
FSB Wales

Well-being of
Future
Generations Bill

5th September 2014





Well-being of Future Generations Bill

FSB Wales

FSB Wales welcomes the opportunity to present its views to Environment and Sustainability Committee on the Well-being of Future Generations Bill. FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees; FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

Introduction

FSB Wales warmly welcomes the introduction of the Welsh Government's Well-being of Future Generations Bill to the National Assembly for Wales. FSB Wales largely agrees with the general principles of the Bill and hopes it can help to provide a consistent framework for how the public sector does business in Wales. While the Bill largely relates to the public sector, FSB Wales would argue that the behaviour and processes of the public sector can have a substantial impact on the private sector and as such this Bill is of relevance to all sectors of the Welsh economy.

Vision

FSB Wales would like to see the Bill help to embed a strong vision for the role of SMEs in communities across Wales. Economic development policy is often centred on the needs of large firms and inward investment. While this is undoubtedly important, FSB Wales believes the Bill can help foster an environment favourable to the vitality of SMEs in communities across Wales. This should become a fundamental part of the Welsh Government's vision in relation to the Well-being of Future Generations Bill.

National Measures and Statistics

As part of the proposed legislation, the Welsh Government has set out six goals that should be achieved in the longer term. FSB Wales welcomes the goals as aspirations and appreciates the need for them to be on the face of the Bill. However, the goals will be largely meaningless without a suite of indicators to reinforce their aspirations and to actively monitor progress against well articulated targets in each of the goal areas. While an element of this is proposed in the Bill through National Indicators, FSB Wales would like to see this area strengthened. At present, it is not clear what force will be given to the National Indicators and the extent to which public bodies will be held to account against their contribution to progress.

While Scotland Performs provides a good starting point for such a system, FSB Wales believes there is a need to go further, particularly in relation to economic statistics¹. FSB Wales has long argued that Wales has a deficit in economic statistics. Most of the key indicators, such as GDHI and GVA, have long lead-in times, meaning by the time they are published they are often two years out of

¹ Scottish Government. 2014. *Scotland Performs* [Online]. Available at: <http://www.scotland.gov.uk/About/Performance/scotPerforms> (Accessed 4th August 2014).



date. This is not acceptable. Therefore, the Welsh Government should ensure that more robust and frequent economic data is provided and analysed to inform the National Indicators.

Transparency

By providing a frequent and robust statistical base for the environmental, social and economic factors of sustainable development, the Welsh Government would ensure public bodies are clear in terms of expectations in promoting all aspects of sustainable development. FSB Wales believes that on this basis the Wales Audit Office should be used to scrutinise and publish performance of public bodies. This should then be published so the public and the National Assembly for Wales can hold public bodies to account on their performance.

Role of Commissioner

It is vital that the proposed Future Generations Commissioner is sufficiently equipped to make a meaningful impact on public bodies who do not comply with the principles of sustainable development. As part of this, FSB Wales believes that the role of the Commissioner should be strengthened and that, for instance, the Commissioner should be empowered to follow his own initiative and to hold investigations into the decision making of public bodies. This would entail a power of inquiry, much like the powers currently vested in the Welsh Language Commissioner. Crucially, inquiries would provide recommendations for improvement and a means of ensuring recommendations are acted upon.

Appointment of Commissioner

FSB Wales believe the Future Generations Commissioner should be appointed by the National Assembly for Wales and not the Welsh Government. This would ensure that the appointment process commands a degree of consensus and would ensure that the Commissioner is sufficiently independent to scrutinise and critique the Welsh Government if necessary.

Advisory Panel

In relation to the Advisory Panel to the Future Generations Commissioner, FSB Wales believes it is vital that there is diversity in the appointments made to reflect the social, economic and environmental aspects of sustainable development. Given that 99.2% of Wales' firms are SMEs, it is essential that an SME voice is included in the panel². FSB Wales therefore believes that Section 24, Paragraph 2 of the Bill should be amended to ensure an SME representative is part of the Advisory Panel³.

² Welsh Government. 2013. *Size Analysis of Businesses* [Online]. Available at: <http://wales.gov.uk/docs/statistics/2013/131024-size-analysis-welsh-business-2013-en.pdf> (Accessed 4th August 2014).

³ Future Generations Bill [Online]. Available at: <http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs/pri-ld9831-e.pdf?langoption=3&ttl=PRI-LD9831%20-%20Well-being%20of%20Future%20Generations%20%28Wales%29%20Bill> (Accessed 4th August 2014). P.13



Procurement Implications

The Welsh Language Measure set out a precedent for procurement issues to be dealt with in a proportionate way so as to avoid creating additional barriers to SMEs tendering for work from the public sector. This involved including a threshold of £400,000 above which certain standards set out under the legislation would apply⁴. FSB Wales believes further detail is needed in terms of the impact of the Bill on public procurement. While FSB Wales agrees that procurement policy should be used as a tool to deliver services consistent with the well-being of future generations, it is important that the legislation does not serve to undermine that aim by placing barriers to SMEs tendering for public sector contracts. As such, a similar threshold model could be used to ensure procurement policies are applied proportionately in relation to the Bill.

Local Service Boards

FSB Wales believes that Wales' micro, small and medium sized businesses form a vital part of Wales' communities. The Explanatory Memorandum states that Local County Voluntary Councils will have the status of 'invited participants', meaning the third sector has a standing invite to LSBs. The justification for this is that the third sector often provides public services. This is also true of the private sector and specifically SMEs in Wales. Therefore, as with the Advisory Panel for the Future Generations Commissioner, FSB Wales believes local service boards (LSB) should include representations from SMEs within the community that the LSB represents. This could take the form of a similar 'invited participant' status for local private sector representative bodies.

⁴ Welsh Language (Wales) Measure 2011. [Online]. Available at: <http://www.legislation.gov.uk/mwa/2011/1/contents/enacted> (Available at 4th August 2014). Schedule 5, (5)



Federation of Small Businesses Wales

1 Cleeve House
Lambourne Crescent
Llanishen
CARDIFF CF14 5GP

Telephone: 029 2074 7406

Email: policy.wales@fsb.org.uk

Web: www.fsb.org.uk/wales

The Federation of Small Businesses Wales

The FSB Wales is non-profit making and non-party political. The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has 200,000 members across 33 regions and 194 branches. FSB Wales currently has around 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees meaning FSB Wales is in constant contact with small businesses at a grassroots level in Wales.

Lobbying

From the Press and Parliamentary Affairs Office in Cardiff, FSB Wales campaigns with AMs, MPs and MEPs in Cardiff Bay, Westminster and Brussels in order to promote our members' interests. FSB Wales also works closely with local, regional and national media outlets to highlight our members' concerns. Development Managers work alongside members in our regions to further FSB Wales influence at a regional level. More widely, the FSB has Press and Parliamentary Offices in Westminster, Glasgow, Belfast and Brussels to lobby the respective Governments.

Member Benefits

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business organisation in the UK.

Vision

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK.

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

Associate Companies

We have three active subsidiary companies, FSB (Member Services) Limited (company number 02875304 and Data Protection Act registration number Z7356601), FSB Publications Limited (company number 01222258 and Data Protection Act registration number Z7315310) and FSB Recruitment Limited. (company number 07836252 and Data Protection Act registration number Z3131666).