

By email

5th December 2023

Dear Mark,

Accounts Scrutiny: Future Generations Commissioner for Wales 2022-23

Thank you for your letter dated 22 November 2023. Please find below the answers to your additional questions.

1. **Are you content with the Welsh Government's approach to the setting of the budget for your office for 2024-25 and the engagement you've had to date with officials about it?**

We have had good engagement with officials around the budget for my office, but Ministerial decisions still haven't been made for next year.

Whilst we send Welsh Government provisional budget information at an early stage (August) to help the budget process for the following year, we do not receive answers or certainty before December. As of 4th December, we do not know what our budget will be for 2024-25. We did receive an indication from officials to plan along the lines set out in last year's settlement budget but with no confirmation if that is the figure we will get.

Of course, we are aware of the difficult financial context facing Welsh Government. However, the process does make it difficult for us to plan adequately for the following year.

As you know, the alignment exercise has limited our resilience, and this is having a direct impact. For example, this year I have not yet been able to meet the Cost-of-Living payment in full as requested by WG.

We have not seen a significant change since the publication of the Committee's report on the funding of Commissioners. We have no indication of receiving a more sustainable level of funding as suggested by ESJ Committee, or as requested in our statutory estimate.

2. **Do you know when you expect to hear about your funding allocation for 2024-25, which will be reflected in the Welsh Government's Draft Budget?**

We expect to find out the figure allocated to us at the publication of the draft budget on the 19th of December.

We were given last year an indicative baseline figure of £1,680,000 as part of the two-year flatline indication, but this has not been confirmed.

3. **Can you provide an update about discussions you've had with the Welsh Government about extending the number of bodies under the Well-being of Future Generations Act 2015 and the**

related cost implications; what are the implications for your office of not obtaining additional funding for the eight additional bodies the Welsh Government proposes to add?

Initially we requested £129K to cover the recruitment of one Grade 3 lead, plus support and cover for senior staff time as the cost implication of the eight new public bodies coming under the Well-being of Future Generations Act.

Subsequently, Welsh Government officials discussed with us the potential of £8K - £10K per new body as a possible working alternative figure, but this was never confirmed.

Our understanding is that we believe eight new public bodies will come under the Act from 1st April but that is not confirmed and at this stage there is no additional funding agreed.

The possibilities of no additional funding or a delay in new bodies coming under the Act have also been flagged with us as options recently, given the extreme pressures on Welsh Government's budget. I have indicated that at a very last resort I would absorb additional costs if the alternative was that the bodies wouldn't come under the Act. It is important that all public bodies meeting the criteria are included, but this would increase yet again the pressures on my office and the services I can deliver.

I have made clear that to avoid any such problems in the future, Regulatory Impact Assessments should include provision for increased costs on my office each time a body is to come under the remit of the Act. We already have absorbed 4 Corporate Joint Committees. To avoid funding omissions in the future, I am encouraged to see that there are now early conversations within WG and with my office on the cost implications of new proposals. For example, with possible introduction of a Bill on Coal Tippings which would create a new body to come under the Act, WG have flagged to their colleagues the need to factor in additional costs for us and AGW, and they invited my office to be part of the discussions. This is a positive and encouraging development for the future, we now need to resolve the position for the 8 existing bodies, where such conversations have been missed.

The new bodies will not have the 7-year experience that the other 48 have and will need extra support. This is why I had costed for introduction meetings, training, an increase in my workforce to provide advice and additional monitoring and assessing of additional bodies. Having said that, some new bodies have already made a strong investment and shown commitment to the Act already (Qualifications Wales, Transport for Wales, Welsh Revenue Authority...).

I have already started to work with these 8 new bodies, in a light touch manner, as the plans were announced two years ago. We have all been preparing and we cannot afford not to. I have allocated a lead official in my team to each organisation, and they have had initial meetings (sometimes several meetings) focussing on advice to set well-being objectives. We have identified the new bodies' support and development needs through these meetings.

I have met with the CEO and / or Chair for each additional body. My team have contributed to the Welsh Government Knowledge Exchange sessions, providing presentations to the additional bodies, as well as

resources and advice. We have also provided learning and development sessions which have been targeted at new bodies.

The overall level of support I will be able to offer from 1st April 2024 will depend on the budget I will be allocated next year.

4. Has the Welsh Government engaged with you about its evaluation of the Well-being of Future Generations Act 2015 and if so, what is the scope and timescale for it?

Welsh Government officials keep us informed of their plans. We understand they have commissioned research which should be available in 18 months and have appointed a researcher. Our office will be interviewed. Welsh Government will then review that research and write a report for the Senedd. We have not been given a detailed timeline for this yet.

5. In your Annual Report 2022-23, you set out the future focus for your office. You say "Between March and September, my team and I will be taking the opportunity to refresh our approach to what we do and set new areas of focus for our work". Have you done this and if so, are you able to provide details and explain how, as a result, you will more effectively allocate your office's time and resources to generate the biggest impact?

This work has been completed. In November I published my new strategy, Cymru Can. You can find it here:

<https://www.futuregenerations.wales/wp-content/uploads/2023/11/2023-11-20-Strategy-English.pdf>

In order to prioritise the work programme, have introduced 5 missions for my office for the duration of my term. I have used a Theory of Change model to ensure our work is focussed on impact and to ensure we're making clear links between what we do and what we want to achieve (our impact).

Our 5 integrated missions will be:

- Effective implementation of the Well-being of Future Generations Act
- The Climate and nature emergencies
- Health and well-being
- Culture and the Welsh language
- A well-being economy

The first seven years of the Well-being of Future Generations Act put in place solid foundations, achieving impact as part of a movement for change in Wales. We want to maximise the scale and increase the pace of that impact over the next seven years and beyond.

In summary, the key changes I am making are:

- To place a greater focus than previously on the public bodies beyond Welsh Government
- To update our advice, drawing on the experience of the last 7 years, and provide more clarity about our expectations in certain areas

- To deliver more help to public bodies about 'how' they make the changes required to achieve impact
- To undertake more regular reviews where progress is not satisfactory and provide constructive recommendations for improvements
- To set new performance measures that will tell us how we are doing and enable us to change what we do if they are not having an impact.

6. How have you engaged with, and sought the views of, staff across your office during your refresh of your office's approach and the setting of new areas of focus for your work?

Walking the talk of the Act, I have involved fully my team in the design of my new approach. We followed a five-step process (our five 'camau'), using the ways of working set out by the Well-being of Future Generations Act to help us understand the biggest challenges faced by future generations, what public bodies in Wales need to do to address these, and what our role should be in making transformative change happen. We involved more than 1,400 people across all sectors in Wales, building on research to understand global trends affecting Wales now and in the long term.

We tested our thinking along the way, and, through evidence, analysis, and data, we've gathered a wide range of information that's informed the approach we now call Cymru Can (you can read more about this in our Methodology Report which can be accessed [here](#).)

During this process, we also engaged widely with our staff team during each of the five camau via a variety of means, including:

- Staff workshop to review our priority setting process from last time (2016 – 2023)
- Staff workshop using Futures Triangle technique to input into Cam 1
- All staff encouraged to complete the Our Future Focus survey during Cam 2
- One to one discussions with staff members to gather ideas and feedback for example in our Public Bodies team
- Ongoing input to the process via team meetings
- All staff invited to attend a series of workshops for each of the emerging missions – those who could not attend offered one-to-one discussions.
- Whole team input to draft strategy during a two-day away day in September.

7. Have you set out your overall vision, along with any changes you intend to make to the operations and ways of working adopted by your predecessor, as requested by the Equality and Social Justice Committee? If so, what does this look like?

The overall vision and key changes are captured in our new organisational Vision, Purpose and [Values](#) as part of the strategy (published November 2023). Please see answer to question 5.

As part of the 'Our Future Focus involvement exercise' to prepare for our strategy, we reviewed where we consider that we've had most impact with external (and internal) stakeholders. This has included discussions on our operations and ways of working.

Our new strategy seeks to ensure a greater degree of engagement by our team with public bodies, focusing on implementation and impact to ensure that the legislation fully lives up to its potential.

A team re-structure is underway (see question 11 below) which is part and parcel of delivering on these changes.

We will continue to establish a solid foundation for progressive policies and innovation, walking the talk of the Act, in particular in the corporate areas of change, for example implementing our Anti-Racist Action Plan and our upcoming Decarbonisation Action Plan.

8. What progress have you made with your new corporate plan, which you committed to produce by this autumn, and what can you tell us about it?

See answer to question 5 above.

We published our new seven-year strategy Cymru Can in November 2023 which set out five missions. This document will be complemented by three-year operational plans (our 'Routemap') for 2024 -2027 and 2027-2030).

9. The Equality and Social Justice Committee recommended you identify the outcomes you would like to achieve during your term of office, with accompanying key performance indicators. What progress have you made in doing this?

The outcomes are set out in my new strategy. See in particular the diagrams setting the theory of change model which each include outcomes for each mission.

These outcomes are being further refined into key performance indicators and milestones, which will be included in the three-year Routemap, from 1 April 2024.

10. Do you have plans to determine milestones for delivery for each year of your term of office and if so, how do you plan to report progress made against them?

See answer to question 9 above.

The detail of how we will deliver each of our five missions will be included in a three-year Routemap from 1 April 2024. We'll review our approach as we go, involving others to make sure that we are always achieving

the biggest impact we can within our resources to improve the well-being of people in Wales now and for generations to come.

We have committed to adopting key performance indicators and milestones based along the following lines:

- **What we have done.** Example - the impact of our learning and development sessions and the work we do to share best practise.
- **Who we have reached.** Example - the range and number of organisations engaged through each of our missions.
- **Monitoring and assessing.** Example - the number of public bodies able to demonstrate progress in their well-being objectives, the way they apply the five ways of working and in contributing to progress against Wales' 50 national indicators.
- **Advice.** Example - organisations taking action following our advice; public bodies and Public Services Boards feeling confident in delivering the Well-being of Future Generations Act.
- **Convening.** Example - stakeholders across all sectors agree our team is helping to drive change in our mission areas; a wide selection of partners including the voluntary sector and community groups agree they have a strong voice in setting public sector well-being objectives associated with the missions.
- **Advocating.** Example - Public bodies have implemented recommendations from our Section 20 review and can provide instances of how it has helped them change practice; an increase in the number of public bodies and Public Services Boards who agree they are clear on the roles of Government, Audit Wales and the Future Generation's Commission in relation to the Well-being of Future Generations Act, and agree the advice they receive is consistent.

We want the KPIs to be meaningful and show progress on the things which are under our control; to see how our work is having an impact to learn lessons on what to stop or continue year on year.

Our KPIs are based on things we can directly impact, rather than wider, less specific indicators.

Ultimately, we need to see progress also at the national level in the well-being national indicators and demonstrating impact on people's lives.

11. You told the Committee you were reviewing your senior staff structure, and you were meeting, the day after the meeting, with the team to discuss it. Are you able to tell, at this stage, the outcome of the review and share the detail of any proposed changes, together with the rationale for them?

I have undertaken a restructuring process covering the whole organisation, not just the senior leadership team. This was for two reasons: (i) because of the challenging budget situation we are facing and (ii) because of the need to reorganise the team in line with the new structure.

At the time of writing, five people will be leaving the organisation at the end of March 2024 and two people have reduced their hours. Changes have been made at different levels from the SLT to Team Support.

You also agreed to write to the Committee with further information including:

- further detail on where you think there are opportunities for you to deliver against the duties and powers of your office, and to be able to draw in funding from elsewhere.

Over the years my office has secured additional resources, mainly through partnerships and secondments; and charging for services for ad hoc services.

We intend to look at developing a model for charging for services to give me additional resources in future, but that work has not yet started.

We are also looking at continuing 2 specific programmes which have been successful in promoting sustainable development:

- Future Generations Leadership Academy: We are currently running the third academy. Each academy trains 30 future leaders from the public, private and voluntary in leadership skills to support the achievement of the well-being goals. We fundraise for this programme, which cost around £180,000 each year, raising the corresponding funds from the public and private sector. We will begin fundraising and planning for the fourth academy imminently. The programme has undertaken two independent evaluations which found a positive impact on participants and on the organisations they work for in terms of improved leadership skills and knowledge of how to implement the well-being goals.
- Welsh Government International programme – as a strategic partner to the Welsh Government international team we have received specific funding in the last few years to run a programme to facilitate good practice and knowledge exchanges between Welsh public bodies with their global counterparts on an annual basis. In the current financial year, we received £200,000 for the international programme. We have been invited to submit a proposal for the next financial year and we will propose a similar funding arrangement – however we have not been given an indication of funding level as of 4th December.

- copies of the Future Generations Commissioner's Office two risk registers.

See document attached, confidential.

We are currently looking at amending our risk register to align it with the new strategy by March 2024.

- clarify why your internal auditors completed three reviews during 2022-23, compared with six in 2021-22 and whether this reflected the programme of work set out in the internal audit plan for 2022-23. Does it explain why the remuneration to internal audit decreased by £4k to £7k in 2022-23, compared to 2021-22?

There are two reasons for the smaller number of internal audits that year:

- We delayed an audit to the following year, so that it would be more meaningful i.e. the cyber security audit was delayed because work was being conducted to get new IASME Level 2 accreditation and it was felt by our Audit Risk and Assurance Committee and management team that the audit would make more sense after the IASME accreditation had been secured.



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- The previous year had included additional audits (including procurement).

In terms of costs, this meant that a budgeted 4 day audit was cancelled (cyber security). In addition, 1 day of contingency had been included (as is done every year) and that was not used that year. As our auditors only bill for work that has been completed, the reduction in the fee corresponds to the five days planned for but not used.

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I believe I have answered all your questions in full, but please do not hesitate to contact me if you require further information.

Yours sincerely,

Derek Walker
Comisiynydd Cenedlaethau'r Dyfodol Cymru
Future Generations Commissioner for Wales



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