

By email

18th January 2022.

Dear Jane,

Thank you for meeting with me last week to discuss my budget position. We have forwarded to your officials some additional information as requested and many of the things you asked for further details on are already included in my statutory estimate. However, I wanted to write to you to reiterate the main issues facing me in terms of my capacity to support implementation of the Future Generations Act.

- 1. I believe the Regulatory Impact Assessment which allocated the initial budget to my office substantially underestimated the costs of meeting the statutory duties place on me.**
 - At the time it could not have been known that public bodies between them would set in excess of 350 wellbeing objectives and the Act places statutory duties on me to monitor and assess progress being made against these objectives which is impossible based on current level of resources.
 - The review powers were added by amendment and were not included in the RIA.
 - I remain the lowest funded Commissioner body with the largest remit.
- 2. Meeting these duties does not account for the powers to provide advice and support which is critical in ensuring the Act is successfully implemented**
 - Requests for support to my office from public bodies have **increased 179%** over the last year.
 - 22 Public Bodies have requested specific and tailored support (officials have been provided with a full list) and these requests are generally not simple and straightforward. They include requests for 'handholding' advice and support in major policy areas such as Vale of Glamorgan request for help on food poverty and working with the third sector, 4 local authorities requesting help on implementing the Act in procurement, NRW advice on their 2050 vision and plan, Cwm Taf Morgannwg Health Board request for help on addressing health inequalities post covid, Arts Council request help in better embedding their wellbeing objectives in their whole organisational approach, request from Torfaen to help scrutiny

committee members make better use of the Act in Scrutiny, Cardiff and Vale Health Board on their shaping clinical futures plan.

3. Requests identify significant gaps in capacity in all public bodies and lack of support being provided on 'implementation' of Welsh Government and other policy

- Emerging themes from most public bodies relate to help with implementation including aligning equality and other duties with WFG, support in budgeting for WFG, support for applying WFG to procurement, help in developing better wellbeing objectives
- As an example of the implementation gap – in 2019, after the Welsh Government had declared a Climate Emergency, my office reviewed 363 Sell to Wales tenders focused on social care, construction and food. Only 35 references to community benefits, 2 references to the WFG Act, 1 reference to broader well-being (economic, social and environmental well-being), and 1 reference to A Healthier Wales. There was not a single reference to requirements around carbon reduction. To follow up, this year I have started looking at this again. So far, we have considered 41 contracts advertised on Sell 2 Wales and I have found limited references to the WFG Act (3) and 12 references to non-scored Community Benefits. Considering Welsh Government's commitment to "make Carbon Reduction Plans a mandatory part of tenders for Welsh Government contracts over £5m from April 2022" and the commitment for the public sector to be carbon neutral by 2030, public sector procurement contracts should be detailing clear requirements on carbon reduction. In the current contracts I have reviewed, there are no specific requirements about carbon reductions in the documents I could see. Although Welsh Government are providing WPPN's including the new one on decarbonisation, I am concerned that this doesn't seem to be recognised within public contract documentation which I will continue to review.

4. The Welsh Government accounts for 45% of all requests for advice and these requests come from across all departments

My office has been significantly involved in providing detailed advice and support to the Welsh Government as well as supporting the Government with detailed research and analysis and on a plethora of advisory groups. Officials have been provided with a full list but as a flavour these include:

- Economy Dept - Reviewing the Economic Renewal and Recovery Strategy and providing detailed advice on how to ensure the Act is embedded;
- Economy Dept– ongoing advice on skills policy including sitting on a number of advisory boards;

- Climate Change - Detailed advice and feedback on Second Low Carbon Delivery Plan Sustainability Appraisal, detailed advice on the new Transport Strategy and review of WelTAG, ongoing membership of the Roads Review Panel;
 - Climate Change, detailed externally commissioned report on funding the retrofit challenge in housing;
 - Climate Change – support in developing the Net Zero plan engagement and activities around Climate Week;
 - Finance - detailed advice and feedback on the Social Partnership and Procurement Bill and detailed advice around the overall approach to procurement;
 - Social Justice – advice on aligning the socio-economic duty and the WFG Act, supporting the engagement and reporting to the UN on SDG implementation;
 - Local Government- detailed on going advice on ensuing the new Corporate Joint Committees work in line with the WFG Act;
 - Education – advice on embedding the Act in curriculum Reform;
 - Culture – detailed involvement on developing the cultural contract and freelancers’ pledge.
5. **Where my office provide advice and support the outcomes are significantly improved**
- The Public Account Committee Inquiry report states "We heard many specific examples of when the Commissioner’s office’s expertise and guidance had shaped public services for the better or had helped to embed the culture change that is so central to the successful implementation of this legislation. "
 - Specific examples of the impact our work has had is included in the attached slide deck.
6. **Without additional funding I will have to cease the provision of advice and support to public bodies including Welsh Government which will have a hugely damaging impact on implementing the WFG Act**
- No uplift in my budget will mean I will have to terminate the contracts of 14 members of staff and revert only to meeting core monitoring and assessing duties.
 - No further advice and support will be able to be provide to Welsh Government or other public bodies beyond statutory duties.
 - There is no other mechanism by which public bodies can access advice.
 - Advice that my office provides up front often saves problems occurring later e.g. the alignment of the WFG with new WG policy and legislation is often poor before we provide advice.

- Welsh Government itself will struggle to meet statutory duties in aligning policy with the Act without the provision of advice and support.

7. I have explored every avenue to reduce costs and bring extra resources to delivering the functions of my office

- Since 2016 I have reduced Director roles from 4 to 1.
- I have shared key posts for example HR Manager with the Childrens Commissioner and collaborate on internal services such as payroll (delivered by the Ombudsman) and internal audit (joint commission with other Commissioners).
- I have relocated my office saving £100k over 3 years.
- I have secured an additional £1.7 million of cash and staff resources through charging for services, collaborating with others, securing partner contributions and secondments.

8. New Welsh Government budget alignment process compromises the independence of all Commissioners makes it impossible for me to flex my resources over multiple years to achieve maximum efficiency and impact

- We operate on a partnership first approach with every piece of work and are highly successful at achieving collaborative funding arrangements. The downside of this is that we can never be certain that we will be able to obtain funding or a partnership contribution for planned. Every time we have achieved this, we have been able to utilise planned funding for additional support work, often maintaining continuity of staff in roles which would otherwise have to cease.
- Reserves have also been held for the purpose of statutory reviews. As this will no longer be permitted, I have been advised by WG Officials that we must seek additional resourcing from WG if I want to conduct a review. This clearly compromises the independence of Commissioners and is not in the spirit of the purpose for which they are established.

As you know the WFG Act is the envy of many countries including a number who are now following our lead. It is my strong advice to you that without additional resources to support the implementation of the Act, we will certainly fall behind and not achieve the aspirations or indeed statutory requirements that have been set out. The addition of new bodies to the Act without addressing the ongoing shortfall in funding for support would only add to this problem. I appreciate that funding its implementation

through my office should be a cross Government commitment and certainly departments across Government have requested and received support from my office. However, there is also an urgency in addressing this funding gap as I must start to issue termination notices to staff on 28th February 2022. These are staff who have built up expertise on the Act and would be difficult to replace. I would therefore be grateful if you could review the current budget allocation as a matter of urgency.

Yours Sincerely,



Sophie Howe
Future Generations Commissioner for Wales

cc: Andrew Charles -Welsh Government