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Auditor General for Wales

Well-being of Future Generations: An examination of 'work to reduce the number of properties at risk of flooding in Denbighshire' – **Denbighshire County Council**

Audit year: 2018-19

Date issued: June 2019

Document reference: 1249A2019-20



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This document is also available in Welsh.

The team who delivered the work comprised Jeremy Evans, Gwilym Bury, and Charlotte Owen under the direction of Huw Rees.

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Summary report

Summary

Why we undertook the Examination

- 1 In accordance with the Well-being of Future Generations (Wales) Act 2015 (the Act) the Auditor General for Wales (the Auditor General) is statutorily required to examine public bodies to assess the extent to which they have acted in accordance with the sustainable development principle when:
 - a. setting their well-being objectives; and
 - b. taking steps to meet them.

The Act defines the sustainable development principle as acting in a manner: '...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'.

- 2 The Auditor General must provide a report on his examinations to the National Assembly for Wales at least a year before each Assembly election. The first such report must be published by 2020, before the 2021 Assembly election.
- 3 During 2018-19 the Auditor General is undertaking examinations across the 44 bodies covered by the Act to inform his report to the National Assembly.
- 4 In May 2018, the Auditor General published his report, **Reflecting on Year One – How have public bodies responded to the Well-being of Future Generations Act (2015)**. He concluded that public bodies support the principles of the Act and are taking steps to change how they work.
- 5 In developing our approach to undertaking the examinations during 2018-19 we engaged with a range of stakeholders including through our pilot work during 2017-18. We also worked closely with the Future Generations Commissioner.
- 6 As the preliminary work in year one included a consideration of how public bodies had set their Well-being Objectives, the principal focus of this work is the way in which public bodies are taking steps to meet their well-being objectives.
- 7 The findings in this report are based on fieldwork that we undertook during the period October 2018 to February 2019.
- 8 This report sets out our findings from our examination of Denbighshire County Council's Plan for 2017-22 includes a citizen outcome to reduce the number of properties at risk of flooding in Denbighshire a step the Council is taking to meet its Well-being Objectives. The outcome aims to work with partners to undertake a number of flood defence schemes by 2022 which are expected to protect 9000 properties from flooding over the long-term.
- 9 We asked the Council in January 2019 to respond to our findings, so they could be included in this report and we received their action plan in response.

What we examined

- 10 We examined the extent to which the Council is acting in accordance with the sustainable development principle. We reviewed the work of the Council with its partners to develop and implement the Council's Local Flood Risk Management Strategy. National Resources Wales (NRW) is usually the lead partner on major projects for river flood defences and sea defences. This allowed us to assess the extent to which the Council and its partners are considering the sustainable development principle through its work to reduce the number of properties at risk of flooding in Denbighshire ('the step') towards meeting its well-being objectives.
- 11 Steps the Council will take to achieve this outcome are set out in the Council's Local Flood Risk Management Strategy which outlines its objectives for managing flood and coastal erosion and describes the measures needed over coming years to bring about a better, more sustainable approach. The Strategy recognises that resource pressures will only increase with rising future risk brought about by further development and climate change. Objectives and outcomes are aligned to national strategy objectives and are classified as either short-term (>20yrs) or long-term (20-100 years).
- 12 We reviewed the processes the Council followed in deciding on and implementing the Local Flood Risk Management Strategy. This allowed us to assess the extent to which the Council considered the sustainable development principle.
- 13 In order to act in accordance with the sustainable development principle, public bodies must take account of the following 'ways of working':

Exhibit 1: the 'five ways of working'

The table below sets out the 'five ways of working' as defined in the Welsh Government's **Well-being of Future Generations (Wales) Act 2015 The Essentials**¹ document.

The Five Ways of Working
Long-term The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.
Prevention How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.
Integration Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.

¹ Welsh Government, **Well-being of Future Generations (Wales) Act 2015 The Essentials**, (2015)

The Five Ways of Working

Collaboration

Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.

Involvement

The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

- 14 Our examination found that: **The Council is taking promising action to act in accordance with the sustainable development principle when taking steps to reduce the risk of flooding but needs to consider its next steps to further embrace the principles of the Well-being of Future Generations (Wales) Act 2015.**

Detailed report

Part One: Examination Findings

The Council is taking steps to balance current and long-term needs through the focus on long-term flood prevention but needs to consider the sustainability of future work

What we looked for

- 15 We looked for evidence of:
- a thorough understanding of current and long-term needs and the associated challenges and opportunities;
 - planning over an appropriate timescale;
 - resources allocated to ensure long-term benefits; and
 - appropriate monitoring and review.
- 16 Our examination was also informed by the positive indicators for the 'long-term' that we have identified and used as part of this examination.²

What we found

- 17 We identified the following strengths:
- The Council's focus is currently on failsafe long-term engineered projects which have the biggest impact, i.e. large capital projects.
 - The Council anticipates that 1,600 properties in East Rhyl will benefit from a reduced risk of flooding. A range of other schemes are in development and the overall ambition is that approx. 9,000 properties will benefit from a reduced risk of flooding in Denbighshire by 2022.
 - The Council and its partners are making use of grant funding and partners' funding streams to finance the work. The Council's coastal defence projects are supported by the Welsh Government through its Coastal Risk Management Programme, which funds 75% of the costs. The remainder is funded by the Council. The Council has received support from the Welsh Government to develop seven future schemes as well as major coastal defence improvement schemes at Rhyl and Prestatyn. The schemes are in progress and have a total estimated value of around £105 million.

² See Appendix 1

18 We identified the following opportunity:

- Although the Council is considering the implication of Brexit on flood mitigation funding, as some funding currently comes from the EU, to mitigate potential financial risks around the long-term sustainability of future work – particularly given reliance on grant funding from the Welsh Government – the Council should consider how it can ensure the long-term resilience of future flood prevention work particularly in the light of recent predictions on climate change and sea level rise which could make future schemes unaffordable.

The Council understands current and future challenges in relation to flood risk management but, although it recognises opportunities to develop more sustainable complementary methods, it is not yet fully demonstrating an approach which tries to prevent problems arising in the future

What we looked for

19 We looked for evidence of:

- a thorough understanding of the nature and type of problem the step could help prevent from occurring or getting worse;
- resources allocated to ensure preventative benefits will be delivered; and
- monitoring and review of how effectively the step is preventing problems from occurring or getting worse.

20 Our examination was also informed by the positive indicators for 'prevention' that we have identified and used as part of this examination.³

What we found

21 We identified the following strengths:

- The Council has a wellbeing impact assessment tool which staff must use for projects and which is well integrated into the Council's reporting process. The toolkit is being refined in response to feedback.
- Funding requirements often specify that flood defence projects provide long-term protection (100 years+). When developing schemes, officers consider the potential long-term impacts of environmental forecasts.
- The Council commissions a flood consequence assessment which shows the risk of flooding from fluvial, tidal and surface water in Denbighshire using flood risk mapping data and breach modelling assessments based on Welsh

³ See Appendix 1

Government's 2016 Climate Change allowances. This is used to inform the Local Development Plan and new developments flood risk.

- The Council monitors data sets of properties at risk of flooding which consider flood prevention work.

22 We identified the following opportunities:

- Given the cross-cutting benefits of flood prevention, the Council should consider how it can focus budgets and future investment on preventative programmes.
- The Council should consider modelling the impact of prevention in terms of costs and should consider how it shift resources towards prevention across the Council as a whole.
- The Council is not yet in this project demonstrating a prevention approach which creates conditions in which problems do not arise in the future, for example the Council appears to have a lack of capacity to comprehensively address biodiversity, the benefits of which sometime include flood prevention. At present it is focused on grant funded programmes. The national flood and coastal erosion risk management (FCERM) Strategy for Wales is currently being revised and is expected to be more aligned to the WFG Act and to promote greater use of natural flood risk management methods.

The Council has taken an integrated approach to delivering the work on flood management and has considered how project outcomes will benefit its partners as well as its own wellbeing objectives but there are opportunities for the Council to strengthen its approach

What we looked for

23 We looked for evidence of consideration of:

- how this step could contribute to the seven national well-being goals;
- how delivery of this step will impact on the Council's well-being objectives and wider priorities; and
- how delivery of this step will impact on other public bodies' well-being objectives.

24 Our examination was also informed by the positive indicators for 'integration' that we have identified and used as part of this examination.⁴

⁴ See Appendix 1.

What we found

25 We identified the following strengths:

- The Council has considered how the flood management work could contribute to the seven national wellbeing goals.
- The Council has considered how the flood management work project contributes to its wellbeing objectives and wider priorities.
- The Council has worked with several partners including NRW and Dwr Cymru to develop flood management work and has considered how it contributes to partners' objectives.

26 We identified the following opportunity:

- The Council should consider how to take forward learning on the benefits and challenges of working in a more integrated way and how it can embed this approach corporately across all the Council.

Collaborative working is a key component of the Council's approach and it has worked closely with partners on the design and delivery of flood defences but the links with the farming community and other landowners could be strengthened

What we looked for

27 We looked for evidence that the Council:

- has considered how it could work with others to deliver the step (to meet its well-being objectives, or assist another body to meet its well-being objectives);
- is collaborating effectively to deliver the step; and
- is monitoring and reviewing whether the collaboration is helping it or its stakeholders meet well-being objectives.

28 Our examination was also informed by the positive indicators for 'collaboration' that we have identified and used as part of this examination.⁵

What we found

29 We identified the following strengths:

- The Council's Flood Risk Management Strategy notes the importance of working together with partners and stakeholders to reduce flood risk, including those at risk from flooding taking responsibility to protect and help themselves.

⁵ See Appendix 1

- The Council can evidence several recent schemes where it is collaborating effectively with other local flood authorities to reduce the risk of flooding in the county.
- The Council is in discussions with other North Wales councils regarding a collaborative approach to delivering SuDs Approval Body functions by utilising existing resources across all six authorities and/or sharing the cost of employing new members of staff.
- Partners spoke positively about the way the Council has meaningfully involved them in the design and delivery of flood prevention work.

30 We identified the following opportunities:

- The Council should continue to evaluate and learn lessons from its approach to collaboration and consider whether ownership of the project and its performance is shared with partners.
- The Council has considered how it could work with landowners and farmers to reduce flood risk through land management techniques such as leaky dams and tree planting but believes it currently lacks the resources to take this forward and there has been little progress in this area.
- The Council reviews how flood prevention schemes established in collaboration with its partners impact the number of properties at risk of flooding, but it should consider how to include a learning cycle to help it further embed the five ways of working in setting and delivering its well-being objectives.

The Council is effectively involving stakeholders in the design and delivery of flood management schemes and is responsive to local needs but recognises further work is needed to involve stakeholders and learn from its approach to date

What we looked for

31 We looked for evidence that the Council has:

- identified who it needs to involve in designing and delivering the step;
- effectively involved key stakeholders in designing and delivering the step;
- used the results of involvement to shape the development and delivery of the step; and
- sought to learn lessons and improve its approach to involvement.

32 Our examination was also informed by the positive indicators for 'involvement' that we have identified and used as part of this examination.⁶

⁶ See Appendix 1

What we found

33 We identified the following strengths:

- The Council and its partners have effectively engaged with communities on flood management schemes such as recent work at Llanelwy.
- There are examples of the results of engagement being used to shape the design and development of flood prevention, such as in East Rhyl.
- The Council engages with residents on proposed flood management schemes and volunteer flood wardens provide an effective link with at-risk communities, but wardens are not active in all areas.
- The Council proactively reviews its approach to involvement and uses this to inform future ways of working.

34 We identified the following opportunities:

- The Council should continue to use learning from its current work to evolve the way it involves communities and retains their attention and involvement after schemes are completed; for example flood wardens.
- The Council should consider how traditional methods of involvement may not work in future and consider new ways people may communicate and congregate in the future and the impact of social media.
- The Council should consider strengthening its approach to engaging with young people on environmental issues.

Part Two: Council's response and actions

35 Following the conclusion of our fieldwork we presented our findings to senior officers of the Council at a workshop in February 2019. At this workshop the Council began to consider its response to our findings and because of discussions at the workshop, and further reflection on our findings, the Council has developed the following actions under specific themes. We will continue to monitor the Council's progress in implementing their action plan, and the extent to which they address the issues we have identified in our findings.

Exhibit 2: Council Actions

Sustainable Development principles	Opportunities for Improvement	Action response
Long-term	Although the Council is considering the implication of Brexit on flood mitigation funding, as some funding currently comes from the EU, to mitigate potential financial risks around the long-term sustainability of future work – particularly given reliance on grant funding from the Welsh Government.	Council will monitor impact in its Corporate risk register and Brexit risk register. Funding has always been uncertain and is dependent on the prioritisation of Welsh Government (it is not funded by European monies). There are issues associated with the wider impacts of Brexit, potentially: construction costs, for instance. There may also be an increased threshold for funding flooding schemes should the total funding allocation for all schemes reduce. It is a Corporate Plan priority until 2022. Funding and prioritisation are considered all the time by Council.

Sustainable Development principles	Opportunities for Improvement	Action response
Long-term	Recent predictions on climate change and sea level rise could make future schemes unaffordable and the Council should consider its long-term implications for where people will be able to safely live in Denbighshire.	The Council will continue to review predictions on climate change and sea level rise and share information. To support the LDP review the Council undertook an assessment to understand flood risk on the coast and shoreline management policy. No further action is necessary. The Council position is that we hold the line, and we can demonstrate this through our investment in flood defence schemes over the last decade.
Prevention	Given the cross-cutting benefits of flood prevention, the Council should consider how the it can focus budgets and future investment on preventative programmes.	Business case being considered 'to maintain, enhance, protect and preserve Denbighshire's living assets for future generations'.
	The Council should consider modelling the impact of prevention in terms of costs and should consider how it shift resources towards prevention across the Council as a whole.	This is embodied within the Council's Corporate Plan and future Business cases are being considered in 2019: e.g. energy efficiency and reducing carbon emissions projects.
Prevention	The Council is not yet in this project demonstrating a prevention approach which creates conditions in which problems do not arise in the future. At present it is focused on grant funded programmes. The national flood and coastal erosion risk management (FCERM) Strategy for Wales is currently being revised and is expected to be more aligned to the WFG Act and to promote greater use of natural flood risk management methods.	The Welsh Government is consulting on a new national strategy and the Council will subsequently review its own local strategy in 2021.
Integration	The Council should consider how to take forward learning on the benefits and challenges of working in a more integrated way and how it can embed this approach corporately across all the Council.	The Council's integrated approach embedded through Programme Boards and will review their working in 2019.

Sustainable Development principles	Opportunities for Improvement	Action response
Collaboration	The Council should continue to evaluate and learn lessons from its approach to collaboration and consider whether ownership of the project and its performance is shared with partners.	The Council's integrated approach embedded through Programme Boards and will review their working in 2019.
Collaboration	The Council has considered how it could work with landowners and farmers to reduce flood risk through land management techniques such as leaky dams and tree planting but believes it currently lacks the resources to take this forward and there has been little progress in this area.	The Council have prioritised other areas of work but Business case being considered 'to maintain, enhance, protect and preserve Denbighshire's living assets for future generations'
Collaboration	The Council reviews how flood prevention schemes established in collaboration with its partners impact the number of properties at risk of flooding, but it should consider how to include a learning cycle to help it further embed the five ways of working in setting and delivering its well-being objectives.	Reflection and continuous improvement ongoing throughout the Council.

Sustainable Development principles	Opportunities for Improvement	Action response
Involvement	The Council should continue to use learning from its current work to evolve the way it involves communities and retains their attention and involvement after schemes are completed, for example flood wardens.	Council engages with communities at risk and is establishing a specific project around community involvement in Rhyl.
	The Council should consider how traditional methods of involvement may not work in future and consider new ways people may communicate and congregate in the future and the impact of social media.	Council's new engagement strategy considers non-traditional ways of working.
	The Council should consider strengthening its approach to engaging with young people on environmental issues.	The Council recognises the opportunities to work with Youth Service and will consider this as part of work on new engagement strategy.

Appendix 1

Positive Indicators of the Five Ways of Working

The table below sets out 'positive indicators' for each of the five ways of working that we have identified and will use to help inform our assessments of the extent to which bodies may be applying the SDP. We do not intend to use the indicators as a 'checklist'. They should be viewed as 'indicators' that will help us to form conclusions, rather than 'determinants' of the extent to which a body is acting in accordance with the SDP in taking steps to meet its well-being objectives.

Exhibit 3: Positive Indicators of the Five Ways of Working

What would show a body is fully applying the long-term way of working?
<ul style="list-style-type: none">• There is a clear understanding of what 'long-term' means in the context of the Act• They have designed the step to deliver the well-being objective/s and contribute to their long-term vision• They have designed the step to deliver short or medium-term benefits, which are balanced with the impact over the long-term (within the project context)• They have designed the step based on a sophisticated understanding of current and future need and pressures, including analysis of future trends• Consequently, there is a comprehensive understanding of current and future risks and opportunities• Resources have been allocated to ensure long-term as well as short-term benefits are delivered• There is a focus on delivering outcomes, with milestones/progression steps identified where outcomes will be delivered over the long-term• They are open to new ways of doing things which could help deliver benefits over the longer term• They value intelligence and pursue evidence-based approaches
What would show a body is fully applying the preventative way of working?
<ul style="list-style-type: none">• The body seeks to understand the root causes of problems so that negative cycles and intergenerational challenges can be tackled• The body sees challenges from a system-wide perspective, recognising and valuing the long-term benefits that they can deliver for people and places• The body allocates resources to preventative action that is likely to contribute to better outcomes and use of resources over the longer-term, even where this may limit the ability to meet some short-term needs• There are decision-making and accountability arrangements that recognise the value of preventative action and accept short-term reductions in performance and resources in the pursuit of anticipated improvements in outcomes and use of resources

What would show a body is taking an 'integrated' approach?

- Individuals at all levels understand their contribution to the delivery of the vision and well-being objectives
- Individuals at all levels understand what different parts of the organisation do and proactively seek opportunities to work across organisational boundaries. This is replicated in their work with other public bodies
- Individuals at all levels recognise the cross-organisation dependencies of achieving the ambition and objectives
- There is an open culture where information is shared
- There is a well-developed understanding of how the well-being objectives and steps to meet them impact on other public sector bodies
- Individuals proactively work across organisational boundaries to maximise their contribution across the well-being goals and minimise negative impacts
- Governance, structures and processes support this, as do behaviours

What would show a body is collaborating effectively?

- The body is focused on place, community and outcomes rather than organisational boundaries
- The body has a good understanding of partners' objectives and their responsibilities, which helps to drive collaborative activity
- The body has positive and mature relationships with stakeholders, where information is shared in an open and transparent way
- The body recognises and values the contributions that all partners can make
- The body seeks to establish shared processes and ways of working, where appropriate

What would show a body is involving people effectively?

- Having an understanding of who needs to be involved and why
- Reflecting on how well the needs and challenges facing those people are currently understood
- Working co-productively, working with stakeholders to design and deliver
- Seeing the views of stakeholders as a vital source of information that will help deliver better outcomes
- Ensuring that the full diversity of stakeholders is represented and they are able to take part
- Having mature and trusting relationships with its stakeholders where there is ongoing dialogue and information is shared in an open and transparent way
- Ensure stakeholders understand the impact of their contribution
- Seek feedback from key stakeholders which is used to help learn and improve

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