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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.

<b>What sector does your experience relate to</b>	<b>39 responses</b>
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 report<sup>1</sup> 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

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<sup>1</sup> 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**