

**Jane Hutt AS/MS**  
**Y Gweinidog Cyfiawnder Cymdeithasol**  
**Minister for Social Justice**



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA/JH-/3319/22

Mark Isherwood MS  
Chair of Public Accounts and Public Administration Committee  
Senedd Cymru  
Cardiff Bay  
Cardiff  
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1 December 2022

Dear Mark,

I have enclosed an update on the Welsh Government's progress in implementing the recommendations from the Public Accounts Committee (5<sup>th</sup> Senedd) report *Delivering for Future Generations – the story so far*. This builds on the original Welsh Government response sent to you on 1 October 2021, and my update of 25 May 2022.

Yours,

**Jane Hutt AS/MS**  
**Y Gweinidog Cyfiawnder Cymdeithasol**  
**Minister for Social Justice**

Copied to the Chair of the Equality and Social Justice Committee

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## **ANNEX A: December 2022 Update on the Welsh Government's progress in implementing the recommendations provided in the Public Accounts Committee (5<sup>th</sup> Senedd) report *Delivering for Future Generations – the story so far*.**

The Welsh Government [response](#) to the recommendations in the report was sent to the Chair of the Public Accounts and Public Administration Committee on 1 October 2021. On 25 May 2022, the Welsh Government provided [an update](#) on its progress in implementing the report's recommendations.

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### **RECOMMENDATION 1**

The Welsh Government should carry out of a review of how it can provide longer-term financial security to the public bodies that are subject to this Act. This review should be completed in time to inform funding decisions in relation to the 2023-24 financial year.

#### **Welsh Government progress update:**

It remains the Welsh Government's aspiration to provide longer-term budgets for our partners and stakeholders. We remain open to exploring options to provide certainty where this is possible, as set out in our Budget Improvement Plan which we publish alongside our Draft Budget. Last year I set a multi-year Budget up to 2024-25, to provide certainty to all our partners and provide the much-needed stability to make long term and impactful decisions. It also remains the case that our ability to provide longer term certainty is significantly dependent on the UK Government providing a multi-year settlement.

The economic context against which we agreed the Budget and multi-year Spending Review up to 2024-25 has changed profoundly and is now significantly worse. Wales' settlement over the three-year spending review period (2022-23 to 2024-25) is still lower in real terms than expected last year. The impact of inflation means our settlement could be up to £3bn lower in real terms and up to £1bn lower next year. We are facing extremely difficult choices as we formulate our upcoming Budget.

The reality is that without further funding from the UK Government we cannot accommodate any new priorities; and indeed, maintaining what we are already planning to do to provide financial security is going to be incredibly challenging. While our resources are limited our priority will be to shield the most vulnerable and create a stronger, fairer and greener Wales that safeguards the wellbeing of our future generations.

Welsh Ministers will continue to press the case to the UK Government to provide additional funding to meet the pressures we face alongside a continued commitment to publish multi-year settlements to provide Devolved Governments with certainty.

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### **RECOMMENDATION 2**

The Welsh Government should carry out a review of how the work of Public Service Boards is funded. The review should begin no later than six months after the next Senedd election, with its conclusions implemented in time for them to inform funding allocations for the 2023-24 financial year. The review should be undertaken with the following principles in mind:

- PSBs should be able to access pooled funds, drawn from the resources of their statutory members, which they could either hold as formal corporate entities, or via informal arrangements.

- PSB budgets should be determined by clear, consistent guidelines set out by the Welsh Government.
- PSB budgets should be informed by the role that the Welsh Government has set out for them.
- The contributions that each organisation is required to make to finance PSBs should recognise wider commitments that they have to other partnerships (including to other PSBs).

### **Welsh Government progress update:**

A review of funding of Public Services Boards (PSBs) funding is under way. A call for evidence from PSBs was completed in October, exploring:

- Instances of PSBs members pooling funding and other resources to resource the delivery of the PSBs priorities and objectives; and
- The outcomes of these efforts, including lessons learned.

Using the call for evidence as the primary evidence base for this process, officials will develop further lines of enquiry and interview coordinators and chairs to explore further. The Minister for Finance and Local Government met with Chairs of PSBs in October to explore joint working arrangements and funding arrangements were discussed at that meeting.

In the meantime, officials are exploring flexibilities within existing Welsh Government grant schemes to ensure that there are no perceived or real barriers to PSBs accessing these schemes. The intention is to provide appropriate information and support to PSBs for the 2023-24 financial year.

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## **RECOMMENDATION 6**

The Welsh Government must continue with plans to review and publish revised national well-being indicators no later than six months after the 2021 Senedd election. The review should recognise the challenges and opportunities presented by the Covid-19 pandemic and take into account the views of public bodies, the public, and key stakeholders of the private and voluntary sectors.

### **Welsh Government progress update**

On 29 September, we published the [Wellbeing of Wales report](#). The report considers progress against the 50 national indicators, alongside a range of other relevant data. This year we produced a separate report on children and young people's well-being alongside the main report. We also published [easy read versions](#) of both reports. The suite of outputs comprising the Wellbeing of Wales report and the [dashboard of National Indicators](#) was [given National Statistics status](#) this year, which means it has been independently assessed as meeting the highest standards of trustworthiness, quality, and value.

This year's Wellbeing of Wales report was the first to monitor progress towards achieving the national milestones. The national indicator set will continue to help us measure progress towards the seven well-being goals and our journey towards becoming a fairer, greener, more successful Wales. The indicators are designed to represent the desired outcomes for Wales, and its people. They are not performance indicators for an individual organisation or actions by an individual organisation. They provide a more holistic national picture of what is changing.

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## **RECOMMENDATION 7**

The Welsh Government must carry out a review of the public bodies that are subject to the Act. The findings of that review should be implemented in sufficient time for any newly added public bodies to receive their funding allocations and associated remit letters for the 2022-23 financial year. The review should:

- take into account the impact on the implementation of the Act at a national level that including/omitting any particular public body would have;
- acknowledge that the inclusion of any additional public bodies will result in additional reporting, monitoring and auditing requirements that will inevitably have financial/resourcing implications;
- clearly set out the expectations of public bodies that are not formally subject to the Act in relation to sustainable development, and how those expectations will be monitored and enforced; and
- clearly set out the criteria against which inclusion/exclusion decisions were made and the process or timeframes by which future reviews will be initiated.

### **Welsh Government progress update**

The Welsh Government has concluded its review of the public bodies that are subject to the WFG Act. This review formed the basis of a [consultation](#) on proposals to add eight devolved Welsh public bodies to the list of bodies subject to the well-being duty in section 6 of the WFG Act. These bodies are Qualifications Wales, Social Care Wales, Health Education and Improvement Wales, the Welsh Revenue Authority, Transport for Wales, the Centre for Digital Public Services, Digital Health and Care Wales, and the Welsh Ambulance Service NHS Trust. These bodies were selected on the basis that their remit or functions have the greatest impact on the economic, social, environmental, and cultural well-being of Wales, and those who have the strategic policy and corporate planning functions.

The consultation closed on 20 October and the responses are being analysed to prepare a summary report. We are proposing that the well-being duty is commenced for these eight bodies in April 2023. In the meantime, we are continuing our engagement with new and existing bodies in exchange sessions, to share learning to help new bodies prepare effectively.

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## **RECOMMENDATION 9**

The Welsh Government must not create any new partnership or collaborative structures to fulfil any functions unless it has fully explored whether:

- existing partnership structures could undertake those functions instead;
- the new structure could replace existing ones;
- the functions can be carried out by existing public bodies; and after consultation with public bodies affected by the proposed changes, can demonstrate support for the new structures from a majority of public bodies affected by them.

## **RECOMMENDATION 10**

The Welsh Government must publish guidance no later than six months after the next Senedd election that sets out:

- how the work of Regional Partnership Boards, Public Services Boards, Corporate Joint Committees, alongside other major partnership structures, interact with each other within the framework of the Well-being of Future Generations (Wales) Act 2015, with examples of good practice;
- what flexibility partnerships have to make decisions to better and more efficiently organise themselves;
- where partnerships and organisations can take action to simplify or consolidate the governance and reporting structures to reduce repetition and duplication;
- the Welsh Government's view of the landscape of partnership structures over the next reporting period (2020-25), including any proposals to abolish or consolidate those structures.

### **Welsh Government progress update (Recommendations 9 and 10):**

There is a comprehensive exercise underway to engage with chairs of strategic partnerships. The purpose of these meetings is to understand local efforts to rationalise partnership arrangements. The outcome of the review will be evidence which would provide a solid basis to inform future action. The underlying principle, as with the Review of Strategic Partnerships report recommendations, is that changes to partnership arrangements should be led locally and not imposed, driven by what works best and based on local priorities and existing relationships.

The key areas for exploration are:

- a) Activity and progress in reviewing partnership arrangements;
- b) Views on opportunities and barriers; and
- c) Options to accelerate progress.

As this action relates to a Co-operation Agreement commitment to keep regional partnership arrangements under review, this engagement exercise is being carried out in partnership with the Designated Member for Plaid Cymru. The Minister and Designated Member have met with a number of boards, for example, Public Services Boards, Regional Partnership Boards and Area Planning Boards. The exercise is expected to complete early in the new year and provide recommendations for consideration by the Partnership Council for Wales at its spring meeting.