

Agenda – Public Accounts Committee

Meeting Venue:	For further information contact:
Video Conference via Zoom	Fay Bowen
Meeting date: 1 February 2021	Committee Clerk
Meeting time: 08.30	0300 200 6565
	SeneddPAC@senedd.wales

(Private Pre-meeting)

(08.45 – 09.15)

In accordance with Standing Order 34.19, the Chair has determined that the public are excluded from the Committee's meeting in order to protect public health. This meeting will be broadcast live on www.senedd.tv

1 Introductions, apologies, substitutions and declarations of interest

(09.15)

2 Paper(s) to note

(09.15)

2a Barriers to the successful Implementation of the Well-Being of Future Generations (Wales) Act 2015: Submission from Wales Centre for Public policy (January 2021)

(Pages 1 – 4)

2b Barriers to the successful Implementation of the Well-Being of Future Generations (Wales) Act 2015: Letter from the Auditor General for Wales (14 January 2021)

(Pages 5 – 12)

3 Barriers to the successful Implementation of the Well-Being of Future Generations (Wales) Act 2015: Evidence Session 9

(09.20 – 10.35)

(Pages 13 – 36)

Research Briefing

PAC(5)-04-21 Paper 1 – Future Generations Commissioner for Wales



Sophie Howe – Future Generations Commissioner for Wales

Marie Brousseau-Navarro – Office of the Future Generations Commissioner

Heledd Morgan – Office of the Future Generations Commissioner for Wales

Jacob Ellis – Office of the Future Generations Commissioner for Wales

(Break)

(10.35 – 10.45)

**4 Barriers to the successful Implementation of the Well-Being of
Future Generations (Wales) Act 2015: Evidence Session 10**

(10.45 – 12.00)

(Pages 37 – 43)

PAC(5)-04-21 Paper 2 – Welsh Government

Shan Morgan – Permanent Secretary

Simon Brindle – Director of Covid-19 Restart and Recovery

Andrew Charles – Head of Sustainable Futures Division

Reg Kilpatrick – Director General, Covid Crisis Coordination

David Richards – Director of Governance

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

(12.00)

Item 6

**6 Barriers to the successful Implementation of the Well-Being of
Future Generations (Wales) Act 2015: Consideration of evidence
received**

(12.00 – 12.30)



Submission to the Public Accounts Committee's Enquiry on the Barriers to the Implementation of the Well-being of Future Generations (Wales) Act 2015

The Wales Centre for Public Policy and the Study

1. **The Wales Centre for Public Policy (WCPP)** seeks to improve policy making and outcomes by enabling public services, the Welsh Government and other decision makers to access authoritative independent evidence about what works. We collaborate with leading policy experts to bring together and summarise the existing evidence to develop fresh thinking about how to address the key economic, social, and environmental challenges facing Wales.
2. This briefing draws on an independent study of the implementation of the Well-being of Future Generations (Wales) Act 2015, which was funded by Cardiff University. The research was based on case studies of four Public Service Boards (PSBs), interviews with PSB members and support officers in local authorities, the Office of the Future Generations Commissioner for Wales, and Welsh Government officials and Ministers, and analysis of PSB documents. It was conducted in 2018-2019 and is published as Nesom and MacKillop (2020).

Key findings

Barriers to the implementation of the Well-being of Future Generations Act

3. **Perceived lack of clarity of the Act:** Most interviewees from PSBs welcomed the intention behind the Act and the flexibility to determine how best to implement it within their area. They reported that it was, "help[ing] policy-makers [...] think about good decision-making" (interview). However, many found the concepts and language within the Act confusing, aspirational and vague and most believed that the space within the Act for local interpretation was a challenge and often caused confusion. This was especially true of central concepts such as sustainable development and well-being, which were said to have different interpretations across PSB member organisations, institutions, and legislation. For instance, many interviewees believed that well-being was defined in different ways in the Well-being of Future Generations Act and the Social Services and Well-being Act.
4. **Institutional complexity:**
 - a. **PSBs add an additional layer of governance:** Most PSBs are coterminous with local authority areas, but they create an additional layer of governance which adds to what researchers have called the already-congested institutional landscape in Wales (Entwistle et al. 2014). Interviewees suggested there was confusion surrounding how the Act sits

within the wider local governance structure in Wales, which, in turn, affects their ability to tackle wicked issues and doing cross-cutting work. Interviewees said they were unclear about how PSBs and Regional Partnership Boards and Community Safety Partnerships should work together, how the PSB replaced Local Services Boards, how to integrate different funding streams (between UK-Welsh Government; between Welsh Government departments) and the role of national bodies in the Act's implementation at local level. Interviewees also noted that PSBs had very little funding. Some partnerships (e.g., Regional Partnership Boards) have "access to millions of pounds of money", whilst PSBs have access to nothing" (Interview).

- b. **It takes time to build trust amongst partners:** Interviewees recognised that implementation required "a bedrock of trust", but that this "takes time and collaboration" and could not be legislated for (Interview) (see point 7, below). Where there was a lack of trust between PSB members, it was difficult to have the healthy challenge which interviewees said was needed to implement the Act effectively.

5. **Centre-local relations:**

- a. **Subsidiarity:** As noted above, most local interviewees were grateful that the Act created space for "local flexibility to do what you want" (Interview). This was echoed by actors at the national level, who stressed that implementation was a local matter and that the PSBs were in charge of this aspect. Paradoxically though, some local interviewees wanted more central support (guidance and funding). One interviewee said that it felt like the Welsh Government did not "have a clue on what they were after" (interview) and so more guidance would be useful. Conversely, others

questioned whether having the Future Generations Commissioner for Wales assess their plans meant that they were not free to implement the Act as they saw fit. This is not an issue which is unique to Wales. The importance of getting the right balance between local autonomy and central guidance has been highlighted by studies of sustainable development policy implementation elsewhere (e.g., Berger, 2003; Parto, 2004; see also Audit Wales, 2020).

- b. **Participation/Communication:** Local interviewees suggested that there was insufficient communication with and participation of local partners during the development of the Act and in discussions about how it should be implemented nationally. Good communication and participation - between different levels of governance and across different policy communities - are known to be important success factors in the implementation of sustainable development (e.g., Voß et al. 2009) because key stakeholders must be able to define collective goals and visions of the future in order to transform deeply embedded, yet unsustainable, practices.
- c. **Departmental structures and silos:** Departmental silos, particularly at the national level, were seen as impeding the cross-cutting working that is required by the Act and it was felt that "the legislation put[ting] a lot of onus on local authorities" (interview) to join things up locally. These silos meant partners were "given their instructions separately, by different departments, as to what they ought to do", which leaves organisations with "very limited capacity for [...] thinking together" (interview).
- d. **Funding:** Linked to silos, different funding streams were seen as preventing public services from making decisions

together and “hold[ing] each other to account” (interview). For example, one interviewee explained that there had been multiple times when two separate funds had been awarded to different PSB partners for the same issue. Without pooling resources, it is difficult to work in a cross-cutting and collaborative way at the local level. The short-term nature of funding allocations was also seen as problematic. An interviewee observed that “Welsh Government and Westminster Government [...] will only give you funding for a year [...which] is alien to the way that the Future Generations Act want people to work” (interview).

6. **Local partnership working:**

- a. **Importance of local context and history:** It was widely recognised that collaboration couldn’t be “legislate[d]” for because of “multi-level governance here, with different voices and different powers involved” (interview). Local context, history and the approaches of local actors determined the time and effort spent to organise and build trust, and collaborate. Some PSBs were relatively well placed to implement the Act because there were existing trusted relationships between local partners, whilst others were not at that stage yet (see point 7).
- b. **The role of national public bodies and regional agencies:** Relationships were further complicated by the presence of national partner organisations within PSBs (e.g., National Resources Wales and the Health Boards). These partners were, in some cases, sending “exactly the same representatives on both public services boards [meaning that] [t]he same fire representative, the same police representative, the same public health, Natural Resources Wales... Virtually ever partner, apart from the local authority” (interview). Some interviewees, from national

organisations as well as other PSB members, questioned whether this allowed for implementation to be truly local, or whether PSBs needed to be as local as they are.

7. **Time and resources:** Successful policy implementation requires culture change, trust and negotiation, and this, takes time (Guarneros-Meza et al., 2018). In sustainable development, the process is often slow as the changes required are wide-ranging, integrated and long-term. Local interviewees believed that the Act’s timescale was too ambitious and left some partner organisations “feeling time-pressurised” (interview). This meant “fall[ing] back on their single organisational interest and [...] saying, “This is the priority for my organisation, this is what I want the PSB to contribute to”” (interview). Some asked whether “nine months a year to change the assessment into the plan” was feasible. It “is alright if you’re one organisation but when you’re seven...” (interview).

Conclusion

8. Our research into the local implementation of the Act identifies a number of barriers. To address these requires time, participation, collaboration and trust between levels of governance and across different sectors, as well as support – guidance, financial and other – from the centre. It should be noted that our interviews were conducted in 2019 and pre-dated Welsh Government establishing new implementation strategies which could help address the issues that interviewees identified to us.

Methodology

9. Our research was conducted as part of the Wales Centre for Public Policy’s research programme on evidence use and effective policy making. This is funded by Cardiff University and is distinct from the WCPP’s work on behalf of Welsh Government

Ministers and public services. We selected four PSBs – two rural and two urban ones – as case studies to examine the implementation of the Act at the local level. The data were collected between December 2018 and October 2019 and consisted of 16 semi-structured interviews with 18 interviewees spanning PSB members, support officers in local authorities, the Office of the Future Generations Commissioner for Wales, and Welsh Government officials and Ministers, plus analysis of 89 publicly available documents pertaining to the formulation and implementation of the Act, including (draft) Well-being plans. We also held conversations with academics in the field and a seminar with civil servants which was organised by Welsh Government.

Authors: Suzanna Nesom and Eleanor MacKillop, Wales Centre for Public Policy, Cardiff University

Evidence cited

Audit Wales. 2020. **So, What's Different? Findings from the Auditor General's Sustainable Development Principle Examinations.**

Berger, G. 2003. **Reflections on Governance: Power Relations and Policy Making in Regional Sustainable Development.** *Journal of Environmental Policy & Planning* 5(3):219–34.

Entwistle, T., Downe, J., Guarneros-Meza, V. and Martin, S. 2014. **The Multi-Level Governance of Wales: Layer Cake or Marble Cake?.** *British Journal of Politics and International Relations* 16(2):310–25.

Guarneros-Meza, V., J. Downe, and S. Martin. 2018. **Defining, Achieving, and Evaluating Collaborative Outcome: A Theory of Change Approach.** *Public Management Review* 20(10):1562–80.

Nesom, S and MacKillop, E. 2020. **What matters in the implementation of sustainable development policies? Findings from the Well-Being of Future Generations (Wales) Act, 2015.** *Journal of Environmental Policy and Planning*, <https://doi.org/10.1080/1523908X.2020.1858768>

Parto, S. 2004. **Sustainability and the Local Scale: Squaring the Peg?.** *International Journal of Sustainable Development* 7(1):76–97.

Voß, J.P., Smith, A. and Grin, J. 2009. **Designing Long-Term Policy: Rethinking Transition Management.** *Policy Sciences* 42(4):275–302.

About the Wales Centre for Public Policy

Here at the Centre, we collaborate with leading policy experts to provide ministers, the civil service and Welsh public services with high quality evidence and independent advice that helps them to improve policy decisions and outcomes.

Funded by the Economic and Social Research Council and Welsh Government, the Centre is

based at Cardiff University and a member of the UK's What Works Network.

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Reference: AC/244/caf
Date issued: 15 January 2021

Dear Nick

Barriers to the successful Implementation of the Well-being of Future Generations (Wales) Act 2015

Thank you for the opportunity to appear before the Committee on 14 December 2020 to respond to questions as part of the Committee's inquiry into the Barriers to the successful Implementation of the Well-Being of Future Generations (Wales) Act 2015. Please see below my written response to the Committee's request for further information following the meeting. The information is divided into three sections:

- a summary of the themes emerging from our ongoing consultation on how we deliver our examinations over the second reporting period, which covers 2020-2025;
- a summary of the findings from our stakeholder survey regarding the approach taken to our previous examinations of the public bodies designated under the Act; and
- responses to the Committee's written questions regarding organisations not currently designated 'public bodies' under the Act.

Current consultation on our proposed approach to our future examinations work

I am now considering how I deliver my examinations over the second reporting period, which covers 2020-2025. I am running a consultation to seek the views of the 44 public bodies named under the Act, the Future Generations Commissioner and other key stakeholders. The consultation began in September 2020 and was initially intended to close on Friday 6 November 2020, but due to the pandemic I have extended the closing date and at the time of writing, I am still anticipating further responses. The consultation can be viewed on the [Audit Wales website](#).

I will undertake a full analysis of the responses once the consultation has ended. Following this I will write to the 44 public bodies setting out how I intend to discharge my duties under the Act up to 2025. I will also share a copy of this letter with the Committee for information. Below is an interim, high-level, summary based on the responses we have analysed so far:

- most responses agree with the principles that underpinned our examinations in 2018-19 and 2019-20 but there are several suggestions to amend or add to them in different ways.
- most responses agree with our proposal to undertake separate work on well-being objectives, but a more significant minority disagreed with this proposal for a range of different reasons. These included that it might result in a focus on compliance, it would be an additional burden without proportionate benefit or that it would be better to combine our work on wellbeing objectives with our work on 'steps'.
- most responses agree with our proposed approach of combining our sustainable development principle examinations of steps to meet well-being objectives with our value for money studies, and as part of local audit programmes.
- most responses agree with our proposal to make the sustainable development principle a consideration across all of our audit work.
- most responses agree with our proposals for strengthening the co-ordination of our work with the Commissioner's office.
- most responses agree that I should explore how I could take a system-wide or locality-based approach to assessing steps to meet well-being objectives.

Audit Wales survey reflecting on the approach to our previous examinations work

During July and August 2020, I surveyed the 44 public bodies designated under the Act. The survey was sent to a range of officials including the key contacts for my examinations work and those who had been involved in Audit Wales' examinations of public bodies. A significant number of responses were from officials with lead responsibility for the Act in their organisations. Responses to this survey were anonymous and there may be more than one response per organisation. We analysed the survey responses in September 2020.

The survey aimed to help us gather feedback on the audit work, the 'examinations', carried out by Audit Wales under the Act. We used a survey method and tool called 'sensemaker' for this survey.

We are considering the results of this survey alongside the results of our ongoing consultation. Whilst our ongoing consultation is designed to inform the overall approach to our examinations work, the survey was focused on the practical delivery of our examinations. Both will inform how we deliver my duties under the Act going forward, as well as how we work with and engage with bodies more generally in our audit work.

Exhibit 1: Respondents by sector

The table below shows the responses received to our July-August survey by sector. There may be more than one response from an individual body.

What sector does your experience relate to	39 responses
Welsh Government and Welsh Government Sponsored Bodies	6
NHS Wales organisations	8
Local Authorities	21
National Parks	1
Fire and Rescue	2
Decline to say	1

Respondents were invited to provide open commentary as well as responding to some specific questions. We asked respondents to describe the overall tone of their

response. **Exhibit 2** shows the responses to this question. The majority of respondents described the tone of their response as either positive or very positive. The table below sets out the response to this question.

Exhibit 2: Overall tone of responses

The table below shows how respondents described the overall tone of their response to our survey.

How would you describe the overall tone of your response?	39 responses
Very Positive	10
Positive	22
Neutral	5
Negative	2
Very Negative	0

Our analysis of the survey responses suggests that most survey respondents felt generally positive about the following issues:

- the level of challenge of the examinations being appropriate and well balanced;
- Audit Wales were trying to understand their context and circumstances;
- Audit Wales’ approach encouraged honest self-reflection;
- Audit Wales’ approach promoted learning as well-managed risk taking;
- Audit Wales’ approach recognised that meaningful change in culture and practice takes time;
- the examinations achieved a good balance between providing assurance, insight and supporting improvement;

- the examinations achieved a good balance between understanding the five ways of working and applying them now and doing it better in the future; and
- the examinations achieved a good balance between providing findings that were on time, stimulated discussion and helped the body feel ownership.

Approximately 30% of respondents felt there was too much involvement in the development and planning of the Audit Wales examinations. Although some responses indicated this was due to the amount of time required of public bodies in the development of the examinations, rather than necessarily the principle of involving them.

Bodies not currently designated ‘public bodies’ under the Well-being of Future Generations (Wales) Act 2015

The Auditor General recommended that the Welsh Government should consider whether additional public bodies should be designated by Regulations to be subject to the Act. Which public bodies do you think should be included, and what should the criteria for inclusion be moving forwards?

It is important to emphasise that the recommendation in my May 2020 report is for the Welsh Government to give consideration as to whether additional bodies should be designated by Regulations, rather than stating that additional bodies should be designated.

One of the things that comes across strongly from my May 2020 report¹ is that delivering on the Act requires a whole-system approach. If public bodies are going to improve the social, economic, environmental and cultural well-being of Wales it needs to be a co-ordinated effort. In that report I mention some examples of bodies that have come into being since the Act was passed, for example I refer to ‘new’ bodies such as Health Education and Improvement Wales, Social Care Wales and the Welsh Revenue Authority. I also refer to existing bodies that may merit inclusion such as the Welsh Ambulance Service NHS Trust.

Criteria for inclusion could be helpful. Inevitably, the role and functions of the organisation and the contribution they can make to improving well-being would be legitimate considerations but this is a question that would require detailed

¹ Auditor General for Wales, [So, what’s different? Findings from the Auditor General’s Sustainable Development Principle Examinations](#), May 2020

consideration at a policy level and could best be answered by the Welsh Government, with advice from the Commissioner.

By way of one further example, the Committee is aware that the Welsh Government has consulted recently on the creation of a new Digital Special Health Authority (SHA). Our Audit Wales response to that consultation suggested that the Welsh Government's consideration of the recommendation in my May 2020 report should also apply to the new Digital SHA.

We noted that, if it were not designated under the Act, the functions discharged by the SHA would essentially be moving from a position in which the Act applies (through the fact that the NHS Wales Informatics Service is hosted by Velindre NHS Trust) to a position where it would not apply. This would seem to be a backwards step. It seems to us that the five ways of working required by the Act will be important to discharge the new Digital SHA's functions effectively.

If additional bodies were designated under the Act there may be additional resource implications for Audit Wales. In some of the additional bodies we may already have local performance audit programmes through which we could embed WFG work. In others we may not already have any local audit programmes. Therefore, without additional resources, extra coverage of other public bodies may require a further draw on the Welsh Consolidated Fund and/or increased audit fees for any newly designated public bodies' resources to design suitable audit work to deliver my duties under the Act.

We recognise that regardless of whether the Welsh Government designates additional public bodies, it also has other policy and funding levers to encourage bodies to act in accordance with the Act.

What are the potential implications if the bodies that the Auditor General has identified are not included?

I recognise the interdependency of public bodies (and those from other sectors) in working to deliver the aspirations of the Act. This is partly why I am suggesting in our current consultation that I might explore how I could take a system-wide or locality-based approach to assessing steps to meet well-being objectives.

At a practical level it may be more difficult for bodies that are designated under the Act to work in an integrated and collaborative way in setting objectives and taking steps to meet them if they are working with, or would like to work with, bodies that are not designated under the Act. As bodies not designated under the Act are not required to set well-being objectives or work in accordance with the sustainable development principle to meet well-being objectives there is more potential for divergence in terms of aims, objectives and ways of working.

There are also potential lost opportunities for bodies not subject to the Act not only to be able to better align their objectives and steps, but also to benefit from the advice, support and objective challenge that the 44 bodies receive from the Welsh Government, the Commissioner and Audit Wales respectively. Designating bodies under the Act is also likely to provide an impetus within those organisations for them to reflect on the extent to which they are acting in accordance with the sustainable development principle, and if they need to take further action themselves to embed it.

This is not just an issue for the successful application of the sustainable development principle, it also has potential implications for value for money. If different parts of the public sector in Wales are subject to fundamentally different, or even competing, requirements in terms of high-level strategic objective setting and aspirations in terms of ways of working, then the risk of duplication and lack of integration leading to poor value for money inevitably increases.

Do you have a view on how bodies and organisations not covered by the Act could be supported and encouraged to adopt its principles?

Support and encouragement of public bodies is largely a matter for the Welsh Government and the Future Generations Commissioner to consider and comment on, as well as those bodies not covered by the Act who would be the beneficiaries of any support and encouragement. It is likely that some support such as guidance and highlighting good practice examples would be replicable across many public bodies, but it is probably more difficult for bodies to seek tailored support and guidance if they are not designated under the Act.

From our own reading of the response to the Committee's own consultation as part of this Inquiry there appears to be a desire for more advice from some public bodies. However, I also recognise that resourcing of support and advice is a matter for the Welsh Government.

It is relevant to highlight that the Act does not prescribe a specific role for the Auditor General in encouraging best practice. However, I do undertake more general audit work to support improvement by identifying and sharing good practice, much of which is done by Audit Wales' Good Practice Exchange.

Similarly, Audit Wales could in some circumstances encourage public bodies to act in accordance with the sustainable development principle, even if not designated under the Act, through our other audit work, such as value for money studies. This might be through recommendations where study findings indicate that acting in accordance with the sustainable development principle would improve value for money.

It is perhaps relevant to note here that Audit Wales itself recognises the importance of the Act in our own organisation. We continue to look ourselves at how Audit Wales

can better act in accordance with the sustainable development principle both in our audit work, and also in how we run Audit Wales.

I hope this information is sufficient to respond to the Committee's request, however if you or the Committee have any further queries or would like any further information please do not hesitate to contact either me or one of my team.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Crompton', with a long horizontal stroke underneath.

ADRIAN CROMPTON
Auditor General for Wales

Document is Restricted



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

Senedd Cymru | Welsh Parliament
Y Pwyllgor Cyfrifon Cyhoeddus | Public Accounts Committee
Rhwystrau i weithredu Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 yn
llwyddiannus | Barriers to the successful Implementation of the Well-Being of
Future Generations (Wales) Act 2015
FGA33 Comisiynydd Cenedlaethau'r Dyfodol Cymru | Future Generations
Commissioner for Wales (Saesneg yn unig / English Only)

By email

27/11/2020

Dear Nick,

I welcome the opportunity to provide a contribution into the Inquiry by the Public Accounts Committee on the Well-being of Future Generations Act, specifically focusing on barriers to implementation. I look forward to giving evidence in person on 1st February 2021.

Ahead of that session I thought it would be useful to share with the Committee the findings from my [statutory monitoring and assessing](#) and [Future Generations Report](#) which are relevant to the Inquiry's focus. Specifically:

- 1. My findings around changing our public sector culture** – *relevant to your focus on barriers to successful implementation of the Act and the leadership role of Welsh Government.*
- 2. Reflections on progress by public body sector** – *relevant to your focus on how to ensure that the Act is implemented successfully in the future.*
- 3. Progress made towards the seven well-being goals** – *relevant to your focus on how to ensure that the Act is implemented successfully in the future.*
- 4. Challenges and Opportunities** – *relevant to your focus on understanding of the Act and its implications, and the support provided to public bodies.*

1.Changing our public sector culture

The Well-being of Future Generations Act is the greatest cultural change programme the Welsh public sector has ever experienced. Any cultural change takes time, but changes of the magnitude envisaged by the Act will inevitably mean that this is a long-term mission rather than a short-term fix – or as I often describe it, an expedition rather than a journey.

My role gives me a 'helicopter view' of how the 44 public bodies, as well as other public, voluntary and private sector bodies are applying the Act, and it's clear that no one has 'cracked' the Act across all of its legal requirements and aspirations. Progress is being made in certain areas, but there are areas for improvement too, as one would expect.

General Progress

- There has been a marked change in political commitment to the Act and in resulting policy decisions but there is some lag in the system.
- Every public body is doing something different in response to the Act, but not all are approaching it in the same way.

- Organisations are considering the long-term more than ever before, but the whole system needs to be thinking and acting for the long-term.
- The Act is providing a helpful tool for change makers to challenge the system. I am pleased to play a role in challenging blockers. I do not have the resources to deal with all of these challenges however, and there needs to be greater funding for capacity, leadership development and support transformational change.

Innovation

The Act is bringing about some excellent innovation. I am seeing a growing movement of change, with people daring to deliver differently to improve economic, cultural, social, and environmental well-being. We need to ramp-up how these are shared, mainstreamed, and supported by funding governance and performance management.

Cardiff Council is leading the way by setting out progressive targets and plans for active travel. A public health consultant was seconded from the health board to the council to lead on the transportation strategy. When you apply a public health lens to a transport problem, you get a different set of solutions. The Council has published a Transport White Paper, prioritising clean air and instigating a shift from private car travel to walking, cycling and public transport. They have also worked with parents to pilot a car ban in five primary schools.

The public institutions in Cardiff have realized that between them, they were employing 30,000 people in Cardiff, so they're now incentivizing their employees to travel sustainably through an Active Travel Charter. In order for the Council to reach its cycling and walking target of 43% by 2030, there has been a tenfold increase in investment in safe routes to cycle and to walk, and they've targeted that cycling and walking infrastructure towards those neighborhoods who have the highest level of air pollution and the lowest life expectancy.

Doctors can now issue prescriptions for free bike hire for those who would benefit from increasing their physical activity. And when Cardiff Council constructed our cycling infrastructure, they've also built in sustainable drainage, taking away over 40,000 cubic meters of water from an unsustainable drainage system through nature-based solutions. And in doing that, they've created sites for nature, we've cleaned and greened communities, and we've transformed concrete jungles. And when you travel from this area to our city center, you'll be met with areas which are closed off to traffic, where people can meet and businesses can trade outside the splendor of our medieval castle.

Integration

The five ways of working are intrinsically linked. I agree with the Auditor General for Wales when he says that integration is a precursor to effective collaboration and can facilitate a system-wide response, which enables public bodies to work preventatively. There are encouraging examples of public bodies demonstrating integrated thinking, such as setting well-being objectives on transport and linking this to objectives and steps on meeting carbon emission targets, improving physical health through active travel, meeting carbon emission targets, using local materials and labour and more.

Powys Council have a step under their objective on increasing housing to encourage the use of local, sustainable timber for new council and housing association projects.

However, opportunities are being missed to connect areas of work to achieve multiple benefits across the well-being goals. I have recommended integrated approaches within many of areas of focus because, for example, several public bodies have objectives relating to housing but have yet to make the connections to the significant impact of poor housing on physical and mental health (poor housing in Wales is estimated to cost the NHS £95m per year).

For example, whilst the new Planning Policy Wales 10 recognises the impact of land use planning on well-being, in initial reporting Welsh Government have not recognised the far-reaching impact of the policy to help them meet their other well-being objectives and steps. Placemaking is crucial to meet their objectives like 'Deliver modern and connected infrastructure' and 'Build healthier communities and better environments', but the most recent Annual Report (2019) has not recognised Planning Policy 10 as a major reform in this respect.

Likewise, one public body has set an objective to have better connected communities and another objective to improve the environment, supporting health and well-being. These objectives were not initially integrated, with the public body seeking to improve road infrastructure in order to connect communities at a cost to their objective to improve the environment. Had the public body fully considered integrating their objectives and the 'double test' of the Act (see below), they would have considered different steps and solutions.

Another example can be seen with Creative Wales. While its establishment by Welsh Government is very welcome, its plan, Priorities for the Creative Industries in Wales, does not make any reference to meeting the aspirations of the Well-being of Future Generations Act, potentially missing an opportunity to harness the power of the creative sector in meeting several challenges.

While culture is one of our most powerful tools for change and has played a vital role for raising awareness around climate change, A Low Carbon Wales includes little reference to culture and how it can be harnessed to help meet decarbonisation targets. I believe that any future action, and especially action aimed at behavioural change to tackle the climate emergency and natural crisis, should take cultural interventions into account and should work in collaboration with the cultural sector to inspire positive change.

Welsh Government's strategy 'A Healthier Wales: long term plan for health and social care' is another such example. The strategy is a definite step in the right direction, as it says it has a 'vision of a whole system approach to health and social care, which is focused on health and well-being, and on preventing illness.' However, the actions set out in the strategy seem to miss the links that can be made with the wider determinants of health, alongside recognising the need for a whole system approach to keeping people well.

Insight

Whilst partnership and collaboration have improved, public bodies need to explore more comprehensively the information and intelligence held by organisations and groups beyond the most obvious partners. Decisions should also be informed by insight on future trends.

Implementation

Most public bodies are making progress on implementing the Act but in different ways - some are delivering the 'what' and some are delivering the 'how'. There is further work needed to fully demonstrate the 'double test' of the Act – applying both. 'What' you decide to do should use the five ways of working to find the solution that best contributes to all your local well-being objectives and the national goals. But 'how' you deliver that solution must also use the ways of working and seek to contribute to the goals.

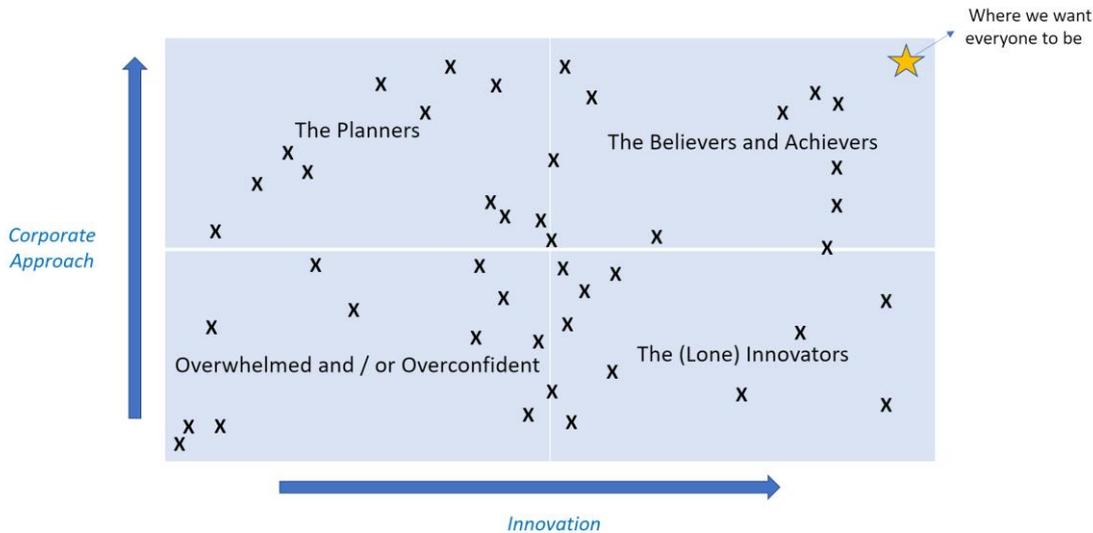
An example of where a public body has considered the 'what' but not fully considered the 'how' includes the initial criteria for the Welsh Government Housing Innovation Fund. The fund was established as a solution to increase housing stock that was fit for the future but in implementing the 'what' (i.e. the fund), Government did not fully consider the 'how' in its delivery. For the first few rounds of funding, bidders were asked to demonstrate contribution to just one of the seven national well-being goals. This meant an opportunity was missed in seeking to fund housing that was more innovative, sustainable, contributing to several aspects of well-being – rather than just building homes. Welsh Government have taken on board my advice with respect to this programme and bidders are now asked 'how' they will contribute to all goals.

It is positive that some public service leaders have demonstrated clear senior-level commitment to embed the new ways of working *throughout* the organisation rather than just within a person or team who 'does the Act' on everyone's behalf.

My analysis of implementation loosely categorised the 44 public bodies into the following four groups, illustrated by the graphic below:

- 1) **The Planners:** Organisations that have started with their corporate planning and strategies, set a strategic direction but are at different stages of changing their culture, delivering differently and demonstrating progress. Some of these organisations have funded dedicated resources, training and staff to encourage change.
- 2) **The (sometimes lone) Innovators:** Organisations who have sometimes struggled to fit the corporate direction into their well-being duties but are thinking and delivering differently because of the Act. These can be pockets of individuals or teams who are seeking to change culture, sometimes against the corporate centre reluctant to transform. These organisations typically 'undersell' themselves because they struggle to align corporately and affect wider change across the organisation.
- 3) **Believers and Achievers:** Organisations where there are examples of innovative practice, change makers and champions of the Act – sometimes daring to deliver differently against ingrained culture, other times fully supported by leaders. Public bodies should be in this space. There are many examples of individuals and teams who understand using the Act as a framework for change, but the pockets of innovation vary from place to place.

4) **The Overwhelmed and / or Overconfident:** Organisations who are either overwhelmed through responding to perceived and real crises and those who see the Act as a side-line to their core business or believe they have already 'cracked' the Act.



Barriers

Despite the solid start, there are several systemic barriers to progress:

There is an implementation gap between the aspiration set out by Welsh Government in policy and legislation and their commitment to drive and resource delivery on the ground.

The Act provides ways of working and, therefore, it spans all areas of legislation, policy-making, decision-making and delivery. Contributing to the broader challenge of implementation, there is a myriad of existing ways of working in place that do not embed the Act. Therefore, there is a dual challenge in Welsh Government's leadership role to ensure new policies and legislation reflect the Act and existing information is updated.

While new policies and legislation are showing promise, Welsh Government have an overly optimistic view of what it takes to implement these. As a result, the cultural change required has been under resourced.

As well as resourcing the introduction of legislation, policy and guidance, Welsh Government need to fund their implementation, including delivery capability, awareness raising, training and robust monitoring. Additional investment is needed to get every organisation to the 'Believers and Achiever's' category (see above). Assessment of the resources required for cultural change should be built in from the start. When the Social Services and Well-being (Wales) Act 2014 was introduced the Social Care Workforce Development Programme (which totaled £12,015,714 in 2012-13) was redirected to ensure "relevant staff receive the training they need throughout the preparation for, and implementation of, the Act." And up until 2012-13, an additional £1.5m had been made available to local authorities and their partners to build capacity locally and to begin to prepare for implementation of this Act. As well as this funding, other funding streams such as the Intermediate Care Fund

(now Integrated Care Fund) and Transformation Fund has been channeled towards implementing the Social Services and Well-being Act. (ICF was £50m in 2014/15. Latest figures suggest £129m for ICF and £50m for TF from 2020-2022 across Wales).

No such costs were outlined within the Regulatory Impact Assessment for the Well-being of Future Generations (Wales) Act. There are numerous occasions when I have advised Ministers and civil servants of this implementation gap. For example, the Wales Transport Appraisal Guidance was updated in 2017 in line with the Well-being of Future Generations (Wales) Act. Still, there has been a lack of resources and training for its proper implementation and no analysis of capacity in the current system to enable these changes to happen.

You can find further examples and findings regarding the implementation gap in our Future Generations Report. In particular, you may wish to read 'Chapter 2: [Welsh Government](#), [Public Sector](#) and [Procurement](#)'.

Welsh Government continues to complicate an already complex landscape.

Welsh Government continue to introduce new guidance, policy, legislation, and reviews that overlook the Act and create new layers of complexity and governance. This displays a lack of integrated thinking and suggests that Welsh Ministers need more robust mechanisms for join-up and seeing the bigger picture.

There is a lack of clarity over how they interact with each other and their obligations under the Act, and there is a tendency to by-pass existing boards that have already been set up. For example, to deliver on a well-being objective to *'give every child the best start in life'* a public body would need alignment between Public Services Boards (PSBs), Regional Partnership Boards, Area Planning Boards, Community Safety Partnerships, Regional Skills Partnerships and City / Regional Growth deals. The Local Government and Elections (Wales) Bill potentially adds to an already complex and crowded partnership environment by creating statutory regional Corporate Joint Committees and proposes they will also be subject to the well-being duties of the Act.

There should not be any new reviews, commissions or bodies or governance structures, which do not have the requirements of the Act as part of their terms of reference.

Public Services Boards are not being given a high enough priority or resource by Welsh Government.

I have recommended to Welsh Government they should consider how to provide more funding opportunities to PSBs, strengthening the link between national and local delivery. Further guidance is also needed to ensure that Welsh Government representatives on PSBs are having opportunities to share their insight with Welsh Ministers and across Government. Welsh Government should ensure the civil service representative on each Board is gathering this intelligence on local delivery, playing a more active role in working across Government to resolve issues and concerns. These representatives should be reporting challenges and opportunities to full Cabinet regularly.

There is a need to ensure consistency in using the language of the Act in legislation, policy, guidance, ministerial statements, performance frameworks and terms of reference for review boards.

In many cases I have seen the implementation of the Act undermined or confusion caused by conflicting language in guidance and policy. Differences in language within policy, legislation and guidance coming from government

serves to distract from the Act. In particular, those responsible for implementing the Act in Health Boards have raised concerns that this results in the Board and senior management seeing the Act as separate to what they do.

Examples of different language being used in documents include:

- The Parliamentary Review of Health and Social Care (2018) makes passing reference to the Act, the ways of working and sets a timeframe of transforming health and social care over the next five-ten years;
- The Welsh Government Integrated Care Fund guidance (2019) defines 'integration' in a different way to how the Act defines the term, focusing on partnership and new models of services;
- The Fair Work Commission (2018) was established with little reference to the definition of a "prosperous Wales", which includes the term "decent work".
- Welsh Government's most recent Annual Report (2019) on progress towards their well-being objectives describes a "more prosperous, equal and greener Wales."

The short-term funding cycle are a barrier to long-term thinking.

Financial planning and short-term funding inhibit the ability of public bodies to meet their well-being objectives and result in making collaboration, involvement, prevention, long-term thinking, and integration more challenging. Much of this is in the power of Welsh Government to address. Nevertheless, all public bodies should do more to align financial planning and well-being to plan for the long-term, and whilst most would also welcome longer-term funding, they should accept that a large proportion of the budget is static and does not change year on year. Setting out a vision through their well-being objectives should help them to plan longer-term and work towards funding meeting their objectives.

Performance and regulatory frameworks drive progress and change in the wrong areas

Public bodies describe how corporate planning and reporting progress on their well-being objectives is a challenge because they are responding to other duties and requirements placed on them by Welsh Government.

For example, in health bodies, their main vehicle of corporate planning and reporting performance is their Integrated Medium-Term Plans. While these cover three years, the majority of financial planning and approval undertaken with Welsh Government still follows an annual cycle. Even a three-year cycle contradicts the Act in thinking long-term and preventatively, driving behaviour within health bodies that focuses on short-term, crisis management. There is no requirement on health boards to account for their performance against their well-being objectives from the Health Minister or senior officials in government.

It is entirely within the power of government to rectify this situation and ensure that performance management and reporting requirements set by Welsh Government reflect the Act better. This should be addressed as a priority.

There needs to be better integration and join-up

Traditional, siloed structures in Welsh Government (and other public bodies) are not designed to enable an integrated approach to decision-making. For example, in Welsh Government, the way Main Expenditure Groups are still organised in terms of Ministerial portfolios ('Education', 'Health and Social Services') means it is challenging for collaborative decisions to be made. This can result in narrow policies, measures and funding criteria which filter down to public bodies, which makes applying the five ways of working locally, or taking a holistic 'place-based approach,' very difficult.

There are numerous times when I have advised Ministers and officials of a lack of join-up. For example, the National Development Framework and targets for homeworking were announced within ten days of each other, but no link was made between the two. There needs to be a requirement to show where the connections are across different policies and how they interact.

Similarly, multiple working groups and Ministerial Advisory Groups were established as part of the Welsh Government's work on COVID recovery planning which were not aware of each other and had limited cross-reference. A solution would be simple mapping of boards across Government and requirement in Terms of Reference to consider.

The leadership role of the Welsh Government

Welsh Government plays a critical role in the success of the large-scale cultural change programme driven by the legislation, not just because they are a major public body covered by the Act themselves, but because whether or not they demonstrate the principles of the Act has a significant impact on what other public bodies do. To ensure that the Act is implemented successfully in the future, I have recommended to Welsh Government that they:

- Remove barriers to effective implementation of the Act, provide trusting leadership to public bodies and Public Services Boards, incentivize and encourage adoption of the Act, reduce bureaucracy on public bodies and welcome new approaches.
- Adopt a model of well-being budgets.
- Lead the way in instilling values of kindness at every level of government and in public policy.
- Work to bring outside expertise into Government. For example, the 'Ministry of Possibilities' in the United Arab Emirates brings together the brightest and the best from all levels of government and public service, the private sector and third sector, to develop and implement innovative solutions to current or future challenges. This has been identified by the OECD as one of the leading innovations in governance in their 'Embracing Innovations in Governance Global Trends report 2020 (which also includes the work being done in Wales around the Well-being of Future Generations Act)
- Introduce a 'Real Life Fast Track' programme within the Civil Service and Public Sector to involve broader perspectives and experiences in policy development. In addition to considering how professionals and officials work together across sectors to devise policy – there is a real opportunity to harness the knowledge and insight of those with lived experiences to work alongside the civil service. Building on the

successes of various graduate programmes and apprenticeships, I would encourage Government to explore approaches to actively draw in diverse experiences.

- Establish a cross-party, cross-sectoral Commission to create a long-term vision and strategy for the Welsh public sector of 2050.
- Close the 'implementation gap'. In seeking to close this implementation gap, Welsh Government should be applying the ways of working in how they design, resource, deliver and evaluate the implementation of policy and legislation.
- Appoint a Minister for Prevention, with responsibilities for taking a whole-government approach to investment in prevention. This would not remove the duty of all Ministers to demonstrate how they are applying the definition of prevention in their own portfolios but would drive coherent action in the most significant cross-cutting areas.
- Top-slice budgets for specific spending on prevention.

2. Sector Findings

My [statutory monitoring and assessing in 2018-19](#) allowed me to examine progress by each individual public body, as well as by each of the public sectors subject to the duties of the Act. My [Future Generations Report](#) also provides particular insights into how different pressures impact on the range of public bodies subject to the Act.

Across all public bodies subject to the duties of the Act, I have found that the corporate areas of change outlined in the Act are potential levers to drive change, and whilst many public bodies are making better use of procurement, they should more clearly demonstrate how they are using the other corporate areas such as workforce planning, financial planning. Welsh Government must incentivise and encourage use of the Act in these areas.

Findings across the Health sector

There is compelling evidence that we are not investing in the best balance of services to keep people well and the NHS is struggling to prevent illness. The current approach to funding means the NHS must prioritise treating ill people because there is a high demand, and it is performance managed as such by Government. The adage of "what gets measured, gets done" is significant because health bodies struggle to implement the Act with these pressures.

As such, there is a contradiction in the priorities placed on Health Boards through the Act and from Government. It appears that there has been little focus on health boards accounting for their performance against their well-being objectives from the Health Minister or senior officials in government, and their work is too often driven by short-term targets and crisis management, and this is having the unintended consequence of making our population less healthy. The performance management framework set by Welsh Government needs to evolve rapidly to reward and recognise the delivery of well-being outcomes, not focus on outputs, quantitative information, and processes.

There is an encouraging evidence of some health Boards increasing their focus on implementing the Act and finding innovative approach such as Swansea Bay Health Board's management of Glanrhyd Hospital in Bridgend focuses on supporting people through mental illness by creating space for nature, and the Healthy Travel Charter in Cardiff and the Vale of Glamorgan.

There is some evidence that they are adopting approaches that are more preventative in places, for example, the Transformation Fund is funding some interesting approaches, such as Integrated Well-being Networks in Gwent and the I CAN community hubs in Llandudno, Rhyl and Prestatyn. However, it is clear that more work is needed for a system-wide shift to prevention. There is insufficient evidence that bodies have considered the type of prevention they are investing in (primary, secondary, tertiary), the outcomes they want this investment to achieve, and how they should shift investment to primary and secondary prevention. Preventative activities still primarily relate to medical interventions rather than considering a holistic approach to prevention more widely.

However, as a result of the challenge in changing culture and the focus from Welsh Government health bodies have largely focused on health and social well-being. Most health bodies have set well-being objectives focused on the more traditional definition of 'health' and failed to consider how they can respond to environmental, cultural and economic well-being. For example, through air quality, poverty, inadequate housing, and loneliness. Developments in the last year are more promising. I recommend that health bodies should consider setting broader well-being objectives, in collaboration with other bodies, and ensure that the steps they are taking to meet their objectives are clear.

Most health body objectives tend to be in the traditional realm of:

- 'We will provide high-quality care as locally as possible wherever it is safe and sustainable'
- 'Provide sustainable Domiciliary Care'
- 'Deliver quality health and care services'
- 'Have a planned care system where demand and capacity are in balance'

However, more recently there have been examples of the health sector thinking more broadly. For example, Hywel Dda Health Board's reviewed well-being objectives in 2019-20 include: 'Promote the natural environment and capacity to adapt to climate change' and 'Plan and deliver services to enable people to participate in social and green solutions for health.'

There is a need for greater consideration of long-term thinking across their work. I understand that this lack of focus is partly due to pressures but also due to lack of understanding of trends, futures-thinking, potential disruptions and the impact on localities.

There is a perception that the Social Services and Well-being (Wales) Act has been far better resourced than the Well-being of Future Generations Act by Government, despite both Acts demanding transformational change and the fact that the majority of broader health determinants lie outside of the health and social care interface, which does not seem to be recognised by Welsh Government's Health Department. This has meant that the attention of

Health Board staff is often diverted from the work of Public Services Boards to Regional Partnership Boards, where the scope of improving well-being is more limited. For example, Welsh Government agreed a £7.2 million 'Prevention Fund' to 'support effective interventions in relation to the prevention of ill health and early years.' This funding has been allocated to health boards (with priorities needing to be agreed with Regional Partnership Boards), against my advice that it should be focused on the broader determinants of health at a Public Services Board level.

Findings across government sponsored national public bodies

As with other public bodies, national bodies describe a disconnect between various duties and priorities imposed on them by Government. The annual remit letters provide an outline of deliverables and allocated funding. The short-term, annual nature of these letters hampers their ability to focus over and above immediate deliverables. It is encouraging to see some national bodies challenging the system, like Sport Wales, who are reforming their performance management.

Remit letters should provide much clearer requirements and integration of duties to enable implementation of the Act, they should follow discussion with Government on how the remit letters reflect the well-being objectives of Government and of that public body. Where performance measures are provided, they are mostly traditional output measures, which means national bodies currently struggle to show impact and progress on their well-being objectives.

As such, there is naturally a variation in how the national public bodies apply the Act. Where national bodies have a specialist remit, such as the Arts Council for Wales or Natural Resources Wales, there is a stronger contribution to the relevant well-being goals. It is positive to see good practice in these areas but public bodies must set objectives that maximise contribution to all well-being goals holistically, not just those that relate most to their remit. This could partly be addressed through increased collaboration, integration and involvement. However, capacity is an issue. National bodies have raised with me and the Auditor General for Wales that collaboration can be challenging; they find it difficult to engage with complex governance structures, struggle to find the resources to support partnership and collaborative working.

Nonetheless, there are good examples of national bodies taking action to contribute to multiple goals – not just the ones most relevant to their remit. For example, Amgueddfa Cymru are contributing to a Wales of vibrant culture and thriving Welsh language, a prosperous Wales, a more equal Wales, a Wales of cohesive communities, a healthier Wales and showing the impact of collaboration through their objective "People in Wales have opportunities to develop skills through cultural learning". They have embarked on a project to increase the number and diversity of their volunteers. By actively collaborating with other organisations, they have diversified and broadened the volunteer base and substantially increased the numbers volunteering to approximately 700 people.

During the Section 20 Procurement Review, the National Library of Wales shared that they decided to cancel the commissioning and procurement of a building to store tapes and films, as part of a large national broadcasting archive. The building would have had a negative environmental impact and did not reflect

the organisation's well-being objectives or the four dimensions of well-being. The cost of the building has been redirected to projects focusing on community engagement, culture and heritage. This new approach has been supported by the Heritage lottery.

Findings across local government

The responsibilities of Local Government are far-reaching and, therefore, there are numerous sections of my Future Generations Report that are relevant to how Local Authorities are applying the Act in 'what' they do and 'how' they do it; from transport, to housing, to planning, to nature restoration, to skills and education, for example.

My monitoring and assessing of progress found that there are capacity issues being felt in Local Government, for example, financial pressure facing local authorities are limiting capacity to lead long-term change. This is not necessarily about needing resources for new services or more people, but rather about the capacity of the stripped back services and corporate areas of Local Authorities to lead change, think innovatively and reach out to collaborate and integrate with others - whilst also managing increasingly pressurised day jobs.

Progress is being made on meeting well-being objectives in some areas, but there is variation in how decision-making is applying all of the five ways of working – as described in part 1 above. Local Authorities need to better explain their use of the five ways of working and how they are taking all reasonable steps to meet their objectives in decision-making. Whilst there are good examples of local authorities, often with PSB partners are considering long term trends for example, the Gwent PSBs have collaborated with Ash Futures Consulting to publish a Horizon Scanning Report on trends for the next 20 years, which they are using to determine steps to meet their well-being objectives and inform regional work. Cardiff Council and Cardiff PSB similarly have set out their well-being objectives in the context of 'Cardiff Today' and 'Cardiff Tomorrow' providing predicted trends for 2036 to demonstrate why they have made certain decisions. Local Government should more clearly demonstrate how they are considering long-term trends and scenarios.

Many public bodies are going beyond their traditional functions to work with others, but collaboration needs to move beyond the most obvious partners and 'information-sharing' towards more powerful partnerships and pooling resources. For example, Local Authorities have not always made clear connections between their well-being objectives on skills with schools within their area, Growth / City Deals, Regional Skills Partnerships and other Further and Higher Education institutions.

Local Government have reported that the timings of the legislation have been an issue. Elections shortly after the publication of objectives (May 2017) and the later publication of Public Services Board well-being assessments and well-being plans are viewed as anomalies within the Act. I have encouraged critically revisiting objectives and steps on a regular basis.

As with other sectors, Local Government have found corporate planning, performance management and reporting requirements set by Welsh Government prohibitive to implementing the Act. The short-term nature has

been a distraction, disrupting their desire to act for the long-term in requiring a report that shows measurable improvement annually. It is encouraging that the Local Government and Elections (Wales) Bill seeks to provide a new performance and governance system, but I have been advising Government against complicating duties outside of the Act once again.

All sector findings and recommendations can be found [here](#).

3. Progress against the well-being goals

The well-being goals represent a common vision for the future of Wales – what public services need to be collectively aspiring to. There is positive action being taken on all of the goals, in places, and pockets of good practice where I can see determined progress being made.

However, some goals are less understood, and clarity is lacking on how public bodies are meeting them. This is particularly true of *'A Prosperous Wales'*, *'A Resilient Wales'* and *'A Globally Responsible Wales'*. There is a tendency to rely on the title of the goals, neglecting the full extent of their legal definitions.

The use of language associated with the goals also continues to be a problem. For example, Welsh Government's latest Annual Report (2019-20) is titled 'a more prosperous, equal and greener Wales', which can be confusing and undermine the framework as set out in the Act.

However, when I compare earlier corporate plans with more recent annual reports of public bodies, the general understanding of the goals and their meaning is improving. Health boards, for example, are setting objectives and steps relating to *'A Resilient Wales'*, and more bodies are exploring what they can do to contribute to more of the goals.

A key challenge is also the lack of integration between goals and objectives. This is consistent with the findings of Audit Wales. Action in an area (for example, skills, land use planning, transport, housing) often focuses on one goal, instead of seeking to have multiple benefits across the well-being goals.

Several public bodies have introduced tools and templates to help people consider how their proposal is integrated and contributing to each of the seven national well-being goals. However, paper-based exercises are not enough to show how public bodies are working differently.

There is still a lack of understanding that the goals should inform objectives and steps – rather than setting objectives and steps and hoping they retrospectively fit and contribute to the goals. Public bodies can also demonstrate their contribution to the goals through the seven corporate areas of change (and their own corporate approaches).

I am seeing evidence from some, for example, Natural Resources Wales, Amgueddfa Cymru, the fire and rescue services and national park authorities, of being more imaginative and collaborating with others to contribute to a wider set of goals. Public bodies should move beyond paper-based exercises, ensure staff are trained, supported and constructively challenged on the application of the Act.

South Wales Fire and Rescue Service and Natural Resources Wales have demonstrated the power of collaboration, integration, and involvement by seeking to work towards their objective to 'Reduce the number of

deliberate fires'. A range of methods have been adopted, but the 'Healthy Hillside' project in collaboration with the Wildlife Trust, local authorities, other voluntary sector partners, local farmers and the wider community shows contribution to A Prosperous Wales, A Resilient Wales, A Healthier Wales, A Wales of Cohesive Communities and A Globally Responsible Wales.

My recommendations for all public bodies and boards covered by the Well-being of Future Generations Act are to:

- Test every-thing they do according to the Act's 'double test' of the 'what' and the 'how'.
- Develop their corporate centre and processes in line with the requirements of the Act, but also encourage innovation and culture change.
- Invest in building a movement of change, identifying and breaking down barriers to implementation and promoting wide understanding of how each part of their organisation contributes to the national mission of the Act - improving the well-being of future generations.
- Involve their workforce in meeting their well-being objectives; start with their own actions, their teams, departments, and whole organisations; to meet the national well-being goals.
- The whole system needs to be thinking and acting for the long-term. The Government are yet to publish national milestones regarding the national well-being indicators of the Act, which may help public bodies to act more for the long-term and set appropriate annual targets or measurements to get closer towards milestones. Welsh Government should seek to set milestones in collaboration with others. PSBs and public bodies should then consider a similar method to define success for achieving their well-being objectives and steps in five, ten, fifteen, twenty and twenty-five years.
- Undertake horizon scanning exercises to think, plan and resource for the long-term future with others in collaboration – public, private, voluntary sector and members of their community. Welsh Government should help by establishing a targeted resource to help public bodies build capacity in long-term thinking, planning and futures techniques.
- Ensure they are taking an integrated approach, aligned with well-being objectives in order to achieve multiple benefits across the well-being goals.

4. Challenges and Opportunities

I am seeing individual champions of the Act, and its ways of working, change the way we deliver and design services across Wales. For example, the way transport planning is being done in our capital city, reforming the way we think about keeping older people well, shifting beyond delivering 'services' to focusing on what matters to them. I am seeing politicians reject the status quo of addressing congestion through building more roads, instead looking for solutions which are better for the well-being of people and planet.

However, both I and the Auditor General for Wales have found that public services are not resourced sufficiently themselves to support the cultural change required by the Act, and this is limiting positive impacts being felt within communities.

As Commissioner, one of the purposes of my office is to support the application of the Act and, as a result, responding to over 600 of requests for support which range from:

- requests to support the drafting and updating of policy (e.g. NDF, PPW and LDP Manual),
- requests to be part of review groups (e.g. WelTAG Review and the Digital Skills Review) or sit on boards (e.g. Welsh Government's Freelancers Pledge Working Group),
- requests to provide feedback to reports and corporate plans (multiple from different public bodies, most recently from National Museum on their new corporate plan and strategy)
- smaller requests for information, resources, and our position on a variety of issues

My team have produced resources and supported public bodies in a variety of ways, which we hope will challenge thinking, decision-making, delivery, and scrutiny:

- A series of Future Generations Frameworks on [infrastructure projects](#), [service design](#) and [scrutiny](#). These act as a series of prompts to support decision-making
- Achieving the '[Art of the Possible](#)': a series of journeys towards each of the well-being goals and 'Involvement' which give the areas which I recommend public bodies focus on in setting objectives and steps to meet the goals as well as practical examples and case studies to support this
- A [self-reflection tool](#) to support public bodies to reflect on and have conversations around progress
- Guidance on how to [set good well-being objectives](#)
- A [futures guide](#) to help to think and plan better for the long-term
- Extensive targeted written and oral advice to Welsh Government, public bodies, organisations not covered by the Act and individuals (e.g. Environmental Permitting, M4 Relief Road, Welsh Government's Budget, the Climate and Nature Emergency and COVID-19 Recovery)
- Delivered presentations to public bodies and Public Services Boards on a variety of issues including, the Act, implementation, integration, and long-term thinking.
- Supported Public Services Boards and Welsh Government through our Live Lab models.
- Advice to Public Services Boards on well-being assessments and well-being objectives.
- Published research (e.g. 'Transport fit for Future Generations' and 'Education fit for the Future').
- Published a '[10 Point Plan to Fund Wales' Climate Emergency](#)'.
- Currently undertaking a Section 20 Review on Procurement and will issue recommendations.

I also endeavour to find creative ways to communicate my advice which includes via the Future Generations Leadership Academy, Newsletters, Young People's versions of my Manifesto for the Future and via a Poet in Residence. Much of my resources and advice is also developed, designed and published in partnership with others.

The level of support and advice offered to public bodies and Ministers increases year on year - requests for support and advice to my office were up by 78% in 2019-20 from 2018-19. My current level of funding is insufficient to allow me to thoroughly monitor and assess all public body well-being objectives and provide the

level of support needed to change public sector culture. This is a case I have repeatedly made to various Senedd Committees and to Government.

I have consistently raised concerns about how this has a negative impact on the quality and level of my support and advice I can offer. My Office is the lowest funded of all the Commissioners with a significantly larger remit. This means I struggle to resource all of the requests for support and advice my office receives and I am forced to make difficult choices and prioritise some requests over others, depending on size of the request, the capacity of my team, and the links to my on-going work and areas of focus.

This demand on the capacity of my office looks set to increase (for example, Corporate Joint Committees will soon also be subject to the Act and will, therefore, require monitoring, assessing and advice from me). Disappointingly, the regulatory impact assessment for the establishment of Corporate Joint Committees does not include any additional cost to my office despite additional burdens to Audit Wales and other organizations' being detailed in it. Other areas include the possible impact of my functions because of the UK's exit from the EU and the subsequent changes to HEFCW's remit and establishment of a Commission for Tertiary Education and Research. I do not think continuing to ask my small team to cover such a wide remit and deliver a statutory work programme, that is inadequately resourced, is sustainable.

Going forward, as Welsh Government and public bodies plan their recovery from the COVID pandemic and deal with ongoing challenges, the long-term and integrated focus of the Well-being of Future Generations Act has never been more essential. We have a once-in-a-generation opportunity to create public services that tackle the ongoing economic, equality, health, climate, and nature crises that provides the Wales We Want for our communities.

I look forward to meeting the Committee in the New Year to contribute to this important inquiry and to expand on my findings and recommendations in the Future Generations Report.

Yours Sincerely,



Sophie Howe

Future Generations Commissioner for Wales

Public Accounts Committee Inquiry | Barriers to the successful implementation of the Well-being of Future Generations (Wales) Act 2015

Supporting Paper from Permanent Secretary (Welsh Government)

15 January 2021

Introduction

The Welsh Government has a long history of promoting sustainable development and committing to making sustainable development the central organising principle of government. The fact that this is not new for us is a strength, but expectations are much higher as a result of the Well-being of Future Generations Act, particularly as governance structures and accountability should be considerably strengthened by the legislation.

The role of the Welsh Government civil service under the Well-being of Future Generations (Wales) Act 2015 ('the WFG Act') is to support Welsh Ministers in discharging their duties under the Act and delivering their well-being objectives, as well as their promotion of sustainable development. The legislation is designed to make sustainable development the central organising principle of government and public bodies, and it follows that the operation, governance and mechanics of Government, and the advice and support provided by the Welsh civil service should continually improve to respond to these requirements.

This supporting paper has been prepared in advance of the scrutiny of Welsh Government officials on 1 February 2021 by the Public Accounts Committee. The paper therefore focuses on the actions I have taken as Permanent Secretary with the Executive Committee and officials from across the Welsh Government.

This paper will not cover those policy matters that are for Welsh Ministers. In 2017, the Welsh Government published 12 well-being objectives as required by the WFG Act, which were included in [Prosperity for all: the national strategy](#). The government's [Annual Report 2019](#) outlines the progress made against these objectives under the First Ministers' three themes of 'more prosperous, equal, and greener'. The next annual report is due to be published in January 2021 and, in accordance with Standing Order 11.21(ii) the Welsh Government is due to propose a debate on the Programme for Government Annual Report in February 2021.

Implementation by the Welsh civil service

Since the WFG Act came into force in 2017 the sustainable development principle and well-being duty has affected every aspect of our organisational operating model, from our policy-making framework, our performance management; our leadership expectations; and our financial and auditing processes. It has also provided the foundation for my future-proofing initiative. Through the Welsh Government Consolidated Accounts, I provide an annual summary of actions taken to further embed the sustainable development principle in how we work. Over the course of this government term, stakeholders have constructively challenged Welsh Ministers and the civil service about the pace of change in embedding the WFG Act and the culture change it requires. The [latest accounts](#) published in November 2020, describe how we reflected on how we were co-ordinating our response to the WFG Act, and agreed to an updated strategic implementation framework to better reflect and communicate the breadth and scope of the WFG Act within Government. This framework, importantly distinguishes the

- the role of **Welsh Ministers** in maximising Government's contribution to the well-being goals by setting and delivering well-being objectives;
- the role of the **Civil Service** in improving the support and advice to Welsh Ministers by embedding the sustainable development principle in how we work;
- our role in **enabling others** to contribute to the achievement of the well-being goals and implement the WFG Act; and,
- our role in helping to **understand Wales** now and in the future through work on the future trends report, national well-being indicators and Annual Well-being of Wales report.

In the early phase of implementation of the WFG Act, the Welsh Government worked with stakeholders to develop and deliver key building blocks to support successful national implementation of the WFG Act duties. These include; the [statutory guidance](#) for public bodies, Public Services Boards and community councils; the [national wellbeing indicators](#) measuring the progress towards the well-being goals laid before the Senedd in 2016; the first statutory Welsh Government [Future Trends Report](#) in 2017; and the first [Annual Well-being of Wales Report](#) by the Chief Statistician in September 2017. In addition, we have provided a range of resources to help raise awareness and understanding of the WFG Act, for example, an [easy read](#) document, [essentials guide](#) and [animation](#), and explainers of how the WFG Act links to other legislation. These complement the work of the Future Generations Commissioner and her team who play a pivotal role in supporting national implementation.

Within the Welsh Government, each policy and portfolio area is responsible for embedding the sustainable development principle into its activities, policies and arrangements, and for taking action to deliver the Government's stated well-being objectives. We recognised the need for the centre of the organisation to oversee and enable the change. Early work on internal implementation the WFG Act focused on establishing and ensuring the delivery of key internal actions to facilitate compliance and an understanding of the aspirations behind the legislation to all staff. We focused on changes to our operations and business processes; engaging staff and facilitating behaviour change; with a look to the wider One Welsh Public service and our enabling role.

Our work with WWF Cymru in 2017/18 helped to forge a common understanding with stakeholders of how Welsh Government's progress in operating under the WFG Act can be seen, understood, and recognised. Through a series of workshops, pointers for action were identified and published in 'All Together' (2018). In my foreword to the report I welcomed co-productive spirit in which officials and third sector representatives tackled the issues on implementation. Our continued engagement with the Auditor General, Audit Wales and the Future Generations Commissioner has also provided ongoing feedback and learning on how we respond to the WFG Act.

Engaging staff and facilitating behaviour change

I recognise that the Act is fundamentally about changing behaviours and how decisions are made. The kind of sustained behaviour change expected by the legislation and sustainable development agenda takes time, and requires continual improvements in how we lead; how we learn; how we perform; and, how we work. These elements form the basis of my future-proofing initiative, which was designed

at the outset to equip the Welsh civil service to meet the challenges of delivering the WFG Act. It differs from previous change programmes (including 'Preparing for the Future') in its deliberate focus on people-related change and the integrated and system-wide nature of the way we are approaching the behaviour change programme. To raise awareness in the civil service of the WFG Act we developed a core narrative; ran a series of workshop sessions with the entire Senior Civil Service; delivered preparing for the future roadshow events; delivered resource packs for staff and a new intranet resource area. Deep dive events were also run on each of the five ways of working for the policy profession. Policy making and ministerial advice guidance was all updated to ensure considerations of the Act formed part of this work, and we keep this under review. We also developed a common communication toolkit with heads of internal communications across the public sector. When we recruit, we expect candidates to have knowledge and understanding of the Act. We know that from our People Survey in 2020 there appears to be relatively high levels of initial adoption of the five ways of working. In 2021 we will be exploring this adoption further through an internal audit exercise of Departments to identify and share good practice.

Changes to our operations and business processes

We recognised that our processes and mechanisms could be a driver for implementing the WFG Act, particularly the five ways of working. Early achievements included embedding the WFG Act into business planning, looking at integration of impact, the role of the Internal Control mechanisms and governance statement; and, amendments to remit letters and grant conditions. In support of the Minister for Finance and Trefnydd, we worked with the third sector and the Future Generations Commissioner to agree a multi-layered definition of prevention.

A Well-being of Future Generations (WFG) Champion has been appointed to lead WFG considerations on the Welsh Government Board, and a revised [Terms of Reference](#) emphasises its role in providing strategic advice in line with the WFG Act. The Board Champion also leads the WFG Oversight and Enabling Group, a cross government group comprising those responsible for statutory or operationally important elements of Welsh Government duties and responsibilities under the Act.

To support policy integration and coherence a process was put in place for key Cabinet papers with "challenge sessions" held with Welsh Government officials, as papers are developed to ensure a cross government approach to policy making. My approach to these sessions were informed by regular conversations with the Future Generations Commissioner so that lines of inquiry were developed that focused on the five ways of working. The lessons from these challenge sessions have now been fed into a dedicated Delivery Board. The Delivery Board scrutinises delivery of our government priorities through a collective lens, ensuring that Government can contribute to the achievement of the well-being goals through collaboration and cross-government action.

One Welsh Public Service and enabling others

The One Welsh Public Service (OWPS) ethos has a shared purpose and shared drivers to achieve a better and lasting quality of life for all, designed around the outcomes of the WFG Act, the five ways of working and the public service values we hold.

The Academi Wales website provides resources for public service leaders and promotes a series of masterclasses and workshops which support the OWPS ethos

and support the WFG Act. Academi Wales highlight their main achievements through their [Annual Report](#).

Academi Wales delivered a number of modules on the first cohort of the Future Generations Leadership Academy programme, designed by the Future Generations Commissioner office and Academi Wales to build the leadership skills of younger members of the public service, who will one day become the leaders of future generations. Academi Wales will continue to provide support for future cohorts. The second planned intake of the All Wales Public Service Graduate Programme, commencing in January 2022 will be open to public/third sector partners and will require organisations to demonstrate collaboration within a region and illustrate how their projects support the concept of OWPS; the Well-being of Future Generations Act and regional priorities.

We further recognise the good practice across Wales delivered in many different ways. For example, for the Ystadau Cymru Awards and the All Wales Continuous Improvement (AWCIC) Awards, the Well-being of Future Generations Act five ways of working was used to inform the nomination process highlighting the improvement work being carried out in public services and third sector organisations across Wales. Both awards include categories recognising teams and organisations applying the WFG Act in their work.

In January 2020, we delivered the first Future Generations Xchange event which brought together senior managers across the Civil Service and wider public sector to share practice in applying the five ways of working. Over 300 people attended which included a keynote address from the First Minister. We will be building on the success of this event, and continue to provide opportunities for staff to come together and discuss better ways of working in 2021.

The Committee will be aware of the wide-ranging review of our sponsorship arrangements that we commissioned in 2018 ('Delivering Together – Strengthening the Welsh Government's Sponsorship of Arms-length bodies'). This included recommendations which emphasise the ability of the Welsh Government and its arms-length bodies to work together in ways which are consistent with the WFG Act. Our Framework Document sets out the relationship between Welsh Government Sponsored Bodies and Ministers, including roles and responsibilities, and the terms and conditions under which we pay them grant in aid. This document, and remit letters include strong references and messages to those bodies to ensure their work contributes to the WFG agenda, employing the five ways of working, reporting on WFG matters and are linked to the Welsh Governments well-being objectives.

In 2019 we worked with stakeholders to input into the [UK Government's Voluntary National Review](#) of the Sustainable Development Goals to ensure Wales' approach was strongly featured, we also drafted and published a separate '[Wales and the Sustainable Development Goals](#)'. This provided a review of Wales' contribution to the Sustainable Development Goals and agenda through the framework of the WFG Act. Building on this we worked in partnership with the Institute for Advance Sustainability Studies in Germany to deliver an international event, 'The Future is Now' in March 2020.

In May 2020, Welsh Government joined the Wellbeing Economy Government (WEGo) network alongside Scotland, Iceland and New Zealand. Since joining the WEGo network earlier in the year, Welsh Government officials have derived great benefit from hearing about the experiences of other governments in applying the principles of well-being economics. We have also been able to share our own

experiences of developing policy in the context of the ground-breaking Future Generations Act and particularly in monitoring our progress against the well-being goals established in the Act, using the broad indicator set developed to capture the multiple dimensions of well-being.

Views on the barriers to implementation

The responses to the PAC consultation and the reports of the Auditor General and Future Generations Commissioner have highlighted a number of potential barriers and opportunities to the implementation of the WFG Act. I want to outline the work we have been doing to understand and address some of the key barriers.

Funding arrangements

The WFG Act seeks to ensure that Welsh Government and public bodies take greater account of the long-term impact of the things they do, and to plan accordingly. This can understandably be challenging when financial certainty can only be given for short periods. Welsh Ministers have indicated their desire to be in a position to provide longer-term financial certainty, however are only able to set revenue and capital plans for a single year due to UK Government spending decisions. We will continue to press for longer financial settlements. In terms of infrastructure investment, we are working on a whole government approach to enhance connections across portfolios and maximise the public returns on investment. Following the 'Delivering Together' work in 2018 we are exploring how we could move away from annual remit letters, budget awards and business plans to a 'Term of Government' approach to enable longer term planning for our arms-length bodies.

Partnership landscape

The importance of collaboration between different organisations delivering for people and the environment is an essential ingredient for sustainable development. The WFG Act recognised this and included collaboration as one of the five ways of working for public bodies to take into account. This way of working was strengthened further by establishing formal collaborative arrangements through Public Services Boards. We have provided support to Public Services Boards since their establishment through network meetings, workshops, 'drop-in' clinics, and regional funding for activities. These have supported their capacity and capability to develop local assessments of well-being, well-being plans and also delivery against those plans. Senior Civil Servants are members of each board and have terms of reference for their role as invited attendees on behalf of Welsh Ministers. The role of the Welsh Government representative is to bring a national perspective to meetings and to ensure that national and regional delivery remains responsive to local issues and local democratic accountability.

Public Services Boards sit within a wider landscape of partnership arrangements. In recognition of a mutual problem, that of simplifying complexities in Welsh public services working together, a review of strategic partnerships was conducted with the Welsh Local Government Association and Welsh NHS Confederation. The [Review of Strategic Partnerships](#) reported in June to the Partnership Council for Wales. Whilst there was agreement that the partnership landscape is complex, the review found little support for uniform removal or merger of partnerships – either by partnership theme or area. Partnership Council agreed a pragmatic solution based on local leadership, which Welsh Government will facilitate.

Legislative landscape

The nature of the WFG Act means that new Bills that look to change the way that public bodies operate may interact with the duties in the WFG Act. Our [Legislation Handbook](#) reminds officials that when developing legislation that they should consider whether the proposed legislation will contribute to the delivery of the Act. We also published [Making Good Decisions](#) in 2016 to assist public authorities in Wales to make good decisions that are lawful and comply with the Rule of Law.

In developing new legislation, we have looked for opportunities to clarify their relationship with existing legislation, such as the Planning (Wales) Act 2015; the Environment (Wales) Act 2016; the Social Services and Well-being (Wales) Act 2014; the Local Government and Elections (Wales) Act 2021; and, the draft tertiary Education and Research Bill. More recently, we have worked with the Equality and Human Rights Commission Wales and the Future Generations Commissioner to develop guidance to help public bodies consider opportunities to apply the socio-economic, the public sector equality and the well-being of future generations' duties in an aligned way.

Reporting

The reporting requirements for the WFG Act are designed to be a vehicle for organisations to communicate how they are contributing to the well-being goals and carrying out sustainable development. The statutory guidance encourages public bodies and Public Services Boards to report on progress through existing mechanisms, such as existing annual reporting mechanisms rather than in isolation from other reporting activities. The guidance advocates an integrated reporting approach and encourages bodies to explore opportunities to integrate the way in which they report existing duties.

Looking ahead

The reports from the Future Generations Commissioner and Auditor General for Wales, as well as the work we have done with the third sector provides an array of ideas for how the Welsh Government civil service can realise the benefits of working in a more sustainable way. In early 2020 the Executive Committee discussed the internal barriers to realising the benefits of the legislation. These covered aspects such as improving joined up government; using the Future Trends Report as a platform to build capacity for long term thinking; embedding a preventative approach beyond the budget; and how we can improve the capability of our policy profession. We also acknowledged the importance for Welsh Government to show visible leadership and improve how we communicate the changes we are making.

I identified a series of additional actions to take to embed the sustainable development principle in the workings of the Civil Service. I will be attending the Caerphilly Public Services Board in January 2021, and have convened a meeting of the Welsh Government officials on PSBs in January as part of a bi-annual session to exchange information and improve our leadership role on PSBs.