

## Auditing Community Resilience

Alex Swift: Croseo, welcome, this is the Exchange, the official podcast of Audit Wales. I'm joined by Nick Selwyn, Matthew Brushett, Philippa Dixon, Euros Lake, and Charles Rigby from our local government team. This podcast follows the work that we've done on Poverty Social Enterprises and Community Resilience. Can you start by explaining how these areas are related?

Euros Lake: Thanks Alex, I guess the first thing to say is the report that we published back in November, I think last year was I guess highlighting the end of line challenge facing all councils in Wales, all public bodies in Wales and that poverty is a rising issue and it's an issue that's effecting all communities in our country. I guess the following two reports then, looking at community resilience and developing the use of social enterprises and really laying out two potential solutions for councils and different ways of working that will enable them to meet and rise to that challenge. Hopefully in the context of a really difficult working environment in terms of their budget constraints and the resources that they're working within right now.

Alex Swift: I was going to ask in a bit more detail why you feel it's important to consider these three areas alongside each other. So is there a reason that you've chosen to concentrate on these three areas specifically?

Charles Rigby: I think at the moment poverty is at the forefront of people's minds with the Cost of Living Crisis and other challenges that the country's facing. Like Euros said, it's a massive challenge and one of the strengths of the way that we work as an organisation is offering solutions and support to local authorities and other public sector bodies, in how to tackle these massive issues. That's why it's important to see the reports as a three-parter really. As the overarching issue then the two possible solutions, like Euros said.

Euros Lake: I think on community resilience and social resilience more broadly is not something that we've dreamt up, overall we look at the effectiveness of public services and we come to a judgment on how resources are used and it's I guess a narrative that we've reflected in that

most of the councils wellbeing objectives, strategic objectives now include some reference to empowering communities to take on their own solutions, and less dependence on public services. So it's really in that context that we've looked at what councils are doing. So I guess that's the actions behind the words and what councils are doing differently. Similarly links to that really, you've got a focus then on social enterprises within the Social Services and Wellbeing Act requiring councils to work with that sector.

Philippa Dixon: Just to pick up on Charles and Erys's point about solutions. I mean obviously as an organisation Audit Wales, what we really want to do is drive improvements and specifically with a reference to Wellbeing Future Generation Acts, sustainable improvements. So what I think is key about both community resilience and social enterprises is they both involve communicating, collaborating with communities, so that councils really understand the services that they need. Then by encouraging for example, a local community group to set up a social enterprise, that's a potentially sustainable solution to something that the council can't do anymore for any reasons, for example, perhaps in funding.

Alex Swift: Thank you. Moving on to the second question then. To give an idea of the scale of the issue, can you set out some of the key findings from your report on poverty?

Matthew Brushett: Hi Alex I'll take this one. I was quite heavily involved with the report. First of all it's like a really interesting report for us. I think it's like critical time to do this report as well given the Cost of Living pressures that everyone is under but particularly those most vulnerable in society. I think that one of the main findings from my report was that people in all parts of Wales continue to live in poverty and those numbers are generally rising. Wales has also got the highest level of relative income poverty in the UK in the last decade. So it's particular area of focus for us and it's right that we do so. I think the first thing for us is that it's such a complex area for public bodies to deal with, especially on a local level as well. There's no single service that's actually tackling poverty. It requires services to work together, that's across local government but also national government as well. There's actually no statutory targets for poverty in Wales either. There's a child poverty strategy and I know that Welsh Government are looking to widen that out but that's been a particular challenge and it's for local councils to actually get round this themselves and configure their services the right way. I guess the other main point is we found councils don't really know what they're spending on poverty as

well. So it's very hard to kind of actually look at how efficient they're being and actually the impact that they're getting from that spend. Just lastly, the general theme we found is that quite often the emphasis is on tackling the symptoms of poverty rather than getting to the root causes. Now you can kind of see why that happens with councils using grant funding, sometimes it's easy to tackle some of those short term problems rather than actually tackle the kind of long term more difficult problems.

Nick Selwyn: I think as well it's a really interesting time to look at this, fresh from the pandemic. I think that kind of shone a light on, or brought greater public attention to issues that might possibly have gone under the radar beforehand. I think the two things that really stick with me in terms of really gaining public attention, if you look at something like digital poverty at the start of the pandemic, people going through cupboards to find old laptops and stuff to enable children to learn, who just didn't have the devices at home to be able to access digital resources. You can see that with the work that organisations like Digital Communities Wales are doing to try and tackle digital poverty. The other key thing of the pandemic is the kind of the free school meals and the campaigns of Marcus Rashford, etc. I think that really brought home maybe a focus on different aspects of poverty that may previously have gone under the radar.

Alex Swift: Thank you for that both, that's really interesting. Something else brought up in your report that I found to be really interesting, is you talk about seeing poverty as a viewpoint rather than a definition. Can someone explain what you mean by that.

Charles Rigby: Yes I can take that one. I think particularly during our fieldwork when we were privileged enough to speak with the Poverty Truth Commission in Swansea and we also spoke with some of the founders of Poverty Truth Commissions in other parts of the UK. From working with those as well as other organisations like Citizen's Advice, I think the human element of this comes through really strongly. There's poverty on paper and in figures, in the crude definitions of these things but it is the human element that really brings this forward. When we were bringing our evidence together we developed an idea of these seven dimensions. I'll try to remember them off the top of my head. So you've got housing in terms of unable to afford rent and mortgage, that can also include things like not being able to afford the proper furniture to be able to live in a house and house your children in a safe and comfortable way. The fuel and energy which is obviously fresh in everyone's minds at the moment. The clothing

and footwear that we've seen things like school uniform grants and other kind of initiatives with. The classic one which I think is at the forefront of our minds as well, the food and water. Particularly as the cost of living goes up, it's so difficult for people to access these things. Then we're getting into the more interesting ones in terms of, I don't think you'd necessarily pick up ordinary, the kind of exclusion from services. During the pandemic we saw a lot of services from in person to digital. That's no good if you don't have the internet and you don't have the devices. If you don't have the data skills to be able to access those services, you're excluded because you're already existing poverty. Then there's emotional side of it, the wellbeing aspect. One of the things that was really striking in our speaking with the Poverty Truth Commissions is just the bleakness that some people have to deal with and overcome in order to just survive. All of those things are on top of the financial aspects of this.

Matthew Brushett: I think Charles is right in that those seven dimensions are really, really key to this. Someone might not be experiencing all of those aspects of poverty but actually quite a lot of these dimensions, these people we've spoken with it will resonate with them and actually one thing in isolation might not actually send that person into poverty, but actually the more of these that people are dealing with, the more difficulty they're going to face and like Charles said, with exclusion. The moment you get excluded from those services, in the modern world you really need to kind of have access to the internet, we all use our Smartphones every day to know where to go for these services, as councils shift more of their services online. Which we saw quite a lot of from the pandemic. I think we acknowledge this it's really important to still have those face to face services as well. So yes I think poverty is one of these things if you look at the absolute measure, I think people when they think of poverty, they think of people that are really extreme end of deprivation but actually it's not necessarily that this is kind of almost a downward spiral that can end up at that point but as we've seen there are people all around us that are experiencing poverty in this aspect.

Alex Swift: Thank you and thank you for that distinction between the different forms poverty can take as well. So from what you've found what are some of the ways that public services can adapt and use good practice to help people living in poverty or experiencing poverty?

Matthew Brushett: Well I think we've seen as Charles mentioned, things like the Swansea Poverty Truth Commission which I know Charles and Nick actually visited and it had quite an impact

on them. So trying new innovative approaches like this to actually get people that are actually experiencing poverty to actually get them to sit around the table with decision makers, so that they have real influence on policy. Whilst we see the good that can come from that, I think it's fair to say we haven't seen that kind of scaled up across Wales. So it's about having that kind of risk based approach, you've simply got to try new things and actually get in touch with people that are experiencing the reality of poverty. Otherwise you make a lot of assumptions that aren't necessarily true. Seen other good approaches, we're not short on legislation in Wales, things like socio-economic duty, and we've seen councils using that to good effect by embedding that and taking it seriously and actually using those measures to deliver something practical that can actually make a difference to people and actually by following those measures through properly you can actually consider the wider impacts of poverty as well. We've also seen some good collaboration between public and third sector organisations. Things like in Cardiff they've joined Citizen's Advice with Bail Credit Union and council services into a One Stop Shop, just to make it that user centred experience. People that are almost in desperation at that point in their lives, we can't expect them to keep going back and forth to council to different services, we need councils to be more integrated and joined up in the way they do things. So some good examples of that, but I think we'd like to see more of it. There's some good examples in North Wales as well. We've seen in Denbighshire and Rhyl using the community development board just to target those most in need. With limited resources it's really important that you actually target resources and prioritise accordingly where they're needed.

Nick Selwyn: Matt's touched on it there, taking a user and human centred view is so important. If we as a country want to see the approach to this as more preventative and to use the five ways of working, the collaboration and prevention aspects of this as really crucial. You can only really get to that particularly with some members of this cohort may have very high needs that will be accessing lots of different council services. The councils need to work together and communicate internally as well as externally in order to focus their efforts. The services have to be designed with those people in mind, the people that are at the destitution level like Matt spoke about earlier, that need that kind of crisis intervention immediately. But also the people that are on the cusp of falling into the spiral that Matt also spoke about, they need to consider all these different groups and the only way you can really do that is by focusing on the actual service user. Things might look great to us, you are privileged not to be in this

position, but that might not work for anybody that's actually struggling day to day. That's crucial to getting these services right.

Alex Swift: Thank you. I also understand that a lot of this issue comes down to helping local authorities and public services understand the scale of the problem. So can you talk a little bit about what experience mapping is and about the data tool that you've developed as a team?

Matthew Brushett: So, if I just touch on experience mapping. As Charles was saying, we all have ideas of what poverty actually is but unless as councils work to understand the reality of where the problems lie in their local area and map it out at scale then you simply don't know the problem you're dealing with. As I said earlier, you can make assumptions at that policy making level and actually you're basing that on what you've heard and looking across your service areas but until you actually map that out and that's literally following through the journey that service users will take to access services to actually identify where those barriers are but where different services are actually working well together as well, and actually working to scale that up. So that's not done by sort of tackling this in a day to day sense, in a short term approach, it just requires that stepping back and actually looking at where you're trying to get in the long term with this and actually not shying away from where the problems are. Obviously, that does require some resource to be put into that and of course collaboration with other partners is crucial in this to get to that point as well. I think for us with experience mapping it's also users might not access services in the way they're actually designed. So it's just important to find where those pitfalls are and to fit that around the actual user rather than expecting people experiencing poverty to work around the services that are already in place. Just on the data tool, I was sort of heavily involved in putting this together. A big challenge for us with creating an interactive tool was as I said, there's no real specific indicators of poverty in Wales. We can touch on the wider indicators but quite few and far between in terms of statutory indicators. So we've seen other data tools kind of looking at the data that is there in the public sector but we decided to go wider than this, and actually look at the, thinking with those seven dimensions of poverty in mind, and actually looking outside of the normal data sets that you'd expect public bodies to use. So we looked at things like credit scores and debt around people that experience difficulty. Things like furniture poverty, there is data out there on this. It's actually more significant than you think that people can't get basic goods in their home. So a lot of these things are included in the data tool. We've

brought food bank information together just to show the scale of the problem as well. Also we've included some of the wellbeing indicators in there as well. What we've really tried to do is just to put that person centred experience front and centre. When you're actually considering data it can be quite easy to get lost in the figures that just happen to be available to you and easy to access. So whilst our tool may not be perfect, this I actually designed to encourage local authorities to make more use of their data, and actually we're surrounded by lots of data sets at the moment, some quite credible data sets which you might not actually be using day to day. So it's just encouraging councils to just think outside the box and actually make the connections between those more.

Charles Rigby: I think Matt's being quite modest there in terms of his using his skills there to bring together a really good product. I think it has the strengths there. It's aligned to the seven dimensions that we picked up and he really does give you that kind of rounded view in terms of the different dimensions of this. I think in terms of supporting councils along the way, I think it's a great tool to do that as well because you can compare similar councils to each other. You can compare it to a Welsh average as well. Matt is right, councils hold a lot of really important data this is just external data but in order to tackle this problem going forward on a grander scale the ambition really has to be there to really utilise that internal facing data. It's there and there are barriers to overcome but as soon as you get those kind of rich databases together you get the insights to target interventions and to plan strategies will be so much better, just because it's data driven.

Alex Swift: Thank you that sounds really interesting and we'll link to the data tool in the podcast article and description. So we've already touched on your work on social enterprises and how that's linked to poverty. Can you explain in more detail what's meant by the term social enterprise and how they can be a valuable resource to communities?

Philippa Dixon: Okay, so what I think is important to understand about social enterprises is there's no one particular model, it's almost a continuum of different types of organisation. I mean broadly speaking they sit between the public and private sector but they can come in many different forms. So for example, partnerships for profit, non-profit cooperatives, mutual organisations, social businesses, community interest companies and charities. But I think it's less about what social enterprises are and more about what they do. So the key thing about

social enterprises is they sort of take the commercial strategy of the private sector and then apply that to the desire to create social value of the public sector. What's really important about social enterprises, particular in respect of tackling poverty, is they can benefit disadvantaged communities and particularly create wealth and hold that wealth within the community. Therefore tackling poverty in need.

Nick Selwyn: Just to add to that Alex, if you look at the sector across Wales and the type of work they get in engaged in, they are generally smaller organisations that operate at very community level, almost at a neighbourhood level. So they can get engaged with people in way that bigger public bodies, like local authorities and health bodies can't. So they are very much part of that community so they understand the challenges people face, day in day out. They often live within the community, they often employ people who are neighbours and friends. So as a community level organisation, they really understand on the ground what it means to be poor and for people to live in poverty, and the experiences that they need to address. As Philippa's said, this opportunity to use almost the private sector ethos to create wealth within the community is something that most public bodies can't do. So they are run to generate income, to generate profit but the difference is that they don't use that profit to pay out a bonus to a shareholder, they invest it back into that community for the benefit of local people. The type of things that get engaged in, anything you can think of there's probably a social enterprise that does some work in that area. Predominately in social services but also things like housing, leisure, education, community development regeneration, any gambit within the Welsh society there is a social enterprise doing some really positive work.

Alex Swift: Thank you both. That's really interesting and I want to stress the importance of protecting social enterprises because many of them are at risk than larger organisation, because as you pointed out Nick, they're often smaller community based organisations. So could you go briefly into what some of the challenges facing social enterprises are and how they can be helped to overcome those challenges?

Philippa Dixon: So I think first and foremost the amount of money that social enterprises have and continue to receive from the public sector has diminished year over year. So initially you've got that sort of funding challenge, the challenge of actually getting off the ground. What we found in our report, in our study and we reported on, was that councils largely have a reactive,



rather than a proactive approach to social enterprises. So they're not going out there and collaborating with communities, rather if social enterprises approach them, great. But if not they won't necessarily be out there. I think that's stems from something else that we found was a lack of leadership and vision around social enterprises. I mean councils told us that they appreciate the benefits of social enterprises but I don't think they've really grasped the full potential to sort of help councils provide services that at the moment in the current climate and for the foreseeable future they simply wouldn't be otherwise able to provide. We also found that councils tend to have quite complex and bureaucratic commissioning and procurement systems which is very difficult for, as Nick previously mentioned, very small organisations who often only have one, two, three staff members, and simply don't have the time to invest in this kind of bureaucratic procurement process. So one of our recommendations is around simplifying that, streamlining it. But also it's very important that councils consider social value when they procure and commission services. Not least because of their duty under the Social Services and Wellbeing Act but they have to consider social enterprises when commissioning social services. I think also it's worth harking back to Charles's point, at the moment we're in a Cost of Living crisis and of course this does effect social enterprises who obviously often run on quite tight margins anyway, things like electricity bills increasing is hugely difficult to manage.

Charles Rigby: Just to add Alex, the thing that really struck me with the work is that they're often the best bodies to engage with people at that community level but because they're quite unsighted in a lot of the things that local government does, because naturally local government has to focus on the bigger priorities, the big picture needs and sort of prioritise it's investment in those areas. They often don't understand the challenges of delivering work at that very, very neighbourhood street level. So as Philippa said, the systems are geared around big procurement contracts, delivering services across a range of different activities, getting the best value for money, and that sometimes works against the benefit of a social enterprise. So it's trying to find ways that you value them in a very different way and whilst it's really positive that the Welsh government, to the Social Services and Wellbeing Act have introduced this requirement under Section 16, local authorities must support the growth of the sector, I think it's not really been taken onboard seriously enough at this stage, it's really still at the margin, so this is an area where you could see a lot more activity, and I guess the pandemic has stymied some of this, I don't deny that. But if you really want to see wealth kept

within communities, which is what we're talking about, you've really got to start putting more emphasis on developing and growing social enterprises. I think in our report we highlight some really stark data around the large numbers that are still excluded from local government contracting arrangements. The numbers that don't actually work with local authorities at this time despite providing services that could make a real difference to many, many people who are struggling at this moment.

Euros Lake: I think you could summarise the report really as the need to meet halfway and we've really focused on how councils are doing that or not doing that, as may be the case, and obviously some of that is about there's some more emphasis on the social value within their procurement systems, it's about having good leadership as Philippa mentioned, as we've seeing currently, almost in terms of the responsibilities within local authorities, if they sit within regeneration and economic development departments, it may be a bit of a poor relation to some of the more, the wider programmes that they have in place in that context. Equally if it sits with offices and teams within social services, and we know the pressures that are faced in those teams as well, so it's often not prioritised which is really lead us to calling this often missed opportunity.

Philippa Dixon: Absolutely and just to add that I think when we carried out a survey it found out that of the 21 councils that responded, only three have got dedicated member champions and only six had dedicated officers. So I think when you do have that lack of ownership, obviously I think the leadership at the top is extremely important but on a day to day basis that lack of ownership just means that they simply don't get the attention that they could really do with.

Charles Rigby: I think the others are absolutely right in terms of, as Nick said, a lot of these organisations are at that neighbourhood and street level, they're really in touch with their community. If you want to go back to the Poverty report and the big issue and the challenge, and the understanding of people's experience, is often these community leaders that will have that insights, and that wisdom and knowledge that the council can really draw on. It is almost like an untapped potential and resource there. Really if it's harnessed, working with these groups, it can support tackling issues that are acute and clearly seen, like poverty. But also as I'm sure we'll touch on now, the kind of long term resilience and independence of individuals

where communities look after each other rather than the state and the council doing it for them really.

Philippa Dixon: That goes back to my earlier point about the good thing about social enterprise is they create and they hold the wealth within their communities which I just think is a really vital part of that. Obviously, they also do something as straight forward as creating job opportunities within the communities which as Charles said, is all about creating resilience, sustainable communities.

Alex Swift: Thank you. So, we mentioned community and self-resilience there. Just to finish this podcast today, can you explain what's meant by those terms and why they are important in context of the challenges we're currently facing, like austerity and the aftermath of the pandemic?

Euros Lake: It's difficult to really put your finger on what's meant by community resilience or self-reliance, any two councillors would probably look at that with two different definitions as well. When you think about the context of this really you've got things like the Social Services and Wellbeing Act which has the emphasis on intervention and promoting independence on an individual level. Then you've got obviously the National Wellbeing goal and developing the Future Generations Act, looking at, facing a resilient Wales which focuses then probably more on the environmental aspects of it. Then you have things like the Civil Contingencies Act which really focuses on public bodies preparedness for emergencies. So somewhere in between all those three, there lies the answer I think in terms of defining this as broadly as you can but actually as clear as you can as well in a way that doesn't define it too narrowly as we've seen in many cases, for example, the Civil Contingencies Act, if you focus too much on that then you're going to miss the wider opportunities to promote community resilience, and help people to flourish on a day to day basis. But in terms of the importance of it, as you mentioned, Alex obviously we've had years of austerity, we've had rising demand for services. We've got an aging population here in Wales, meanwhile obviously we had a pandemic, that's now lead to the new inflation, the Cost of Living Crisis, meanwhile things like the challenging targets, like the 2030 Net Zero target for example. They're not going away, and neither are huge societal issues such as poverty, which we're talking about this morning. So what it means really is they're having to spend money just to stand still, let alone meeting these huge challenges.

So really it boils down to have a different approach and having that really elemental shift to approach if they've got any hope of living on those fronts. I think some of the weaknesses that we found and highlighted in the report are really borne out of how councils define resilience or don't define it really, because it means that's in a pocket of activity that we've come across and done good work. But they tend to remain as pockets of good activity that's not really contributing to a bigger picture because that bigger picture is not really defined in any way by councils currently. So that's some of the key messages that we've highlighted in the report and recommended that councils really reflect on how their role is changing in the context of changing society.

Charles Rigby: I think that's really important. There's probably so many different areas of people's needs being met and provided for by community groups that we're not aware of because as Euros said they're little pockets and the change in mindset that's required from a council's perspective is less of being a direct doer and more of being a supporter, to make these not just pockets but bring them together so that communities themselves support themselves I think that's a really strong message that comes through with the report but is also like the others have articulated, particularly in need at the moment coming off the back of a pandemic, the Cost of Living Crisis and the inevitable pressure on public funding that that will result in.

Euros Lake: Absolutely and in terms of why now I suppose you mentioned probably the best case of all really, which is the pandemic itself and it's showing that councils starting from scratch with any of this, we've seen that they can work in very different ways as they did in the pandemic and equally so can communities where we've seen them stepping and supporting each other through a really difficult time, so I guess now is the time to really tap into that and focus on a different future and a different way of working before the opportunity is lost.