

Public Accounts Committee Inquiry | Barriers to the successful implementation of the Well-being of Future Generations (Wales) Act 2015

Supporting Paper from Permanent Secretary (Welsh Government)

15 January 2021

Introduction

The Welsh Government has a long history of promoting sustainable development and committing to making sustainable development the central organising principle of government. The fact that this is not new for us is a strength, but expectations are much higher as a result of the Well-being of Future Generations Act, particularly as governance structures and accountability should be considerably strengthened by the legislation.

The role of the Welsh Government civil service under the Well-being of Future Generations (Wales) Act 2015 ('the WFG Act') is to support Welsh Ministers in discharging their duties under the Act and delivering their well-being objectives, as well as their promotion of sustainable development. The legislation is designed to make sustainable development the central organising principle of government and public bodies, and it follows that the operation, governance and mechanics of Government, and the advice and support provided by the Welsh civil service should continually improve to respond to these requirements.

This supporting paper has been prepared in advance of the scrutiny of Welsh Government officials on 1 February 2021 by the Public Accounts Committee. The paper therefore focuses on the actions I have taken as Permanent Secretary with the Executive Committee and officials from across the Welsh Government.

This paper will not cover those policy matters that are for Welsh Ministers. In 2017, the Welsh Government published 12 well-being objectives as required by the WFG Act, which were included in [Prosperity for all: the national strategy](#). The government's [Annual Report 2019](#) outlines the progress made against these objectives under the First Ministers' three themes of 'more prosperous, equal, and greener'. The next annual report is due to be published in January 2021 and, in accordance with Standing Order 11.21(ii) the Welsh Government is due to propose a debate on the Programme for Government Annual Report in February 2021.

Implementation by the Welsh civil service

Since the WFG Act came into force in 2017 the sustainable development principle and well-being duty has affected every aspect of our organisational operating model, from our policy-making framework, our performance management; our leadership expectations; and our financial and auditing processes. It has also provided the foundation for my future-proofing initiative. Through the Welsh Government Consolidated Accounts, I provide an annual summary of actions taken to further embed the sustainable development principle in how we work. Over the course of this government term, stakeholders have constructively challenged Welsh Ministers and the civil service about the pace of change in embedding the WFG Act and the culture change it requires. The [latest accounts](#) published in November 2020, describe how we reflected on how we were co-ordinating our response to the WFG Act, and agreed to an updated strategic implementation framework to better reflect and communicate the breadth and scope of the WFG Act within Government. This framework, importantly distinguishes the

- the role of **Welsh Ministers** in maximising Government's contribution to the well-being goals by setting and delivering well-being objectives;
- the role of the **Civil Service** in improving the support and advice to Welsh Ministers by embedding the sustainable development principle in how we work;
- our role in **enabling others** to contribute to the achievement of the well-being goals and implement the WFG Act; and,
- our role in helping to **understand Wales** now and in the future through work on the future trends report, national well-being indicators and Annual Well-being of Wales report.

In the early phase of implementation of the WFG Act, the Welsh Government worked with stakeholders to develop and deliver key building blocks to support successful national implementation of the WFG Act duties. These include; the [statutory guidance](#) for public bodies, Public Services Boards and community councils; the [national wellbeing indicators](#) measuring the progress towards the well-being goals laid before the Senedd in 2016; the first statutory Welsh Government [Future Trends Report](#) in 2017; and the first [Annual Well-being of Wales Report](#) by the Chief Statistician in September 2017. In addition, we have provided a range of resources to help raise awareness and understanding of the WFG Act, for example, an [easy read](#) document, [essentials guide](#) and [animation](#), and explainers of how the WFG Act links to other legislation. These complement the work of the Future Generations Commissioner and her team who play a pivotal role in supporting national implementation.

Within the Welsh Government, each policy and portfolio area is responsible for embedding the sustainable development principle into its activities, policies and arrangements, and for taking action to deliver the Government's stated well-being objectives. We recognised the need for the centre of the organisation to oversee and enable the change. Early work on internal implementation the WFG Act focused on establishing and ensuring the delivery of key internal actions to facilitate compliance and an understanding of the aspirations behind the legislation to all staff. We focused on changes to our operations and business processes; engaging staff and facilitating behaviour change; with a look to the wider One Welsh Public service and our enabling role.

Our work with WWF Cymru in 2017/18 helped to forge a common understanding with stakeholders of how Welsh Government's progress in operating under the WFG Act can be seen, understood, and recognised. Through a series of workshops, pointers for action were identified and published in 'All Together' (2018). In my foreword to the report I welcomed co-productive spirit in which officials and third sector representatives tackled the issues on implementation. Our continued engagement with the Auditor General, Audit Wales and the Future Generations Commissioner has also provided ongoing feedback and learning on how we respond to the WFG Act.

Engaging staff and facilitating behaviour change

I recognise that the Act is fundamentally about changing behaviours and how decisions are made. The kind of sustained behaviour change expected by the legislation and sustainable development agenda takes time, and requires continual improvements in how we lead; how we learn; how we perform; and, how we work. These elements form the basis of my future-proofing initiative, which was designed

at the outset to equip the Welsh civil service to meet the challenges of delivering the WFG Act. It differs from previous change programmes (including 'Preparing for the Future') in its deliberate focus on people-related change and the integrated and system-wide nature of the way we are approaching the behaviour change programme. To raise awareness in the civil service of the WFG Act we developed a core narrative; ran a series of workshop sessions with the entire Senior Civil Service; delivered preparing for the future roadshow events; delivered resource packs for staff and a new intranet resource area. Deep dive events were also run on each of the five ways of working for the policy profession. Policy making and ministerial advice guidance was all updated to ensure considerations of the Act formed part of this work, and we keep this under review. We also developed a common communication toolkit with heads of internal communications across the public sector. When we recruit, we expect candidates to have knowledge and understanding of the Act. We know that from our People Survey in 2020 there appears to be relatively high levels of initial adoption of the five ways of working. In 2021 we will be exploring this adoption further through an internal audit exercise of Departments to identify and share good practice.

Changes to our operations and business processes

We recognised that our processes and mechanisms could be a driver for implementing the WFG Act, particularly the five ways of working. Early achievements included embedding the WFG Act into business planning, looking at integration of impact, the role of the Internal Control mechanisms and governance statement; and, amendments to remit letters and grant conditions. In support of the Minister for Finance and Trefnydd, we worked with the third sector and the Future Generations Commissioner to agree a multi-layered definition of prevention.

A Well-being of Future Generations (WFG) Champion has been appointed to lead WFG considerations on the Welsh Government Board, and a revised [Terms of Reference](#) emphasises its role in providing strategic advice in line with the WFG Act. The Board Champion also leads the WFG Oversight and Enabling Group, a cross government group comprising those responsible for statutory or operationally important elements of Welsh Government duties and responsibilities under the Act.

To support policy integration and coherence a process was put in place for key Cabinet papers with "challenge sessions" held with Welsh Government officials, as papers are developed to ensure a cross government approach to policy making. My approach to these sessions were informed by regular conversations with the Future Generations Commissioner so that lines of inquiry were developed that focused on the five ways of working. The lessons from these challenge sessions have now been fed into a dedicated Delivery Board. The Delivery Board scrutinises delivery of our government priorities through a collective lens, ensuring that Government can contribute to the achievement of the well-being goals through collaboration and cross-government action.

One Welsh Public Service and enabling others

The One Welsh Public Service (OWPS) ethos has a shared purpose and shared drivers to achieve a better and lasting quality of life for all, designed around the outcomes of the WFG Act, the five ways of working and the public service values we hold.

The Academi Wales website provides resources for public service leaders and promotes a series of masterclasses and workshops which support the OWPS ethos

and support the WFG Act. Academi Wales highlight their main achievements through their [Annual Report](#).

Academi Wales delivered a number of modules on the first cohort of the Future Generations Leadership Academy programme, designed by the Future Generations Commissioner office and Academi Wales to build the leadership skills of younger members of the public service, who will one day become the leaders of future generations. Academi Wales will continue to provide support for future cohorts. The second planned intake of the All Wales Public Service Graduate Programme, commencing in January 2022 will be open to public/third sector partners and will require organisations to demonstrate collaboration within a region and illustrate how their projects support the concept of OWPS; the Well-being of Future Generations Act and regional priorities.

We further recognise the good practice across Wales delivered in many different ways. For example, for the Ystadau Cymru Awards and the All Wales Continuous Improvement (AWCIC) Awards, the Well-being of Future Generations Act five ways of working was used to inform the nomination process highlighting the improvement work being carried out in public services and third sector organisations across Wales. Both awards include categories recognising teams and organisations applying the WFG Act in their work.

In January 2020, we delivered the first Future Generations Xchange event which brought together senior managers across the Civil Service and wider public sector to share practice in applying the five ways of working. Over 300 people attended which included a keynote address from the First Minister. We will be building on the success of this event, and continue to provide opportunities for staff to come together and discuss better ways of working in 2021.

The Committee will be aware of the wide-ranging review of our sponsorship arrangements that we commissioned in 2018 ('Delivering Together – Strengthening the Welsh Government's Sponsorship of Arms-length bodies'). This included recommendations which emphasise the ability of the Welsh Government and its arms-length bodies to work together in ways which are consistent with the WFG Act. Our Framework Document sets out the relationship between Welsh Government Sponsored Bodies and Ministers, including roles and responsibilities, and the terms and conditions under which we pay them grant in aid. This document, and remit letters include strong references and messages to those bodies to ensure their work contributes to the WFG agenda, employing the five ways of working, reporting on WFG matters and are linked to the Welsh Governments well-being objectives.

In 2019 we worked with stakeholders to input into the [UK Government's Voluntary National Review](#) of the Sustainable Development Goals to ensure Wales' approach was strongly featured, we also drafted and published a separate '[Wales and the Sustainable Development Goals](#)'. This provided a review of Wales' contribution to the Sustainable Development Goals and agenda through the framework of the WFG Act. Building on this we worked in partnership with the Institute for Advance Sustainability Studies in Germany to deliver an international event, 'The Future is Now' in March 2020.

In May 2020, Welsh Government joined the Wellbeing Economy Government (WEGo) network alongside Scotland, Iceland and New Zealand. Since joining the WEGo network earlier in the year, Welsh Government officials have derived great benefit from hearing about the experiences of other governments in applying the principles of well-being economics. We have also been able to share our own

experiences of developing policy in the context of the ground-breaking Future Generations Act and particularly in monitoring our progress against the well-being goals established in the Act, using the broad indicator set developed to capture the multiple dimensions of well-being.

Views on the barriers to implementation

The responses to the PAC consultation and the reports of the Auditor General and Future Generations Commissioner have highlighted a number of potential barriers and opportunities to the implementation of the WFG Act. I want to outline the work we have been doing to understand and address some of the key barriers.

Funding arrangements

The WFG Act seeks to ensure that Welsh Government and public bodies take greater account of the long-term impact of the things they do, and to plan accordingly. This can understandably be challenging when financial certainty can only be given for short periods. Welsh Ministers have indicated their desire to be in a position to provide longer-term financial certainty, however are only able to set revenue and capital plans for a single year due to UK Government spending decisions. We will continue to press for longer financial settlements. In terms of infrastructure investment, we are working on a whole government approach to enhance connections across portfolios and maximise the public returns on investment. Following the 'Delivering Together' work in 2018 we are exploring how we could move away from annual remit letters, budget awards and business plans to a 'Term of Government' approach to enable longer term planning for our arms-length bodies.

Partnership landscape

The importance of collaboration between different organisations delivering for people and the environment is an essential ingredient for sustainable development. The WFG Act recognised this and included collaboration as one of the five ways of working for public bodies to take into account. This way of working was strengthened further by establishing formal collaborative arrangements through Public Services Boards. We have provided support to Public Services Boards since their establishment through network meetings, workshops, 'drop-in' clinics, and regional funding for activities. These have supported their capacity and capability to develop local assessments of well-being, well-being plans and also delivery against those plans. Senior Civil Servants are members of each board and have terms of reference for their role as invited attendees on behalf of Welsh Ministers. The role of the Welsh Government representative is to bring a national perspective to meetings and to ensure that national and regional delivery remains responsive to local issues and local democratic accountability.

Public Services Boards sit within a wider landscape of partnership arrangements. In recognition of a mutual problem, that of simplifying complexities in Welsh public services working together, a review of strategic partnerships was conducted with the Welsh Local Government Association and Welsh NHS Confederation. The [Review of Strategic Partnerships](#) reported in June to the Partnership Council for Wales. Whilst there was agreement that the partnership landscape is complex, the review found little support for uniform removal or merger of partnerships – either by partnership theme or area. Partnership Council agreed a pragmatic solution based on local leadership, which Welsh Government will facilitate.

Legislative landscape

The nature of the WFG Act means that new Bills that look to change the way that public bodies operate may interact with the duties in the WFG Act. Our [Legislation Handbook](#) reminds officials that when developing legislation that they should consider whether the proposed legislation will contribute to the delivery of the Act. We also published [Making Good Decisions](#) in 2016 to assist public authorities in Wales to make good decisions that are lawful and comply with the Rule of Law.

In developing new legislation, we have looked for opportunities to clarify their relationship with existing legislation, such as the Planning (Wales) Act 2015; the Environment (Wales) Act 2016; the Social Services and Well-being (Wales) Act 2014; the Local Government and Elections (Wales) Act 2021; and, the draft tertiary Education and Research Bill. More recently, we have worked with the Equality and Human Rights Commission Wales and the Future Generations Commissioner to develop guidance to help public bodies consider opportunities to apply the socio-economic, the public sector equality and the well-being of future generations' duties in an aligned way.

Reporting

The reporting requirements for the WFG Act are designed to be a vehicle for organisations to communicate how they are contributing to the well-being goals and carrying out sustainable development. The statutory guidance encourages public bodies and Public Services Boards to report on progress through existing mechanisms, such as existing annual reporting mechanisms rather than in isolation from other reporting activities. The guidance advocates an integrated reporting approach and encourages bodies to explore opportunities to integrate the way in which they report existing duties.

Looking ahead

The reports from the Future Generations Commissioner and Auditor General for Wales, as well as the work we have done with the third sector provides an array of ideas for how the Welsh Government civil service can realise the benefits of working in a more sustainable way. In early 2020 the Executive Committee discussed the internal barriers to realising the benefits of the legislation. These covered aspects such as improving joined up government; using the Future Trends Report as a platform to build capacity for long term thinking; embedding a preventative approach beyond the budget; and how we can improve the capability of our policy profession. We also acknowledged the importance for Welsh Government to show visible leadership and improve how we communicate the changes we are making.

I identified a series of additional actions to take to embed the sustainable development principle in the workings of the Civil Service. I will be attending the Caerphilly Public Services Board in January 2021, and have convened a meeting of the Welsh Government officials on PSBs in January as part of a bi-annual session to exchange information and improve our leadership role on PSBs.