



Jeff Cuthbert AM
Minister for Communities and Tackling Poverty
Welsh Government

29 July 2014

Dear Minister

Well-Being of Future Generations (Wales) Bill

At the Committee meeting on 16 July the Committee considered the financial implications of this Bill. The Members had a number of queries which we would appreciate your views on.

Attached at annex A is details of the areas we would like a response on. I am also sending a copy of this letter to Alun Ffred Jones AM Chair of the Environmental and Sustainability Committee.

Yours sincerely,

Jocelyn Davies AM
Chair

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Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

Annex A

Impact of the Williams Commission on Public Service Governance and Delivery

The costs contained within the Bill on Public Service Boards are based on the current position of 22 local authorities and 19 Local Service Boards, and are split between local authorities and other specified public bodies. If the recommendations of the Commission on Public Service Governance and Delivery are taken forward and there are local authority mergers then consequently there would be fewer Public Service Boards and as the RIA acknowledges 'any costs would reduce accordingly'.

The Committee requests that you provide details as to newly merged local authorities would be required to produce new local well-being assessments and plans and establish new Scrutiny Committees, and if any assessment of potential savings has been made.

Costs to specified public bodies

The EM states that the costs to public bodies in Wales of meeting the requirements of the Bill are intended to be met within existing resources for setting corporate objectives and reporting against them. The EM also explains that the Welsh Government commissioned research to establish the baseline costs for setting strategic objectives within organisations. The EM details how PSBs will have increased costs of around £537,000 over the first five years of the Bill for attending meetings, publishing well-being assessments and additional scrutiny arrangements.

The Committee would be grateful to receive details of any discussions undertaken with the specified public bodies to verify these figures to see if they think they are realistic and whether they think the costs may result in the need to reprioritise away from frontline resources.

Additional audit fees

The EM explains that by law the AGW is required to charge fees for auditing the accounts of local government and other public bodies. Under the provisions in the Bill the AGW will be auditing the specified public bodies with sustainable development as one of their core principles. The EM states that it has not been possible to provide figures for the audit fees charged to each individual body that will be subject to the Bill duties.

The Committee requests that you provide details of additional costs that specified public bodies could be expected to pay to have their accounts audited.

PricewaterhouseCoopers (PWC) report

Paragraph 327 of the EM indicates that PWC were commissioned to assess the administrative impact of the legislation on public bodies subject to the Bill, but – whilst identifying the need for cultural change within organisations, improved leadership and better partnership working – were unable to provide a quantified assessment of the costs involved. The EM explains that the organisations who participated in the PWC research:

(...) were not able to establish a baseline position in relation to their current cultures and behaviours and as a result PWC were unable to provide even a broad estimate of the likely costs associated with cultural change⁷.

The PWC report concludes that the benefits of the Bill significantly outweigh the negative administrative impacts associated with implementation.

The Committee would be grateful if you could provide estimates of the cost of implementing cultural changes in specified public authorities.