommendations within the Exercise's de-brief report which will be ongoing and monitored by the Wales Flood Group.
- Link with Recommendation 22 (and 37).

Further information on this Recommendation can be found within the linked summary page on Exercise Megacyma.

Recommendation 23 – Operational Response

Rec 23: Review the Wales resilience structures and ways of working to identify what changes may be needed to enable us to collectively be better prepared and resilient to future coastal flooding.

Recommendation Lead: Local Resilience Forums

Project Reference: Outside Projects

Completion Date: June 2015

Summary of Recommendation Implementation

The Local Resilience Forums (LRFs) and their Severe Weather Groups were best placed to lead on this work as each area has recovery plans in place, which they have tested against flood scenarios.

The findings of Phase 2 of the Compact for Change were accepted by the Wales Resilience Forum on 13th November 2014. The LRFs now have responsibility for implementing these changes.

The proposed changes to the Wales resilience structures under the Compact for Change were tested through Exercise Megacyma Cymru in March 2015. The Exercise generated a further ten recommendations for change and these will be ongoing and monitored by the Wales Flood Group. Learning from the Exercise will be applied to ensure we are better prepared for future coastal flooding incidents.

The Exercise Megacyma summary page can be found at:

<http://gov.wales/topics/environmentcountryside/epq/flooding/planning/exercisemegacyma/?ctx=rO0ABXNyAA5qYXZhLmxhbmcuTG9uZzuL5JDMjyPFAgABSgAFdmFsdWV4cGQamF2YS5sYW5nLk51bWJlcoasIR0LIOCLAgAAeHAAAAAAAAAACwA&view=Standard&skip=1&lang=en>

There is work to be done to make the Exercise's recommendations a reality, with the following key points being of note:

1. An update to the Wales Flood Response Framework.
2. The principles of a joint-Strategic Coordination Group (SCG) should be considered across all Welsh LRFs, where this is practicable, and the Pan-Wales Response Plan should reflect any changes at the local and regional level– A Task and Finish Group has been established and a concept paper produced. The LRFs will be consulted on the outcome with a view to embedding the principles in local plans.
3. Further work is required in drawing together all existing initiatives of dealing with vulnerable people into a single, national planning group to take this work forward in a co-ordinated way – A pilot project is currently being undertaken in West Wales to develop a GIS system to provide real time data on the location of vulnerable people during flooding incidents.
4. The principle of wide-area recovery groups should also be explored – A Task and Finish Group has been established and its findings are currently with the LRFs for consultation.
 - Review output and lessons learnt from Megacyma Cymru exercise 2015.

Further information on this Recommendation can be found within the linked summary page on Exercise Megacyma.

Recommendation 24 – Operational Response

Rec 24: Options to seek improvements to the standard of protection at the Garford Road area of Rhyl should be identified and evaluated. This should include detailed hydraulic analysis of the capacity and performance of the storage lagoon. This should include an assessment of the stairwell and slipway openings and the interaction with the adjacent golf course area.

Recommendation Lead: Denbighshire County Council

Project Reference: Outside Projects.

Completion Date: March 2016

Summary of Recommendation Implementation

During the early stages of carrying out this recommendation, it was recognised by Denbighshire County Council that there was the possibility of achieving some ‘quick wins’ by carrying out some quite basic, but highly effective, improvements to the existing coastal defences. These improvements included:

1. The replacement of timber stop logs at stairwell and slipway openings by steel flood gates, thus significantly reducing the risk of a breach scenario.
2. The construction of a new steel flood gate at Splash Point to prevent overtopping waves being driven in an easterly direction along the promenade and towards properties (as happened on 5th December 2013).
3. The introduction of a formal channel at the east end of the Garford Road flood storage lagoon to encourage the passage of flood water towards Rhyl golf course and away from properties.
4. The replacement of the chain link fence between the storage lagoon and the golf course by a collapsible fence (debris which built up on the fence during the 2013 storm probably contributed to the flooding problem).

Whilst the overtopping that took place in 2013 was sufficient to completely overwhelm the defences, and inundate the golf course, it was apparent from studying topographical surveys of the golf course that additional temporary storage capacity could be found fairly easily by constructing a wall and/or bund around the golf course and carrying out some relatively minor re-shaping of the course itself. In addition, a system has been designed whereby flood water can be released back out to sea at low tide via a culvert and penstock arrangement. This work is ongoing and should be complete by summer 2016.

Notwithstanding the particular requirements of Recommendation 24, as a Lead Local Flood Authority Denbighshire County Council has an overarching aim to understand why the flood occurred, the chances of a flood of a similar magnitude happening again and measures that can be taken to reduce the risk. To this end, the Council appointed consultants to carry out a detailed assessment of the 5th December 2013 event and to carry out a project appraisal study to identify options to reduce the risk to an acceptable level. The findings of the consultant’s work are as follows.

- i. In order to determine the return period of the event, the consultant carried out a multi-variate probability assessment, which examined the likelihood of a number relatively unusual events all occurring at the same time, for instance, a high astronomical tide

Recommendation 24 – Operational Response

- combined with an atmospheric surge with gale force onshore winds. The assessment concluded that the event had approximately a 0.5% annual probability.
- ii. Using the outputs from the multi-variate probability assessment, the consultant has been able to establish a set of 'design events' from 100% to 0.1% annual probability, which has enabled an assessment of the current standard of protection in the Garford Road area. The conclusion from this work is that flooding of property is likely to occur during events of between a 2% and 1% annual probability. When sea level predictions are applied, the likelihood of flooding increases significantly.
 - iii. The project appraisal study has considered a number of possible options to reduce flood risk to an acceptable level; these include:
 - a) Beach Recharge
 - b) An offshore breakwater
 - c) A new sea defence consisting of a higher sea wall with concrete stepped revetment
 - d) Rock armour
 - e) A sand engine

The recommended option is (b) an offshore breakwater. Not only does this provide the most economical solution, when considering the whole life costs of the option, it also reduces the likelihood of beach erosion and the consequential increased risk of breach and overtopping. The Project Appraisal Report is currently with the Welsh Government for its comment and approval.

Further information on this Recommendation can be found within the linked Report by Denbighshire County Council.

Recommendation 25 – Operational Response

Rec 25: All Risk Management Authorities (RMAs) around Wales should review their local use of stop boards, stop logs, temporary barriers or moveable gates. The purpose of this review is for RMAs to satisfy themselves that existing arrangements are appropriate and robust. Consideration should be given to replacing existing arrangements with more permanent or more robust temporary solutions. This review should be ‘risk based’ and focused on the locations with highest local risk.

Recommendation Lead: Welsh Local Government Association

Project Reference: Project 5

Completion Date: January 2016

Summary of Recommendation Implementation

The initial exercise was to assess current arrangements with regards to temporary installations across all Risk Management Authorities (RMAs). This included locations of use, when are the structures installed and removed, current inspection and maintenance regimes and gathering good practice from across Wales.

A data request in the form of a brief questionnaire was sent out to Coastal RMAs to gather information relevant to Recommendation 25 (and shares links with Rec 26 & 31).

The survey was sent out to 16 RMAs and 13 responses were received. The responses indicated that:

- There is a good confidence level on the location of high flood risk areas across Wales.
- There are some inconsistencies in the way data related to temporary defences is recorded.
- There are solid and consistent inspection and maintenance regimes in place within all RMAs.

Based on the responses a report has been produced that addresses Recommendations 25 and 26 in combination. The report comprises of 2 parts:

- Review of the findings.
- Conclusion and recommendations.

Five recommendations have been put forward within the report:

1. Creation of systems to record information related to temporary and secondary defences (for those who haven't already done so).
2. Compare inspection regimes between LLFAs and NRW to avoid duplication and overlap.
3. Share relevant information between RMAs on temporary or secondary defences (locally or regionally).
4. Focus on the performance of whole defence systems instead of focussing on individual sections.
5. Welsh Government to review Schedule 1 of the Flood Water Management Act 2010 to enable RMAs to designate third party townscape or landscape assets as secondary defences.

Further information on this Recommendation can be found within the accompanying Project Report 5 – Recommendations 25 & 26.

Recommendation 26 – Coastal Defences

Rec 26: All Risk Management Authorities (RMAs) around Wales should review locations where they have secondary defence systems in place. The purpose of this review is for RMAs to satisfy themselves that the secondary systems will operate as designed when required. This review should be ‘risk based’ and focused on the locations with highest local risk.

Recommendation Lead: Welsh Local Government Association

Project Reference: Project 5

Completion Date: January 2016

Summary of Recommendation Implementation

The initial exercise was to assess current arrangements with regards to secondary defences across all Risk Management Authorities (RMAs). This included locations of use, when are the structures installed and removed, current inspection and maintenance regimes and gathering good practice from across Wales.

A data request in the form of a brief questionnaire was sent out to Coastal RMAs to gather information relevant to Recommendation 26 (and shares links with Rec 25 & 31).

The survey was sent out to 16 RMAs and 13 responses were received. The responses indicated that:

- There is a good confidence level on the location of high flood risk areas across Wales.
- There are some inconsistencies in the way data related to secondary defences is recorded.
- There is low confidence level in the identification of secondary flood defences.

Based on the responses a report has been produced that addresses Recommendations 25 and 26 in combination. The report comprises of 2 parts:

- Review of the findings.
- Conclusion and recommendations.

Five recommendations have been put forward within the report:

1. Creation of systems to record information related to temporary and secondary defences (for those who haven't already done so).
2. Compare inspection regimes between LLFAs and NRW to avoid duplication and overlap.
3. Share relevant information between RMAs on temporary or secondary defences (locally or regionally).
4. Focus on the performance of whole defence systems instead of focussing on individual sections.
5. Welsh Government to review Schedule 1 of the Flood Water Management Act 2010 to enable RMAs to designate third party townscape or landscape assets as secondary defences.

Further information on this Recommendation can be found within the accompanying Project Report 5 – Recommendations 25 & 26.

Recommendation 27 – Coastal Defences

Rec 27: There needs to be continued sustained investment to manage the national coastal risks to acceptable levels.

This must include flood forecasting, warning, awareness, response and recovery, as well as flood defences. Particular focus has to be on the existing defences to ensure they continue to be fit for purpose, as well as investment in new defences to reduce the flood risk for more locations.

Recommendation Lead: Welsh Government – Flood and Coastal Erosion Risk Management

Project Reference: Outside Projects

Completion Date: June 2015

Summary of Recommendation Implementation

- The flood and coastal risk management budget for 2016/17 has seen an increase thanks to additional funding from central capital.
- The focus remains on maximising the funding available to deliver the flood and coastal erosion risk management programme.
- Additional funding for 2016/17 has been secured for coastal local authorities to undertake project appraisals and detailed design work in preparation for the Coastal Risk Management Programme.
- Additional funding has been secured for NRW and local authority schemes, maintenance and emergency repairs in light of the December 2015 storms.

Flood and coastal erosion risk management (FCERM) remains a priority for this Government. All indications are that public spending constraints are likely to continue but flood budgets have been sustained and are currently complemented by an injection of funds for the Coastal Risk Management Programme.

Welsh Government will continue to maximise opportunities to sustain investment within the funding envelope available. Welsh Government FCERM team hold regular discussions with finance colleagues and have successfully bid for additional capital resulting in an increase in FCERM funding for 2016/17.

Whilst investment needs to continue to ensure existing defences continue to be fit for purpose, investment will also focus on improved flood risk mapping, forecasting and warning, community resilience and awareness, response and recovery as well as new flood and coastal risk management schemes and adaptation.

Any flood and coastal erosion risk management investment will consider all types of flooding.

Delivery of this Recommendation should include consideration of Recommendations from 'the Welsh Coastal Storms, December 2013 & January 2014 – an assessment of environmental change' report delivered under Recommendation 36.

Recommendation 28 – Coastal Defences

Rec 28: Review and identify options to maximise certainty in flood and coastal erosion risk management funding over a longer timeframe and to maximise flexibility in the use of this funding.

This would mean less focus on annual and in year budgets and more focus on delivery and budget management of 3-5 years.

Recommendation Lead:	Welsh Government – Flood and Coastal Erosion Risk Management
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Project Reference:	Outside Projects
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Completion Date:	June 2015
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Summary of Recommendation Implementation

Existing funding for flood and coastal erosion risk management considers all types of flood risk management and interventions.

The Flood and Coast Investment Programme will consider all sources of flooding. Further development of the Programme will provide a methodology for prioritisation of funding and a long term schedule of schemes for future investment. Improvements are already being made to the programme. Welsh Government are working with NRW to refine the Communities at Risk Register so that it can be shared with all RMAs and used to prioritise areas for investment.

Developing the Coastal Risk Management Programme providing a £150 million capital value programme to Local Authorities to deliver coastal risk management activities between 2018 and 2021. Welsh Government is working with local authorities supporting the development of investment cases for potential projects. Programme improvements are underway to create a longer pipeline of schemes and improve the claims and appraisal process.

Recommendation 29 – Coastal Defences

Rec 29: The development of the National Programme of Investment should be progressed as a matter of importance and its development should seek a wide range of ways of working and technical improvements to the flood and coastal erosion risk management investment allocation, decision making and prioritisation process.

Recommendation Lead: Welsh Government – Flood and Coastal Erosion Risk Management

Project Reference: Outside Projects

Completion Date: June 2015

Summary of Recommendation Implementation

Welsh Government held a consultation on the proposed Flood and Coast Investment Programme between December 2014 and March 2015. A summary of consultation responses received was published in June 2015.

Full details about this consultation exercise are available at:

<http://gov.wales/consultations/environmentandcountryside/flood-and-coast-investment-programme-facip/?lang=en> .

This programme will set out a prioritisation methodology to enable areas of Wales to be ranked according to risk from all sources of flooding. An index will be created for use in helping to identify schemes and prioritise funding.

The Flood and Coast Investment Programme will consider all sources of flooding. Further development of the Programme will provide a methodology for prioritisation of funding and a long term schedule of schemes for future investment. Improvements are already being made to the programme. The next step will be to work with NRW to consider how the Communities at Risk Register can be used to prioritise areas for investment and ensuring that asset/defence data is accurate and reflected in the maps.

Recommendation 30 – Coastal Defences

Rec 30: Review and identify options to gain additional funding to supplement core FCERM investment. This must be closely aligned with the development of the National Programme for Investment.

Recommendation Lead: Welsh Government – Flood and Coastal Erosion Risk Management

Project Reference: Outside Projects

Completion Date: June 2015

Summary of Recommendation Implementation

Ministers have announced a £150 million capital value programme of investment in flood risk infrastructure projects with construction scheduled to taking place 2018-2021. This is being taken forward as the Coastal Risk Management Programme. This will be co-financed between local authorities and Welsh Government with Welsh Government contributing 75% to construction costs. This additional funding will be achieved using borrowing powers and is additional to the core grant-funded national programme of investment.

Alignment with the development of the core national programme is achieved by shared ministerial oversight and overlapping governance structures.

An initial list of projects has been identified for further development and prioritisation through feasibility studies, project appraisals and detailed design.

Whilst the Coastal Risk Management Programme will directly benefit coastal/tidal projects it will also indirectly benefit fluvial and surface water flood risk schemes by allowing core funding to concentrate on these areas.

Recommendation 31 – Coastal Defences

Rec 31: Produce a complete national dataset of coastal protection and defence assets including details of areas benefitting.

It is essential that this dataset becomes a ‘live management tool’ and not merely a representative picture of a snapshot in time. This dataset must therefore be associated with a process for ensuring the information is maintained.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 6

Completion Date: Ongoing

Summary of Recommendation Implementation

At an early stage, it was decided that the asset data issues highlighted in the Wales Coastal Review Delivery Plan Recommendation 31 were also applicable to fluvial watercourses. As a result, it was decided that Project 6 would address asset data across the whole of Wales and include ‘landlocked’ Risk Management Authorities (RMAs) as well as those with interests on the coast.

The first phase of addressing the issues raised in Recommendation 31 was to get a sound understanding of how asset data management is currently being carried out amongst all RMAs. A questionnaire to capture this information was created for RMAs to complete in July 2015. While the main focus was on Natural Resources Wales (NRW) and Local Authorities (LAs), organisations such as Welsh Water, Network Rail and both Trunk Road Agents for Wales were also consulted. The survey targeted key information such as:

- How many assets are maintained?
- The type of assets maintained?
- What information is stored and in what format?
- Do you have plans to upgrade your current asset database?

There was a good response to the survey with around 85% completing the survey. The main findings of the survey were:

- All stored information on assets in some format.
- Fundamental asset data is in place e.g. asset owners, asset type, location, National Grid Reference.
- Over 60% are interested in using AMX.
- Information on maintenance and inspection is patchy.
- There is little in the way of data showing the people and property benefitting from flood risk assets.

Using the information provided a number of options were put forward. It was identified that there was no perfect solution in achieving the aim of a nationally consistent asset dataset. All options had their relative merits and drawbacks.

The main areas addressed were in relation to how data would be accessed and managed in the future, along with ensuring a consistent data format. Also, the availability of resources was a major factor in identifying the most viable solution.

Recommendation 31 – Coastal Defences

The issue of the asset database needing to be a 'live management tool' was also considered. Whilst it is important that asset data should be kept up-to-date and accurate, it should be remembered that there is relatively little change in the basic asset data over time. While it is important that changes are logged, the need for updates on a daily/weekly basis should not be the most influential factor in a future solution.

Recommendations

The recommendations put forward to address Recommendation 31 are:

- The NRW AMX asset management system should be used to store flood risk asset information for all RMAs in Wales. Other RMAs to supply NRW with asset data in a suitable format for placement on the NRW AMX system.
- Where AMX is being purchased by other RMAs, the same AMX system architecture currently used in NRW, should be used. This will ensure that all asset data fields are consistent across RMAs in Wales.
- NRW Area flood risk teams to review their respective coastal asset datasets on AMX. This is to ensure that all flood risk assets have been captured and have the correct inspection frequency assigned to it.

Conclusion

The views of senior Flood Risk Managers at NRW, WLGA and the AMX Project team have been taken into account to assess the viability of the options put forward. The general opinion is that AMX can be used to provide a consistent national asset dataset in Wales. WLGA, WG and NRW will need to collectively agree on which option is to be taken forward.

Further information on this Recommendation can be found within the accompanying Project Report 6 – Recommendations 31 & 32.

Recommendation 32 – Coastal Defences

Rec 32: Review and identify options to achieve a more consistent approach to the inspection of the network of coastal defence systems. This must include recommendations to improve the efficiency and effectiveness of the asset inspection process.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 6

Completion Date: November 2015

Summary of Recommendation Implementation

As with Recommendation 31, the decision was made at an early stage to address the issue across all Risk Management Authorities (RMAs) in Wales, not only those with a coastal element. Once again, the starting point for this piece of work was to investigate what inspections regimes are currently being employed. To capture this information, an additional section was added to the asset data management questionnaire.

The asset inspection section focussed on:

- The method and tools RMAs use to inspect flood risk assets in Wales.
- The frequency of inspection and what information is collected.
- Who carries out the inspections and their qualifications.

Again, there was a good response from the RMAs with both positive and negative trends identified, the main findings were:

- Inspections are being carried out in some form e.g. during culvert grid clearance.
- The majority of assets have at least an annual inspection.
- Few RMAs have a dedicated inspection resource.
- There is little in the way of inspection of third party assets on Ordinary Watercourses.
- There is no consistency in asset condition assessment methodology.
- There is no like-for-like comparison of asset condition between RMAs.

An evaluation exercise looking at the options available in creating a consistent and risk based asset inspection process was carried out. As with the options appraisal made under Recommendation 31, each option identified has its inherent benefits and drawbacks.

Recommendations

The following recommendations are put forward in the main report to create a consistent and effective asset inspection process in Wales:

- The current inspection methodology used in NRW should be adopted across all RMAs in assessing the condition of flood risk assets. This would include the 5 point asset condition grading system.
- T98 accreditation courses in asset inspection to be arranged to train other RMA representatives to carry out flood risk asset inspections for their respective areas.

Recommendation 32 – Coastal Defences

- In the short term, NRW asset inspectors to carry out inspection of the key flood risk assets identified by the other RMAs. It is proposed that inspections in low flood risk areas on Main Rivers will be temporarily stopped or reduced. This will be until representatives of the other RMAs achieve the T98 accreditation in asset inspection and can carry out inspections themselves.
- A rebranded version of the EA Condition Assessment Manual (CAM) to be developed for use across all RMAs in Wales.

Review of coastal asset data on AMX

Whilst the scope of Project 6 covers asset data management and inspection for all of Wales, coastal data stored on AMX was given specific focus. A desk-top exercise was carried out of asset data on the coast with particular interest given to the relationship between inspection frequency and ownership. The main findings of this review were:

- The majority of NRW maintained coastal assets are inspected on a 6 or 12 month frequency. However, there is evidence that Local Authority and third party assets on the coast do not get inspected at the same frequency. Some of these assets provide flood and erosion protection to key infrastructure and industry.

Recommendations following the coastal asset data review:

- South East Area and South West Area of NRW to review their respective coastal datasets to ensure that all flood risk assets have been identified and placed on AMX.
- Blanket annual inspection for all flood risk assets on the coast - irrespective of ownership.

Further information on this Recommendation can be found within the accompanying Project Report 6 – Recommendations 31 & 32.

Recommendation 33 – Coastal Defences

Rec 33: Continue to develop a nationally prioritised programme of coastal modelling and mapping improvements. This must be nationally risk based and consistent.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: Ongoing

Summary of Recommendation Implementation

We will aim to develop and implement a National prioritised programme or Work plan of modelling and mapping within Natural Resources Wales.

This will use the Communities at Risk Register to provide an All-Wales view of risk to develop the National Work plan.

We will aim to balance National-scale projects against local priority projects but using the register ranking to assign priority scores.

The work plan will improve our datasets to provide a more consistent description of risk both fluvial (broad scale) and coastally.

The method for using resources in this National format is still to be agreed, and is subject to the ongoing Business Area Review in Flood Risk Management.

We will also continue to develop our suite of online flood risk information products, which will align with the improvement of the flood risk datasets.

Recommendation 34 – Coastal Defences

Rec 34: Locations and communities which experienced flooding in December 2013 and early January 2014 should be subjected to a risk based assessment to determine if further risk management activity/intervention is needed and can be justified.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: November 2015

Summary of Recommendation Implementation

The Wales Coastal Flooding Review Phase 1 Report identified areas around the coast that suffered impacts from the December 2013 and January 2014 storms. The Phase 2 Report defined this Recommendation, listing different locations around Wales that were flooded in these winter storms.

To complete this Recommendation Natural Resources Wales periodically sought information from Risk Management Authorities for these flooded locations regarding:

- a) Any additional works that have been implemented at this site since the winter 2013/14 storms, or,
- b) Any works that are planned to be implemented at this site in the near future.

These requests were issued in:

- October 2014.
- June 2015.
- October 2015.

Responses have been collated and summarised into the accompanying *Table 2* to show works that have been carried out at these locations between January 2014 and November 2015, together with identification of any further works planned for these locations.

Table 2 - Overview of Flooded Locations

This table has been drawn from Table 5 of the Wales Coastal Flooding Review: Phase 2 Report in providing an overview of locations that experienced the higher numbers of property flooding in December 2013 and January 2014, with a final column added to the right that summarises the updates received from Risk Management Authority partners. This table is not intended to be fully inclusive of all property flooding.

Community name	No properties flooded	Local Authority	Which Event	Status of works carried out
Rhyl (Splash Point)	138 homes	Denbighshire	Dec'13	Denbighshire County Council has developed a Project Appraisal Report for a future East Rhyl Coastal Defence Scheme that is being considered under Welsh Government's Coastal Risk Management Programme. See Recommendation 24 for details.
Kinmel Bay	8 homes, 1 supermarket	Conwy	Dec'13	Repair works completed and no further work planned.
East of Pwllheli	Caravan park	Gwynedd	Jan'14	Repair works completed and identified scope for possible further work.
Llanbedr	4 homes plus farms	Gwynedd	Jan'14	Repair works completed and no further work planned.
Barmouth	15 homes, 2 commercial	Gwynedd	Jan'14	Gwynedd Council is seeking to progress coastal defence schemes at both the north promenade area and Viaduct Gardens via Welsh Government's Coastal Risk Management Programme.
Borth	12 homes, 2 non-residential	Ceredigion	Jan'14	Repair/reinstatement works were undertaken at Borth, Aberystwyth, Aberaeron and Llangrannog following the storms. Ceredigion County Council is seeking to progress coastal defence schemes at Aberystwyth and Aberaeron via Welsh Government's Coastal Risk Management Programme and is looking to develop future management proposals at Borth and Llangrannog. NRW are promoting a scheme to address tidal inundation and associated flooding problems at Cardigan in conjunction with Dwr Cymru Welsh Water and Ceredigion County Council.
Aberystwyth	23 properties (typically basement flats)	Ceredigion	Jan'14	
Aberaeron	7 properties	Ceredigion	Jan'14	
Cardigan	30 properties	Ceredigion	Jan'14	
Lower Town Fishguard	13 homes, 2 non-residential	Pembrokeshire	Jan'14	Ongoing community resilience project. All planned works now complete.
Little Haven	4 homes, 3 non-residential	Pembrokeshire	Jan'14	Repair works now complete and no further work planned.
Amroth	4 homes, 1 caravan park, 1 non-residential	Pembrokeshire	Jan'14	Repair works now complete and no further work planned.
Carmarthen Bay Holiday Park near Kidwelly	70 chalets, 6 static caravans flooded.	Carmarthenshire	Jan'14	Privately owned defence. Unknown whether structural repairs were carried out at this location.

Table 2- Overview of Flooded Locations

Recommendation 35 – Coastal Defences

Rec 35: Near miss locations and locations subjected to substantial foreshore change should be identified and subjected to a risk based assessment to determine if further risk management activity/intervention is needed and can be justified.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: November 2015

Summary of Recommendation Implementation

The Wales Coastal Flooding Review Phase 1 Report identified areas around the coast that suffered impacts from the December 2013 and January 2014 storms. The Phase 2 Report outlined this recommendation, listing over 30 different locations around Wales that had experienced 'near misses' in these winter storms.

To complete this Recommendation Natural Resources Wales periodically sought information from Risk Management Authorities for these 'near miss' locations regarding:

- a) Any additional works that have been implemented at this site since the winter 2013/14 storms, or,
- b) Any works that are planned to be implemented at this site in the near future.

These requests were issued in:

- October 2014.
- June 2015.
- October 2015.

Responses have been collated and summarised into the accompanying *Table 3* to show works that have been carried out at these locations between January 2014 and November 2015, together with identification of any further works planned for these locations.

This table has been drawn from Table 6 of the Wales Coastal Flooding Review: Phase 2 Report in providing an overview of 'near miss' locations that came close to more significant flooding in either December 2013 or January 2014, with a final column added to the right that summarises the updates received from Risk Management Authority partners.

Community name	County/Authority	Which event	Status work carried out
Prestatyn (Tower Gardens, Central Beach)	Denbighshire	Dec'13	Flood walls and a steel flood gate at the crest of the beach access ramp have been installed to replace stop logs at Tower Gardens, Prestatyn.
Llanfairfechan	Conwy	Dec'13	Repair works now complete and no further work planned.
Hen Wrych	Conwy	Dec'13	Repair works now complete and no further work planned.
Pensarn Shingle Bank	Conwy	Dec'13	Repair works now complete and no further work planned.
Abererch and Traeth Crugan	Gwynedd	Jan'14	Repair works now complete and no further work planned.
Borth-y-Gest	Gwynedd	Jan'14	Repair works now complete and no further work planned.
Ceredigion – various locations	Ceredigion	Jan'14	Repair/reinstatement works were undertaken at Aberaeron South and Tresaith following the storms and no further work planned.
Loughor, Burry Port, Llansteffan, Pendine and Machynys.	Carmarthenshire	Jan'14	Works have been undertaken at Burry Port. Minor repairs have been undertaken at Llansteffan and Pendine, with no further work planned. Minor repairs completed and regular inspection and monitoring undertaken at Loughor and Machynys.
Mumbles	Swansea	Jan'14	Repair works now complete and no further work planned.
Swanbridge	Vale of Glamorgan	Jan'14	Repair works now complete and no further work planned.
Sandy Bay, Porthcawl	Bridgend	Jan'14	Repair works now complete and no further work planned.
Shaftesbury and Crindau	Newport	Jan'14	Repair works now complete and no further work planned.
Northern and Hawarden Embankments along Dee from Connah's Quay to Chester	NRW	Dec'13	Repair works now complete and no further work planned.
Abererch	NRW	Jan'14	Repair works now complete and no further work planned.
Newton (near Porthcawl)	NRW	Jan'14	Repair and improvement works completed, with no further work planned.
Caerleon	NRW	Jan'14	Works are currently ongoing by NRW to raise the standard of protection around the Isca Road area of Caerleon.

Table 3 - Overview of 'near miss' locations

Recommendation 36 – Coastal Defences

Rec 36: Complete the ongoing update to the Phase 1 ‘rapid’ assessment of environmental changes experienced during the December 2013 and January 2014 storms.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: December 2014

Summary of Recommendation Implementation

In December 2013 and January 2014, significant storm surges and relatively powerful waves, in combination with high tides, caused considerable disruption along the Welsh coast.

Following the storms, we carried out an environmental audit of the storms' impact on wildlife and coastal conservation sites.

This report identifies a number of areas of further work, through the creation of fifteen recommendations.

Recommendation 36 has been completed via publication of Duigan C, Rimington N & Howe M (Eds) 2014. *Welsh Coastal Storms, December 2013 & January 2014 – an assessment of environmental change*, NRW Evidence Report 33.

The report can be found at:

<http://naturalresources.wales/media/1069/welsh-coastal-storms-december-2013-and-january-2014-an-assessment-of-environmental-change.pdf>

Recommendation 37 – Coastal Defences

Rec 37: Carry out a national skills and capacity audit for all Risk Management Authorities to assess and quantify the scale of the issue – to assess the size of the skills and capacity gap.

Produce an options document for how the skills and capacity gap could be addressed to meet present day flood risk management needs and future challenges.

Recommendation Lead: Welsh Local Government Association

Project Reference: Project 7a

Completion Date: December 2015

Summary of Recommendation Implementation

An online survey was the preferred option to collate the information required to produce rec 37 report. It was sent out to all 22 Lead Local Flood Authority (LLFAs) and Natural Resources Wales (NRW) on June 10th 2015 with a 4 week window to complete and return.

The survey was completed by 45 respondents: 44 Flood Risk Management (FRM) practitioners from 22 LLFAs and 1 from NRW covering their full Flood Coastal Erosion Management (FCERM) function. The survey didn't include Operations and Emergency Planning but mostly focussed on those delivering FCERM duties under the Flood & Water Management Act.

A findings report was consequently produced and presented to Welsh Government (via email) on January 27th 2016 following a review and approval from The Coastal Delivery Board. The report includes 6 short-term recommendations and 2 long-term. RMAs, WG and the WLGA have been highlighted as the key players to take forward these recommendations.

Conclusion

It is apparent that only providing training to practitioners to '*fill in the knowledge gap*' is not going to reverse the current trend but merely turn practitioners into knowledgeable clients although this approach is necessary to enable practitioners to challenge contractors' proposal and ensure best use of public monies.

Flood risk management is a long-term issue currently being tackled with a short-term solution. To ensure long-term planning, succession and resilience Risk Management Authorities and Welsh Government need to look at a more sustainable approach to flood risk management.

Next steps

- One of the recommendation highlighted in the report: Providing an initial round of coastal training to LLFAs and NRW has already been completed.
- The WLGA has engaged with Institute of Civil Engineers (ICE) and Chartered Institution of Water and Environmental Management (CIWEM) to look at developing long-term and up to date training and to give LLFAs officers the opportunity to gain membership with these organisations and continuous support and training through reviews.
- We will be starting in the 3rd quarter of 2016 an awareness raising campaign with Head of Service and Directors on the importance of succession planning.
- We have been in discussion with NRW to develop a Project Management Toolkit more specific to FCERM or Highways type scheme.
- The remaining of our recommendations will be embedded in the WLGA Flood & Water Work Programme which is currently funded until March 2018.

Further information on this Recommendation can be found within the accompanying Project Report 7a – Recommendations 37.

Recommendation 38 – Coastal Defences

Rec 38: Clarify roles and responsibilities amongst risk management authorities at both the local and national level as required.

Develop consistent and common communication messages and tools to convey roles and responsibilities to communities.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 7b

Completion Date: March 2016

Summary of Recommendation Implementation

This Recommendation was one of the top six priority themes from the Phase 2 Review and arises from the Coastal Review identifying that the national network of coastal defences and the flood risk management service as a whole in Wales is complex and multi-faceted. In some locations and aspects of work this has contributed to a lack of clarity about roles and responsibilities within risk management authorities. This lack of clarity can in part contribute to community confusion and frustration. Improved clarity of roles and responsibilities will also improve the efficient and effective delivery of flood and coastal risk management outcomes.

Practical delivery of this Recommendation has focused on coastal rather than all flood risk sources and on routine asset management considerations rather than those related to operational incident response as covered under Project 4 - Recommendation 20.

Consultation to inform delivery of this Recommendation has occurred through a workshop with Risk Management Authority partners in March 2015, a questionnaire exercise from July to September 2015 and ad-hoc feedback gathered from routine meetings of Regional Flood Risk Management Groups and Coastal Groups in Wales.

The overall view from consultation was that a clarification of roles and responsibilities at the coast would be helpful but that the extent of current issues and queries amongst Risk Management Authorities did not appear to merit any formal change to the existing arrangements. Consultees demonstrated a good level of understanding of existing legislation and Welsh Government's National FCERM Strategy. Collectively, the three main concerns noted in the consultation were:

- Resource limitations impacting upon effective delivery of roles and responsibilities;
- The need to mitigate organisational risk when conducting routine operations at the coast, and;
- How to optimise collaborative working at the local level.

The following two future Recommendations are generated in this report:

Recommendation 1: A national coastal overview map for Wales should be produced which can be used as a management tool by all Risk Management Authorities and to inform the public and other organisations.

Recommendation 2: NRW develop and maintain a national register of third party owned coastal flood and erosion assets.

Further information on this Recommendation can be found within the accompanying Project Report 7b – Recommendations 38.

Recommendation 39 – Coastal Defences

Rec 39: Undertake a review of Welsh Coastal Groups and the Wales Coastal Group Forum. This review should include, as appropriate, links and relationships with other similar groups who have a role in the management of flood and coastal erosion risks.

This review should identify improvement options to maximise efficient and effective delivery of flood and coastal risk management.

Recommendation Lead: Welsh Government

Project Reference: Outside Projects

Completion Date: July 2016

Summary of Recommendation Implementation

Project 8 is fully implemented through Recommendation 39. This recommendation charges the Welsh Government to:

Undertake a review of Welsh Coastal Groups and the Wales Coastal Group Forum. This review should include, as appropriate, links and relationships with other similar groups who have a role in the management of flood and coastal erosion risks.

This review should identify improvement options to maximise efficient and effective delivery of flood and coastal risk management.

The review was undertaken through 3 stages:

Stage 1: A questionnaire was sent to the 15 Welsh Maritime Local Authorities (MLAs), Natural Resources Wales (NRW) and the Welsh Local Government Association (WLGA) during June 2015 with responses received by July 2015. As part of this exercise, a request for the Terms of Reference (ToR) of each Coastal Group was also sent during July 2015.

Stage 2: Informal interviews with individuals from selected organisations including NRW and WLGA.

Stage 3: Desk based analysis of the summary of questionnaire responses, ToRs and a wider desk based literature review of the governance around coastal flood risk management in Wales was undertaken through the Winter 2015 & Spring 2016.

The following actions were proposed:

Action 1: Coastal Groups and Forum to form part of the wider governance structure around the planned Flood and Coastal Erosion Committee. This would involve a two way process, with the Coastal Groups providing information and advice, while taking account of the strategic priorities of the Committee.

Action 2: Coastal Groups seek to contribute towards the following national strategic aims:

- a) Contributing along with Local Authorities, Welsh Government and NRW towards the development of a toolkit for coastal adaption of communities for SMP implementation;
- b) Working with a re-established Wales Coastal Monitoring Centre (WCMC) to enable the collation and standardisation of Welsh coastal monitoring data.

Action 3: Coastal Forum to standardise the Terms of Reference of the Coastal Groups, including encouraging consistency in the calculation of subscription rate and membership organisations.

Further information on this Recommendation can be found within the accompanying Project Report 8 – Recommendations 39.

Recommendation 40 – Coastal Defences

Rec 40: The Wales Coastal Monitoring Centre submitted a business case for the future of the centre to Welsh Government in December 2013. This business case should be determined by Welsh Government.

Recommendation Lead: Natural Resources Wales

Project Reference: Outside Projects

Completion Date: Winter 2015

Summary of Recommendation Implementation

The business case was assessed by the Welsh Government during 2015 with the result that the need for a Wales Coastal Monitoring Centre was accepted.

The financial and operational implications of the business case were however deemed to be unsustainable given the uncertainty on the flood programme budget during Autumn/Winter of 2015.

Welsh Government is working with local authorities, the Welsh Local Government and NRW to establish a sustainable operating model that meets user requirements. It is intended to complete this within FY 2016-17.

Recommendation 41 – Coastal Defences

Rec 41: Welsh Government should endorse the strategic framework established by the Shoreline Management Plans (SMP2). This should be accompanied by more national and local support to communities and community involvement in the development of local adaptation options and plans.

Develop a ‘local adaptation toolkit’ to better support communities. This may include technical guidance, templates, and engagement and communication tools and policy positions.

Local discussions in all coastal communities need to begin now, involving professional partners and the community. These discussions should consider communities on a risk basis. These discussions need to explore and develop local plans to adapt and increase resilience over time.

Support and draw upon the experience of the Fairbourne multi-agency group to help inform adaptation and community resilience discussions at other locations.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 9

Completion Date: Ongoing

Summary of Recommendation Implementation

The Minister for Natural Resources signed-off each of the four second edition Shoreline Management Plans (SMP2) for Wales between October and December 2014. Welsh Government has confirmed this documentation equates to approval of both the IROPI (imperative reasons of overriding public interest) test and the coastal management policies contained within the SMP2s.

Delivery and communication of SMP2s needs to be done at a local level, understanding local issues and needs and involving local communities. Welsh Government can provide strategic direction and support, however decision making, planning and adaptation needs to be delivered locally.

In spring 2014, Gwynedd Council initiated the Fairbourne: Moving Forward project (<http://fairbourne.info/>) with the project’s vision being ‘to ensure that the community of Fairbourne get the help they need in relation to matters affected by the SMP2’ and the project’s mission being to ‘work on a multi-agency basis, facilitating access to the necessary information and resource required to guide and support the community of Fairbourne, over the next 40 years’. Phase 1 of the project aimed to address immediate problems including communication, emergency response and planning procedures, the impact of the information provided by the SMP2 and co-ordinating the short term response to the storms that occurred during the early part of 2014. Fairbourne: Moving Forward produced their first Annual Report in May 2015, reflecting on progress made. Structure to the project has evolved over time, with five task and finish groups that achieved their initial objectives having merged into one working group that meets monthly and reports quarterly to a multi-agency Project Board. The project has submitted bids to Welsh Government for funding of work streams including the scoping of a ‘buy to let’ scheme, investigating ‘the effect the SMP2 has and will have on the people an community of Fairbourne, ‘building community resilience and self-sufficiency’ and routine project management. The current Phase 2 of the project aims to focus

Recommendation 41 – Coastal Defences

on further understanding risk to the community through development of a draft Masterplan in 2016/17 to support implementation of change in the medium term.

In autumn 2015, Welsh Government appointed JBA Consulting Ltd and Icarus on a research contract through to the end of 2017 to support learning from the experience of the SMP2 at Fairbourne. The first, reflective stage of the research aims to get a good independent understanding of the impact on the community of the SMP2 and the subsequent process of engagement and consultation, appraising what went well and what could be improved. In the second stage, the researchers will form a 'critical friend' to the Fairbourne: Moving Forward project and the Fairbourne Facing Change Community Action Group, via attending key meetings, talking to everyone involved and feeding back learning and recommendations from observations in Fairbourne and elsewhere on a regular basis. It is hoped the research findings will not only support the community engagement process in Fairbourne, but also help other coastal communities at risk across Wales and beyond.

In November 2015 the National Trust published their 'Shifting Shores - playing our part at the coast' (<https://www.nationaltrust.org.uk/documents/shifting-shores-report-2015.pdf>) capturing collectively the progress made against goals set out in its 2005 'Shifting Shores' report. The wider challenges posed within the report for Wales focused upon a) long-term planning (to review the Coastal Groups (see Recommendation 39); to re-establish a coastal monitoring facility (see Recommendation 40); to develop a coastal adaptation toolkit to support local change (as per this Recommendation 41), and; to turn policy into action and establish a target against which progress in moving the coastal adaptation agenda forward can be assessed) and b) Government co-ordination and innovation (including to review Technical Advice Notes (TAN) 14 and 15 (see Recommendation 42); to make SMP2 implementation a requirement within the development of local plans; to develop a national policy to support adaptive coastal change management, and; to implement Welsh Government's Coastal Risk Management Programme (see Recommendation 28 and 30). An associated 'Shifting Shores' seminar was held in Swansea on 26th November 2015. An important seminar outcome was the need for early, transparent community engagement, especially involving the process of building of trust between the statutory bodies, other stakeholders and residents. The National Trust's coastal adaptation sites have great potential to demonstrate managed realignment in the future, which in turn could inspire other similar projects. Consequently, the National Trust is promoting the concept of coastal adaptation strategies for their most at risk sites, with projects being currently initiated for Cemlyn on Anglesey and at Aberdaron, Porthdinllaen and Llandanwg in Gwynedd, in collaboration with the relevant Local Authorities and NRW.

It is hoped that findings from the above initiatives over the coming years will feed into 1) any future change to coastal planning policy by Welsh Government, and 2) future development of a 'local adaptation toolkit' to better support communities and the practical delivery of coastal adaptation on the ground. This should be prepared and led by the Coastal Groups, with support from Natural Resources Wales, the Welsh Local Government Association and Welsh Government. For this reason, Recommendation 41 remains ongoing.

Rec 42: Review and evaluate existing barriers and gaps to supporting coastal adaptation and make recommendations for improvement.

Review, where necessary, existing climate change guidance to ensure the most appropriate approach is being used by all parties involved in all aspects of flood and coastal erosion risk management (i.e. all Government departments, RMAs infrastructure and utility operators).

Recommendation Lead: Natural Resources Wales

Project Reference: Project 9

Completion Date: March 2016

Summary of Recommendation Implementation

This Recommendation has been addressed in two parts, as described below:

i) Reflection on relevant external publications.

May 2015 saw publication of Fairbourne: Moving Forward's '*first Annual Report*', which noted a key barrier to effective planning as the uncertainty associated with SMP2 timescales. This uncertainty is recognised as a core concern to residents, affecting the way in which they can plan for and invest in their future, and has negative impacts upon: people (loss of asset value, reduced mobility and reliance on health and basic services); community coherence (a lack of clarity on actions needed brings apathy, and reduced confidence in the community); investment (negative perception and decreasing business opportunities detract from investment and economic prosperity); planning (in the absence of a clear adaptation management plan, planning constraints would apply in a manner potentially not reflecting the specific time limited needs of the community), and; risk management (without a future plan there is a real risk that investment in defences is reduced and that improvements are made in a piecemeal, reactive manner, bringing higher risk, earlier damages or inappropriate over investment giving asset redundancy). A further barrier is the challenge of 'eventuality planning' i.e. the inevitable lack of understanding of what the future will look like in reality and how best to prepare for that scenario. This barrier that will be tackled through development of a draft masterplan for Fairbourne in 2016/17.

In November 2015, the National Trust published '*Shifting Shores – playing our part at the coast*' (<https://www.nationaltrust.org.uk/documents/shifting-shores-report-2015.pdf>) capturing its own performance against goals set out in its 2005 '*Shifting Shores*' report, as well as overall progress by Government and RMAs in managing and adapting to coastal change. An associated seminar was held in Swansea on 26th November 2015. Outputs identified a key barrier to coastal adaptation as being the understandable reluctance of local authorities and/or landowners to embark on community engagement relating to potentially controversial issues, in view of the recognition that any future loss of funding on community engagement projects would cause a serious setback in relations and cooperation. A further barrier was funding, where the long-term financial implications of SMP2s policies should be flagged as part of long-term budget needs, especially where relating to managed realignment causing impact on communities.

The England & Wales FCERM R&D programme published '*Adapting to Coastal Erosion: Evaluation of rollback and leaseback schemes in Coastal Change Pathfinder projects*': (<http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&ProjectID=19218&FromSearch=Y&Publisher=1&SearchText=FD2679&SortString=ProjectCode&SortOrder=Asc&Paging=10#Description>) in December 2015. This research looked at key mechanisms

Recommendation 42 – Coastal Defences

explored by local authorities in five of the English coastal change adaptation pathfinders relating to 'rollback' (the relocation/replacement of at risk property and infrastructure to areas inland away from the eroding coastline). Barriers to undertaking rollback varied, with the most common being problems associated with 1) selecting land for rollback, 2) a lack of community awareness or understanding of erosion and the rollback process and 3) funding constraints e.g. the ability for property owners to afford to buy land and rebuild. The research identified three planning policies with the potential to enable rollback, being: allow for conversion of at risk buildings to temporary, alternative use e.g. holiday lets; make rollback development an exception to avoid excessive development; and enable development with clear policies and legal obligations to avoid misuse.

A common theme from the above research, and therefore a recommendation for future improvement, is for informed RMAs to increase their effective communication and engagement with coastal communities at risk, the media, planners, estate agents and mortgage providers on the challenge and opportunities for coastal adaptation.

ii) Discussion with Welsh Government (WG).

NRW are working closely with WG to review the climate change guidance used for FCERM and development planning purposes. In line with planning policy, new development decisions should take into account the potential effects of climate change over the lifetime of a development, including a flood event which has a 0.1% annual probability of occurrence. This planning policy requirement was clarified in a Chief Planning Officers letter in January 2014. The letter acted as a catalyst for NRW and WG to further discuss the implications climate change may have on future development, particularly at the coast. There is also a requirement on RMAs to factor in the predicted effects of climate change on future sea and river levels in FCERM scheme design.

Although current planning policy advises that the climate change allowances provided in the latest project appraisal guidance should be used, there is currently no aligned set of climate change guidance for FCERM and development planning. This is a priority issue to be addressed.

NRW and WG are now working together on a task that will provide clarity to Local Planning Authorities on the climate change allowances that should be using for planning purposes. These will be informed by the latest available information on climate change projections and will align with allowances used in England and Scotland, as well as those used by RMAs in Wales for FCERM projects. Guidance will be developed and issued with an accompanying Chief Planning Officers letter confirming which set of figures should be used. It is anticipated that this will be issued in September 2016, with adoption of the revised allowances taking full effect by 1st October 2016. The guidance will be reviewed when more up-to-date climate change research is available.

WG have also confirmed the intention to undertake a factual update of Planning Policy Wales Technical Advice Note 15 (TAN15): Development and Flood Risk (July 2004). The update will not be an amendment to planning policy, but intends to bring the document up to date with current thinking and provide clarity on certain aspects that are open to interpretation. This task should help deliver a consistent and appropriate approach to decision making for future development, helping to reduce long term flood risk to people and communities. NRW has been invited to contribute to this work, which is scheduled for completion in 2017.

Through delivery of these two tasks, much of Recommendation 42 will have been carried out.

Recommendation 43 – Infrastructure Resilience

Rec 43: Review and make recommendations for how Risk Management Authorities and infrastructure and utility operators can work together operationally more efficiently and effectively. This should consider a range of working agreements to ensure clarity of roles and responsibilities between professional partners and for communities.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 10

Completion Date: November 2015

Summary of Recommendation Implementation

Natural Resources Wales created a questionnaire which was sent out to 15 Coastal Risk Management Authorities (RMAs), Local Resilience Forums (LRFs), the Wales Utility Group (WUG), Network Rail (NR) and the Trunk Road Agencies within Wales.

This consultation process was to help identify:

- Current levels of awareness and involvement from infrastructure operators and managers;
- Concerns or barriers that restrict the involvement of other organisations;
- Suggestions on how improved involvement can be achieved and implemented.

A total of 26 consultation responses were received. The key points raised were that:

- There needs to be greater clarity on roles and responsibilities in the flood incident management processes.
- There needs to be better working relationships between RMAs and Infrastructure providers and utility operators.
- There should be an annual commitment to developing and undertaking flooding exercises.

Summary:

The consultees for how RMAs, infrastructure providers and utilities operators can work together more efficiently and effectively provided a variety of recommendations. The recurring themes were clarity on roles and responsibilities, working agreements between organisations, a mechanism to store and share information and annual exercises or training undertaken jointly.

After considering the information gathered, the following solution has been proposed in addition to the solution proposed for Recommendation 18:

A structured programme of incident response exercises is developed by the Wales Learning and Development Group to test strategies and develop greater links.

Further information on this Recommendation can be found within the accompanying Project 10 Report – Recommendations 18, 43, 44, 45, 46 & 47.

Recommendation 44 – Infrastructure Resilience

Rec 44: Review and make recommendations if more needs to be done to enable infrastructure and utility operators to effectively work together and interact on issues of mutual interest. This may include a review of the role and remit of the Wales Utility Group and other options.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 10

Completion Date: November 2015

Summary of Recommendation Implementation

Natural Resources Wales created a questionnaire which was sent out to 15 Coastal Risk Management Authorities (RMAs), Local Resilience Forums (LRFs), the Wales Utility Group (WUG), Network Rail (NR) and the Trunk Road Agencies within Wales.

This consultation process was to help identify:

- Current levels of awareness and involvement from infrastructure operators and managers;
- Concerns or barriers that restrict the involvement of other organisations;
- Suggestions on how improved involvement can be achieved and implemented.

A total of 26 consultation responses were received. The key points raised were that:

- There is a need for clarity on the role and remit of WUG.
- There needs to be a reinvigoration of the group to include the transport sector and RMAs.
- RMAs reported limited awareness and interaction with WUG.
- WUG can be a good forum if the right members are together.

After considering the information gathered, the following solution has been proposed:

The Wales Utilities Group is reinvigorated as the Wales Infrastructure Group (WIG) with Network Rail and the Trunk Road Agents invited to attend as new members. A representative for Flood and Coastal Risk Management Authorities is also invited to attend on behalf of all 22 Lead Local Flood Authorities across Wales. The broader membership will help establish better understanding between organisations and better working relationships. The reinvigoration needs to be supported by a new chair elected within the group with Welsh Government taking on a supportive role by providing administrative and secretariat support to the group.

Further information on this Recommendation can be found within the accompanying Project Report 10 - Recommendations 18, 43, 44, 45, 46 & 47.

Recommendation 45 – Infrastructure Resilience

Rec 45: Encourage and support the development of programmes of works to increase resilience of infrastructure and utility assets. These must be aligned with local community adaptation planning.

Review where appropriate if there are regulatory barriers to obstruct this process of adaptation and identify regulatory improvements, which could help adaptation.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 10

Completion Date: November 2015

Summary of Recommendation Implementation

Natural Resources Wales created a questionnaire which was sent to the Wales Utility Group (WUG), Network Rail (NR) and the Trunk Road Agencies within Wales.

This consultation process was to help identify:

- Current programmes of work to increase resilience;
- Regulatory barriers that obstruct the process of adaptation;
- Suggestions of how improved involvement can be achieved and implemented.

The key findings were that:

- Most infrastructure operators and utility providers have work programmes to increase resilience.
- There were no barriers identified that could obstruct the process.

Summary:

Most infrastructure providers and utility operators in Wales have work programmes to some extent to help increase resilience to all sources of flooding. Opportunities could be gained through joint forward planning between organisations.

Further information on this Recommendation can be found within the accompanying Project Report 10 - Recommendations 18, 43, 44, 45, 46 & 47.

Recommendation 46 – Infrastructure Resilience

Rec 46: Review and evaluate at the national Wales level, the impacts of climate change scenarios on Network Rail infrastructure and highways infrastructure around the Welsh coastline and the long-term adaptation options.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 10

Completion Date: November 2015

Summary of Recommendation Implementation

Natural Resources Wales created a questionnaire which was sent to Network Rail and the Trunk Road Agencies within Wales for completion. Separate meetings were held with both parties. This consultation process was to help identify:

- Current awareness and planning by each organisation for climate change;
- Concerns or barriers that restrict long term adaptation planning, and;
- Suggestions for how greater infrastructure resilience can be encouraged and delivered.

Both Network Rail and the Trunk Road Agencies are reviewing the impact of climate change scenarios on their infrastructure around the Welsh coastline. Both are also considering long-term adaptation options to protect their networks in the future. Both organisations acknowledge that financial pressures can restrict the present level of work and planning for climate change.

After considering the information gathered, it is suggested that this Recommendation remains ongoing to monitor long term adaptation options.

Further information on this Recommendation can be found within the accompanying Project Report 10 - Recommendations 18, 43, 44, 45, 46 & 47.

Recommendation 47 – Infrastructure Resilience

Rec 47: Undertake a periodic national assessment of infrastructure and utility resilience across Wales, in order to provide assurance of a national progress towards increased resilience to coastal flooding and erosion risks.

Recommendation Lead: Natural Resources Wales

Project Reference: Project 10

Completion Date: November 2015

Summary of Recommendation Implementation

Natural Resources Wales undertook an online assessment study of infrastructure operators and utilities providers to assess what they are currently doing to address resilience and climate change. This information was collated into a table which captures whether operators and providers have produced and promoted their own resilience and climate change programmes for the short and long term.

The study indicated that many operators and providers have plans in place to increase resilience to coastal flooding and erosion risks.

After considering the information gathered, the following solutions have been proposed: In order to demonstrate progress towards increased resilience, this assessment should be undertaken annually with involvement from organisations to provide assurance of progress.

The newly revised Wales Infrastructure Group (see summary sheet R44) will take on the responsibility of undertaking an annual National assessment of infrastructure and utility resilience to flood and coastal erosion risks to demonstrate progress towards a more resilient Wales. This should be reported to the Welsh Government Resilience department annually as evidence.

Further information on this Recommendation can be found within the accompanying Project 10 Report – Recommendations 18, 43, 44, 45, 46 & 47.

Outputs from all Phase 2 Recommendations

Through implementation of the Delivery Plan in 2015/16, some Recommendations have been entirely completed through closure of an action (e.g. Recommendations 1 and 2 were completed through publication of the Delivery Plan) where no further work is necessary. Some Recommendations however are deemed complete through the creation of an output that presents a preferred option or proposal(s) for future consideration. Progression of the 7 ongoing Recommendations may also have identified proposals for future consideration to date despite only being currently incomplete.

Table 4 below captures the proposals for future consideration that have been generated during 2015/16 from the above scenarios:

Delivery Plan Rec. No	Proposal for future consideration
Rec. 7	<ul style="list-style-type: none"> • Stage 1 - Short Term Response: Provide generic information on a more local level to partners via email. • Stage 2 - Long Term Response: Provide more detailed forecast information to partners.
Rec. 13	<ul style="list-style-type: none"> • Better education about risks. This needs to be led on a National Level by NRW, supported by a range of others, specifically the 4 newly formed LRF Community Resilience groups and locally by a wide range of interest groups and individuals.
Rec. 14	<ul style="list-style-type: none"> • Improved Inter-Agency Working, which needs to be supported by Better Engagement at local level.
Rec. 15	<ul style="list-style-type: none"> • Establish an online 'micro site' for Wales that all organisations can signpost public to for consistent advice and information that covers before during and after a flood cycle. • This should be led by the All Wales Community Resilience Group (Welsh Government).
Rec. 16	<ul style="list-style-type: none"> • Consider and disseminate learning from Flood Awareness Wales' Independent Review commissioned by NRW which looks at flood plans and volunteers. • Develop broader resilience plans that incorporate flooding (see Recommendation 14). • Share emergency plans with relevant agencies and increase communication links with the public and partners on a more local level. (See Recommendation 14).
Rec. 17	<ul style="list-style-type: none"> • Consider and disseminate learning from Flood Awareness Wales' Independent Review commissioned by NRW which looks at flood plans and volunteers. • Hold Flood Plan Volunteer Network events. • Develop Volunteer Health and Safety Checklists.
Rec. 18	<ul style="list-style-type: none"> • Resilience Direct is explored as an option for all parties to share and store information at the 'official sensitive' level.

Rec. 21,22 & 23	<ul style="list-style-type: none"> • There are 10 recommendations within the Megacyma Exercise's de-brief report which will be ongoing and monitored by the Wales Flood Group.
Rec. 24	<ul style="list-style-type: none"> • Welsh Government to determine the PAR for the future of East Rhyl Coast Protection Scheme.
Rec 25 & 26	<ul style="list-style-type: none"> • Creation of systems to record information related to temporary and secondary defences (for those who haven't already done so). • Compare inspection regimes between LLFAs and NRW to avoid duplication and overlap. • Share relevant information between RMAs on temporary or secondary defences (locally or regionally). • Focus on the performance of whole defence systems instead of focussing on individual sections. • Welsh Government to review Schedule 1 of the Flood Water Management Act 2010 to enable RMAs to designate third party townscape or landscape assets as secondary defences.
Rec. 31	<ul style="list-style-type: none"> • The NRW AMX asset management system should be used to store flood risk asset information for all RMAs in Wales. Other RMAs to supply NRW with asset data in a suitable format for placement on the NRW AMX system. • Where AMX is being purchased by other RMAs, the same AMX system architecture currently used in NRW, should be used. This will ensure that all asset data fields are consistent across RMAs in Wales. • NRW Area flood risk teams to review their respective coastal asset datasets on AMX. This is to ensure that all flood risk assets have been captured and have the correct inspection frequency assigned to it.
Rec. 32	<ul style="list-style-type: none"> • The current inspection methodology used in NRW should be adopted across all RMAs in assessing the condition of flood risk assets. This would include the 5 point asset condition grading system. • T98 accreditation courses in asset inspection to be arranged to train other RMA representatives to carry out flood risk asset inspections for their respective areas. • In the short term, NRW asset inspectors to carry out inspection of the key flood risk assets identified by the other RMAs. It is proposed that inspections in low flood risk areas on Main Rivers will be temporarily stopped or reduced. This will be until representatives of the other RMAs achieve the T98 accreditation in asset inspection and can carry out inspections themselves. • A rebranded version of the EA Condition Assessment Manual (CAM) to be developed for use across all RMAs in Wales.
Rec. 37	<ul style="list-style-type: none"> • Providing an initial round of coastal training to LLFAs and NRW has already been completed. • The WLGA has engaged with Institute of Civil Engineers (ICE) and Chartered Institution of Water and Environmental Management (CIWEM) to look at developing long-term and up to date training and to give LLFAs officers the opportunity to gain membership with these organisations and continuous support and training through reviews. • We will be starting in the 3rd quarter of 2016 an awareness raising campaign with Head of Service and Directors on the importance of succession planning.

	<ul style="list-style-type: none"> • We have been in discussion with NRW to develop a Project Management Toolkit more specific to FCERM or Highways type scheme. • The remaining of our recommendations will be embedded in the WLGA Flood & Water Work Programme which is currently funded until March 2018.
Rec. 38	<ul style="list-style-type: none"> • A national coastal overview map for Wales should be produced which can be used as a management tool by all Risk Management Authorities and to inform the public and other organisations. • NRW to develop and maintain a national register of third party owned coastal flood and erosion assets.
Rec. 39	<ul style="list-style-type: none"> • Coastal Groups and Forum to form part of the wider governance structure around the planned Flood and Coastal Erosion Committee. This would involve the Coastal Groups taking a strategic lead from the Committee and the Minister, while providing information and advice to the Committee via the Coastal Forum. • Coastal Groups seek to contribute towards the following national strategic aims: <ul style="list-style-type: none"> – Contributing along with Local Authorities, Welsh Government and NRW towards the development of a toolkit for coastal adaption of communities for SMP implementation; – Working with a re-established Wales Coastal Monitoring Centre (WCMC) to enable the collation and standardisation of Welsh coastal monitoring data. • Coastal Forum to standardise the Terms of Reference of the Coastal Groups, including encouraging consistency in the calculation of subscription rate and membership organisations.
Rec. 40	<ul style="list-style-type: none"> • Welsh Government to commence procurement process for Wales Coastal Monitoring Centre.
Rec. 41	<ul style="list-style-type: none"> • To ensure recent and ongoing research will feed into any future change to coastal planning policy by Welsh Government, and future development of a 'local adaptation toolkit' to better support communities and the practical delivery of coastal adaptation on the ground. This should be prepared and led by the Coastal Groups, with support from Natural Resources Wales, the Welsh Local Government Association and Welsh Government.
Rec. 42	<ul style="list-style-type: none"> • Risk Management Authorities to increase their effective communication and engagement with coastal communities at risk, the media, planners, estate agents and mortgage providers on the challenge and opportunities for coastal adaptation. • Welsh Government to develop guidance and issue it to Local Planning Authorities with an accompanying Chief Planning Officers letter confirming which climate change figures should be used by autumn 2016. • Welsh Government to undertake a factual update of Planning Policy Wales Technical Advice Note 15 (TAN15): Development and Flood Risk (July 2004) by end of 2016.
Rec. 43	<ul style="list-style-type: none"> • A structured programme of incident response exercises is developed by the Wales Learning and Development Group to test strategies and develop greater links.

Rec. 44	<ul style="list-style-type: none"> • The Wales Utilities Group is reinvigorated as the Wales Infrastructure Group (WIG) with Network Rail and the Trunk Road Agents invited to attend as new members. • A representative for Flood and Coastal Risk Management Authorities is also invited to attend on behalf of all 22 Lead Local Flood Authorities across Wales.
Rec. 47	<ul style="list-style-type: none"> • The newly revised Wales Infrastructure Group (see above and summary sheet R44) will take on the responsibility of undertaking an annual National assessment of infrastructure and utility resilience to flood and coastal erosion risks to demonstrate progress towards a more resilient Wales. This should be reported to the Welsh Government Resilience department annually as evidence.

Table 4 - Outputs from all Phase 2 Recommendations

Next Steps for the Wales Coastal Flooding Review

There is value in quoting from the Delivery Plan as a reminder of the aspirations behind the Wales Coastal Flooding Review initiative:

'The current flood risk management service in Wales is multi-faceted and in parts complex. Although collectively the Risk Management Authorities (RMAs) performed well during the winter storms of 2013/14, there are challenges and opportunities across all aspects of the service and a collective response, sustained over time, is required to enable Wales to become more resilient to coastal flooding. There is no simple or quick fix solution. These challenges and opportunities are reflected by the scope and scale of the 47 Phase 2 Recommendations.'

The Recommendations are a positive reflection of the ambition and aspiration of Welsh Government and the coastal risk management partners in Wales. They set out a shared framework of practical activities, which over time will deliver increased resilience to communities at risk from coastal flooding and/or coastal erosion in Wales.'

The Wales Coastal Flooding Review initiative has achieved considerable success in promoting collaborative working between RMAs in Wales. Realisation of the full benefits of the 40 completed Recommendations during 2016/17 and beyond will require sustained commitment from RMAs and a focus on continuous improvement opportunities to aim for the intended outcomes to be fully achieved (i.e. through due consideration of the proposals in Table 4 above).

A monitoring and review action should be established for 2016/17 to safeguard momentum of the 7 ongoing Recommendations. The following routes are suggested to further progress these ongoing Recommendations to completion:

- Recommendations 5 (review guidance design of coastal standards and joint probability), 6 (improvements to longer range forecasts), 8 (improvements to the accuracy of the coastal forecasting service) and 33 (developments in the national coastal modelling and mapping programme) are to be taken forward internally by Natural Resources Wales through integration alongside business as usual activities.
- Recommendation 19 (continue to develop potential 'impact scenario' assessments, maps and/or statements) will require further liaison with the Wales Flood Group to gauge level of need and priority to inform Natural Resources Wales' future Flood Incident Management workstreams.
- Recommendation 31 (a national dataset for all flood risk assets, across all key organisations) will require significant and continued collaboration between Welsh Government and all Risk Management Authorities in Wales to share and securely store asset data. This work is progressing well, but will require sustained effort.
- Recommendation 41 (development of local adaptation 'toolkit', to assist communities predicted to experience natural coastal change) will require further liaison with the Wales Coastal Group Forum and the Coastal Groups in Wales to support creation of a toolkit for local coastal adaptation.

Appendix 1: List of Phase 2 Recommendations

	Progressing the Recommendations
1.	<p>The recommendations included in this report are compiled into a Delivery Plan.</p> <p>This Delivery Plan will identify how the recommendations will be progressed. It will consider matters such as; the parties to be involved lead responsibility, priorities, governance and resources and capacity to deliver.</p>
2.	<p>The Delivery Plan should consider opportunities to expand the recommendations beyond just coastal flooding and erosion risks and to consider the link to risks from other sources of flooding.</p>
	Recommendations – Storm Severity
3.	<p>Further work is required to assess the joint probability of wind, waves and tides for these recent winter storms. This may take the form of an initial assessment coupled with consideration of more thorough analysis. The scope of this work will require further technical discussion.</p>
4.	<p>Review and update if required, the extreme sea level dataset around the Welsh coast. The recent tidal conditions are amongst the highest for many years. This dataset may need to be amended.</p> <p>This is to include methods for assessment of joint probability for storm severity.</p>
5.	<p>Review and update if required, the guidance used for the assessment and design of coastal standard of service against flooding. The review should consider whether more clarification is needed, in particular on the issues of the treatment of joint probabilities, in combination effects and appropriate national consistency.</p>
	Recommendations – Flood Forecasting
6.	<p>Continue to identify and implement risk based opportunities to deliver further improvements to longer range forecasts.</p>

7.	Review with partners what additional forecast information could be provided to support local incident management decisions. Identify options and recommendations.
8.	Continue to progress risk based opportunities to deliver improvements to the accuracy of the coastal forecasting service. Develop and deliver a programme of improvement works.
9.	Review the whole wave buoy network around the Welsh coast, including working with UKCMF to address a strategic gap in the offshore wave buoy network in the Irish Sea. This is required to better validate offshore wave forecasts, leading to improvements to the Wales forecasting service. <i>(UKCMF- UK Coastal Monitoring and Forecasting Service)</i>
Recommendations – Flood Warning and Community Response	
10	Complete the ongoing work by summer 2014 to ‘rebrand’ the flood warning service in Wales so that the provider is clearly identified as Natural Resources Wales.
11.	Develop and implement a prioritised programme of improvement works to flood warning areas and thresholds, using the experience and data gathered from these storms. This should include engagement with professional partners and communities as appropriate.
12.	Review and consider additional sources of validation information for future incidents. This has potential to improve confidence in both forecasting and warning. This may involve seeking feedback from professional partners and others.
13.	Work with sample communities to identify options to help sustain an effective local response to flood warnings. This should consider communities where effective response and or confidence in the warning system is low.
14.	Identify and evaluate options to help communities to become more self-sufficient and resilient and identify a recommended option

15.	Produce and communicate nationally consistent, public focused information on the types and availability of property level protection measures and the support available.
16.	Using the experience from these recent storms, identify and evaluate options for the future development of local Flood Plans in coastal areas and identify a recommended option to help these be more effective at improving community resilience.
17.	Using the experience from these recent storms, identify and evaluate options for the future development of local Flood Plan Leads / Warden Volunteers in coastal areas and identify a recommended option.
Recommendations – Operational Response	
18.	Review and identify how to improve involvement of infrastructure operators and managers in the coastal flood risk incident management process.
19.	Continue to develop potential ‘<i>impact scenario</i>’ assessments, maps and/or statements. This work must be developed in close discussion with professional partners to ensure it meets all parties’ requirements.
20.	Review the local decision making process associated with the issue of Severe Flood Warnings and evacuation procedures in December 2013 and early January 2014. Identify improvements and share at an all Wales level.
21.	Assess our national capacity to respond to a widespread and sustained period of coastal flooding. This should include consideration of when the current national resource pool will no longer function effectively. This should also consider post incident recovery issues. Provide a report with recommendations for improvement.
22.	Assess the collective ability to provide an effective response to a potential large scale evacuation scenario in either north east or south east Wales. This should also consider post incident recovery issues. Provide a report with recommendations for improvement.

23.	Review the Wales resilience structures and ways of working to identify what changes may be needed to enable us to collectively be better prepared and resilient to future coastal flooding.
24.	Options to seek improvements to the standard of protection at the Garford Road area of Rhyl should be identified and evaluated. This should include detailed hydraulic analysis of the capacity and performance of the storage lagoon. This should include an assessment of the stairwell and slipway openings and the interaction with the adjacent golf course area.
25.	All Risk Management Authorities (RMAs) around Wales should review their local use of stop boards, stop logs, temporary barriers or moveable gates. The purpose of this review is for RMAs to satisfy themselves that existing arrangements are appropriate and robust. Consideration should be given to replacing existing arrangements with more permanent or more robust temporary solutions. This review should be 'risk based' and focused on the locations with highest local risk.
26.	All Risk Management Authorities (RMAs) around Wales should review locations where they have secondary defence systems in place. The purpose of this review is for RMAs to satisfy themselves that the secondary systems will operate as designed when required. This review should be ' <i>risk based</i> ' and focused on the locations with highest local risk.
Recommendations – Coastal Defences	
27.	<p>There needs to be continued sustained investment to manage the national coastal risks to acceptable levels.</p> <p>This must include flood forecasting, warning, awareness, response and recovery, as well as flood defences. Particular focus has to be on the existing defences to ensure they continue to be fit for purpose, as well as investment in new defences to reduce the flood risk for more locations.</p>
28.	Review and identify options to maximise certainty in flood and coastal erosion risk management funding over a longer timeframe and to maximise flexibility in the use of this funding. This would mean less focus on annual and in year budgets and more focus on delivery and budget management of 3-5 years.

29.	The development of the National Programme of Investment should be progressed as a matter of importance and its development should seek a wide range of ways of working and technical improvements to the flood and coastal erosion risk management investment allocation, decision making and prioritisation process.
30.	Review and identify options to gain additional funding to supplement core flood and coastal erosion risk management investment. This must be closely aligned with the development of the National Programme for Investment.
31.	<p>Produce a complete national dataset of coastal protection and defence assets including details of areas benefitting.</p> <p>It is essential that this dataset becomes a '<i>live management tool</i>' and not merely a representative picture of a snapshot in time. This dataset must therefore be associated with a process for ensuring the information is maintained.</p>
32.	Review and identify options to achieve a more consistent approach to the inspection of the network of coastal defence systems. This must include recommendations to improve the efficiency and effectiveness of the asset inspection process.
33.	Continue to develop a nationally prioritised programme of coastal modelling and mapping improvements. This must be nationally risk based and consistent.
34.	Locations and communities which experienced flooding in December 2013 and early January 2014 should be subjected to a risk based assessment to determine if further risk management activity/intervention is needed and can be justified.
35.	Near miss locations and locations subjected to substantial foreshore change should be identified and subjected to a risk based assessment to determine if further risk management activity/intervention is needed and can be justified.
36.	Complete the ongoing update to the Phase 1 ' <i>rapid</i> ' assessment of environmental changes experienced during the December 2013 and January 2014 storms.
37.	Carry out a national skills and capacity audit for all Risk Management Authorities to assess and quantify the scale of the issue – to assess the size of the skills and capacity gap

	<p>Produce an options document for how the skills and capacity gap could be addressed to meet present day flood risk management needs and future challenges.</p>
38.	<p>Clarify roles and responsibilities amongst risk management authorities at both the local and national level as required.</p> <p>Develop consistent and common communication messages and tools to convey roles and responsibilities to communities.</p>
39.	<p>Undertake a review of Welsh Coastal Groups and the Wales Coastal Group Forum. This review should include, as appropriate, links and relationships with other similar groups who have a role in the management of flood and coastal erosion risks.</p> <p>This review should identify improvement options to maximise efficient and effective delivery of flood and coastal risk management.</p>
40.	<p>The Wales Coastal Monitoring Centre submitted a business case for the future of the centre to Welsh Government in December 2013. This business case should be determined by Welsh Government.</p>
41.	<p>Welsh Government should endorse the strategic framework established by the Shoreline Management Plans (SMP2). This should be accompanied by more national and local support to communities and community involvement in the development of local adaptation options and plans.</p> <p>Develop a ‘local adaptation toolkit’ to better support communities. This may include technical guidance, templates, and engagement and communication tools and policy positions.</p> <p>Local discussions in all coastal communities need to begin now, involving professional partners and the community. These discussions should consider communities on a risk basis. These discussions need to explore and develop local plans to adapt and increase resilience over time.</p> <p>Support and draw upon the experience of the Fairbourne multi-agency group to help inform adaptation and community resilience discussions at other locations.</p>
42.	<p>Review and evaluate existing barriers and gaps to supporting coastal adaptation and make recommendations for improvement.</p> <p>Review, where necessary, existing climate change guidance to ensure the most appropriate approach is being used by all parties involved in all aspects of flood and</p>

	coastal erosion risk management (i.e. all Government departments, RMAs infrastructure and utility operators).
	Recommendations – Infrastructure Resilience
43.	Review and make recommendations for how Risk Management Authorities and infrastructure and utility operators can work together operationally more efficiently and effectively. This should consider a range of working agreements to ensure clarity of roles and responsibilities between professional partners and for communities.
44.	Review and make recommendations if more needs to be done to enable infrastructure and utility operators to effectively work together and interact on issues of mutual interest. This may include a review of the role and remit of the Wales Utility Group and other options.
45.	Encourage and support the development of programmes of works to increase resilience of infrastructure and utility assets. These must be aligned with local community adaptation planning. Review where appropriate if there are regulatory barriers to obstruct this process of adaptation and identify regulatory improvements which could help adaptation.
46.	Review and evaluate at the national Wales level, the impacts of climate change scenarios on Network Rail infrastructure and highways infrastructure around the Welsh coastline and the long term adaptation options.
47.	Undertake a periodic national assessment of infrastructure and utility resilience across Wales, in order to provide assurance of national progress towards increased resilience to coastal flood and erosion risks.

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Archwilydd Cyffredinol Cymru
Auditor General for Wales

Community safety in Wales



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

I have prepared and published this report in accordance with the Public Audit (Wales) Act 2004 and the Government of Wales Act 2006.

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Summary report

Background

- 1 Community safety relates to people's sense of personal security and their feelings of safety in relation to where they live, work and spend their leisure time. Feeling safe influences how people value their community, and is important to people's quality of life often making the difference between people wanting to live and stay in their neighbourhood or not.
- 2 Because community safety covers so many different aspects of life, there is no agreed definition of what community safety is or the services and activities that contribute to delivering it. Commentators have offered a number of broad characterisations that suggest that it is concerned with those activities that prevent, eradicate, or at least contain not just crime, but the things that are disruptive to the quality of life and wellbeing of people. In its broadest sense, therefore, community safety can cover anything that adversely affects people's lives such as poorly lit streets, graffiti or the cleanliness of an area through to services focussed on crime, victims of crime or those living in fear of crime. Community safety can also be subjective with citizens' views on community safety often influenced by the personal circumstances. For example, the challenges of community safety can be very different in an urban or city environment with a concentrated population in comparison to rural communities where the population is dispersed.
- 3 The involvement of local government in addressing community safety was first actively promoted through a joint central government circular issued in 1984¹. Subsequently, the **1991 Morgan Report**², recommended that there should be a clear statutory responsibility on local government for the development and encouragement of community-safety activities. The Morgan Report was built upon by the **1998 Crime and Disorder Act** (the '1998 Act'), which created statutory local community-safety partnerships. The 1998 Act defined the core group of agencies – local authorities, the Police, Fire and Rescue authorities and health boards – involved in these partnerships as well as their functions and role at the local level. The provisions of the 1998 Act placed a duty on local agencies to work together to achieve their goals, and highlighted that local authorities, the police and health authorities together are responsible for achieving community safety. In 2007³ the UK Government introduced a Statutory Instrument that further strengthened arrangements and requires the prescribed authorities set out in the 1998 Act to work together to develop a strategic assessment. The assessment should underpin local strategies and activities and, if done well, will allow for partners to align their work to deliver the greatest impact.

1 Home Office, Department of Education and Science, Department of Environment, Department of Health and Social Security and Welsh Office, **Crime Prevention (Home Office Circular 8/1984)**, Home Office, 1984.

2 Home Office, **Safer Communities: The Local Delivery of Crime Prevention through the Partnership Approach**, Home Office, 1991 ('The Morgan report').

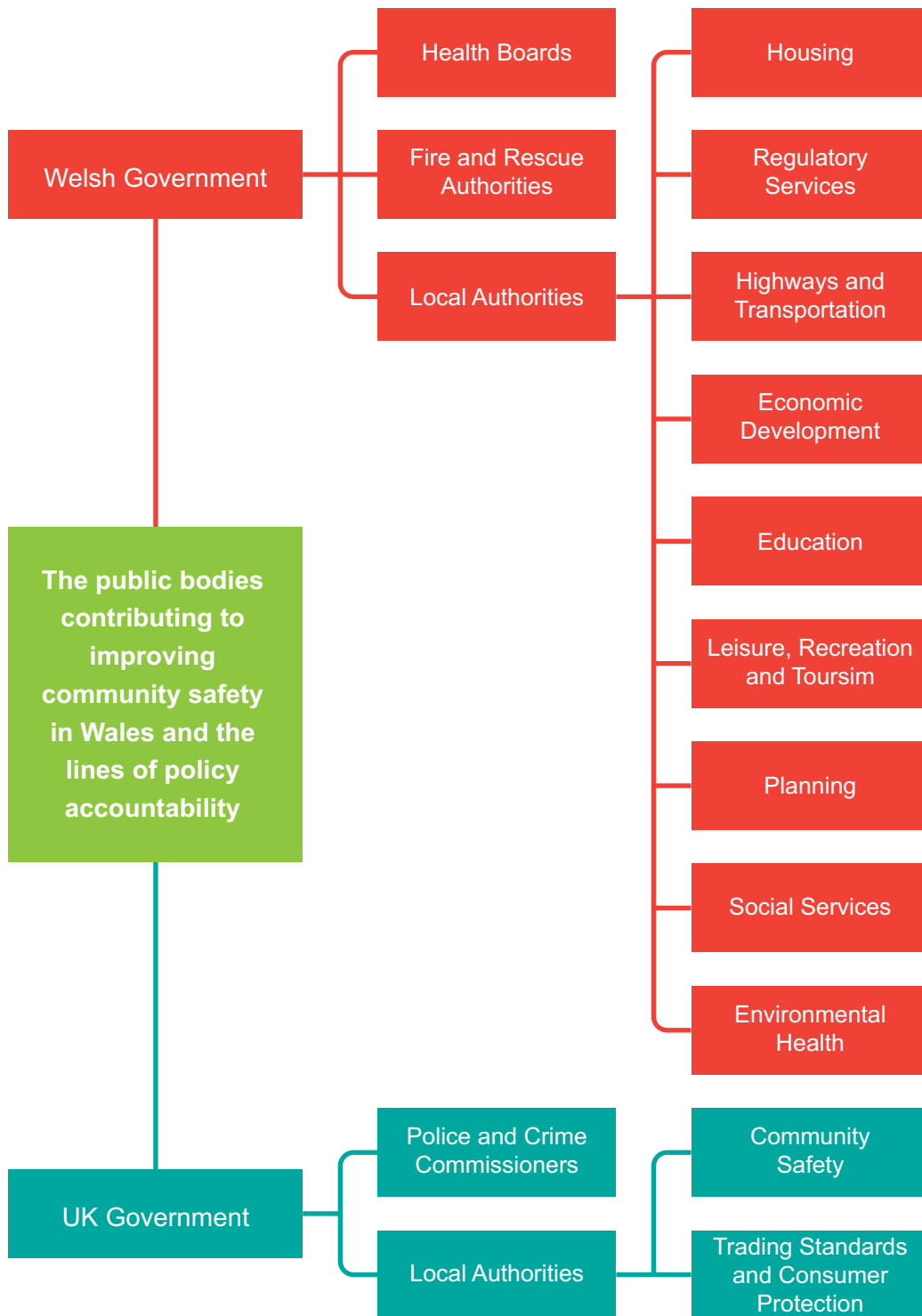
3 Home Office, **Statutory Instrument No. 1831: The Crime and Disorder (Prescribed Information) Regulations 2007**, Home Office, June 2007.

- 4 The most recent major legislative change to the community-safety landscape in England and Wales is the **Police Reform and Social Responsibility Act 2011** (the '2011 Act'). The 2011 Act transferred the control of police forces from police authorities to elected Police and Crime Commissioners and the first police commissioner elections were held in November 2012 and the second elections in May 2016⁴. A key duty of Police and Crime Commissioners is the production of the Police and Crime Plan. Whilst Police and Crime Commissioners are not specifically members of community-safety partnerships they do have community-safety-related powers and duties – including a reciprocal duty to co-operate with community-safety partnerships – and also have powers to directly commission work on addressing community safety.
- 5 Responsibility for the development of policy that contributes to addressing community safety in Wales is split between many different agencies and is complex. The UK Government through the Home Office legislates and provides direction for Police and Crime Commissioners and sets policy in relation to the function of 'community safety' for local government in England and Wales. Responsibilities for community safety are also influenced by the Welsh Government which is accountable for setting the policy for key public agencies such as health boards, Fire and Rescue Authorities and for the major areas of operation of Welsh local authorities. In addition, whilst a wide range of agencies contribute to addressing community safety, the prime responsibilities for setting policy priorities that contribute to addressing community safety in Wales rest with the Welsh Government nationally; Police and Crime Commissioners at a regional level; and local authorities at a local level. **Appendices 1 and 2** set out in more detail the legislative basis and organisational arrangements for community safety in Wales.
- 6 **Figure 1** summarises the line of accountability for the major public bodies and shows that policy and funding decisions are split between the UK and Welsh Governments whilst delivery of the services that impact upon community safety at a regional and local level falls to Police Forces, Police and Crime Commissioners, health bodies and local authorities, amongst others. The approach of the Welsh and UK Governments to addressing community safety are markedly different. The two Governments have different priorities for action which influences how regional and local public bodies operate and work in respect of devolved and non-devolved matters. Arrangements are also subject to change which can offer opportunities to improve how partners work together to deliver services but can also create further complications. Going forward, the introduction of Public Service Boards⁵ is seen by the Welsh Government as playing the key role at local level in focussing public bodies on the agreed priorities of an area, including community safety.

⁴ Elections were held in 40 police-force areas in England and Wales on 5 May 2016 and three of the four Commissioners for Wales changed – Dyfed-Powys, Gwent and North Wales. Our fieldwork with Police Forces and Commissioners was undertaken in 2015-16 prior to the May 2016 elections.

⁵ The Well-being of Future Generations (Wales) Act 2015 establishes statutory Public Service Boards in each local-authority area. The purpose of Public Services Boards is to improve the economic, social, environmental and cultural wellbeing in their area by strengthening joint working across all public services in Wales.

Figure 1 – The public bodies which contribute to addressing community safety in Wales



About this report

- 7 During 2015-16, staff of the Wales Audit Office, on behalf of the Auditor General, examined whether the Welsh Government, Police and Crime Commissioners and local authorities are working together effectively to tackle crime and other public-safety issues that have a negative effect on people's wellbeing. Our study methods are set out in [Appendix 3](#). These included an online survey for citizens to tell us about their views on community safety and how well organisations work to address their needs, and audit fieldwork at the four Police and Crime Commissioners and seven of the 22 local authorities in Wales. Our methodology also included an analysis of reported crime data, budgets and a review of key plans and strategies. Our report also includes examples of good practice in delivering community safety in Wales and we have also published specific reports summarising performance on community safety by each Police Force and Police and Crime Commissioner.
- 8 For the purposes of our review we have judged the effectiveness of delivering community safety against the following criteria – empowered and effective leadership; intelligence-led business processes; engaged communities; partnership working with effective and responsive delivery structures; visible and constructive accountability; and appropriate skills and knowledge. Using this criteria we judge an effective approach to community safety to be one where partners have agreed the actions that prevent and reduce crime, and where responsible public bodies work well together, and with citizens, to support wellbeing and safety in local communities. The approach to community safety should be underpinned by effective visible leadership with partners delivering agreed actions within clear, appropriate and aligned strategies that make the best use of resources and focus on the things that matter.

Main conclusions

- 9 Based on the findings of this audit, the Auditor General has concluded that **complex responsibilities make it difficult for public bodies to co-ordinate a strategic approach to community safety, which weakens collective leadership and accountability and undermines the potential to help people stay safe.**
- 10 Policy responsibilities across the range of community safety activities are split between the UK Government – which is accountable for policing matters, youth justice and counter extremism among other policy areas – and the Welsh Government which is answerable for the bulk of local authority services in Wales, as well as the Fire and Rescue authorities and Health Boards. As a result of devolution the Welsh and UK Government’s policy approach to the various elements of community safety are however developing in different ways and may therefore diverge in practice and approach.
- 11 Local policing in Wales is not devolved and is delivered via four police forces and four Police and Crime Commissioners. They take their lead from the Home Office. To be truly effective the Police need to work with local authorities because local government is responsible for managing the local community safety partnerships. However, community safety partnerships operate at a local authority, not police force, level. The guidance for partnerships is produced by the Home Office to whom they are accountable. However the bulk of public funding to local authorities comes from Welsh Government.
- 12 The complexities of the lines of accountability means that no single body either leads on or takes responsibility for all aspects of community safety within Wales. Some new regional partnership approaches are being established but these are in their early stages of development. The suspension of the all-Wales community-safety advisory board and the diminishing role of the Wales Association for Community Safety Officers (WACSO) are seen by some partners as having reduced opportunities for joint working on community safety. The complexities of delivery and accountability arrangements are reflected in the findings of our citizens’ survey where many respondents are not clear on who is responsible for community safety in Wales.
- 13 The Welsh Government has no single strategy for community safety and has focussed its activity on delivering the **Programme for Government**⁶. Whilst all local authorities and the four Police and Crime Commissioners have plans, these are not consistently aligned to ensure the best use of resources and maximise impact and there are no areas where national, regional and local bodies have the same priority. Disjointed planning and poor co-ordination can create a risk of organisations either duplicating activity or no one focussing on the most important issues.

⁶ The **Programme for Government** is the Welsh Government’s plan for action setting out the key priorities to be delivered during the National Assembly Term 2011-2016.

- 14 Some community-safety plans are not underpinned by good-quality information and have not been updated to reflect changing patterns and trends in community safety, whilst others remain too ambitious and undeliverable. Only 23 per cent of citizens who responded to our public survey stated that they know where to access plans for community safety in their area and only 18 per cent felt that the plans focussed on addressing the most important community-safety issues in their area.
- 15 Funding of community safety has changed significantly in the last six years. Authorities used to receive grants from the Home Office but these are now part of the Police Main Grant. Whilst funding for Police and Crime Commissioners and police forces in Wales has remained stable, in real terms their spending on policing and community safety has fallen. Decisions on where to fund community-safety-partnership activity have mostly followed historical patterns of investment and have not been consistently challenged to ensure grants are used to address the most important issues. The amount of grant monies provided by the Welsh Government to support public bodies in tackling community safety is growing. The complexities of the overall funding regime for community safety, and its short-term nature, are reducing opportunities to improve value for money. Spreading money widely reduces the benefits that can be realised from pooling and targeting funding.
- 16 Cuts to local-authority budgets have resulted in a real terms funding reduction of 32.7 per cent for the management and co-ordination of community safety. Community-safety partnerships recognise that they need to secure alternative sources of funding to sustain their existence but to date little work has been undertaken to access new finance streams. With resources continuing to fall, it is questionable if the current structures for community safety are sustainable or able to deliver what is needed.
- 17 Judging how organisations are improving community safety is difficult. There are no statutory indicators or measures for community safety and no single agency has overall responsibility. Performance is primarily based on Police records and survey findings. Whilst these suggest that crime is now starting to rise after a long period of reported crime falling, historically, crime data has not been reliable. Citizens who responded to our survey feel less safe in their area than they did last year and only 10 per cent are confident that those responsible for community safety are doing a good job.
- 18 Processes for overseeing and challenging performance are not aligned and wide variations in the quality and range of measures, targets and actions make it difficult to demonstrate impact. These conclusions on the effectiveness of performance management arrangements is consistent with the findings of our most recent reviews, and highlights the continuing difficulty public bodies face in collating and evaluating data. Improving data analytics needs addressing if public bodies are to make the right choices on where to invest scarce resources and focus their activity to make the biggest impact.

Recommendations

Recommendations		
R1	Improve strategic planning to better co-ordinate activity for community safety by replacing the existing planning framework with a national strategy supported by regional and local plans that are focused on delivering the agreed national community-safety priorities.	Welsh Government, Home Office Wales Team, Police and Crime Commissioners and local authorities
R2	Improve strategic partnership working by formally creating effective community-safety boards that replace existing community-safety structures that formalise and draw together the work of Welsh Government, police forces, local authorities, health boards, fire and rescue authorities, WACSO and other key stakeholders.	Welsh Government, Police and Crime Commissioners and local authorities
R3	Improve planning through the creation of comprehensive action plans that cover the work of all partners and clearly identify the regional and local contribution in meeting the national priorities for community safety.	Welsh Government, Police and Crime Commissioners and local authorities
R4	Review current grant-funding arrangements and move to pooled budgets with longer-term funding commitments to support delivery bodies to improve project and workforce planning that focusses on delivering the priorities of the national community-safety strategy.	Welsh Government, Police and Crime Commissioners and local authorities
R5	Ensure effective management of performance of community safety by: <ul style="list-style-type: none"> • setting appropriate measures at each level to enable members, officers and the public to judge progress in delivering actions for community-safety services; • ensuring performance information covers the work of all relevant agencies; and • establishing measures to judge inputs, outputs and impact to be able to understand the effect of investment decisions and support oversight and scrutiny. 	Welsh Government, Police and Crime Commissioners and local authorities
R6	Revise the systems for managing community-safety risks and introduce monitoring and review arrangements that focus on assuring the public that money spent on community safety is resulting in better outcomes for people in Wales.	Police and Crime Commissioners and local authorities
R7	Improve engagement and communication with citizens through Public Service Boards in: <ul style="list-style-type: none"> • developing plans and priorities for community safety; • agreeing priorities for action; and • reporting performance and evaluating impact. 	Public Service Board members

Part 1

Public bodies have overlapping responsibilities for community safety, which creates barriers to effective delivery



1.1 Fundamental to effective partnership working is having good and clear leadership. In this part of the report, we consider the different responsibilities and roles of partners and how effective the various bodies are at working together on community safety. We also examine leadership and accountabilities for delivery. Finally, we consider the findings of our survey of citizens to gauge their awareness and understanding of who is accountable for community safety in Wales and, from their perspective, how well these current arrangements work.

The complex accountabilities for community safety make it difficult for public bodies to provide clear and consistent leadership and direction

- 1.2 Legislation and guidance promote a partnership approach as the best way to address the problems of unsafe communities. The benefits of partnership working and effective leadership are numerous and partnerships are potentially powerful tools for tackling difficult policy and operational problems that local agencies face:
- partnerships are better than individual agencies at identifying and defining problems of the greatest community concern and can draw on wider information to prioritise the right things for action;
 - partnerships are better able to develop inventive and targeted actions by drawing together a diverse group of agencies with different responsibilities, skills and approaches;
 - effective partnership can provide clarity of leadership and purpose for co-ordinated action and delivery;
 - collective action is usually more effective than a single agency intervention and potentially will have a greater impact;
 - partnerships allow for resources to be brought together and aligned to focus more effectively on addressing common problems; and
 - multiple interventions are likely to maximise the impact on an issue.
- 1.3 Partnership working as a method of delivering community-safety outcomes is well established and has been promoted as far back as Home Office Circulars⁷ from the 1960s onwards. Since the 1990s, successive national-government policies have given a greater focus to the importance of agencies working together to address community safety including the most recent guidance on serious and organised crime published in October 2013⁸.

⁷ Home Office, **Report of the committee on the Prevention and Detection of crime (Cornish Committee)**, 1965.

⁸ Home Office, **Serious and Organised Crime Strategy**, October 2013.

- 1.4 Because responsibility for community safety is shared by a wide range of public bodies and framed by the priorities of the Welsh Government on devolved matters and the UK Government on non-devolved issues, leadership on community safety can be challenging. The style and approach of the two Governments can influence how regional and local organisations operate and work, in particular in respect of devolved and non-devolved activity, which can make some partnership working difficult for public bodies.
- 1.5 This is further complicated by the differing priorities of the Welsh Government and UK Government for addressing community safety. The Welsh Government is concentrating on agreed priorities within the **Programme for Government**, rather than on community safety as a standalone area of activity, which allows the Welsh Government and public bodies to focus on delivering these priorities. For example, the recent work undertaken by the Welsh Government on domestic abuse which has seen:
- new legislation introduced through the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 (the ‘2015 Act’)⁹;
 - a national advisor appointed to work with public bodies and victims to drive improvements in the way services are planned, commissioned and delivered;
 - the creation of a national training framework to support delivery of the 2015 Act¹⁰;
 - the creation of an Advisory Group drawing membership from a range of key partners and stakeholders to advise and guide the work of the Welsh Government in this area; and
 - funding set aside to support public bodies to implement the new legislation.
- 1.6 The change of emphasis does, however, mean that community safety as an area of activity is becoming less relevant, particularly at a local-authority level. And, because the Home Office is primarily focussing on strengthening the role of Police and Crime Commissioners, who are promoted as being responsible for co-ordinating and overseeing delivery of community safety at a police-force level, the local-authority co-ordination role via community-safety partnerships is diminishing.
- 1.7 Through our surveys, we found that only 59 per cent of community-safety partnership members that responded to our survey felt that the Welsh Government provides visible and effective leadership on community safety in Wales. The result is lower than the responses for their Police and Crime Commissioner, where 66 per cent felt there was effective leadership, and much lower than the 94 per cent who felt their local community-safety partnership was providing the most effective leadership. However, 27.5 per cent of survey respondents also recognised that their community-safety partnership did not have a high profile and needed to do more to promote its activity.

⁹ Welsh Government, [Violence against women and domestic abuse webpage](#)

¹⁰ Welsh Government, [The National Training Framework on violence against women, domestic abuse and sexual violence: Statutory guidance under section 15 of the Violence against Women, Domestic Abuse and Sexual Violence \(Wales\) Act 2015 and section 60 of the Government of Wales Act 2006, January 2016](#)

- 1.8 One of the biggest barriers to delivering better community safety is the complex relationship between the various agencies, and the disjointed nature of responsibilities and leadership for community safety, as highlighted in responses to our survey. One commentator stated that ‘The community safety agenda is set by the local authority, Welsh Government, Home Office and Police and Crime Commissioner. Governance.....it is complex and difficult to manage effectively.’ Others noted that ‘there will remain areas of duplication and potential confusion re primary accountability [there is a] risk of increased gap between ambition and ability to deliver’; and another that ‘the leadership from each agency to get things done is good, but much of that is down to the individuals who have long standing working relationships. The community safety partnership does bring it together but I think much of it would happen anyway. There is tension between the community safety partnerships and the Police and Crime Commissioner’s office and I cannot comment on its relationship with Welsh Government.’
- 1.9 The extent to which government, local authorities, the police and other partners work together to deliver community safety is fundamental to improvement and is not insurmountable where there is a shared vision and a clear willingness to change. At present, however, the complexities of responsibilities and accountabilities for community safety mean that agencies in Wales do not share ‘ownership’ of community safety and leadership can often be fragmented because it is difficult to align.
- 1.10 Building trust between partners is a key component of success whilst poor leadership can be a barrier to improvement. Because so many agencies can be engaged in activity, there is also a risk that responsibility for leading and prioritising action can become unclear. To create the right interventions and make the best use of their resources, organisations therefore need to sign up to work together and have clear and effective leadership to overcome any structural difficulties.
- 1.11 However, from our fieldwork we found that partnership arrangements between public bodies are not always working effectively. In addition, a number of community-safety partnership co-ordinators highlighted concerns on the changing relationship resulting from the recent creation of Police and Crime Commissioners and the impact these structural changes are having on community-safety partnerships. For example, the growing focus on regionalisation is reducing the focus on local issues, and in some cases opportunities for improved strategic working were being lost, which is ultimately reducing opportunities to improve services for the public.

The suspension of the all-Wales community-safety advisory board is viewed by some public bodies as having inhibited co-operation and minimised opportunities to promote new ways of working

- 1.12 To support delivery of its strategic aims, the Welsh Government established in October 2012 the All Wales Community Safety Advisory Board. The Board was seen as the single strategic all-Wales group and its purpose to work in partnership to support delivery of the **Programme for Government** commitments in respect of community safety.
- 1.13 The Board was established to replace the previous All-Wales Community Safety Forum. The Forum was seen by the Welsh Government as needing to be refocused on the priorities of the Welsh Government's Programme for Government. Chairmanship and secretariat support for the new Board moved to the Welsh Government and a draft terms of reference was produced. The Welsh Government in revising these arrangements saw the Board as having a more strategic role, with one of its key aims being the members' ability to unblock issues preventing or slowing down delivery, and was keen to focus activity on delivering the Programme for Government.
- 1.14 Specifically, the **Terms of Reference**¹¹ for the Board identified the following priorities:
- work together to support and enable effective delivery of the commitments outlined in the **Programme for Government**;
 - maintain a strategic oversight ensuring delivery is effectively joined up, with appropriate regional collaboration and, in doing so, the group will try to identify opportunities to maximise the outcomes of activity that is delivered;
 - play a key role in identifying and unblocking issues that are preventing or threatening to slow down delivery;
 - influence national, regional and local policy direction and implementation and raise issues of concern;
 - provide key policy updates/activities to other members of the group;
 - consider and discuss community-safety issues on a strategic and national basis;
 - aid collaboration in Wales; and
 - disseminate good practice.

¹¹ Welsh Government, **All Wales Community Safety Advisory Board, Draft Terms of Reference**

- 1.15 The Board met three times between October 2012 and June 2013 following its establishment. Members of the Board felt there was some duplication of the Board with other meetings, such as the Wales Youth Justice Advisory Panel and the All Wales Criminal Justice Board. Members were informed by letter in August 2013 that the group going forward would hold ad hoc meetings for specific issues should members request to do so, however, no requests were received¹². The Welsh Local Government Association, local authorities and Police and Crime Commissioners expressed concerns to us that the suspension of the Board has created a leadership vacuum on community safety in Wales and the absence of a national group representing all interested parties hinders opportunities for improvement.
- 1.16 Partners recognise that the Welsh Government has an important leadership and policy role in supporting community safety in Wales. Yet many do not consider that the Welsh Government is facilitating partnership working. For example, one survey respondent noted that the Welsh Government leads well on areas such as 'Substance Misuse, Community Cohesion, however other significant parts of the agenda are not so clear such as on Crime (accepting the devolved aspect), Anti-Social Behaviour and Preventing Extremism. The regionalisation and isolation of the component parts of the Community Safety Agenda (domestic abuse, substance misuse, slavery etc.) are leading to a clear dilution of leadership, governance and accountability.'
- 1.17 Partners did acknowledge that the Welsh Government provides clear leadership in some policy areas and has developed well-rounded and appropriate strategies, and resourced their implementation. This is recognition of the changing agenda for community safety taken by the Welsh Government which is focussing activity on core themes and priorities in the **Programme of Government** – for example, the new arrangements for safeguarding created under the Social Services and Well-being Act 2015¹³ – rather than focussing on community safety as a standalone and single concept. However, the suspension of the Advisory Board, and the lack of direction on activity outside of the **Programme of Government**, is seen by some of those we have spoken to as part of our review as a weakness, particularly because of the split in responsibilities between the Welsh and UK Governments for community safety.

¹² Welsh Government, [Minutes of All-Wales Community Safety Advisory Board meeting, 30 October 2012](#).

¹³ Welsh Government, [Safeguarding webpage](#)

Arrangements to deliver community safety are complex, have changed over time and are not always joined up, which has created difficulties for partnership working

- 1.18 Our review has identified there are some important structural barriers to effective partnership working. We have already noted on [page 5, paragraph 5](#) above that the separation of responsibilities between the Welsh Government and the Home Office in terms of policy decisions and oversight of regional and local public bodies can cause some confusion. The separation of responsibilities is further compounded by the lack of alignment between public-sector service boundaries in Wales.
- 1.19 [Figure 2](#) below sets out the boundaries for the main public bodies responsible for contributing to addressing and improving community safety, and highlights that the boundaries between agencies significantly impacts on the relative ease or complexity of partnership working.
- 1.20 Because public bodies do not always share the same geographical boundaries, partnership arrangements can be complex with some organisations having to duplicate activity by servicing a variety of fora within different governance and decision-making arrangements. These geographical differences add to an already complicated picture and can put a strain on already stretched resources with staff having to attend multiple meetings and committees. For example, whilst 96 per cent of respondents to our survey of community-safety partnership members stated that their partnership worked well with their local fire and rescue authority, only 70.5 per cent felt their engagement with the Welsh Government was effective and 76.5 per with local health boards.
- 1.21 The different alignments for partnership working can hinder joint working. For instance, the partnership bodies for community safety for South Wales Police covers two fire and rescue authorities, four health boards and seven local authorities. Similarly, the Mid and West Wales Fire and Rescue Service covers six community-safety partnerships, three health boards and two police forces. Conversely, in North Wales the footprint for public services operate on the same geographical boundary with police, fire-and-rescue, and health services having conterminous boundaries with the six local authorities that make up North Wales. Different geographical boundaries with a lack of co-terminosity hamper accountability, decision making and budgeting.

Figure 2 – Boundaries for key public services and community safety in Wales

Welsh Government			Home Office	Covered by both Welsh Government and Home Office
All Wales NHS bodies	Regional NHS bodies	Fire and rescue authorities	Police forces	Local authorities
Public Health Wales NHS Trust and Welsh Ambulance Services NHS Trust	Betsi Cadwaldr	North Wales Fire and Rescue	North Wales Police	Conwy Denbighshire Flintshire Gwynedd Isle of Anglesey Wrexham
	Aneurin Bevan	South Wales Fire and Rescue	Gwent Police	Blaenau Gwent Caerphilly Monmouthshire Newport Torfaen
	Cardiff and Vale University		South Wales Police	Cardiff Vale of Glamorgan
	Cwm Taf			Merthyr Tydfil Rhondda Cynon Taf
	Abertawe Bro Morgannwg	Bridgend Neath Port Talbot Swansea		
	Hywel Dda	Mid and West Wales Fire and Rescue	Dyfed Powys	Carmarthenshire Ceredigion Pembrokeshire
	Powys Teaching			Powys

Source: Wales Audit Office

- 1.22 Some survey respondents also raised some specific concerns around continuity of attendance, which is resulting in some partnerships involving mainly the council and police at a strategic level. Partnerships operating with such a restricted focus run the risk of becoming too deeply fixated on narrow areas of activity and one interviewee stated that 'community safety partnerships have drifted away and no-one has really stopped this'. If insufficient partners are involved in local forums then partners could focus on the immediate service issues and will have a less rounded view on who uses services and the views of local communities. At the other end of the spectrum, some partnerships have many representatives from a broad range of organisations, although funding restrictions are beginning to reduce some partnerships' ability to maintain large infrastructures.

The developing approaches to regional working could address current weaknesses but progress has been slow and further work is needed to ensure accountability arrangements are fit for purpose

- 1.23 Where partnerships are focussed on addressing common problems and are effectively aligned, they can make a positive difference. For example, the Wrexham Harm Reduction Unit is a pilot initiative of the Community Safety Partnership. The Unit contains staff from North Wales Police and various services of the local authority working together under one roof to address issues within communities and neighbourhoods. A shared calendar of events helps co-ordinate the partners' activities, while sharing online ICT helps to store information so every partner can access and add information and decide on an appropriate course of action. The initiative has engendered more proactive ways of working instead of reacting to issues, which happened under previous arrangements. The real advantage is having a multi-disciplinary team working together and under one roof, which is saving time and facilitates quicker decision making.
- 1.24 Likewise, the Denbighshire Top 20 is an initiative which identifies the people for whom improved partnership working would help to maximise their independence and resilience and therefore reduce unplanned access to services. The initiative stemmed from Denbighshire County Council's **Well Being Plan**¹⁴ and is a problem-solving initiative where partners, such as the Police, local authority, fire and rescue, health and the ambulance service, meet to discuss and share information on a number of people who are persistent and heavy users of public services. These heavy service users may not have serious problems or issues of concern, but they regularly demand services or draw attention to themselves, whether it is crime related or on other matters. Having different partners present helps different ideas and solutions to be generated and the initiative has produced some positive outcomes with some individuals.

¹⁴ Conwy and Denbighshire Local Service Board, **Supporting Independence & Resilience: Denbighshire Wellbeing Plan 2014-2018**

- 1.25 We have highlighted the Swansea Help Point in [Figure 3](#) which is making a positive impact in the city centre and delivering value for money. Similar initiatives have also been provided in Cardiff with the Cardiff Alcohol Treatment Centre and in Wrexham, the Wrexham Alcohol Treatment and Welfare Centre. The detail of these good practice approaches is set out in [Appendix 4](#).

Figure 3 – Swansea Help Point

As a result of the effective multi-agency working at the city centre's Help Point, people in Swansea are safer. The Swansea Help Point is a specialist mobile first-aid centre established within the city centre to help alleviate pressure on Accident and Emergency Services at peak times. The Help Point is staffed by the St John Ambulance, South Wales Police, university student volunteers and the street pastors. It is also a refuge and information centre.

In 2014-15, the project helped to reduce the burden on busy services at peak times and treated 582 patients – classified as 55 assault victims, 238 injured persons and 287 vulnerable persons. Only 98 required further treatment at Accident and Emergency with 37 conveyed to hospital by St John Ambulance. The 2014 evaluation estimated that without the existence of the service, 80 per cent (465) of all admissions to the Help Point would have gone directly to Accident and Emergency.

Volunteers also give health advice and make sure that vulnerable people start to make their way home safely, an important issue because safety in city centres at night remains an issue nationally and is a key priority within Safer Swansea's plans that form part of Swansea's Single Delivery Plan. In addition, the Council is investing in regenerating the town centre. Making sure people are safe at night is attracting more businesses into the city centre.

- 1.26 Opportunities for collaboration on a larger scale and across Wales are also being explored. Collaboration is regularly discussed at the All Wales Policing Group and the four Welsh forces are considering areas where they might effectively collaborate. Some attempts have been made to overcome these obstacles by agencies working together at regional (as opposed to local) level. In particular, we found that Police and Crime Commissioners have a growing reputation for providing leadership on regionalising community safety, although their standing appears to be partly driven by their ability to influence the local agenda through their funding.

- 1.27 The North Wales Safer Communities Board is an enabling body which assists the work of the region's individual community-safety partnerships on a North Wales level. Established in 2012, its purpose is to develop a consistent approach to community safety throughout the region. The Board comprises the public organisations that are required by law to work together to tackle crime and disorder and includes all six local authorities, North Wales Police, the Police and Crime Commissioner, Health Board, North Wales Fire and Rescue Service, the Probation Service, Voluntary Sector, Wales Community Rehabilitation Company and the Welsh Government. The aim of the North Wales Safer Communities Board is to provide strategic direction for the exercise of the Community Safety and Youth Justice functions across the region. The North Wales Safer Communities Board has consequently reduced duplication between regional and local arrangements on key priority areas.
- 1.28 Likewise, in early 2015 the Police and Crime Commissioner for Gwent established the Safer Gwent Group. The main purpose of the Safer Gwent Group is to regionally co-ordinate work with key community-safety partners to provide strategic direction and a structured approach across the five local authority areas of Gwent. Membership includes the five local authorities, the local health board, registered social landlords, voluntary sector, youth offending services and the probation and rehabilitation services. The group meets quarterly and enables information sharing to:
- facilitate better partnership working;
 - influence existing funding opportunities to support the Commissioner's Police and Crime Plan priorities;
 - map existing community-safety services to identify duplication and gaps in service provision; and
 - provide information to support commissioning of community-safety services.
- 1.29 One of the main benefits of partners working regionally can be a better alignment of organisations which can be more responsive to citizens' needs than their constituent partners are. However, in legal, political and financial terms, regional entities, if not created and managed effectively, can lead to further challenges as well:
- Whilst regional bodies can draw membership from the local-authority community-safety partnerships, they cannot replace the statutory role of partnerships, including their accountability and reporting, which is vested within the established local-authority governance framework. The role could be replicated by the aims and objectives of any regional group, but needs to be managed carefully to avoid duplicating activity.

- The requirements to maintain statutory local partnerships and also service larger regional entities can spread already stretched resources further and it is questionable if such an approach is sustainable.
- Regionalising arrangements raises other potential concerns such as public meetings and public reporting. Regional bodies may not be as transparent as the established local authority executive and scrutiny frameworks and are often less clearly accountable than their individual members, which raises important questions about the governance and accountability of these partnerships.
- On a practical level, Police and Crime Commissioners are relatively new roles. They need to embed and ensure their governance arrangements are working effectively and their accountabilities are clearly understood. It may be too much to therefore expect Commissioners to both create their own governance infrastructure and commit time and resources to develop alternative regional models as well.
- Continual shifting of arrangements can disrupt relationships especially where there is a lack of formal structure, clear lines of accountability and agreed roles. Structural change can be an unhelpful distraction and can stultify progress.

1.30 Some community-safety partnership members who completed our survey also expressed concerns about the influence of Police and Crime Commissioners. One noted that ‘the relationship between the community safety partnership and Police and Crime Commissioner can be strained, I believe that this is based on changes to funding arrangements when Police and Crime Commissioners came into being and how the Police and Crime Commissioner has delivered those messages to community safety partnership partners..... I think that some community safety partnership members have found these changes difficult to accept and with other changes coming in the future have seen them as threats’. Another outlined concerns that ‘much disruption has been made to our local community safety partnership since the establishment of the regional community safety partnership’ and another that ‘the issue is not the community safety partnership but the complete lack of engagement with the partners and the public.....by the Police and Crime Commissioner.’

1.31 The Home Office provides a link between Westminster and Wales on all areas of Home Office responsibility through their Home Office Wales team. The Home Office Wales team have not formally commented about the move in some areas to dissolve community-safety partnerships and move the responsibility for community safety to local service boards (Public Service Boards now) or introduce regional arrangements. The Home Office Wales team believes that structures have evolved into new formats that are more appropriate and suitable, although due to their limited capacity they do not engage with individual local community-safety partnerships directly and are therefore unable to comment on the effectiveness of these changes.

- 1.32 A number of interviewees raised concerns about the effectiveness of the Wales Association of Community Safety Officers (WACSO¹⁵), the national body for local-authority community-safety officers. Partners mostly felt that WACSO is not effective in driving change and supporting improvement and a number questioned what value WACSO has in its current format, particularly with the growth in regional working and the impact of reduced resources. The role of WACSO, and community safety as a local authority area of activity, is also influenced by the structural changes introduced by the Welsh and UK Governments and the different approaches developed for setting and resourcing priorities. As a consequence, community safety is now seen as less relevant as a core area of activity and is being replaced by new arrangements in Wales which focus on single-priority issues – substance misuse, for example. The change in emphasis concentrates public bodies on working on and improving these single priorities as opposed to the previous approach of community-safety partnerships co-ordinating and overseeing activity in a range of areas.
- 1.33 Many we spoke to however acknowledged that a national body bringing together all the key players – local authorities, police and crime commissioners, police forces, fire and rescue authorities, health bodies and the Welsh Government – is essential and that WACSO has the potential to play an important role within a national framework. However, in the absence of such a national body and the growing trend for regional working, the influence of WACSO is diminishing.

¹⁵ WACSO is made up of the lead community-safety officers across 20 community-safety partnerships in Wales.

Citizens who responded to our survey are not clear on who is responsible for community safety in Wales

- 1.34 The majority of citizens who responded to our survey are uncertain on who is accountable for community safety in Wales¹⁶. Only 41 per cent of citizens who completed our public survey agreed that responsibilities for leading on addressing community safety in their area are shared between the Welsh Government, the Chief Constable, the Police and Crime Commissioners, local authorities and community-safety partnerships. Just under 20 per cent, however, felt that it was their Police and Crime Commissioner who alone is responsible for leading on addressing community safety in their area. A further 14 per cent decided that their local community-safety partnership is responsible and 11 per cent their local authority. Only 3.6 per cent felt that the Welsh Government alone is responsible for community safety in Wales, a finding also echoed in responses to our public survey which recorded low awareness amongst citizens on who is responsible for community safety in Wales.
- 1.35 In terms of the effectiveness of individual bodies, police forces, in particular the chief constable, are seen as being the most effective at leading on community safety with their area. Our public survey recorded that 43.8 per cent of citizens agreed that their local police force is providing clear and effective leadership on community safety in their area as opposed to 19.1 per cent and 23.8 per cent of citizens who felt that the Welsh Government and their Police and Crime Commissioner respectively provide clear and effective leadership. The findings of our citizen survey highlight the complexities of the arrangements and accountabilities for work on community safety. Because responsibilities are split and no single public body has overall responsibility, it can be difficult for citizens to clearly identify who is leading on and dealing with specific community-safety issues in their area.

¹⁶ The survey was made available online and promoted through our communications team. The approach taken does not necessarily guarantee a representative response. For example, we received more responses from North Wales than other areas and no responses in some local-authority areas. Given these limitations, we have only used the survey for illustrative purposes and to report views at an all-Wales level.

Citizens' comments on their awareness of who is responsible for community safety

I don't hear about any community safety ideas/ what is going on etc. Who is responsible?

I realise there are reports and plans and safety bodies I never even knew existed, so communication with the public is really lacking and obviously poor. I work for a Local Authority and didn't know this infrastructure existed..... All I'm saying is please let the public know more about this work and how to take part.

Information regarding the consultation and engagement undertaken by community safety parties, to deliver plans and strategies for community safety is not well known. If the general public are not being made aware of these policies, then we are unable to comment.

Whoever is responsible for community safety must be invisible as I have neither seen nor heard from them.

I know very little about Community Safety in my area. Perhaps wider publicity would help.

There may well be safety activities going on in our area but I feel the public is not being informed.

Source: Wales Audit Office, Public survey for citizens, November 2015.

Part 2

National, regional and local priorities differ greatly and are not aligned, which risks confusion and unco-ordinated action. There is limited evidence of public engagement to inform the plans



2.1 In the first section of this report we highlighted some of the difficulties with partnership working which national, regional and local public bodies need to overcome. For partnerships to be effective, it is important that strategies and plans for community safety are focussed on the right things and aligned to support delivery. Partners need to be clear about what they are setting out to achieve and about why these achievements are important to local people. In this section of the report we discuss the range of community-safety strategies and plans that are in place. We provide a critique of the current framework and how well aligned activity is.

There is wide variation in the robustness of community-safety plans and the lack of alignment between UK, Welsh, regional and citizens' priorities undermines partnership working and opportunities for improvement

2.2 A number of different organisations work together to affect the overall population level community-safety outcomes. The different approaches and responsibilities for community safety noted in Part 1 are also reflected in the complexities of the planning framework with different public bodies having different approaches. Figure 4 summarises the agencies and the current range of plans for community safety in Wales.

Figure 4 – The responsible bodies and plans for community safety in Wales



- 2.3 Currently the **Serious and Organised Crime Strategy** October 2013 and the **Modern Crime Prevention Strategy 2016** set out how the Home Office will prevent people getting involved in serious and organised crime and how partners will work together to address crime in England and Wales. The Strategies make a number of proposals with regard to partnership working; in particular making it a requirement for the Police Forces and the individual Police and Crime Commissioners to be the lead bodies responsible for crime and safety in an area and highlighting that ‘a sophisticated, modern approach will require co-ordinated action on a number of fronts’¹⁷ to address crime.
- 2.4 However, the strategies do not consider the specific issues of devolution and do not recognise that the Welsh Government has responsibility for many areas of activity which are fundamental to tackling crime and improving community safety. And, because the strategies do not consider the specific issues of Wales and are often developed with little engagement by the UK Government with the Welsh Government, the strategies produced by the Home Office do not recognise, align with or seek to influence the work of the Welsh Government. This is especially salient as the **Programme for Government** predates the election of Police and Crime Commissioners and the Home Office strategies noted above.
- 2.5 The **Programme for Government** was published by the Welsh Government in 2011 and covers the National Assembly for Wales’s term until May 2016. The Programme has 12 priority policy themes, of which Theme 7 is ‘Safer communities for all’. Under Theme 7 the Welsh Government aim is to make our communities safer through reductions in anti-social behaviour, crime (including the fear of crime), substance misuse and the incidence and impact of fires as well as effective co-ordination of emergencies.
- 2.6 Whilst the Welsh Government uses the actions in delivering the **Programme for Government** as its community-safety priorities for improvement, the actions do not amount to an all-Wales strategy to tackle community-safety issues as much of the policy area is not devolved. The **Programme for Government** focuses mostly on the role of Welsh Government, the funding commitments made in its election manifesto and the legislative ideas planned for the National Assembly term in the areas of devolved responsibility.
- 2.7 The Welsh Government itself acknowledges that community safety is a complex policy area with a number of different organisations working together to affect the overall population level outcomes, and success is heavily dependent on UK Government policy decisions on criminal justice and policing. To be successful therefore needs policy makers to collaborate effectively to deliver both devolved and non-devolved services¹⁸.

¹⁷ Home Office, **A Modern Crime Prevention Strategy**, March 2016, Page 7.

¹⁸ The Programme for Government Theme 7: Safer communities for all was published under the 2011-2016 Welsh Government.

- 2.8 We found that because responsibilities for community safety are split between many different public bodies, plans are often not aligned and the Welsh and UK Governments operate independently of each other with respect to planning. For example, the creation of Police and Crime Commissioners by the UK Government in 2011 is not reflected in the **Programme for Government**. Similarly, the Home Office in developing its plans and strategies does not consider the specific requirements of Wales and the role of the Welsh Government on devolved areas.
- 2.9 Whilst the **Programme for Government** clearly articulates the priorities for the Welsh Government, it does not provide a road map for improving community safety identifying the role and contribution of local authorities, community-safety partnerships or other public bodies. The Welsh Government has also not produced any guidance specifically on community safety for its areas of responsibility – fire and rescue authorities, local authorities and health boards – outside of its **Programme for Government** and specific strategies in key areas of activity including a joint Youth Justice Strategy, the Wales Reducing Reoffending Strategy and the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act which became law in 2015.
- 2.10 Currently, there is no agreement between the Home Office and Welsh Government on the priorities' for community safety in Wales. With no agreed vision for community safety, activities and targets can vary widely and are not integrated. Unco-ordinated activity also results in priorities becoming dominated by service perspectives, rather than based on outcomes desired by citizens, service users and communities. Taken together these have resulted in a lack of agreement and subsequently commitment from partners on what needs to happen and are an obstacle to delivering improvement.
- 2.11 We reviewed the current strategic documents for community safety¹⁹ for the Welsh Government, four police and Crime Commissioners and the 20 community-safety partnerships²⁰. Whilst a wide range of agencies contribute to addressing community safety, the prime responsibilities for setting priorities for community safety in Wales rest with the Welsh Government nationally; Police and Crime Commissioners at a regional level; and local authorities at a local level. We grouped their priorities against the most common themes included in plans. These are:
- Crime and disorder including anti-social behaviour, victims of crime
 - Reducing crime/fear of crime including acquisitive crime
 - Substance misuse
 - Domestic violence/abuse

¹⁹ Whilst a wide range of public bodies can contribute to improving community safety, responsibilities for strategic needs assessments, planning and setting priorities to improve community safety in Wales are vested in the Welsh Government, the Police and Crime Commissioners and local authorities.

²⁰ The 20 community-safety partnerships cover each local authority with the exception of joint arrangements in Gwynedd and the Isle of Anglesey and Conwy and Denbighshire.

- Cohesive communities including tackling terrorism
- Child and adult protection and safeguarding
- Safety in communities (fire, roads)
- Combat reoffending
- Youth offending
- Community resilience (emergency planning)

2.12 Each of the bodies has the power to set its own priorities but we were unable to identify a single priority area that every agency has included in their priorities. We recognise that concentrating on key local needs is an appropriate response to ensure public bodies address the issues that are of importance to the local community. In addition, some authorities will not include specific priorities because of their geographical circumstances (authorities will not include work on coastal erosion where they are land locked with no sea coast). Nonetheless, **Figure 5** summarises our evaluation of the alignment between plans and shows that there is no single area where all community-safety plans have all signed up to the same priorities. For example, two of the community-safety partnerships covering four authorities do not include domestic violence as a priority area despite the Welsh Government's clear commitment and resourcing of agencies to address domestic abuse. Similarly, six community-safety partnerships do not have a priority focus on substance misuse.

Figure 5 – Alignment between the Welsh Government, police and crime commissioners and local authority priorities for community safety varies widely

Priority area	Welsh Government priority area ²¹	Number of police and crime commissioners with priority area	Number of local authorities with priority area
Reducing crime/fear of crime (including acquisitive crime)	Yes	Four out of four	18 out of 22
Crime and disorder including anti-social behaviour, victims of crime	Yes	Four out of four	17 out of 22
Domestic violence/abuse	Yes	Four out of four	18 out of 22
Substance misuse	Yes	One out of four	14 out of 22
Combat re-offending	Yes	Four out of four	Nine out of 22
Safety in communities (fire, roads, etc.)	Yes	Two out of four	Eight out of 22
Cohesive communities including hate crime, tackling terrorism	Yes	None	Eight out of 22
Child and adult protection and safeguarding	Yes	Three out of four	Five out of 22
Youth offending	Yes	Four out of four	Three out of 22
Community resilience (emergency planning, etc)	Yes	One out of four	None

Source: Wales Audit Office, Review of the priorities included in the Programme for Government; Police and Crime Plans; and Single Integrated Plans.

²¹ We have judged the priorities set by the Welsh Government in the Programme for Government 2011-2016 under Theme 7: Safer communities for all. The Welsh Government's policy on hate crime falls under Theme 8: Equalities. This does not include any reference to tackling terrorism. Safeguarding falls under Theme 5: Supporting Communities.

2.13 Whilst local determination is critical in being able to respond to specific needs within local communities, the lack of alignment and absence of a national framework with all bodies pulling in the same direction has created risks of unco-ordinated action and, in some cases, no action by key partners. The lack of alignment between plans and priorities means that there is a risk that the delivery of the Welsh Government's overall population outcomes may be undermined as local community-safety partnerships are not focussing on these national priority areas.

Police and Crime Commissioners generally draw on a wide range of evidence to determine their priorities for action but the approach taken varies and is not always robust

2.14 Police and Crime Commissioners are required under legislation to publish Police and Crime Plans for their areas²². Three of the four Commissioners have published annual revisions to their original plans. Those revised plans have identified new priorities and provide a clear focus for action in the force areas. Our review of the plans found that the Police and Crime Commissioners draw on a wide range of police data and other intelligence about the issues that affect community-safety issues to inform their plans. All of the Commissioners state that they respond to the views of the public when deciding on their priorities, with the Dyfed-Powys Police and Crime Commissioner emphasising that his priorities were those that he was elected on and are not solely driven by data. The three Police and Crime Commissioners who update their plans have consulted with the public on those revisions as well as their police and crime panels.

2.15 The quality and coverage of the plans vary greatly. Two of the four commissioners (South Wales and Dyfed Powys) have very wide-ranging plans which contain very broad priority areas. The South Wales Commissioner also has a delivery plan that identifies how the priorities will be delivered. Actions within Police and Crime Commissioners plans and strategies are well linked to local needs and the local context but details on their implementation together with measures of success for each action could be clearer. For example, the Dyfed Powys Police and Crime Commissioner has a priority entitled 'enhanced access to police services' but other than identifying the need for better access to data, it is not clear what the Police and Crime Commissioner intends from the action. Where priorities do not have robust and established indicators available to support them and a data development issue exists, then plans should set out how these weaknesses will be addressed. The Dyfed Powys Police and Crime Commissioners Plan needs to set out the beneficial impact on citizens to help people understand what they can expect and how they can stay safe.

2.16 Police and Crime Commissioners' annual plans and work programmes provide an overall direction for their work and their police forces. However, whilst there appears to be considerable emphasis on the concept of partnership working we found limited evidence of effective engagement with wider partners, for example, local authorities, to help deliver community-safety priorities. Many community-safety plans are not integrated into crime-reduction plans within police-force areas which is leading to a confused picture of priorities with a risk of duplicating and overlapping activity, as reflected in the findings from our surveys with both community-safety co-ordinators and members of partnership bodies. One respondent noted that 'the PCC's strategies are set by a single person and with political rather than just professional input. The Community Safety strategies respond to local needs taking account of Welsh Government expectations, very often the issues may coincide with those of the PCC though the key responses may differ.'

Most local authorities have adopted priorities for community safety but these are not always clearly set out

- 2.17 In 2012, the Welsh Government published **Shared Purpose – Shared Delivery**, statutory guidance to all local authorities in Wales on integrating partnerships and plans²³. That guidance stated that local authorities should develop Single Integrated Plans to replace the large number of discrete plans, for example, the Children and Young People's plan and the Community Safety Plan. As a consequence of the decision, all bar one of the 22 local authorities now include priorities for community safety in their single integrated plans.
- 2.18 Eighteen of the 20 community-safety partnership co-ordinators who responded to our survey stated that their strategies include appropriate priorities. One stated that their plan did not and a further co-ordinator did not answer. From our review of authority plans we found that 18 local authorities included clear priorities, and 12 of the 16 local authorities which provided evidence showing how they set priorities use a good range of relevant data to identify and agree these priorities.
- 2.19 However, our review identified that the quality and coverage of the measures set varied greatly in quality. A small number of authorities do not clearly set out how they will achieve their community-safety priorities, targets are not SMART²⁴ and those responsible for achieving actions are not clearly identified. In addition, too many community-safety partnerships have a high number of priorities, and too many priorities do not align well with those of the Police and Crime Commissioner and other community-safety bodies. For example, Safer Ceredigion has seven priorities, despite these being rationalised from nine. Community-safety partnerships do not prioritise effectively and priorities could be sharper. If plans lack clear measures of success it is difficult to deliver improvement and judge the results. These weaknesses are further compounded by limited capacity and short-term funding.

²³ Welsh Government website, **Shared purpose – shared delivery**

²⁴ Specific, measurable, achievable, realistic and time bound targets that support delivery of priorities.

- 2.20 Having a wide range of priorities can prove a challenge to deliver, especially given the reduced capacity within local authority community-safety teams. A small number of community-safety partnerships have reduced the number of their priorities to take account of reduced funding, for example, the North Wales Safer Communities Board has set out its four regional priorities which it expects community-safety partnerships to also address as well as setting their own priorities.
- 2.21 Likewise, Safer Swansea's has adopted sharper priorities, and measures of success are now in place as reflected in the 2015 update of the **One Swansea Plan**²⁵. Whilst Swansea's original community-safety partnership's 14 priorities from 2011 remain important, they have been sharpened to 'safer night time economy' and 'domestic abuse'. These give greater attention to problems that are tough to deal with, and reflect the Local Service Board's (now Public Service Board) focus on economic development and job creation. The community-safety partnership recognises it needs to do more in matching its work plans and spending to these priorities but a better-quality plan is vital in directing limited resources to those areas that are harder to resolve and cause the public the greatest concern.
- 2.22 Alternately, however, some interviewees felt that the absorption of the community-safety plan into the Single Integrated Plans are seen as weakening the focus on community safety at a local-authority level and has resulted in key activity being lost. In some areas such as Bridgend County Borough Council, not having to produce a discrete community-safety plan has freed up partnership support resources which have been re-directed to implement and manage community-safety actions. Additionally, where community-safety partnerships have strong leadership and engaged members, the partnership has been able to maintain a high profile, identify and work on community-safety issues, and influence the work of their Local Service Board and single integrated plan.

²⁵ City and County of Swansea, **The One Swansea Plan**, 2015.

The majority of local authorities operate an intelligence-led approach to community safety and used relevant data to identify local priorities but half of community-safety partnerships do not regularly update their strategic assessments, which is contrary to Home Office guidance

- 2.23 We found that a number of local community-safety partnerships have updated their plans to reflect changes in legislation, for example, the community triggers for anti-social behaviour under the **Anti-Social Behaviour, Crime and Policing Act 2014**²⁶ as well as the introduction of the Police and Crime Commissioners. Whilst 18 local community-safety partnership co-ordinators stated that the community-safety priorities in their plans are based on good evidence, our review of plans concluded that only nine of the 20 partnerships provided evidence that they regularly update their strategic assessments and 11 did not. Of the nine that did provide evidence, we found six of them to have based their assessment on a wide range of appropriate data and used the information to identify and focus on priorities that reflected local circumstances.
- 2.24 Positively, the majority of local authorities use data from local police forces with a smaller number using data sets available from relevant local-authority services, for example, substance misuse services. Some local authorities also used information from voluntary-sector services and other partners to ensure that all relevant information was considered. For example, Safer Swansea's prioritisation process avoided duplicating other reviews by combining with the Local Service Board's annual Strategic Needs Assessment. Safer Swansea uses a variety of information and intelligence including more localised neighbourhood-level data, and information from businesses, schools, charities and the university. The latest One Swansea Plan lists a set of 'potential future challenges' which are risk assessed and are reflected in the prioritisation process.
- 2.25 The Ceredigion community-safety partnership makes good use of crime data in its annual strategic assessment and review to plan the partnership's future work. The community-safety partnership has robust data-sharing protocols in place and has recently reviewed and updated its information-sharing policies and procedures. They work closely with police-data analysts and cross check things like reporting and recording criteria. The work of the Ceredigion community-safety partnership could, however, be strengthened with better evaluation within the partnership or by using the findings of national programmes such as the Purple Flag initiative²⁷. Nonetheless, we have highlighted the annual strategic assessment approach as good practice – **Figure 6**.

²⁶ gov.uk, **Anti-social Behaviour, Crime and Policing Act 2014**

²⁷ The Purple Flag scheme has been set up to establish national standards and raise the image of Britain's town centres at night. Purple Flag is an accreditation scheme that recognises excellence in the management of town and city centres at night and aims to raise standards and improve the quality of towns and cities by incorporating all aspects of evening and night-time economy management into a comprehensive framework for local partnerships to aspire to. Purple Flag is supported by the Home Office, Association of Chief Police Officers and the Local Authorities Co-ordinators of Regulatory Service.

Figure 6 – Ceredigion community-safety partnership carries out a comprehensive annual needs assessment

Ceredigion Community Safety Partnership carries out an effective evaluation and annual needs assessment as a means to target diminishing resources effectively and to fully understand the impact of combined efforts.

The annual strategic assessment contains a very detailed review of performance data, crime statistics, community consultation and feedback, ad hoc intelligence, financial information, and a review of any new threats, trends, and emerging issues. The community-safety partnership is constantly gathering and evaluating data and does not see the approach as an annual 'one-off event'. Appropriate information is shared between partners in accordance with its information sharing protocols. Results are collated, reviewed and reported resulting in a new high-level community-safety plan, and integrated into the planning processes of the development of the Local and Public Service Board's Single Integrated Plan. As a result there is a wider appreciation of needs in other areas such as housing, children and young people, and health.

An overview of the community-safety partnership's latest activities and progress achieved is available online. Together with minutes of community-safety partnership meetings it is easy to see how action plans have been developed and what is being learned. For example, the community-safety partnership is engaging a wider group of partners that are focused on the night-time economy in Aberystwyth where anti-social behaviour remains a high public concern. By working with the university and local businesses, violent crime and drink-related crime reduced by 12 per cent in 2014-15, and students and the general public now feel safer at night.

- 2.26 However, a number of community-safety partnership co-ordinators note some difficulties exist with regard to accessing and collating information and evidence from partners to support planning and prioritisation. For instance, one respondent noted that 'there are some areas that are difficult to get good performance measures for'. Despite these difficulties, 17 of the 20 community-safety partnership co-ordinators feel that members of their Partnership provide information to support planning. In addition, 16 of the 20 co-ordinators stated that their Partnership members provide support to the process of producing plans/strategies for community safety in their area.
- 2.27 We also identified that in a small number of authorities the data presented in needs assessments documents only reflected the priorities that were finally agreed. The majority of data included in the original needs assessments was presented at whole local-authority level and a small number of local authorities used ward-level data to identify their priorities, for example, in Cardiff which analysed some indicators at a ward level to identify local 'hot spots'.

- 2.28 Many co-ordinators also responded that resources within the partnership (ie, local-authority officers supporting the partnership) were scarce and impacted on the quality, frequency and level of analysis included in needs assessments and strategic updates. The role of a police analyst was seen by many community-safety partnerships as being vital and in some areas, police forces are providing regional strategic assessments and other regional bodies. For example, the North Wales Community Safety Board, now lead on the activity, primarily as a result of reduced capacity within local authorities to undertake work. Two co-ordinators responded to the survey stating that the link with their police-force analysts is poor and impacts on their ability to source police data for their work, with one noting that they have 'struggled recently with lack of data from police analysts in the form of the annual community assessment'.
- 2.29 In other areas where relationships are good, and where other partners also contribute to the process of sourcing and providing data, innovative work around sharing and developing new datasets is happening. For instance, in Bridgend, a superintendent from South Wales Police chairs a group of practitioners and analysts (which extends outside members of the community-safety partnership) to links data between the Police and Crime Commissioner, the Local Service Board (now Public Service Board) and community-safety partnership. The group is able to identify and respond to changing patterns of crime and offending, and looks at causal effects rather than just symptoms. It also develops new data sets to meet identified gaps and needs in specific areas, such as missing persons – for example, sharing internal police data with local-authority data allowed the group to identify and target those individuals most at risk of going missing, which is allowing agencies to better manage the risk – and identifying hotspots of anti-social behaviour through the sharing of social-housing data on the number of tenants forced to move because of violence issues.

We found limited evidence of effective engagement with citizens and local communities to inform priorities

- 2.30 Welsh Government policy emphasises the importance of effective public engagement and it is widely seen as a crucial aspect of ensuring that all public-sector organisations in Wales develop a more ‘citizen-focused’ approach to the design and delivery of their policies, programmes and services. However, consulting local people about their concerns can be difficult and agencies often underestimate the nature of the challenge.
- 2.31 A number of co-ordinators and community-safety partnership members commented that the cost is a limiting factor in their consultation plans, with one co-ordinator stating that all engagement activity has been stopped in their area because of the cost. Other survey respondents to these surveys noted problems designing consultation activity that engaged effectively with hard-to-reach groups or to ensure a fair distribution of responses covering the wider socio-economic profile of an area. Similarly, how actions are shaped by consultation, and how they have been informed by a better understanding of community needs is not well articulated.
- 2.32 Consulting local people has not typically formed part of the process of identifying community-safety priorities. From our review of key plans we concluded that only six of the 20 community-safety partnerships have effective consultation approaches with the public on community safety and a further eight authorities, whilst undertaking engagement and consultation activity, had some gaps in arrangements. The remaining six partnerships had weaknesses in their engagement with and use of information provided by citizens – for example, making no reference to any public consultation as part of the needs assessment or priority-setting process or relying on out of date survey data to shape priority setting – or did not provide any evidence on their consultation activity.
- 2.33 Community-safety partnerships such as Safer Ceredigion engage widely with communities although capacity problems are restricting their ability to plan ahead and maximise all opportunities. Safer Ceredigion aims to reduce duplication and make the most out of events by co-designing events and sharing results. The community-safety partnership works closely with the local authority’s Community Safety and Civil Contingencies Unit, Age Cymru Ceredigion, Mid and West Wales Fire and Rescue Service, and Dyfed-Powys Police. As a result, a better understanding of local needs is made at a neighbourhood level, which is important when resources are scarce and need focusing on what matters the most.

- 2.34 Despite such activity, citizens still have a low awareness of the local priorities for community safety. Through our public survey, we found that 91 per cent of citizens who responded to the survey stated that they were unaware of how their community-safety partnership consulted or engaged with them when developing their priorities for community safety. Only 23 per cent of those who responded to our public survey knew how and where to access the local-authority plan for community safety covering their area and only 18 per cent felt that the plan reflected what they considered to be the most important community-safety issues. The vast majority of respondents – 83 per cent – said that they were not aware of the consultation/engagement undertaken when developing plans for the area. Only 18 per cent of survey respondents agreed that that their community-safety partnership kept the public informed of progress against delivering the plan’s targets and actions and more than a third did not know. These are all very low levels of awareness and understanding that highlight that consultation and engagement are areas for further work.
- 2.35 Public bodies are also not working smartly and using their existing information resources to better engage with citizens. For example, too many community-safety partnership websites are not an interactive community resource. Safer Ceredigion’s pages have very limited safety information, or self-help facilities, there is no performance information, and there is no type of ‘Have Your Say’ section. In addition, there are no Twitter or newsfeed elements. As a results it is hard to see how the public can take responsibility for their own safety, and it is not clear how the community-safety partnership is performing, which is a missed opportunity to engage with younger people who are a target group for many community-safety partnerships.
- 2.36 Examples of the good practice on community-safety engagement we identified from our review included using large-scale surveys (citizen panels, etc) to gather data about the public’s perception of community safety and what their priorities are. In some instances, data is available at a lower level, for instance, in Cardiff where consultation is carried out at a neighbourhood level. Cardiff’s Partnership Board also has an arrangement where all partners share consultation data and consultations are planned and co-ordinated between partners to maximise their impact and productivity. Some areas used their PACT²⁸ meetings to consult with residents.
- 2.37 Similarly, Wrexham has developed an engagement hub, which is a central library with front-end access for the public and registered users and an interface for local service board members and authorised partners. The hub is searchable for various consultations and data to help minimise duplication and provide a useful source for the Council and its partners. Consultation also works well when there is an emphasis on people’s perceptions and feelings of safety, rather than just focussing on crime rates to identify priorities for work.

²⁸ Partners and Communities Together (PACT) meetings are open to everyone and give residents the chance to influence what happens in respect of policing and community safety in their neighbourhood.

Part 3

Whilst Welsh Government grants have increased significantly, the complex and short-term nature of funding and real-terms reductions in police and local authority community-safety management budgets impact upon partnership working and delivery of value for money



- 3.1 In this part of the report, we examine the changes in budgets for community-safety activity in the last five years. We also consider the complexities of the different grant regimes and impact of the changes in the allocation and award of grants on delivery. Finally, we summarise the recent changes in police and local-authority community-safety management budgets and how these changes impact on planning and delivering community-safety services on the ground.

The availability and use of grants to fund community-safety activity is intricate and changing but it is not always clear what benefits or positive impact grants are having

- 3.2 Funding of community-safety activity, especially at a local-authority level, comes from a number of different sources including the Home Office, Welsh Government and Police and Crime Commissioners, reflecting the different functions for which each body is responsible. In the last five years there has been a substantial change in how community-safety activity is funded, by whom, for what and how much is invested. Funding is also not always joined up or aligned and resources are being spread widely, which affects agencies' ability to keep people safe and reduces the potential benefits that can arise from better-targeted funding.

The Home Office stopped funding community-safety partnerships and now provides resources directly to Police and Crime Commissioners but there is a mixed picture on how effective grants funding is

- 3.3 In February 2011, the Home Office wrote to the Welsh Government, Chief Constables and local authorities to notify them of their allocation of funding for community-safety work and changes it was planning to make to the funding formula in future years. In 2011-12 the Home Office made available funds totalling £2.5 million for Wales with money paid directly to individual authorities via a distribution formula. The Home Office also provided indicative allocations for future years but stated that these resources would reduce by 60 per cent to £1.2 million in 2012-13 and, in 2013-14, the funding would be combined with a number of other grant programmes into a new Home Office Community Safety Fund²⁹ (the Fund).
- 3.4 Since 2013-14, the new Fund has been provided directly to Police and Crime Commissioners. The Fund is not ring-fenced and Commissioners are able to use the money to contract services that can, for example, help tackle drugs and crime, reduce re-offending, and improve community safety in their force area. Commissioners are also free to use these funds to invest in existing programmes of work but can also pool funding with local partners to maximise impact. How the Fund is used is a decision for individual Police and Crime Commissioners to take locally.

²⁹ The programmes replaced by the Community Safety Fund covered £123 million of expenditure in 2012-13 and included the Drug Interventions Programme; Community Safety Partnership Funding; Youth Crime and Substance Misuse Prevention activities; Positive Futures; Communities against Gangs, Guns and Knives; Ending Gang and Youth Violence programme; Community Action Against Crime; Innovation Fund; and Safer Future Communities.

- 3.5 However, the Home Office decision to combine these grants into core funding and give Police and Crime Commissioners freedom to decide how they wish to use the money has made it difficult to ascertain either how much is being spent on community safety or what specific areas of activity are currently being funded. Whilst these contributions give greater influence – for example, in intervening in improving the governance and performance of Youth Offending Teams – the impact on overall crime and disorder is not clear. Police and Crime Commissioners do not always request an evaluation of impact of their grants and even if they did, local-authority community-safety co-ordinators reported to us that they do not think they have the capacity to do undertake such an assessment properly.
- 3.6 The South Wales Police and Crime Commissioner, like others, provides his funding on the basis of a contribution to the overall partnership rather than to specific initiatives. Through their financial contribution, the Police and Crime Commissioner seeks to ensure that the objectives of the partnership are coherent with the Police and Crime Reduction Plan and that the partnership has mechanisms to monitor the effectiveness of all partnership funding. Similarly, the Dyfed-Powys Police and Crime Commissioner is actively looking at ways to build capacity and improve value for money, and in [Figure 7](#) we highlight the approach to commissioning services as good practice.

Figure 7 – Dyfed-Powys Police commissioning of services

The Dyfed-Powys Police and Crime Commissioner’s team are commissioning services to support the crime reduction plan for 2013-2018. The team has a clear commissioning framework and work to a set of value-for-money principles. For example, Powys Association of Voluntary Organisations was awarded a contract to establish an appropriate adult volunteer scheme. The Commissioner also aims to build community capacity and help people take more responsibility for their own safety by building capacity, protecting front-line services, and utilising local skills and expertise in areas that the police are struggling to resource effectively. For instance, using very specific expertise such as housing support, family liaison, and alcohol diversionary schemes to carry out tasks previously undertaken by uniformed police staff.

In addition, the Police and Crime Commissioner is using his grants to deliver innovative community-safety services. To date, a total of £1.5 million has been allocated for grant funding during 2015-16. The most significant spending has been targeted at preventing and tackling crime and protecting vulnerable people. Other sources of funding are being considered such as joint commissioning, fees and charges, private-sector partnering for some support functions, and other national funding. As a result, the Dyfed-Powys Police and Crime Commissioner is clearly working towards delivering its priority of ‘spending wisely.’ He commissions local firms where possible. Business confidence is important to the Police and Crime Commissioner so working collaboratively to deal with digital crime and cybercrime will remain a clear focus.

- 3.7 The Gwent Police and Crime Commissioner is also promoting funding opportunities to assist charities, voluntary organisations and community groups involved in activities that have a positive impact on the communities in Gwent, whilst at the same time contributing towards delivering the Commissioner's priorities. Funding is made up of monies recovered from the **Proceeds of Crime Act 2002**³⁰ and the **Police Property Act Regulations 1997**³¹ (and where necessary, supplemented by the Commissioner's overall budget). A formalised bid process is administered by the Commissioner's office, with bids scrutinised and recommended by a panel made up of representatives from the Commissioner's office and partners. The Commissioner monitors and evaluates initiatives funded, with some recipients receiving follow-up visits to assess their impact and success.
- 3.8 However, we also found that funding for community-safety projects is not always directed towards the greatest need. Jobs and economic growth are high priorities for national and local bodies but current community-safety funding does not always match these important economic considerations. Business growth is higher in areas such as Cardiff and Swansea and yet these community-safety partnerships get similar funding to those with a lower economic risk. Conversely, areas of high business-related crime do not get particular attention. For example, Caerphilly has a much higher than average rate of non-domestic burglary and yet community-safety-related grants get no special consideration of the impact of theft or burglary on local business growth. Cybercrime and online fraud are a growing national economic risk and yet national and local community-safety bodies are not doing enough to help businesses stay safe. As a result, local economic growth is exposed to unnecessary risk.
- 3.9 Sustainable funding is the highest issue of concern and operational risk for many community-safety partnerships. Grants given to community-safety partnerships are typically one-offs or annual, which makes it difficult for community-safety partnerships to plan ahead and maintain capacity. In addition, the level of grant provided by Police and Crime Commissioners to community-safety partnerships is not based on any well-defined criteria of need or performance or what is required to deliver the intended outcome, mainly a reflection of uncertainties and continued reductions in Home Office funding. For example, Police and Crime Commissioner financial contributions to local community-safety partnerships are largely based on previous levels of Home Office Grant but as the Home Office reduces the grant it provides, it is difficult for Police and Crime Commissioners to continue to sustain the previous levels of partnership funding.

³⁰ The Act provides for the confiscation or civil recovery of the proceeds from crime and contains the principal money-laundering legislation in the UK.

³¹ The Police Property Act Fund is created from the proceeds of the sale of goods recovered by the police that cannot be returned to their original owner. In accordance with the 1997 Regulations all awards from the fund must be for charitable purposes.

- 3.10 For example, the South Wales Police and Crime Commissioner deals with seven community-safety partnerships and is funding five community-safety partnerships directly and all seven youth offending boards. The other two local authorities within the South Wales Police Force area have their Local Service Boards directly funded. Community-safety partnership co-ordinators who responded to our survey noted that 'reductions/ceasing of grant funding over the years, has brought with it new pressures' and another that changes in grant funding had resulted in services becoming 'under resourced locally and more focus on regional platforms means that potential project opportunities are not being picked up'.

The Welsh Government is investing resources to deliver Programme for Government priorities and has increased how much grant it makes available for work that contributes to improving community safety

- 3.11 The Welsh Government has resourced delivery of its commitments in relation to the **Programme for Government** priorities of 'Theme 7: Safer Communities for all'. One of the major policy commitments in the Programme was the recruitment nationally of 500 Police Community Support Officers. The Welsh Government has committed over £58 million in total since the commencement of the initiative. In addition, the Welsh Government is also investing significant monies to support specific areas of activity through its grants programme. The circumstances in which grants are given and the objectives they meet vary considerably across the different programmes. Undoubtedly Welsh Government grants play an useful role in encouraging partnerships by targeting funding to deliver priorities. Grant funding also enables the Welsh Government to support a wide range of policy-related activities without having to directly manage them on a day-to-day basis. However, too great an emphasis on national-level solutions can encourage community-safety partnerships to chase the money rather than focus on local problems that need addressing.
- 3.12 The Welsh Government has significantly increased its investment in community safety. **Figure 8** summarises selected Welsh Government grants that contribute to community safety. The table shows that the use of these grants to resource community-safety activity increased between 2011-12 and 2015-16, rising in cash terms from £9.9 million in 2011-12 to £63.6 million in 2015-16. In terms of the proportion of the Welsh Government grants expenditure, the level of investment on community-safety activity has risen from 0.5 per cent in 2011-12 and now accounts for roughly five per cent of the total programme budget in 2015-16³².

³² The information shown in **Figure 8** details the grants amount approved in the financial year and is taken from the annual Local Government Settlement produced by the Welsh Government. These grants are not formally classed as spending on community-safety activity by the Welsh Government (because no such classification exists or is used). Because of these limitations, we have based our assessment on the broader programmes of work that contribute to community safety and are taken from **Welsh Government, Local Government Settlement**, 4 February 2015. We have not included other programmes such as Supporting People where the level of financial contribution cannot be estimated with any degree of certainty. In addition, our analysis is based on specific streams of grant funding and is not intended to represent a complete analysis of the total potential public expenditure on community-safety activity. Our analysis also looks at the total cash grant allocated and does not consider real terms spending because of the growth over time in the number of grants, which makes a like-for-like comparison less meaningful.

Figure 8 – Welsh Government Grants funding between 2011-12 and 2015-16

Welsh Government Grant Programme	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Local Authorities Flood Funding	0	0		1,577	0
Road Safety Grant	0	0	2,000	2,000	2,000
Substance Misuse Action Fund	0	0	0	22,663	22,663
Community Cohesion Grant	1,700	500	500	372	360
Community Fire Safety	2,400	2,400	2,250	2,138	1,030
Domestic Abuse Service Grant	0	0	0	1,236	1,244
Youth Crime Prevention Fund (formerly Safer Communities Fund – renamed in 2013)	4,535	4,535	4,898	4,900	4,900
Community Support Officers	1,287	9,787	15,287	15,787	16,787
Youth Justice Service	0	0	162	296	300
Flood and coastal erosion	0	0	0	12,155	12,155
Lead Local Flood Authority Grant	0	2,200	2,200	2,200	2,200
Total	9,922	19,422	27,297	65,324	63,639

Source: Welsh Local Government Settlement, List and estimated amounts of Grants for total Wales, 2011-12 to 2015-16.

The separation of funding, its short-term nature and its focus add additional complexities to the community-safety landscape and do not support medium-to-long term planning nor value for money

- 3.13 The recent changes in the commissioning of community-safety activity has created significant difficulties and barriers. Many of the survey participants are sceptical about these changes. Specifically, they raise concerns over the amount of work needed to apply for grants; the need to apply annually for recurrent funding; the lack of consistency across programs; and the limited co-ordination between agencies. The complexities of funding are also a by-product of the different responsibilities for community safety in Wales. We address this in more detail below.
- 3.14 Applying for grants takes time and many grants come with conditions attached that require careful management. Each funder has their own criteria, priorities and processes, which means every application has to be tailored. Within already stretched community-safety partnerships, managing these additional requirements reduces capacity yet further. One survey respondent noted that the experience of their partnership was that bidding for funding 'requires a lot of administration and time to complete in order to justify public spending, and runs the risk of being rejected. Local issues are not given the same priority when slippage is accrued, and can be lost in a regional setting. It seems whoever holds the purse strings also has further say in how slippage is allocated and which bids are successful - and will also ask for further information for justification'. Another commented that the 'lack of funding and resources to seek funding' and the community-safety function had 'reduced over last few years and largely down to one person'.
- 3.15 Many of the grant programmes are also of a short-term nature and can raise as many practical problems as the money will assist in addressing. One community-safety partnership member responding to our survey noted that 'reliance on external funds promotes high turnover of staff' and another that grant funding is 'very piece meal - affects recruitment and the quality of candidates. Totally unsustainable'. Decisions on awards can also take a long time and the amount of funding provided can be reduced with little notification. For instance, one survey respondent noted that 'It has been extremely challenging when Welsh Government and the Youth Justice Board had proposed making in-year reductions in grant funding when business plans are already in place to support programmes of work.' Views such as these are echoed by the Dyfed-Powys Police and Crime Commissioner who states that annual funding does not help with longer-term planning. The Police and Crime Commissioner's team see pooling budgets as the best way forward, but also felt there is no drive across all public bodies to encourage such an approach. As a result, there is a risk that partners can pull in different directions and opportunities are not being maximised.

- 3.16 In addition, funders have specific priorities for types of activity they want to fund but these do not always correspond with the community-safety partnerships priorities or what will have the greatest benefit for the community. For example, one community-safety co-ordinator noted that 'the capacity for the community safety partnership to respond to issues has been heavily curtailed since the Police and Crime Commissioner came into office. Much of the funding which formerly came to the community safety partnership was fairly distributed on projects which we all considered important, this permitted the community safety partnership to have a very positive effect in our communities. Since Police and Crime Commissioners came into operation the community safety partnership has very little funds to support important and effective local projects and as the Police and Crime Commissioner strategy and that of the community safety partnership is somewhat different those projects are often not funded by the Police and Crime Commissioner or are funded to deliver very different services, sometimes those which might be less helpful in community safety terms.'
- 3.17 Finally, the transfer of funding from the Home Office to Police and Crime Commissioners away from local authorities, is impacting on the viability and effectiveness of local partnerships. The Home Office re-aligned their previous grant funding into their Police Main Grant, which is distributed directly to Police and Crime Commissioners. Combining separate funding streams into the Police Main Grant gives Police and Crime Commissioners greater power to allocate their funds where they see fit, but amalgamating grants can also lead to a reduction in spending on community safety. One community-safety partnership member noted that 'in the past the community safety partnership received dedicated funding from both the Welsh Government and the Home Office. The cessation of these funding streams has impacted the community safety partnership's ability to delivery local interventions.'
- 3.18 Providing value for money is an imperative for publicly funded bodies and is currently in sharper focus given the requirement to cut budgets and streamline processes to achieve efficiencies without undermining effectiveness. It is questionable whether the current arrangements are providing value for money with community-safety partnerships receiving multiple grants often from more than one agency. The time and resources spent reporting on them, especially when administrative support in partnerships has been cut, is not an effective use of resources. The lack of co-ordination between the Home Office, Welsh Government and Police and Crime Commissioners also puts community-safety partnerships at a disadvantage. It adds to agencies' administrative costs and increases the risk of poor targeting and use of public funding. In addition, multiple funding streams make it difficult to understand where the benefits from grants investment are being achieved and whether the costs and benefits, on balance, represent value for money.

3.19 Highlighting these problems with the current arrangements one community-safety co-ordinator concluded that ‘the financial resources for Community Safety are very complicated. We receive funding from many different sources, public sector core budget, Welsh Government grants, Home Office grants, Police and Crime Commissioner grants, Supporting People and Community First grants, third-sector grants. Some of those are split funded, some annual, others one-off non-recurring. Some grants are regionally centralised, others virtually pooled, some ring-fenced, others local grants. Some of the funding secured may not on the surface relate directly to Community Safety, but the work of the post holder indirectly makes a significant contribution to the strategic and operational delivery.’

Real-terms spending on policing has fallen and there has been a three per cent reduction in frontline police numbers

3.20 A public body’s workforce is one of its greatest assets and a significant proportion of expenditure is on staffing. At a time of financial pressures, balanced budgets are often achieved mainly by reducing staff numbers through voluntary early release and vacancy management, where staff that leave are not replaced. **Figure 9** shows that in cash-terms expenditure on policing rose between 2010-11 and 2014-15 by approximately £35 million. However, real-terms spending – the change in expenditure after correcting for the effect of inflation – shows that funding for policing has fallen by roughly £13 million. The reduction in budgets for policing is matched by a fall of three per cent between 2012-13 and 2014-15 in Police Force numbers³³.

Figure 9 – Revenue outturn expenditure by police force between 2009-10 and 2014-15

Police force	2010-11 £'000	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000
Dyfed-Powys Police	106,643	106,650	106,769	100,788	110,778
Gwent Police	130,399	127,361	125,502	126,956	144,489
North Wales Police	154,454	148,088	151,819	156,057	154,416
South Wales Police	275,139	273,766	272,091	291,307	292,040
Total Police – cash-terms spending	666,635	655,866	656,181	675,108	701,723
Total Police – real-terms spending	714,507	679,724	680,051	685,319	701,723

Source: Stats Wales – LGFS0023, **Revenue outturn expenditure, by authority and HM Treasury, National Statistics, GDP deflators at market prices, and money GDP: March 2016 (Budget)**, 22 March 2016

33 www.gov.uk, **Police workforce England and Wales statistics**, 20 July 2016

- 3.21 From our public survey, we found that 18.3 per cent of those who responded stated that the amount of council tax allocated for policing is too small compared to the 18.8 per cent of citizens who believe that the proportion of the council tax they pay that is allocated to the police is too high. However, a further 40.5 per cent stated that they would pay more council tax if the extra money was directly allocated to fund additional policing in their area.

Local-authority real-terms expenditure on management of community safety has fallen by 32.7 per cent in the last five years and the reduced capacity is inhibiting activity and improvement

- 3.22 Budgets for management of community safety are not being protected from cuts and local-authority expenditure on community safety is falling at higher rates than the overall cut to authority budgets. We found that Gross Revenue Expenditure by local authorities directly on community-safety activity (defined as expenditure on community safety CCTV; community-safety crime reduction; and community safety – safety services) has fallen by £10.9 million, from £39 million in 2010-11 to £28.2 million in 2014-15. In real terms the reduction is even sharper, a fall of £13.7 million.
- 3.23 **Figure 10** shows that of the 22 local authorities 16 have seen a reduction in funding with the largest real-terms cuts in Isle of Anglesey (83.6 per cent), Swansea (83.5 per cent), Newport (77.8 per cent) and Carmarthenshire (77.4 per cent). Six local authorities have increased expenditure on ‘management’ of community-safety activity. The largest are in Merthyr Tydfil where the budget increased by 149 per cent in real terms between 2010-11 and 2014-15 and Wrexham which has a real terms increase of 104.9 per cent.

Figure 10 – Gross Revenue Expenditure on management of community safety by local authority between 2010-11 and 2014-15

Council	Changes in budget in cash terms					Real-terms change between 2010-11 and 2014-15
	2010-11 £'000	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	
Merthyr Tydfil	183	483	183	551	488	149.0%
Wrexham	2,598	2,277	2,040	2,306	5,704	104.9%
Caerphilly	982	3,226	2,963	2,756	1,524	44.8%
Flintshire	1,350	948	1,087	2,092	1,599	10.6%
Gwynedd	969	961	845	1,068	1,081	4.1%
Cardiff	4,091	3,391	3,273	4,419	4,395	0.2%
Rhondda Cynon Taf	4,669	4,233	4,658	4,740	4,256	-14.9%
Conwy	2,244	1,819	2,741	1,754	1,860	-22.6%
Bridgend	1,029	813	682	706	695	-37.0%
Torfaen	812	518	509	176	479	-44.9%
Monmouthshire	757	503	512	450	444	-45.0%
Neath Port Talbot	1,229	1,082	840	967	675	-48.7%
Pembrokeshire	217	207	151	145	117	-49.5%
Powys	598	565	338	325	260	-59.4%
Blaenau Gwent	1,866	1,599	1,731	1,741	769	-61.5%
Ceredigion	331	277	233	222	135	-61.8%
Denbighshire	1,664	1,653	1,525	1,409	610	-65.8%
Vale of Glamorgan	1,594	1,258	1,004	482	504	-70.5%
Carmarthenshire	2,345	2,254	2,127	1,923	592	-76.4%
Newport	4,796	2,890	2,771	1,172	1,139	-77.8%
Swansea	3,568	3,187	2,810	628	628	-83.5%
Isle of Anglesey	1,138	1,224	979	149	199	-83.6%
All Wales – Cash terms	39,030	35,368	34,002	30,181	28,153	-27.9%
All Wales – Real terms	41,833	37,327	35,239	30,637	28,153	-32.7%

Source: Stats Wales – LGFS0016 – Revenue outturn expenditure summary, by service and HM Treasury, National Statistics, GDP deflators at market prices, and money GDP: March 2016 (Budget), 22 March 2016

3.24 We asked all local-authority community-safety co-ordinators how their council supports them to deliver community safety. Specifically, we asked about their role and the time dedicated to community-safety activity. All of the 20 local-authority co-ordinators responded to our survey. **Figure 11** shows how much time each co-ordinator spends per week co-ordinating and managing each partnerships work on community safety. Of the 20 co-ordinators, eight spend less than half their time delivering on the role of community-safety co-ordinator. Our survey of the 20 co-ordinators also found that only 10 (50 per cent) believe their partnerships community-safety work is adequately resourced. A number of co-ordinators also commented on the reduction in the time they committed to working on community-safety issues in the past three years, which has resulted in them not being able to dedicate as much time to the role of co-ordinator as the role warrants. Reductions in community-safety management capacity are considered by survey respondents to be undermining the councils' leadership and co-ordination role on community-safety issues and weaken the partnerships' ability to effectively work together and plan to deliver improvement.

Figure 11 – Percentage of time spent by co-ordinators on delivering the role of community-safety co-ordinator

Percentage of time per week spent on co-ordination role	Number of co-ordinators
0-24	0
25-49	8
50-74	1
75-100	11

Source: Wales Audit Office, Community safety co-ordinators survey, November 2015.

- 3.25 The shifts in the funding regimes, coupled with a changing policy and operating environment, are impacting adversely on community-safety partnerships to the point that it is questionable whether they are sustainable going forward. According to community-safety partnership co-ordinators who responded to our survey 'the significant funding reductions applied to the community safety partnership in recent years have reduced the impact it has within the community' and another that 'the Community Safety Partnership does not formally exist anymore'. Other respondents noted that 'the community safety partnership must now operate on a local and regional basis with reduced capacity, and still fulfil its statutory duties. How does the Welsh Government envisage the community safety partnership to continue to operate effectively in line with reduced provision?' and another that 'the discontinuation/redirection of both Welsh Government and Home Office community safety funding streams has severely restricted the ability of the partnership.'
- 3.26 From our fieldwork, we found that these reductions are resulting in growing stress on staff and low morale and more time is now focussed on securing alternative sources of funding. Seventeen of the 20 co-ordinators (85 per cent) stated that their community-safety partnership is currently looking for additional funding outside of member organisations to support community-safety work, much higher than the wider community-safety partnership membership where only 45 per cent stated that they are currently looking for additional sources of funding.
- 3.27 The organisation most commonly identified for additional financial support is the Welsh Government with 41.1 per cent of respondents identifying them as the key partner to financially support their community-safety work. Promoting the Welsh Government as the body to provide more monies appears overly optimistic given that the Welsh Government is already funding considerable activity, despite not being the lead or responsible authority for key areas of community-safety work in Wales. The focus on the Welsh Government providing additional monies is especially salient as no survey respondent identified other UK Government departments as potential sources of funding, despite the Home Office having responsibility for the strategic direction of key elements of community safety in England and Wales. Outside of the Welsh Government, 19.6 per cent of community-safety partnership members highlighted that they are seeking financial support from the voluntary sector and charities, 17.6 per cent from the European Commission and 11.7 per cent from the National Lottery.

Part 4

Because of difficulties in defining community safety and weaknesses in data, scrutiny and evaluation, it is challenging for public bodies to demonstrate the impact of their activity



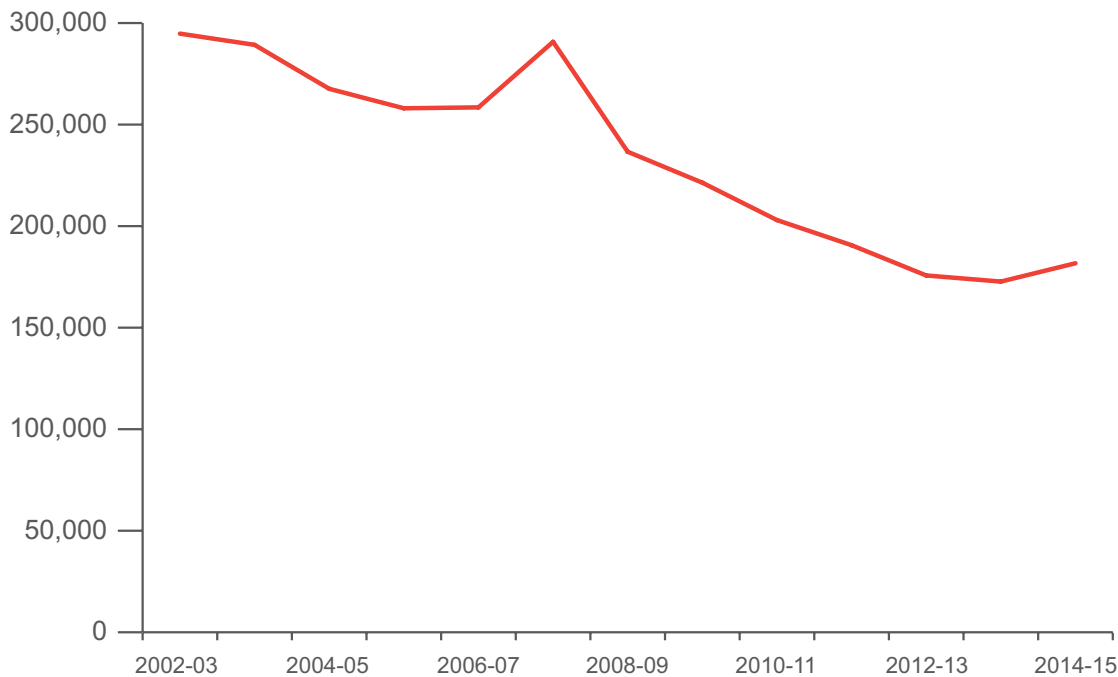
- 4.1 In this final part of the report, we assess performance and public bodies' performance and risk management arrangements for community safety and scrutiny of activity. Our review looks at the information that is used to judge performance by the Welsh Government, Police and Crime Commissioners and local-authority community-safety partnerships. We also consider the arrangements for scrutinising and challenging performance and how risk is identified and mitigated.

Police records and survey findings suggest that crime in Wales has fallen significantly in recent years but recent reviews have raised issues of concern about the integrity of the data, which makes measurement of community safety difficult

- 4.2 Critical to effective decision-making is using information to make informed and evidence-based policy and operational choices but from our review, we found that this is an area of work that the various bodies struggle with. As noted above, community safety covers many different aspects of life, is broad with no universal agreed definition. Because many different issues and services contribute to delivering community safety and there is no single agency with responsibility for community safety, measuring improvement and managing performance can be difficult. Consequently, there are no statutory indicators or measures for community safety, and performance is primarily based on reported crime.
- 4.3 Police Recorded Crime data³⁴ is published on a quarterly basis and is made available every three months. We have calculated the offences for each 12-month period for the four police-force areas by adding up the appropriate four quarters of each financial year. **Figure 12** (below) shows that Police Recorded Crime fell by 38.5 per cent from 295,000 to 181,000 recorded crimes between 2002-03 and 2014-15.

³⁴ Total police recorded crime covers selected offences that have been reported to and recorded by the police. They are supplied by the 43 territorial police forces of England and Wales, plus the British Transport Police, to the Home Office. Figures from data presented at a police-force level do not necessarily equal national police recorded crime figures presented elsewhere. This is because certain offences (such as those committed at airports) cannot easily be mapped to council areas and are therefore excluded. Equally, British Transport Police data are also not included within the police-force-level data. The Home Office highlights that the data are additive and users should be cautious when comparing figures which overlap in their coverage. For example, it is not always appropriate to compare the number of crimes in two 12-month periods that are only a quarter apart, as three quarters of the data will be the same.

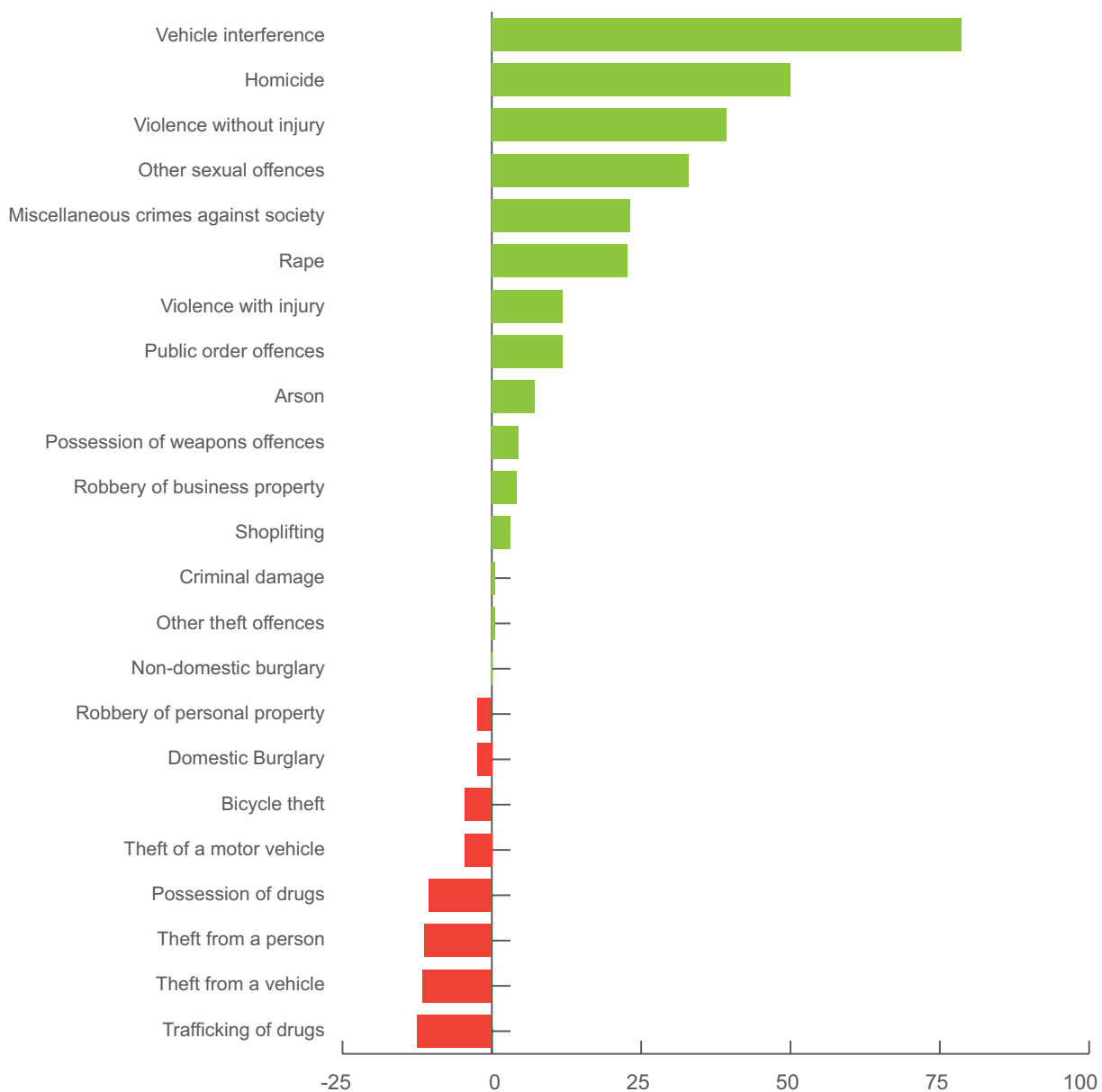
Figure 12 – Police Recorded Crime in Wales March 2003 to March 2015



Source: The Office for National Statistics, Crime in England and Wales, 2002-03 to 2014-15.

4.4 The most recent data for the year ending September 2015 from the Office for National Statistics highlights that total recorded crime for all offences in England and Wales including fraud had increased by six per cent on the previous 12-month period. There were almost 184,000 recorded incidents of recorded crime in Wales. **Figure 13** shows that within the overall six per cent increase in recorded crime for Wales, the highest percentage increases were in respect of interfering with a motor vehicle, homicide, violence without injury, other sexual offences, miscellaneous crimes against society and rape. Conversely, the highest percentage decreases were in the categories of trafficking of drugs, theft from a vehicle, theft from a person and possession of drugs. However, the Office for National Statistics notes that improvements in recording crime may have affected the figures with a greater proportion of crime now being logged since 2014-15.

Figure 13 – Percentage change in individual categories of Police Recorded Crime in Wales between September 2013 and September 2015³⁵



Source: www.gov.uk, **Official Statistics**, Home Office Police recorded crime statistics, 21 July 2016.

³⁴ Longer-term analysis of police recorded crime by individual categories is difficult because of changes to the recording groupings introduced for the financial year 2013-14. For example, new codes were introduced for robbery of personal property, robbery of business property, theft from a vehicle, theft of a motor vehicle, vehicle interference and other theft offences. Prior to 2013-14, these crimes had been grouped within other categories. A like-for-like comparison showing changes in crime that straddles the period before these changes and from 2013-14 onwards is therefore not possible.

- 4.5 There are concerns with the integrity of the police recorded crime data. The coverage of police recorded crime is defined by the Notifiable Offence List (NOL), which includes a broad range of offences, from murder to minor criminal damage, theft and public-order offences. The NOL excludes less serious offences that are dealt with exclusively at magistrates' courts. While the police recorded crime series covers a wider population and a broad set of offences, it does not include crimes that do not come to the attention of the police or are not recorded by them. The gap in reporting is important because issues of concern have been raised with the robustness of the data.
- 4.6 For example, the Public Administration Committee at Westminster³⁶ conducted an inquiry into crime statistics in 2013-14 and reported that although the Police Recorded Crime and Crime survey data for England and Wales were indicating reductions in crime, there was 'strong evidence that P under-records crime, and therefore the rate of decrease in crime may be exaggerated, and is due to lax police compliance with the agreed national standard of victim-focussed crime recording'. One of the key areas of concern for the Committee was the misrecording of sexual offences. The Committee also noted issues relating to police compliance with the agreed national standard of victim-focussed crime recording. In early 2014, the UK Statistics Authority (UKSA) decided to remove Police Recorded Crime data of its designation as National Statistics.
- 4.7 In addition, Her Majesty's Inspectorate of Constabulary (HMIC) recently conducted an inspection of all 43 police forces in England and Wales judging to what extent police-recorded crime information can be trusted. Based on the inspection of each police force, the Inspectorate concluded³⁷ that 'Victims of crime are being let down. The police are failing to record a large proportion of the crimes reported to them. Over 800,000 crimes reported to the police have gone unrecorded each year. This represents an under-recording of 19 percent. The problem is greatest for victims of violence against the person and sexual offences, where the under-recording rates are 33 percent and 26 percent respectively. This failure to record such a significant proportion of reported crime is wholly unacceptable.'
- 4.8 The Inspectorate highlighted the importance of accurate crime recording for victims and communities to ensure confidence in the police and also for chief constables when making decisions on how to deploy resources and for Police and Crime Commissioners in their role of holding their police forces to account. The Inspectorate also found that the quality of compliance with recording practices across police forces varied. The inspectorate made 13 recommendations in its report and now includes scrutiny of crime data integrity as part of their annual assessment of the efficiency, effectiveness and legitimacy of each police force.

³⁶ House of Commons, Public Administration Committee, **Caught red-handed: Why we can't count on Police Recorded Crime Statistics**, 9 April 2014.

³⁷ Her Majesty's Inspectorate of Constabulary, **Crime-recording: making the victim count – The final report of an inspection of crime data integrity in police forces in England and Wales**, November 2014.

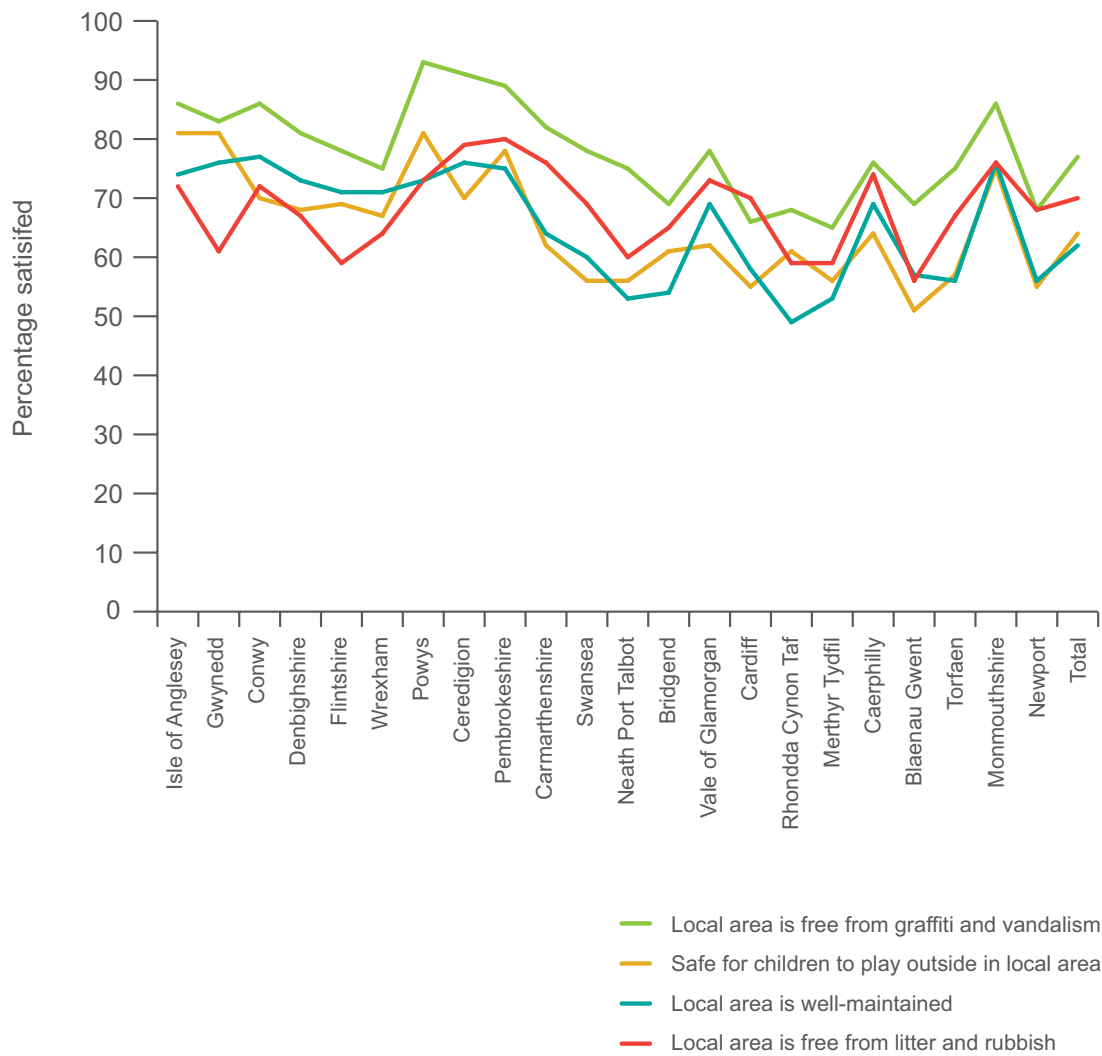
- 4.9 Another source of data relating to crime and community safety is the **Crime Survey for England and Wales**, an annual face-to-face survey of 35,000 adults and 3,000 children aged 10 to 15 years old who are resident in households in England and Wales. The Survey asks respondents about their experiences of a range of victim based crimes in the past year. The survey covers the following four offences: violence (although murder is not included); robbery; theft (personal, burglary, vehicle, bicycle, other household); and criminal damage. The survey does not cover 'victimless' crimes, such as possession of drugs or motoring offences. However for the population and offence types it does cover, the Crime Survey for England and Wales is a valuable source for providing a consistent picture of crime over time.
- 4.10 The latest data from the **Crime Survey for England and Wales** show that survey respondents' experiences of crime is very different to the police recorded crime data. For example, the police recorded crime data notes a 16 per cent increase in violence with injury in 2014-15 compared to 2013-14 but there was an 11 per cent increase for violence with injury in the **Crime Survey for England and Wales**. However for violence without injury the **Crime Survey for England and Wales** saw an 11 per cent reduction in 2014-15 compared to 2013-14 whereas police recorded crime saw a 37 per cent increase. Theft from the person saw a 13 per cent decrease in the **Crime Survey for England and Wales** but just a four per cent decrease in police recorded crime. Overall, the **Crime Survey for England and Wales** shows a more positive picture of crime than police are recording.

Citizens have mixed views on their quality of life and how safe they feel

- 4.11 The National Survey for Wales³⁸ is a large-scale survey involving over 14,000 adults a year across the whole of Wales and covers a range of topics such as wellbeing and people's views on public services. The results are used by the Welsh Government to help make Wales a better place to live. However, the survey questions change annually in a number of key areas, which makes comparison of performance over time difficult. In addition, the last National Survey findings are from the 2014-15 survey and whilst there was no National Survey in 2015-16, it is planned to restart in 2016-17.
- 4.12 The National Survey includes a range of topics covering the local environment, quality of life and feeling safe. **Figure 14** plots survey respondents' views on the quality of their local-authority area in 2013-14 and shows there is a wide variation in how satisfied citizens are with their quality of life and the condition of their local environment.

³⁸ Welsh Government, **National Survey for Wales**

Figure 14 – National Survey for Wales 2013-14 – Quality of local area



Source: Stats Wales, National Survey for Wales

- 4.13 The questions in the 2014-15 National Survey for Wales do not allow for a direct comparison with the 2013-14 survey. The 2014-15 survey did however include a small number of questions covering what the Welsh Government termed 'community cohesion'. The 2014-15 survey reports that 79 per cent of respondents agree that people in the local area from different backgrounds get on well together. Individual local-authority responses range from 65 per cent in Torfaen to 93 per cent in Ceredigion. In addition, 79 per cent of respondents also agree that people in the local area treat each other with respect and consideration with responses ranging from 67 per cent in Rhondda Cynon Taf to 95 per cent in Powys.
- 4.14 As part of our online survey we asked citizens their views on how public bodies with responsibility for community safety are performing. For the three survey measures – safety in their area, changes in crime and the performance of agencies – the responses varied. In respect of crime within their area, 36.6 per cent of citizens stated that they felt crime had increased in the last year, 10 per cent that crime had fallen and 53.4 per cent that they did not know. Only a quarter of survey respondents stated that they feel safer in their area than they did a year ago compared to approximately 60 per cent who stated that they felt more unsafe than they did last year. The remaining 15.4 per cent stated that they did not know.
- 4.15 With regard to the performance of agencies in improving community safety, responses were more evenly spread with 23.5 per cent stating that bodies were doing a very good or good job; 30.4 per cent an okay job with some good and not so good work; and 23.1 per cent a poor or very poor job. The remaining 23 per cent stated they did not know. Given that many respondents to these three survey questions did not know how well organisations are performing in tackling crime and community safety there are clear opportunities for public agencies to improve how they engage with and inform residents and communities on current levels and standards of performance.

Judging performance and impact in delivering plans is difficult because of wide variations in the quality and range of measures, targets and actions that public bodies use

- 4.16 Having good systems and arrangements to evaluate performance helps the Welsh Government, Police and Crime Commissioners and local authority Members to understand how well they are performing in relation to their strategic goals and objectives. In the broadest sense, it enables organisations and their stakeholders to understand whether they are on track or not. In a time of austerity and reductions in resources, good-quality performance information to judge delivery of activity is also critical. It provides the means by which organisations can gauge whether reductions in expenditure are being managed and mitigated effectively without unduly influencing performance, or highlighting where resources need to be focussed to make the biggest positive impact.

There is a mixed picture of how well the Welsh Government has performed in delivering its priorities of safer communities for all because appropriate measures to judge impact are lacking in some areas

- 4.17 The Welsh Government published annual progress reports on the delivery of its commitments under the **Programme for Government**. Under the **Programme for Government**, the Welsh Government's overall aim is to make our communities safer through reductions in anti-social behaviour, crime (including the fear of crime), substance misuse and the incidence and impact of fires as well as effective co-ordination of emergencies. It sets a series of targets to judge whether it is delivering its objectives and outcomes. The Welsh Government publishes data on the outcome indicators it uses to judge delivery over the period of the **Programme for Government**. These are the measures that judge community safety in Wales and how the individual actions of the Welsh Government contribute to improving community safety within the scope of its powers.
- 4.18 In 2011-12 the Welsh Government published a detailed 48 page scorecard³⁹ to judge progress in delivering its targets. The progress report measures performance against the 20 specific actions agreed and performance against the big 'long-term challenges' facing Wales. The data used is a mix of official statistics published at a UK or all-Wales level as well as information collated from departmental management systems.

³⁹ Welsh Government, **Programme for Government 2012 Update, Chapter 7: Safer Communities for All**

- 4.19 Since 2012-13, the Welsh Government has published various summaries which provide an update on each of the twenty specific action community-safety commitments in the **Programme for Government**. The progress report also acknowledges that some of the performance measures used do not enable performance against the outcome sought to be determined. For example, the Welsh Government reports on the percentage of children and young people in the Youth Justice System in Wales, with identified substance misuse needs, who have access to appropriate specialist assessment and treatment services but does not report on the impact of substance misuse treatment and its benefits. The Welsh Government's most recent annual progress report⁴⁰ showed that by the end of 2014-15, 18 of the 20 commitments had been achieved and two were anticipated to be achieved by the end of 2015-16.
- 4.20 Our review identified some weaknesses with these arrangements. Firstly, the Welsh Government has not established baselines or targets for most of the measures so it is not clear what the anticipated impact of its programme of work will be over the life of the National Assembly. The Welsh Government believes that in some cases it is not appropriate to set targets – for example for how many young people the Welsh Government thinks should be in custody – because it might mean that once the target is met, services may not focus on continuing to keep young people out of custody.
- 4.21 Our review found that over the life of the **Programme of Government** there has been an improvement in performance for 16 measures, 11 have seen a decline in performance and for two it is unclear how performance should be judged. Whilst there are areas where performance has improved significantly, and the positive work of the Welsh Government is clear in driving this improvement, limitations in other areas make it difficult to evaluate the full impact of all the Welsh Government's activity in improving key areas of community safety in Wales.
- 4.22 For example, in the most recent progress report, 2014-15 data was not provided for 14 measures and is based on 2013-14 information, which makes it difficult to track performance. Some of the data used by the Welsh Government is drawn from management records rather than published sources so it is not always clear whether the information is auditable. In addition, good-quality information which could have been used to demonstrate performance– for example, the National Survey for Wales noted above – is not used. In some areas the performance measures are a collation of coverage or usage not impact and benefit, so it is not clear how the actions or activity contribute to or allow for a judgement of improvement. For example, extension of number of properties covered in no-cold-calling zones. The Welsh Government published the figures relating to a post-code exercise which was carried out to gain an overview of the numbers of homes covered by no-cold-calling zones as at 31 March 2015, which was 53,418, an increase of 15,418 since March 2013. However, simply recording the number of homes that are now covered by cold calling zones captures no information on whether the extension of the policy has delivered any actual improvement for residents.

40 Welsh Government, **Chapter 7: Safer Communities for All – Update on Commitments in the Programme for Government**

Police and Crime Commissioners' annual plans and programmes provide an overall direction for the work of police forces, however a lack of clarity in some targets, measures and outcomes means that it is not always clear whether they are delivering their priorities

- 4.23 Police and Crime Plans set out a series of priorities for their office and police-force area. However, the priorities in these documents are generally population-wide outcomes with emphasis on crime reduction and value for money from the police forces. Other priorities are focussed on developing capacity to address crime and community-safety issues, for example, the North Wales Police and Crime Commissioner is developing cyber-crime capability and capacity to tackle significant threats, including child sexual exploitation online.
- 4.24 Each Police and Crime Commissioner sets out how they will measure progress in meeting their priorities. In many cases priorities and performance measures are aligned, for example, one Police and Crime Commissioner has set a priority that the local population is protected from serious harm (Gwent) and one of the performance measures for the priority is to increase the proportion of offenders brought to justice for domestic-abuse offences. However, some of the performance measures are not easily measurable nor specific. These weaknesses in the performance monitoring systems mean that it is not always clear whether Police and Crime Commissioners are consistently delivering their priorities, although this is improving with greater information being made available online.

Most community-safety partnerships set clear high-level priorities but the measures set to monitor and evaluate progress are often not clear or appropriate

- 4.25 Almost all community-safety partnerships have set clear high-level community-safety priorities within their Single Integrated Plans. Those priorities are generally population wide outcomes and the partnerships then set out action plans to achieve the overall priorities. Although not all partnerships provided us with clear action plans that demonstrated how the overall priorities would be delivered, including which other organisations would be involved and deadlines for actions.

- 4.26 Whilst 18 of the 20 of the community-safety partnerships stated that their strategies have appropriate outcome measures, we found that performance measures are not always fully aligned to the priorities set out in strategies. For example, Bridgend has three priority areas: further reducing violent crime; reducing drug misuse; and further reducing domestic burglary. However, the performance measures the Authority has set to judge delivery and impact are not aligned with these strategic aims and will not allow it, partners or citizens to judge the effectiveness of its work. The measures used focus on measuring an increase in the percentage of people who think South Wales Police and Bridgend County Borough Council are dealing with issues that matter; an increase in the amount of clean streets and land; and the increase in the percentage of people who feel part of their community. Whilst these are useful measures to judge activity, they do not relate directly to measuring reductions in burglary or drug misuse. Likewise, the North Wales Commissioner acknowledges in his performance report, that joint partnership activity and outcomes are difficult to measure, though working in partnership is important. However, arrangements to assess partnership working have recently been revised and strengthened.
- 4.27 Our review of the strategies found that partnerships use a variety of performance data to measure progress in meeting their priorities. The majority of measures are based on published data, for example, the number of reported anti-social-behaviour incidents. A number of partnerships have further refined their measures to include the rates of incidents per 1,000 population rather than the actual number of incidents, which is a more sophisticated approach to measuring progress. Others use data that capture public perceptions of elements of community safety, including feeling safe after dark in a local area. However, information is not always drawn from robust data sources and in some cases funding reductions have meant that perception surveys are no longer run.
- 4.28 Wrexham Local Service Board's Partnership Delivery Board 3 'Wrexham is a place that's safe and where people feel included' is responsible for community-safety issues. The Board has published two annual reviews of progress against its targets. These reviews contain key information for each of the outcomes set by partners, which allows members of the public to track whether these targets are being achieved. The information includes a 2012 baseline for each target, the progress made in the year of the report and the preceding year as well as the overall target for the life of the plan for 2017. A Red, Amber, Green (RAG) rating is given to help a reader's interpretation of the information. Since April 2015 Board members also receive quarterly information to allow them to monitor performance for 16 of the 21 performance measures. The report includes a short commentary on each of the performance measures comparing performance with a similar family group of local authorities as well as an indication of the trends within the data. Taken together the range of information and the way it is presented allows Board members to challenge and scrutinise performance.

- 4.29 In some local authorities, the rate of referral to services is used to measure progress in tackling specific issues, for example, substance misuse. However, measures such as these are only one means of judging progress in tackling these issues and are often not sufficiently detailed or rounded to evaluate performance. Where more detail is included, for instance in Caerphilly where the number of successful treatment outcomes is also captured, a better picture of progress is highlighted. Additionally, of the eight partnerships that include community cohesion as a priority, three use the level of hate crime as a performance measure, four do not set any measures and one partnership sets the three measures: an understanding of the local threat and risk, a robust prevention strategy, and creating a more integrated and cohesive community.
- 4.30 Measuring delivery of community-safety priorities across Wales has some common shortcomings. More clarity on the intended outcome of each priority and its beneficial impact on citizens would help people understand what they can expect and how they can stay safe. Despite clear intentions to improve reporting and access to information, there is limited baseline data on police performance. As a result it is hard to judge what the community-safety body is aiming for, the results delivered, and what they do well compared to others.
- 4.31 Plans and strategies also fail to link cost and financial information with actions and activity and too many community-safety strategies are not costed. As a result, plans are not as robust as they should be. In some cases the targets set are very simplistic. For example, some community-safety partnerships are seeking to reduce the incidence of domestic abuse, however, others such as Torfaen and the North Wales Safer Communities Board have taken the view that as reporting of domestic abuse has historically been an under reported crime, there needs to be increased awareness, which may lead to an increase in reporting of incidents. However, both of these are also targeting a reduction in repeat victims of such crimes.

Management of risk varies widely and is not always robust

- 4.32 Risk management is an important part of community-safety partners' governance and accountability arrangements and, done well, can provide assurance that the risk of certain kinds of events happening or having an impact on performance are reducing or eliminated. From our review, we found that risk management is developing but is not fully embedded.
- 4.33 Police and Crime Commissioners across Wales generally have sound processes in place for managing risks to the police force. In South Wales and Dyfed-Powys, the Risk Register is continually updated and regularly submitted to various Audit Committees and Boards for scrutiny. Similarly, both the Gwent and North Wales Police and Crime Commissioners have established risk frameworks for community-safety priorities covering a number of partnership and joint activities, although there are some opportunities to improve how all key partnership risks are captured.

- 4.34 In Swansea, a strategic needs assessment document is produced annually as part of a cyclical process and key risks are identified. For example, an increase in substance misuse linked to the effects of the recession is likely to affect acquisitive crime levels, such as shoplifting where thefts are made to fund a drug habit. The use of substances has a knock-on effect on safeguarding in relation to the protection of children and domestic-violence victims where users are part of a family, and will have greater implications for managing anti-social behaviour and disorder. These risks are articulated and shared with partners, although how resources are allocated to these risks lacks clarity.
- 4.35 The impact of scrutiny is unclear and public bodies do not always have effective risk-management arrangements. For example, risks are not written in plain language and tend to get packaged up. Sustainable finances are most community-safety partnerships' top risk to delivery but how these risks are managed and resolved lacks clarity. Community-safety partnerships' risk-management arrangements are also developing too slowly. Whilst risks from new duties and new intelligence are considered by the community-safety partnerships, these are more about threats rather than risks to delivery, capacity and important public-perception issues such as fear of crime.
- 4.36 However, the fragmented nature of responsibilities also makes management of risk difficult. Risk-management arrangements are mostly focussed on individual agencies' responsibilities and consequently do not identify or comment on the role of others in addressing risk. Indeed, Commissioners and community-safety partnerships do not have a handle on or register of all the partners they are dealing with and the potential risks that come with that. A fragmented approach to managing risk does not provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place and does not enable adequate scrutiny of performance.

Appendices

Appendix 1 – The statutory basis for management of community safety in England and Wales

Appendix 2 – Responsibilities for community safety in Wales

Appendix 3 – Study methodology

Appendix 4 – Good-practice case studies

Appendix 1 – The statutory basis for management of community safety in England and Wales

The 'Morgan Report' 1991 - The Morgan Report was critical in shaping community safety and the future development of community safety partnerships in England and Wales. It advanced the notion of partnership and recognised the need to bring together key stakeholders in the field of community safety and crime prevention. It recommended linking local authorities with police and others in a multi-agency approach to tackling crime. Following its publication there was wide-scale, voluntary adoption of community safety partnerships across Britain.

Crime and Disorder Act 1998 - The Crime and Disorder Act 1998 gave local authorities and police services duties to work together to develop crime and disorder audits; implement reduction strategies; and to work in partnership with other agencies through Community Safety Partnerships (CSPs) to tackle the identified problems.

Police and Justice Act 2006 - The Act placed a duty on responsible authorities to share evidenced-based data. This was widened to include the Fire Service, Probation Service, Health Service, local Police Authority and a representative of Registered Social Landlords. The Act also placed a new duty to create a formal strategic group to undertake strategic assessments of levels and patterns of crime and drug misuse and to produce annual rolling 3-year community safety plans. Minimum standards for CSPs was also established.

The Crime and Disorder (Prescribed Information) Regulations 2007 - The Statutory Instrument sets out the specific duties of responsible authorities for developing a Strategic Assessment and its implementation.

Police Reform and Social Responsibility Act 2011 - The Police Reform and Social Responsibility Act 2011 covers five distinct policy areas: police accountability and governance; alcohol licensing; the regulation of protests around Parliament Square; misuse of drugs; and the issue of arrest warrants in respect of private prosecutions for universal jurisdiction offences. The Act also replaced police authorities with directly elected Police and Crime Commissioners.

Serious and Organised Crime Strategy 2013 - The Strategy makes a number of proposals with regard to partnership working. Police and Crime Commissioners are the lead bodies responsible for crime and safety and should be supported by new local organised crime partnership boards, including local authorities and agencies to ensure all available information and powers are used. The precise structure for local multi-agency partnerships will vary and it may be best to adapt an existing group for this purpose such as the community safety partnership.

Anti-Social Behaviour, Crime and Policing Act 2014 - The act introduces simpler powers to tackle anti-social behaviour to provide better protection for victims and communities. The new community trigger and community remedy empower victims and communities aiming to give them a greater say in how agencies respond to complaints of anti-social behaviour and in out-of-court sanctions for offenders.

Appendix 2 – Responsibilities for community safety in Wales

Home Office

Within England and Wales, the Home Office is responsible for immigration, security, and law and order. As such it is responsible for the police in England and Wales, UK Visas and Immigration, and the Security Service (MI5). It is also in charge of government policy on security-related issues such as drugs and counter-terrorism as well as the strategic policy for community safety in England and Wales.

Currently, the Serious and Organised Crime Strategy (the 'Strategy') published in October 2013 sets out how the Home Office will prevent people getting involved in serious and organised crime in England and Wales. The Serious and Organised Crime Strategy makes a number of proposals with regard to partnership working and makes it a requirement for the Police Forces and the individual Police and Crime Commissioners to be the lead bodies responsible for crime and safety. However, Police and Crime Commissioners should be supported by new local organised-crime partnership boards, including local authorities and agencies to ensure all available information and powers are used. The precise structure for local multi-agency partnerships to deal with serious and organised crime will vary across the country. In some areas it may be best to adapt an existing group for this purpose such as the community-safety partnership.

Welsh Government

Welsh Ministers and the Welsh Government have the competence to pass bills for Acts of the Assembly in a range of areas outlined in schedule 7 of the Government of Wales Act 2006. Whilst the Welsh Ministers and the Welsh Government do not have direct legislative or policy responsibility for crime and safety, they do have responsibilities for many agencies and organisations that play an important role in community safety.

Given the above context, the last Welsh Government recognised that tackling crime and the fear of crime is an important way to help people feel safer in their communities. Consequently, it recognises that its work with the police, Home Office, community-safety partnerships and other key organisations to reduce crime and the fear of crime is extremely important. Through its Programme for Government 2011-2016 and the strategic aim of safer communities for all, the Welsh Government set out its priorities for improvement, aiming to 'make our communities safer through reductions in anti-social behaviour, crime (including the fear of crime), substance misuse and the incidence and impact of fires as well as effective co-ordination of emergencies'.

Police and Crime Commissioners

The core functions of Police and Crime Commissioners are to secure the maintenance of an efficient and effective police force within their area, and to hold the Chief Constable to account for the delivery of the Police and Crime Plan. The Police and Crime Plan must include the Commissioners' objectives for policing, what resources will be provided to the Chief Constable and how performance will be measured. Both the Police and Crime Commissioner and the Chief Constable must have regard to the police and crime plan in the exercise of their duties.

Whilst Police and Crime Commissioners are not specifically included as members of community-safety partnerships they do have community-safety-related powers and duties including a reciprocal duty to co-operate with community-safety partnerships for the purposes of reducing crime and disorder; a power to bring a representative of any or all community-safety partnerships in the their area together to discuss priority issues; a power to require reports from community-safety partnerships about issues of concern and the Power to approve mergers of community-safety partnerships (on application of the community-safety partnerships concerned). In addition, Commissioners have the Power to commission community-safety work from a range of local partners including community-safety partnerships and community, voluntary-sector or commercial providers).

Local Authorities

Community-safety partnerships) are groups of local organisations working together to reduce crime and improve safety. Community-safety partnerships are led by local authorities and membership includes a wide range of local authority services, Police Bodies, Fire and Rescue Authority, and Health and Probation services. These are the 'responsible authorities'. Community-safety partnerships also work closely with other Criminal Justice agencies, and the voluntary and business sector.

The local strategic management, commissioning of the local community-safety strategic assessments, the development of local delivery plans for crime and disorder reduction and the overseeing of performance against crime-reduction targets and the delivery of services are controlled by the community-safety partnership.

In addition, the wider work of local authorities also makes an important contribution to community safety within communities, in particular in areas such as:

- emergency planning – ensuring that plans are in place to deal with emergency situations such as flooding, heavy snow and ice, civil unrest or terrorist incidents;
- regulation, licensing and trading standards – such as alcohol and entertainment licences to help maintain public order, food-hygiene certification for businesses to prevent food poisoning;
- safeguarding and ensuring the wellbeing of vulnerable members of society through their work in education, social services and housing;
- tenancy enforcement teams tackling anti-social behaviour and neighbour nuisance;
- planning service advising on and approving planning applications for new developments that seek to design out potential crime issues;
- supporting people teams providing advice and support to vulnerable people that help them maintain their accommodation; and
- refuse-collection and waste services keeping areas clean and well-maintained.

Appendix 3 – Study methodology

Review of literature, data and statistics

We have reviewed a wide range of documents and media, including:

- Home Office policies, guidance and research;
- Welsh Government policy and guidance documents;
- Police and Crime Commissioner plans for the period 2012-16;
- local authority plans and strategies covering community safety in all 22 local authorities;
- performance-indicator returns and budget data available online at the Office for National Statistics, StatsWales and the Benchmarking Hub; and
- other relevant research and guidance from government, local authorities, voluntary sector groups and research bodies.

Local authority fieldwork

We visited seven local authorities in Wales in 2015-16. The local authorities selected represented a mix of city, urban and rural authorities which are geographically spread across Wales. These were:

- Bridgend County Borough Council
- City of Cardiff Council
- Ceredigion County Council
- Conwy County Borough Council
- Denbighshire County Council
- Swansea City and County Council
- Wrexham County Borough Council

During the visits, we interviewed a range of community safety partnership members, including police and fire officers, health board, local authority staff and elected members, including members from regional partnerships.

Surveys

We undertook a range of online surveys and we surveyed:

- Community-safety co-ordinators for the 20 local-authority community-safety partnerships between September and November 2015 and received responses from all 20.
- Community-safety partnership members in October and November 2015 and received 51 responses. The survey was promoted via community-safety partnership managers/co-ordinators and we received returns from 31 different organisations across Wales who are members of community-safety partnerships.
- Citizens from October 2014 to November 2015 and we received 468 responses. The survey was made available online and promoted through our communications team. The approach taken does not necessarily guarantee a representative response. For example, we received half of our responses from North Wales and no responses in some local-authority areas. Given these limitations, we have only used the survey to report views at an all-Wales level.

Appendix 4 – Good-practice case studies

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 good 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:

- Wrexham Harm Reduction Unit – page 15 (paragraph 1.21)
- Denbighshire Top 20 – page 16 (paragraph 1.22)
- Swansea Help Point – page 16 (paragraph 1.23)
- North Wales Safer Communities Board – page 18 (paragraph 1.25)
- Safer Gwent Group – page 18 (paragraph 1.26)
- Safer Swansea One Swansea Plan – page 28 (paragraph 2.24)
- Cardiff community-safety engagement – page 32 (paragraph 2.36)
- Wrexham Hub – page 33 (paragraph 2.37)
- Dyfed Powys Police commissioning approach – page 36 (paragraph 3.6)
- Gwent Police commissioning work – page 37 (paragraph 3.7)
- 3 Wrexham Plan – page 56 (paragraph 4.28)

In addition, we have also identified the following transferable practice.

Case Study 1 – Cardiff Alcohol Treatment Centre

The Cardiff Alcohol Treatment Centre (ATC) was set up to provide additional capacity to deal with the higher volume of acutely intoxicated individuals (All) attending the University Hospital of Wales (UHW) Emergency Department on Friday and Saturday nights in Cardiff. During peak times, up to 70 per cent of all admissions to the Emergency Department at UHW are alcohol-related. The ACT aimed to divert patients away from the Emergency Department; reduce the burden on ambulance services by dealing with patients in the city centre; and reduce ambulance-handover times at the Emergency Department by reducing the volume of patients accessing services there.

The project was a collaboration between Cardiff Night Time co-ordinators (from the local authority), South Wales Police, Welsh Ambulance Service, Cardiff and Vale NHS Trust, the University of Wales Emergency Department and the Roman Catholic Diocese. Other partners already involved in the night-time economy, including Street Pastors, St John Ambulance, licensees and taxi marshals, were also part of the project.

The project also collaborated with the private sector. Property developers bought the building where the ACT was based from the local authority, but agreed to house the project within their development. The project operated on Friday and Saturday nights, and other specific dates when high levels of All were expected (event days, Freshers' Week, etc).

An evaluation of the project was carried out by Cardiff University in 2013⁴¹. Amongst its findings, the evaluation concluded that the project would become cost-neutral, based on a comparison between the expenditure on staff costs, etc. and the calculated savings resulting from reduced attendance at the Emergency Department saved ambulance journeys and reduced ambulance waiting times. Information gathered from patients entering the ATC provides evidence of 'hot spots' – times and locations where intoxication is concentrated in the city centre.

The project is now funded by the Cardiff and Vale Regional Collaboration Board. Medical staff working on the project also engage with the public at events to promote safety in the night-time economy, for instance at University Freshers' Fayres across the city.

⁴¹ Dr Simon Moore, Dr Vas Sivarajasingam, Marjukka Heikkinen: Cardiff University Violence & Society Research Group, *An Evaluation of the Cardiff Alcohol Treatment Centre Pilot*, May 2013.

Case Study 2 - Wrexham Alcohol Treatment and Welfare Centre

Wrexham Alcohol Treatment and Welfare Centre was set up on a temporary basis during the festive season in 2014. It addressed many of the town-centre anti-social and health problems caused through and by excessive alcohol consumption.

The Community Safety Partnership has produced considerable evidence that directly correlates to fewer people attending A&E and reduced anti-social behaviour during the weekends and periods the centre operated. Following its success, the Partnership and Local Service Board submitted a business case to the Area Planning Board and accessed capital funding to provide a permanent alcohol treatment and welfare centre in Wrexham. The new centre is due to open in November 2015 and will operate every weekend and during popular holiday periods. Volunteers, mainly from the Red Cross, students, including medical and nursing staff, will operate from the centre. Police, PCSOs and street pastors provide support at and around the centre. There are further plans to use the centre during the day as a drop-in point to assist with other welfare issues.

In conjunction with the initiative, the Council and its partnership board have developed good working relationships with licensees in the town centre, which is helping further to deter problems associated with alcohol.

Case Study 3 – Conwy and Denbighshire Community Safety Partnership Taxi Driver Safeguarding training

As a result of the Report of Inspection of Rotherham Metropolitan Borough Council February 2015 undertaken by Louise Casey CB, Conwy's licensing unit reviewed its policies and procedures and considered what additional steps they could take in relation to Child Sexual Exploitation (CSE) and taxi licensing. Amongst other things, it was decided that:

- awareness training on CSE for taxi drivers was needed (Police and Social Services support/input is needed);
- better information exchange between partners/agencies;
- taxi-licensing conditions should be changed to require drivers to hold the BTEC Level 2 Certificate (or equivalent) on the 'Introduction to the Role of the Professional Taxi and Private Hire Driver (QCF)', which includes training on CSE matters.

Officers subsequently commenced liaison and engagement with Conwy's Social Services, Community Safety Partnership, North Wales Police, Barnardo's and the local taxi trade. It was decided that a report to the General Licensing Committee of Conwy County Borough Council would be presented setting out the suggested approach that all currently licensed drivers must attend a mandatory CSE awareness session, and at the time their driver licences were required to be renewed, they must also have obtained the BTEC level 2 Certificate (or equivalent) on the 'Introduction to the Role of the Professional Taxi and Private Hire Driver (QCF)', which enables taxi and private-hire drivers to demonstrate evidence of technical competency and underpinning knowledge in relation to their work activities.

The recommendations in the [General Licensing Committee report](#) were agreed on 21 September 2015, and so in liaison with the above partners, CSE awareness sessions for Conwy's taxi drivers were planned and undertaken on 25 November 2015. The sessions were extremely well received by the taxi trade, with 300 plus taxi drivers getting the important messages given out, which will hopefully lead to greater levels of public safety and awareness/prevention of CSE.

Local providers for the BTEC level 2 have been identified and the taxi trade advised of the new mandatory BTEC requirements. Drivers not attending the CSE awareness sessions, or failing to obtain the BTEC and wishing to remain licensed, would be referred to the General Licensing Committee for a determination of whether they were still 'fit and proper' to hold a Hackney Carriage or Private Hire vehicle drivers licence.

The Criminal Conviction policy for the issuing of Hackney Carriage and/or Private Hire Vehicle licences to drivers was also reviewed and strengthened, following agreement at the meeting where the [General Licensing Committee report](#) was agreed on 16 March 2015.

It is hoped there will be better CSE awareness and information exchange as a result of the above work, which was led and facilitated by Conwy's licensing unit.

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**Llywodraeth Cymru
Welsh Government**

Mr Nick Ramsay AM
Chair,
Public Accounts Committee
National Assembly for Wales
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25 November 2016

Dear Chair

COMMUNITY SAFETY IN WALES

The Auditor General for Wales recently published his report on Community Safety in Wales. The Welsh Government provided significant commentary on the report as it was drafted and we have now given detailed consideration to the report and its recommendations.

The report recognises the significant challenge of defining Community Safety as a single policy area in Wales. Responsibilities for setting strategic direction, formulating detailed policy proposals and implementing them, is dispersed across four democratically independent bodies. Implementing and delivering those policies operationally on a day to day basis is also complex, cutting across devolved and non-devolved services and accountabilities. As a starting point, the current situation may not offer a sufficiently clear strategic direction for those involved, understandable accountabilities and, moreover, in some instances a simple, effective and lean governance system which enables all organisations to work collaboratively within a common set of objectives.

For the Welsh Government, this highly complex picture is not a sustainable position. However, key levers to make change in this area are not devolved, for example, policing and wider aspects of the criminal justice system. The report rightly acknowledges this and that the Welsh Government undertakes considerable work across the range of community safety activities, and in particular, maintains close and productive relationships with the police and other non-devolved organisations.

The report further acknowledges the complexity of Community Safety and that it is sometimes difficult for organisations in Wales to take a strategic approach. This does not mean there is an absence of strategy or leadership. For example, in many areas in relation to safer communities, the Welsh Government has well established and effective structures setting strategy and supporting effective delivery such as the Wales Youth Justice Advisory Panel.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The Panel brings together senior leaders from local government, health, probation, the police and third sector, under a group jointly chaired by the Welsh Government and Youth Justice Board Cymru. It provides coordinated leadership and strategic direction across policy areas set by the UK government and the Welsh Government in relation to the joint Youth Offending Strategy for Wales. The impact of the collaborative work led by the Board over the past 5 years has resulted in a significant decline in first time entrants to the youth justice systems, a reduction in the number of young people in the secure estate and an effective, evidence based approach to early intervention.

The report also correctly recognises the implementation challenges of policies that straddle devolved and non devolved areas and, naturally, over the last 17 years devolution has created differences in the policy approaches of the UK and Welsh Governments. We agree this presents challenges for us, but our aim has been to understand and manage these in a way that does not affect front line services. We are pleased the report acknowledges we work closely with non devolved agencies – this is a mark of the positive collaborative approach we take in Wales.

During the last administration, within a year of the election, we recruited and trained 500 additional Community Support Officers across Wales. That was only possible because of the close co-operation with the four Police Forces in Wales. We recognise the contribution Police and Crime Commissioners make to setting local strategy for their forces but agree there is more we can do to develop a shared understanding of national priorities for community safety, while recognising the inevitable variation of those at a local level. While agreed policy objectives are important for effective collaboration, other factors can also have an impact and as we look forward, there is always room for partners to work better jointly.

The report suggests that there should be a single strategy and single over arching lead body for Community Safety in Wales. In itself, and without wider consideration of all the organisations and governance involved, this approach may not reduce the existing complexity or improve the delivery of services that ensure people feel safe in their communities. Our approach, as the report explains, has been to focus on the areas of priority identified by the previous and current Programmes for Government. Cabinet Secretaries believe this to be the right approach which has enabled us to focus on a smaller number of areas where we can ensure there is effective leadership, governance and a focus on improving the way that public services are delivered; and that outcomes for people are improved.

The Welsh Government lead in relation to tackling Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) is a good example of such a focus and has been considered to be ‘trail blazing’ by some commentators. The National Advisory Group on VAWDASV, chaired by the Cabinet Secretary for Communities and Children, brings together a multi agency group from across the statutory and third sectors, along with leading academics, it provides strategic leadership on the implementation of the VAWDASV Act; implementation of the National Training Framework; and will oversee the preparation and delivery of a new National Strategy for VAWDASV. This approach also, crucially, involves the voices of survivors of VAWDASV.

We are pleased that the report acknowledges the additional funding the Welsh Government has allocated to community safety budgets. This reflects the priority Cabinet Secretaries attach to this area, even more so given the very difficult fiscal conditions in which we are operating. With this extra resource, we have sought to drive forward innovation. For example, we have worked closely with the Fire and Rescue Service in Wales on its diversification agenda where Cabinet Secretaries took a very strong lead to drive cross-agency collaboration to reduce deliberate grass fires. They have also encouraged diversification of the service towards working with young people and perpetrators to reduce the levels of arson; make the elderly and vulnerable safer in their homes by providing home safety equipment; as well as working with others to help tackle domestic abuse.

While there is significant evidence that the Welsh Government and other partner organisations are fully engaged in a range of activities across the community safety agenda, the report makes a much more fundamental observation which goes beyond a discussion of leadership or strategy. It highlights how the policy area has developed since devolution; and continues to develop at pace and how the different layers of government – and governance – have developed; and the numerous organisational changes which have taken place. We agree that there is a need to address these issues and our response to the report provides the opportunity to review and refresh the arrangements for community safety in Wales, taking into account not just the context of today, but possible developments in the future.

We suggest that such a refresh could, among other things, take account of:

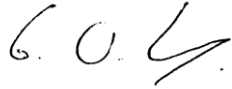
- the need for a shared understanding of Community Safety;
- developments in UK and Welsh legislation and whether there is a need for further reform, including the opportunities offered by the Wales Bill;
- developments at the UK policy level, for example prison reform;
- developments in single planning processes through Public Service Boards;
- recognising interdependencies between the activities of UK and Welsh Government and Police and Crime Commissioners and the potential for aligning these better;
- developing streamlined planning, governance, assurance and performance mechanisms in a structure which will include all partners and recognise the opportunities offered by our proposed reforms in local government; ; and
- that those mechanisms will be efficient and effective, accountabilities will be transparent and duplication of effort will be minimised.

On this basis, we believe that in the interests of quality, efficiency and effectiveness we will address the recommendations as part of this wider review and reform to move the Community Safety agenda forward. We believe there is an opportunity to take stock of the issues highlighted by the report and to ensure that we are delivering services effectively in those priority areas that will ensure our communities are safer. Taking stock will also allow us to engage with the UK Government in areas where the complexity of devolved/non-devolved policies may continue to cause challenges for public services in Wales in a way that we have not done previously.

Our aim will be to establish arrangements to support community safety in Wales that are robust, relevant and responsive. We have already discussed this with a number of the Police and Crime Commissioners and, Local Authorities and there is general agreement to move forward on this basis.

I am copying this this letter to the Police and Crime Commissioners given they have been identified in the recommendations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'O. Evans', with a stylized flourish at the end.

Owen Evans

Agenda Item 7

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Charging for services and generating income by local authorities



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



I have prepared and published this report in accordance with the Public Audit (Wales) Act 2004 and the Government of Wales Act 2006.

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Summary report

Despite raising more money from charging, authorities are not pursuing all options to generate income because of weaknesses in their policies and in how they use data and information to support decision making

- 1 Whilst charging for services is a recognised feature of some local authority activities, many services have traditionally been provided at little or no direct charge to the user¹. The provision of services at low, or no, charge has led to citizens often receiving heavily subsidised or free services in return for paying their council tax. The reductions in public funding and financial uncertainty created by 'Brexit' has brought charging into sharper focus for local authorities. Authorities are being encouraged by the Welsh Government to look to charges in a way that was not considered 10 years ago.
- 2 Local authorities set charges for their services. In this report, 'charges' refers to services provided by an authority on a discretionary or commercial basis. Charges are made for services which are not specifically regulated or legislated for and the authority is able to set the charge for an activity at a commercial rate. For example, the cost of someone using leisure services. In section one we refer to the authorities' ability to set 'fees'. Fees refer to services which are governed by specific regulations. Regulatory fees are those fees which have been regulated or legislated with the fee being set at the cost of performing or delivering that particular service. For example, issuing a Food License is a regulatory fee and an authority is only able to charge the cost to perform that service. For some regulatory fees, development control for example, an authority must act in accordance with the fee regime set by Welsh Government.
- 3 Whilst increasing or introducing charges for services offers scope for authorities to improve their financial position, there are a number of other important considerations. For example, an authority wide priority of encouraging healthy lifestyles and improving wellbeing of residents may be adversely affected by a decision to increase the rental cost of sports fields, pitches and swimming pools, if it deters continued use or increased take up; or by a decision to raise the charges for healthy eating options in schools.

¹ See Figure 2 below.

- 4 Where and at what level charges are set therefore directly influences delivery of an authority's strategic priorities and raises questions such as:
- whether authorities should continue to provide some services;
 - how services are funded, whether they should be subsidised and, if so, at what levels;
 - who should be charged for using services, how much should they be charged and what impact will charging decisions have on both the demand for services and their viability; and
 - how best to meet the needs of disadvantaged groups and individuals who may not have the ability to pay more for using authority services and how will decisions to increase charges affect them.
- 5 Authorities cannot introduce or raise charges indiscriminately. Authorities need to carefully consider their legal position in setting charges and be clear that what they are doing is in accordance with their legal powers and duties. When considering whether to charge for services or increase charges, authorities also need to fully evaluate the potential impact on residents, service users and businesses. Done badly, the decision to raise more income through higher or new charges can be counterproductive and may result in less people using services because costs are considered by users to be too high.
- 6 During 2015-16, the Auditor General examined how local authorities use their powers to introduce and increase charges on services, how performance on generating income has changed in recent years, and how the process of consulting with users, and assessing the impact of charging decisions on users, is managed. Our study methods are set out in [Appendix 1](#). These included audit fieldwork at six local authorities, an online survey for chief finance officers on the approach of authorities to increasing or introducing charges, and a survey for citizens to tell us about their views on charging. Our methodology also included a detailed analysis of charges data in England, Scotland and Wales, and a review of key authority documentation.
- 7 Based on the findings of this audit, the Auditor General has concluded that **despite raising more money from charging, authorities are not pursuing all options to generate income because of weaknesses in their policies and in how they use data and information to support decision making.**

The legal basis for setting and managing charges is complex and authorities are not always strategic in their approach to charging

- 8 Authorities generally have a good awareness of the legal restrictions that exist for many areas of operation, but few authorities have robust corporate wide frameworks or strategies that set out the full range of issues they need to consider when increasing or introducing charges. Just over a third of authorities have a corporate policy or strategy for setting charges covering all services. The remainder have a range of charging policies for individual services, but because of gaps and weaknesses these do not represent an authority wide strategic approach to charging. Whilst a number of authorities have engaged consultants to support them in reviewing charges to identify opportunities to increase income, progress in delivering change from these reviews has been slow.
- 9 Policy decisions taken by the Welsh Government, as well as the decisions taken by local authorities, determine the level of income that can be derived from charges for specific services. Such national directives set upper limits to the level of charge which may not be directly related to the cost of providing the services, and local authorities stated that the upper limits for charges do not always mirror the true cost of providing services – residential care fees for example.
- 10 The **Local Government Act 2003** provides some freedom for authorities to develop new streams of income by allowing authorities to trade through local authority companies where authorities have a statutory power to perform the service which is subject to trading. However, authorities' use of these powers to generate income has been limited.
- 11 The **Localism Act 2011** in England provides a clearer statement of authority powers which, coupled with financial pressures there, has supported a cultural shift in England resulting in more authorities identifying and taking opportunities to raise income. The same factors have not applied in Wales and there is no equivalent to a general power of competence at this time.
- 12 Authorities offer a wide range of payment choices and promote options that have the lowest transaction costs for customers and authorities, and are the cheapest to administer. There are opportunities to both increase the use of digital and smartphone applications as well as increase the use of external providers to improve efficiency further.
- 13 Few authorities consider how charges can support the delivery of corporate priorities, can better manage demand for services, or how strategically targeting how charges are used can support citizens to change their behaviour. **Figure 1** below summarises the key issues authorities should consider when setting charges. **Appendix 2** includes our full checklist for authorities to use when reviewing charging options.

Figure 1 – Key considerations for local authorities when setting charges



Source: Wales Audit Office

Approaches to generating income vary, and whilst there are opportunities to increase revenue, local authorities need to balance these aspirations with the ability of their communities to pay more

- 14 Our analysis of data published by the Welsh Government² found that the amount of money local authorities' raise from charges has risen in cash terms from £307.7 million in 2008-09 to £365.7 million in 2014-15, a rise of 18.9 per cent. However, in real terms – taking into account inflation – the change in income has been less sharp, rising by £18 million in real terms (5.2 per cent) between 2008-09 and 2014-15. There is a lack of consistency across Welsh local authorities around decisions on whether to charge for services, as well as the level of charging. In 15 of the 18 service areas we have analysed, there has been a net cost³ improvement, income as a proportion of expenditure is growing, and services require less subsidy to operate. Despite this improving position, there are opportunities for authorities to increase how much income they raise from charges.
- 15 There are big differences in the charges set and the income collected by local authorities in England, Scotland and Wales. In only two of the nine local authority services where a comparison of data between the countries of Great Britain is possible, have Welsh authorities increased their income at a higher rate than their counterparts in England and/or Scotland. If Welsh local authorities were to generate the same level of income from charges per 1,000 economically active people aged 16-64⁴ as is collected in England or Scotland, a potential extra income of £68.1 million could be generated.
- 16 However, the potential to generate more money has to be tempered. Economically, Wales has lower wages and the proportion of the population who are economically active is smaller than both England and Scotland. Consequently, Welsh citizens may be less able to pay more for goods and services and could be less able to accommodate sharper increases in charges than other parts of Great Britain⁵, although, the range of gross median wages in Welsh local authorities vary widely and some authorities are better placed to raise more from their community than others.

² [StatsWales Outturn data](#)

³ Net cost is the bottom line of the income statement when revenues and gains are less than the aggregate operating expenses.

⁴ Economically active people are those in work plus those seeking and available to work.

⁵ [Nomis - Labour Market Profile - England data](#)

Authorities do not effectively evaluate charges to fully understand their impact and inform appropriate responses

- 17 Accurate financial management information, which is a prerequisite for good decision making, is frequently lacking and local authorities often struggle to prepare sufficiently detailed and comprehensive business cases when reviewing options for increasing income from charges. Given the difficult decisions elected members have to make when considering to increase charges that they perceive as adversely impacting their communities, decisions to introduce or increase charges can take many months, in some cases years, to be approved.
- 18 Local authorities often wish to encourage usage and to ensure those on low incomes are given the opportunity to access and use particular services. However, the level at which locally determined charges are set is usually based on precedent and often bears little relation to the actual cost of providing the service. An accurate understanding of the true cost of providing a service is still absent in many areas. Because authorities do not know the full cost of providing services they are unable to assess what the right level of any subsidy should be.
- 19 Whilst authorities use impact assessments to judge the potential effect of decisions in respect of their equalities and Welsh language responsibilities, these assessments do not always provide sufficient detail to identify the likely cumulative economic impact of charges on residents and communities. Overall, we found little evidence that authorities co-ordinate increases in charges across all services to better understand the full potential impact of their decisions.
- 20 Most authorities do not monitor or scrutinise income from charges in sufficient detail and breadth. The range of services benchmarked is narrow, and few authorities are broadening their evaluation to consider a wider range of data, even where data is readily available. Only 10 authorities compare and benchmark how much income they are generating with an appropriate range of performance measures and compare their performance with a range of public and private sector bodies. Only five authorities forecast the likely levels of income generated from charges beyond a 12 month period. Whilst it is acknowledged that it is difficult to accurately predict take up of services once charges have changed, authorities are not using scenario planning and sensitivity analysis to more accurately identify the potential effect of their decisions to better understand and manage the impact of charging policies.

- 21 Most authorities use a wide range of approaches to consult residents on charges as part of their annual budget-setting processes including the potential opportunities for increasing charges. However, few authorities undertake consultation with key stakeholders – service users, businesses and the general public – on every occasion when they are planning to introduce or increase charges. Even where consultation takes place, only 15 of the 22 authorities consider and include consultation responses in the decision-making process for reviewing and setting charges.

Recommendations

Recommendations	
R1 Develop strategic frameworks for introducing and reviewing charges, linking them firmly with the Medium Term Financial Plan and the Corporate Plan.	Local authorities
R2 Review the unit and total costs of providing discretionary services to clearly identify any deficits and, where needed, set targets to improve the current operating position.	Local authorities
R3 Use the impact assessment checklist (Appendix 2) whenever changes to charges are considered.	Local authorities
R4 Consider how best to support and encourage local authorities to act more commercially in generating income.	The Welsh Government and Welsh Local Government Association
R5 Identify opportunities to procure private sector companies to collect charges to improve efficiency and economy in collecting income.	Local authorities
R6 Review nationally set fee regimes to ensure the levels set, better reflect the actual cost of providing services, or explain the reasons why they are different.	The Welsh Government and Welsh Local Government Association
<p>R7 Improve management of performance, governance and accountability by:</p> <ul style="list-style-type: none"> • regularly reporting any changes to charges to scrutiny committee(s); • improving monitoring to better understand the impact of changes to fees and charges on demand, and the achievement of objectives; • benchmarking and comparing performance with others more rigorously; and • providing elected members with more comprehensive information to facilitate robust decision-making. 	Local authorities
R8 Improve the forecasting of income from charges through the use of scenario planning and sensitivity analysis.	Local authorities

Part 1

The legal basis for setting and managing charges is complex and authorities are not always strategic in their approach to charging



- 1.1 In setting charges authorities need to consider a range of factors. Authorities' legal powers to charge for services are wide-ranging, but they are also complex and there are particular pitfalls around whether charges can be used to generate a surplus to support general revenue budgets or whether they can only seek to recover reasonably incurred costs in providing a service. Authorities should have a clear rationale for how much they charge and what they charge for. Authorities should also be clear as to how charges support them to deliver their corporate priorities. A strategic approach to setting fees and charge will take into account the impacts of setting charges, the views of citizens and service users, and the potential benefits and risks for the authority and its communities (see [Figure 8](#) below).
- 1.2 In this section of the report we consider the legislative basis for setting charges and the opportunities and risks these present to authorities. We also consider the systems in place to collect charges, and the impact nationally prescribed charging regimes have on authorities. We review the strategic approach of authorities to setting charges and conclude the section with a good practice checklist for local authorities on the key principles to be considered when setting, increasing or introducing charges.

Authorities are aware of the broad legal restrictions in place when reviewing charges, but many have not addressed these opportunities and risks in developing policies to generate income

- 1.3 Local authorities are statutory bodies which have to act in accordance with their legal functions and can be challenged through the courts if they act outside of these functions (*ultra vires*). Authorities have a wide range of both general and specific functions which enable or require them to provide services and to incur expenditure in so doing. They also have 'incidental' powers which enable them to do things to facilitate the exercise of their statutory functions.
- 1.4 The existence of a power or duty to provide a service, and incur expenditure in doing so, does not automatically give rise to a power to set charges for the provision of the service. However, many of the statutes which give the powers to provide the service also include specific powers for charges to be levied – for example for taxi licences sections 53 and 70 of the **Local Government (Miscellaneous Provisions) Act 1976**, and for street parking section 45 of the **Road Traffic Regulation Act 1984**.

- 1.5 Most of these specific powers apply equally to England and Wales, although, following devolution, separate arrangements are beginning to develop in Wales. There are also examples such as development control where the primary legislation is common between England and Wales, but different fee scales are prescribed by regulations and are set independently by the respective UK and Welsh Governments.
- 1.6 Whilst authorities can set charges locally for services, authorities are often restricted to recovering no more than the costs of providing these services. Even where setting charge is entirely within the control of an authority to determine, there are significant variations in the level of charges set because of local discretion and choices. In addition, for some services, authorities can only charge for some aspects of a service but not others – for example, they can charge for lending audio-visual material from libraries, but not for books. In others, the fees are set by Welsh Government and there is no local discretion – for example, cost of adult social care, fees for planning applications and alcohol and entertainments licences. As a result, the extent of charging in different service areas and the income that can be generated varies enormously.
- 1.7 **Figure 2** summarises the different basis for charging and includes some examples of the services that fall within these different categories.

Figure 2 – Basis for local authorities setting charges and examples of the services that fall within each category

Basis for charging	Examples
Discretionary – there is no limit on the amounts that can be charged, but the authority must act reasonably (ie, in line with Wednesbury principles ⁶) and must set charges only for the purposes authorised by the statute granting the power to charge ⁷	Leisure services Off-street parking On-street parking Library services other than book-lending Trade waste Cremation and burial fees
Charges set by the authority but the income from services cannot exceed the cost of providing the service	Taxi licensing (vehicle, driver, operator) Inter-authority charges for school transport Building control fees Local land charges Discretionary activities where the general charging power in S.93 of the Local Government Act 2003 applies
Nationally prescribed eligibility and/or charge levels with little or no local discretion	Development control Premises licence fees Home to school transport Social care charging
Charging is prohibited	School age education Library book provision and lending Children’s social care Household waste collection Access to waste disposal sites Registering of food premises Registration of births, deaths and marriages

Source: Wales Audit Office

6 Associated Provincial Picture Houses Ltd. v Wednesbury Corporation, 1948, is a case that sets out the standard of unreasonableness of public-body decisions that would make them liable to be quashed on judicial review, known as Wednesbury unreasonableness. A reasoning or decision is Wednesbury unreasonable (or irrational) if it is so unreasonable that no reasonable person acting reasonably could have made it. The test is a different (and stricter) test than merely showing that the decision was unreasonable.

7 Authorities’ desire to generate a surplus is not a relevant consideration that they may take into account when deciding whether to charge and the amount to charge in these areas. Such desire could only be taken into account if a purpose of the statute granting the power to charge is to grant taxation powers.

- 1.8 From our fieldwork we found that authorities generally have a good awareness of the legal restrictions that exist for many of their areas of operation, and they are very mindful of the need to act in accordance with the legislation or nationally prescribed fee scale when setting charges. Authority officers have a broad understanding of the legal framework in which they work and the potential constraints and opportunities that exist to either prohibit or develop further income streams. For instance, a number of authorities have developed commercial income policies which both identify the potential for generating income but also the process and planning needed to facilitate this. For example, the work of the Vale of Glamorgan Council's countryside service set out in [Figure 3](#) below.

Figure 3 – Income Generation in the Countryside Service – Vale of Glamorgan

The Countryside Service has recently undergone a restructure, facilitating more integrated working across all sites, including Public Rights of Way maintenance. This restructure has led to substantial savings, which has released funding to allow the creation of a new Commercial Opportunities Officer post on a two year contract. The Commercial Opportunities Officer has been working with the private sector to investigate sustainable and feasible options that facilitate new tourism and leisure activities, primarily at Country Parks, such as: water based leisure activities, high ropes, zip wire courses, climbing walls, archery, cycling, field sports, environmental education, tourism based events, weddings, fayres, other innovative activities and retail opportunities.

An 'Invitation to Tender' was submitted to Sell2Wales – the public sector procurement portal for Welsh suppliers and buyers – seeking commercial partnerships for such activities. The Council will be entering into legal agreements with a number of third party service providers which will become operational by the end of the summer of 2016. This approach will enhance what is currently offered at Country Park and other sites, and help to increase footfall and tourism opportunities which could lead to a significant increase in income.

- 1.9 However, the responses to our survey of local authority chief finance officers found that only 11 of the 22 authority respondents stated that their authority had taken adequate legal advice on the opportunities that exist to optimise income from charges including pursuing commercial activity. For example, Gwynedd County Council following a review of the legislation introduced a commercial waste fee for holiday homes and fees for garden waste from residential properties. We found that other authorities are less clear about the extent to which the legislation can be used to enable a greater degree of risk and pursue commercial opportunity.
- 1.10 Local authorities primarily have to provide services and activities for which they have a specific statutory power or duty, and activities outside of statutory powers and duties could be considered ultra vires and open to challenge in court. The **Local Government Act 2003** widened opportunities for authorities to charge for discretionary services⁸ with the inclusion of a general power in the 2003 Act. The 2003 Act covers both England and Wales⁹ and allows authorities to trade through a local authority company, as long as they have a statutory power to perform the service which is subject to trading. Local authorities and their companies do however still need to act reasonably in setting charges, but their desire to generate a profit is a legitimate factor to take into account in trading activity.
- 1.11 We found some positive examples of initiatives and activates that authorities have developed using these powers. For example, the Radyr Weir Hydro Scheme developed by Cardiff Council provides a good example of initiatives of this nature - **Figure 4** below.

⁸ Discretionary services are not statutory and authorities can choose to provide these services.

⁹ This power allows authorities to charge for discretionary services, where there was no previous specific power to charge, nor any specific prohibition on doing so, at a level where 'taking one financial year with another, the income from charges....does not exceed the cost of provision' (Section 93(3)). Section 95 of the 2003 Act also explicitly allows authorities to trade (ie, generate profit) through a local authority company.

Figure 4 – Radyr Weir Hydro Scheme – Cardiff Council

As well as facing reducing budgets, Cardiff Council has committed to ambitious environmental standards through its One Planet Cardiff vision. This includes reducing CO₂ consumption by 60 per cent in its operations and reducing its annual energy spend. The presence of the River Taff flowing through the city provides opportunities to create renewable, clean sources of energy that would both meet its environmental standards and generate a profit in the long term.

Radyr Weir was selected as the location for the project, which would install two Archimedes Screw turbines and generate 1.66GWh of energy annually. Using a Feed in Tariff (FiT) accreditation to guarantee a retail price index (RPI) linked cost per unit, the scheme, which had a budget of £3.9 million for completion, will achieve full payback of the capital costs within 12 years, and should generate a net profit of £5.5m over 20 years.

Additionally, the scheme will provide the following benefits:

- an improved fish pass has been incorporated into the design. Working collaboratively with Natural Resources Wales, the improved facility will increase fish stocks upstream of the weir;
- a reduced risk of flooding in the immediate area, due to the additional channel created by the turbines;
- improved understanding of the river's biodiversity, with the scheme's environmental monitoring; and
- lessons learnt to be implemented at two further potential sites on the river for additional hydro schemes

- 1.12 A number of authorities have also engaged consultants to support them in reviewing charges to identify opportunities to increase income. This support work often considers the legal basis for charging and the opportunities that exist to increase charges through alternative delivery models, particularly potential commercial ventures. Whilst consultant support provides an impetus to focus on the opportunities that exist to generate income, performance in progressing the recommendations of consultant's reviews varies. Whilst some local authorities in Wales have taken forward recommendations from these reviews and developed initiatives, others have been limited in their ambition and scope and have not fully pursued the benefits that can be derived from the opportunities presented by the **Local Government Act 2003**.

The Localism Act 2011 in England has encouraged authorities to develop commercial vehicles as a means of generating income, but this power does not exist in Wales which limits opportunities

- 1.13 The **Local Government Act 2003** has been superseded in England by the **Localism Act 2011** which introduces the general power of competence. In summary, the general power of competence enables local authorities to do things an individual may generally do but anywhere in the UK or elsewhere. The power also allows authorities to do things for a commercial purpose or otherwise, for a charge or without a charge and without the need to demonstrate that it will benefit the authority, its area or citizens of the area. The general power of competence has extended the range of services which a local authority can lawfully provide and therefore trade for, although, external trading still requires the setting up of a company¹⁰.
- 1.14 There are some limitations on the general power of competence, either because they are not things which an individual can do or because they are specifically excluded in the 2011 Act. The general power of competence does not provide new powers to raise tax or precepts or to borrow nor does the power enable authorities to set charges for mandatory services, impose fines or create offences or byelaws. Importantly, the power does not override existing legislation in place before the Localism Act 2011 and income from charges should not exceed the cost of provision. Notwithstanding, the general power of competence both increases local authority powers but also provides greater scope for authorities to decide on how best to provide existing and new services for their communities.
- 1.15 The Local Government Association in England has noted that “the general power of competence is also a challenge to the instinctive caution of some in local government, by clearly showing that just about anything is possible (unless specifically prohibited) and not constrained by the need to ensure that it is permitted by specific legislation”¹¹. If used in the spirit intended, the general power of competence can encourage more managed risk taking. Consequently, the Local Government Association noted that use of the power is resulting in new, locally led approaches which deliver positive outcomes for residents and communities. For example, Ansa¹² Environmental Services in Cheshire East summarised in **Figure 5**.

¹⁰ We have included in Appendix 3 more information on the issues needing to be considered in setting up local authority commercial trading companies. Whilst they will not all apply to every project or initiative, the information in Appendix 3 sets out some of the key issues needing to be considered in developing such approaches that we have identified from our fieldwork.

¹¹ **Local Government Association, The General Power of Competence: Empowering councils to make a difference**, July 2013.

¹² **Ansa Environmental Services**

Figure 5 – Ansa Environmental Services Ltd – Cheshire East

Ansa Environmental Services was set up in April 2014. It is a wholly owned company of Cheshire East Council, but is run on a day-to-day basis by its own Board and management. It provides environmental services (bin collections, street cleaning, open spaces, etc.) to Cheshire East Council, Macclesfield Hospital and Congleton Hospital. The area has 370,000 residents and 160,000 properties, 2,800km of highways and 3,000 open spaces. By setting up a wholly owned company, opportunities to invest in the infrastructure of the service were created. The transition from an authority-run service to a wholly owned company was completed on time and on budget, with minimal impact to service users and over 400 staff being TUPE transferred to the new company. The new company, in its first year of operation, increased recycling rates, reduced the amount of waste being sent to landfill, reduced the number of missed bin collections and created an operating profit which was shared with the authority.

- 1.16 The Welsh Government published a **Draft Local Government (Wales) Bill** in February 2015 which included proposals to enact the power of general competence in Wales after the 2016 Assembly elections. Following the elections the timing and content of the Bill is unclear, and the First Minister's statement on the legislative programme¹³ did not include the Bill in the programme for the first year of the Assembly. However, the Welsh Government informs us that if legislation proceeds, the provision of the general power of competence will continue to be included. The absence of a specific power of general competence means that Welsh authorities need to continue to rely on existing powers. As the Local Government Association report into the general power of competence cites, there has been notable examples of successful and innovative actions prior to the general power of competence. The lack of this power in Wales therefore, while it may contribute to an instinctive caution, should not be read as a reason for authorities not to explore more innovative approaches to income generation and commercial approaches through existing powers.

National charging regimes often do not reflect the true cost of running services

- 1.17 The use that authorities make of charging is not just determined by local factors which authorities decide upon, but also by the decisions of the Welsh Government or, in some cases, the UK Government. While there are valid reasons for restrictions on the amount that can be charged – for example, keeping costs affordable for service users – they can create difficulties for authorities and have given rise to considerable debate between Government and local authorities on the advantages and disadvantages of Government setting charges nationally.

¹³ First Minister's statement on the legislative programme

- 1.18 At the heart of the tension is the need to balance flexibility and local control for local services, with national concerns over quality and cost. However, it is often not clear to authorities or the public when national charging levels are set:
- a What the rationale is for applying charging restrictions to some services and not others. For example, why authorities cannot charge for lending printed materials from libraries, but can charge for lending audio-visual material.
 - b Why authorities have the power to set their own charges for services where a uniform approach to charging might be preferable. For example personal care services which can be charged for, and NHS provision, which must be provided free of charge.
 - c Whether the original rationale for controlling fee levels remains valid given changes in how services are provided. For example, authorities now provide building control services in competition with approved inspectors, reducing the monopoly position in the market which originally justified a price control.
- 1.19 The majority of respondents to our survey of local authority chief finance officers stated that they experienced considerable difficulties where the level of charges are set by the Welsh Government or the UK Government. Many respondents felt that charges are set too low and either did not reflect local circumstance, the complexities and costs of the service, and did not allow for full cost recovery.
- 1.20 For example, survey respondents noted that national set fees “do not always cover the cost of the service provided. The income quantum can vary significantly between Authorities and the funding formula should take both the cost and income capacity into account.” And another that, “in times of austerity greater flexibility should be provided to local authorities to aim for full cost recovery of services. This aim is currently being restricted by statutory thresholds”. Others noted that the fee set also did not allow for equitable contributions from service users, either reflecting the ‘amount’ of the service they use or their ability to pay (particularly relevant to the cap on care charges). One survey respondent noted that “Fairer Charging Policy - it is felt that the charging policy is too restrictive and the current £60 cap is not realistic... (The cap) stops full cost recovery and also hinders the equitable contribution towards the increasing cost of services and the service users who could contribute more to the services they receive.”

1.21 Many authorities are also unclear on how the level of charge has been determined by the Welsh or UK Government and what factors were used to influence or determine where the cap should be set. Even where nationally set fees are reviewed and revised periodically, for much of the time they may be out of step with rising costs. Where costs vary by area, reflecting differences in local labour markets, nationally set fees will either fail to meet some authority costs or provide a windfall to others, or both. Respondents to our survey noted that national restrictions on their ability to charge inhibit them from taking decisions that reflect local circumstances and some respondents who commented, wanted the freedom to set their own charges for services that are currently controlled by Government. This has to be balanced with concerns that full local discretion could result in wide variations in charges for social care and other nationally set services if these were to be devolved to authorities to decide on.

A wide range of payment options for collecting charges are available and are mostly offered

1.22 As well as deciding whether and how much to charge for a service, authorities need to also consider how charges will be collected, what an acceptable cost for administering and collecting income is, and how easy it will be to collect the charge. It may also not be worthwhile to charge for services where the cost and complexities of collection cost more and take longer or are waived where large-scale concessions apply and continuing to subsidise activity may be a better financial and service outcome. There are also a range of direct and indirect costs involved in collecting a charge – for example administration, ticketing and equipment to collect charges, managing non-payment and arrears and bad debts.

1.23 Income is often harder to control, forecast and monitor than expenditure. Expenditure, once committed, is usually certain. Income, on the other hand, often involves a significant element of uncertainty. It is important therefore for authorities to have range of options in place for collecting charges. **Figure 6** captures the options and current usage for paying for authority services across the 22 local authorities and shows that authorities provide a wide range of options for service users to pay for services.

Figure 6 – Options offered by local authorities to collect income from charges



Source: Wales Audit Office, Survey of Chief Finance Officers, March 2016

- 1.24 Authorities are also promoting payment options that have the lowest transaction costs and are the cheapest to administer and provide – payment by direct debit for example – as well as seeking payment in advance and not having to chase for non-payment and arrears. Technology can be put to good effect to improve payment security and reduce transaction costs. Innovative ways to pay for services include payment via authority websites, payment using mobile phones for example to pay for ticketless parking, and the cashless payment for services such as school meals using smartcards. Powys County Council introduced a cashless system for payment of meals in schools which has increased both take up of school meals and revenue by an additional £70,000 per annum for the authority.
- 1.25 The use of technology is beginning to increase, but not universally, and its roll out is often dependent on the new system not costing more than traditional methods of collecting income. Progress in using digital and smartphone applications to make payments, whilst widely acknowledged as a potential area for improvement and growth in the future, is in the early stages of being rolled out.

- 1.26 From our survey of chief finance officers we found that few authorities have outsourced the collection of charges. Four authorities use external providers to manage car parking provision on behalf of the authority. Only one authority uses an external agency to manage school meals, transport, arts and heritage, and for other activities such as development control and waste and refuse services. No authority has considered outsourcing management.
- 1.27 Authorities recognise there will be an increasing use of private sector companies to collect charges as authorities seek to introduce more efficient ways of collecting income. Authorities will need to ensure they have good systems and arrangements in place to monitor and evaluate performance to ensure collection levels at least meet, if not exceed, targets. Our survey of chief finance officers however found that current approaches are not as robust as they could be. Whilst most authorities receive monitoring reports from external agencies, not all authorities have agreed performance and income targets nor do they regularly meet with organisations to monitor performance.

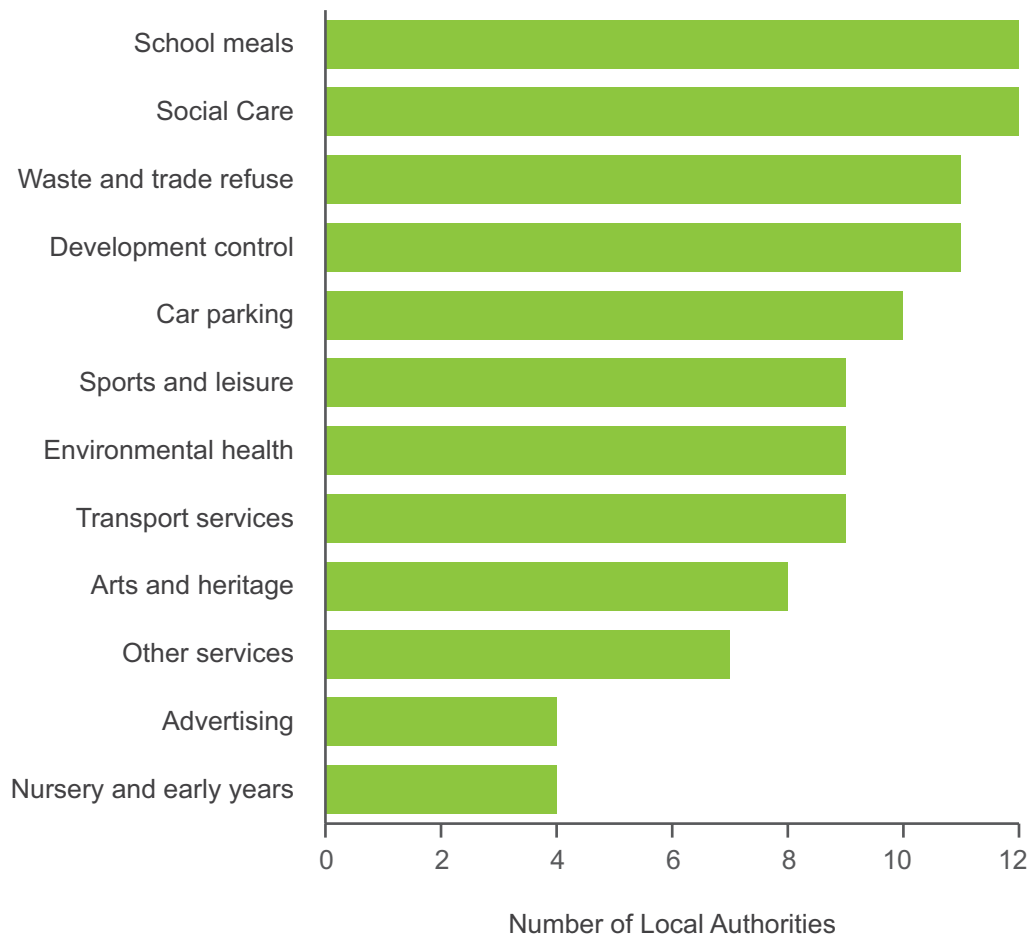
Authorities are beginning to develop corporate wide strategies for managing charges, but progress has been slow

- 1.28 Whether an authority decides to introduce or increase a charge is a significant strategic policy decision. At its most basic, increasing or introducing charges will influence whether people use services. For example, a decision not to raise car parking charges can help bolster visitor numbers to town centres. Conversely, setting car parking prices high can reduce town centre traffic and congestion. Similarly, an authority wide priority of encouraging healthy lifestyles and improving wellbeing of residents will be adversely affected by a decision to increase the rental cost of sports fields, pitches and swimming pools, or raising the charges for healthy eating options in schools.
- 1.29 Where and at what level charges are set therefore directly affects the delivery of an authority's strategic priorities and, given the complexities of setting charges, it is important that authorities take a strategic approach. A truly strategic policy needs to be developed at a corporate level and cover all services to ensure decisions are fully understood and deliver the intended benefits with no or few unintended consequences.

- 1.30 From our fieldwork we found that it is often unclear how charging contributes to the achievement of wider strategic objectives. Authorities use a number of approaches when setting charges, but these are mostly not underpinned by a clear set of strategic principles that cover the full range of issues to be considered. For example, our review of documents provided by authorities found that only half of the 22 authorities have a corporate authority-wide policy in place for setting charges. Monmouthshire County Council has recently adopted an authority wide 'Income Optimisation Strategy', a wide ranging strategy that covers all services and even discusses the potential to develop commercial models and public-private joint ventures. The 'Income Optimisation Strategy' now needs to include an action plan of what income generation activities the authority is planning to introduce or could develop, as currently it sets out the principles to consider in setting charges.
- 1.31 We also found that some authorities – Merthyr Tydfil County Borough Council and Powys County Council – are in the process of finalising and approving policies that set out a strategic approach to setting charges. At the time of our fieldwork both had draft policies progressing through cabinet/executive for approval. In comparison, other authorities in which we undertook fieldwork are yet to develop corporate income strategies.
- 1.32 In the absence of an authority-wide policy for setting charges, many authorities have developed specific service charging or income generation policies. For example, [Figure 7](#) summarises the findings from our survey of chief finance officers and highlights where authorities have developed specific charging policies for services. However, these findings show that in many service areas less than half of authorities have developed specific policies for setting charges for services.

Figure 7 – The number of authorities that have developed and adopted policies for setting charges in specific services

Services where local authorities have a charging policy

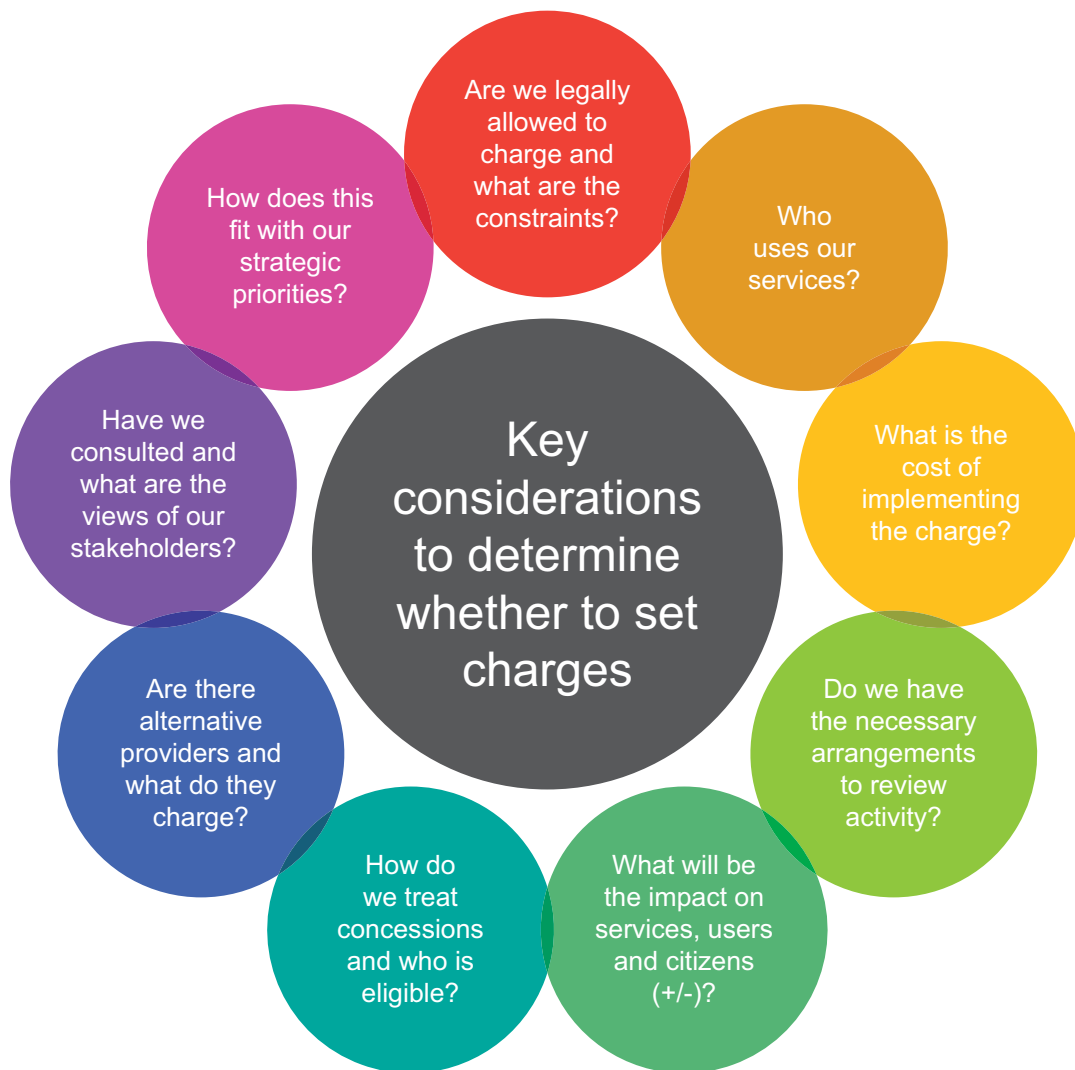


Source: Wales Audit Office, Survey of Chief Finance Officers, March 2016

- 1.33 Some authorities continue to use their Constitution¹⁴ as the main vehicle for setting charges. The Constitution covers all services and sets out the process to be followed when planning an increase/introduction of a fee or charge for a service. The Constitution does not however provide a framework of the strategic issues and priorities for the authority and how setting charges supports their delivery. Nor does the Constitution provide a consistent and integrated basis for setting charges as it often lacks detail on key issues.
- 1.34 We also found that authority documentation often does not focus on or link how the setting of charges supports delivery of corporate priorities, identify how charges can better manage demand for services, or how their targeting can support changes in behaviour in how citizens access and use services. Documents we reviewed also lacked detail on the legal constraints on charging for services or did not identify how to 'treat' surpluses raised. If authorities are to maximise the benefit from setting charges then a robust consideration of the legal basis for charging is a prerequisite.
- 1.35 We have summarised in [Figure 8](#) the key factors we have identified from our review that should be considered in setting charges. The full range of information is set out in [Appendix 2](#) on [page 62](#). This list is not exhaustive nor does it replace the need for authorities to take their own legal advice on how, where and what charges to set for different services. Rather, the information summarised in [Figure 8](#) and set out in full detail in [Appendix 2](#) provides a summary of the key issues and questions needing to be considered when reviewing and setting charges.

¹⁴ The local authority Constitution sets out how the authority operates, how decisions are made, and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the authority to choose. The Constitution sets out the basic rules governing an authority's business, including charges for services provided by the authority.

Figure 8 – Key considerations for local authorities when setting charges



Source: Wales Audit Office

Part 2

Approaches to generating income vary and whilst there are opportunities to increase revenue, local authorities need to balance these aspirations with the ability of their communities to pay more

2.1 Given the current need for local authorities to reduce their net expenditure in line with reductions in central funding, many authorities are reviewing charges to ensure that, where appropriate, they are making the most of opportunities to maximise income. In this section of the report we consider how well Welsh authorities perform in raising income from charges comparing performance between authorities in Wales but also globally with authorities in England and Scotland.

There is a mixed picture in how well Welsh authorities generate income from charges

2.2 In reviewing income from charges, we have analysed Revenue Outturn data submitted by authorities to the Welsh Government¹⁵. For our review we have focussed primarily on the following areas of activity:

- a Home to school transport and Home to college transport
- b Parking of vehicles, concessionary fares and airports, harbours and toll facilities
- c Meals
- d Total cultural and related services (includes leisure)
- e Cemetery, cremation and mortuary services, Environmental health – food safety and Total Waste services
- f Building control and development control
- g Local land charges and registration of births, deaths and charges

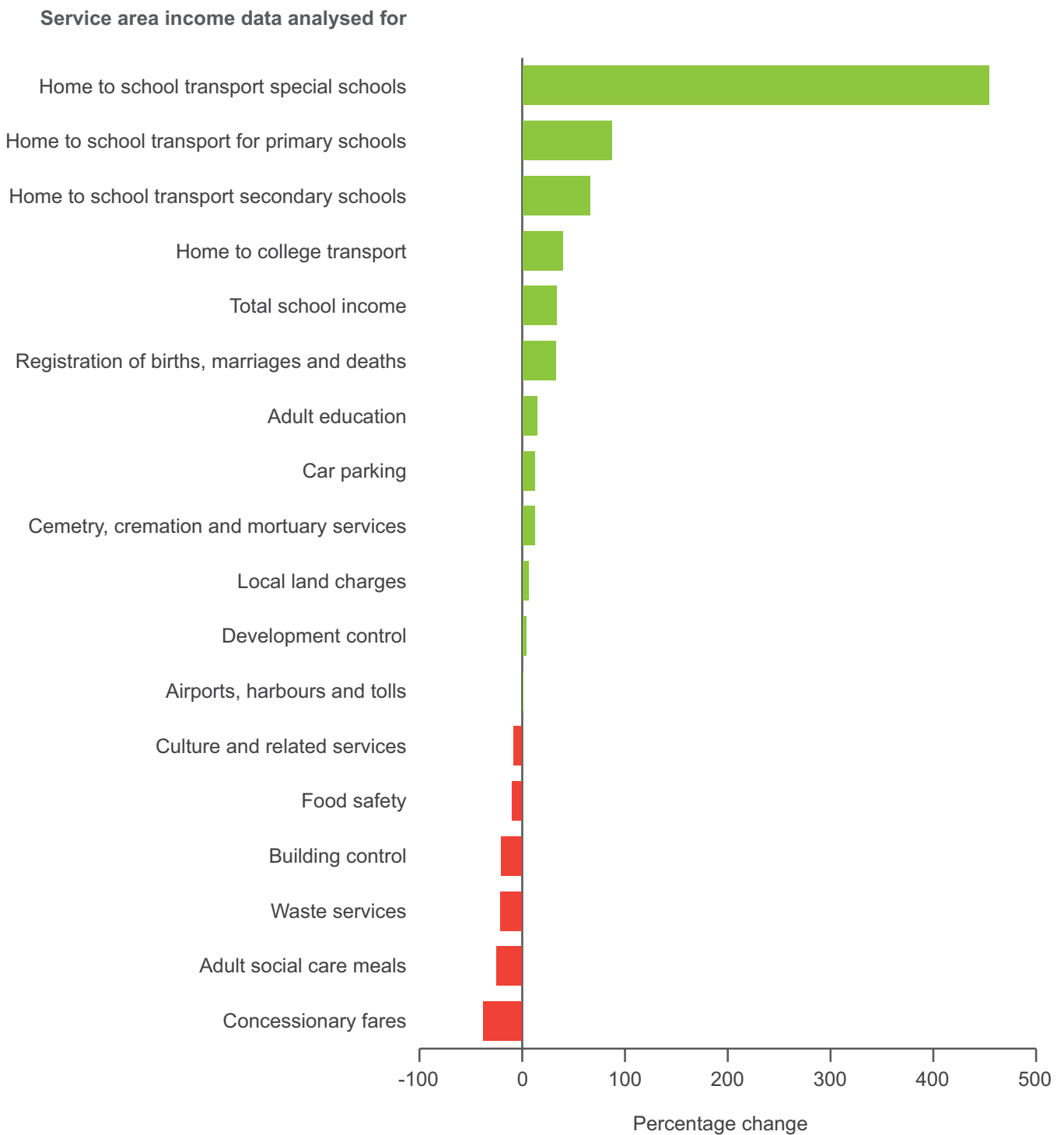
2.3 Analysing Revenue Outturn data, we found that the amount of money local authorities' raise from charges for the activities listed above (Paragraph 2.2 a-to-g) has risen in cash terms from £307.7 million in 2008-09 to £365.7 million in 2014-15, a rise of 18.9 per cent. However, in real terms¹⁶ – taking into account inflation – the change in income has been less sharp, rising by £18 million (5.2 per cent) between 2008-09 and 2014-15.

¹⁵ We used the financial data as collected within the RO framework to avoid placing any further administrative burden upon authorities. The financial data within this document uses the income data recorded as 'sales, charges'. We reviewed the contents of returns to StatsWales with authorities and identified approximately 5 per cent of the individual records as inaccurate. The areas for review selected were agreed in discussion with the Society of Welsh Treasurers and represent the main service areas (excluding Housing Revenue Account activities) where authorities charge for and collect income.

¹⁶ The level of income taking into consideration the effects of inflation on purchasing power. Real term income refers to the amount of goods and services you can buy today compared to the price of the same goods and services you could have purchased in an earlier period.

2.4 **Figure 9** summarises the percentage change in income in real terms from charges between 2008-09 and 2014-15 for the 22 Welsh authorities for individual services. **Figure 9** shows that in two-thirds of the areas we have reviewed, authorities have increased how much income they raise from charges, some by significant amounts. The remaining third of services we have reviewed, where income has not increased in real terms, are a mix of activities which are either influenced by national policy charging directives and fee regimes (building control, adult social care and concessionary fares); services which are barometers of prosperity and driven by market conditions (development control and food safety); or discretionary services (culture and related services) which, whilst being in the gift of authorities to determine what charges and fees are set, are also activities where there is often alternative providers and authorities are in competition. Getting pricing right to maintain if not increase service users is, for these services, as important as the drive to generate income.

Figure 9 – The percentage change in income in real terms from charges by individual service between 2008-09 and 2014-15¹⁷



Source: Wales Audit Office analysis of Revenue Outturn data published on StatsWales in 2008-09 and 2014-15 as amended following independent audit of the returns by the Wales Audit Office.

¹⁷ Whilst the proportional increase for home to school transport for special schools income is significant, this has to be balanced with income as a proportion of total gross expenditure which has risen marginally in this period, from 0.7 per cent to 3.8 per cent.

2.5 Whilst income from charges has increased since 2008-09, there is wide variation in what and how much authorities collect. **Figure 10** shows that of the 18 service areas we have analysed, in only seven are all 22 authorities recording income from charges. In addition, in 11 of the 18 services analysed, some authorities record receiving no income, and the range of income generated varies widely.

Figure 10 – The level of income raised from charges for individual services by Welsh authorities in 2014-15

Area to raise income from charges ¹⁸	Number of authorities collecting income in 2014-15	Lowest amount collected by an authority in 2014-15	Highest amount collected by an authority in 2014-15
Income from Home to school transport – Primary Schools	10	£0	£265,000
Income from Home to school transport – Secondary Schools	15	£0	£269,527
Income from Home to school transport – Special Schools	8	£0	£482,072
Income from Home to college transport	10	£0	£710,827
Income from Adult Education	16	£0	£1,496,000
Total school income	22	£241,000	£28,148,510
Income from Parking of vehicles	22	£12,000	£6,900,000
Income from Concessionary Fares	13	£0	£156,122
Income from Airports, harbours and toll facilities	6	£0	£3,425,000
Income from Adult Social Care, Meals	15	£0	£1,265,954
Total income from cultural and related services	22	£588,000	£24,335,000
Income from Cemetery, cremation and mortuary services	21	£0	£2,604,000
Income from Environmental Health – food safety	21	£0	£69,000

¹⁸ The headings used are taken directly from the Revenue Outturn returns and coverage is as defined in Welsh Government forms.

Figure 10 – The level of income raised from charges for individual services by Welsh authorities in 2014-15 (cont.)

Area to raise income from charges	Number of authorities collecting income in 2014-15	Lowest amount collected by an authority in 2014-15	Highest amount collected by an authority in 2014-15
Total income for Waste Services	22	£385,495	£7,506,000
Income from Building Control	22	£133,000	£790,000
Income from Development Control services	22	£180,986	£1,981,000
Income from Local Land Charges	21	£0	£323,000
Income from births, marriages and deaths	22	£66,621	£685,000

Source: Wales Audit Office analysis of Revenue Outturn data published on StatsWales in 2014-15 as amended following independent audit of the returns by the Wales Audit Office.

2.6 With the current financial challenges facing the public sector, fiscal responsibility is ever more important and authorities recognise that they need become even more financially disciplined when it comes to delivery of services. Subsidising services is often driven by a desire to maximise take-up and to support delivery of the wider strategic priorities. However, authorities need to consider their operating environment in a different way and reducing the level of subsidy that is provided to support services can improve financial sustainability. Figure 11 (below) summarises changes in income as a proportion of expenditure in 2008-09 and 2014-15 (the detailed information is set out in Appendix 4). We found that:

- In 15 of the 18 service areas analysed there has been a net cost¹⁹ improvement. In other words, income as a proportion of expenditure is growing and services require less subsidy to operate;
- In one service – car parking – the income raised is greater than the cost of providing the service and a surplus continues to be generated; and
- For some activities, the level of subsidy continues to be significant. For example home to school transport and environmental health food safety where income as a proportion of expenditure is less than 5 per cent of the cost of providing the service.

¹⁹ Net cost is the bottom line of the income statement when revenues and gains are less than the aggregate operating expenses.

Figure 11 – The level of income raised from charges for individual services by Welsh authorities in 2014-15

Area financial data analysed	Income as a proportion of gross expenditure 2008-09	Income as a proportion of gross expenditure 2014-15	Change in proportion of income collected over the period
Home to school transport – Primary Schools	0.7%	1.5%	0.80%
Home to school transport – Secondary Schools	1%	1.7%	0.70%
Home to school transport – Special Schools	0.7%	3.8%	3.10%
Home to college transport	9.4%	14.2%	4.80%
Adult Education	18.5%	21.2%	2.70%
Total school	2.9%	4.4%	1.50%
Parking of vehicles	122.8%	152%	29.20%
Concessionary Fares	0.5%	0.3%	-0.20%
Airports, harbours and toll facilities	26.7%	51.5%	24.80%
Adult Social Care, Meals	34.1%	43.4%	9.30%
Cultural and related services	20.5%	28.5%	8.00%
Cemetery, cremation and mortuary services	56.7%	94.1%	37.40%
Environmental Health food safety	3.8%	3.3%	-0.50%
Waste Services	15.4%	13.2%	-2.20%
Building Control	60%	66.4%	6.40%
Development Control services	43.7%	58.2%	14.50%
Local Land Charges	96.7%	107%	10.30%
Births, marriages and deaths	49.5%	70.2%	20.70%

Source: Wales Audit Office analysis of Revenue Outturn data published on StatsWales in 2008-09 and 2014-15 as amended following independent audit of the returns by the Wales Audit Office.

- 2.7 Some of the differences in income relate to what services local authorities have available and how these services are provided. For instance, some local authorities are unable to generate income from certain services because they do not provide any service – those related to airports, harbours and toll facilities for example. Some authorities have also transferred their major leisure facilities to other providers and consequently have seen a reduction in their levels of income compared to those who continue to provide these services in house.
- 2.8 For other services, the level of income is a reflection on the size of the population that can pay the fee or charge – home to school transport for example – which limits the potential to increase revenue. Conversely in other areas the resident population are not the only ones who pay for the service – services such as car parking – and the ability to generate income is not specific to the local community but wider economic and market considerations²⁰. Nonetheless, taken as a whole, the findings in **Figures 10** and **11** highlight that there is scope in some authorities to reconsider how much revenue they wish to generate from certain services.
- 2.9 For example, by using burial and cremation services as a tracer, we have reviewed the current level of charges for different activities. Under the **Open Spaces Act 1906, Parish Councils and Burials Authorities (Misc. Provisions) Act 1970** and the **Local Government Act 1972**, authorities have the right to acquire, maintain and provide services for burial grounds, cemeteries and crematoria. Other organisations and companies also have the legal right to provide burial, cemetery and crematoria services. Because there are fewer restrictions on the charges that can be set by authorities for these services, this has led to a variation in charges applied across Wales.
- 2.10 Using data gathered from authority websites and requests to authorities, **Figure 12** below shows the range of charges for 11 different burial and cremation services provided by authorities. The range in price between the cheapest and most expensive charge levied by authorities for these services varies from 4.1 for exclusive right of burial and the erection and inscription of a headstone (eg, the cost in the most expensive authority is 4.1 times higher than the cost in the cheapest authority) to 11.2 for the scattering of ashes (eg, the cost in the most expensive authority is 11.2 times higher than the cost in the cheapest authority). Even when consideration is given to local factors and the possible differences in provision and quality of service, the scale and range of costs is very broad.

²⁰ An example of pricing strategies is the opening of the National Lido in Pontypridd where Rhondda Cynon Taf local authority took the decision to allow free admission as part of a regeneration effort for the Pontypridd Town Centre. Visitor numbers exceeded expectations and is having a very positive response from traders who have seen an increased footfall in the town centre. It's also received a very positive response from service users and has complimented a general increase in sports and leisure take up within Rhondda Cynon Taf.

Figure 12 – Cost of authority-run burial and cremation services

Item	Lowest	Average	Highest	Range	Base ²¹
Exclusive right of burial	£355	£678	£1,455	4.1	16
Headstone	£76	£174	£315	4.1	17
New grave for 1	£427	£853	£1,920	4.5	18
New grave for 3	£490	£1,258	£2,240	4.6	14
New grave for 2	£457	£1,064	£2,120	4.6	19
Cremated remains burial	£160	£349	£777	4.9	17
Cremated remains purchase	£139	£409	£833	6.0	14
Woodland plot for 1	£300	£904	£1,920	6.4	7
Inscription on headstone	£30	£83	£200	6.7	19
Interment of ashes	£75	£233	£504	6.7	12
Scattering of ashes	£20	£99	£223	11.2	14

Source: Wales Audit Office data collection from authorities

2.11 Another factor concerning services with discretionary charging is the freedom for authorities to raise their prices on a frequent basis. A **Freedom of Information Act 2000** request carried out by the BBC²² in August 2015 found that, across 169 local authorities in the United Kingdom, the average cost of a basic cremation at a local authority facility had risen from £475 in 2010-11 to £640 in 2015-16, an increase of 35 per cent. In the five Welsh local authorities that responded (Cardiff, Conwy, Rhondda Cynon Taff, Swansea and Wrexham), the cost had risen from £434 to £583, an increase of 34 per cent over the same time period. Local authorities responded stating that changes to emissions targets, the use of larger coffins and rising energy costs had resulted in a sharp increase in costs. Some authorities also noted that their prices were low compared to neighbouring authorities and that rises merely brought them in line with others.

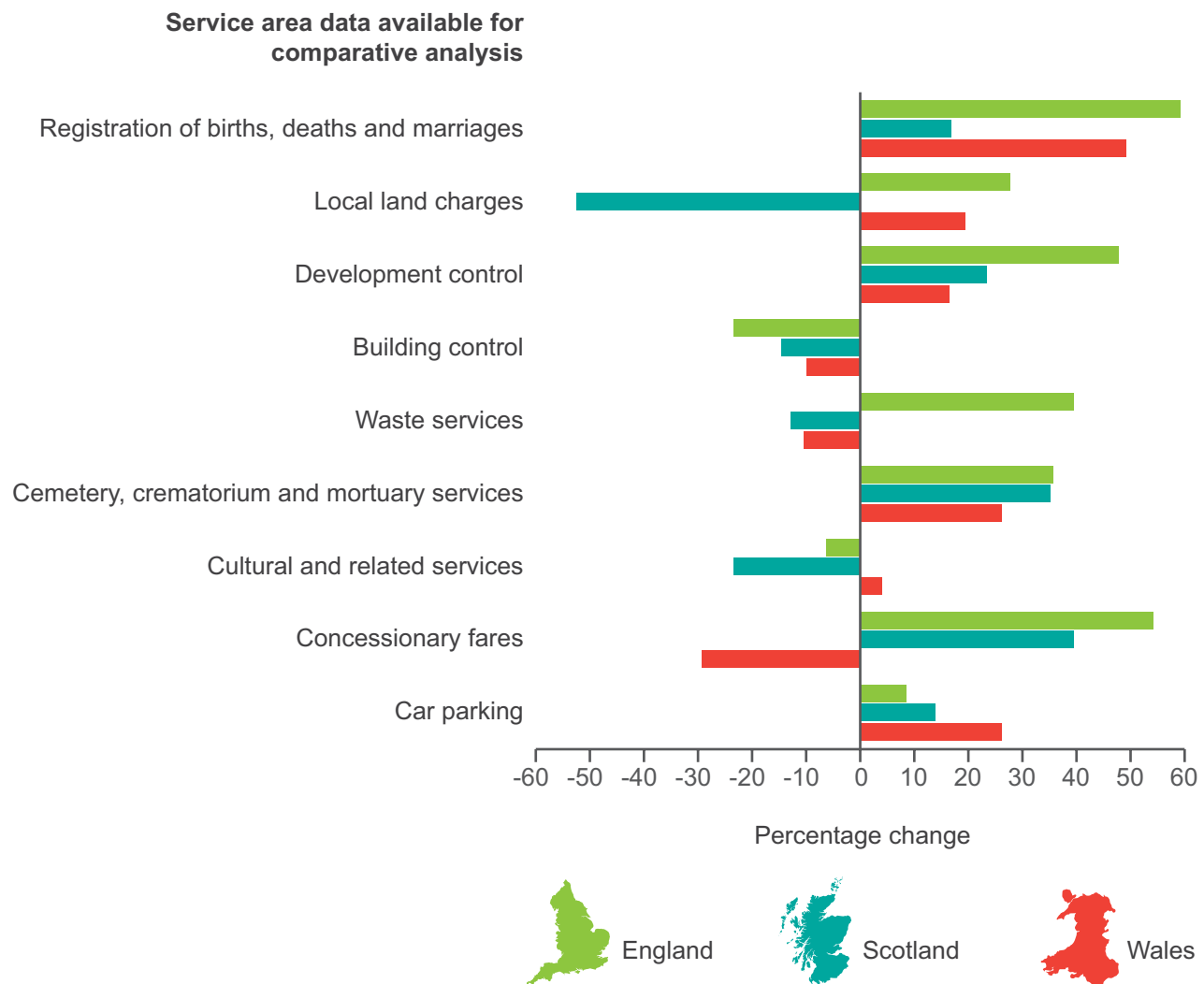
²¹ Number of local authorities providing a cost for each service

²² BBC News - Local authority cremation costs

Welsh authorities are not generating as much income from charges as counterparts in England and Scotland

2.12 There are big differences between how local authorities in England, Scotland and Wales perform in raising income from charges. Using data published by the UK, Scottish and Welsh Governments, **Figure 13** summarises the areas where comparison between the three countries is possible and shows that only in respect of car parking and cultural and related services has the income for Welsh authorities increased by a larger percentage than English and Scottish authorities.

Figure 13 – Percentage change in income collected from charges in 2008-09 and 2014-15 in England, Scotland and Wales

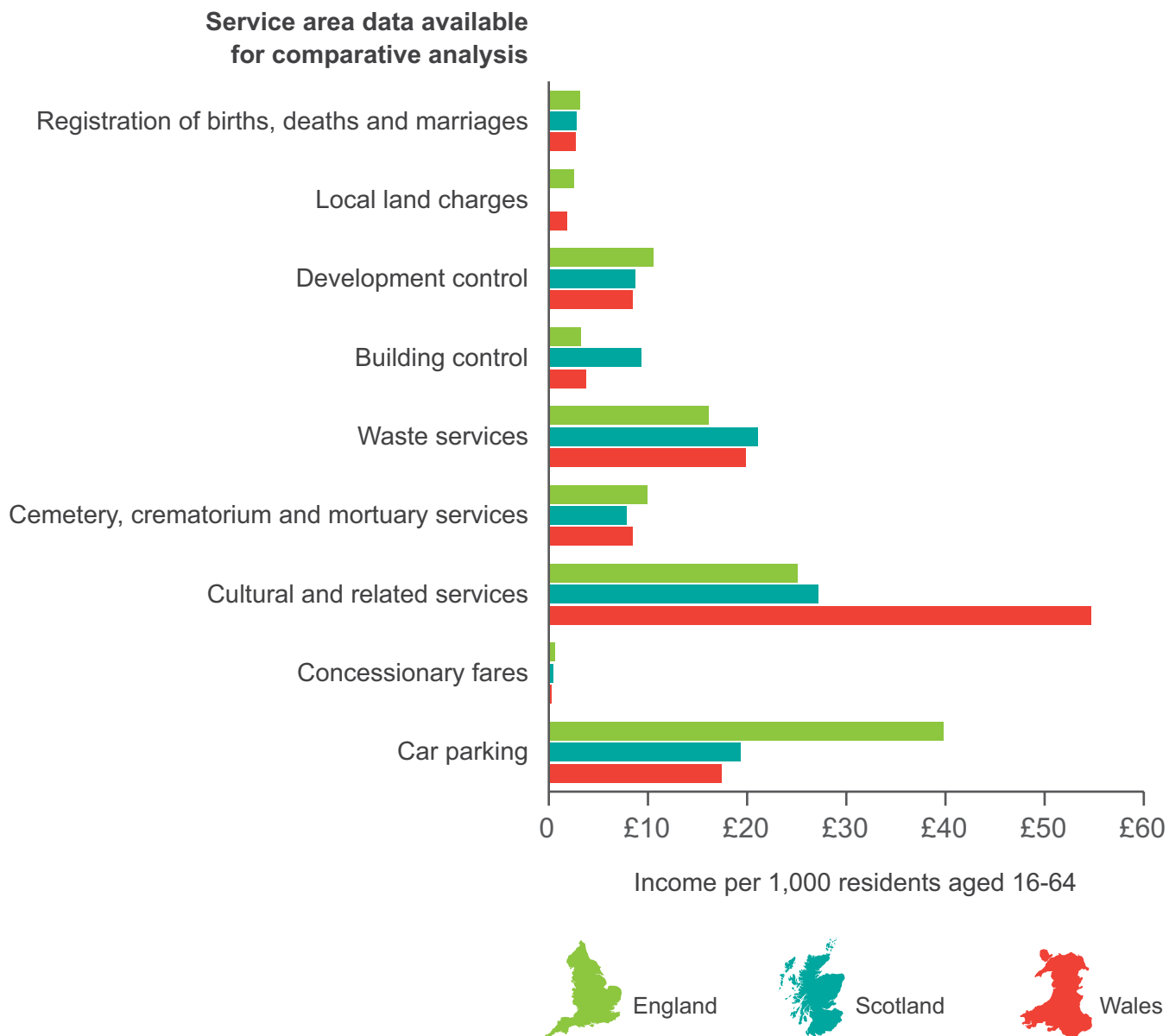


Source: Wales Audit Office, analysis of income and fees.

- 2.13 Whilst our findings suggests that there is scope to increase charges further in Wales in the service areas we have analysed, making a like for like comparison is not straightforward. Each authority and country in Great Britain has its own unique social, economic, environmental and population characteristics. These will influence how services are provided, who consumes services, whether realistic alternatives to authority provision exist, whether charges are controlled or influenced by the respective government and what charges communities can afford. Whilst comparing percentage change in charges for services between England, Scotland and Wales provides a useful starting point, some understanding of the actual level of charge being levied in a community is also required.
- 2.14 However, no register of charges by authority is collated and it is not possible to easily compare what each charges for the services they provide. Consequently, we have examined the average level of income derived from each service per 1,000 resident population aged between 16-64 years of age (economically active age) in each country in Great Britain²³. By measuring performance using economically active people we are only looking at those who will potentially have to pay for a service and would not be affected by any concessions that are applied. Our analysis provides a broad illustration only but taken with the other data in **Figure 13** above, does nonetheless contribute to the debate on the differences in income levels and provide an illustration of the potential opportunities that may exist to review charges.
- 2.15 **Figure 14** summarises the amount of income raised in England, Scotland and Wales per 1,000 resident population aged 16-64 and shows that in the nine areas where a comparative analysis is possible, in only one – cultural and related services – are Welsh authorities raising more income from services than counterparts in England and Scotland. In all other areas, Welsh authorities lag behind counterparts in either England, or Scotland, or both.

²³ The mid-year estimates refer to the population on 30 June of the reference year and are published annually. They are the official set of population estimates for the UK and its constituent countries.

Figure 14 – A comparison of the average level of income for named authority services per resident 1,000 population aged 16-64 in England, Scotland and Wales in 2014-15



Source: Wales Audit Office, analysis of income and fees.

- 2.16 Some of the differences between the UK, Scottish and Welsh Government will be a result of policy decisions (such as concessionary fares) as well as an individual authority's choice on how it wishes to deliver a service. In addition, the socio economic position of some communities – London, for example, where the population and economy has grown at greater rates than the rest of the United Kingdom in recent years²⁴ – can disproportionately skew findings. Notwithstanding, by analysing the difference between the average income per 1,000 population aged 16 – 64 in Wales with the higher level in either England or Scotland, we are able to determine the potential extra income authorities could raise in Wales.
- 2.17 In **Figure 15** we set out our analysis which shows that in seven of the 18 local authority services where a comparison of performance is possible with England, Scotland or both, Welsh authorities are generating income per 1,000 residents at higher levels than authorities in either England or Scotland. Our analysis in **Figure 15** also highlights that if Welsh authorities raised charges to reflect the higher equivalent income per resident 1,000 population aged 16-64 in either England or Scotland for the remaining 11 areas, then a potential extra income of approximately £68.1 million could be generated.

Figure 15 – The potential level of income if Welsh authorities increased charges to mirror the higher average level of income per resident 1,000 population aged 16-64 in England or Scotland

Area to raise income from charges (taken from lines in Revenue Outturn returns or equivalent)	Income per resident 1,000 population aged 16-64 in England	Income per resident 1,000 population aged 16-64 in Scotland	Income per resident 1,000 population aged 16-64 in Wales	Potential extra income for Wales based on increasing to the highest average in England or Scotland
Income from Home to school transport - Primary Schools	£0.55	N/A	£0.21	£652,000
Income from Home to school transport - Secondary Schools	N/A	N/A	£0.52	£0
Income from Home to school transport - Special Schools	£0.35	N/A	£0.61	£0
Income from Home to college transport	£0.41	N/A	£0.81	£0
Income from Adult Education	£0.77	£4.68	£3.81	£1,673,000

Figure 15 – The potential level of income if Welsh authorities increased charges to mirror the higher average level of income per resident 1,000 population aged 16-64 in England or Scotland (cont.)

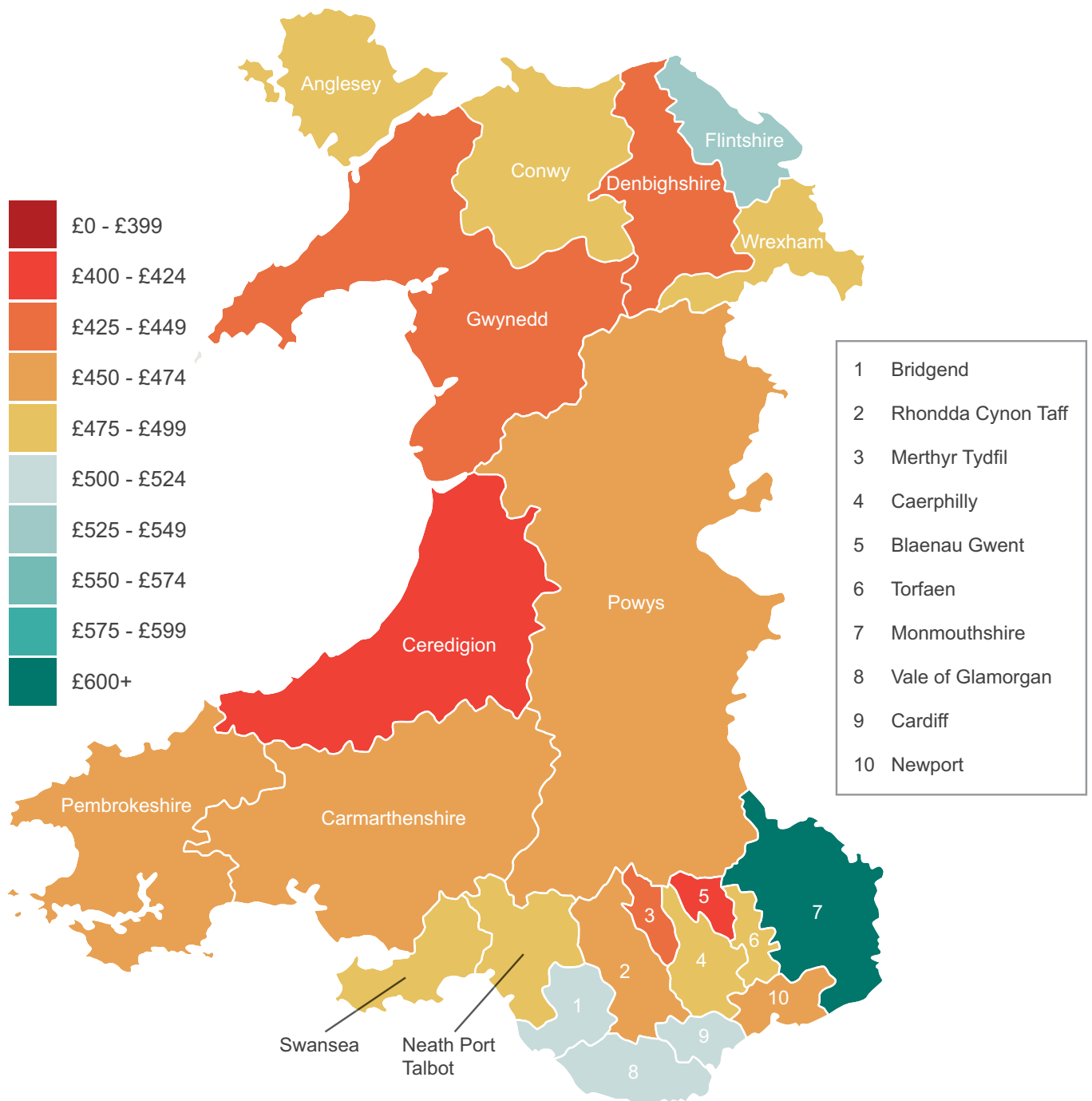
Area to raise income from charges (taken from lines in Revenue Outturn returns or equivalent)	Income per resident 1,000 population aged 16-64 in England	Income per resident 1,000 population aged 16-64 in Scotland	Income per resident 1,000 population aged 16-64 in Wales	Potential extra income for Wales based on increasing to the highest average in England or Scotland
Total school income	£52.61	£52.54	£63.24	£0
Income from Parking of vehicles	£39.65	£19.22	£17.31	£42,947,000
Income from Concessionary Fares	£0.48	£0.31	£0.12	£694,000
Income from Airports, harbours and toll facilities	£1.06	N/A	£2.81	£0
Income from Adult Social Care, Meals	N/A	N/A	£1.74	£0
Total income from cultural and related services	£24.96	£27.03	£54.55	£0
Income from Cemetery, cremation and mortuary services	£7.72	£9.81	£8.35	£2,799,000
Income from Environmental Health – food safety	£0.21	N/A	£0.22	£0
Total income for Waste Services	£15.98	£20.97	£19.70	£2,443,000
Income from Building Control	£3.12	£9.24	£3.67	£10,717,000
Income from Development Control services	£10.42	£8.57	£8.33	£4,016,000
Income from Local Land Charges	£2.38	£0.01	£1.69	£1,328,000
Income from births, marriages and deaths	£3.00	£2.67	£2.55	£859,000
Total				£68,128,000

Source: Wales Audit Office analysis of income and fees

Local authorities need to consider how best to balance generating income with the communities' ability to pay more for services

- 2.18 As local authorities are constantly challenged by the need to balance fiscal, social, economic, and environmental goals, they also need to decide how much and what types of new levels of charges the community can accommodate without compromising the day-to-day quality of life for residents. Assessing the 'elasticity of demand' – the potential socio-economic impacts of increasing or introducing charges – is therefore a careful balancing act. Increasing the fee or charge for a service will potentially increase income and safeguard the service. However, it also potentially reduces demand by making the service unaffordable which then raises a question mark on its viability.
- 2.19 Local authorities need to therefore take into account local socio-demographic factors, such as the level of social deprivation, because users' ability to pay is an important consideration in setting charges. Considering the socio economic impact on communities is critical because in many communities in Wales the level of average earnings are lower than in either England or Scotland. For example, Official labour market statistics published by the Office for National Statistics²⁵ show that average gross weekly pay in 2014-15 in England was £527.70 and in Scotland £527 compared to £484.40 in Wales, a difference of roughly 10 per cent or £43.
- 2.20 Coupled with the proportion of the working population who are economically active – 78 per cent in England, 79.2 per cent in Scotland and 75.2 per cent in Wales – there is potentially less capacity for Welsh citizens to be able to pay more for goods and services. Increasing fees in Wales could therefore be more challenging than in either England or Scotland with many Welsh communities being less likely to be able to accommodate sharper increases than other parts of Great Britain, although, the range of average incomes across Welsh local authorities suggests that some are better placed than others to increase charges.
- 2.21 **Figure 16** shows that the range of gross weekly pay in 2014-15 ranged from £403 in Blaenau Gwent to £610 in Monmouthshire. Authorities where earnings are higher will therefore be better placed to charge and raise more income than those where income levels remain low. When reviewing charges, local authorities need to therefore consider both the options for reducing the level of subsidy they provide to services, but also the socio-economic circumstances of their local community. To aid authorities in responding to this challenge we have set out in **Appendix 2** some of the key issues needing to be considered when they set, increase or introduce charges for services.

Figure 16 – Gross Weekly Median Pay by Welsh local authority in 2014-15



Source: NOMIS, annual survey of hours and earnings - resident analysis, 2014-15

Part 3

Authorities do not effectively evaluate charges to fully understand their impact



- 3.1 Monitoring and evaluating performance in setting and collecting income from charges will help local authority Members and officers to understand how well they are performing and the opportunities that exist to improve performance further. At a time when local authorities are having to manage the impact of reductions in funding from Welsh Government, evaluating and forecasting income from charges is essential to maximising the benefit derived from income in maintaining and growing services. In this final part of the report we provide an analysis of how effective authorities are at forecasting, monitoring and evaluating income. We also consider how well authorities engage with citizens when considering the performance of their authority and how they use these views to decide on changes to services.

Long established governance and accountability systems are not always agile or robust enough to support good decision making when reviewing charges

- 3.2 Members need to lead on introducing and reviewing charges. Decisions should be considered and ratified by the executive and subject to scrutiny and oversight. The impact of charges on individual services should be subject to careful examination and Members, as the representative for their communities, need to balance the competing requirements of raising income to improve the financial position of authorities, to representing constituents and highlighting the potential impact of decisions, particularly usage and take up.
- 3.3 To make informed decisions, Members need to have good quality advice from officers, particularly on the cost of providing services and the level of subsidisation taking place. Without good quality and robust information, there is a risk that authorities will continue to either charge too much for services that need to be subsidised or do not charge enough for a service. It is therefore right for Members to debate and influence the setting of charges but their review must balance the strategic need for generating income with the case-by-case implication of the potential local impact on local residents.
- 3.4 Typically, we found that Member engagement is very strong when authorities consider charges as part of the annual budget setting process. Where issues of increasing charges are presented as part of the global budget, Members have generally been involved in the development of options and the consideration of recommendations that are being proposed. Some authorities have also sought to strengthen engagement with Members and accountability for setting charges. These approaches range from the delegation of decisions on charges to individual portfolio holders and senior managers within specific services, as in Caerphilly County Borough Council, to the creation of corporate wide boards of senior elected Members who set the strategic direction on charges - for example the 'Income Generation and Cost Improvement Board' set up by Powys County Council in January 2016. Where these arrangements work well they can provide impetus to better decision making and strengthen accountability.

- 3.5 However, we also found that whilst authorities are clear on the need to speed up and make better informed decisions when setting charges, these delegated arrangements are not always delivering what was envisaged when they were created. We found that some portfolio holders are reluctant to deal with potentially controversial issues and will not approve increasing or introducing charges, even where the evidence for the increase or introduction is compelling.
- 3.6 Whilst Members are aware of the financial benefits that charges bring in raising revenue for their authority, some Members are also keenly aware of the potential impact of charges and seek to ensure that any increase or introduction is both justifiable and does not impact unfavourably on service users. Whilst delaying decisions can result in the fee or charge being set low and access to the service remaining affordable, the decision to delay, put off or avoid increasing charges can also result in some services becoming financially unsustainable.
- 3.7 In addition, we found that income generating options are often not put forward in draft budget proposals to Members simply because officers believe the case will not be endorsed or supported. Whilst some we spoke to argued that Member's reluctance to consider increases in charges is ultimately a reflection of Members 'pastoral' community leadership role and reflects a positive attitude to protecting service users, failing to address budget pressures and consider options, however unpalatable, slows down the process of Member and public education and the shifting of expectations that is needed with reductions in public finances.
- 3.8 We also found that authorities often struggle to prepare sufficiently detailed and comprehensive business cases on the potential for generating income from charges. Some of these difficulties are a reflection of capacity and capability within services to collate sufficient information to underpin business cases, quantify potential costs, and a reluctance from officers to 'own' findings from external consultants. In other authorities we found that reports seeking decisions often lack the key information required to enable Members to make an informed decision. For example, business cases often:
- lack adequate information to justify the proposed charge increase recommended by officers;
 - do not indicate whether an increase in fees or charges will influence how many people use services and the impact of anticipated changes on the level of income generated; or
 - do not highlight how the decision to change fees or charges will impact on the authority's medium term financial plan.

Limitations in the quality, detail and range of information used by authorities affects their ability to maximise the benefits of increasing or introducing charges

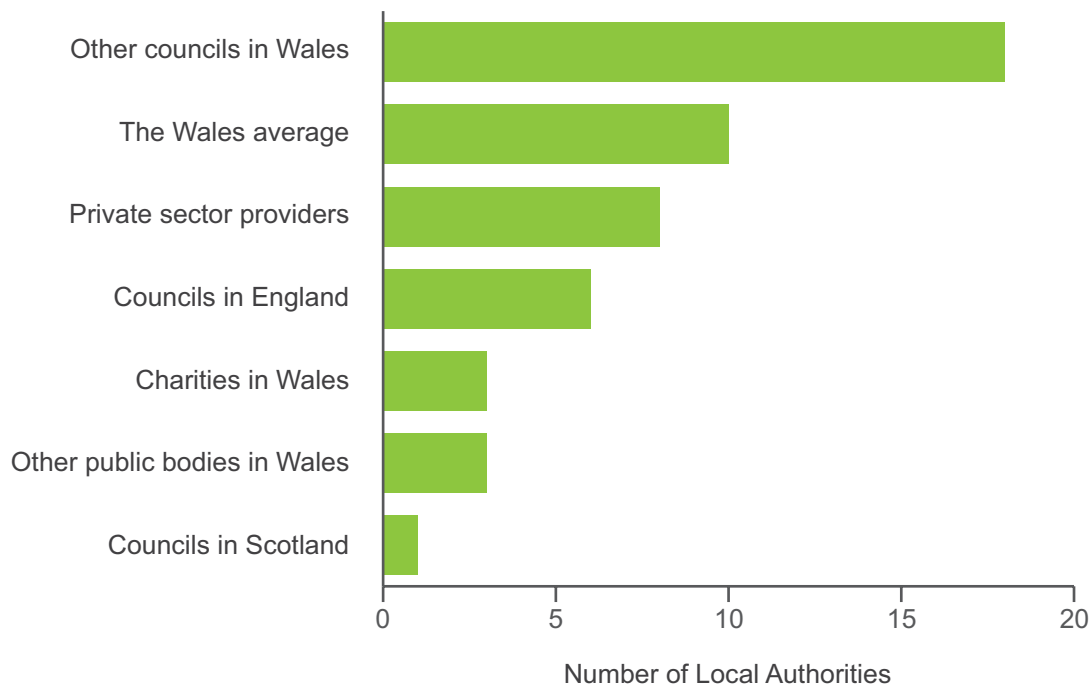
Authorities do not hold sufficiently detailed or accurate information to understand the true cost of providing services

- 3.9 Setting, introducing or increasing charges is a complex exercise and needs to take into account many factors. Most crucially, authorities need to understand the full costs involved in delivering the service, including overhead costs – the ongoing expense of the corporate support services and activities such as legal advice, finance or ICT support as well as office and accommodation costs. Knowing the full cost of delivering a service is the starting point for building a case to approve whether to set, increase or introduce charges.
- 3.10 For many services, charges are based on precedents and do not reflect the actual cost of providing the service. Keeping charges low is often influenced by a conscious decision to support and encourage usage and to ensure those on low incomes are given the opportunity to access and use services. However, only by fully understanding how much it costs to deliver a service can an authority consider what fee or charge it should set, what the strategic impact of its decision is likely to be on the service and those that use it, and what level of subsidy is appropriate to provide for the service.
- 3.11 How much charges for services are increased by can vary widely. A number of authorities continue to apply a standard percentage increase in charges across all services, whilst others review and agree changes on an individual service by service basis. Treating all services exactly the same and setting flat rates increases in charges has the benefit of being easier to administer. However, such an approach does not provide adequate assurance that the authority has considered the potential impact of its decision strategically.
- 3.12 Different services have different clients groups and the decision to increase or introduce charges will have very different impacts, both positive and negative. For example, a number of authorities set the rate of increase in charges in line with inflation which means that unless there is a beneficial change in how many people use the service or a reduction in running costs, the authority will derive little financial benefit from setting a higher fee or charge in line with inflation.

- 3.13 Management information is inconsistent and many services are often unable to provide accurate and up to date information on the true costs of provision. We found that authorities have well established systems for reviewing and monitoring service budget performance but are only now beginning to focus on analysing the full cost of services. From our fieldwork we found that authorities do not always calculate unit costs nor consider how much it cost to collect charges. Similarly, authorities often do not apportion the cost of providing services until year end which makes it impossible to accurately identify how well a service is performing financially at any point within the year.
- 3.14 We also found the range and quality of measures used by authorities to judge performance on collecting charges to be variable. The main focus for the majority of authorities is on recovering income from those in debt or arrears rather than understanding the costs of providing the whole service and the contribution of income in the overall funding envelope. These weaknesses make it difficult for authorities to effectively evaluate performance in-year and address the impact of cost pressures, low or higher usage, or reductions in income.
- 3.15 When reviewing and considering options to increase or introduce charges, authorities need to make better use of data and benchmarking to support members to make informed and evidence-based policy and operational choices. Our analysis shows that at present, using data to support decision making is limited. **Figure 17** summarises the findings of our survey of chief finance officers and shows that whilst 18 of the 22 authorities compare their level of charges for services with those levied by other local authorities in Wales, there are opportunities for many authorities to strengthen benchmarking activity. Only 10 authorities consider their performance against the Welsh average and are benchmarking their performance with a wide range of public and private sector bodies.

Figure 17 – Who and what information local authorities in Wales compare and benchmark their performance on income against

The information performance is benchmarked against



Source: Wales Audit Office, Survey of Chief Finance Officers, March 2016

3.16 We also found that whilst 16 authorities monitor and evaluate how effectively they collect charges to ensure systems are as efficient and as cost effective as possible, only nine authorities compare their systems and collection costs with other authorities. The most frequently cited sources of data used by authorities to evaluate charges costs with others is CIPFA²⁶ (12 authorities); StatsWales and APSE²⁷ (seven authorities); and the Local Government Data Unit Benchmarking Hub (six authorities).

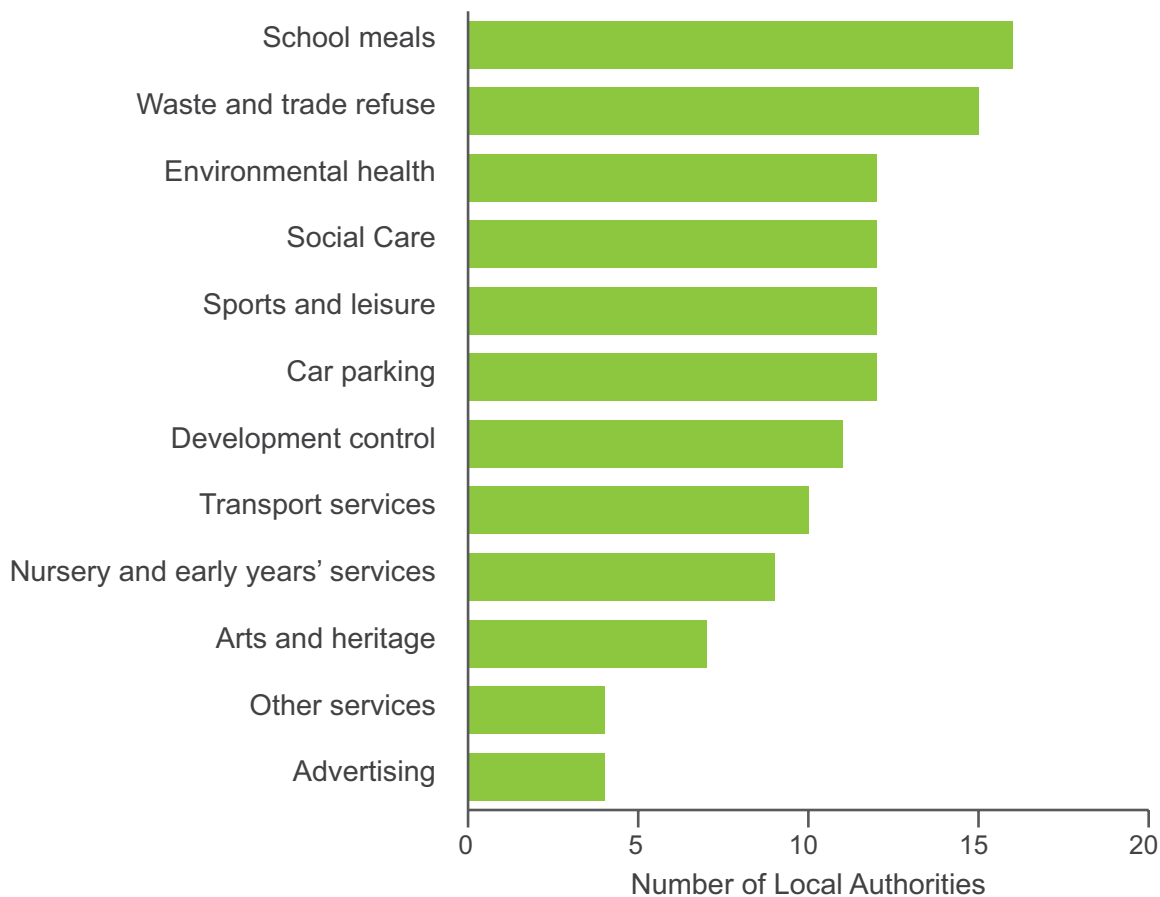
²⁶ Chartered Institute of Public Finance and Accountancy is the leading accountancy body for public services providing education and training in accountancy and financial management.

²⁷ Association for Public Service Excellence is a networking community that assists local authorities who are striving to improve their frontline services.

3.17 **Figure 18** reports which services authorities are comparing their performance on collecting income and managing charges with others. The scope of authority performance management information ranges from only four authorities comparing performance on charges for advertising, to 18 authorities benchmarking costs associated with the provision of school meals. There is scope for many authorities to improve how they monitor and evaluate performance to enable Members to make smarter charging choices.

Figure 18 – The service areas where local authorities in Wales compare and benchmark their performance on collecting income

The areas subject to performance is benchmarking



Source: Wales Audit Office, Survey of Chief Finance Officers, March 2016.

Forecasting the likely level of income from changing charges is inconsistent

- 3.18 It is nearly impossible to predict annual revenues precisely – particularly when introducing charges or setting fees for the first time – because of the way citizens use services and the choices that are open to them. Nonetheless, forecasting income is an important planning tool which helps an authority to manage and understand its performance.
- 3.19 Seven respondents to our survey of chief finance officers stated that their authority forecast their anticipated income from the introduction and/or increase in charges for one or more years. Of the remaining 15 authorities, eight stated that they forecast income within year only and seven that they do not forecast the potential income for services at all. Our review of documentation provided by authorities and our onsite fieldwork suggests that many authorities have some gaps in financial forecasting data and are not consistently forecasting their anticipated income for all activities.
- 3.20 Forecasting income is guesswork and it is impossible to know exactly what performance will be for a given period, especially many months or years into the future. One way to address this uncertainty is to use sensitivity analysis²⁸ to develop a range of possibilities under different assumptions which provide alternative estimates of income. From our review we found that whilst some authorities apply an expected or desired growth rate or return, these are often not underpinned by a robust analysis of current performance, reliable trend information or patterns of past customer usage. These are key sensitivity drivers which influence revenue growth. With better quality forecasting, officers will be able to better inform Members on the potential impact of decisions and what is possible based on an evaluation of pertinent information regarding the potential income that could, and should, be realised.

²⁸ Sensitivity analysis is a technique used to determine how projected performance is affected by changes in the assumptions that those projections are based upon. Sensitivity analysis is often used to compare different scenarios and their potential outcomes based on changing conditions.

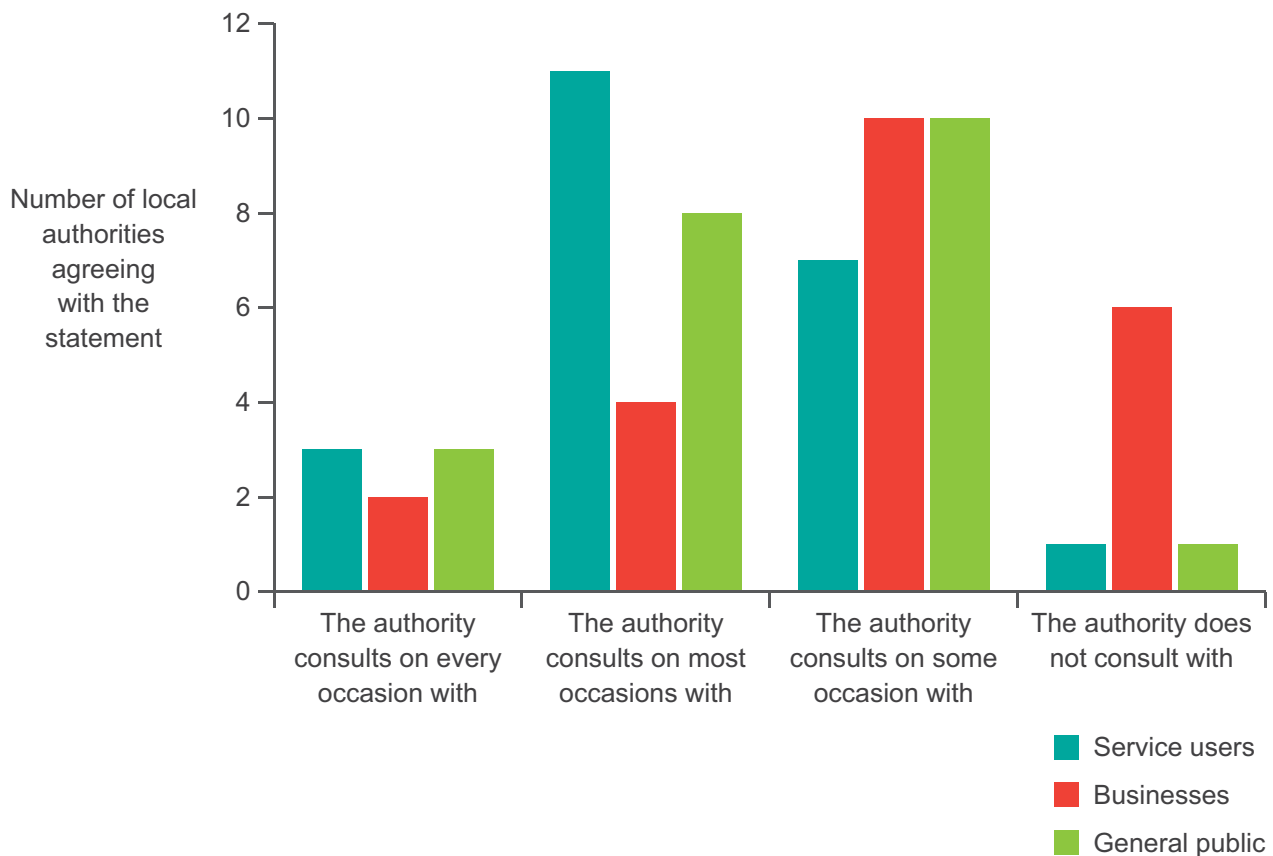
Identifying the potential impact of increasing or introducing charges is not robust

- 3.21 Because of the wide variation in the range of services provided and the reasons for providing them, there are a number of key legal considerations that authorities must take into account in exercising their discretion to set a charge. These are the:
- a **Equality Act 2010** – Section 149, known as the ‘public sector equality duty’, sets out requirements for local authorities to specifically consider the impact of proposed changes (including implementation or variation of charges) on people disadvantaged by race, disability etc. Changing services, including increasing charges, is likely, in appropriate circumstances, to require consultation with these groups;
 - b **Welsh Language (Wales) Measure 2011** and standards set under it through the **Welsh Language Standards (No.1) Regulations 2015 (SI 2015/996)** - these require authorities and other public bodies to consider the impact of their service provision and policy and operational decisions on promoting or facilitating the use of the Welsh language; and
 - c **Well-being of Future Generations (Wales) Act 2015** – the Act requires public bodies to plan and deliver their services structured around the five themes of long term, prevention, integration, collaboration and involvement. In setting charges, Welsh local authorities will need to be mindful of these requirements and in particular the objectives set by their local Public Service Boards.
- 3.22 Authorities have introduced processes to judge the potential impact of decisions in respect of their equalities and Welsh language responsibilities, usually through an impact assessment that accompanies reports to cabinet or full Council seeking either to increase or introduce a charge. The quality of the evidence contained in impact assessments however varies widely. Assessments do not always provide sufficient detail to either identify the impact of changes or equip Members to make informed decisions. For example, forms are often partially completed and lack important information, do not provide adequate information on the expectations and views of service users or citizens, or do not include specific timescales for review.
- 3.23 It is pleasing to note that a few authorities have adapted existing impact assessment processes to accommodate the five ways of working set out in the Well-being of Future Generations Act 2015, but much work remains to be done. Whilst the Act only came into force on 1 April 2016, the principles of making decisions that consider the long-term impact and are focused on prevention, integration, collaboration and involvement are fundamental issues that underpin good decision making²⁹. The five ways of working principles, together with the authority’s well-being objectives, need to be considered when authorities are setting, increasing or introducing charges and impact assessments, and business case processes need to be revised to ensure they are given adequate coverage.

²⁹ Authorities need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales in the future. There are five things that public bodies need to think about to show that they have applied the sustainable development principle. The Welsh Government believes that following these ways of working will help authorities to work together better, avoid repeating past mistakes and tackle some of the long-term challenges the country faces.

- 3.24 Authorities generally do not consider the cumulative likely economic impact on residents and communities for all their charges, and do not report, monitor or scrutinise decisions with this wider impact in mind. Understanding the impact on service users and citizens is not easy. Whilst authorities undertake equality impact assessments when making policy decisions, these are rarely revisited in light of policy implementation to assess whether unintended consequences that impact on service users are considered post implementation.
- 3.25 Public bodies recognise the importance of engaging with and consulting service users and other stakeholders such as citizens, businesses and council tax payers on the decisions that can affect them. Involving stakeholders in helping to shape and decide on changes to services including setting, introducing or increasing charges can result in outcomes that are more relevant and useful. Effective engagement can also lead to a better quality decision and ultimately result in a much stronger commitment to use services or lose them.
- 3.26 We found that most authorities are consulting residents over charges as part of their annual budget-setting processes where the authority sets out all the revenue raising proposals including issues around charges and income generation. Authorities use a wide range of options to undertake this consultation activity including authority wide newsletters, specific surveys, public meetings and provision of information via social media. Authorities also use annual residents' surveys to consult on and decide a course of action. For example, both Powys County and Caerphilly County Borough Councils have used their resident surveys in recent years to engage with and better understand citizens' views in reviewing and identifying options for income generation from charges to support decision making. Overall, budget setting consultation is more wide ranging and is often based upon an ongoing dialogue over a longer period of time.
- 3.27 However, engagement and consultation over increasing or introducing specific fees or charges is not always carried out or consistently applied. Our survey of chief finance officers, noted in **Figure 19** below, found that few authorities undertake consultation with key stakeholders – service users, businesses and the general public – on every occasion when they are planning to introduce or increase charges. These findings are echoed by citizens, with 50 per cent of those who responded to our on line survey confirming that their authority did not consult with them when introducing or increasing charges.

Figure 19 – Who and how often the local authority consults with when deciding to increase or introduce charges



Source: Wales Audit Office, Survey of Chief Finance Officers, March 2016

- 3.28 There is a reluctance amongst some Members to engage with service users and local communities on planned changes, especially where there are particular political sensitivities and a perception of difficulties around the introduction of charges. Authorities which have experienced a negative public or media reaction to new or increased charges are often reluctant to tackle the issue again, and consequently choose not to introduce or increase charges. However, an authority that fails to review and revise charges is often delaying the inevitable and continuing to fail to address the issue could result in far worse outcomes such as service closure or greater price rises in the future.
- 3.29 Generally, citizens are well aware that authorities have to make savings and reduce expenditure, but are less informed on the impact of savings on them and the services they use. Citizens who responded to our survey were mostly critical of consultation practices adopted by authorities. One noted that “consultation not publicised well enough (if at all)”, another that “I’m not aware of any consultation that has ever taken place” and another “if there was a consultation, I didn’t hear about it”.

- 3.30 Authorities' caution about public opinion can lead to an unwillingness to confront issues openly and discourages consideration of how local services are to be funded. Authorities need to therefore emphasise how increasing or introducing charges will not only safeguard services but also improve the quality of current provision as a means of justifying increases and making the decision more palatable. We found from our chief finance officers' survey that only two authorities always seek the views of service users on the quality of the services provided and a further five stated that they mostly seek such feedback. Providing service users with the opportunity to feedback on current performance is essential where authorities are seeking to justify increasing charges.
- 3.31 When deciding to introduce or increase a fee or a charge only 15 respondents to our chief finance officers' survey agreed that their authority explores options to phase the introduction of increased charges on service users to mitigate the potential impact. Of these 15, only nine consider the use of concessions or discounted rates when setting charges and only four stated that they provide advice and assistance to service users to secure alternative funds to be able to pay for and continue to use the service.
- 3.32 Where consultation takes place, only 15 of the 22 authorities stated that they consider and include consultation responses in the decision-making process for changing fees. However, 95 per cent of citizens who responded to our survey stated that when consultation has been undertaken they are not aware of the outcome of engagement activity and their authority did not feedback the findings or decision taken as a result of the consultation activity. There remains a disconnect between authorities' perception of how well they consult and the experience of service users.
- 3.33 Consulting on whether to introduce or increase a charge is only one dimension that authorities need to appreciate and consider in deciding what they should do. Equally important is to understand the likely impact of charges on current and potential service users. As we noted above, authorities need to consider whether service users can afford the charge being levied; whether service users consider a charge provides value for money for the level of service provided; or whether better alternatives to direct local authority provision are available from other public, private or voluntary sector providers.

- 3.34 From our public survey we found that citizens choose to use and pay for authority services for a range of positive reasons – the service is well located, is of a better quality or provides a wider range of choice. However, most citizens who responded to our survey also highlighted that the main driver for choosing an authority service over others is cost, particularly where there are discounted charges or no fees currently in place. We found that some citizens have consequently stopped using authority services in the last 12 months with the reasons most often cited for decisions relating to the service costing too much; cheaper alternatives being available; poor quality facilities and equipment; and difficulties with accessing the service (hours of operation and location).
- 3.35 Even when citizens continue to use authority services several noted that this decision is because there is “usually no other choice” and “the next nearest alternative... involves travelling for over an hour each way”. Others commented that whilst “I haven’t actually stopped using the service, I have reduced the number of times I use it, due to the increased cost and worse service. Now they are complaining that the courts are under-used!” Others noted that “the council could do more consultation with ratepayers. I’m ok with some charges so long as facilities are available to suit working people”.
- 3.36 Balancing how to raise more income to sustain services whilst ensuring those who depend on such provision can continue to afford to use them will continue to be a challenge for authorities. To address this difficult balancing act will require a readiness from authorities to take careful and well managed risk to ensure services that Welsh citizens depend on continue to be available to them. If authorities do not rise to the challenge, then we are likely to see an increasing number of services becoming unviable and at risk of closure, which will have a deeper negative impact on communities and citizens.

Appendices

Appendix 1 – Study methodology

Appendix 2 – The key principles to a strategic approach to setting, increasing or introducing charges for local authority services

Appendix 3 – Local Authority Trading Companies: key issues to consider

Appendix 4 – Gross expenditure, income and net cost of providing individual services by Welsh authorities in 2008-09 and 2014-15



Appendix 1 – Study methodology

Review of literature

We have reviewed a wide range of documents and media, including:

- Welsh Government policy and guidance documents;
- local authority plans and strategies for income generation in all 22 local authorities; and
- other relevant research and guidance from government, local authorities, CIPFA, and research bodies.

Data and statistical analysis

We have collated and analysed a wide range of performance indicator returns and budget data available online at the Office for National Statistics, StatsWales, the UK and Scottish Governments.

Local authority fieldwork

We visited six local authorities in Wales in 2015-16. The local authorities selected represented a mix of city, urban, rural and valleys authorities which are geographically spread across Wales. These were:

- Caerphilly County Borough Council
- Gwynedd County Council
- Merthyr Tydfil County Borough Council
- Monmouthshire County Council
- Newport City Council
- Powys County Council

During the visits, we interviewed a range of local authority staff and Members.

Surveys

We undertook a range of online surveys and we surveyed:

- Chief Finance Officers and received 22 responses (100 per cent).
- Citizens and received 44 responses. The survey was made available online and promoted through our communications team. The approach taken does not necessarily guarantee a representative response. For example, we received no responses in some local authority areas. Given the low response rate, we have only used the findings of the survey in a limited way and to report views at an all Wales level.

Appendix 2 – The key principles to a strategic approach to setting, increasing or introducing charges for local authority services

Key considerations	Key questions needing to be answered
<p>How does it fit with our strategic priorities?</p>	<ol style="list-style-type: none"> 1 Does the authority understand actual and potential income streams and the opportunities that exist? 2 Is there a clear rationale for the local authority setting, introducing or increasing a fee or charge: <ul style="list-style-type: none"> • reduce or increase demand? • influence behaviour? • better quality? • quicker response? • more potential users? • wider geographical coverage? 3 Will the setting, introduction or increase in a fee or charge impact adversely on delivering the authority's strategic priorities? 4 Will the setting, introduction or increase in a fee or charge impact adversely any authority commercial or arm's length trading companies? 5 Will the setting, introduction or increase in a fee or charge impact adversely on delivering the department's strategic priorities?
<p>Are we legally allowed to charge for this service?</p>	<ol style="list-style-type: none"> 1 Is the local authority legally allowed to set, increase or introduce charges for this service? 2 If yes, what is it reasonable for the local authority to do (Wednesbury principle)? 3 Is this a statutory service that the local authority has to provide? 4 Will the decision to set, increase or introduce charges adversely: <ul style="list-style-type: none"> • affect those with a protected characteristic under the equality duty; • impact on the provision of services in Welsh; or • impact on the authority's ability to meet its responsibilities under the Wellbeing of Future Generations Act. 5 Does the local authority know whether it can make a surplus? 6 Has the local authority considered how surpluses will be dealt with?
<p>Have we engaged and consulted, and what are the views of our stakeholders?</p>	<ol style="list-style-type: none"> 1 Has the local authority engaged with protected characteristics regarding whether to: <ul style="list-style-type: none"> • provide this service? • increase charges? • change eligibility criteria? 2 Has the local authority consulted with Members, community councils, users, residents, third sector partners and businesses within the area on the above matters?

Key considerations	Key questions needing to be answered
Are there alternative providers to us and what do they charge?	<ol style="list-style-type: none"> 1 Is there a commercial competitive advantage for the authority providing this service? 2 Is there potential to deliver services jointly with another authority or provider to reduce overheads? 3 Has the local authority benchmarked costs to determine scope for increasing charges? 4 Are there competitors/alternatives to the local authority who could provide the service? 5 Could the authority stop providing the service without this decision impacting adversely on its statutory responsibilities?
How do we treat concessions and who is eligible?	<ol style="list-style-type: none"> 1 Has the local authority considered use of concessions? 2 Has the local authority considered how to treat non-residents? 3 Does the local authority need to change eligibility? 4 Has the local authority communicated eligibility criteria to service users?
What will be the impact on services, users and citizens (+/-)?	<ol style="list-style-type: none"> 1 Does the local authority know what the likely impact of the decision to introduce or increase charges will be on services, stakeholders, businesses and the authority in the medium to long term? <ul style="list-style-type: none"> • Has the local authority considered the likely impact on low income households? • Has the local authority considered the likely impact on businesses? • Has the local authority considered the likely impact on the local economy? 2 Do residents of the local authority have the economic capacity to absorb an introduction or increase in charges? 3 Is the local authority decision likely to result in unintended consequences? 4 Has the authority considered the political risks? 5 Has the local authority considered the cumulative impact of setting, introducing or increasing fees for different services on: <ul style="list-style-type: none"> • service users; • citizens; • tourists/visitors; • businesses; • the local economy; and • third sector organisations. 6 Has the local authority benchmarked the likely impact of increasing or introducing charges?

Key considerations	Key questions needing to be answered
Who uses our services?	<ol style="list-style-type: none"> 1 Will the decision result in an increase in usage? 2 Will the decision result in a fall in the numbers using services? 3 Will the decision have a positive impact on service user's behaviour? 4 Will the decision deter usage (penalty)? 5 Will the decision result in the service improving with; <ul style="list-style-type: none"> • reduced or increased demand? • positive behaviour change? • improvement in quality? • quicker response to service users? • more potential users? • provision in a wider geographical area?
What is the cost of implementing the charge?	<ol style="list-style-type: none"> 1 Is there sufficient capacity and/or resources to implement the fee or charge? 2 Does the authority have the ability (technology, systems, human and financial resources) to implement and manage charges in areas not previously charged for? 3 Does the cost of implementing collection systems outweigh the potential income that will be raised? 4 Does the local authority know how much it currently costs to deliver the service in full? 5 Does the local authority know how much it currently subsidises the service by? 6 Is the authority seeking full-cost recovery? 7 Does the authority know what the current demand for the service is and the potential to increase usage? 8 Has the authority clearly set out its expected standards and outcomes of services?
Do we have the necessary arrangements to review activity?	<ol style="list-style-type: none"> 1 Can we collect the information we need to review activity? 2 Has the local authority agreed an appropriate timescale (at least annually) to review its decision to introduce or increase a fee or charge and is this happening? 3 Has the authority agreed an appropriate range of measures to be able to understand the impact of setting, introducing or increasing charges? 4 Can we benchmark performance with other organisations?

Appendix 3 – Local Authority Trading Companies: key issues to consider

Local authority trading companies (LATCs) are wholly owned by local authorities; usually they are owned by one authority who is the sole shareholder. When setting up a company, consideration is important for the following:

- Obtain the right professional advice
- Company registration
- Trading
- People and pensions
- Governance
- Finance and taxation
- Transfer of assets and support services costs
- Performance management and contracting

A robust business case and the business plan are essential to developing a successful commercial entity. It is vital to ensure that the business plan is robust – including the assessment of market demand for the services, pricing, the investment requirement, the cash-flow forecast and the governance arrangements. Ideally the business case would warrant independent review and expert advice particularly on the legal and tax implications. But it is also necessary to pay close attention to the assumptions being made about future performance and consider what the outcome would be if, for example, there was an economic downturn. It is also important that local government is clear about the levels of subsidy and service before transfer as it is difficult to make these changes afterwards.

Authorities need to establish reporting, accountability and control mechanisms at the start of any new commercial vehicle so they are aware of the risk profile of each delivery model, and the actions being taken to mitigate the risks. Members need to have a good understanding of the risks associated with group companies or accountable body status, especially as commercial vehicles do not come without risk and can often be a hard concept to overcome.

Key to success is putting the right leadership in place and creating the right culture in how the new service will operate. Underpinning the new arrangements will be the need to ensure adequate consideration of reward, a clearer focus on the needs of customers and a clear vision for the future. Once a company has been set up, it will be critical for local government bodies to commission and manage contracts efficiently if they are to realise the benefits fully, and the overview and scrutiny focus must be maintained through the lifetime of a contract.

While many companies are technically limited by guarantee, it is rarely in an authority's interest to simply allow these companies to fail. Failure would certainly endanger service provision in the short term and, therefore potentially, the discharge of statutory responsibilities, and it is unlikely that an alternative means of delivering the service would be immediately available in most cases. In reality, authorities are underwriting the financial risk (formally or informally), with the burden of failure falling ultimately on local tax payers.

The most common outcome in these cases, is that the service provision including staff and assets, are brought back under the direct control of the authority when it becomes apparent that the business plan is starting to fail. The additional cost of bringing service back in-house could be significant. Similarly there are often reputational and political consequences to the failure of a commercial entity, but again these need not be as destructive as might be imagined which highlights the need for effective risk management for local authorities considering this way forward.

There is also an implied loss of control over the development of these commercial organisations, to a greater or lesser degree depending on the type of entity. The loss of control is around the operational running of the company and therefore service; the authority does however retain control as the sole shareholder of the company through the governance structure.

Generally the more commercial freedom an entity has to grow the business, the less control the authority is able to exercise over the form growth takes. The consequences of less control could affect the authority in a number of ways – from a rising cost of services over time diminishing the initial benefit to consequences for local employment, or exposure to a level of reputational risk that the authority may not be comfortable with, which emphasises the importance of selecting the right vehicle for the new body.

When considering commercial income generating opportunities in particular, authorities must have a clear understanding of the market in which they are to compete, and the comparative advantage they have that would enable them to compete with other commercial bodies. Not all local authorities can establish companies with the same ambitions for cross border selling and growth into neighbouring markets, and close attention must be paid to what alternative options potential buyers of the service would have. Where new companies are established, they also need to overcome the hurdles of staff consultations and terms and conditions, and the identification of hidden costs such as contributions to authority overheads.

In setting up local authority trading companies to generate income from commercial activity, authorities need to specifically consider the following:

Key Stages	Issues to consider
Starting point	<p>Asset management</p> <p>Do you know what land and property you own?</p> <p>Does your authority have a Property Investment strategy or an Asset Investment strategy?</p> <p>Buildings and land are the biggest asset an authority owns. These can be key to any income generation plans, whether they be by one-off sales of unwanted or unneeded assets, or development opportunities. Having a clear inventory of all your physical assets is the best starting point.</p>
	<p>Make the most of what you've already got</p> <p>It makes sense to utilise your own assets rather than having to purchase land or buildings to develop schemes. Using your own assets reduces cost and can speed up the development and implementation of schemes.</p> <p>This may include an analysis of how best to invest cash reserves. Whilst they act as a safety net for authorities, they can provide investment opportunities, supporting commercial schemes.</p>
Strategic position and resources	<p>Produce a strategic plan for commercial work</p> <p>Plans for developing income generation opportunities need to be covered by a corporate-wide strategy. They need to be linked to the overall financial plans of the authority and have clear direction and objectives. This can be done within the framework of a Medium Term Financial Plan, or within a stand-alone document.</p>
	<p>Align work to the Wellbeing of Future Generations Act</p> <p>Wellbeing Plans provide the ideal opportunity for authorities to align the development of commercial schemes to corporate strategies. Within the Act, the sustainable development principles include long term planning, integration and collaboration, all of which are key components for developing commercial schemes. Many schemes will require support and collaboration with external partners, some of whom may already be members of your Public Service Board.</p>

Key Stages	Issues to consider
<p>Strategic position and resources (cont.)</p>	<p>Internal skills, knowledge and resources</p> <p>Whilst authorities are likely to already have procurement and legal teams and staff experienced in project management, the experience from authorities that manage commercial schemes is that to work successfully requires a full time appointment to the role and specialist knowledge.</p> <p>The full process requires experienced project management skills, starting with writing the business case, tendering for contractual work and then the development and ongoing management of the scheme.</p> <p>Some schemes may involve work for which the authority has now previous experience, or may be of a complexity or size that is beyond their capacity to manage.</p> <p>If authorities want to maximise their potential income from commercial schemes, they have to invest in new staff (or teams of staff) or up skill existing staff and release them from their previous responsibilities, to create the knowledge and resource required to manage commercial schemes.</p>
<p>Mindset of organisation</p>	<p>Risk management is an important part of the design and management of local authority services. It equally applies to the development of commercial schemes. And whilst risk can never be completely eliminated from a scheme it can be mitigated and reduced to an acceptable level by good planning.</p> <p>When developing commercial schemes, one of the most important factors is the mindset of the authority. Looking at the experience of authorities that have developed commercial schemes, a vital component of successful schemes has been the support of members and senior officers from the very beginning.</p> <p>Committing what can be large amounts of money, whether from reserves or in the form of loans, for schemes that will not realise a profit for many years, will be anathema to many. Gaining the support of those people needs to be one of the first aims for officers designing commercial schemes.</p>
<p>Long term</p>	<p>Many commercial schemes are long term, and do not provide a surplus for many years. Committing to such schemes, and tying up large amounts of cash in up front, capital costs in the current financial climate, can be a difficult position to accept. Authorities have to accept the upfront costs, and be able to explain their decision to invest in non-core authority activity to the public and others emphasising the long term benefits.</p> <p>Members also need to understand that they will be agreeing to schemes that will only turn a profit after they are no longer around to take the plaudits for their decisions; a difficult concept for some Members to accept.</p> <p>Additionally, authorities may find themselves operating in new areas when developing commercial schemes. They have to realise that, as new players, it can take some time to build a reputation with private sector organisations</p>

Appendix 4 – Gross expenditure, income and net cost of providing individual services by Welsh authorities in 2008-09 and 2014-15

Area financial data analysed – 2008-09	Gross expenditure	Income	Net cost of the service	Income as a proportion of expenditure
Home to school transport – Primary Schools	£24,653,300	£191,770	£24,461,530	0.7%
Home to school transport – Secondary Schools	£55,485,400	£537,593	£54,947,807	1.0%
Home to school transport – Special Schools	£27,492,900	£187,250	£27,305,650	0.7%
Home to college transport	£10,492,100	£986,912	£9,505,188	9.4%
Adult Education	£30,727,800	£5,683,642	£25,044,158	18.5%
Total school	£2,797,900,700	£80,966,263	£2,716,934,437	2.9%
Parking of vehicles	£21,462,200	£26,369,645	-£4,907,445	122.8%
Concessionary Fares	£66,142,700	£323,660	£65,819,040	0.5%
Airports, harbours and toll facilities	£17,780,000	£4,744,321	£13,035,679	26.7%
Adult Social Care, Meals	£11,502,200	£3,928,236	£7,573,964	34.1%
Cultural and related services	£491,923,000	£100,858,376	£391,064,624	20.5%
Cemetery, cremation and mortuary services	£22,419,000	£12,727,421	£9,691,579	56.7%
Environmental Health food safety	£10,727,200	£405,621	£10,321,579	3.8%
Waste Services	£275,310,100	£42,285,428	£233,024,672	15.4%
Building Control	£13,019,900	£7,821,587	£5,198,313	60.0%
Development Control services	£31,428,100	£13,747,920	£17,680,180	43.7%
Local Land Charges	£2,810,100	£2,718,867	£91,233	96.7%
Births, marriages and deaths	£6,639,400	£3,289,641	£3,349,759	49.5%

Area financial data analysed – 2014-15	Gross expenditure	Income	Net cost of the service	Income as a proportion of expenditure
Home to school transport – Primary Schools	£26,649,700	£406,000	£26,243,700	1.5%
Home to school transport – Secondary Schools	£58,900,500	£1,005,000	£57,895,500	1.7%
Home to school transport – Special Schools	£30,654,500	£1,171,079	£29,483,421	3.8%
Home to college transport	£10,907,700	£1,551,193	£9,356,507	14.2%
Adult Education	£34,504,000	£7,324,377	£27,179,623	21.2%
Total school	£2,753,187,000	£121,584,210	£2,631,602,790	4.4%
Parking of vehicles	£21,815,800	£33,278,462	-£11,462,662	152.0%
Concessionary Fares	£70,721,000	£228,741	£70,492,259	0.3%
Airports, harbours and toll facilities	£10,472,400	£5,397,824	£5,074,576	51.5%
Adult Social Care, Meals	£7,728,900	£3,353,717	£4,375,183	43.4%
Cultural and related services	£367,682,200	£104,872,510	£262,809,690	28.5%
Cemetery, cremation and mortuary services	£17,060,500	£16,060,636	£999,864	94.1%
Environmental Health food safety	£12,560,300	£415,108	£12,145,192	3.3%
Waste Services	£287,056,500	£37,871,039	£249,185,461	13.2%
Building Control	£10,604,800	£7,046,580	£3,558,220	66.4%
Development Control services	£27,517,900	£16,016,265	£11,501,635	58.2%
Local Land Charges	£3,033,500	£3,247,332	-£213,832	107.0%
Births, marriages and deaths	£6,987,900	£4,907,654	£2,080,246	70.2%

Source: Wales Audit Office analysis of Revenue Outturn data published on StatsWales in 2008-09 and 2014-15 as amended following independent audit of the returns by the Wales Audit Office.

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6 December, 2016

Dear Chair

Report from the Auditor General for Wales on *Charging for Services and Generating Income by Local Authorities*

The Public Accounts Committee asked for Welsh Government's comments on the report published by the Auditor General on 10 November which looks at how local authorities use charging for services and generating income as part of their financial management.

The Welsh Government welcomes the Auditor General's assessment as to how local authorities use their powers to apply charges for services. The policies and approaches to charging that authorities adopt are vital in ensuring they make best use of the resources available to them and the report highlights how the level of income raised varies between authorities. The Report also evidences that authorities in Wales do not raise as much income from charges as their counterparts in England and Scotland.

Whilst ultimately it is for each authority to make its own decisions on charging, it is clear from the report that authorities in Wales are not exploring all the available options for generating income. Local authorities should be developing their strategies and policies to take greater advantage of the opportunities to charge for services and generate income through other means. There is some evidence of strategies changing, but progress is slow and there is scope for authorities to do more in terms of sharing knowledge and experience.

However reviewing fees and charges is only part of the solution to the financial challenges faced by local authorities. It is important that each authority considers its approach to fees and charges as part of its wider financial strategy, recognising that authorities are responsible to their electorates for the decisions they make. They need to plan to sustain and improve vital services whilst managing the financial impact on their communities. Decisions to increase or introduce charges need to be balanced with the ability of communities, businesses and households to pay more for services and the risk that charges may reduce access to services for those who most rely upon them.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The report highlights weaknesses in the accounting systems needed to support good decision making. We have highlighted the importance of reliable and robust financial information to the scrutiny role of local elected members when considering introducing or increasing charges in the communities they represent. The Welsh Government is concerned that the report suggests some council cabinet members were "reluctant to deal with potentially controversial issues and will not approve increasing or introducing charges, even where the evidence for the increase or introduction is compelling". It is important that these matters are addressed by authorities.

The report mentions the general power of competence which is available to authorities in England through the Localism Act 2011 but not yet available to authorities in Wales. The Welsh Government appreciates this may contribute to an instinctive caution on the part of authorities but strongly agrees with the report that it should not be a reason for authorities not to explore more innovative approaches to income generation and commercial activity through existing powers. Authorities in Wales already have wide-ranging powers to act in ways which improve or promote the wellbeing of their areas.

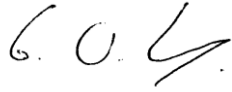
The report recommends that Welsh Government "consider how best to support and encourage local authorities to act more commercially in generating income".

As mentioned, it is ultimately for each authority to make its own decisions on charging and generating income. The Welsh Government has provided a range of practical and financial support to encourage innovative approaches. We will continue to work through our partnership arrangements with local government to explore pioneering approaches to generating income using existing powers and to encourage authorities to adopt a more 'managed risk' approach to charging and income generation. The draft Local Government (Wales) Bill, published in January 2016, included a proposal for a general power of competence to be available to local authorities. This Bill did not proceed but it remains the intention of the Welsh Government to make provision for such a power at the earliest legislative opportunity and this will be a key consideration in taking forward local government reform.

The report suggests that where charges are set by the Welsh Government or UK Government, these do not always cover the cost of the service provided. It recommends that the Welsh Government "review nationally set fee regimes to ensure the levels set, better reflect the actual cost of providing services, or explain the reasons why they are different". Where charges are subject to legislation and guidelines, the Welsh Government recognises the importance of keeping them under review to ensure that statutory charges remain appropriate for the environment in which councils operate. Underpinning this are common principles that charges should be reasonable, take account of the service user's ability to pay, and should not exceed the cost of providing the service. We also need to ensure the system remains fair for commercial providers operating in the same space.

These principles reflect the responsibility on local authorities to balance the need to sustain and improve vital services and support their wider communities with managing the financial implications for local taxpayers and service users.

Yours sincerely

A handwritten signature in black ink, appearing to read 'O. Evans', with a stylized flourish at the end.

Owen Evans

[Sent via email]

Agenda Item 8

By virtue of paragraph(s) vi of Standing Order 17.42

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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

Our Ref: PR/cw

Date: 18th November 2016

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Nick Ramsay, AM
Chair
Public Accounts Committee
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Dear Mr Ramsay

Hospital Catering and Patient Nutrition

Thank you for your letter dated 27th October 2016. Our response to the questions outlined in your letter are set out below:

- 1. How do you monitor the standard and quality of written nursing documentation and nursing assessments in respect of patient nutrition?**

What steps are you taking to improve the standard and quality of nursing records.

The Health Board has a Nursing Documentation Group which meets monthly and is responsible for the ongoing development and scrutiny of nursing documents. The quality of completion of nurse documentation is audited by the ward sisters and senior nurses. The Annual Health & care standards audit is currently being completed across the Health Board, standard 3 looks at record keeping and standard 2.5 nutrition & hydration. Monthly checks are also carried out at ward level and reported as part of

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the Health and care standards care indicators, looking at nutrition screening.

2. What information do you collate and analyse on patients' nutritional status to support service planning and to monitor patient outcomes?

Nutritional screening is undertaken at ward level using a validated tool, care plans are included within the tool to support monitoring of patient outcomes. Those patients who are identified as high risk of malnutrition are referred to the Nutrition and Dietetics Department, Dietitians undertake a Nutritional Assessment. Nutritional goals are set and a plan advised, patients are reassessed to monitor their outcomes on an individual basis. Referrals are reviewed and service delivery is measured against standards to support service planning.

3. What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk?

The Annual electronic Health & Care standards audit which is currently being completed across the Health Board monitors compliance against completion of the food and fluid charts. Spot checks are also carried out by the service delivery units. The assurance framework is currently being developed and as part of the toolkit Theme 2 safe care will monitor compliance.

4. What is the level of compliance with the e-learning training package on the nutritional care pathway in your Health Board?

If you have yet to achieve full compliance, what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

At present the Health Board compliance for ward staff is approximately 77% for completion of the e learning for food charts and 42% for Fluid charts. The Service delivery units have goals to achieve full compliance. There are a number of barriers to achieve full compliance which include, staff release, access to computers, computer skills and staff turnover.

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5. What is the level of compliance with nutritional screening across hospitals within your Health Board? What are you doing to improve/sustain compliance with nutritional screening?

The level of compliance of nutrition screening is monitored monthly with a sample of patients via the Health and Care Standards electronic monitoring tool. The following questions are monitored;

Percentage of Nutrition scores completed & action taken within 24 hours of admission, compliance is currently between 90-98%
Percentage of repeat risk assessments being undertaken within identified timescales, compliance is currently 89-95%.

6. Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

The Health Board does not have one individual to monitor compliance. Compliance is monitored by the Unit Nurse Directors within the Service delivery units across the Health Board. The Health Board has a Nutrition and Catering Steering Committee which reports to The Quality & Safety Committee.

7. What difference has the All-Wales framework made to food in your hospital?

Fortunately additional resources were added to the Catering budget to assist in the implementation of All Wales Menu Framework. Generally the menu framework has had a positive effect on menu planning, nutrition and meal choices for patients. The ability to choose nutritionally analysed recipes for patient menus allows the Health Board to provide the appropriate meal choices with confidence and meet the criteria set out in the nutritional standards.

Food waste has increased slightly due to the number of menu options and the availability of cooked breakfast and high energy snacks for patients.

It is important to ensure that there is continuous development and additions to the All Wales Menu Framework recipe bank to avoid menu fatigue and provide the ability to introduce menu plans for specific patient groups. The Health Board believes this

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is important to assist in driving improvements and raising the standards of nutrition for inpatients throughout the NHS in Wales.

8. How have you used the national patient survey findings to improve catering and nutrition service in your Health Board? What other ways do you gather patient's views on hospital food?

All comments from the National patient survey were considered and some changes were able to be introduced, for example:

- Promotion of snacks through Nutrition & Hydration Week and via the Food Service and Nutrition Group.
- Promotion of adequate hydration via ABMU Health Board intranet and press releases. Also highlighted during Nutrition & Hydration Week.
- Developed menu plans to include most popular menu item choices taking into account patient profile and requirements.
- Introduction of cooked breakfast for nutritionally at risk patients.
- Continuous assessment and development of All Wales Menu Framework recipes especially where issues regarding quality and taste have been highlighted.

Patient views are also gathered by the catering management and ward based catering teams through patient food service/quality monitoring reviews. This also includes discussing catering services performance via feedback from patients. Monthly surveys are also undertaken by the Quality Assurance Monitoring Officer.

9. What actions have been taken to improve catering service in response to patient's views?

The following actions have been introduced as a result of the surveys:

- Ward liaison and Ward hostess Supervisors regularly attend ward areas for feedback and discussions regarding food service and menus. This has resulted in the reduction of complaints received.

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- Introduction of patient bedside menu (pilot scheme) to promote and provide information on catering services to patients.
- Review of contracted products where quality issues have been identified on the patient menu plan.
- Formal contract supplier complaint forms completed and sent to NWSSP Procurement Department on items where poor feedback has been received from patients.

10. How do you promote good hydration across all you wards?

Good hydration is promoted in a number of ways across the Health Board. Patients at risk who need extra support are highlighted as part of handover procedures. The Health Board raised awareness by having hydration screen shots on all computers for a number of weeks, encouraging the need to support patients at every opportunity. The Health Board has also implemented a number of initiatives to raise awareness for staff which include the use of red lids for water jugs and red glasses, red trays, and key symbols. Protected meals times have also been implemented as well as the flexible visiting policy, which encourages families to support patients where appropriate.

11. What information is provided to patients about catering and nutrition services when admitted to hospital?

Information is provided to patients in the pre assessment clinics but as the majority of patients are emergency medicine intake they do not receive information in advance. Notice boards are available at ward level and more recently patient bedside booklets have been developed on menu choices, special diets, availability of snacks and who to contact to discuss catering requirements. This is currently in the pilot stages of implementation with the expected roll out date to spring /summer 2017.

12. How do you ensure protected mealtimes are adhered to within your hospitals?

There are a number of Quality checks that are carried out across the Health Board which include, spot checks, 15 step challenge, The assurance framework is currently being developed and as part of the toolkit monitors protected mealtimes. Protected mealtimes are also monitored at a local level.

13. How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

Protected mealtime's supports this, all staff as far as possible are encouraged to support in the delivery of the meal service. The expectation is that patients are prepared in advance of meals and offered the opportunity to cleanse their hands and supported into a comfortable position. Patients who require support are highlighted at handover. Relatives are also encouraged where appropriate to support their family members. The Health Board has a hostess/housekeeper service in a number of areas and would like to introduce this service further when funding is made available.

14. How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this an accurate reflection?

Food waste is measured by counting un-served main meals at ward level. This is either undertaken by the ward based caterer/housekeeper or by catering staff within the main kitchen areas. The catering staffs use standardised recording and collation forms.

The waste is measured in this way as it complies with EFPMS descriptor of how waste should be recorded. The Health Board is confident that the waste figures reflect the current measurement tool.

15. What action are you taking to reduce food waste from unserved meals?

There have been a number of initiatives to reduce waste for unserved meals.

A Waste Management Group (sub group) has been set up to review food waste at ward level current actions include:

- Review of portion sizes and weights for All Wales Menu Framework recipes.
- Development of an in house electronic meal ordering system (working in conjunction with IT).

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- Streamlining of ward provisions (products) and standardisation of ward ordering forms.

Waste and Resource Action Programme (WRAP) have also been involved in a review and agreeing recommendations to reduce food waste.

Examples include:

A review was undertaken of food waste and associated packing waste to establish a baseline from which actions were developed.

The actions included:

- i. Improved production scheduling and menu planning.
- ii. Staff awareness and engagement.
- iii. Recycling scheme of associated packing introduced.
- iv. The options of introducing a small scale food waste treatment plant were considered.

- 16. What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not does the board receive assurances on the efficiency and effectiveness of catering services.**

An annual catering and nutrition plan is provided (**Appendix 1**). The first catering annual plan was prepared October 2016 (**Appendix 2**).

There are 2 Executive Leads for Catering, Amanda Hall (Interim Director of Therapies) and Sian Harrop-Griffiths (Director of Strategy).

The Quality & Safety Committee receive an annual report in relation to achievements and key issues against the National Standards.

- 17. What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?**

There are a number of patient experience surveys carried out across the Health Board which include monthly questionnaires

undertaken by the Quality Assurance Manager, Examples of Questionnaires attached (**Appendix 3**) All Wales patient experience surveys, and the Annual Health & Care Standards survey, which is currently being undertaken across the Health Board.

18. What actions are being taken to ensure non patient catering services break even?

Non patient catering is currently receiving a subsidy of £530,215 per annum.

The information was included in the Catering Annual Report. The Health Board has undertaken a number of strategies to reduce subsidy levels.

- Development of in house restaurant and coffee shop brands (Mwy Na).
- Streamlining of retail products including implementation of pricing policy and gross profit tool.
- Review and harmonisation of Health board wide Hospitality Brochure.
- Review of opening times for restaurants and coffee shops.
- Review of vending services across the Health Board.
- Introduction of electronic card transaction for payment at POWH (pilot).
- Refurbishment of restaurant and coffee shop facilities.

I trust this provides you with all the information you require.

Yours sincerely



PAUL ROBERTS
CHIEF EXECUTIVE

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CATERING DEPARTMENT

ANNUAL REPORT

2016

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Catering report 2016

1. Introduction and Purpose of Report

The purpose of this report is to outline the range of indicators used for monitoring and benchmarking the Health Boards Catering services, highlight actual and potential service risks, set improvement objectives and outline planned developments within the service.

The report covers financial, performance, food waste and patient satisfaction measures, and includes both the Health Board's internal measures and external review of the service.

2. Overview

2.1 Background

Catering services are provided across the Health Board to Patients, Staff and Visitors. Cook-Freeze production kitchens at Singleton and Morriston provide food for the majority of hospital sites, while POW currently remains as a Cook-serve service.

'Ward Hostess' service is in operation throughout Singleton and NPTH, with partial service at POW, Morriston and Cefn Coed.

Departmental activity falls under the requirements of the Food Safety Act and the All Wales Catering and Nutrition Standards for Food and Fluids for Hospital In-patients, and patient dishes are drawn from the All Wales Menu Framework.

The Health Board is covered by three different Local Authorities, but to avoid differing interpretations and allow consistency in our operations and HACCP plans, the Health Board is exploring the option of working with the Environmental Health team from Swansea as 'Primary' authority for Food Hygiene matters across the Health Board.

In addition to Patient Catering, restaurant service is provided at the Acute hospital sites and at Glanrhyd and Cefn Coed, and the Mwy Na coffee shop brand is also operated on the Acute sites focussing on freshness, high quality and where possible, local ingredients.

In line with other Hotel Services functions, as part of the department's Modernisation Board agenda the Catering service has established a Strategy group, whose membership is drawn from staff, staff side representatives, supervisory staff and management. The group has been instrumental in developing both the strategic direction of the service and in delivering service improvements.

2.1 In numbers

● **5** - At 31st March all Health Board food premises held scores of 5 under the Food Safety 'Scores on the Doors' scheme, the highest score that can be awarded

● **320** – staff employed in Catering services across the HB

● **6486** - patient meals per day, or 2,367,576 per year

● **90,000** - £ spent on provisions per week

● **2,875,380** - £ Annual income from Restaurants, Coffee shops, vending and Newsagent

3. Monitoring



Catering operations are subject to regular inspection by Environmental Health Officers to ensure that we provide safe food to patients, staff and visitors. All premises are awarded a score under the 'Scores on the Doors' rating scheme.

Visits are scheduled on a risk based approach, and where Environmental Health Officers have confidence in the controls in place, the frequency of visits will be reduced, although due to the vulnerable nature of patients and the scale of the service, there will be at least one visit to each acute site annually. The current scores and last inspection dates are shown in the table at Fig 1. below.

Site	Current Score	Date of Inspection
Angelton	X	Jan-16
CAHMS	5	Feb-15
Cefn Coed	5	Oct-15
Glanrhyd Cafeteria	5	Aug-15
Gorseinon	4	May-16
Llwyneryr	5	Mar-14
Maesteg	5	Jan-16
Morrison	5	Feb-16
Morrison OPD Cafeteria	5	Mar-13
NPTH	5	Jun -16
PoW	3	Jun-16
Singleton	5	May-16
Taith Newydd	5	Jun-15
Tonna	5	May-14
Ty Garngoch	5	Feb-14

Fig. 1 Current EHO scoring

In addition to monitoring undertaken by Environmental Health Officers, the department has its own audit programme to measure compliance against its Quality Assurance standards. Average audit scores for the year for all hospital sites are shown in the table at Fig. 2:

	HACCP Score	Premises Score	Overall Score
Morrison Hospital	79%	73%	83%
Singleton Hospital	86%	75%	80%
NPTH	92%	86%	90%
Princess of Wales	91%	71%	83%
Cefn Coed Hospital	86%	81%	83%
Gorseinon	96%	86%	93%
Maesteg	96%	100%	99%
Glanrhyd	81%	100%	95%
Tonna	82%	100%	96%

Fig. 2 Catering Quality Assurance Audit Scores

HACCP (Hazard Analysis and Critical Control Points) is a risk based method of ensuring safety and compliance, and each site has a documented HACCP plan outlining the control measures and processes in place to ensure food and ingredients are purchased, prepared, stored and served safely.

Compliance with the HACCP plan is measured as part of the in-house performance monitoring system, and also reviewed by Environmental Health Officers during their visits.

The building structure/equipment maintenance/waste provision and pest control measures are also reviewed as part of the in-house performance, but are identified separately within the scoring matrix as they are outside of the direct control of the Catering service.

4. EFPMS

The HB reports a wide range of Catering costs and data as part of the annual EFPMS (Estates and Facilities Performance Management System) returns, which are submitted via Shared Services for Welsh Government Scrutiny. The full data set for 2015/16 can be found at **Appendix 1**.

This data is used to calculate the following Key Performance Indicators for the HB Catering Service:

- Total Gross Catering costs
- Total Gross Non-Patient Costs
- Total Gross Patient Catering Costs
- Cost per Patient Meal
- Total Non Patient income
- Net costs (contribution) of non patient Catering
- Wastage

4.1 Gross Catering Costs

Total Gross Catering costs (as described by EFPMS Data definitions) for the Health Board rose by £201k to £9,590k in 2015/16, an increase of 2.1%.

Gross Non-patient costs for 2015/16 were £3,256,455.92, meaning the HB restricted the increase in costs to £10k (0.3%) over the previous year.

Gross Patient Catering costs for 2015/16 were £6,334,064, an increase of £191k (3.1%) over the previous year.

4.2 Cost per Patient meal

Average cost per Patient meal across the HB for 2015/16 was £2.68, an increase of £0.06 per meal (2.3%)

Cost per Patient Meal varies significantly between sites, and is shown on the chart at fig 3 below.

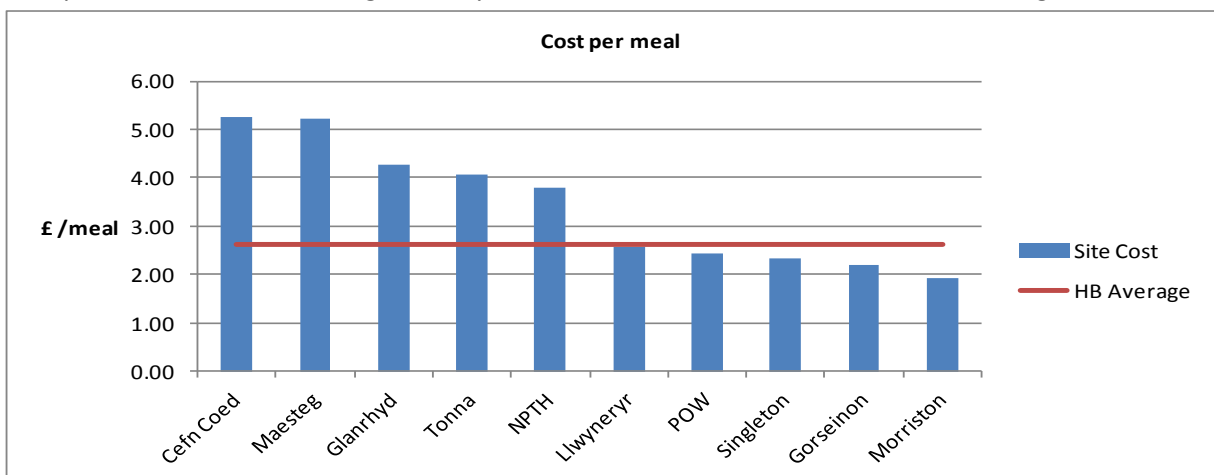


Fig.3 Cost per meal

4.3 Total Non-Patient income

Total income for the financial year from dining rooms, coffee shops and newsagents was £2,875,380, a rise of £120k (4.34%) from the previous year. This is attributable to the increased sales from the Mwy Na branded coffee shop concept, which is the only In-house branded coffee shop model in NHS Wales, however there is a significant commercial threat to the Health Boards commercial outlets in the shape of the recently opened Costa and Subway outlets at Morrision and Costa at Princess of Wales.

Takings for dining rooms (fig.4), and coffee shops (fig.5) for the year are shown on the charts below, and the effect of the franchises can be clearly seen with a significant fall in takings at Morrision following the opening of the Subway and Costa outlets, and a sharp rise in takings at POW following the closure of the existing 'Brewbaker' franchised coffee shop for redevelopment.

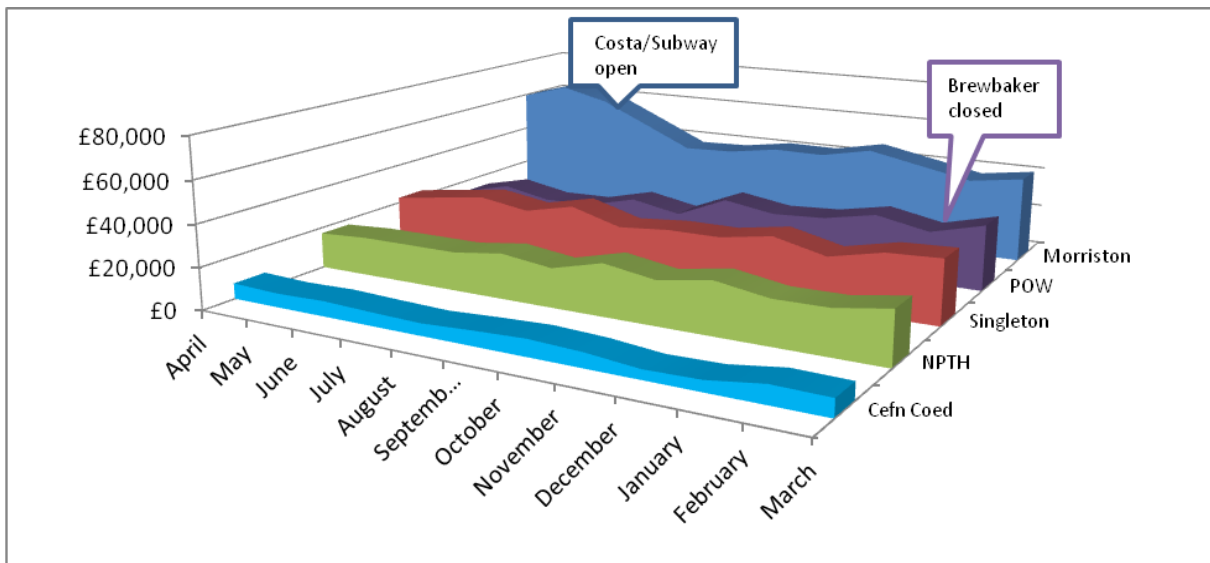


Fig. 4 dining room takings by site

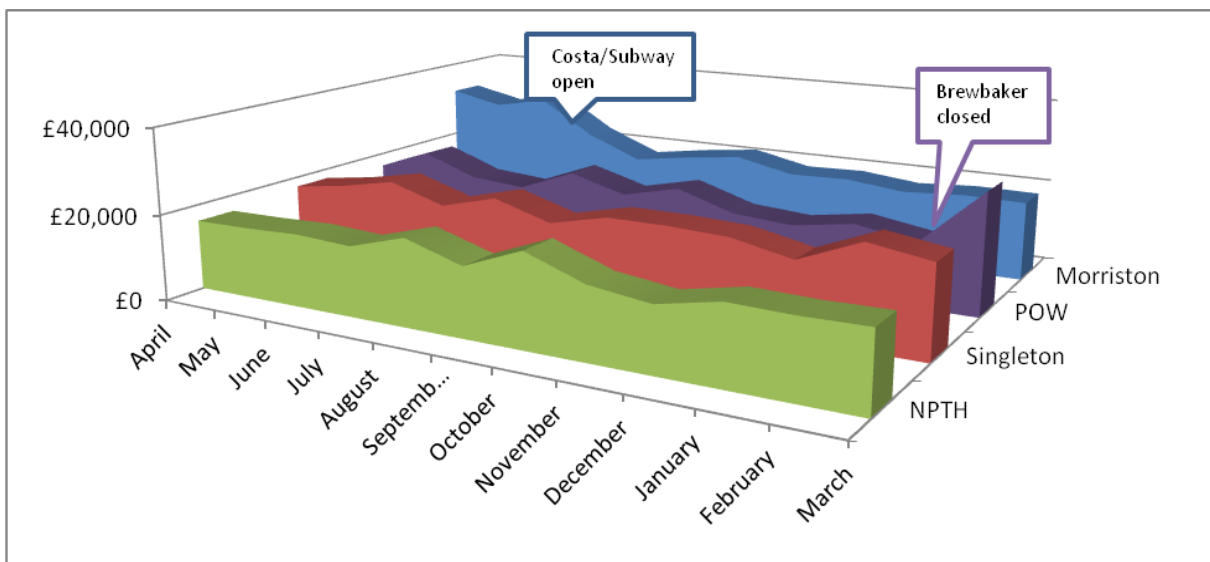


Fig. 5 Coffee shop takings by site

4.4 Net costs (contribution) of Non-patient Catering

The net cost of Non patient Catering is defined as the total cost of non-patient catering, less the income from Dining Rooms, Coffee shops, vending and hospitality. Where income exceeds costs the

surplus is classed as a contribution and where costs exceed income a subsidy. In 2015/16 was subsidy was £530,215, showing an increase in the subsidy required to operate the service of £39k (8%). The impact of the Costa and Subway franchises at Morriston, and resultant drop in income, has contributed to this position.

4.5 Wastage

Food wastage is monitored in line with guidance from Welsh Government, and is classified as the number of unserved main meals as a percentage of the number of meals issued. Wastage levels for the acute hospital sites are shown on the chart at Fig.6 below.

Whilst average Wastage across the Health Board for 2015/16 at 9.4%, was below the Welsh Government target of 10%, the total cost of Food Waste, calculated in accordance with EFPMS guidelines, was £312,307. This represents the cost of provisions only and does not include the cost energy and labour used in production, storage and regeneration.

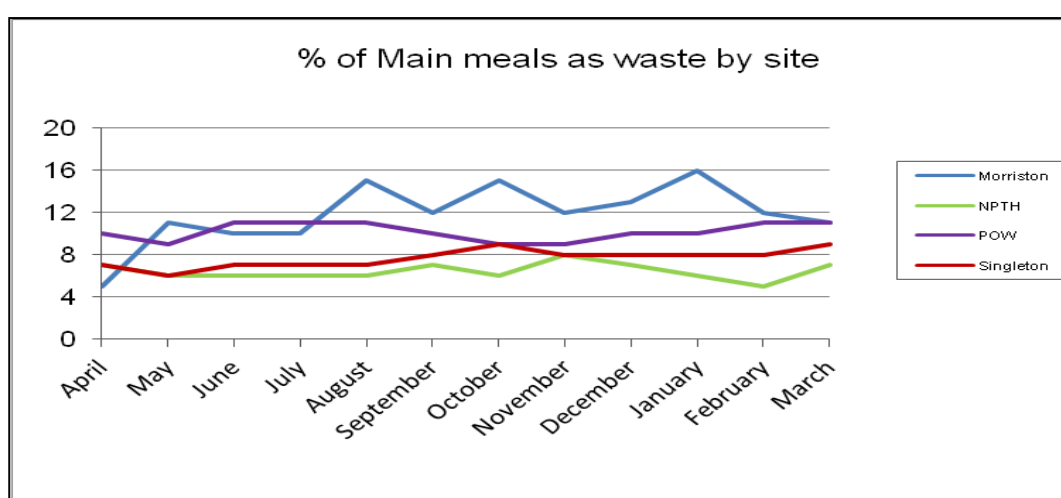


Fig. 6 % of Main meals as waste

The Catering team are working with WRAP Cymru (**W**aste and **R**esources **A**ction **P**rogramme) to reduce food waste across the service, and a sub-group of the Catering Modernisation group has been established to progress this work

5. Patient Feedback

5.1 Patient satisfaction

Regular patient surveys are undertaken across the HB to gauge satisfaction with the Catering service and identify areas for improvement.

The overall feedback score for the acute hospital sites for the year is shown in the table at Fig.7 below:

	Morriston	NPTH	POW	Singleton	Overall
Satisfaction with meal service provided	90%	96%	89%	90%	90%
Satisfaction with quality of the meals provided	72%	88%	81%	73%	77%
Satisfaction with quality of beverage service	79%	90%	76%	79%	79%
Satisfaction with Catering service provided	85%	95%	85%	90%	88%

Fig. 7 % of Patients rating the service as Excellent or Good

5.2 Complaints

During the year the Catering service received 3 formal complaints, of which 2 were upheld, and one partially upheld. All complaints were responded to within the specified timescale.

Two of the complaints related to customer service within Dining rooms, and the other concerned the quality of Patients' food and beverage service.

5.3 Compliments

The service received 9 written compliments during the year, with a number of informal positive comments.

Compliments covered the quality of food offered, both to patients and in the Restaurant facilities, and positive comments relating to the helpfulness and dedication of Ward based catering staff.

6.0 Financial Performance

For 2015/16 the Catering service was overspent by £308k against a total budget of £12,900k.

Main pressures on the financial position across the Health Board Catering service were provisions and non-pay costs, with specific additional pressure at POW through the provision of Hostess service to wards on an extended trial basis, which is currently unfunded.

As noted above, Total gross cost of Catering rose by 2.14%. Total Pay costs increased by 2.27% to £4,130,295, with Non Pay costs rising by 2.09% to £5,460,252.

Whilst the National Pay rise was funded, there was no increase to Non-Pay budgets.

7. Key risks

There are a number of key areas of risk for the HB in relation to Catering:

7.1 Catering Infrastructure

Whilst the kitchen at NPTH is maintained as part of the PFI contract, the POW, Morriston and Singleton kitchens are in need of investment so that they can continue to function safely.

In 2013/14 a staged investment at POW was agreed, managed over the 2013/14 and 2014/15 financial years. The first stage of this work was undertaken and kitchen equipment purchased for use later in the scheme, however to date the outstanding work has not been agreed. This project was central to the strategic objective of converting POW to a Cook Freeze Catering system, with food sourced from the Singleton and Morriston production kitchens.

Singleton and Morriston both require investment in both infrastructure and Equipment and Storage.

The table at fig. 8 shows the estimated investment requirements for POW, Morriston and Singleton, a full breakdown of work and equipment required is attached at **Appendix 2**.

Catering investment requirements (£k)			
Site	Infrastructure	Equipment/Storage	Total
POW	800	0	800
Morrison	1,500	330	1,830
Singleton	350	660	910
Total	2,650	990	3,540

Fig 8. Catering investment requirements

7.2 Food Hygiene Training

Food Hygiene training for Food Handlers is a key element of food service, and where there is no Ward Hostess service and Nursing staff need to be involved in food service Food Hygiene Training for Food Handlers should be provided to, and the Environmental Health Officer has indicated that Nursing staff should have training commensurate to their food service duties.

Environmental Health Officers have shown some discretion in enforcing this to date due to the intention of the HB to introduce a Ward based catering service at POW, (a proposal to introduce the service has been developed and submitted as part of the IMTP), however at present this has not been funded. If funding is not awarded the requirement to train this number of Nursing staff will present a significant logistical and financial challenge, with at least 3- 4,000 nursing staff requiring training every 3 years.

7.3 Commercial competition

The introduction of branded catering outlets into hospital sites has the potential to undermine the department's financial performance and could significantly impact on efforts to reduce the net costs of non patient catering. These outlets could also undermine the Health Board's aims to improve the health of the population we serve.

7.4 Procurement

The requirement to subscribe to All Wales contracts continues to inhibit departmental efforts to control costs, and in some cases prevents locally produced produce being used within the Health Board. With a total provision spend of £4.66m, the department could achieve savings by the adoption of a more nimble and locally based procurement strategy.

7.5 Discretionary Capital

Historically the department has received an annual Discretionary Capital allocation, which has been used to develop services and replace or upgrade essential equipment. In the current financial climate this Discretionary allocation has been restricted or not available, resulting in a situation where there is a significant investment required to meet current service requirements, and without which the service incurs increased revenue and maintenance costs and reduced ability to make efficiency savings.

7.8 Catering Consultation

The department has undertaken extensive consultation to facilitate reshaping of the service in line with the Catering Strategy, however a number of grievances have been submitted which are currently preventing the implementation of these measures. It is proving difficult to resolve these various issues locally and lack of progress could undermine the department's modernisation plans.

7.9 National catering software

The Catering service does not currently use a dedicated Catering software package, and there is no system currently in use in NHS Wales. Such a package would facilitate improved stock and cost control, and also provide valuable management information which it is not currently practical to compile, which would inform more accurate production figures and help to control waste.

Previously discussions have been held on an All Wales basis with a view to central procurement of a package that would also link to the All Wales Menu Framework and procurement contracts, enabling live pricing of production, however there has been no progress for some time. If this does not proceed the Catering service would be keen to explore the viability of a standalone system for ABM.

7.10 WG Vending Policy

WG guidance on vending, issued in 2009 had a significant effect on vending income, although the (then) Trust took a pragmatic view on the adoption of the guidance. Subsequent guidance issued, if adhered to, would have an anticipated effect of reducing vending income by 30-40% which would represent a loss of £50-60k.

8.0 Future developments

8.1 POW Cook Freeze

It is proposed to transfer the POW catering service to Cook-Freeze during 2016-17, this will reduce costs and help reduce current wastage levels. A consultation exercise was undertaken during 2015/16 to facilitate the changes, and infrastructure work is currently in progress.

8.2 NPTH Coffee shop

The Mwy Na brand will be rolled out further across the Health Board, with the NPTH coffee shop being rebranded during the coming year, and a small scale outlet operating at the Port Talbot Resource Centre.

8.3 Patient Bedside Menu





Local trials of the Patient Bedside Menu have been undertaken during 2016. Once a review has been completed, if the bedside menu is deemed to be worthwhile it will be introduced across the Health Board in 2017. The menu provides patients with information on the dishes in the Health Boards patient menu cycle, and also provides nutritional, dietary and allergy information.

8.4 Catering consultation

The department intends to implement the measures outlined in the Consultation documents that have been issued in 2015/16. Successful implementation will improve consistency of food service and safety across the Catering service

9.0 Improvement targets 2016-17

The department has set the following Improvement targets for 2016/17:

-  Improve level and consistency of in-house Quality Assurance audit scores, with a minimum target of 90%
-  Reduce waste on all sites to consistently below the WG target of 10%
-  Improve patient feedback scores, with a target of 90% of patients rating the service as Good or Excellent for each site
-  Expand Ward Hostess service on the Morryston and PoW sites, subject to funding

Patient Survey

October 2016

	Singleton 24 Questionnaires			Princes of Wales 24 Questionnaires			Morrison 27 Questionnaires			Neath Port Talbot 10 Questionnaires		
	Yes	No	Sometimes	Yes	No	Sometimes	Yes	No	Sometimes	Yes	No	Sometimes
About the service												
Have you been offered a choice of meal	92%	4%	4%	63%	33%	4%	89%	0	11%	100%	0	0
Was the food choice offered the type of meal you like to eat.	50%	25%	25%	58%	21%	21%	70%	0	30%	70%	10%	20%
Is the portion size of the meal provided satisfactory	84%	8%	8%	92%	8%	0	85%	4%	11%	90%	10%	0
Are your meal dietary/religious beliefs provided for.	96%	4%	0	92%	8%	0	100%	0	0	90%	10%	0
Are seasonings offered/served with meal.	63%	8%	30%	71%	21%	8%	81%	8%	11%	90%	0	10%
Have you experienced difficulty in removing packaging.	38%	42%	20%	38%	58%	4%	34%	59%	7%	20%	70%	10%
Are you given enough time to eat your meals without being interrupted	92%	4	4%	96%	4%	0	100%	0	0	100%	0	0
Have you been given time to eat your meal before dessert is served.	50%	38%	12%	88%	12%	0	92%	4%	4%	80%	0	20%
Are you satisfied with												
Appearance of the food provided	75%	0	25%	75%	4%	21%	85%	4%	11%	80%	0	20%
The temperature of the food provided	79%	0	21%	67%	8%	25%	81%	4%	15%	70%	0	30%
Taste of the food provided	67%	0	33%	71%	8%	21%	70%	15%	15%	80%	10%	10%
Selection of sandwiches	46%	8%	46%	88%	12%	0	81%	12%	7%	90%	10%	0
Selection salads	38%	4%	58%	67%	25%	8%	52%	37%	11%	100%	0	0
Beverage service												
Are you happy with the choice of beverages offered	96%	0	4%	100%	0	0	81%	15%	4%	100%	0	0
Has milk been available as a beverage choice	75%	13%	12%	83%	17%	0	85%	15%	0	80%	10%	10%
Have you been offered a packet of biscuits with your bed time drink	63%	21%	16%	75%	17%	8%	63%	15%	22%	70%	30%	0

	Singleton			Princes of Wales			Morrison			Neath Port Talbot		
How many times a day are you offered beverages	3+ Times	5+ Times	7+ Times	3+ Times	5+ Times	7+ Times	3+ Times	5+ Times	7+ Times	3+ Times	5+ Times	7+ Times
	21%	62%	17%	8%	79%	13%	33%	63%	4%	20%	50%	30%
Overall how do you rate the food service	Excellent	Good	Average	Excellent	Good	Average	Excellent	Good	Average	Excellent	Good	Average
Breakfast	50%	42%	8%	29%	50%	13% 8%poor	48%	45%	0 7%poor	60%	40%	0
Lunch	50%	42%	8%	25%	63%	8% 4%poor	63%	22%	11% 4%poor	80%	20%	0
Supper	42%	46%	12%	25%	63%	8% 4%poor	56%	30%	7% 7%poor	80%	20%	0
Singleton			Princes of Wales			Morrison			Neath Port Talbot			
Survey Returns from Ward MAU,10,9,19,12,3,4			Survey Returns from Wards 10,11,9,8,7,4,2,18,20,19			Survey Returns from Ward E/Care, AMAUeast, C, Card, Ang,			Survey Returns from Wards E,C,B2			

	Singleton	Princes of Wales	Morrison	Neath Port Talbot
What menu dishes have you enjoyed.	Beef dinners. Curries. Puddings. Soups. BBQ chicken. Everything cooked well. Mostly all meals.	Gammon. Desserts. Cauliflower cheese. Fish and chips. Roast dinners. Sandwiches. Jacket potato and salad. Pasta. Soup. Cheese pie. Enjoyed most food.	Turkey and ham pie. Beef casserole. Roast beef dinner. Vegetable curry. Ham and parsley sauce. Jacket potato and salad. Fish and chips Chicken curry. Good selection of sandwiches. All meal enjoyed. All excellent variety, choice presentation, serving and taste.	Ham and parsley sauce. Currie. Omelettes. Faggots Sausage and mash. Soup. Pork chops
Are there any menu dishes that we could improve on.	Main meals are over cooked. Vegetarian meals. Fish pie. Tea. Potatoes are hard. Nothing to improve on.	Foods not hot enough. More salad choice e.g. sweetcorn celery. Sausage no taste. Crispy potatoes. Custard. More variety and taste to vegetables Fish is really bad. Vegetable often not strained so a lot of water on plate. Corned beef pie. Mash potato all of the time. Gravy tasteless. Breakfast.	All dishes. Custard. Cheese and potato pie. Rice pudding. Overcooked vegetables all taste the same Menu choice for coronary care are the meals low fat is this the food I should be eating.	Meals are tasteless because there is no salt in the cooking. Corned beef pie. Fish pie. Sponge puddings lack sugar. Fish is grey hard and unappetizing. Usually the beef on Sunday is nice but the last two weeks it has been tough

	Singleton	Princes of Wales	Morrison	Neath Port Talbot
Are there any food/ beverage choices you would like to see available	Bovril at night. Coke. Apple juice Ham and chips. De-cafe tea and coffee. Ale. Choice of chips for lunch and evening meal. Lager Toast.	Salads. Fish in a sauce no batter or breadcrumbs. Toast porridge cooked breakfast. Fresh fruit	Being told what is available for evening meal. Plain sandwiches. Trifle. Salads. Toast. More cold drinks More beverage choice Holicks . Ovaltine. Coffee. Fruit juice. Vegetarian sausages. More salad choice. Napoleon Brandy.	Fizzy pop. Choice of fillings for jacket potato. Something light for evening meal.
Any further comments or suggestions	I don't eat a number of menu items but overall I have managed quite well for the short time I have been in hospital. Food provided at Singleton excellent and served every time by very friendly staff. Could not ask for improvements although the odd person can't be satisfied.	Potatoes are not a good option if you are having cottage pie why would you want more potatoes.	Service has been good thanks to hostess. Always served with courtesy and pleasantly I have thoroughly enjoyed all food and have no complaints. Excellent friendly service	The food service has been excellent and at all meal times staff always cheerful and helpful. Yogurt should be checked for sugar content when given to a diabetic.

Pack Page 443

Complements

Princess of Wales

Complement from relative regarding a meal she had been provided with when her mother went to theatre she had never tasted hospital food before and this was nice and tasty.

Compliment

I was speaking to a patient on Monday afternoon and she was telling me how good the food was on Ward 5. She told me she was really enjoying the meals and asked if I could let the Catering Team know that she is very pleased.

Singleton

Complement from a daughter regarding the host on ward 4 who tried his best to get her mother to eat by making jam sandwiches when she fancied them.

Patient Questionnaire April 2016 – September 2016

Patients every month are asked to comment on the meal service experience during their stay in hospital. They are given a questionnaire with ticking box answers. Yes No Sometimes. Providing feedback regarding meals they have enjoyed and ones which could be improved on with an opportunity to give any additional comments regarding the service.

The score for April 2016 – September 2016 have been averaged out and are as follows.

Are you satisfied with the	Singleton Hospital	Princess of Wales	Morrison Hospital	Neath Port Talbot Hospital
Meal Service Choice of meal available. Meal service Time to eat meal Dietary needs met.	74%	68%	68%	78%
Meal Provided. Food temperature. Food quality. Food taste.	69%	71%	62%	86%
Beverage Service Overall choice. Availability of beverages.	74%	86%	78%	87%
Overall rate the service. Excellent Good Average Total % Excellent and Good	89%	81%	81%	94%

Overall comments some of which are general repeated over the months.

What menu dishes have you enjoyed?	Curry dishes. Sausage and onion dinner. Sunday beef diner. Pork in BBQ sauce. Ham Salad. Omelette and chips Scrambled egg. Sunday lunch. All roast meat dinners. Lasagne. Turkey and ham pie. Steak pie. Generally enjoyed food with alternative offered requested plain food and vegetables very happy with service. Crumble and custards. Cheese and potato pie. Enjoyed all my food. Across all sites the traditional meal, roast meat dinners and curries being the most popular. .
Are there any menu dishes that we could improve on?	Fish and chips. Proper roast potatoes. Creamed potatoes and vegetables are bland no flavour lack of salt. Sandwiches without mayo. Just plain sandwiches with no extras. Different more sandwich selection The food is terrible it is bland and served cold. Food is rubbish and not professionally cooked. Chips are raw more than one comment regarding chips. Food is cold and overcooked. Mash I'm fed up of it chips more often would be nice. Sandwiches don't like sauce in filling plain sandwich is better. Salads should be an option on a daily bases. Vegetables are hard like cauliflower. Most comments received over the last six month are for the quality of potatoes dishes and sandwiches fillings.

<p>Are there any food or beverage choices you would like to see available.</p>	<p>Soup at lunch time. Cooked breakfast. Fruit juice, cold drinks, ice. More healthy choices. Jacket potatoes. More vegetable choice available.. More choice. Would like to have been offered a salad. Salads and sandwiches were not offered. Sandwiches without mayo. Cooked breakfast. Pizza. Hot desserts for supper. Fish fingers. More salad and sandwich choice More curries. Fruit juice Boiled and mash potato that is not boiled to death. Comments most receive regarding choice available and breakfast poor. Sites with no hostess systems patient would have liked salads or sandwiches but did not know they were available.</p>
<p>Do you have any further comments or suggestions regarding the food service If you have ticked poor would you please give reasons why?</p>	<p>Meat pies are flavoured to perfection with plenty of meat in the portion. Gravy to a high standard of consistence and flavour. Curry's providing flavouring and just the right amount of "hit" Service excellent and very friendly. Would like a cup of tea earlier that after breakfast. Did not know alternatives were available not given a choice before the trolley comes so only offered what's on the trolley. Not happy with the bread and butter for breakfast. Food needs more taste and flavour. Just like to complement you on your wonderful staff and service. Everything is wonderful Nothing wrong everything perfect. Toast in the morning for breakfast available not bread and butter.</p>



Our Ref: JP/LW/lb

Direct Line: 01633 435949

21 November 2016

Nick Ramsay AM
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Mr Ramsay

Re: Hospital Catering and Patient Nutrition

Thank you for your recent correspondence relating to the short inquiry by the Public Accounts Committee on Hospital Catering and Patient Nutrition.

As requested, the questionnaire has been completed by the Health Board and is appended to this letter. If you have any further queries or require any additional information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads 'Judith Paget'.

Judith Paget
Chief Executive/Prif Weithredwr

Enc.

Bwrdd Iechyd Prifysgol Aneurin Bevan

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Bwrdd Iechyd Prifysgol Aneurin Bevan yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Aneurin Bevan
Aneurin Bevan University Health Board is the operational name of Aneurin Bevan University Local Health Board

Hospital Catering and Patient Nutrition

1) How do you monitor the quality and standard of written nursing documentation and nursing assessments in respect of patient nutrition?

Qualitative and quantitative assessments are undertaken across all divisions of the Health Board which identify the number of patients who have been appropriately assessed utilising the Malnutrition Universal Screening Tool (MUST) and the standard of written nursing documentation. The number of patients assessed using the MUST tool is captured by the electronic Health & Care Standards Audit tool, whilst the standard of nursing documentation is identified via a range of audit tools including the Healthcare Inspectorate Wales – Dignity and Essential Care tool and the Quality Checks audit tool.

Work is currently underway to standardise the fundamentals of care audit approach across the Health Board utilising the same tools and subsequent data presentation.

The data, once standardised, will be presented at all levels of the organisation through a revised assurance framework which will report to the Clinical Nutrition & Hydration Group and then upwards to a multidisciplinary “Trusted to Care” Steering Committee. Divisions will be expected to “own” the data and implement quality improvement initiatives through their Quality and Patient Safety Forums. An annual report will be provided to the Health Board’s Quality and Patient Safety Committee.

2) What information do you collate and analyse on patients nutritional status to support service planning and to monitor outcomes?

As discussed above quantitative data is collated relating to compliance with MUST scores. Such data is triangulated through in-depth reviews of patients who have acquired pressure ulcers etc. The outcome of such data collection has resulted in the implementation of afternoon snacks for all patients – not just those who have been at risk.

The review of “Protected Mealtimes” has resulted in friends and relatives visiting the wards at meal times – to help the patient with their food – with the added advantage of turning mealtimes into a social occasion.

3) What action are you taking to ensure food and fluid intake is recorded appropriately, particularly for patients at risk.

As discussed above the fundamentals of care audit approach is under review. A structure has been compiled and will be agreed within the next two months. Using a multidisciplinary approach, the proposed audit structure will ensure food and fluid intake charts are closely monitored by ward sisters, senior nurses and dieticians across all acute and community sites. A multidisciplinary approach will mean that the information is triangulated and appropriate action taken.

4) What is the level of compliance with the e-learning training package on the nutritional care pathway in your health board?

Data from the e-learning programme indicates that the following numbers of staff have undertaken e-learning in respect of these modules.

	Food Record Chart	Fluid Record Chart	<i>Food Safety</i>
Aneurin Bevan	776	512	2532

Whilst 100% compliance is desirable, barriers to this target relate to the volume of statutory and mandatory training nurses are required to undertake.

The Health Board in the first instance intends to set a local target whereby all ward sisters and a designated "link" nurse on each ward undertakes the training.

5) What is the level of compliance with nutritional screening across hospitals in your health board? What are you doing to improve/sustain compliance with nutritional screening?

Audit of the MUST indicates overall compliance ranging between 89% and 98% across all hospitals. Improvement outlined above in terms of audit and action. Additionally, wards that consistently identify best practice will be acknowledged through intranet promotion.

6) Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

The Director of Nursing provides assurance to the Board on this matter.

7) What difference has the all-Wales menu framework made to food in your hospitals?

The Framework ensures consistency of recipes across the Health Board. All recipes are nutritionally analysed. Improved information regarding allergens. Tried and tested recipes improving quality. This has led onto an All Wales approach to standardising training and development of ward based services using best practice.

8) How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patients views on hospital food.

Patient questionnaires are undertaken at ward level. Multi-disciplinary food quality audits are undertaken. The Health Board is about to undertake a large patient survey to inform an in-depth review of the patient menus and service models.

9) What actions have been taken to improve catering services in response to patients' views?

When the Health Board has local menu review group meetings unpopular dishes are substituted on the patient menu. See above. The pilot referred to in question 15 will, it is hoped, be rolled out across the Health Board – this will lead to ward based caterers taking over direct engagement with patients over aspects of the food service with individual requirements more easily catered for. Ordering meals nearer to consumption and staged approach to service should greatly assist patient satisfaction.

10) How do you promote good hydration on all your wards.

The Health Board participated in Water Keeps You Well Campaign in March this year. The campaign was highly successful, promoted on the intranet and the utilisation of water dials and posters. Nevertheless there needs to be sustained promotion of hydration across all wards.

To that end the Health Board has increased the range of drinks offered to patients and further campaigns will be considered next year.

11) What information is provided to patients about catering and nutrition services when admitted to hospital?

This is under review by the Nutrition & Hydration Group.

12) How do you ensure protected mealtimes are adhered to within hospitals?

The Health Board is assured that each and every ward implements a protected mealtime policy but further work is underway to examine the quality of the initiative. To that end there is an intention to undertake an audit of all wards to establish compliance with the policy. Results will be fed into the Clinical Nutrition and Hydration Group and Trusted to Care Steering group for further action.

13) How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating.

The infection prevention team is promoting and monitoring the use of hand wipes prior to eating.

Preparing patients for mealtimes is also promoted through local hospital based nutrition and hydration groups attended by Registered Nurses and Healthcare Support workers.

Additionally two hospitals in the Health Board utilise suitably trained volunteers to help patients with food. The volunteer project has been highly successful and the spread of this initiative to other hospitals is under consideration.

14) How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

Food waste is measured in portion sizes and recorded on a daily basis. At Ysbyty Ystrad Fawr the waste which is recycled is currently weighed and recorded. A plan is being developed to roll this out to all sites.

15) What action are you taking to reduce food waste from unserved meals?

We are currently undertaking a pilot at YYF of same day ordering using iPads. The software also facilitates patient satisfaction surveys. It can highlight unpopular dishes etc, which can be used in menu review. Whilst we already use tablets to order meals elsewhere in the Health Board – this pilot should indicate the level of waste attributable to ordering patterns and improve the meal experience for patients.

16) What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named board individual at board level with responsibility for catering? If not how does the board receive assurances on the efficiency and effectiveness of catering services?

The Board receives evidence of food hygiene ratings within each hospital on a monthly basis. There has been agreement that an annual report relating to nutrition and catering will be present to the Quality and Patient Safety Committee.

The Chief Operating Officer has Executive responsibility for catering.

17) What feedback do you receive from patients on a regular basis about catering and mealtime experiences?

As outlined in a previous question.

18) What actions are being taken to ensure non-patient catering services break even?

Accurate apportionment of costs attributable to staff catering are separated from patient services. Then a price strategy reflecting appropriate profit margins allied to sufficient footfall will generate income to negate the need for an overall subsidy throughout the Health Board. The introduction of chip and pin along with other retail initiatives will generate additional income streams. Following an overhaul of our retail operations a more commercial approach will be applied.

**Response to Public Accounts Committee request for information relating to
Catering and Nutrition provision**

1. How do you monitor the standard and quality of written nursing documentation and nursing assessments in respect of patient nutrition?

- **Nursing assessments in relation to patient nutrition are monitored through the monthly BCUHB Quality and Safety audits across all inpatient wards across the Health Board (Collection methodology of a random sample of 5 patient documents per month). Nutrition and Hydration documentation and assessments forms part of this monitoring tool.**
- **Within the Care Home sector for commissioned care in North Wales the Practice Development Team undertakes annual fundamentals of care audits using the Quality Monitoring Tool. Nutrition and Hydration documentation and assessments forms part of this monitoring tool.**

What steps are you taking to improve the standard and quality of nursing records?

- **Nursing documentation for BCUHB has been under review for the last 12 months with an extensive stakeholder group. This included all the factors relating to the minimum core data set “What Matters conversation” and risk assessments which includes the MUST assessment tool (Malnutrition Universal Nutrition Tool).**
- **Within the Care Home sector if the Nutrition and Hydration record falls short of the required standard an improvement action plan is developed with the Nursing Home Manager to improve the standards with the support of the Practice Development Team**

2. What information do you collate and analyse on patients’ nutritional status to support service planning and to monitor patient outcomes?

- **MUST nutritional screening is undertaken on admission to the ward and a plan of care is put in place depending on the outcome of that score. The document has 3 levels of Nutrition Nursing Care Plans for low risk, medium risk and high risk patients with associated actions required by nursing staff.**
 - **Low risk – routine clinical care, repeat screening weekly**
 - **Medium risk – observe, commence food record charts. If no improvement assist with menu selection, encourage additional snacks and offer nourishing drinks, for example full cream milk, buildups soups, hot chocolate. Repeat screening weekly**

- **High risk – treat, commence Food Record Charts. Assist with menu selection, encourage additional snacks and offer nourishing drinks, for example full cream milk, buildups, hot chocolate. Trial M.U.S.T support menu (hospital snack menu). Refer to Adult Nutritional Support Policy. Refer to Dietitian. Repeat screening weekly**
- **From September 2016 datix incidents relating to nutritional issues are sent to the BCUHB Improving Nutritional and Catering meeting for scrutiny, review and action.**
- **The Community Health Council undertakes bi-annual “Foodwatch” audits to review the quality and patient acceptability of the food produced. The results of these audits are shared with the service teams.**
- **The Health Board use in the region of 40 recipes from the All Wales Menu Framework which include recipes that have been analysed to be compliant with the All Wales Nutrition and Catering Standards for Food and Fluid Provision for Hospital Inpatients (2012).**

3. What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk?

- **Food and fluid record charts are put in place for medium risk patients and a referral to dietetics would be made for high risk patients in line with MUST.**
- **There are also bundles in place for diabetic ketoacidosis and Acute Kidney Disease (AKI) whereby fluid record charts would be in place to monitor fluid balance more closely, as well as for patients on intravenous fluids, total parenteral nutrition (TPN) and Enteral Nutrition.**
- **Intentional rounding is also in place and high risk patients and fluid balance form part of this assessment. Intentional rounding is a structured approach whereby nurses conduct checks on patients at set times to assess and manage their fundamental care needs.**
- **Within the Care Home sector this is monitored using annual Quality Monitoring Tool within Nursing Homes across North Wales.**
- **The questions set within the monthly quality and safety audits for wards within the Health Board include completion of the All Wales Food Chart auditing registered nurse countersignature every 24 hrs. For the All Wales Fluid chart the audit question asks for the reviewer to check for evidence of the chart being up to date for the patient (collection methodology is evidence of documentation of fluids for the previous 6 hours on a random sample of**

5 patient documents). The Health Boards audit results for October 2016 as follows:

- **Registered Nurse countersignature 85% for October 2016**
- **Up to date fluid balance chart 93% for October 2016**
- **Cumulative 24 hour total 77% for October 2016**

4. What is the level of compliance with the e-learning training package on the nutritional care pathway in your health board?

Compliance with the e-learning was measured up to May 2016 with a plan for this to be recorded as part of the Electronic Staff Record (ESR). Further work is required to ensure the e learning training package is monitored as core mandatory learning.

If you have yet to achieve full compliance, what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

- **The monitoring arrangements and set up through ESR need to be established by the Health Board.**
- **For the Nursing Care Home sector, staff attend annual training which is provided by BCU Nutrition and Hydration Teams.**

5. What is the level of compliance with nutritional screening across hospitals within your health board? What are you doing to improve/sustain compliance with nutritional screening?

- **Nutritional screening is measured as part of the Quality and Safety metrics each month and compliance as of September 2016 for this metric was 97% on average across the Health Board.**
- **Care indicators on the health and care monitoring system. Each ward undertakes a monthly spot check of 50% of inpatients to ascertain whether the patient has had the relevant agreed Nutritional Risk Assessment tool completed within 24 hours of admission to the clinical area and that any action required has been completed.**
- **Scores are distributed to all matrons and ward managers to put in place any remedial actions to improve as required.**
- **Information regarding monthly quality and safety scores and care indicator for nutrition is provided as pre visit information for current leadership walk.**

This provides an opportunity for the ward team to share good practice and discuss challenges with the senior management team to provide support.

- **Leadership walks are undertaken and listening to patients views result in changes to improve nutrition and hydration. Access to choice of fruit and fruit smoothies for patients with a reduced appetite is an example. Following discussions with catering and other stakeholders fruit smoothies are now available daily.**

6. Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

- **On behalf of the Executive Nurse Director the portfolio for nutrition and hydration is held by the Director of Clinical Services East Area.**

7. What difference has the all-Wales menu framework made to food in your hospitals?

- **The All Wales menu framework has allowed change within the menu system across BCU.**
- **It has allowed consideration of the portion size required to meet the standard to be understood, the difference being that the products for the menu have been rationalised and the right products are only available for the menu through the purchase system. The use of reviewed recipes for items like soups have allowed the Health Board to make homemade soup that is compliant with the standards in nutritional terms rather than previous recipes used.**
- **It has allowed the Health Board to formally offer snacks to all patients where previously snacks were only offered to those nutritionally at risk via the MUST support snack menu which is still also in place. The snacks offered mid afternoon and evening are made available and can be pre-ordered on the menu - take up is about 50%. Wards also have access to these outside of this process. These snacks are based around biscuits and cakes, the latter of which was developed specifically for the All Wales Menu Framework through the procurement process.**
- **Changes in catering staff awareness is now underpinned by the importance of nutrition that the menu must offer.**

8. How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patient's views on hospital food?

- **The Community Health Council undertake regular “Foodwatch” audits and feedback the results of those through the Food Safety Group and the Improving Nutrition, Catering and Hydration Standards (INCHS) Group. This information is shared with ward managers.**
- **The following methods are routinely used to assess catering requirements:**
 - **Paper and electronic comment cards.**
 - **Weekly real-time patient feedback (iWantGreatCare iWGC).**
 - **Telephone surveys of patients who leave the department without being seen.**
 - **Patient Stories.**
 - **Quality Audits.**
 - **Complaints.**
 - **Compliments.**
 - **Incidents.**

9. What actions have been taken to improve catering services in response to patients’ views?

- **The Catering Services are working very closely with the Community Health Council to ensure that actions are put in place to ensure patient views are listened to and put in place where appropriate.**
- **Internal comment cards and questionnaires are used to influence continuous improvements in the service.**
- **A system has been put in place to enhance the present Foodwatch audits (“Follow the Trolley”) where CHC members visit the main hospital kitchens to monitor food production, service and undertake food sampling prior to following the trolley to the ward area to undertake the main audit. Verbal reports are given at the point in time, followed up by a written report and recommendations. Agreed plans are used to determine the required actions, milestones and feedback process.**

10. How do you promote good hydration on all your wards?

- **Hydration is promoted through various events held during the year such as “Nutrition and Hydration week”, held in March of each year and the Health Board has a coordinated MDT approach to this.**
- **The “Water for Health: Hydration Best Practice Toolkit for Hospital and Health Care” (August 2007) has been circulated to all matrons/ward**

managers to highlight the benefits of good hydration and support best practice.

- **An improvement project is in development to scope the use of tri-coloured jugs and drinks dials and training plans to support nutrition and hydration will be developed.**
- **The Health Board support Johns campaign and has this in place. An audit of the effectiveness of this has been undertaken, and a plan of response is being developed. The revised dementia strategy will be launched early 2017. Including an extension of open visiting.**
- **Nursing staff access the Glyndwr University Enhancing Quality through Transforming Healthcare module which is co-delivered by Health Board staff. The participants are encouraged to complete the quality improvement relating to Health Board priorities that include Nutrition and Hydration.**

11. What information is provided to patients about catering and nutrition services when admitted to hospital?

- **This is currently under review following the Improving Nutrition and Hydration meeting in September 2016 as there is currently not a uniform approach to this across the Health Board. Some wards do provide access to the leaflet “Eating Well in Hospital – What You Should Expect”, which came out of the Welsh Audit office work in 2012.**
- **“A Guide to Hospital Stay” is under development and this will incorporate a full package of information to inform patients of what they can expect during their stay, including the provision of food and fluid.**

12. How do you ensure protected mealtimes are adhered to within your hospitals?

- **The Protected mealtime policy was reviewed and ratified in 2016, circulated and is in place across the Health Board. Compliance is audited through the monthly Quality and Safety audits. The emphasis of this policy is to provide supportive mealtimes, whereby family members can support their relative with eating and drinking where necessary.**
- **Monthly quality and safety audit question observation by peer reviewer :**
 - **Are patient appropriately prepared for meal times? The observational criteria includes hand hygiene of patients, clear tables and correct positioning of patients; audit score 98.5 % October 2016;**
 - **Evidence that mealtimes are calm without unnecessary interruptions; audit score 98% for October 2016;**

- **Are unregistered and registered staff assisting with the meal time experience? audit score 100% in October 2016.**

13. How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

- **This forms part of the protected meal time policy.**
- **House keepers are in place on the wards and play a key role in preparing the ward environment. Supporting patients with hand hygiene pre meals is part of the preparation.**
- **Patient experience questions as part of the monthly quality and safety audit include, 'did you feel that you were given help with eating and drinking if you needed?'; audit score was 100% for October 2016.**

14. How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

- **Data is collected daily across all acute sites in regards to patient untouched meals. This is reported on a monthly basis via the Hospital Management Teams (HMT) and Senior Nurse Leads.**
- **Monitoring is in place to ensure the data provided reflects the actual number of untouched meals being returned for disposal. This has been reviewed as part of the internal audit process and by the senior finance team.**

15. What action are you taking to reduce food waste from unserved meals?

- **The reduction of untouched meals forms one of the Cost Improvement Plans for the organisation. Progress is reported via the Performance Management Office on a monthly basis.**
- **Catering Managers are work closely with clinical staff to highlight the cost in regards to the over ordering of patient meals at ward level and the on costs for the disposal.**

16. What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not, how does the Board receive assurances on the efficiency and effectiveness of catering services?

- **The Health Board receives exception and quarterly reports on Hospital Catering and Food Safety and food safety scores are published on the Intranet. The Executive Lead at Board level is the Chief Operating Officer.**

17. What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?

- **CHC undertake Foodwatch audits twice a year to ascertain patients views regarding hospital food and this is reviewed at the food safety group by the catering managers and through oversight by the nutrition and hydration improvement group.**
- **Patient experience questions form part of the monthly audit whereby 5 randomly selected patients are asked, 'did you feel that you were provided with nutritious food and snacks?' The score for October 2016 was 90%.**

18. What actions are being taken to ensure non-patient catering services break even?

- **The Health Board has segregated patient & non patient feeding into different cost centre's to ensure accurate reporting on retail catering services.**
- **MenuMark, a back office catering system has been procured for use across the Health Board for patient feeding and retail food sales to provide detailed costing with regards to purchasing, stock control, menu planning and Electronic Point Of Sale (EPOS) management.**



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Caerdydd a'r Fro
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Professor Adam Cairns
Chief Executive

18 November 2016

Nick Ramsay AM
Chair Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Nick,

Re: Hospital Catering and Patient Nutrition Public Accounts Committee Response

Please find the response to the questions you asked, from Cardiff and Vale UHB.

1. How do you monitor the standard of quality of written nursing documentation and nursing assessment in respect of patient nutrition?

In 2015, the integrated patient assessment document developed in partnership with Social care colleagues was rolled out across the Health Board. The assessment prompts for information in relation to communication, nutrition, special diet, assistance to eat and a prompt to ensure that the nutrition risk assessment is completed within 6 hours of admission. Although the National standard is to complete the nutrition risk assessment within 24 hours of admission, 6 hours brings it into line with the other risk assessments undertaken and need to be completed within 6 hours, for example, falls.

Unannounced spot checks of the documentation undertaken during ward inspections, undertaken by the Corporate Nursing team, have identified that there is inconsistency in the standard of documentation and more work needs to be done to make sure that documentation is completed. Improvement work is being taken forward to redesign the assessment document and provide examples of what a good, proportionate assessment looks like.

The standard of documentation is also monitored by Clinical Board teams and improvement in the standard has been recently reported following inspections undertaken by Welsh Risk pool and Health Inspectorate Wales. In order to drive improvements across all areas, standards of documentation have been integrated into existing courses for nurses and midwives and as from this month, stand alone sessions have also been introduced.

Nursing risk assessment of nutrition is monitored monthly using a national care indicator and reported via the All Wales Health and Care Standards monitoring system. Compliance is reviewed at Clinical Board performance review as well as Professional Nursing performance reviews undertaken by the Executive Nurse Director with the Clinical Board Directors of Nursing.

2. What information do you collate and analyse on patients' nutrition status to support service planning and to monitor patient outcome.

Individual ward nutritional screening audits are currently completed with feedback on compliance to ward managers and senior nurses. This includes timeliness, accuracy of completion and appropriate ongoing referral. A new biannual nutritional screening audit tool has been developed to assess the compliance with the nutritional care pathway. This will be undertaken April and September across all wards within the Health board reporting to the UHB Nutrition and Catering Steering Group. The Nutrition Champion training programme includes practical aspects of nutritional screening, accuracy of completion and the appropriate action that needs to be taken.

3. What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk.

This is monitored on a local level within Clinical Boards and spot checks are undertaken as part of the unannounced inspections undertaken to ensure that they are completed contemporaneously. For example, All Wales food record chart in use for all patients identified at risk by the WASP nutritional risk assessment tool For Mental Health Services for Older People, this forms part of the ward monitoring programme and is a mandatory discussion item on the ward round template. An accredited Nutrition and hydration training programme has been developed which incorporates the importance of completion of food and fluid charts. This will reinforce the importance of accurate documentation.

4. What level of compliance with the e- learning training package on the nutritional care pathways in your health board?

UHB cumulative compliance 31st August 2016 = 48%

If you have yet to achieve full compliance what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

Compliance remains poor and request to Welsh Government to allow for group training has been declined. Group training would allow for more individuals to complete the e- learning package, and allows for additional learning from discussion and questions during the sessions. It would also be a more valuable method of education and enable better compliance with the e-training package. We consider the current format and requirement to be unsatisfactory and would welcome review of this.

One clinical board has included this e- learning as part of the criteria for pay progression and early indication is that this is improving compliance, but if group education was allowed many more would benefit.

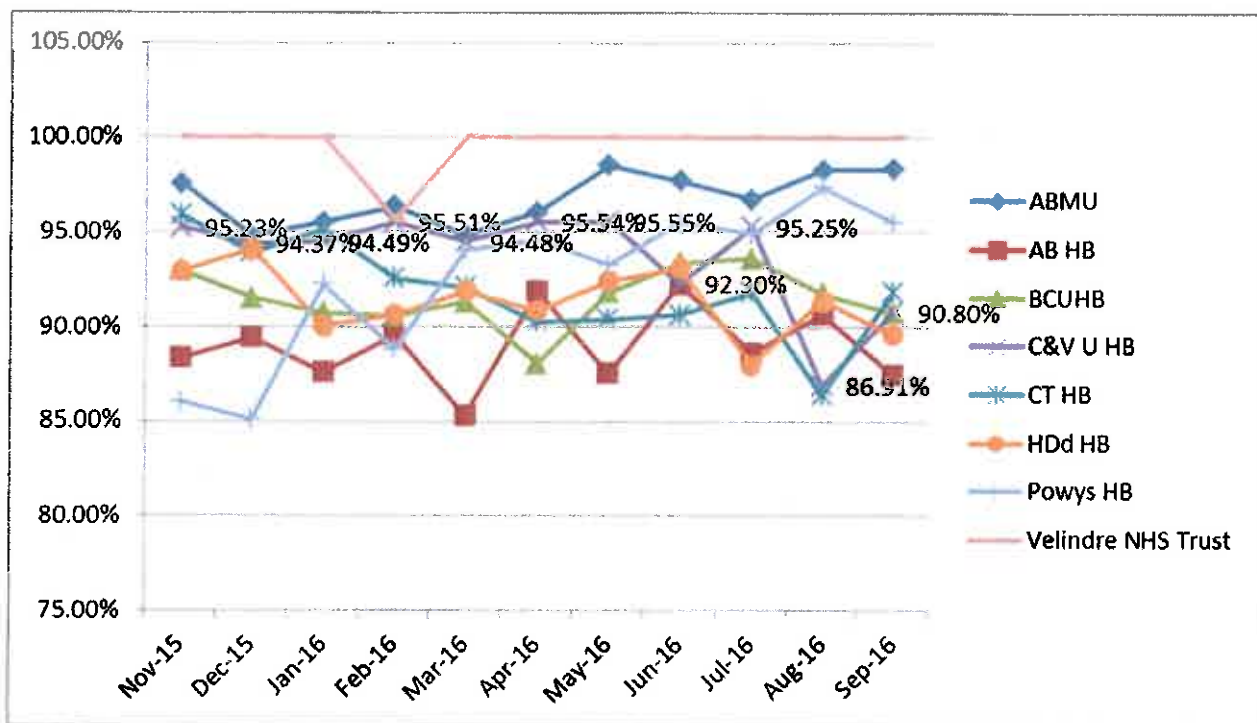
Additional training has now commenced at the UHB and the pilot of the Nutrition Champion Training commenced in June 2016.

A schedule of monthly programmes has been planned for the next year, with the aim of ensuring that all clinical areas have trained champions in place. It has been identified that specific days will be needed for paediatrics and maternity. We are also planning a celebration event in 12 months and encouraging champions to submit abstracts regarding their successes to future conferences.

5. What is the level of compliance with nutritional screening across the hospitals within your health board? What are you doing to improve/sustain compliance with nutritional screening?

Nutrition screening is reported by each inpatient patient area on a monthly basis and compliance is reported through clinical Board Performance review as well as through Professional Nursing Performance review as a means to improve and sustain compliance.

Compliance levels are reported via the All Wales Health and Care Standards monitoring system, and compliance for the last few months is shown in Graph 1.



The UHB Multi-disciplinary Nutrition & Hydration audit tool incorporates regular assessment of nutritional screening and other mealtime quality data will provide additional assurance of compliance to the nutritional care pathway.

6. Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

Yes



7. What difference has the all-Wales menu framework made to food in your hospitals?

The All Wales menu Framework has had a significant impact on the quality and nutritional consistency of meals offered through recipes that have been developed by catering and dietetic staff. It has supported the development of new menus allowing sharing of expertise across sites. This is evidenced by patient satisfaction surveys.

Although some benefits have been realised however last minute products on Oracle ordering system are de-listed severely compromising patient food service delivery as menu cycle is a one week.

The main issue has been main protein menu items e.g. Lamb/Chicken have resulted in significant cost increases, 6- 10% with only short notice periods within the current financial year with no real alternatives, significantly impacting budget and patient experience. We would have expected more economic procurement and cost avoidance as this has added unplanned financial pressure for the UHB. Should not this cost have been offset by procurement savings in other products, rather than LHBs facing a cost pressure that was neither envisaged nor budgeted for?

8. How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patient's views on hospital food?

The patient survey has provided substantial information about the Cardiff and Vale UHB patient meal service. It has provided a focus for the development of a multidisciplinary management action plan and a UHB service improvement plan. As part of the UHB Nutrition & Hydration audit tool the mealtime audit tool includes patient feedback on all aspects of the meal service.

In addition to the national patient survey, patient's views are gathered from informal and formal compliments and concerns, the Health Board's 2 minutes of your time survey, and the annual Health and Care Standards monitoring audit with any shortfalls being addressed as necessary in our work plans. Patient stories are also undertaken on a regular basis. An overarching management action plan has been developed to take forward a range of initiatives around patient feeding and mealtime experience, and progress will be reported at every Nutrition and Catering Steering Group meeting.

'10 minutes of your time' is used for MHSOP- always positive responses.

A variety of comments are received overall regarding the choice and quality of the food available; lack of choice, availability of sandwiches and snacks, suitable of food for older children. Where we receive any concerns through the above channels and patients provide contact details, Catering Team Managers will visit the patients to discuss any concerns and ensure we cater for all their needs.

9. What actions have been taken to improve catering services in response to patients' views?

Patient feedback is reviewed on an ongoing basis at the Nutrition & Catering Working Group. An overarching management action plan has been developed to take forward a range of initiatives around patient feeding and mealtime experience.

and progress will be reported at every Nutrition and Catering Steering Group meeting. These include:

- i. A UHB multidisciplinary Menu Review Group has been set up to address menu related issues with the aim of developing a new two week menu, increasing choices for patients on vegetarian and Halal diets and healthier choices.
- ii. Menus will be printed and included in the new UHB Patient Bedside Information Folder for access by patients and carers.
- iii. Work is ongoing with Shared Services Lead Dietician and the Catering Commodity advisory Group to improve quality of food products procured for NHS. Continue to support the All Wales menu Framework in development of good quality recipes to meet the Welsh Government Food & Fluid standards. Review current equipment usage in relation to regeneration practices across all UHB sites and provide the necessary training to improve quality and timing of menu items served. A patient catering service review will be undertaken to ascertain the implications of introducing dedicated ward hostesses and a hand held tablet ordering system.
- iv. Revised WBC training to ensure service incorporates the offer of second helpings where applicable and embed in daily routine
- v. A review of where trolleys are sited during the meal service is required to ensure they are used appropriately within a particular ward area.
- vi. 6. The mealtimes and beverage round timings are being reviewed and implemented to meet the overriding evidence that supports change. Assessment of staffing levels needs to form part of this work with a full review of ward based caterers and housekeeper's role in relation to patient's nutrition & hydration. A pilot will be completed at UHW and UHL to support best practice.
- vii. Choice of drinks offered as a standard will need to be agreed to accommodate patient preferences.
- viii. Clarify timing of existing water jug changes and review this as part of the beverage service with clarity of where responsibility lies for each round of drinks provided.
- ix. The provision of snacks will need to form part of the beverage service review with clarity of where responsibility lies for each snack round
- x. As part of the review of mealtimes the impact of the current change to serving of desserts following main meals needs to be assessed and appropriate changes made
- xi. Review current patient catering cost mechanisms with consideration to linking this costing to all aspects of ward based catering. Consider best practice and benchmarking data available.

10. How do you promote good hydration on all your wards?

Specific examples are:

Intentional rounding tool includes a prompt to check that patients have had a drink, and food and fluid charts are used to monitor the amount that the patient drinks.

Adult Mental Health services all have open access beverage bays for patients. MHSOP – minimum standard (volume) adhered to and jugs of water always available.

Currently with Clinical Gerontology the 'Sip to Keep Fit' campaign has been successfully implemented on Ward East 7 and is currently being rolled out across the rest of Clinical Gerontology. The UHB are taking a universal approach with the implementation of '# I need a drink' which the Practice Development Nurses for both Clinical Gerontology and Internal Medicine will support.

Annual Nutrition Hydration events are held across the health board which includes highlighting the importance of patient hydration. The Nutrition champion training programme includes strategies and ways in which the ward staff can improve hydration on their wards. Dietetic assistants have supported a range of initiatives for example, additional milk and smoothie rounds. Dysphagic cups have been purchased for wards to improve hydration of vulnerable patients. We actively encourage a range of drinks to be offered at each meal and beverage time to improve hydration.

11. What information is provided to patients about catering and nutrition services when admitted to hospital?

Nutrition and hydration information is available on the UHB website for people to access prior to admission; with hard copies in clinical areas. This information was agreed by the UHB Nutrition and Catering Steering Group prior to going to print.

<http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/Inpatient%20Information%20Folder%20English%20Internet%20Final%20250815.pdf>

<http://www.cardiffandvaleuhb.wales.nhs.uk/sitesplus/documents/1143/Inpatient%20Information%20Folder%20WELSH%20Internet%20Final%20250815.pdf>

For Mental Health– menus are displayed and included in the welcome packs for patients.

All wards have a cafe style dining area and menu choice to improve nutrition.

12. How do you ensure protected mealtimes are adhered to within your hospitals?

Training days have been developed for ward based Nutrition Champions, with the first cohort attending the 2 days training in June. The training is being delivered by the Learning and Education Department and the Nutrition and Dietetic Team. The training emphasises the role of the Registered Nurse in directing meal and beverage rounds to ensure that patients receive an appropriate meal and are provided with support as required (this support includes carers). The training also emphasises the basic principles for protected mealtimes so that core elements of practice around protected meal times is consistently applied across the Health Board.

A review of practice around protected meal times is integral to the ward inspections undertaken by the Corporate Nursing team

As well as additional training, the Health Boards' Clinical Standards and innovation group which reports to the Nursing and Midwifery Board has a standing agenda item for Nutrition and hydration. A Protected meal teams' poster developed by the group in response to the findings of the Fundamentals of Care audit will be revised where

necessary and re- issued as an aide memoire to ward teams. Examples of initiatives to promote protected meal times:

MHSOP have set meal times where carer input is encouraged.

Entrance doors to wards are closed during protected mealtimes and reception staff monitor entrance to the wards during this time.

Of note, protected meal times is difficult to maintain in critical care areas due to time slots available for patients to attend tests. Despite this, every effort is made to ensure that critical patients who are able to eat their meal are not disturbed.

The Nutrition Nurse Champion training also emphasises the basic principles for protected mealtimes so that core elements of practice around protected meal times is consistently applied across the Health Board. A review of practice around protected meal times is integral to the ward inspections undertaken by the Corporate Nursing team. As well as additional training, the Health Boards' Clinical Standards and innovation group which reports to the Nursing and Midwifery Board as a standing agenda item for nutrition and hydration. A Protected meal teams' poster developed by the group has been revised where necessary and re- issued as an aide memoire to ward teams.

13. How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

In addition to the above, the CSIG is looking at a method of alerting all staff that a patient may require a level of assistance with eating. The methods currently being explored are a red tray or red table mat to be left on the bed side table throughout the patient's stay.

There are examples of cafe style dining with ward staff in attendance, and where staffing allows, dinning clubs where patients are encouraged to eat in the ward dining room. Patients needing assistance are also highlighted in safety briefs, which is part of the ward hand over discussion.

The training programme reinforces the Registered Nurse in directing meal and beverage rounds to ensure that patients receive an appropriate meal and are provided with support as required.

14. How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

In some specialist areas, there needs to be more recognition that food wastage will be higher. Patients who are nauseous from treatment need a variety of food to encourage them to eat at least a little of something at any given mealtime. Ordering from menus does not work; it is too restrictive and leads to a patient not eating anything if they don't want the meal they chose the previous day when feeling well. In some areas there are patients that as a general view require the smaller portions which may lead to higher volume waste. This will be due to making sure we cater up to standard and larger portions should patients require this.

All unserved meals are recorded and the information is collated into a catering KPI report. This is submitted to the UHB nutritional and Catering steering Group and forms part of the information required for the EFPM's annual returns.

15. What action are you taking to reduce food waste from unserved meals?

A Catering ordering and consumption software system is currently being considered, reviewed and costs worked up for implementation in 2017/18. Within the MDT mealtime audit tool food waste is audited and reports will be provided to relevant managers.

16. What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not, how does the Board receive assurances on the efficiency and effectiveness of catering services?

The Nutrition & Catering Steering Group is chaired by the Executive Director of Therapies and Health Sciences and meets on a quarterly basis. The Catering and Nutrition Steering group regularly report any issues that impact on the nutritional quality of care to the Quality Safety and Experience Committee.

17. What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?

Feedback is received from patient surveys and there are a variety of comments and suggestions are made by patients / carers regarding the quality and choice of food.

Patient comments are received via:

- 2 minutes of your time / 10 mins of your time
- National patient survey
- Patient experience comments received during MDT mealtime audit
- Patient stories

18. What actions are being taken to ensure non-patient catering services break even?

A commercial Catering strategy has been implemented effective 2016 which includes a convenience store, Aroma coffee outlets and a main catering facility. To date the Convenience store and Aroma coffee outlets are generating a surplus with the main catering facility anticipated to be trading at nil costs in 2017/1.8

I hope this gives you sufficient information for the Public Accounts Committee.

Yours sincerely



Professor Adam Cairns
Chief Executive

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee
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Health Board

Your ref/eich cyf: AW/LW
Our ref/ein cyf: 15th November 2016
Date/Dyddiad: 01443 744803
Tel/ffôn: 01443 744888
Fax/ffacs: Allison.williams4@wales.nhs.uk
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Nick Ramsay AM
Chair
National Assembly for Wales
Public Accounts Committee
Cardiff Bay
Cardiff
CF99 1NA


Dear Mr Ramsay AM

RE: HOSPITAL CATERING AND PATIENT NUTRITION

With reference to your letter dated 27th October 2016. Please find attached response from Cwm Taf UHB following the request for Health Boards to respond to questions provided by the Public Accounts Committee in relation to Hospital Catering and Patient Nutrition.

If you need any further information, please let me know.

Yours sincerely


ALLISON WILLIAMS
CHIEF EXECUTIVE OFFICER

Return Address:

Ynysmeurig House, Navigation Park, Abercynon, CF45 4SN

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Chair/Cadeirydd: Dr C D V Jones, CBE

Chief Executive/Prif Weithredydd: Mrs Allison Williams

Cwm Taf Health Board is the operational name of Cwm Taf Local Health Board/Bwrdd Iechyd Cwm Taf yw enw gweithredol Bwrdd Iechyd Lleol Cwm Taf



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University Health Board

Cwm Taf University Health Board (CTUHB) response to the key issues emerging from the Auditor General for Wales's reports and the Committee's evidence session.

1. How do you monitor the standard and quality of written nursing documentation and nursing assessments in respect of patient nutrition?

All patients' nutritional risk should be screened within 24 hours of admission using the MUST screening tool. The standardised nursing documentation consists of the MUST screening tool supported by a prescribed nursing action plan which can be individualised to reflect patients' nutritional management.

A monthly audit is undertaken to monitor compliance with the nutritional screening. The most recent results show an overall Health Board compliance of **93%**.

This information can be broken down by ward/dept which allows us to target poorer scoring areas and concentrate improvement efforts in these areas. Likewise we are also able to identify areas of notable practice which enables shared learning.

What steps are you taking to improve the standard and quality of nursing records?

CTUHB Patient Documentation group are currently reviewing the nursing documentation in its entirety. This would include the nutritional screening and prescribed nursing action plans specific to nutrition and hydration. The purpose of the review is to ensure that patient documentation accurately reflects the patients' needs by reducing waste and variation in the documentation.

It is important to note that the food and fluid charts are All Wales documents and will therefore not be modified, however should there

be suggestions for improving these, we would escalate through the All Wales Nutrition groups.

We also deliver record keeping sessions on our nurse induction programmes enforcing good practice for record keeping and linking all patient assessments ensuring a holistic approach in care delivery

2. What information do you collate and analyse on patients' nutritional status to support service planning and to monitor patient outcomes?

Through the use of the All Wales food and fluid documentation regular audits are carried out. The compliance to timely completing of the MUST screening tool and the subsequent actions are audited on a monthly basis. Our current compliance rate is 93%

3. What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk?

CTUHB are using the All Wales food and Fluid monitoring charts to record and monitor what patients are eating and drinking.

- The food and fluid charts should be audited on a monthly basis.
- The responsibility and accountability for recording of diet and fluids is enforced in training on nurse induction.
- Staff are mandated to complete the online e-learning
- The Annual HCS Audit asks questions regarding completion of food and fluid charts. Again whilst this is mandated annually there is scope for collecting this information more frequently.

The 2015 audit Results are outlined below:

Standard 3.5 Record Keeping		RAG	%
	For patients who require a food chart, is there evidence that they are being kept up to date.	96	
	For patients who require a food chart, is it signed by a registered nurse for each 24 hour period?	70	
	For patients who require a fluid chart, is there evidence that they are kept up to date and evaluated?	93	
	For patients who require a weekly fluid chart, is signed by a registered nurse for each 24 hour period?	54	

Standard 3.5 Record Keeping		RAG	%
	For this episode of care, are the patient's demographic details clearly recorded (and where required, has a photograph) on all the patient's documentation?	94	
	For this episode of care, is there documented evidence that each plan of care has been assessed and discussed with the patient or advocate?	82	
	For this episode of care, are the contact details of the first point of contact recorded in the patient's documentation?	97	
	Is the patient's preferred language clearly indicated in the nursing documents?	80	
	Does the patient's documentation capture their preferred name and/or title?	83	
	For this episode of care, where the patient has an identified swallowing problem, is there evidence that there is an up to date plan of care which is being implemented and evaluated and has been reviewed within the agreed timescale?	80	
	For patients who require a food chart, is there evidence that they are being kept up to date.	96	
	For patients who require a food chart, is it signed by a registered nurse for each 24 hour period?	70	
	For patients who require a fluid chart, is there evidence that they are kept up to date and evaluated?	93	
	For patients who require a weekly fluid chart, is signed by a registered nurse for each 24 hour period?	54	

4. What is the level of compliance with the e-learning training package on the nutritional care pathway in your health board?

If you have yet to achieve full compliance, what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

The level of compliance with the e-learning package is quite poor with longstanding issues of getting staff to undertake training due to time constraints. In addition the e-learning platforms have proved to be unreliable and staff have reported issues in getting access to the e-learning modules.

We are looking at innovative and supportive ways to assist staff in undertaking their required training. We are currently exploring the use of a mobile device such as a tablet or chrome book that may help staff undertake their e-learning. We are also looking at

introducing supported sessions whereby staff can attend for a whole day and complete several of the required e-learning packages.

We anticipate that hitting the 100% target will be a challenge, primarily due to releasing staff to undertake the training, however if we can adopt a number of ways to support we are confident that we will achieve the 100% target.

5. What is the level of compliance with nutritional screening across hospitals within your health board? What are you doing to improve/sustain compliance with nutritional screening?

A monthly audit is undertaken to monitor compliance with the nutritional screening. The most recent results show an over all health board compliance of 93%.Where compliance is not to the required standard action plans are in place to improve performance.

Education and monitoring are our key approaches to improving/sustaining the compliance

6. Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

Yes, the Executive Director for Nursing, Midwifery and Patient Safety is the named responsible officer for CTUHB.

7. What difference has the all-Wales menu framework made to food in your hospitals?

The introduction of the all-Wales menu framework has made the following differences since its introduction within CTUHB:

- A standardised approach to meal production with approved recipes within our Central Production Unit.
- Assurance with the all-Wales Nutritional Framework through the use of approved standardised recipes.
- Ensuring all meals served within all properties in CTUHB are made to the same standard and provide the same nutritional values.

In addition CTUHB has been pro-active and fully engaged in supporting the All Wales Menu Framework. We have undertaken extensive work with both local and national dieticians to develop the recipes on the framework using many of our original recipes as some traditionally cooked recipes needed refining for the cook freeze process.

8. How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patient's views on hospital food?

CTUHB is always looking for ways to improve its catering and nutrition services in our Health Board we have used patient satisfaction surveys and have received excellent feedback; we will also be using and benchmarking our feedback against the National Survey for Wales. In addition we also receive feedback through our 'Putting Things Right' concerns and complaints team.

Improving the patient's meal and service experience is a key priority for CTUHB, to achieve this we have gathered information direct from patients using our own bi-monthly patient satisfaction and experience audits, it forms part of the patient mealtime audit process using key performance indicators to monitor compliance with food safety, Health Care Standards and quality improvement. Overall findings are reported quarterly to the Health Board's multi-discipline Nutrition and Catering group and Quality, Safety and Corporate Risk Committee to Board.

This audit tool has recently been reviewed and will be re-launched in November 2016 using a survey application which can be accessed by patients/relatives whilst in hospital using their mobile/devices or when they return home. Ward based catering staff will also be able to gather feedback from patients using the app. The aim is to widen the audience and therefore increase the data gathering to improve reporting on patient meal service experience and satisfaction.

9. What actions have been taken to improve catering services in response to patients' views?

Through using our auditing tool we have received very few patient complaints regarding our menu or the standard of our meals served to patients however any suggested dishes from patients or relatives we have tried to accommodate in our A La Carte style menu. The following are some examples of the suggestions we have received and the changes we have introduced to improve our service.

Feedback received from our community hospitals was that the menu could be of a repetitive nature. To address this issue we introduced an A La Carte style seasonal menu which provided added variety and change to the menu.

Patients and nursing staff feedback was that there was not enough variety in 24 hour snacks and beverages. We have responded to this with improved access and variety to 24 hour food and beverages as follows; Provision during the 24 hour period is through ordering from the main catering kitchen or the restaurant, or when these are closed from the hot and cold vending machines. High protein sandwiches can also be provided at ward level on request. The products in the hot and cold vending machines are procured to meet the nutritional standards.

10. How do you promote good hydration on all your wards?

One of the key developments for improving hydration has been the introduction of the 'Drink a Drop' campaign. The campaign aimed to ensure all staff working in CTUHB encouraged patients to drink.

Drink a Drop – Improving Patient Hydration

Improving hydration brings well-being and better quality of life for patients. It can support reduced use of medication and prevent illness. It is good healthcare and dietary practice – and the right thing to do. Providing fresh water also demonstrates care of patients in a way that relatives and friends can see, enjoy and become involved.



What is Drink a Drop?

It is a set of 4 simple interventions consistently applied:

1. Place a droplet picture above the bed of patients who need help to maintain optimum hydration
2. Offer the patient a drink at every contact point (doing observations, wash time, medication times) and encouraging them to drink about 50mls of fluid – this is about a third of a patient tumbler.
3. Encourage family members to offer drinks to the patient by making them aware of the scheme via communication from all MDT members and also visual prompts (posters) on the wall behind the patient's bed and around the ward area.
4. Education of MDT members of the importance of regular hydration and the benefits of maintaining hydration levels.

The medical evidence for good hydration shows that it can assist in preventing or treating ailments such as:

- ▲ Pressure ulcers
- ▲ Cognitive impairment
- ▲ Kidney stones
- ▲ Constipation
- ▲ Urinary infections and incontinence
- ▲ Dizziness and confusion leading to falls
- ▲ Heart disease
- ▲ Low blood pressure
- ▲ Diabetes
- ▲ Poor oral health
- ▲ Skin conditions



The campaign has been recognised by the Chief Nursing Officer for Wales as exemplar practice.



In addition we have questions included in the annual Health and Care Standards audit and the monthly patient survey (please note that whilst the HCS audit is mandated annually there is opportunity for areas to audit more frequently). The 2015 audit Results are outlined below:

Standard 2.5 Nutrition and Hydration		RAG %
Are water jugs changed 3 times daily?		52
Is fresh drinking water available for patients?		98
Are drinking water jugs and glasses within the patient's reach?		96
During a 24 hour period, are a minimum of 7 beverage rounds are carried out within your clinical area?		42

User Experience Survey		RAG %
Throughout your stay/attendance, how often did you feel that you were provided with fresh drinking water and plenty of drinks when you need them?		99

11. What information is provided to patients about catering and nutrition services when admitted to hospital?

CTUHB believes that the provision of information to all patients is vitally important and this information is also available for patient meal choice. The provision of this information is provided through a bedside patient information booklet which provides information about the caterings services. There is a 3 fold A La Carte style menu is beside each patient bedside and ward based caterers are trained

to answer any questions regarding the menu, allergies, Halal or Kosher patient meal requirements.

12. How do you ensure protected mealtimes are adhered to within your hospitals?

There is a CTUHB approved protected meal time policy and this is well established and compliance is monitored as part of the catering and nutrition audit tool observational audits and through Health and Care Standards audits.

We are currently undertaking a review of our compliance to protected mealtimes as observations and feedback has suggested that they are not happening consistently. It is anticipated that a focused piece of work will be required to reinforce and reinvigorate protected mealtimes.

The HCS audit does ask for assurance with elements of the protected mealtime process. The 2015 audit Results are outlined below:

Standard 2.5 Nutrition and Hydration		RAG %
	Does a Registered Nurse co-ordinate every meal time?	76
	Is there evidence that all members of the nursing team are engaged in the mealtime service?	81

13. How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

The patient mealtime is supported by nursing and catering assistant staff before during and after meal times. Roles and responsibilities are highlighted in the CTUHB Catering & Nutrition Audit Procedure which clearly defines nursing, dieticians and caterers responsibilities around the patient mealtimes. Compliance is monitored as part of the catering and nutrition audit tool observational audits and through fundamentals of care audits.

The assistance of patients to prepare for mealtimes is a part of the protected mealtime process. Staff are encouraged to ensure that both the patient and the immediate environment is ready to receive their meal. This is monitored through the HCS audit. The 2015 audit Results are outlined below:

Standard 2.5 Nutrition and Hydration		RAG %
	Patients are assisted to a suitable position to eat	100
	Prior to meal service, are bed tables and communal areas cleared and tidied prior to eating?	96
	Are patients meals placed within easy reach?	98
	Is there a system in place to allow family/friends to assist with meal times?	100

14. How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

The number of un-served patient meals are recorded at the bedside, CTUHB are assured through its auditing processes that this information is robust.

Current waste performance within Cwm Taf is 2.1% equating to £56,629 of a £2.8m spend on provisions.

15. What action are you taking to reduce food waste from unserved meals?

Improvements have been made via the introduction of a seasonal A La Carte style menu, ordering 2 hours prior to meal times therefore patient movement/discharges can be captured ensuring the patient in the bed at the time gets exactly what he or she ordered.

Plate waste has been raised as an issue particularly for the older patients this is partly due to the need to ensure all lunch and evening main meal portions meet the nutritional standard (min 300 kcal .18 gms protein) To address this we are looking to introduce smaller portions accompanied by snacks which when totalled meet the nutritional standard required.

16. What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not, how does the Board receive assurances on the efficiency and effectiveness of catering services?

Within CTUHB there is a Board Director with overall responsibility for Facilities which includes catering services within the portfolio.

Reporting of catering services to the Board is through the Quality, Safety and Corporate Risk Committee, in addition reporting routes are through the submission of the Facilities Integrated Medium Term Plan and a Multi Discipline Catering and Nutrition group where membership includes Nursing, Dieticians, Therapist's, Facilities, and Community Health Council colleagues.

17. What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?

The improvement of the patient's meal and service experience is a key priority for CTUHB. To achieve this we gather information direct from patients using our own bi-monthly patient satisfaction and experience audits, it forms part of the patient mealtime audit process using key performance indicators to monitor compliance with food safety, Health Care Standards and quality improvement.

Overall findings are reported quarterly to the Health Board's multi-discipline Nutrition and Catering group and Quality, Safety and Corporate Risk Committee to the Board.

This audit tool has recently been reviewed and will be re-launched in November 2016 using a survey application which can be accessed by patients/relatives whilst in hospital using their mobile/devices or when they return home. Ward based catering staff are also able to gather feedback from patients using the app. The aim is to improve reporting emphasis on patient meal service experience and satisfaction through increased data gathering. The app will also be utilised to promote our restaurant and Barista coffee shop outlets.

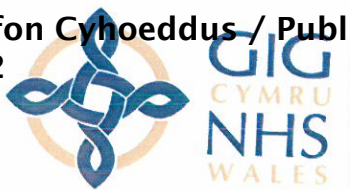
Within our inpatient areas we also undertake a monthly patient experience survey. There are 3 questions relating to mealtimes and mealtime experience. The results for October 2016 are outlined below:

User Experience Survey		RAG	%
020	Throughout your stay, how often did you feel that you were given help with feeding and drinking if you needed this?	97	
021	Throughout your stay/attendance, how often did you feel that you were provided with fresh drinking water and plenty of drinks when you need them?	98	
022	Throughout your stay, how often did you feel that you were provided with nutritious food and snacks?	93	

18. What actions are being taken to ensure non-patient catering services break even?

CTUHB non-patient feeding operation currently is in a surplus position, this has been achieved primarily through its separation from the patient feeding operation and managing the outlets with a clear business focus. The following actions along with the staff managing the outlets can be attributed for this achievement:

- Introduction of separate cost centres for commercial catering and patient catering ensuring a focus management of costs and income.
- Cost centre cleansing to provide accurate costing of the operation
- The provision of real time data through the use of EPOS technology at the outlets
- Development of profit and loss reporting to identify income verse expenditure accounts for each outlet
- Establishing a trading agency account for CPU to allow the maximisation of income generating opportunities
- The development of the Health Boards own brand of coffee shops Bar Barista together with the redevelopment of community restaurants into Bar Barista Plus models providing a coffee shop experience with a hot food offering.
- A signed up vision by the Board for commercial catering operations within CTUHB.



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Nick Ramsey AM
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Dear Mr Ramsey

RE: Hospital Catering and Patient Nutrition

Many thanks for your letter of 27 October 2016 following the inquiry which considered the variation in cost, planning and delivery of catering services across NHS organisations within Wales.

Please find attached the Health Board responses to your questions in order to provide an overview of hospital catering and patient nutrition.

Yours sincerely

Steve Moore
Chief Executive

**HYWEL DDA UNIVERSITY HEALTH BOARD
HOSPITAL CATERING AND PATIENT NUTRITION**

QUESTION 1

How do you monitor the standard and quality of written nursing documentation and nursing assessments in respect of patient nutrition? What steps are you taking to improve the standard and quality of nursing records?

Percentage compliance with Nutritional risk assessment is audited on a monthly basis. This is reported externally via the Care metrics to Welsh Government, and the performance data is scrutinised; and actions agreed as required, on a monthly basis across each in-patient site. Nursing record keeping in general, including nutritional care planning, and food and fluid intake documentation, is monitored via two monthly audits undertaken across all nursing services within the Health Board. In addition, there are regular unannounced spot audits of care standards undertaken by Senior Nurses, one of which has a focus on nutrition and hydration care. Ward/Hospital performance in relation to nutritional risk screening compliance is reported into the HB's Quality Safety and Assurance infrastructure through the HB's (four) Operational Nutrition and Hydration groups and upwards through the HB Nutrition and Hydration Task group where monitoring/trends across sites etc are looked for and acted upon. This latter group is accountable for escalation through to Quality, Safety and Assurance Sub Committees as appropriate if concerns exist and escalation deemed to be required.

QUESTION 2

What information do you collate and analyse on patients' nutritional status to support service planning and to monitor patient outcomes?

On a weekly basis, the dietetics team carefully monitor high risk referrals into the service and service responsiveness to these referrals; adjusting resources across the HB in order ensure an equitable service is made available to all patients. The cumulative data that emerges from such data is then used to inform proposed adjustments to establishments when planning the Dietetic and Specialist nutritional nurse service workforce. In some pilot wards which have enhanced their Health Care Support Worker staff levels in order for these post holders to focus on meeting the specific nutrition and hydration care needs of frail elderly patients, more detailed patient outcome measures (patient weight, calorie intake) are currently being captured in order to support service and workforce planning although this level of data capture is likely to prove challenging to maintain beyond the boundaries of the current pilot work.

QUESTION 3

What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk?

The recording of food and fluid intake is monitored as Question 1 above. In the 2015 Fundamentals of care Audit, the questions on fluid balance and food chart compliance were as follows and all wards scoring below 85%, (WG target for compliance), were required to put in place an action plan to remedy, some of which were enacted across all sites (e.g. introduction of spot checks by Senior Nurse this year, as referred to in Q1 above). In addition, Patient Status at a glance magnetic boards have been introduced across the HB this year with standardised symbols used to identify those patients at risk. This assists the mealtime Coordinator role, (another improvement relating to Nutritional Care rolling out across the HB during the past year), to prioritise support and care, and record such care, at mealtimes.

	2013	2014	2015	
Inpatients, neonates, MH, LD, OPD only	94%	93%	97%	↑
Inpatients, MH, LD, OPD only	n/a	77%	85%	↑
ALL except OPD, theatres	84%	90%	88%	↓
ALL except neonates, OPD, Theatres	n/a	70%	69%	↓

QUESTION 4

What is the level of compliance with the e-learning training package on the nutritional care pathway in your health board? If you have yet to achieve full compliance, what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

The recorded compliance with the e-learning programmes, (nutritional care pathway and hydration/fluid intake care), remains low across both the nursing and facilities workforces. The actual level of compliance is difficult to assess with a degree of accuracy due to the difficulties in connectivity between e-learning platform and ESR training records module.

The HB is holding an extraordinary meeting to prioritise its education and training plans in respect of Nutrition and hydration care on November 22nd and the detailed planning to achieve compliance is due to be developed, for both nursing and facility staff, at that forum.

The main barrier relates to the ability to release staff to attend training, although it is anticipated that mobile access to e-learning modules within the workplace and facilitated sessions in IT training rooms will be part of the solution to be put in place later this month.

QUESTION 5

What is the level of compliance with nutritional screening across hospitals within your Health Board? What are you doing to improve/sustain compliance with nutritional screening?

Compliance with nutritional screening assessment is measured through a sample audit once a month in all in-patient areas. The results for the past twelve months show a range of compliance in each hospital site, with monthly compliance levels ranging from 75% to 97%. The compliance levels are reviewed as described in Question 1 above on a monthly basis through each hospital nursing team. A range of improvements, appropriate to the outcome of the review process are put in place. These will range from in-ward training sessions, documentation improvement interventions, purchase of new weighing equipment etc. There is a plan to undertake a whole Health Board Screening tool education refresh programme during 2017 which it is anticipated will result in overall and sustained improvements in screening and therefore the identification of, and the opportunity to improve the care delivered to the Health Board's most vulnerable patients.

QUESTION 6

Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

The four hospital Heads of Nursing are accountable for the standards of care, including nutritional screening compliance, in the unscheduled care clinical areas within the four acute hospital sites. The Head of Nursing for Scheduled Care is accountable for this in all scheduled care areas across the four acute sites. The three Senior Nurses for Community/Primary care are accountable for monitoring the compliance with this standard of care in community hospital sites in each county.

QUESTION 7

What difference has the all-Wales menu framework (AWMF) made to food in your hospitals?

From a catering provision perspective the AWMF has enabled the Health Board to improve the patient Catering Service in a number of ways as follows:

- Served as a catalyst and raised awareness in relation to the importance of nutrition and hydration and the positive impact that good quality food can have on the patient's experience and patient recovery
- Introduced nutritionally analysed standardised recipes and menus which has brought about a greater level of consistency of end-product where meals are produced in-house
- Introduced a consistent menu structure and menu cycle e.g. homemade soups which have been received very favourably by patients and staff

QUESTION 8

How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patient's views on hospital food?

The national patient survey findings have been used routinely as part of the All Wales survey programmes and also to evaluate the quality of catering services when significant changes have occurred through using the national survey findings as a baseline e.g. the provision of meals to Prince Philip Hospital changes in January 2016 from an in-house supply to buying-in cook/frozen meals from an alternative Health Board. The national patient surveys were used in August 2016 to gain data which has allowed a comparison of patients' views with the new provision against their views when the previous provision was in place: These results will form an important element of the HB's approach to developing an action plan to make permanent provision arrangements going forward.

Other ways in which patients views are gathered are via Chefs and Supervisors attending the wards at mealtimes/on a regular weekly basis and having face to face interaction with patients, views are gathered informally and formally via the patient meal audits undertaken at patient bedsides.

The Health Board also collects patient views on the Health Board catering provision and nutritional care via the patient survey element of the annual Fundamentals of Care audit. Within the survey, it is recognised that the All Wales Nutrition & Catering Standards for Food and Fluid for Hospital inpatients state that patients must be supported in meeting their nutritional needs and the vast majority of our patients felt that we met their needs with results of 2015 survey showing that 97% of the patients stated that they felt that they were always/usually given help with feeding and drinking if they needed help (this compares with 98% of patients in 2014 and 96% in 2013).

95% of the patients felt that they were always/usually provided with nutritious food and snacks (this compares with 93% in 2014 and 2013). The narrative for this survey shows that the comments about the food are very diverse with some patients commenting that the "*the food is amazing*" and "*first class*" whilst other patients noted that the

“the food is badly prepared, cooked and presented” and “not always appetising”.

97% of the patients felt that they were provided with water and drinks (this compares to 97% in 2014 and 96% in 2013).

The All Wales Patient Catering survey mentioned previously noted that of the patients asked:

- 87% stated that they were always/usually offered a drink at mealtime.
- 88% stated that they were always/usually offered a drink in between meals.
- 85% stated that they were always/usually offered a drink at bedtime.
- 91% stated that they had never been thirsty because they hadn't been given enough to drink. It is unclear whether there was a clinical reason why the 5% who had been thirsty had not been given enough to drink e.g. a patient may have been nil by mouth.

QUESTION 9

What actions have been taken to improve catering services in response to patients' views?

Examples of actions taken in response to patients views include:

As a direct response to concerns raised in relation to the variety of patient meals offered in some Mental Health Units from the current bought-in service, a review of the service provision has been undertaken which has resulted in either increasing the number of choices and variety of meals available e.g. LSU, PICU, and Tudor Wards at Hafan Derwen. In other cases the whole service has been changed from a bought-in service to an in-house service provided from the Acute hospital e.g. St Non's and St Caradog wards at Worthybush General Hospital. This has resulted in significant improvements to patient satisfaction levels.

QUESTION 10

How do you promote good hydration on all your wards?

The Health Board was a volunteer pilot site for the Public Health Wales “Water Keeps You Well” initiative, and has participated in the next phase of the implementation of this initiative i.e. enrolling 16 wards across the Health Board (including acute and community hospital sites) to take forward a variety of externally tested tools as well as local developments aimed at improving hydration care.

There is a task group within the Health Board taking this work forward with a view to extending this to other wards over the coming months as testing confirms that the tools and approaches are of value. This work links to the Health Board work on sepsis prevention in both the hospital and community settings (given that so much sepsis has catheter/urinary infection as its root cause); and to the emerging work on Acute Kidney Injury to ensure that all routes and pathways to raise awareness and embed key aspects of this work, are exploited.

QUESTION 11

What information is provided to patients about catering and nutrition services when admitted to hospital?

Bilingual information is provided within the Patient Bedside Folder which is standardised across the HB. The content includes information about mealtimes; meal choices (and the assistance available to make these choices); and the foods that can be brought into hospital and those that are discouraged (due to linkages with outbreaks of food poisoning).

In addition there are some specific pieces of work underway to improve the information for specific client/patient groups e.g. The Parkinson's CNS have recently developed a patient information leaflet which also includes information for patients with specific dietary needs. This information leaflet is provided prior to patients coming into hospital, the initiative has been taken forward based on patient feedback / Learning from events. The development of the leaflet has been supported by patient groups and the patient experience facilitator. In addition, the (pilot) 'Frailty HSCW's' (see Q 2 response above) who are providing enhanced support to frail elderly patients in specific wards across the HB, provide additional information in relation to the additional provision of fruit, snacks and Milkshakes in these specific ward areas.

QUESTION 12

How do you ensure protected mealtimes are adhered to within your hospitals?

The Senior Nurse Managers observe practice during their spot check processes and also through their every day attendance on the wards. Protected Mealtime Signage is in place for all wards across the HB and is displayed prominently at each entrance during mealtimes. Multi-disciplinary team members are discouraged from attending wards at these times. All wards have Mealtime Co-ordinator role in place and a key element of this role is checking that signage is in place and any unnecessary interruptions are discouraged. However, family members are actively encouraged to attend the wards at these times to be able to support those patients who have Dementia and/or those patients whose Hydration and nutritional needs are best met with family/ carer support. This arrangement is also in place for those patients who have eating disorders and may require additional encouragement. This is based upon an individuals care plan.

QUESTION 13

How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

Predominantly through the work and role of the Mealtime Coordinator as well as the leadership demonstrated by the Ward leaders that makes it clear that this is a vital element of the patients' therapeutic care interventions. Individual hand wipes are provided for every patient with every meal. The level of satisfaction demonstrated by patients during the 2015 Fundamentals of care audit suggests this is well achieved across the HB (see below)

Table 14: Whole UHB/ Standard 2.5 Nutrition and Hydration

	2013	2014	2015	
ALL except Maternity, neonates, LD, theatres	100%	98%	100%	↑
Patients are assisted to a suitable position to eat				
ALL except Maternity, neonates, LD, theatres	100%	97%	99%	↑
Prior to meal service, are bed tables and communal areas cleared and tidied prior to eating?				
ALL except Maternity, neonates, LD, theatres	100%	99%	100%	↑
Are patients meals placed within easy reach?				
Inpatient, paed, MH & LD only	100%	98%	97%	↓
Is there evidence that the systems in place to enable staff to identify patients with special eating and drinking requirements are being implemented and their effectiveness evaluated?				

		Does a Registered Nurse co-ordinate every meal time?	88%	80%	72%	↓
Inpatient, ED, paed, MH & LD only		Is there evidence that all members of the nursing team are engaged in the mealtime service?	98%	93%	98%	↑
Inpatient, ED, paed, MH & LD only		Is there a system in place to allow family/friends to assist with meal times?	95%	99%	98%	↓

QUESTION 14

How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

The amount of waste food is calculated by counting the number of main course portions left at the end of the meal service. These are recorded and percentage wastage levels are calculated and reported at the monthly Menu Planning meetings and are also scrutinised at the In-Patient operational Nutrition and Hydration groups where nurses catering and facilities staff can review reports collectively and reach team-based improvement suggestions/actions.

QUESTION 15

What action are you taking to reduce food waste from unserved meals?

In addition to the above internal and ongoing measures which ensure that food wastage remains a core agenda item within nutrition and hydration improvement planning, it is the Health Boards' intention to raise the profile of food wastage further by engaging with WRAP Cymru to explore opportunities to learn from other catering organisations as to how further reductions can be made.

QUESTION 16

What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not, how does the Board receive assurances on the efficiency and effectiveness of catering services?

The Director of Nursing, Quality and Patient Experience is the accountable executive for nutritional care standards whilst the Director of Operations is accountable for the provision of the catering service operationally. The Nutrition and Hydration Task Group reports via the Quality, Safety and Experience Infrastructure to the Quality Safety and Experience Assurance Committee which is a sub committee of the Board. In addition, the Audit and Risk Assurance Committee monitors the compliance with the WAO report recommendations which forms the main bulk of the Nutrition and Hydration Care/Catering provision improvement plan.

QUESTION 17

What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?

In addition to information gathered via Chefs and Supervisors attending the wards at mealtimes and having face to face interaction with patients, and via the patient meal audits undertaken at the patients' bedside; feedback from the Patient Experience Manager via 'patients stories' when patients mention catering and nutrition related issues as part of their overall hospital experience

QUESTION 18

What actions are being taken to ensure non-patient catering services break even?

A proposal to revise the existing two-tier tariff structure is currently being considered by the Health Board and if approved it is anticipated that this will have a positive impact on the subsidy. Additionally, there are changes being made to the current non-patient menu structure moving away from some of the more traditional meals towards more 'Grab and Go' style foods which is having the effect of reducing the food cost element relative to the sales price charged

Public Accounts Committee

Hospital Catering and Patient Nutrition

Response from Powys Teaching Health Board (PTHB) 16 November 2016

1. How do you monitor the standard and quality of written nursing documentation and nursing assessments in respect of patient nutrition?

The standard and quality of written nursing documentation and nursing assessments are monitored in a number of different ways:

- As part of the 360 Nutrition, Hydration and Catering review process, there is a specific element that reviews the nursing documentation and nursing assessments in relation to Nutrition and Hydration. Whilst the whole 360 approach is undertaken by a multi professional team involving (dietitians, facilities, nursing, speech and language and patient representatives), the review of the nursing documentation is undertaken by a suitably qualified professional to ensure that the expected minimum standards are accurately assessed against.
- Through the Health and Care Standards Monitoring Tool, the wards undertake a monthly audit, using the All Wales Nutrition Metric indicator. Local auditing criteria has recently been applied to ensure that all staff are auditing using the same methodology/ standards to strengthen our assurance. Therefore as part of this indicator the completion of the MUST assessment and admission documentation with 24 hours, the appropriate implementation of a Core Care Plan along with evidence of evaluation is assessed. If any one of the previous mention elements are not meeting the minimum standard agreed then this is recorded as an incomplete assessment, with improvement/ learning taken forward.
- As part of the transforming care programme, empowering ward sister / nurse in charge, leadership rounds provide an opportunity to ensure that the patients in their care are receiving the appropriate nutrition and hydration care. This involves regular communication with patients, relatives/ carers and the nursing / multi professional team in regards to any concerns. Reviewing patient documentation including the completion of the MUST, Core Care Plans and All Wales Food Charts as well as overseeing meal times where again issues relating to the patient nutrition and hydration status may be raised. All these elements will support assessing the standard and quality of nursing documentation and assessments and empower the ward sister/ charge nurse to take/ implement the necessary actions.
- Local Quality Risk Experience (QRE) meetings take place on a monthly basis across the localities, this is where a range of Quality, Risk and Experience measures and issues are discussed with improvements being taken forward.

What steps are you taking to improve the standard and quality of nursing records?

It is recognised that there are always opportunities through shared learning of audit information and reviewing current practice to make improvements to the standard and quality of nursing records. As a result a number of improvement initiatives are being taken forward:

- The Health and Care Standards Operational documentation audit will be used as part of the nursing documentation audit programme, which looks at the whole holistic nursing assessment and care planning, of which contributing factors to nutrition and hydration e.g. communication needs, are reviewed. This information will be recorded on the Health and Care Monitoring system, which will allow for reports and improvement planning to be undertaken, further strengthening the assurance of the standards of nursing documentation.
- To ensure a consistent approach is applied across all inpatient areas, a Standard Operating Procedures for Inpatient Nutrition, Catering and Hydration is being developed, this will include the minimum standard with regards to the nursing documentation and assessment ensuring patient's nutritional needs are met.
- A Sister's Forum is held on a monthly basis, this is the forum where Nutrition and Hydration is discussed with audits results and themes shared for learning to take place.

2. What information do you collate and analyse on patients' nutritional status to support service planning and to monitor patient outcomes?

Powys is unique as the inpatient demographics are fairly static with the majority of inpatients being +65 presenting with comorbidity health needs. The rich source of data to support service planning comes from the multi professionals (Nursing, Dietetics and SALTs) who work directly with the patients, families, carers and staff on a daily basis. The information that is shared by these professionals supports the menu planning process (menu design, food tasting sessions and ensuring the correct protein and calories) and the training and education of staff.

Powys doesn't have a rich cultural diversity in terms of population so there is little need for specialist diets however these are available at short notice as required through our suppliers.

As part of the 360 process, information is collected about the number of patients who are on the red tray system and the number of patients who need assistance with feeding, which gives an indication of nutritional dependency of the patients on the ward at the time of the audit, supporting information provided by the multi professional team.

The nurses will review patient food charts and use feedback from patients and carers, to support identifying if a patient seems to like a certain food. This information is shared with catering staff and supports informing service planning.

The implementation of a computerised catering system, will be enable business intelligence to identify patient's food preferences to support service planning and minimising waste.

It is standard practice in Powys Teaching Health Board that patients (with support as required from the nursing staff/ family/carers) order from a cyclic 14 day menu. This ensures patient choice is promoted.

3. What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk?

The Ward Sister is the key person to ensure that food and fluid intake is recorded appropriately to include those patient's at risk. This action is part of the routine leadership rounds which take place throughout the day. Any anomalies identified will be noted by the Ward Sister or Nurse in Charge and followed up.

The 360 audit process also reviews compliance with the completion of food charts and the counter signing by a registered nurse. The Core Care Plans support and prompt nurses to ensure/ consider using food and fluid charts, these are held at the bottom of the patient bed, ensuring easy access for reviewing and updating.

4. What is the level of compliance with the e-learning training package on the nutritional care pathway in your health board?

The current compliance with the e – learning training package is 25%.

If you have yet to achieve full compliance, what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

Whilst Welsh Government have indicated that the E-Learning is compulsory, PTHB has not identified it as an area of priority in terms of securing 100% compliance, as approved by the Workforce and Organisational Development Committee. This is because we have reviewed compliance across all Mandatory and Statutory training requirements and have taken a prioritised, risk-based approach. If there was poor compliance to nutritional risk assessment, high levels of complaints &/or poor 360 audit results then we would be prioritising the training. However this is not the case in Powys.

5. What is the level of compliance with nutritional screening across hospitals within your health board?

PTHB average 94%

What are you doing to improve/sustain compliance with nutritional screening?

Through the Health and Care Standards Monitoring Tool, the wards undertake a monthly audit, using the All Wales Nutrition Metric indicator. Local auditing criteria has recently been applied to ensure that all staff are auditing using the same methodology/ standards to strengthen our assurance. Therefore as part of this indicator the completion of the MUST assessment and admission documentation with 24 hours, the appropriate implementation of a Core Care Plan along with evidence of evaluation is assessed. If any one of the previous mention elements

are not meeting the minimum standard agreed then this is recorded as an incomplete assessment, with improvement/ learning taken forward.

The Health and Care Standards Operational documentation audit will be used as part of the nursing documentation audit programme, which looks at the whole holistic nursing assessment and care planning, of which contributing factor to nutrition and hydration e.g. communication needs are reviewed. This information will be recorded on the Health and Care Monitoring system, which will allow for reports and improvement planning to be undertaken, further strengthening the assurance of the standards of nursing documentation.

360 spot checks are being undertaken across PTHB to review compliance with nutritional screening in the specified timeframes. Unannounced visits are planned to review compliance with 'protected mealtimes' and to ascertain patients views of the food provided.

6. Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

The Executive Lead for Nutrition and Hydration is the Director of Nursing. The Assistant Director of Nursing is co chair of the "Nutrition, Hydration and Catering Oversight Group" and is an active member of the 360 team as well as participating in the unannounced visits.

7. What difference has the all-Wales menu framework made to food in your hospitals?

The Framework has supported the HB in a range of ways to improve our delivery of catering services in compliance of the All Wales Nutrition and Catering Standards for Food and Fluid Provision for Hospital Inpatients. Meeting the standards starts with the NHS Wales agreement to procure our food provisions in a consistent manner through NHS Wales's contracts. That is, building into the contracts the agreed ingredients and products we need and their specification to ensure that the practicalities of service delivery can be met in terms of cost, availability, sustainability and of course nutritional suitability. This work was headed by shared services procurement with close liaison of the procurement dietician who is playing an essential role in its success.

Secondly the framework has led on the standardisation of recipes and cooking methods, nutritional analysis of menu items and a range of snacks. This work continues on a rolling basis as additional menus are added or amended within its portfolio.

There is, in our view, a final piece of the jigsaw missing and that is an NHS Wales joint catering computer system. There is the opportunity to link our national procurement services to a national catering computer system to give us a global account of catering cost performance. Currently HBs are implementing their own systems, duplicating administration in maintaining up to date stock details.

8. How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patient's views on hospital food?

The national patient surveys have been helpful not only to allow us to benchmark against patient's views in other health boards but also to inform us on areas for our own improvement.

In addition we have a rolling program of formal 360 Nutrition, Hydration and Catering Audits which includes a patient satisfaction survey. We have also more recently commenced unannounced mealtime observations that considers the effectiveness of protected mealtimes, the operational delivery arrangements, food wastage and quality. These observation sessions are useful to receive real time feedback from patients on that particular mealtime experience which we use to refine and improve the service. It also serves to maintain the staffs focus, particularly on the requirements of service delivery outside normal working hours.

9. What actions have been taken to improve catering services in response to patients' views?

Aside from using feedback to refine our protected mealtime arrangements we use patient's comments and menu "take up" data to identify preferences for inclusion in the menu. We understand the importance of matching the patient's menu preferences to increase the likelihood of them consuming the food we provide. This helps not only to provide the protein and calories our patient groups needs but also helps to minimise waste. The preference amongst Powys patients are very traditional dishes such as roast meats, casseroles, pies and fish in sauces and our flexible "hybrid" menu system allows us to meet this requirement.

When we develop new menus we include patient representatives at the tasting sessions to help select the items that will appear on the menu.

10. How do you promote good hydration on all your wards?

Hydration is supported through the multidisciplinary team. Water jugs are replaced 3 times a day by the Hotel Services staff and refilled in between as necessary by nursing staff. Beverages are offered throughout the day on 7 or 8 occasions and additional patient requests can be provided 24 hours a day.

Awareness raising of the importance of hydration in patient's wellbeing and recovery are evident in the nursing conference, sisters meetings and during the "Water Keeps You Well" campaign.

11. What information is provided to patients about catering and nutrition services when admitted to hospital?

Patients and relatives are provided with an "Eating Well In Hospital, what you should expect" leaflet published by the Wales Audit Office.



Nutriton Leaflet.pdf

12. How do you ensure protected mealtimes are adhered to within your hospitals?

This is the role of the Ward Sister/Charge Nurse or the Nurse in Charge to ensure that mealtimes are protected. We encourage family member attendance to assist at mealtimes, promoting mealtimes as a social activity. Some patients respond more positively to family members supporting them at mealtimes.

Unannounced visits also take place to assess compliance. A multi professional approach provides an opportunity to ensure that 'Protected Mealtimes' are being adhered to.

Patient Status at a Glance Boards is a mechanism whereby symbols are used to identify patient's nutritional status, Red Trays are also used to identify those patients requiring assistance during mealtimes. The multidisciplinary team are made fully aware of the requirements of all patients at the beginning of each shift.

We are currently standardising the protected meal signage across the health board and protected meal times philosophy is being reinforced through the development of the SOP.

The health board has signed up to John campaign, which will actively encourage relative/careers to support mealtime experience for the patient

13. How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

The Ward Sister or Nurse in Charge of the shift is responsible for ensuring patients are provided with timely support to prepare for mealtimes and prompt help with eating.

All patients are encouraged to prepare for mealtimes, i.e. visiting the bath room, staff are also expected to provide all patients with an opportunity to wash their hands prior to mealtimes. This practice is captured in the SOP to provide all staff with the role and responsibilities in respect of mealtimes in the ward environment.

14. How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

We believe that the EFPMS "untouched meal" methodology for monitoring food waste only tells a small part of the food waste story and does not fully inform on the causation of the waste.

PTHB have designed a different methodology and tool that takes into consideration:

- The number of menu items ordered

- The number of portions prepared by the kitchen
- The number of portions sent to the ward from the kitchen
- The number of portions prepared but not sent or not utilised in the staff canteen.
- Unserved portions on the ward trolley
- Plate waste in portions

From the example below it can be clearly seen where the waste is generated whether due to inaccurate ordering, over production or incorrect portion size being offered, I.E. low levels remaining on ward trolley but high plate waste. The PTHB tool shows our own in-house % waste score as well as the EFPMS % for national reporting purposes.

Menu item	Number portions ordered by ward	Number portions prepared by kitchen	Number portions sent from kitchen	Number portions prepared but not sent from kitchen	Unserved portions on ward trolley	Plate wastage in portions	% portions not sent	% unserved portions	% portions plate waste	Total % wastage
Soup	12	12	12	0	0	0	0.00%	0.00%	0.00%	0.00%
Battered Fishfingers	11	11	11	0	1	1	0.00%	9.09%	9.09%	18.18%
Cheese and potato	3	3	3	0	0	0.5	0.00%	0.00%	16.67%	16.67%
Pureed Main Meal	2	2	2	0	1	0	0.00%	50.00%	0.00%	50.00%
Mashed Potato	12	13	12	1	0	0	7.69%	0.00%	0.00%	7.69%
Baked beans	14	16	16	0	2	0.5	0.00%	12.50%	3.13%	15.63%
Hot Fruit Cake	10	12	10	2	4	0	16.67%	40.00%	0.00%	50.00%
Custard	11	11	11	0	0	0	0.00%	0.00%	0.00%	0.00%
Cheese and Biscuits	1	1	1	0	0	0	0.00%	0.00%	0.00%	0.00%
yoghurts	3	3	3	0	1	0	0.00%	33.33%	0.00%	33.33%
Ice cream	2	2	2	0	0	0	0.00%	0.00%	0.00%	0.00%
Totals	81	86	83	3	9	2	3.49%	10.84%	2.41%	16.87%
									Meals sent	16
									Untouched meals	2
									EFPMS	12.5%

15. What action are you taking to reduce food waste from unserved meals?

The size of Powys' Community Hospitals allows for very close working relationships between staff groups allows us to communicate any emerging problems quickly. Where the causation is unclear or there is a need to demonstrate the cause, our food waste audit can assist. Having identified the cause we can then change practices to mitigate the problem. Local teams are aware of the need to minimise

food waste and that it is everyone's responsibility to assist with reducing waste and ensuring value.

16. What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not, how does the Board receive assurances on the efficiency and effectiveness of catering services?

The "Nutrition, Hydration and Catering Oversight Group" reports to the Patient Experience, Quality and Safety Committee (which is a sub-committee of the Board), providing highlight reports as per the business cycle and an Annual Report which will be presented to the Board.

Whilst final accountability for all aspects of healthcare nutrition, hydration and catering lies with the Chief Executive and the Board, the Director of Nursing, is the designated executive board member responsible for nutrition and hydration and the Director of Primary Care, Community & Mental Health is responsible for Catering.

17. What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?

The most frequent feed back from patients is verbally during their mealtime experience where they are very quick to offer their views. Our patients are mostly very happy with the meal service but when there is some concern expressed from a patient we have the flexibility to put things right immediately.

Feed back is also regularly received by visiting staff to the ward on other business when it is common practices to talk to the patients about their experiences. Again this is within our gift being such small hospital sites.

Furthermore part of our 360 Nutrition, Hydration and Catering audits carried out on a rolling basis do include a comprehensive patient satisfaction questionnaire.

The health board undertakes on an annual basis the Health and Care Standards Patient experience audit, which include questions relating to nutrition and hydration.

The health board has recently approved a patient experience strategy and developed an implementation plan to accompany this strategy.

18. What actions are being taken to ensure non-patient catering services break even?

Given the comparatively small numbers of staff in PTHB, our demand for staff catering is low. Non-patient catering services in PTHB are provided therefore from the same kitchen, utilising the same staff as patient catering services. The catering provided for staff is based around that day's patient menu to minimise the staff resources required. The total staff utilised would be needed in any case, even if we were not catering for staff, so staff catering is seen as a by-product of patient catering. We do not have separate kitchens or stand alone restaurants for staff, so provisions for both are expended from the same budget line. To ensure

that non-patient catering services are breaking even in terms of provisions spend attributed to it, we inflate the cost price of meals by 75%. This process also allows us to deduce by looking at staff meals income how much was spent on staff meals and then the remainder will be seen as the cost for patient's meals. This remainder divided by patient days activity provides us with patient provisions cost per day.

Whilst this costing model is simple and fully transparent it is based on a number of assumptions and it is unlikely that other HBs use the same model, so benchmarking could be seen as flawed. As eluded to earlier in our response to question 7, it would be helpful if an NHS Wales joint catering computer system were procured to ensure a full and consistent approach to catering cost control and performance reporting across all HBs.

Velindre NHS Trust response to information requested from Nick Ramsey AM letter dated 27th October, Public Accounts Committee –Hospital Catering and Patient Nutrition.

1. How do you monitor the standard and quality of written nursing documentation and nursing assessments in respect of patient nutrition?

What steps are you taking to improve the standard and quality of nursing records?

Health & Care Standards audit is regularly undertaken. Ward audits are carried out on a monthly basis as well as the Global Trigger Tool.

2. What information do you collate and analyse on patients' nutritional status to support service planning and to monitor patient outcomes?

The dietetic department collates information regarding type of dietetic intervention provided, number of new and review patients and tumour site. In some instances further in depth information is collated, i.e. %weight loss, for reporting in departmental audits which can then be utilised to support service planning.

The British Dietetic Association Oncology Specialist Group has developed an oncology specific outcome tool which the department is currently reviewing with the proposal to implement into their clinical practice.

Velindre Cancer Centre is a member of the All Wales documentation group, we are also currently undergoing a pilot of paper lite systems in Oncology Outreach.

3. What action are you taking to ensure that food and fluid intake is recorded appropriately, particularly for those patients at risk?

Food record charts have been included locally as an action plan in the nutritional care plan when patients are identified as a medium or high risk. Fluid charts are also completed on all ward patients by nursing staff.

Within the fundamentals of care documentation eating and drinking is recorded and taken into account by the dietitian when assessing the patient.

As stated above documents that are relevant to food are fluid intake include; All Wales Food Chart, Fluid Balance Chart, Nursing Risk Assessment, NEWS scoring.

4. What is the level of compliance with the e-learning training package on the nutritional care pathway in your health board?

If you have yet to achieve full compliance, what steps are you taking to improve it? Do you anticipate being able to achieve 100% compliance, and if not, what are the barriers?

Compliance is currently not running to 100% due to long term sickness, maternity leave and new starters who have not yet completed the training package. All staff are actively encouraged to complete the e-learning training package on the nutritional care pathway.

5. What is the level of compliance with nutritional screening across hospitals within your health board? What are you doing to improve/sustain compliance with nutritional screening?

The hospital has full compliance with nutrition screening. Issues have been identified with the local screening tool and the reliability of completion by nursing staff. The dietetic department is addressing the issues and is in the process of implementing a new nutrition screening tool that has been validated in oncology patients.

The dietetic department completes a nutrition screening tool audit on a quarterly basis. The information obtained from this is analysed and feedback to the nutrition improvement group.

Training on nutrition screening is provided to ward staff when required to update their knowledge and skills on the process.

6. Is there a named individual for ensuring compliance with nutritional screening is improved and sustained across the hospitals?

Rhiannon Williams (Macmillan Specialist Oncology Dietitian)

7. What difference has the all-Wales menu framework made to food in your hospitals?

It has standardised the level of nutritional content of food offered to the patients and has increased variety of choices throughout the menu cycle.

8. How have you used the national patient survey findings to improve catering and nutrition services in your health board? What other ways do you gather patient's views on hospital food?

Findings were fed back to the nutrition improvement group and catering department. Responses were positive but changes in the timing of when food is ordered have been amended in response to patient's requests.

Patient experience surveys, though does not include any specific questions on nutrition and catering, any comments applicable are fed back to the nutrition improvement group and the catering department.

Catering staff undertake regular surveys on the catering meal service as well as covering other Operational Services disciplines i.e. Portering & Domestic.

9. What actions have been taken to improve catering services in response to patients' views?

In responding to patients views, the catering department has worked in partnership with dietetics in reviewing the patient menu in line with the all Wales menu framework, we have taken into consideration patients likes and dislikes in regards to food choices from information sourced through patient questionnaires, patient liaison group feedback & our meal ordering process, this includes vegetarian and gluten free options to ensure the menu is tailored to patients preferences & includes choices for a wide range of patient nutritional requirements.

10. How do you promote good hydration on all your wards?

The catering team provides regular drinks rounds on all inpatient wards. The nursing staff complete Fluid Balance Charts for all admitted patients

11. What information is provided to patients about catering and nutrition services when admitted to hospital?

On admission to Hospital patients are provide with information regarding our patients menu, including, Vegetarian choices, Textured modified choices, Gluten free meals & snacks and any adhoc items available to the patients.

The patients receive information on patient meal times and beverage services throughout the day. The patient is also informed that they can speak to a catering assistant at any time during service hours regarding any specific requests or concerns they may have.

12. How do you ensure protected mealtimes are adhered to within your hospitals?

Signs are visible on all wards and patients are informed of protected mealtimes on admission. Ward staff also manage these protected meal times which are embedded into daily routine

Regular audits are completed and findings fed back to the nutrition improvement group.

13. How do you ensure patients are provided with timely support to prepare for mealtimes and prompt help with eating?

As with protected meal times, timely support at mealtimes and providing prompt help with eating has been embedded into ward routine. This has also been highlighted as an objective for ward manager

14. How do you measure food waste that is, the number of unserved meals at ward level, and are you confident that this is an accurate reflection?

Food waste is recorded by the catering assistant at every meal service on a daily basis. Ad hoc observations are carried out by the Operational Services supervisory team to provide a level of assurance that records kept are accurate.

15. What action are you taking to reduce food waste from unserved meals?

A patient orders their lunch & supper requirements 2.5 hours before a patient receives their meal this minimizes the likelihood of overcooking and reduces the volume of unserved meals.

Food waste figures are monitored regularly by the Operational Services supervisory team and any concerns are raised to an appropriate level.

16. What information does your board receive on hospital catering and patient nutrition and how frequently? Do you have a named individual at board level with responsibility for catering? If not, how does the Board receive assurances on the efficiency and effectiveness of catering services?

The dietetic department recently provided an update to the Quality and Safety Executive Board on catering and nutrition.

Operational Services quarterly satisfaction results are also provided through Velindre NHS Trust Infection Control Committee.

Director of Nursing & Service Improvement have responsibility at board level for catering.

What feedback do you receive from patients on a regular basis about catering services and the mealtime experience?

The catering department undertakes quarterly patient's satisfaction surveys; the survey includes questions regarding Layout of the menu, choices available, meal times, food temperature, the quantity & quality of the food provided, courtesy of and helpfulness of the catering staff , Sufficient and uninterrupted time to eat meals . Are snacks and beverage available throughout the day and the overall catering service?

The catering department receives the trust monthly patient experience report, the report includes feedback on the patient's experience of all services including compliments or concerns regarding patient catering services.

18. What actions are being taken to ensure non-patient catering services break even?

Efficiency savings are made year on year through reviewing Pay (Staff requirements) & Non-Pay budgets (reviewing & making the most effective use of each pound that is spent on provisions).

Early 2017 a review of the catering services will be presented to the Executive Management Board with an outline to provide a catering service that is fit for purpose.

Sian Lewis, Rhiannon Williams – Dietetic Department

Viv Cooper, Stephanie – Nursing Department

Mark David, Susan Sheppard-Murphy – Operational Services Department