

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 14 October 2019

Meeting time: 12.45

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

SeneddPAC@assembly.wales

(Pre-Meeting)

(12.45 – 13.00)

1 Introductions, apologies, substitutions and declarations of interest

(13.00)

2 Paper(s) to note

(13.00)

2.1 Counter Fraud in the Public Sector: Letter from the Welsh Government (24 September 2019)

(Pages 1 – 3)

2.2 The Welsh Government's youth discounted bus fare scheme – MyTravelPass: Letter from the Welsh Government (1 October 2019)

(Pages 4 – 8)

3 Waste Management: Evidence Session with Welsh Local Government Association

(13.05 – 14:25)

(Pages 9 – 35)

Research Briefing

Tim Peppin – Director of Regeneration and Sustainable Development, Welsh Local Government Association

Craig Mitchell – Head of Waste Support, Welsh Local Government Association



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(Break)

(14.25 – 14.30)

4 Waste Management: Evidence Session with WRAP Cymru

(14.30 – 15.40)

(Pages 36 – 38)

PAC(5)–25–19 Paper 1 – WRAP Cymru

Bettina Gilbert – Programme Area Manager, Market Development, WRAP Cymru

Emma Hallett – Team Manager, Collaborative Change Programme, WRAP Cymru

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

(15.40)

Item 6

6 Waste Management: Consideration of evidence received

(15.40 – 16.00)

Agenda Item 2.1



Llywodraeth Cymru
Welsh Government

Nick Ramsay, AM
Chair
Public Accounts Committee

24 September 2019

Dear Mr Ramsay,

Welsh Government officials were pleased to be invited to take part on the Committee's Stakeholder event on 1 July 2019 to discuss and share good practice on Counter Fraud in the Public Sector. I also welcomed the Auditor General's report on the biennial National Fraud Initiative (NFI) in 2018 and his report on Counter-Fraud Arrangements in the Welsh Public Sector in 2019.

The Welsh Government has taken a proactive approach to collaborative working on counter-fraud across Wales and has taken part in several initiatives to share good practice and facilitate discussion relating to all aspects of fraud awareness and investigation. These have included:

- Counter-Fraud staff presenting at WAO Good Practice Exchange events on fraud which were attended by public organisations from multiple sectors; and
- presenting at workshops with local authorities and North Wales Police to learn lessons and improve the control framework following the concessionary bus frauds.

In addition, various investigations have led us to share information with many organisations to prevent or investigate fraud including local authorities, the Charity Commission, Big Lottery Fund, Insolvency Service, educational bodies, NHS Counter Fraud, Companies House, UK Cabinet Office, Police and the National Crime Agency. These interactions have reinforced the view, which I know you and your Committee share, that there are varying levels of understanding, resources and expertise within public sector bodies across Wales.

Your Committee has directed two specific recommendations to the Welsh Government following the Stakeholder event, regarding counter-fraud arrangements in the wider Welsh public sector:

Recommendation: We ask that the Welsh Government consider whether there is scope and potential to support a national counter fraud team to work across Wales to ensure that at least a basic level of counter fraud work is undertaken in each local authority area by suitably trained staff.

Response: Accept

The Welsh Government recognises and fully supports local authorities addressing fraud within the £8 billion of their general revenue expenditure. As independent democratically led organisations, the prime responsibility for the detection and prevention of fraud is for each of the 22 councils themselves. As such, we would expect all to be fully engaged in this work and for local politicians to understand and provide leadership. To make sure that the recommendation is understood and given priority, officials will raise the matter with Ministers to secure an item on the Partnership Council agenda as well as its Finance Sub Committee. Subject to Ministers' agreement, we will agenda an item for the next possible meeting.

Recommendation: We ask that the Welsh Government consider how it can best provide stronger national leadership and better quality guidance on the sharing of information to help strengthen and improve the impact of counter fraud activities across the Welsh public sector.

Response: Accept

I am supportive of any move to increase the understanding of fraud and the consistent application of best practice techniques across the Welsh Public Sector and there exists already a vehicle to bring together counter-fraud practitioners and other interested parties and drive forward a common understanding of this important area.

The Welsh Government's Head of Counter-Fraud is Deputy Chair of the Wales Fraud Forum (WFF), which is a not-for-profit company run by a strategic board of volunteers. Its aims are to help prevent fraud in Wales by raising awareness in the public and private sectors and amongst individuals. In particular, its stated objectives include to:

- bring the public and private sectors together to fight fraud and financial crime and to protect the economy of Wales;
- promote fraud awareness amongst its membership, organisations and individuals throughout the region;



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- create good practice cultures by encouraging and developing anti-fraud strategies for its membership to utilise;
- establish a best practice between its members for fraud prevention, investigation and detection; and
- promote an open and co-operative environment between the membership in both the public and private sectors.

The Forum is held in high regard; in 2017 the current First Minister gave the keynote address at its annual conference and outlined his support for effective counter-fraud arrangements across Wales. Forum membership includes the Wales Audit Office as well as a number of public and private sector organisations.

Therefore, I believe the Welsh Government can achieve the outcome desired by identifying strategies to support the work of the Forum, raising its profile within the Welsh Public Sector and seek a high level of commitment to support it. I will ask Officials to engage with the Forum to discuss strategies for strengthening its effectiveness by the end of the calendar year.

We agree there is potential in the use of data sharing between Welsh public bodies to improve the impact of counter-fraud activities. The introduction of the Digital Economy Act gives the Welsh Government and certain scheduled Welsh public bodies useful new powers to share data with each other compliantly to identify potential fraud. Officials are working on setting up the appropriate governance for taking forward the use of these new powers in Wales, and are aiming for a panel to be in place by the end of the financial year to consider potential uses of the powers.

Given the time some of these initiatives may take to develop, I will write to provide the Committee with an update on the actions taken by the end of the current financial year.

Yours,


Shan Morgan

Ysgrifennydd Parhaol/ Permanent Secretary
 Llywodraeth Cymru/ Welsh Government



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Agenda Item 2.2

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

Cyfarwyddwr Cyffredinol - Director General



Llywodraeth Cymru
Welsh Government

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

1 October 2019

Dear Chair

The Welsh Government's youth discounted bus fare scheme – MyTravelPass

Thank you for your letter of 25 July requesting further clarification on information I provided in my letter of 27 June and evidence paper of 20 May 2019. I am sorry not to have responded before now.

The additional information requested is set out as follows:

Figures for uptake by 19-21 year olds

- *Explanation of the difference between 1,554 applications from 19-21 year olds by 22 April and the 834 passes in circulation as at 9 May.*

The 1,554 figure for applications presented in our Evidence Paper of 20 May 2019 relates to all applications within the age range for the revised scheme (16-21 years old), rather than just for the new age range category of 19 to 21 years old.

- *Specifically the extent to which it reflects applications that were deemed ineligible for different reasons, a lag in the processing of applications, or possible examples of passes that had been issued since the February launch but already expired.*

The administrators have confirmed that they do not collect this information. Multiple failed applications from an applicant would create duplicate records in the system and the inbuilt anti-fraud measures would block the issue of a pass.

- *If there are more up to date figures showing how the position may have changed since April / May then we would be glad to receive them.*

A MyTravelPass system report produced on 1 August 2019 identifies there are now 551 young persons aged between 19 - 21 years old with passes valid for travel.

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Uses of passes

- *Your letter said that of 17,795 live passes (valid for travel) as at 9 May, 2,287 distinct passes were used to purchase tickets where the sale was recorded electronically. It goes on to say that, in all, 29,344 smart tickets were purchased, some of which will have been valid for multiple journeys. We would like you to clarify the time period(s) that this analysis relates to.*

The time period relevant to the 17,795 live passes (valid for travel) was a snap shot of the data held by the back office provider on 9 May 2019. Of those 17,795 passes valid for travel, 2,287 were used to purchase smart tickets between April 2017 and 9 May. (This is as far back as their readily available data allows - there could have been a small number prior to this date.)

The figure of 29,344 smart tickets relates to all electronic taps made by these cards between 1 April 2017 and 9 May 2019. However, these may not all be new purchases, and could include taps made when using a return or weekly ticket, etc.

The figure for all electronic taps, including those made by passes that are no longer valid, during the period 1 April 2017 to 9 May 2019 is 55,603.

- *In addition, your letter states that not all ticket purchases are recorded electronically, and so it is not currently possible to identify the number of unused passes. Our understanding, based on the Auditor General's report, is that in most cases ticket purchases were being recorded through electronic ticketing machines. However, we assume that this statement refers to the number of 'smart tickets' bought where the pass in question can be identified. We would welcome confirmation of this, and an indication of the extent to which smartcard enabled systems are now in operation across Wales to support the MyTravelPass scheme and any future analysis.*

Your assessment is correct: the association is between purchase of a smart ticket and an individual MyTravelPass card.

Smartcard enabled ticketing systems are in place across Wales to record mandatory free concessionary bus travel by older or disabled persons, and MyTravelPass ticket purchases. However, as the MyTravelPass scheme is a voluntary scheme each participating operator has to programme their ticket machine infrastructure to record MyTravelPass ticket purchases. It is also dependent on the correct use by the driver when processing the purchase. This electronic record is then used by operators to support their claims for reimbursement: where they so choose to reclaim the revenue forgone. Therefore, there is an incentive for operators to provide electronic records.

Updated figures provided at 3 August 2019 were:

- 18,959 live passes (valid for travel);
- of which 2,520 passes were used to purchase tickets where the sale was recorded electronically between 1 April 2017 and 3 August 2019;
- Between 1 April 2017 and 3 August 2019, 62,836 electronic taps were made, some of which will have been purchasing tickets valid for multiple journeys, and some of which may have been tapping on multiple journey tickets already purchased.

Details of the compensation mechanism

- *Thank you for confirming that the Welsh Government has continued to compensate operators based on actual use since 1 April 2017. On that basis, we assume that the following statement in your earlier evidence paper was incorrect, in that this reimbursement mechanism had already been introduced prior to the internal audit review: “The [internal audit] report was clear that lessons could be learned, and the Welsh Government quickly implemented a number of actions – including reimbursing bus operators on the basis of the actual number of journeys undertaken.”*

The Internal Audit (IA) review was undertaken between May and July 2018, and the report was published in November 2018. Prior to that report we had already considered opportunities to improve the scheme incorporating lessons learned during the initial 18-month pilot. This included a shift to a demand-led approach which was incorporated at the first opportunity, in April 2017, before the internal audit review in 2018.

Modelling of costs for 19-21 year olds and for the overall 2019-20 budget

- *You described the analysis as ‘slightly crude maths’ in your oral evidence, but nevertheless noted that there was more that had gone into this modelling. We note a reduction in the overall number of 16-18 year olds when compared with the figures that informed the original plans for the scheme in 2015. Nevertheless, the ‘estimated number of passes annually’ for 16-18 year olds (12,185) was noticeably lower than the number of live passes in circulation for as at August 2018 (a figure that had increased to 16,961 by 9 May 2019). We would therefore welcome clarification of the rationale for the 12% take-up figure used in the modelling for 16-18 year olds and then applied to 19-21 year olds. Notwithstanding your previous description, we were also surprised that the same take-up/journey assumptions were simply carried over to 19-21 year olds with no allowance made for possible differences in travel patterns or, for 2019-20 at least, the impact of incremental growth in take-up following the launch. We would welcome details of any supporting evidence about existing bus use among 19-21 year olds that informed the analysis.*

The rationale included an allowance for an increased take-up arising from the marketing activities that were being planned. Whilst the scheme is demand-led, it is also important to reflect potential worst-case scenarios when determining the budget required to enable Ministers to make informed decisions.

In common with the initial 16-18 pilot there is no readily-available source of trip rate data available for the 19-21 cohort. The closest available proxy was that we had used for the 16-18 cohort given that these would be expected to have similar trip purposes (regular trips for education or employment and recreation). In common with all demand-led schemes, the take-up and use of the scheme will be reviewed and future budget forecasts will reflect the latest available data. Against the undoubted appeal of the offer, it is also the case that some older potential passholders might already have established their travel choice to be by a car when they became eligible.

- *For completeness, we would also be interested to see a breakdown of the actual number of journeys estimated during 2018-19 based on ticket sales for 16-18 year olds (equivalent to Figures A5 and A6 in the Auditor General's report).*

Regrettably, it has not yet been possible to obtain this information. As this is a peak period for processing applications and issuing passes, some additional time will be required to obtain and provide this information. I would hope to share this with you later in the year in coming weeks, once we are past the peak associated with the start of the new academic year.

Other matters

- *During the evidence session on 20 May, Sheena Hague noted that officials were looking at how many of those taking up passes as 19-21 year olds had participated in the scheme as 16-18 year olds. We would be interested to see any such analysis.*

Officials have asked the administrators of MyTravelPass for details of the number of 16-18 years old who had gone on to apply for a 16-21 year old pass following the age extension.

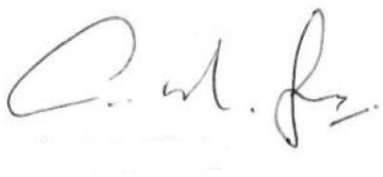
The administrators have confirmed that they do not hold such data for 16-18 year old pass holders who have gone on to apply for the new scheme. This is due to the way they store and destroy data subject to the General Data Protection Regulation (GDPR), and also to allow a returning applicant to apply for a new pass without that application being declined because it would be perceived as a duplicate.

Unfortunately, we have recently been informed by the administrators that the wording of the GDPR statement within the application process prohibits them from surveying applicants to obtain this data.

I hope this information will assist you with your further deliberations, and please come back to me if you need anything additional.

With best wishes.

Yours sincerely



Andrew Slade
Director General
Economy, Skills and Natural Resources

Document is Restricted

Agenda Item 4

Inquiry into Waste Management

by the Public Accounts Committee

Memorandum from WRAP Cymru

Executive Summary

1. WRAP Cymru welcomes the opportunity to provide written evidence to the Public Affairs Committee's Inquiry into waste management, launched on 13 May.
2. WRAP Cymru is a part of WRAP. WRAP works with governments, businesses and communities to deliver practical solutions to improve resource efficiency and is backed by government funding from England, Wales and Northern Ireland.
3. WRAP Cymru delivers the Collaborative Change Programme (CCP) on behalf of the Welsh Government. Our other Welsh Government-funded work includes communications support for local authorities introducing changes to their recycling services, sustainable procurement support for Wales' public sector, and the Courtauld Commitment 2025 and UK Plastics Pact.
4. This paper provides written evidence in relation to the Auditor General for Wales's reports into municipal recycling, with a specific focus on the increase in recycling rate in Wales in recent years and greater levels of consistency of service across different local authorities.
5. The rest of this memorandum covers the following issues:
 - Use of landfill;
 - Recycling rates;
 - Service consistency;
 - Recycling capture rates;
 - Comparative costs of recycling services; and
 - Comparative carbon impacts of different recycling services.
6. We hope that this evidence will be of use to the Committee, and will be happy to expand upon it further in our oral evidence on 14 October.

Use of Landfill

7. Reliance on landfill by Local Authorities has decreased markedly throughout Wales in recent years. In 2017-2018 11% of municipal solid waste was sent to landfill compared to 41% in 2012-2013. Projections suggest this will decrease further in 2018-19, with a further decrease expected in 2019-2020 as a result of the Parc Adfur energy from waste facility coming on line in summer 2019.

8. We anticipate that, notwithstanding any unforeseen events or circumstances, Wales will reach the 2024-2025 target of no more than 5% of municipal solid waste sent to landfill.

Recycling rates

9. The municipal recycling rate increased from 7% in 2000-2001 to 63% in 2017-18. The rates declined slightly between 2016-2017 and 2017-2018 due to improved end destination reporting and better reporting of wood reject rates.

10. We anticipate that Wales as a whole will meet the 2019-2020 target of 64% recycling, and that that this rate will increase with local authorities introducing new recycling services.

Service consistency

11. Since the Wales Audit Office report both the Vale of Glamorgan and Pembrokeshire have confirmed their planned change to a blueprint collection model and these are both being implemented in autumn 2019. Denbighshire County Council is planning plans to change to a blueprint service in the next two years. This will bring the number of local authorities that follow the Welsh Government blueprint to 14.

12. It is also worth noting that there are many aspects of the blueprint that are followed by most, if not all, Welsh local authorities, for example weekly food waste collections and the basic list of materials collected, comprising paper, cardboard, plastic bottles, plastic pots, plastic tubs, plastic trays, metal cans and small scrap (e.g. kitchen utensils), foil, and glass jars and bottles.

Recycling capture rates

13. WRAP Cymru's [National Municipal Waste Compositional Analysis in Wales](#), published in 2016, examined waste arisings in every local authority in Wales. It found that just under half of the material collected in kerbside residual waste collections could be readily recycled using services available to residents. Half of this (25% of the total) is food waste.

14. This demonstrates that there is further potential to use communications and behaviour change campaigns to increase recycling rates – and particularly food waste capture rates – using existing recycling services.

Comparative costs of recycling services

15. Our report on [Harmonised Recycling Collections Costs](#), published in 2016, compared source separated kerbside collections to co-mingled and two stream collections and found that the former offered the most cost-effective approach to achieving high recycling rates.

Comparative carbon impacts of different recycling services

16. Our [Carbon Impacts Report](#), published in 2016, examined the carbon impacts of different recycling services used by local authorities in Wales, comparing the performance of kerbside sort, co-mingled and two stream systems. It also considered the climate change benefits of recycling activities in 2014-2015 and compared this to the benefits that would be seen if the Welsh Government's Collections Blueprint were to be adopted by every local authority.

17. We look forward to discussing these points with the Committee in person on 14 October.

Submitted by:

Carl Nichols

Head of WRAP Cymru

27 September 2019