

3rd September 2024

Dear Chair,

Re: Future Generations Commissioner for Wales - Response to Public Accounts and Public Administration Committee Scrutiny of Accounts: The Future Generations Commissioner for Wales 2022-23 Report, March 2024

In accordance with the Committee's report and recommendations, I am writing to provide an update within six months on the work being undertaken to develop a model of charging for services.

Recommendation 7. We recommend that the Commissioner provide the Committee with a written update in six months' time on the work being undertaken by his office to develop a model for charging for services to generate additional resources.

Our team have an agreed policy for payments and charges in February 2024. We must comply with the limitation of the Commissioner's statutory power to charge for advice and services which is found in Schedule 2, Paragraph 8 to the Act. It states that:

- The Commissioner may do anything the Commissioner considers appropriate in connection with the Commissioner's functions, including charging for the provision of advice or other services.
- The Commissioner's power to charge for the provision of advice or another service is limited to charging such amounts as the Commissioner thinks appropriate to recover the actual or estimated costs to the Commissioner of providing that advice or service.

Most of the advice, support and assistance we provide is for the public bodies covered by the Well-being of Future Generations (Wales) Act 2015. The Committee is aware that, whilst capacity and resources are an issue for my office, this work is mostly core-funded by our grant in aid. Therefore, in most cases, we would not charge for our work.

However, in some instances we follow our agreed charge recovery policy. I have provided at Annex A an extract of this policy to illustrate instances when we seek to charge for services. Our policy states we must also adhere to the guidance on fees and charges set out in "Managing Welsh Public Money". This means we set charges to recover full costs, ensure no cross subsidy, and ensure

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charges are consistent. In calculating full costs, we include: direct staff time, indirect staff time (e.g. finance, admin support etc), other elements such as depreciation, overheads and any costs of capital, and any other direct costs for services tailored to meet individual requirements.

Some recent examples of requests for advice where we have recovered costs or we are intending to recover costs include:

- Our international agreement with the Welsh Government International Team;
- Development of a business toolkit that assists businesses with applying the Well-being of Future Generations Act with Business Wales;
- Sponsorship of our Future Generations Leadership Academy;
- Some speaking engagements;
- A potential workshop with Dwr Cymru looking at their business plan for 2025-30 and advising on the potential for social value and impact;
- Expanding the Future Generations Leadership Academy to a franchise model.

We will send further updates in accordance with the Committee's recommendations in the timescales indicated by the report.

Yours sincerely,



Derek Walker
Future Generations Commissioner for Wales

Annex A – an extract of the Payment and Charges Policy (February 2024)

The Office wants to be helpful. Each invitation or request for advice or support received needs to be weighed up and discussed with relevant team members before a decision is made on accepting or declining.

Capacity is an issue for the team and so there will be circumstances where advice or support would be considered to have merit but a charge for this assistance may need to be set for it to be deliverable.

When we SHOULDN'T charge for work

As an indicator it should be the default position that most of our advice, support and assistance work will be for public bodies and funded by our grant in aid. In these cases, FGC would not be charging for the work they do.

We SHOULDN'T charge IF:

- ✓ There is a commitment from the Commissioner, or
- ✓ It contributes to our strategic impacts, or
- ✓ It contributes to our routemap outcomes, or
- ✓ It is an organisation we have a strategic partnership with, or
- ✓ It is an organisation we would like to have a strategic partnership with, or
- ✓ The requester can offer some non-monetary consideration for our help/services (e.g. secondments etc), or
- ✓ The impact of the intervention is considered wide and far-reaching.

AND

- ✓ We have the capacity to undertake the work, and
- ✓ The resources involved are reasonable, or
- ✓ The work can be achieved with existing materials, or
- ✓ We wouldn't have to carry out additional work, or
- ✓ The work would not require external input.

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Where these parameters are **not** met, but the work is still considered to have merit then a discussion with SLT should be had to consider charging for the work in order that it can be a viable option for the organisation.

2. If We Decide to Charge for Work

After concluding the work has merit, but is not practical to be undertaken without charging, then we should follow the charging principles set out here.

Rule in the Act

We must comply with The Commissioner's statutory power to charge for goods and services which is found in Schedule 2, Section 8 of the Act.

The Office must also take note of guidance on fees and charges set out in Chapter 6 of "Managing Welsh Public Money".

Considering both of the above, FGC should:

- Set charges to recover full costs,
- Ensure no cross subsidy, and
- Ensure charges are consistent – no higher charges for the same service to different users.

Full Costs

Full cost recovery will include costs for:

- Direct staff time,
- Indirect staff time (e.g. finance, admin support etc),
- Other elements such as depreciation, overheads and any costs of capital,
- Any other direct costs for services tailored to meet individual requirements.