

**NETHERWOOD SUSTAINABLE FUTURES**

Sustainable Governance Policy Practice



# **A 'game-changer' for future generations?**

**Welsh Government's response to the  
Well-being of Future Generations Act**

**June 2017**

a report commissioned by  
WWF Cymru

by

**Dr. Alan Netherwood**

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*“Wales has taken what we believe is a game-changing step by laying the foundation for our future in the Well-being of Future Generations Act earlier this year. By doing so, we have become one of the first nations on Earth to formally place sustainable development at the heart of our public services and legislate for a set of clear goals – linked to the UN’s Global Goals – that set a clear path to a sustainable future.*

*Carl Sargeant, Welsh Government Minister, 03/12/15*

*The Well-being of Future Generations Act has provided a lens through which we are able to view the actions of Government as a whole.*

*Mark Drakeford, Welsh Government Minister, 20/10/16*

### About the author:

Dr. Alan Netherwood has a wide range of experience of helping the public sector and others to develop their thinking around the Well-being of Future Generations Act, including their corporate responsibilities, governance and partnership work. This includes support to Councils, Public Service Boards, Natural Resources Wales, University Health Boards, Welsh Government, Welsh Local Government Association and Public Health Wales. He has recently worked with the Office of Future Generations Commissioner to review local well-being assessments from across Wales and provide a national report on learning from this activity. Alan is also an Honorary Research Fellow in Cardiff University exploring governance and sustainable development. Contact: [alan.netherwood@gmail.com](mailto:alan.netherwood@gmail.com)

### About WWF Cymru:

WWF Cymru is the Welsh office of WWF-UK, part of the world’s leading independent conservation organisation. Our mission is to create a world where people and wildlife can thrive together. To achieve our mission, we’re finding ways to help transform the future for the world’s wildlife, rivers, forests and seas; pushing for a reduction in carbon emissions that will avoid catastrophic climate change; and pressing for measures to help people live sustainably, within the means of our one planet.

We’re acting now to make this happen. [wwf.wales](http://wwf.wales) | [wwf.cymru](http://wwf.cymru)

## EXECUTIVE SUMMARY

- 1.1 This research and analysis provides insight on the implementation of the Well-being of Future Generations Act (Wales) 2015 (WBFGA) by Welsh Government (WG). It should be of interest to the public bodies bound by the Act, those bodies involved in the accountability framework for the Act and those from national, UK and international audiences with an interest in seeing this innovative legislation implemented.
- 1.2 The research focuses on how aspects of the Act are reflected in a wide range of government material emerging between Royal Assent in 2015, covering enactment in April 2016 to April 2017. This material is important as a source of communication within WG itself, with the National Assembly for Wales and between WG, its partners and wider stakeholders across Wales as it conveys their interpretation of well-being, their priorities, and the relative importance of the legislation when compared to other imperatives.
- 1.3 This material also provides many of the mechanisms which drive change within government and across the public, voluntary and private sectors in Wales. Review of this type of material is a well-established approach to critical analysis of government policy. More information on the methodology of review and sampling methods are provided in Section 3 of this report.
- 1.4 The analysis focuses on publically available material and therefore how Welsh Government is seen by others, including partners and the public, to be using the framework of the Act within its work – including the duties to use the sustainable development principle and well-being goals to maximise their contribution to well-being.
- 1.5 This research is not an assessment of the progress towards outcomes from implementation of the Act but an assessment of mechanisms and processes of government which contribute to and can drive outcomes. This review therefore enables us to begin to understand *how* the duties on WG are being communicated, interpreted and implemented across a wide range of government business.
- 1.6 It is important to note that the ethos behind this research is to look for evidence of change. Organisational change is driven in the public sector by leadership, processes, mechanisms and documentation, which help those elected, boards, committees, civil servants and officers to frame and operationalise policy aims and political imperatives.
- 1.7 These factors are very important to enact change in the civil service and public sector which will determine how effectively a government can turn both political and organisational aspirations into altered frames for delivery. This work seeks to explore the change that is happening in this large and complex organisation and the way that it is currently approaching the duties within the legislation.
- 1.8 WWF Cymru and Netherwood Sustainable Futures have developed a *WBFGA Monitoring Framework* to enable a consistent and replicable review of these government mechanisms over time. The Framework consists of series of labels which describe the approach taken on implementation of the Act (section 3.9 explains these labels in detail).
- 1.9 In this first year this Framework has been applied to:
  - policy and guidance;
  - finance;
  - major projects and investment;
  - political discourse and decisions;
  - civil service role ; and
  - the way WG creates the conditions for others to implement the Act.

Separate sections on each of these aspects of WG work provide evidence and analysis to show how the Act is being interpreted and used in government business.

1.10 This work provides a number of conclusions, recommendations, and key questions under each section. We aim, in our summaries for each of these activities listed in 1.9 to set out:

- What conclusions can be drawn from our analysis (1.11)
- What recommendations should be enacted (1.12)
- A number of key questions that the analysis raised which require a Cabinet level response (1.13)

Finally we have also considered what it would be reasonable to expect from Welsh Government during the early years of enactment [Appendix C].

1.11 The **conclusions** from the research are set out below:

## POLICY AND GUIDANCE

C1 There is evidence of good practice emerging in applying the WBFGA to key areas of policy in local government reform, NHS Planning and Planning and Development.

C2 For the majority of policy analysed, we suggest that there has been a predominantly notional use of the Act to provide legislative context and to illustrate how policy meets the requirement of the legislation. There is minimal evidence from these documents that the WBFGA is the dominant frame for shaping this work.

C3 There is a raft of policy and guidance which has been produced in the first year of the Act, which has not referred to it, and shows no evidence that it has been used to inform policy content or delivery.

C4 There are numerous examples of where single Wellbeing goals or one of the four themes of the PfG are referenced as driving content. It is not always clear how the activity is contributing to the goal. The goals are not being applied consistently and in many cases are absent from policy discourse.

## FINANCE

C5 WBFGA has had notional references in the 2016/17 budget process in documentation and NAW debate. There is no evidence to support suggestions that the WBGs or SDP have been applied to support the rationale for expenditure.

C6 There is very limited evidence that WG are using the frame of the WBFGA to require funding recipients to account for how their funded work will contribute to well-being goals, or how they have applied the sustainable development principle in their work.

C7 Core Grant Management Guidance and the approach to Strategic Impact Assessment for the budget do not incorporate the WBFGA framework. These are core tools which guide financial expenditure across WGs work.

## MAJOR PROJECTS AND INVESTMENT

C8 There is no evidence of the use of the WBFGA in the planned investment in infrastructure and projects which will have a major impact on the well-being of future generations, including the City Region Deals and Broadband. These major projects account for the investment of £billions of public expenditure over the next two decades,

C9 Where the WBFGA is referenced in relation to major investments; this is often in notional terms, as part of the legislative context or describing the potential impact of the investment or activity.

C10 One example of a major investment is Wales & Borders Railway, where there is an intention to shape the investment around the WBGs using the sustainable development principle.

## POLITICAL DISCOURSE AND DECISION MAKING

C11 The evidence suggests that political discourse around the Act from Ministers, within Cabinet and most of debates in NAW has been very limited, in most cases this is notional to support a preferred approach – with little evidence from this discourse to show that WGs activities are *changing* as a result of the Act.

C12 There is a lack of transparency in how the WBFGA frame is being used in Cabinet decisions. There is no evidence available to show the extent to which the WBGs and SDP are used to provide advice to Ministers – or indeed provide the rationale for their decisions.

C13 There is some evidence from political discourse in the NAW that the WBFGA is being used to challenge traditional approaches to fiscal systems and what is expected from funded bodies.

## CIVIL SERVICE ROLE

C14 There is no evidence available from the 'WG Board or Operational Group' work that they are initiating change management activity to establish the SDP and WBGs into procedures, processes which inform decision making, investment and programme and project management in the organisation (with the exception of procurement).

C15 There is no evidence available that standard management approaches and internal guidance within Welsh Government, which determine the business case for activity, have adapted to reflect the SDP or WBGs. This includes the 5 business case model, policy gateway tool and approaches to asset management.

C16 There is no evidence available that the Welsh Government are systematically embedding the WBFGA into their or the civil service's operations across the organisation.

## CREATING THE CONDITIONS FOR OTHERS

C17 There is clear evidence that WBFGA is helping to shape discourse on local government reform and create the conditions for NHS bodies in Wales to respond to the Act. There are pockets of good practice where WG are using legislative and grant mechanisms to influence public bodies and the third sector.

C18 Remit letters suggest that there is major inconsistency in how WG is influencing sponsored public bodies to the Act. In many cases this is absent from requirements, and where it does appear – the requirements refer primarily to establishing organisational well-being objectives.

C19 The evidence suggests limited integration of the WBFGA in relation to the private and third sectors, where it has been absent from major pieces of policy discourse. Its lack of profile is notable in discussions on green growth and future arrangements with the third sector.

## OVERALL ASSESSEMENT

Despite there being some pockets of good practice, the approach to the Act is inconsistent across Government activity. There is little evidence as yet, that the WBFGA frame is driving decision making, policy development or delivery across Welsh Government, or that traditional modes of operation are being altered as a result of the legislation. Overall, the findings of the research suggest there is no systematic, coherent approach by WG to implementing the WBFGA.

1.12 The **recommendations** from the research are set out below:

Recommendation 1– Develop and engage with stakeholders on the WG’s **approach to the effective operationalisation of the Act** i.e. interpretation, implementation and monitoring of WFGA (both substantive duties and integration across corporate business).

Recommendation 2 – establish a **'whole organisation' approach** to implementing the Act through Cabinet Office, Board, and Operational Group and corporate functions. Make someone responsible and accountable for corporate change and report on it.

Recommendation 3 – establish work to adapt key **internal guidance and processes** to change practice within WG, with the priority being the 5 business case models and the policy gateway tools.

Recommendation 4 - establish ways to **'show your workings' to internal and external actors** and communicate how the sustainable development principle frame has added value to the government’s work, and how this work maximises its contribution to the well-being goals.

Recommendation 5 – Start work to adapt **key funding mechanisms** so that those funded are required to use the sustainable development principle and well-being goals to plan, deliver and report on their work.

Recommendation 6 – establish an approach to ensure that all **major investment projects** the sustainable development principle, and maximising their contribution to well-being goals as a core part of project planning, finance, delivery and reporting. Work should begin establishing this as part of the City deal projects and two other major investments. Use these to educate Ministers and the Civil Service about the value of the Act.

Recommendation 7 - Work internally and with partner organisations around the frame of the WBFGA and understand how it can add value to traditional **public service planning and delivery**, what barriers need to be removed to create conditions for others to respond.

Recommendation 8- WG see themselves as **agents and leaders of change in the public sector and** as an exemplar of implementation of the Act.

Recommendation 9 – **Political leaders** are clear and consistent in how the WFGA is influencing their priorities and decisions. This includes Cabinet and NAW discourse.

1.13 The findings drawn throughout the report raise some key **questions** about WG’s approach to this legislation:

WG does not seem to have established a consistent approach to the relationship between the WBFGA and the political agenda. This suggests that a challenge exists in **reconciling political priorities with the requirements of the WBFGA**.

Traditional civil service approaches to planning, funding and implementing work do not seem to have been adapted to manage the new requirements of the WFGA, especially ways of working required by the SDP. How will the Welsh Government ensure that the Act will make any difference to these **core activities** of government and corporate planning?

Are the Board and Operations Group intending to develop a more **corporate approach** to implement the legislation or will the WBFGA be treated as 'background noise' to the usual business of government?

Welsh Government appears to have adopted an **incremental and non-systematic approach** to driving the duties of the Act across Welsh Government. Does WG have an agreed corporate approach to implementation of the Act to deliver a coherent, consistent and meaningful approach to the legislation within the organisation and for partner bodies?

What is the role of the **core Government strategy** currently being developed? Will it provide clear indication of how well the WBFGA is shifting policy priorities and delivery from traditional approaches of government and to cross sector work including the third, private and community sectors?

To what extent do WG see themselves as **agents and leaders of change in the public sector** and as an exemplar of implementation of the Act?

These questions go to the heart of Welsh Government's approach to implementation of WBFGA, especially political leadership and prioritisation of the Act within government business. From these findings and questions a number of recommendations emerge.

1.14 Finally, this work focuses on what we could reasonably expect by the end of Year 2 from a government embracing the WBFGA. These are a potential agenda for change for the WG to operationalise the Act and use its influence to enable others to do the same. This draws on the findings and recommendations, focusing on aspects of change management which could be implemented with a more corporate approach and highlighting the political leadership needed to drive change. This draws on the academic insight and professional experience of the author in managing change in public organisations.

1.15 These nineteen characteristics are listed in each section and collated in Appendix C and focus on WGs approach to:

- the national well-being goals and sustainable development principle
- public sector transformation and their role as an exemplar
- financial planning, investment and grants
- engagement with delivery partners and stakeholders
- Minister's role in driving change in the civil service
- WGs Board in driving change across the organisation

## 2. BACKGROUND

*Game changer (noun): an event, idea, or procedure that effects a significant shift in the current way of doing or thinking about something.*  
OED

2.1 Welsh Government, like other public bodies in Wales, is required by law to respond to the Well Being of Future Generations Act (Wales) 2015 and has an obligation to:

- maximise its contribution to economic, social, cultural and environmental well-being of its citizens via seven national well-being goals<sup>1</sup>
- adopt the sustainable development principle by ensuring that "*the needs of the present are met without compromising the ability of future generations to meet their own needs*" through the five ways of working; long term; prevention; collaboration; involvement and integration.
- adapt its 'corporate' systems to accommodate the goals and principle, including; corporate planning; finance; risk; performance; workforce planning; asset management; procurement and to report on progress.<sup>2</sup>

<sup>1</sup> Wales National Well Being Goals: Prosperous Wales, More Equal Wales; Cohesive Wales; Resilient Wales; Vibrant Culture and Language; Healthy Wales; Globally Responsible Wales.

<sup>2</sup> For more detail on the corporate responsibilities of public bodies see statutory guidance SPSF 1 and SPSF 2



2.2 These new duties represent a major challenge to public bodies across Wales. At its core, the Act offers an alternate *modus operandi* for the work of the civil service, delivering public services and for governance in Wales. The response of Welsh Government is particularly important as it creates the conditions for others to implement this ground-breaking legislation through policy, guidance, funding, investment, performance frameworks and partnership work. Welsh Government provides the overall framework for other bodies to deliver in its communities utilising a budget of £15 billion. The Act applies to Ministers and the work of their portfolios and the five thousand strong civil service which works on behalf of the elected government. Welsh Government will be working within and shaping a public sector which will be increasingly aligned to the aims of the Act.

2.3 The response of Government is also important as a signal to the rest of Wales that it is serious about implementing this internationally recognised piece of legislation. A sense check, one year in, is important. Are we seeing a step change, a missed opportunity; slow progress or retrenchment into traditional ways of working by Welsh Government?

Key questions emerge from this landscape: how can we tell if Welsh Government is taking the principle of the Act seriously in its own 'business' and that of others? What evidence could be gathered to tell us if the Act is having an effect, or whether it is 'business as usual' at Welsh Government? What evidence could be captured to see whether the Act is influencing major strategic decisions being made? Are the right signals being sent across the public sector to facilitate the change in corporate culture envisioned by the Act?

2.5 In 2016 NSF was commissioned by WWF Cymru to develop a 'Monitoring Framework' to consider these questions and review three inter-related issues on how Welsh Government was responding to the Act in :

- the Programme of Government and key strategies
- work with key delivery partners in Wales
- the workings of Welsh Government, including the civil service

The aim was to develop a Framework which could be consistently applied to the work of Welsh Government over a government term, from July 2016 to 2021, to provide a robust evidence base for WWF Cymru:

- to 'understand' WG implementation of the Act and how it was being integrated across Government business
- to 'inform' conversations with WG and the Future Generations Commissioner on key issues
- to contribute to the Commissioner's Report on behalf of Future Generations in 2020
- to provide stakeholder input into WG's annual reporting and to contribute to implementation of the WBFGA in WG
- to apply a consistent and robust 'overview' over the period of Government to feed into the political process.

2.6 For WWF, this work is part of a wider consideration on an international stage of how to monitor governments' delivery on sustainable development. Indeed, scrutiny of Welsh Government's response is also likely to come from the international community. The Act, on its launch, brought plaudits from the United Nations, and was described at the time as Wales' approach to delivering on the UN Sustainable Development Goals:

*We hope that what Wales is doing today the world will do tomorrow. Action, more than words, is the hope for our current and future generations."* Nikram Seth, UN

2.7 Although interpretative policy analysis is well established in analysing the role of government policy the literature and practice of monitoring governments on *sustainable development implementation* is only just emerging. Practices tend to focus on monitoring national well-being indicators rather than the actions or communications of Governments themselves<sup>3</sup>. In the UK, monitoring government activity is limited to a broad, resource focused approach, on budgets and value for money and not particularly focused on the effects of the type of change management that is required of the WBFGA<sup>4</sup>

2.8 In Wales, since the Government of Wales Act in 1998, successive reviews of WG's Sustainable Development Scheme under Section 121 of that legislation sought to investigate how policy and practice has changed as a result of this duty on WG<sup>5</sup>. WWF and the NSF have also previously provided insight on the way in which WG's 'One Planet Wales' commitment was being implemented under this Scheme<sup>6</sup>.

Much of this work suggests that application of the term 'sustainable development' has carried little specific meaning, being referenced as a cross cutting theme, or that an activity 'contributes to' sustainable development. This is an approach that has meant that in most contexts the Welsh Governments' approach to their duty under Section 121 has been poorly defined. Indeed a Wales Audit Office report in 2010<sup>7</sup> suggested that WG's response to the original sustainable development duty adopted a 'tick box' approach where sustainable development was seen as one of number of competing priorities, rather than the means by which the Government manages its competing priorities.

2.10 One of the key differences under the WBFGA is that public bodies, including WG, is that the 'Act now makes sustainable development the core principle that guides how a public body operates. Carrying out sustainable development does not mean it is an add-on<sup>8</sup>. They will now have to demonstrate how their activity contributes to the seven national well-being goals and utilises the sustainable development principle. The Act and statutory guidance states that a public body's approach to sustainable development and the well-being goals will need to be well integrated and evidenced.

2.9 These requirements provide a useful framework to consider how WG is using the WBFGA to plan, collaborate and deliver its work in the first year of the Act. These include offering insight on Part 2 of the Act – specifically Sections 3 and 5 and the Statutory Guidance SPSF1,2 that require each public body to:

- carry out sustainable development.
- have organisational objectives that are designed to maximise its contribution to achieving each of the well-being goals.
- act in accordance with the sustainable development principle
- ensure that approaches to corporate planning, risk, asset, workforce and performance management, finance and procurement also use the sustainable development principle and goals.

This review has provided us with insight to begin to understand how the substantive duties on WG are being implemented but also how the Act is being applied and interpreted across a range of government business.

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<sup>3</sup> National Councils for Sustainable Development (2014) Lessons from the Past and Present. <http://www.ncsds.org/index.php/resources/think-pieces>

<sup>4</sup> Whitehall Monitor, Institute for Government <http://www.instituteforgovernment.org.uk/publications/whitehall-monitor-2015>

<sup>5</sup> Flynn A, Marsden, T, Netherwood, A, Pitts, R (2008) The Sustainable Development Effectiveness Report for Welsh Government; PWC (2011) Effectiveness Review of the Sustainable Development Scheme. Report for Welsh Government.

<sup>6</sup> WWF Cymru (2011): Progress in embedding the One Planet Aspiration in Welsh Government: Report by Dr. Alan Netherwood, Netherwood Sustainable Futures

<sup>7</sup> Wales Audit Office (2010) Sustainable Decision Making in Welsh Assembly Government

<sup>8</sup>SPSF 1: Core Guidance Shared Purpose: Shared Future p.5

- 2.10 It is important to note that the ethos behind this research is to look for evidence of change. Organisational change is driven in the public sector by leadership, processes, mechanisms and documentation, which help those elected, boards, committees, civil servants and officers to frame and operationalise policy aims and political imperatives. These factors are very important to enact change in the civil service and public sector which will determine how effectively a government can turn both political and organisational aspirations into altered frames for delivery. This work seeks to explore the change that is happening in this large and complex organisation and the way that it is currently approaching the duties within the legislation.
- 2.11 Capturing and communicating this changed approach will be a major challenge for most public bodies in Wales, including Welsh Government. The Act, on paper, provides a different context for delivering and communicating policy aims, how decisions and priorities are made and for the performance management of the organisation itself. It also provides a different context for how Welsh Government documents its own business and communicates with others.
- 2.12 Our framework for assessment and review across government business is also attempt to assess how WG is capturing and communicating its approach and implementation of the Act - in the absence of a comprehensive account of this from Welsh Government with no publication of its Annual Report or an alternative account of how its managing the Acts implementation and delivery. We hope this will contribute to the discussion about effective implementation an assessment of progress from the Act.
- 2.13 This research will therefore be of interest to the public bodies bound by the Act, those bodies involved in the accountability framework for the Act including the OFGC, NAW and WAO and those from a national, UK and international audiences with an interest in seeing this innovative legislation implemented. We aim, in our summaries in each section to set out simply 'What does our analysis tell us?' 'What questions does it raise?' and finally "What is it reasonable to expect from WG one year after the legislation's enactment?

### 3 METHODOLOGY

3.1 Clearly WG is a large complex organisation with multiple functions. How might the Government and the civil service be assessed from an external perspective to enable WWF Cymru to make an informed and progressive response to the Act? NSF sought to access information which is readily available in the public arena, in the following areas:

- Programme for Government
- Policy & Guidance
- Corporate and Civil Service
- External Governance
- Financial mechanisms
- Joint working with public sector
- Political Decision Making
- Corporate Functions
- Major Projects & Investment
- Aspects of FGA Architecture (Future Trends Report, Well-being Objectives)
- Reporting on WG performance on FGA

3.2 NSF and WWF Cymru then developed a number of 'labels' which might help us to understand the extent to which the Government is being influenced by the Act in these 10 areas of activity. These labels are shown in Figure 1, and are concerned with the extent to which the WBGs and SDP are reflected in the reviewed material.

3.3 In addition to this, NSF has provided WWF with a wider Framework and a list of potential sources of evidence for each of these areas of activity, and an indication of what WWF might look for from Government to show that the Act is influencing each. This detail is currently held by WWF Cymru and is not provided in this report.

3.4 Utilising the labels in the framework and applying these to the government material enables us to get an insight into how the WFGA is manifesting itself in government activity – and the levers, signals and meanings which influence other public bodies and the other sectors.

3.5 This type of methodological approach is a key part of interpretative policy analysis (*Yannow and Schwartz & Shea 2006*<sup>9</sup>) At its core is the desire to understand what are the 'carriers of meaning' and how a policy issue is 'framed' by those who develop, implement and respond to policy. Different interpretations of policy by different actors can often lead to ambiguities of meaning, contended interpretations of problems, policies and actions, and for some groups, a lack of meaning that prevents them becoming active in implementing the policy.

3.6 'Framing' is a well-established concept in linguistics, communication and media studies and in sustainability and policy analysis<sup>10</sup>. Framing analysis draws on documentary and other written evidence to examine "*the organising idea...the story line...the essence of the issue*" (*Gamsin and Modigliani 1987*)<sup>11</sup> and how those that develop the policy communicate internally and externally to help, or hinder implementation. Two key sources of information for this type of research are samples of official documentation and transcripts of policy discourse, both of which have been used extensively in this piece of work.

3.7 The research aimed to investigate a wide range of policy, communication and discourse from official sources, including: WGs own policy publications; published minutes from the Cabinet and civil

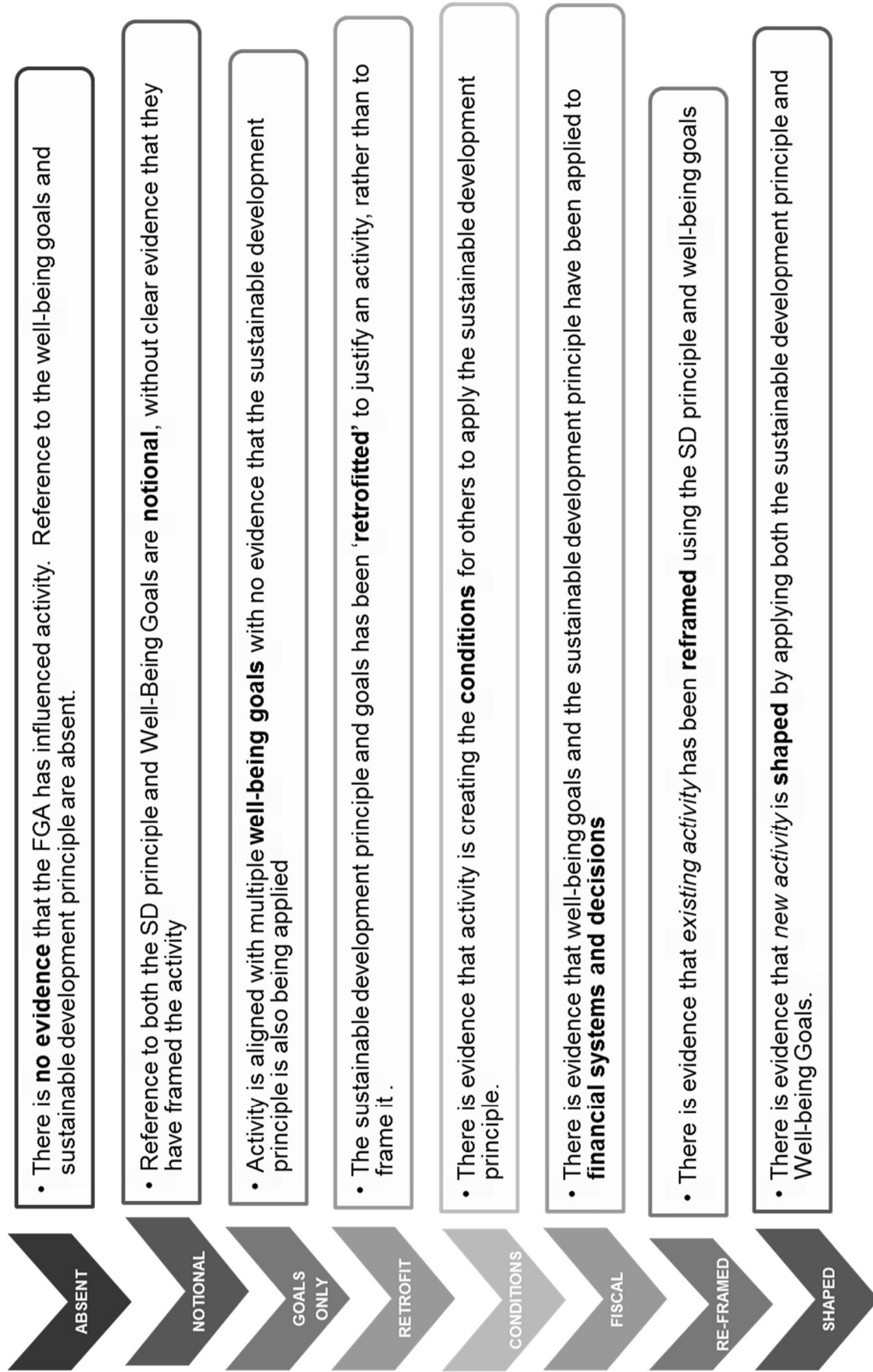
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<sup>9</sup> Yannow and Schwartz-Shea (2006) *Interpretation and Method: Empirical Research Methods and the Interpretative Turn*. ME Sharpe, Armonk, NY

<sup>10</sup> See Feindt & Netherwood (2011): *Making sense of climate change. Notes on interpretive policy analysis and discourse analysis in sustainability research*, in: Paul Blyton and Alex Franklin (eds): *Researching Sustainability: A guide to social science methods and practice*, Earthscan,

<sup>11</sup> Gamsin and Modigliani (1987): *The changing culture of affirmative action*. *Research in Political Sociology* pp137-177

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service meetings; transcripts of NAW debate; Ministerial Announcements; publically available  
protocols for guiding the work of the civil service and public sector; WG guidance for funded bodies;  
statutory guidance; and communications on the WBFGA.



3.8 The basic approach of is that over time, these labels could be applied to any of Welsh Government's (or other public body's) activity including documentation, consultation, debate, Committee business, Cabinet business, reports, decisions, missives, developments, guidance and ministerial statements etc. In a sense, the Framework attempts to provide a vocabulary and methodology to use to analyse WG's activity on the Act over time. Further explanation is provided below on each label.

#### ABSENT

This is an activity where there is no evidence that the WFGA has influenced the discourse, aims, objectives or proposed outcomes. It is as if the national well-being goals and sustainable development principle do not exist.

#### NOTIONAL

This is an activity where reference to the WFGA, both well-being goals and/or sustainable development principle are notional, couched in generalisms, with no clear evidence of their application to the discourse, aims, objectives, proposed outcomes. The FGA may have been 'dropped in' as part of wide ranging reference to current legislation.

#### GOALS ONLY

This is where activity is aligned to all, multiple or particular well-being goals, without reference to the sustainable development principle, or evidence that it has been part of the discourse, aims, objectives or proposed outcomes. The Sustainable Development Principle is ignored.

#### RETROFIT

This is an activity where there is clear evidence that reference to the well-being goals and sustainable development principle have been used to justify a preferred approach, rather than shape it. The WFGA has been retrofitted to build the business case for the activity. This is stronger than notional - and the work makes more specific claims that it is has used the frame of the legislation which are unevidenced.

#### CONDITIONS

This is an activity that provides the conditions for others to apply both the sustainable development principle and align activity to the well-being goals. These could be performance or financial frameworks or policy guidance. There is a clear message about the relevance of the WFGA.

#### FISCAL

This is an activity where the well-being goals and SDP have been applied to financial systems and decision making. This could be grant funding, budget setting, and financial reporting frameworks. This enables organisations to align finances to the aims of the Act, and report how their finances contribute to well-being goals and utilise the SDP.

#### REFRAMED

This activity shows clear evidence that the sustainable development principle has been applied and reframed existing approaches. The activity has clear objectives aligned with the well-being goals. The Act has been used as a tool to re-appraise current approaches.

#### SHAPED

There is evidence that new activity is shaped by the sustainable development principle and well-being goals. This could be a new programme, policy, partnership or development.

3.9 The Framework and Labels were piloted on the Programme for Government, Budget, Brexit Policy and Natural Resources Policy and on the Government's well-being objectives during Autumn and Winter 2016/17. The Wales Sustainable Development Alliance was also engaged in discussion of the methodology.

3.10 The whole Framework is intended to be applied over the 5 year term of the Government in the ten areas described in above. Clearly for some activities it is too early in the WBFGA 'cycle' to review material (e.g. external governance and reporting performance on the WBFGA). There was also an absence of material publically available on some of the corporate functions – including approaches to performance and risk management and workforce planning. These could be accessed via Freedom of Information Act requests to enable a fuller picture of the corporate response over time.

3.11 This methodology is more than just about the language of government. Are there any 'workings' to show that the statements made in relation to the Act are actually influencing policy and delivery within Welsh Government? It is important to note that this technique focuses on whether there is any evidence of Welsh Governments operationalising the legislation. This is more than merely focusing on references to aspects of the Act in documents but also includes analysis of whether the content and approach described in the material actually provides any evidence that either the sustainable development principle or the well-being goals are influencing what is being done.

3.12 This methodology sought evidence to understand how the WBFGA had influenced the content of the material, beyond a mere reference to the legislation, goals or principle: i.e. was there any evidence of how:

- the content of the Well -being Goals had been used as part of the discourse or rationale for the content of the document
- the Well-being Goals had added value to the activity
- others were compelled or required to utilise the Well-being Goals in their activity

For example, material which carefully explained how the activity might contribute to multiple well-being goals, which showed evidence that stakeholders had been involved in considering the activity in relation to the goal, and an explanation of how the goals had contributed to the preferred approach, would be a clear example of the WBGs influencing WG activity. Requiring grant recipients or including WBGs as part of remit letters or performance requirements of funded bodies would also be evidence that WG is using its influence to utilise the framework of the Act. Conversely, stating that the activity implicitly contributes to the WBGs, or providing no reference to the national goals would be evidence that the framework of the Act would have had little influence on WGs activity.

3.13 Similarly the research also sought evidence to understand how the Sustainable Development Principle<sup>12</sup> had influenced the content of the material: i.e. was there any evidence of how:

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<sup>12</sup>It is important to note that evidence was sought about the sustainable development principle as set out in the statute– as well as the ways of working: long term; integrated; preventative; collaborative; involving service users: See sections below from the legislation:

2. In this Act, "sustainable development" means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle (see section 5), aimed at achieving the wellbeing goals (see section 4).

5. The sustainable development principle(1) In this Act, any reference to a public body doing something "in accordance with the sustainable development principle" means that the body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.



- the sustainable development principle was part of the discourse or rationale for the content of the document
- applying the sustainable development principle had added value to the activity
- others were compelled or required to utilise the sustainable development principle in their activity
- whether there was evidence that the sustainable development principle had gone beyond the *way that the policy was produced* to actually determining the content, aims and objectives of the document.

This is a very important issue for the research. The principle as set out in the legislation is *not about the method* of producing a 'product', in this case policy, but about seeking to ensure that the needs of the present are met, without compromising the ability of future generations to meet their own needs. This in essence about inter-generational equity which is at the heart of the purpose of the WBFGA so evidence of this shift in thinking is essential to the application of the sustainable development principle.

For example, material which carefully explained how the principle had been applied to the activity, which showed evidence that stakeholders had been involved in considering the ability of both current *and* future generations to meet their needs would be a clear example of the SDP influencing WG activity. Requiring funded bodies to show evidence that the long term needs of current *and* future generations had been considered in use of resources would tell us that WG is using its influence to utilise the framework of the Act to influence others. Clear narratives on the added value of preventative action to the meet the needs of current and future generations would also be a clear indicator that the SDP had been applied.

Conversely, stating that the activity had 'applied the sustainable development principle', been developed involving stakeholders, considered the long term, with some consideration of integration and collaboration and preventative action, with no evidence to back this up provides little evidence that the needs of future generations might have been considered. This would tell us that the ways of working had been applied, before during or after the material was produced, but little in the way of the rationale for preventative approaches and consideration of future generations.

### 3.14 The research approached sampling WG material in several ways:

- reviewing 36 separate pieces of policy and consultations covering economic, environmental, social and cultural policy developed by WG between WBFGA Royal assent in April 2015 to April 2017. This was drawn from 58 consultations which closed after 01/04/2016, and the most up to date policy available under all the '*Topics*' available on WGs website. This also included written statements from Ministers.
- in some cases the sampling method was 'self-selecting' e.g. Cabinet and Board Minutes from the beginning of the government term in June 2016 to April 2017, or NAW debates on the budget.
- reviewing protocols and processes made available on the WG website for example under sections on the Welsh Government Civil Service and how they work, on the role of Cabinet, the Board, guidance on developing business cases for Government activity and for grant recipients.
- utilising Dods transcripts of NAW debates to understand the context of references to the WBFGA and the nature of discourse across debates from June 2016 to May 2017.
- reviewed material also included policy published during 2015 to search for evidence of the influence of the WBFGA on how the policy had been framed – given that this policy would need to be compliant with the aims of the legislation post April 2015.

3.15 It is recognised that this approach gives us a view on an 18 month period of WG's activity, and that other, internal activity to integrate the WBFGA might be underway, which is less visible to external actors. However, the research provides us with a valuable snapshot into the way WG's approach to the Act could be perceived externally through its policy, processes, investment and discourse, and whether the legislation might be seen as transformative, or less so.

- 3.16 It is worth recognising that a fuller approach to this research would be to engage with the individuals developing the material to understand the process of development and to gather evidence, if and how the WBFGA framework had influenced the activity. Our focus in this approach is to look for publically available material – a key source of communication between WG and its partners which conveys meanings of well-being, priorities, the value of partnership working, and the relative importance of the legislation when compared to other imperatives.
- 3.17 The breadth of this methodological approach provides a very strong evidence base on which to draw some assessment of government activity and its response to the Act. The results of this analysis are explored in following sections.

#### **Section 4 - Government policy and guidance**

This includes policy documents, statutory and non-statutory guidance, for the public sector, voluntary, community and private sectors covering economic, social, environmental and cultural well-being. This also includes the Programme for Government and WG's Well-being Objectives.

#### **Section 5 - Government finance**

This includes the budget, grants to other bodies, internal and external guidance on financial decision making and other aspects of the financial system in Wales which influences WG and its work with organisations in other sectors.

#### **Section 6 - Major projects and investment**

This includes major long term investments and projects such as the city deals, infrastructural investment, support for other sectors, and examples of commissioned studies to inform future investment by WG.

#### **Section 7 - Political decision making and discourse**

This focuses on the way in which the Act is reflected in the work of Ministers within Cabinet and in debate within the National Assembly for Wales, and on evidence that it is informing political decision making.

#### **Section 8 – Role of the Civil Service**

This focuses on evidence of whether the civil service through the Welsh Government Board and others are approaching the Act by adapting internal mechanisms, including programme and project management tools, corporate functions and internal guidance.

#### **Section 9 - Creating the conditions for others to respond**

This focuses on examples of WG activity which are influential on the work of others, including public sector reform, performance frameworks, initiatives which seek to engage others, including the public, private and voluntary sectors

#### **Section 10 – One year of the WBFGA in Welsh Government– a game changer?**

This section focuses on our conclusions, questions, and expectations from each section to understand what these tell us about WGs approach to the legislation and their progress so far.

## 4 GOVERNMENT POLICY AND GUIDANCE

4.1 Welsh Government develops policy for Wales which covers economic, social, environmental and cultural well-being. This takes the form of policy documents, statutory and non-statutory guidance, which are followed in whole or part by the public sector, voluntary, community and private sectors. Policy is developed through consultation and policy in each area is refreshed over time to reflect manifesto commitments, new statute, UK, European and international policy. The WBFGA provides a major challenge to the way in which policy is developed in Wales. This is not business as usual.

4.2 What might we look for from *any* public body to show that the Act is being reflected in policy and guidance? Our suggestion is that at a basic level:

- well-being goals would provide the 'frame' for new policy development
- there should be an integrated approach in the policy's conception and in delivery – working across internal and external policy silos; that policy exhibits good collaboration with key agents at inception;
- key service users and other stakeholders would be involved in the development, consultation and sign-off of work; dialogue on the sustainable development principle and contribution to well-being goals is part of the business case for the policy.
- future trends inform the direction of policy; that the long term and prevention is a major focus; we might also look for evidence that there is clarity about the how far the policy will get us towards long term well-being in Wales
- we might also expect a coherent link between the policy aims, the corporate plan of the public body and its well-being objectives required under the statute
- finally, that all actors are clear about their roles and responsibilities and re-shape their own activity to deliver it;

What picture is emerging from our analysis of policy and guidance emerging from Welsh Government? Is policy from WG displaying these characteristics?

### 4.3 Programme for Government

The starting point for this is the Programme for Government published in Autumn 2016. The *Programme for Welsh Government 'Taking Wales Forward'* is WG's equivalent of a Corporate Plan. This provides the context for the way policy is shaped for the 5 year government term and the way that government 'business' is delivered'. PFGs in the past have provided an overview of aims, objectives, targets, the legislative programme and set out how the Welsh Government will implement its activity via a series of action plans. For this Government we are awaiting a strategy (in Autumn 2017) which will provide detail on how a wide range of manifesto commitments will be delivered under the following four themes mirroring Welsh Labour's manifesto commitments:

- Prosperous & Secure
- Healthy & Active
- Ambitious & Learning
- United & Connected

4.4 Figure 2 shows some of the specific commitments made in the PFG under these broad headings. There is an absence of detail in the PFG on specific actions, but a clear indication that these four themes rather than the WBGs are framing the WG's activity.

4.5 There are references to the WBGs in each section of the PFG but the document lists *relevant* goals – with no detail. The PFG claims that “*the document sets out the steps that will help us move towards..... [each well-being goal].*” There is no evidence that WG have done this or a clear explanation or rationale of *how* they contribute. This example provides an early indication of a pattern which emerges throughout the analysis in this report, of **NOTIONAL** references to the WBFGA to embellish

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the policy narrative e.g. the PfG will “*deliver the promise of the Future Generations Act*” and **RETROFIT**  
where claims are made about how an activity contributes to the WBFGA, with no evidence to support it.

4.6 Similarly the PfG contains vague references to “*new ways of working*” and “*opportunity to work differently*”. This fails to provide a clear message about the sustainable development principle and how it has shaped the PfG and how the PfG will drive its use across the public sector. There is no evidence that the themes were developed using either the SDP or how or why they are the best choices to maximise delivery of the goals.

Figure 2 – specific commitments in the Programme for Government

<p><b>Prosperous &amp; Secure</b>  Wales Development Bank  Tech Hubs  Valleys Taskforce  Cardiff City Region  House Building  Agricultural Policy post Brexit  Energy Infrastructure</p>	<p><b>Healthy &amp; Active</b>  Parliamentary Review into Health &amp; Social Care  Public Health Bill  Mental Health Prevention</p>
<p><b>United &amp; Connected</b>  National Infrastructure Commission  Transport Infrastructure and Investment  Relationship with Local Government  Community Facilities  Welsh Language Target  Third Sector Relationship</p>	<p><b>Ambitious &amp; Learning</b>  Curriculum Reform  Schools Investment  FHE Collaboration across public sector  Hazelkorn Review (HEFCW)</p>

4.7 Clearly, a lot rests on the content and process for producing the four key strategies in autumn 2017. There is still, to date, a lack of clarity about how WG will collaborate, involve and integrate its activity with its delivery partners to produce these strategies. The five ways of working are clearly not being applied to the process of strategy development and the lack of profile of the WBGs show little indication of a Government embracing this new legislation as part of their approach to ‘corporate planning’.

#### 4.8 Well-Being Objectives

An associated issue is the way that WG have approached their duty under the Act to produce a ‘well-being statement’ and well-being objectives. Statutory guidance suggests that this should not be separate from an organisation’s corporate plan, but integral to the corporate planning process. They, like 43 other public bodies have the challenge to develop corporate and business objectives from this statement which are clearly aligned with the national well-being goals and clearly indicate how the SDP has been used in their production. The evidence suggests that WG have found this process difficult. They produced their draft PfG in May 2016; their final PfG in autumn 2016, their well-being objectives in November 2016, and the four strategies (their operational plan?) will appear in autumn 2017.

4.9 *Welsh Government’s Well-being Objectives* (2016) are based around key manifesto commitments. Each objective has a list of relevant WBGs and a ‘rationale’ consisting of a commentary on why each objective is important. This does not in most cases explain how the objectives contribute to the WBGs or explore how WGs activity can *maximise* its contribution to well-being through its activity.

Ministerial comments in the National Assembly after the launch of the document suggest that these objectives are a work in progress and that maximizing contribution to well-being would be explored at a later date:

*the well-being objectives will be tested further through the development of our four cross cutting strategies...*

*we will be able to understand better how we can maximise our contribution to the well-being goals.*

4.10 The Well-being Objective document includes a section on the 'five ways of working'. No evidence is offered of *how* these ways of working will be applied to the work of WG. The authors provide no clear sense that these are change in the *modus operandi* of government – other than vague references to business planning and staff development. Their claim to have applied the 5 ways of working to the budget in this document has no evidence to support it. (see Section 4 of this report on Government Finance).

4.11 Reviewing the statutory requirements for each body in SPSF 2 it is made clear that:

*2. The well-being objectives must be designed to maximise the contribution of the public body to achieving each of the wellbeing goals*

*8. Only when a public body can demonstrate it has taken into account the sustainable development principle in the setting, taking steps and meeting of its well-being objectives will it be compliant with the Act.*

*11. Any new well-being objective should be based on the extent to which it maximises its contribution to the well-being goals and is consistent with the five ways of working provided by the sustainable development principle, drawing on the best possible evidence.*

4.12 Clearly WG have some way to go to meet these statutory criteria. There has been no discourse or evidence on maximization, no insight into their application of the SDP and with limited focus on the WBGs it is unclear how they will justify or rationalise their current approaches.

4.13 Taking all of this evidence into account it is clear that most of the discourse on the PfG, Well-being Statement and Strategies is **NOTIONAL** at best. WG need to develop their rationale for their activity using the sustainable development principle, they need to understand and communicate how their work contributes to the national goals, and shift their thinking to show how delivering their manifesto commitments will *maximise* contribution to well-being.

4.14 In her response to the PfG the Future Generations Commissioner<sup>13</sup> was very clear, suggesting that Welsh Government should be setting the example to the public sector on implementing the Act. This is clearly not the case.

4.15 At present this suggests a Government and civil service struggling to accommodate the requirements of the Act into its corporate planning. This sends weak signals across the public sector in terms of what is acceptable to Ministers and the civil service in relation to the Act.

4.16 In the absence of the strategy WG have still been developing a wide range of other policy and guidance, consulting on and launching a raft of material during 2016 and 2017. Our research has also

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<sup>13</sup> Office of Future Generations Commissioner website: Taking Wales Forward Programme for Government provides new opportunities

'A 'game-changer' for Future Generations?' - Netherwood Sustainable Futures June 2017 0.6 focused on this material – utilising the Monitoring Framework. How effectively has the WBFGA impacted on policy development in Welsh Government? The picture which emerges is of a high level of inconsistency in how the Act is approached across these policy areas, but also some good practice which has *shaped* and *reframed* policy around the Act.

#### 4.17 New WG Policy and Guidance which is being **SHAPED** by the WBFGA

There were very few examples of new Government policy which was shaped around the Act – where there is a clear understanding of the contribution of the activity to multiple well-being goals and evidence that the sustainable development principle would influence the activity of government and others.

One of these was the *Consultation on A National Infrastructure Commission for Wales. October 2016*. The aim of this work is to set up an advisory, non-statutory National Infrastructure Commission for Wales to provide independent and expert strategic advice on Wales' infrastructure. There is a clear link in this document between infrastructure and wider well-being goals, and the sustainable development principle, illustrated by the quote below.

*The Welsh Government is committed to moving towards a better informed, longer-term strategy of investment in infrastructure which enshrines the principles of the Well-Being of Future Generations Act and which will enable the more efficient development of specific projects as their importance to the strategy is understood and supported by the people of Wales, including the need to achieve value for money for public sector investment.*

*Although not a public body within the meaning of the legislation, NIFCfW would be expected to operate in accordance with the principles of the Well-being of Future Generations (Wales) Act 2015.*

Even though the context of this consultation had clear links to the WBFGA, the questions to consultees did not. In future a question like “*how might the NIFCfW ensure that WG and others maximise the contribution to well-being through infrastructural development*” might be a pertinent question.

Another example where there is a clear attempt by WG to shape new activity is their work on *Alternative Delivery Models in Public Service Delivery: An Action Plan – March 2016*. The aim of this plan is to help local government, WG and other public sector bodies to explore different ways of delivering services through community activity, community asset transfer and new partnership models. It sets out a common framework and process for the public sector to explore the role of co-operatives, mutual and alternative delivery models in public service delivery. It is very clear on how the SDP, WBGs and maximisation *underpin* any new activity.

*“The Act provides a framework within which proposals for alternative delivery models can be tested both in terms of whether the approach maximises the contribution against the goals and in how it stacks up against the five ways of working in the sustainable development principle. The extent to which alternative delivery models can demonstrate a long-term approach, prevention of problems getting worse, integration of objectives, collaboration in delivery and involvement of all interested parties are key tests of the appropriateness of them being taken forward”*

However, in the procedures and processes described in the document there is no detail on *how* and *where* these principles will be tested by WG and other bodies involved in this activity. While the activity has been shaped by the Act, there is no understanding of how this will be *operationalised* and actually influence

'A 'game-changer' for Future Generations?' - Netherwood Sustainable Futures June 2017 0.6 development and decision making around alternative delivery models in the public sector. Further detail on this from WG would help us to understand the role of the legislation in changing traditional approaches to delivery.

The lack of evidence and examples of new work by WG utilising the WBFGA to shape the debate, discourse and policy development is of concern. WG's pending strategy will be a litmus test of how effectively the WBFGA is shaping new government activity, and will be subject to further analysis by WWF Cymru in autumn 2017.

#### 4.18 WG Policy and Guidance which is being **REFRAMED** by the WBFGA

There are only two examples of policy which show clear evidence that the 'architects' of the activity understand the role of the sustainable development principle, and can illustrate the link between the activity and well-being goals.

The WG White paper - *Reforming Local Government: Resilient and Renewed* was produced in January 2017. From the beginning of this document it is clear that the WBFGA – both the goals and principles are central to the debate on how local government should reform.

*"The Well-being of Future Generations Act with its ways of working and wellbeing goals will help to bring a shared focus to this work, one where we can all work together to deliver long term benefits to Wales."*

*Mark Drakeford – Welsh Government Minister*

Throughout the document there are repeated references to the Act – within sections on the rationale for regional working, governance, accountability, locality working, leadership and the work of PSBs. These reference the different ways of working and place the discussion of community well-being firmly within the context of the seven national well-being goals. However, again, the consultation questions fail to ask consultees about what should be expected of local government and WG regarding the he WBFGA. Questions are included on Welsh Language, Equalities and Children's' Rights but not Future Generations. Why is this case? Is there a lack of understanding about how WG can *operationalise* the Act through local government reform?

Another example of WG being clear about how the Act will reframe existing activity is *Planning Policy Wales (Edition 9)* produced in November 2016. This sets out land use policy in Wales, which influences planning authorities, developers and a wide range of economic, social, environmental and cultural policy at national, regional and local scales. One of the documents key aims in its previous versions has always been 'Planning for Sustainability' however, it is clear that the WBFGA has had a major influence on the document and what it requires others to do. The WBGs and SDP are clearly explained in terms of their application to land use planning:

*[the WBGs] should be taken into account in the preparation of development plans and in taking decisions on individual planning applications in Wales.*

PPW then lists a set of principles which it expects those involved in the planning system to consider which incorporates: engagement and involvement; environmental limits; climate change; the precautionary principle; scientific knowledge to aid decision-making; the polluter pays; the proximity principle; long term costs and benefits; and collaboration . Clearly the extent to which these are adopted as working principles will be down to individual planning authorities, developers and WG itself in its role in the planning system. However, this clear marker on the importance of the WBFGA to the planning process in Wales.

In both of these cases there has been a clear message about the WBFGA being part of the *change* that is underway and that a new set of principles apply to the work of the public sector in Wales. These are examples of the Act having strategic influence, and having been communicated by WG as an important issue for others to consider as part of their work.

#### 4.19 WG Policy and Guidance which provides **FISCAL** mechanisms to implement the WBFGA

Our research has also focused on the extent to which WG is providing clear messages on how the Act applies to financial decisions and investment. Section 4 of this report details the extent to which financial discourse in WG has been influenced by the Act, including the budget and grants. Section 5 of this report looks at Major Projects and Investment through the same lens. However has there been any *policy* in areas other than finance which clearly communicates how organisations need to align finances to the aims of the Act, and report how their financial planning contributes to well-being goals and utilise the SDP?

Unfortunately, there are no examples of policy which do this. The *Wales Infrastructure Investment Plan for Growth and Jobs 2015 Annual Report* is an example which typifies the approach of WG to the WBFGA in terms of a bold Ministerial statement on the WBFGA – with no detail of how WG or others are to implement or operationalise the 'aspiration' (see quote below). This report provides insight into how £1.2 billion of funding has been targeted specifically to projects which support infrastructure, including £78 million to support affordable housing, £75 million towards the 21st Century School Programme, £153 million to improve Health infrastructure and £50 million for flood and coastal risk management programmes. This includes £500 million of borrowing capability. There is no indication of any check or balance on this funding and how it contributes, maximises or links to the WBG or SDP. Later sections of this report will show limited evidence that there are any mechanisms in place to enable this.

*[in reference to the WBFGA] we must all think about the long-term implications and benefits that can result from our strategic planning, investment and delivery. We must consider how our investment now can reduce costs in the future through a preventative spend focus. We must also consider how we can do more to integrate our services, how we can work more collaboratively and how we can appropriately involve those who provide and use our services.*

*Ministerial statement: Wales Infrastructure Investment Plan for Growth and Jobs 2015 Annual Report*

#### 4.20 WG Policy and Guidance creating the **CONDITIONS** for others to implement the Act

Our research has also sought to understand WG activity which creates the conditions for others to implement the Act and apply the sustainable development principle and align activity to the well-being goals. WG requires public bodies to report on their activities and in many cases provides a clear set of objectives and requirements to others for funding. WGs role in this is explored further in Section 9 of this report, however there are some very clear examples of good practice emerging in policy and guidance during 2016 and 17 including:

*The Welsh Government Guiding Principles for Developing Water Resources Management Plans (WRMP's) for 2020 April 2016*

Requires Water Companies to apply the SDP, improve the social, economic, environmental and cultural well-being through the WBGs and should support other organisations to meet their statutory requirements on the WBFGA.

*Consultation on Transport for Wales- design of Wales and Borders Rail*

Requires procurement of new rail service to be based on WBGs, SDP. Managed by a Sustainability and Ethics



Service including metro: 28 February 2017 Committee.

*Consultation on a new management plan for the Castles and Town Walls of King Edward in Gwynedd World Heritage Site & Draft management plan 2016 -26*

Requires the management plan to be based on the principles of the WBFGA and an ability to measure progress against the WBGs.

*NHS Wales Planning Framework 2017/20*

Requires University Health Boards to demonstrate, through the sustainable development principle, how they have taken into account the impact their decisions will make on the well-being of their populations across public services; and take an integrated and collaborative approach, considering and involving people of all ages.

Is this a case of individual civil servants who understand the WBFGA driving this through WG activity, or is this illustrative of a wider systemic approach by Ministers and their support teams of driving the Act through WG business? It will be interesting to monitor whether this approach, in requiring others to demonstrate the link of the activity to the Act, becomes the norm across all WG divisions.

#### 4.21 WG Policy and Guidance where the Act is **RETROFITTED**

We have been keen to understand if there is any evidence of WG retrofitting the Act to their work to justify a preferred approach or to build the business case for the activity. This is where policy has been developed where it is fairly clear that the WBFGA has been an afterthought, with no evidence that the SDP or WBGs have actually been part of the development of thinking on this activity.

One clear example of this is the consultation and resulting guidance on *Welsh Transport Guidance 2017*. The guidance claims that the principles of the WBFGA have been embedded in the approach. There is no evidence to show this is the case. While applicants need to provide information on environmental, economic, social and cultural impacts, there is no requirement for them to apply the sustainable development principle or show how the investment will maximise its contribution to WBGs. The guidance currently requires business cases for transport investment, to be based on WGs standard 5 Case Model, which requires decision makers to concentrate on strategic, economic, commercial, financial and management criteria. (This is also explored in more detail in Section 7 of this report).

#### 4.22 WG Policy and Guidance which refers to well-being **GOALS ONLY**

There are many examples of WG material which refers to individual well-being goals to support the policy context. In many cases these are more strongly linked to the four themes in the PfG, rather than the national well-being goals themselves. In all cases there is no explanation of how the given activity contributes to the goals. In all of these cases there is reference to only the goals with no other commentary on the SDP or other requirements of the WBFGA. How have the goals been reflected in emerging policy discourse from WG? The table below shows a sample of policy documents in which goals have been referred to:

<i>The Welsh Government's International Agenda – 2015</i>	Prosperous
<i>A living language: a language for living Welsh Language Strategy 2012–17 Annual report 2015–16</i>	Culture
<i>The business of becoming a sustainable nation. Green Growth for Wales (2016)</i>	Prosperous
<i>Student support funding for students ordinarily resident in Wales. September 2016</i>	Prosperous and Equal
<i>Consultation on a Welsh Government draft strategy: a million Welsh speakers by 2050. August 2016</i>	Culture
<i>Consultation on proposals for secondary legislation to support the Historic Environment (Wales) Act 2016 and various best-practice guidance documents. July 2016</i>	All 7 WBGs
<i>Light Springs through the Dark: A Vision for Culture in Wales – December 2016</i>	Culture
<i>Community Cohesion National Delivery Plan 2016–17</i>	Cohesive only

This offers a very shallow understanding of the contribution of activity to the goals in these cases. There is no commentary on how they contribute – only that they are relevant. Do civil servants producing these documents understand that they need to demonstrate how the activity contributes to *multiple* goals and demonstrate how any outputs from this work will maximise contributions to these goals? Why isn't Wales' international agenda contributing to the global well-being goal, why isn't the Green Growth Agenda linked to the resilience and cohesive goals?

This raises some serious questions about the role of the WBGs in policy making in WG. Are they optional to include or not? Are they to be used to drive, reframe, and shape policy, or used solely to embellish policy discourse and be used as a tick box – to demonstrate compliance to the Act?

#### 4.23 WG Policy and Guidance which is **NOTIONAL** in its reference to the Act

WG are producing material where reference to the WBFGA is couched in generalisms, with no clear evidence of its application to the discourse, aims, objectives or proposed outcomes of the activity. We discuss the 'Notional' label at length in Section 6 on '*Political Decision Making and Discourse*' later in this document and explore the vague and notional language attached to the Act by politicians. However there are examples of policy and guidance being produced by the civil service which display the same characteristics.

One of these is a consultation on *Together for a Dementia Friendly Wales Plan 2017-22* which seeks to develop a coordinated medium term strategy across Wales produced in January 2017. This provides a non-committal reference to the Act which restates what is required from the legislation, with no further explanation.

*This strategic action plan is aligned with the ambitions of the Well-being of Future Generations (Wales) Act 2015. The Act requires public bodies to:*

- *Think more about the long-term.*
- *Work better with people and communities and each other.*
- *Look to prevent problems and take a more joined up approach*

Another, which is explored in more detail in Section 5 of this report, is *Wales Infrastructure Investment Plan for Growth and Jobs: Project Pipeline Update February 2016* – which provides an overview of how £Billions of WG funding is being allocated across the public and private sectors:

*our priority continues to be ensuring we maximise the use and availability of capital wherever we can, maintaining our strategic approach to infrastructure investment in line with the national well-being goals and the five ways of working set out in the Well-being of Future Generations Act.*

Again the document, despite much detail, is unclear on how the work contributes to the goals, how the SDP has been applied, or how funding recipients are required to report on how the funding contributes to well-being.

A final example of this type of notional reference to the Act is the *All Wales Planning Annual Performance Report 2015/16*, which states the relevance of the Act to the Planning agenda – but does not describe what the implications of this are for those involved in planning or how it influences the way planning authorities account for their activity:

*The Wellbeing of Future Generations (Wales) Act 2015 provides the overarching context for the planning system to help to deliver in accordance with the wellbeing goals. Sustainable development is a principle which has long been integral to the planning system and changes introduced by the Planning (Wales) Act provide legislative certainty. Acting in accordance with the sustainable development principle means a body must act in a manner which seeks to ensure the needs of the present are met without compromising the ability of future generations to meet their own needs.*

*The planning system is key to the implementation of sustainable development in Wales. It enables the legislative and policy framework for the use, management and development of land in the public interest.*

#### 4.24 WG Policy and Guidance where reference to the WBFGA is **ABSENT**

Perhaps of more concern is policy discourse where the WBFGA is not mentioned. This is where there is no evidence that the Act has influenced the discourse, aims, objectives or proposed outcomes of an activity. It is as if the national well-being goals and sustainable development principle do not exist. There are many examples of WG Material being produced during 2016 and 17 where the WBFGA is even omitted from discussion of the legislative context of the activity. The following table shows examples of policy where the Act is perhaps seen as peripheral or irrelevant to the subject matter. This includes discussion on Brexit. Why is this the case?

*Securing Wales' Future: Transition from the European Union to a new relationship with Europe - January 2017*

*Delivering Science for Wales 2015-16 - Annual Report on our Strategy for Science in Wales*

*Science, Technology, Engineering and Mathematics in education and training: Delivery Plan*

*National Development Framework November 2016 Statement of Public Participation*

*Third Sector Scheme Annual Report 2015-16 March 2017*

*National model for regional working on school improvement – November 2015*

*Longitudinal Viability Study of the Planning Process - Final Report - February 2017*

*Next Generation Access Broadband Infrastructure Consultation in Wales. Sept 2016 Consultation*

*Consultation on Establishment of a Flood and Coastal Erosion Committee 11 August 2016*

*Consultation on Technical Amendments to Council Tax Legislation to Reflect the Introduction of Council Tax Premiums on Long-Term Empty Homes and Second Homes - October 2016*

Welsh Government produced a White Paper *Securing Wales' Future: Transition from the European Union to a new relationship with Europe* in January 2017. It is clear that this document focuses on prosperity and the retention (or not) of economic, regulatory and legislative mechanisms. There are a number other clear messages from this major piece of policy:

- Well-being is not used as the dominant frame for this policy discourse and the positive effects of finance and investment are framed around economic outputs, not social, environmental and cultural outcomes.
- The potential negative social, environmental and cultural consequences of reduced, uncertain or withdrawn funding are not spelt out clearly enough.

- There is no sense of the scale of social, economic, environmental and cultural consequences which may result from Wales' and UK Government's approach to this policy challenge.

Reference to the well-being goals and sustainable development principle are **ABSENT**<sup>14</sup> from this document.

This is arguably an example which illustrates that traditional ways of approaching, framing and communicating policy problems need to be challenged and for policy discourse to evolve using the framework of the Act – to broaden the discourse on well-being in Wales.

#### 4.25 Summary on Policy and Guidance

What conclusions can we draw from analysis? Our evidence suggests that:

C1 There is evidence of good practice emerging in applying the WBFGA to key areas of policy in local government reform, NHS Planning and Planning and Development.

C2 For the majority of policy analysed, we suggest that there has been a predominantly notional use of the Act to provide legislative context and to illustrate how policy meets the requirement of the legislation. There is minimal evidence from these documents that the WBFGA is the dominant frame for shaping this work.

C3 There is a raft of policy and guidance which has been produced in the first year of the Act, which has not referred to it, and shows no evidence that it has been used to inform policy content or delivery.

C4 There are numerous examples of where single Wellbeing goals or one of the four themes of the PfG are referenced as driving content. It is not always clear how the activity is contributing to the goal. The goals are not being applied consistently and in many cases are absent from policy discourse.

This also raises some specific questions about WGs approach to the policy and guidance which include

Q1 What is the status of the well-being goals in the WG policy community within the civil service? Indications suggest that these goals are not being used to drive and shape policy, but are being used to justify preferred policy approaches.

Q2 Exactly how are WG applying the sustainable development principle in thinking about how to address policy challenges – including inter-generational trade-offs and the extent to which approaches to policy may compromise (or not) the ability of future generations to meet their own needs?

Q3 What is the status of WBGs well-being objectives? Are these being used to drive and shape policy? is the Policy Gateway Tool used by civil servants being adapted to accommodate new requirements from the Act – to include the Well-being objectives for example? Or are the political priorities outlined in PfG shaping policy?

What could we reasonably expect from a government which is 'using the lens 'of the Act to inform government activity in this area of work?

E1 Greater clarity and coherence in exactly what the WG wellbeing objectives are how they will maximise contribution to the goals and how these link to strategic delivery plans, policies, programmes and expenditure.

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<sup>14</sup> There is one mention of the WBFGA on pg. 20 within a finance and investment section. "policy in Wales is underpinned by pioneering legislation [the WBFG Act] which requires future investments in Wales to integrate policy objectives and adopt long term sustainable outcomes"

E2 Detail on how the WBGA has adapted WG's approach to policy development to assure policy communities across Wales that the Act is transformative.

E3 A clear expectation on others through policy and guidance that they will be expected to evidence and adopt the WBFGA framework in their activity.

## 5 GOVERNMENT FINANCE

- 5.1 Welsh Government is responsible for securing and spending £15 billion budget for 'Wales plc.' Sections 53 and 54 of SPSF 1 outline how public bodies are expected to publish a statement showing how resources are being allocated to meet the well-being objectives outlined by the organisation. There is also an expectation that the sustainable development principle will be applied to financial planning within the organisation, delivering long term and preventative actions.<sup>15</sup>
- 5.2 As a minimum we might expect WG to communicate in the Budget how expenditure in Main Expenditure Groups (MEGs) contribute to their well-being objectives and the national WBGs, and evidence that the government is applying the sustainable development principle to determine expenditure. We might also expect to see approaches to grant funding, grant management and reporting of sponsored bodies to adapt – so that WG better understands the 'bang for buck' in terms of impact on well-being. Clearly this will take time, but are there any early signs of good practice? Our research focused on the budget, its strategic impact assessment, grant management reports and processes for grant management across WG activity.<sup>16</sup>
- 5.3 To analyse the Welsh Government's *A Budget to Take Wales Forward - 2017/18*, a range of material was reviewed including: the draft budget document; debate in the Senedd session introducing the draft budget; questions and responses on the budget in Finance Committee; and reviewing supplementary amendments to the budget.
- 5.4 There is no reference to the WBGs in the 2017/18 Budget – they are **ABSENT**. The Budget has been framed around the Manifesto commitments. The dominant discourse is one of austerity, stability over the short term, Brexit uncertainty and where additional investment is delivering commitments under the headings: Prosperous & Secure; Healthy & Active; Ambitious & Learning; United & Connected. We have no insight from WG into how government expenditure contributes to national well-being goals or how the goals will be impacted by these strategic agendas.
- 5.5 There is an Annexe F which describes the '5 ways of working' from the Act with the statement:

*we have used the five ways of working...to inform plans which support Taking Wales Forward"*

*we are committed to use the five ways of working for decisions*

There is no description of how this has been applied, by who, when and the results of applying these ways of working. This is an example of a **RETROFIT** approach. There is no evidence to support this statement

- 5.6 In the Budget, the 'five ways of working' were referred to by the Minister in Finance Committee in October 2016.

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<sup>15</sup> Financial planning - Applying the sustainable development principle to our financial planning should mean that public bodies ensure the needs of the present are not met without compromising the ability of future generations from meeting their own needs. This will address the tendency for short-term priorities to overtake long-term interests. It is expected that financial planning is more closely geared to this whilst also looking to take preventative action when this is appropriate./ From SPSF1

<sup>16</sup> Please note that approaches to Procurement are picked up in Section 7 of this documents on the Civil Service approach to the WBFGA

*“the five ways of working have been the way in which we have tried to test the alignment of the budget with the requirements of the Act”*

However from the documentation there is no transparency about how these ways of working have been applied. The Minister then provided some examples of activity which exemplify the ways of working.<sup>17</sup> Is this indicative of a wider approach of WG which sees the SDP as something that a government activity has to satisfy, and which can be exemplified, rather than as a tool to implement the sustainable development principle and inform the way things are planned by government?

There is little evidence that WG sees (or is willing to communicate) that the five ways of working will *shape* their activity. For example, is the SDP shaping Metro plans, or are WG just using the Metro as an example of long term investment. Are WG using the Act as part of the business case for longer term investment in the NHS, or as the framework for their evolving relationship with local government? Arguably this a good example of a Minister **RETROFITTING** the Act to an activity, it goes beyond a notional reference – and focuses on how activities *meet* the five ways of working – rather than how the SDP has been applied to them. There is no clear evidence that the FGA has impacted on budget decision making. If there is activity utilising the SDP this needs to be communicated by WG. Another example comes from Assembly debate:

*I wonder whether you could explain some of the linkages between the Welsh Government’s well-being objectives and accompanying statement under the Act, with the programme for government, the four overarching strategies you mentioned, and also the budget.*

*Question from John Griffiths AM*

*Well, Dirprwy Lywydd, I was asked questions about this in front of the Finance Committee this morning, where I attempted to set out the way in which the budget has been aligned with the five ways of working that the Act sets out. I won’t repeat them all here, but I hope I was able to show that we have taken a long-term view, balancing the needs of current generations with future generations, that we’ve sought to involve people in the way that we’ve made those decisions, and that, through our budget decisions, and the policies set out in ‘Taking Wales Forward’, the Well-being of Future Generations Act has provided a lens through which we are able to view the actions across the Government as a whole*

*Answer from Mark Drakeford, Welsh Minister*

5.7 Debate on the budget provided more evidence of **NOTIONAL** references to the WBFGA from the Minister as he was pressed on the role of the four strategies:

*“[the four strategies will] deliver on the promise of the FGA”*

*“the FGA provides “a strong foundation to build on”*

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- <sup>17</sup> Long Term – Metro and NHS Investment
  - Prevention – Supporting People and Flying Start, Affordable Homes
  - Collaboration – Local Government
  - Involvement – Childcare Pledge

What would have been more useful is insight on who will be involved in producing the strategies, who will be responsible for implementing them, the timetable and how the WBFGA will change WGs approach to strategy development.

- 5.8 It is understood that the NAW Finance Committee has made recommendations of a closer relationship between the 2018-19 budget and the WBFGA. In debate around this there was discussion by the Minister responsible of 'aligning' and examples which illustrate the ways of working – rather than an indication that the WBFGA would shape budgetary planning.
- 5.9 The Strategic Impact Assessment approach to the budget is a cause for concern –where the Act is **ABSENT**. The level of analysis *across* policy is highly variable (strong on health, poor on environment). It places sustainable development alongside human rights and equality as a cross cutting issue. Reframing this tool around the WBG and SDP would be a useful approach to ensure we understand the potential impact across well-being and how the budget can maximise its contribution (see comments on other management tools in Section 7 of this report).
- 5.10 Our research then focused on a sample of key documents which guide financial investment and grants from Welsh Government which help the civil service to manage grant funding and help funding recipients such as local government and the FHE sector to bid for funding. How is funding being shaped around the Well-being Goals? How are those making decisions about funding utilising the sustainable development principle in their thinking? <sup>18</sup>
- 5.11 There are a number of funding activities which require a much greater focus on the Act and provide an opportunity for those involved in financial management to better account for how funding contributes to the WBGs and utilises the SDP. These include points 5.12-5.18 below:
- 5.12 *Managing Welsh Public Money (2016)* focuses on standards of financial governance, partnerships, procedures and accountability across Government and the public sector .This provides a broad and detailed overview of what is expected in terms of financial accountability and probity for £15 Billion of funding. This is, in effect, a 'good financial management' guide for the public sector. Reference to the Act (even though it had acquired Royal Assent by publication) is **ABSENT** from the legislative context.
- 5.13 *Annual Report on Grants Management 2016* which focuses on what has been funded during the previous year, the focus of funding in 2016/17 and highlighting 'good' grant management approaches and procedures for £2.6 Billion of Grant funding. This document focuses on the next steps for WG and grants management with no mention of the WBFGA. **ABSENT**
- 5.14 *Invest to Save* and *Innovate to Save* are sources of funding for the public sector and the FHE sector to invest in and undertake activity which result in savings over the medium term. PPIW produced a 2016 review of this initiative which had allocated £123 million 2009-15. Research and Development Guidance and guides for expressions of interest were also reviewed. <sup>19</sup>These focused on applicants demonstrating benefits and additionality. However the Act, WBGs and SDP were **ABSENT** from the PPIW review, and the application procedure.
- 5.15 *Freight Facilities Grant* provided guidance for applicants in July 2016. This is designed to enable companies to move goods by rail rather than road and supports investment in rail freight facilities and operating costs The funding levels are unclear but the application procedure requires applicants to focus on environmental benefits and financial appraisal. Mention of the WBFGA and SDP is **ABSENT** from grant guidance.

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<sup>18</sup> N.B. Many of these have been produced during 2016 – some before April 2016 when the Act fully came into force. However WG had clear sight of the Act and its requirements leading up to publication, and the guidance covers the period when WG and other bodies are subject to the Act.

<sup>19</sup> Driving Public Service Transformation and Innovation through the Invest to Save Fund. PPIW Report May 2016.  
Innovate to save: research and development phase 2017  
Invest to save expressions of interest guidance 2017



5.16 *Local Transport Fund Grant Guidance 2017-18* has also been produced by WG to help applicants (local authorities) to identify priorities that the government might support through the £19.8 million Local Transport Fund. The document provides a very limited commentary (a table) on how the Fund links to the WBGs of cohesion, equality and health (not prosperity and resilience?). It identifies WEITAG Guidance to help applicants approach the responsibilities under the Act. It also includes two statements on the Act which repeat the statutory guidance, but is unclear on what is *required* of applicants. This is an example of **NOTIONAL** reference to the legislation.

The Well-being of Future Generations (Wales) Act 2015 requires public bodies to think more about the long-term, to work better with people, communities and each other, look to prevent problems and take a more joined-up approach.

The Well-Being of Future Generations (Wales) Act 2015, places a duty on public bodies to seek to achieve the well-being goals and objectives in everything they do.

*Local Transport Fund Grant Guidance 2017-18*

5.17 *Ports Development Fund Grant and Guidance 2017* is designed to enable modal shift, low carbon and tourism investment for ports around Wales. The funding is £2 million for 2017-18. The grant guidance describes the goals and the ways of working, and is very clear that the link with the 5 ways of working will be a key component of grant decisions. There is however some ambiguity in the way they suggest they will consider how the application 'reflect' the five ways of working' rather than being shaped by them – is this encouraging applicants to **RETROFIT** the SDP rather than encouraging them to use it to shape their application?

29. The extent to which projects reflect the '5 Ways of Working' is a part of the assessment criteria, including whether they are collaborative ventures of two or more ports, or projects that have benefits that could be transferable to other ports

*Ports Development Fund Grant and Guidance 2017*

5.18 The *Single Revenue Grant to Local Authorities in Wales 2017-18* is a good example of where there is a clear approach to align the grant funding to both the WBGs and SDP. This fund is run via the Environment and Sustainable Development Directorate in WG, and enables local authorities to submit an annual spending proposal for natural resources management; biodiversity; flooding including biodiversity and flooding; waste and resource efficiency; and local environment quality. For 2017-18 the fund is £60 million. The grant fund requires applicants to describe:

the multiple benefits that you expect to achieve through your delivery approaches, reflecting application of the Sustainable Development Principle, five ways of working and contributions to the seven WFG goals.

*The Single Revenue Grant to Local Authorities in Wales 2017-18*

This approach should enable WG to develop a clear picture of how this funding is contributing to well-being and how those funding are applying the SDP to their work. This is an example of WG creating the **CONDITIONS** and providing a **FISCAL** incentive for other to respond to the Act.

This simple approach could be replicated across WG funding schemes as a key lever to 'shift' the thinking of those funded to respond to the legislation. Clearly there is a weak and inconsistent approach to aligning funding with the Act within WG which needs addressing. Subsequent sections of this report focus on further evidence on the potential causes of this inconsistency.

5.19 Finally, there is currently no evidence that the WBFGA is influencing specific elements of WG's financial systems which are mentioned in the budget, which would provide opportunities to drive the Act's frame through financial investment. These include:

- the terms of reference of Committees for Financial, Legal, Constitutional and European Transition work
- Welsh Revenue Authority – will this new body be bound by the Act?
- 4 year capital budget – planning and implementation of capital projects
- Office of Budget Responsibility – on long term investment decisions
- Main Expenditure Groups – adapting the Strategic Impact Assessment

## 5.20 Government Finance Summary

What conclusions can we draw from analysis? Our evidence suggests that:

C4 WBFGA has had notional references in the 2016/17 budget process in documentation and NAW debate. There is no evidence to support suggestions that the WBGs or SDP have been applied to support the rationale for expenditure.

C5 There is very limited evidence that WG are using the frame of the WBFGA to require funding recipients to account for how their funded work will contribute to well-being goals, or how they have applied the sustainable development principle in their work.

C6 Core Grant Management Guidance and the approach to Strategic Impact Assessment for the budget do not incorporate the WBFGA framework. These are core tools which guide financial expenditure across WGs work.

This also raises some specific questions about WGs approach to Finance.

Q4 How was the WBFGA frame applied to the budget, by who and when, using what process?  
There is no evidence in the documentation to suggest that this has been done.

Q5 What work is underway to ensure the 2018/19 budget can more strongly evidence how expenditure maximises its contribution to well-being?

Q6 What work is underway to adapt the work of financial decision makers, mechanisms and tools across the organisation to accommodate the Act including the Welsh Revenue Authority, Committees , the 5 case model, grant guidance and the SIA process?

What could we reasonably expect from a government which is 'using the lens' of the Act to inform government activity in this area of work?

E4 A clear commitment to adapt existing financial frameworks and mechanisms during 2018/19 to demonstrate how government expenditure contributes to the well-being goals and financial planning utilises the sustainable development principle. This would be communicated in advance to those impacted by government finance, and partly shaped by their advice. Ideally key stakeholders would be involved in helping to shape the priorities using WBFGA frame.

E5 Emerging good practice, where civil servants and Ministers can clearly demonstrate the rationale and impact of investment and expenditure on well-being and future generations.

E6 Adapted grant guidance and support to grant recipients on new expectations of them in evidencing their own use of the WBFGA frame.

## 6 MAJOR PROJECTS AND INVESTMENT

6.1 A major part of Welsh Government's policy development, management time and financial investment goes into economic development and infrastructural development activities across Wales covering regeneration, enterprise, capital investment, and transport planning. Much of this is delivered through regional and local partnerships and various funding methods, including the European Union. To what extent are the sustainable development principle and well-being goals being applied to this activity and investment?

6.2 Ideally, to explore this, we would need to consider a wide range of material from Welsh Government including emerging activities around a National Infrastructure Plan, the work of City Regions, the proposed M4 development, local authority capital investment and the work of WG on: Assisted Areas; Enterprise Zones; Local Growth Zones; and major projects identified in in the both the PfG and 2017/18 Budget including, schools investment, tech hubs and energy infrastructure.

6.3 If the WBFGA was central to this activity of Welsh Government then the WBGs and SDP would be being used as a consistent frame for investment in major projects and initiatives. Dialogue on the sustainable development principle and contribution to well-being goals would be part of the business case for investment.

6.4 The research has taken a sample of activity from WG over the last 18 months to examine how the WBFGA is referenced and to look for evidence whether this does form part of the business case for investment at a strategic or an operational level.

6.5 Wales Infrastructure Investment Plan for Growth and Jobs: in its Project Pipeline Update in February 2016 – shows a wide range of investment being planned in each local authority area. This has grown from “70 projects totalling £4 billion in 2012 to 365 projects totalling over £40 billion in this current iteration” These cover housing, transport flood defence, regeneration and education projects across Wales. While the Minister suggests below that these are being planned using the WBFGA as a frame, there is no evidence that this is the case – how is this done, by who and when in the planning process? WG need to be clearer about how the WBFGA is being used in investment planning. The evidence suggests that WG are again displaying a **NOTIONAL** approach to the legislation in this area of their activity.

*“our priority continues to be ensuring we maximise the use and availability of capital wherever we can, maintaining our strategic approach to infrastructure investment in line with the national well-being goals and the five ways of working set out in the Well-being of Future Generations Act.*

*Wales Infrastructure Investment Plan for Growth and Jobs: Project Pipeline Update in February 2016*

6.6 This notional approach is echoed in the earlier *Wales Infrastructure Investment Plan for Growth and Jobs 2015 Annual Report* which describes what the Act is followed by a Ministerial Statement which again says what *should* be done – but not how it is being carried out or implemented.

*“In making our investment decisions, we will also have regard to the new Well-being of Future Generations (Wales) Act 2015 which comes into force in April 2016.....we must all think about the long-term implications and benefits that can result from our strategic planning, investment and delivery. We must consider how our investment now can reduce costs in the future through a preventative spend focus. We must also consider how we can do more to integrate our services, how we can work more collaboratively and how we can appropriately involve those who provide and use our services.*

6.7 Clearly the intention from the Minister is evident, but there is no readily available evidence to show that this is being carried out. Again, WG need to be far clearer on the mechanisms which drive this aspiration through investment and business planning, monitoring and reporting of infrastructural investment. As we will discuss in Section 7 of this report, standard approaches within WG to develop the 'business case' do not incorporate the WBFGA so it is difficult to understand how the Act will shape or reframe investment decisions.

6.8 The *Cardiff Capital Region City Deal* overview document, signed by 10 local authorities and Welsh Government and ratified in February 2017, sets out the scope of a 20 year £1.2 billion investment fund, with an aim to leverage £4 billion in private investment. The document covers governance arrangements and investment priorities, predominantly in transport and employment opportunities– but provides no insight into the criteria for spending or how investment priorities have been selected. There is no mention of the WBFGA, goals or sustainable development principle – they are **ABSENT**. However the document sets out a vision which all partners will work to 'realise':

*“work together to improve the lives of people in all our communities.” We will maximise opportunity for all and ensure we secure sustainable economic growth for future generations”.*

The Future Generations Commissioner<sup>20</sup> has commented that:

*“It is also an opportunity for the 10 authorities to demonstrate how they are using the five ways of working to maximise their contribution to the well-being goals required under the Act, through a major public investment programme”.*<sup>1</sup>

There is no mention of Welsh Government and their need to do the same.

6.9 WG has a role in the governance of this Deal and there is an opportunity to use their role in monitoring activity to ensure the WBFGA to influence the proposed *strategic development plan* across the 10 local authority areas, and to make sure that monitoring and reporting adequately captures the contribution of the deal to the national well-being goals and that investment is guided by the SDP. Will they be proactive to encourage the partnership to utilise the WBFGA frame to **SHAPE** their activity or encourage **NOTIONAL** or **RETROFIT** approaches by the partnership?

6.10 Similarly, in the *Swansea City Deal* which includes 4 local authorities and WG in a 15 year £1.3 billion deal – with aspirations for private sector leverage of £600 million, it does not mention the WBFGA, national goals and the sustainable development principle. They are **ABSENT**. The deal focuses on life-sciences, manufacturing, energy and digital technology and their role in economic growth and regeneration. There is no discourse on the wider aspects of well-being. This is an example where use of the WBGs and SDP early in the process of planning the City deal may have been useful to understand the relative benefit of different types of investment. The use of the WBFGA framework may have added value.

The Deal document mentions WG's role in determining board members, monitoring and evaluation, and also agreeing new approaches to regional service delivery. Again this provides an opportunity for WG to

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<sup>20</sup> Office of the Future Generations Commissioner website 'City deal can be a better deal for Future Generations'

'A 'game-changer' for Future Generations?' - Netherwood Sustainable Futures June 2017 0.6  
proactively use the WBFGA frame in its dealings with the partnership to **SHAPE** investment decisions, and to capture how the deal is maximising its contribution to well-being.

6.11 In February 2017, WG via Transport for Wales consulted on the *Design of Wales and Borders Rail Service including Metro*. The consultation document was concerned with asking service users about a new a new rail service for Wales and what was important to them. The context for the consultation hints that those involved in this activity are framing their approach around the WBFGA and could be described as an example of new activity being *potentially SHAPED* by the Act. The consultation states very clearly:

*This is the first major piece of public sector procurement to be taking place since the Well-being of Future Generations (Wales) Act 2015 came into force. The Act requires that we work collectively to deliver a sustainable future and your views are important to achieving that*

To help to deliver this £600 million procurement Transport for Wales have established a Sustainability and Ethics Panel involving WG departments with industry and best practice bodies to provide advice, guidance and support. The consultation, in contrast with the City Deal example takes a broader approach to framing and communicating well-being:

*Transport for Wales fully embraces the five Sustainable Development Principles of working set out in the Well-being of Future Generations Act. The project outcomes are designed to positively impact Wales in terms of its social, economic, environmental and cultural objectives. Measures to increase public transport patronage contribute to the development of an innovative, productive and low carbon society which recognises the limits of the global environment and uses resources efficiently and proportionately. Rail services are a part of a co-ordinated approach to public transport delivery, particularly when considering access to services including locating healthcare or education services near public transport links. The rail service is also an integral part of the drive to encourage active travel. By combining walking and cycling with an integrated transport, we can help to realise the health benefits associated with active travel.*

This is a positive example of how discussion and engagement about a major investment can be framed through the WBFGA and communicated to the public and stakeholders. Key questions which need further research are whether and *how* those involved in Transport for Wales are 'embracing' the SDP, and whether bidders for the service are asked to be clear about their contribution to the well-being goals and to utilise the SDP in their bids.

6.12 Welsh Government commissioned *Wales 2026 Commonwealth Games Feasibility Study* July 2016 which considered different options for a potential £1.3 Billion investment – although commissioned by the last Welsh Government, this reported in July 2016, a year after the legislation gained royal assent. The Act is **ABSENT** from discussion about the impact of the Games on different areas of Wales – with no mention of well-being goals, sustainable development or the long term legacy of the event. WG could ensure that when commissioning feasibility studies there is a basic requirement to ask those undertaking it to frame the analysis utilising the principles and goals of the Act.

6.13 Some consultations can take a narrow view of well-being – focusing on the economic rather than wider social, cultural and environmental benefits of the activity they are consulting on. A good example of this is the *Next Generation Access Broadband Infrastructure Consultation in Wales* in September 2016. This focuses on how £12.9 Million of State Aid can support broadband expansion across Wales. This predominantly focuses on economic benefits of more widespread connectivity and mention of goals, principles and the Act are **ABSENT**. This is an example of where the Act's frame of reference might add value to the consultation, and enable WG to understand the wider benefits of this type of investment.

6.14 It is unclear how WG's varied activity in supporting business is linked to the WBFGA, and whether investment in supporting business is linked to the WBGs and the sustainable development principle. The 2017-18 budget supports this with £38 Million. This includes funding for Assisted Areas, Enterprise Zones and a wide range of support for priority sectors, including IT, Energy, Financial Services, Construction, Advanced Materials, Life Sciences and Tourism. For smaller businesses, the online portal *Business Wales supports* SMEs. Currently, Ministerial updates and material on Sectoral Delivery Plans provide limited evidence that this investment is focusing on wider well-being issues and the dominant discourse is on jobs and prosperity. In previous years, including 2016, WG have published a *Supporting Business and the Economy Annual Statement* provided an overview of business support for capital and revenue investment – this annual report for 2016 is now overdue. The 2015 report (produced in 2016) lists a wide range of investments in business, via a wide multiple funds. In the 2015 report any reference to FGA is **ABSENT**.

6.15 This is an area worthy of further research, and any refresh of WG through its four strategies in the way it invests in major projects and initiatives, should at the very least require those funded to bid and report using the framework of the WBFGA. In this way WG would be able to build up a picture of how the £Billions they invest is maximising its contribution to Wales' well-being. This is a major opportunity for WG to create the conditions for others to implement the Act.

## 6.6 Major Projects and Investment Summary

What conclusions can we draw from analysis? Our evidence suggests that:

C7 There is no evidence of the use of the WBFGA in the planned investment in infrastructure and projects which will have a major impact on the well-being of future generations, including the City Region Deals and Broadband. These major projects account for the investment of £billions of public expenditure over the next two decades,

C8 Where the WBFGA is referenced in relation to major investments; this is often in notional terms, as part of the legislative context or describing the potential impact of the investment or activity.

C9 One example of a major investment is Wales & Borders Railway, where there is an intention to shape the investment around the WBGs using the sustainable development principle.

This also raises some specific questions about WG's approach to Major Projects and Investment:

Q7 Why has the WBFGA had such a low profile in the discourse [and management?] of major infrastructural projects which involve partners also subject to the legislation?

Q8 What work is underway from WG to ensure that this investment maximises its contribution to well-being goals and uses the SDP to add value to discussions and plan?

Q9 How will WG use its governance responsibilities on the City Deal Boards and other partnerships to drive the framework of the WBFGA through planning and reporting mechanisms and create the conditions for others to respond to the Act?

What could we reasonably expect from a government which is 'using the lens' of the Act to inform government activity in this area of work?

E7 Clarity on how the WBFGA will influence the City Region Deals and WGs role in ensuring this investment maximises its contribution to well-being.

E8 Convening discussions with key actors in major projects and investments on WGs expectations of them with regard to the WBFGA, and to inform the work on a standard approach to investment planning which incorporates the goals and principles of the WBFGA

E9 Initiating pilot projects to demonstrate the added value and learning from this approach and developing financial reporting mechanisms which incorporate the Acts goals and principles.



## 7 POLITICAL DISCOURSE AND DECISION MAKING

7.1 Our research has also sought to understand how the WBFGA is reflected in political discourse within Welsh Government, within the Cabinet, and through Ministerial discourse in the National Assembly for Wales. We have also sought evidence of how the Act is being used as part of the 'business case' for Government activity. How are the WBGs and SDPs and the WBFGA adding value to political discourse in the Welsh Government and National Assembly. What is changing about these discussions as a result? How are the strategic political decisions influenced by WBFGA?

7.2 To do this we have examined, where they are available, information on Cabinet decisions, Cabinet Minutes and Reports, discourse in the National Assembly and the way in which Ministers have referred to the Act in Ministerial Statements. The analysis in the following section provides an overview of *which* issues Ministers are linking to the Act, and *how* Ministers are relating these issues to the Act. There are also some reflections on the types of language being used by Ministers. This analysis provides a rich picture of how the Act is being communicated within the Government in turn is changing and influencing the work of Government. This is a partial picture – but nevertheless provides some important indications of how the WBFGA is being communicated and how meaningfully the WBGs and SDP are impacting at a Ministerial level.

7.3 There were a wide range of issues that Ministers linked the WBFGA within the National Assembly. Using Dods monitoring<sup>21</sup>, we were able to identify 90 references to the WBFGA since April 2016 in NAW business as part of 67 debates. The WBFGA Monitoring Framework is useful to break these down into a number of categories.

7.4 There were many examples of Government activity where *Ministers'* commentary was **NOTIONAL** – where the Act was mentioned to support or embellish their statements – with no further detail beyond a reference to the legislation in relation to issues shown in the footnote.<sup>22</sup> Generally the language attached to the Act is predominantly **NOTIONAL**, often referenced in aspirational terms as a 'force for good' to embellish the arguments for an issue without any meaningful insight into why. Activity was often said to 'support the aspirations of' the Act or is 'aligned with the Act' or is 'inherent in the Act'. Many of these notional references were vague in terms of the 'principles' in the legislation, and how any given activity would support these principles: language used in these references included the Acts: obligations; provisions; principles; and lens.

We also have the opportunity to use the Well-being of Future Generations (Wales) Act 2015 to support a nation, all-Wales approach to tackling poverty and reducing inequalities

The potential to generate these multiple benefits further supports the Well-being of Future Generations Act principles.

If we are to make the vision of the well-being of future generations Act a reality, we need a whole-of-society approach to maximise physical and mental well-being today, and to ensure that behaviours that benefit health tomorrow are understood and acted upon.

<sup>21</sup> Dods People is an online service which filters Government business for research purposes.

<http://dodspeople.com/Page.aspx?pageid=627>

<sup>22</sup>

- mature woodland felling
- public transport
- infrastructural investment
- gender equality
- environmental vandalism
- Fairtrade
- health prevention
- healthy behaviours
- farmers markets and food events
- multi use development
- public services
- student engagement
- affordable Homes

Specific aspects of the sustainable development principle (future generations) and the five ways of working were not discussed in these notional references to the legislation.

7.5 This was a pattern which was duplicated by Assembly members in their dialogue with Ministers, with the WBFGA often used to support their arguments in the following areas of discussion, with nothing more than a passing reference:<sup>23</sup> An example is provided by an Assembly Member:

*I absolutely agree with the points made on economic inactivity. I hope these are some of the issues that the future generations Act is designed, or will be designed, to address because we do have issues of inactivity in valley communities.*

Many similar examples show that the WBFGA is being used within debates and statements to embellish their statements, and are using the legislation notionally to develop their arguments.

There were a number of examples which provided a clearer link between the issue being discussed and specific aspects of the Act, for example on the goals, suggesting a clearer understanding, in this case of how the issue contribute to multiple goals – but with no detail of how:

:

*A circular economy is one where materials can be productively used again and again, creating added value and associated multiple benefits. These benefits can help us deliver on many of our well-being goals under the Well-being of Future Generations (Wales) Act 2015, especially a prosperous Wales, a resilient Wales and a globally responsible Wales*

7.6 ,There were other examples where there was clear evidence that Ministers were explaining how the Act would **REFRAME** existing approaches to activity, and that the WBFGA was about challenging traditional ways of working. These included approaches of WG in the way it's adopted the sustainable development principle in terms of consultation by the public sector; and working with citizens. Other references were in relation to reframing policy on poverty, biodiversity, rural development, and planning for future trends. Ministers also reflected on the role of the WBFGA in terms of providing legislative coherence.

The following quote sees the WBFGA as a vehicle of change, with the Minister suggesting that the issue under consideration, rural proofing should be considered as an integral part of decision making as and others implement the legislation:

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<sup>23</sup>

- local decision making
- legislative coherence
- needs assessments and outcome frameworks
- genital mutilation
- older people
- green infrastructure
- British Medical Association
- social services
- global well being
- woodland planting
- substance misuse
- decision making
- emissions

*Rural proofing remains a mandatory requirement for all policies and schemes developed by the Welsh Government and the recently refreshed guidelines and screening tool have been developed in consultation with stakeholders and experts. In the future I see issues such as proofing being covered in the scope of the requirements of the Well-Being of Future Generations Act.*

7.7 Ministers also responded to questions on the budget from the Finance Committee on how the WBFGA had influenced budget allocations, the supplementary budget and the role the legislation would have on approaches to commissioning. In all of these cases the Ministerial response was limited in terms of content, but nevertheless the debate was about influencing fiscal management. Ministers also referred to the way in which the WBFGA was influencing the work of the National Infrastructure Commission, mutual investment with private sector, funding support, committee structures, and the Ministerial Task Force in the South Wales Valleys. Even though these references were **NOTIONAL** in their content, there were concerned with the legislation's role in creating the conditions for others to respond. The Ministerial responses were about adapting approaches as a result of the Act.

7.8 The research also provided insight into how NAW members were using the WBFGA in debate and how they challenged Welsh Government. In addition to the above debates, members focused on the potential impact of the legislation on the work of the government, including approaches to change management, silo working, committee structures and decision making. They also focused on the way in which the WBFGA might focus the Government on *long term* approaches to poverty, climate change, health and the borrowing impact on future generations. This raises some important questions for WG on how they evidence and communicate the rationale for their work within the frame of the Act.

NAW's function is to hold the Government to account and challenge its work. It will be interesting to see whether use of the Act to challenge government activity will become an established pattern within the Senedd, and whether Ministers and Assembly Members will become more adept at explaining and evidencing how activity links to the goals and utilises the SDP. There are some early signs that this is already happening. The following quotes illustrate this, as does the enquiry from another Assembly member on the budget referred to earlier in the report (see 4.6).

*We have this Well-being of Future Generations (Wales) Act 2015, and as far as I'm concerned, the jury is still out on whether this is an effective piece of legislation or is virtue signalling on a number of very worthy goals that aren't then followed up and made to happen through the day-to-day process of government and legislation.*

Mark Reckless, Assembly Member  
07/12/16

*The member uses it [the WBFGA] an awful lot, and there are numbers on the Plaid benches who use it...as a stick to try and beat the Government with.*

Carl Sergeant, Welsh Government  
Minister 14/12/16

*I would also make reference to the fact that the Government has accepted the committee's recommendations on the way the Well-Being Of Future Generations Act impacts upon the way in which the Government prepares its budget. I would have liked to have seen more evidence of this in the draft budget and the final budget, in terms of how that Act has steered Government decisions. The Cabinet Secretary did give us an example in the area of children's services of the way that that particular Act had been of assistance in making Government decisions, and I very much hope that when we look at the next budget, there will be more evidence of this Act being implemented. Certainly, stakeholders were very eager to see that.*

Simon Thomas Assembly Member

7.9. While these examples provide some encouraging signs, that the Act is seen as a 'touchstone' by Government to support their activity, and that AMs are able to use the Act to challenge Ministers on the Government's approach, there is a concern that the legislation is often referred to vaguely, in abstract terms, with very little specific debate about the sustainable development principle, responsibility for future generations or contribution to national well-being goals.

7.10 There have been some bold statements from Ministers and opposition in relation to the WBFGA which illustrate the gap between the rhetoric of government and the detail required to make a convincing case that the Act is influencing the direction and activity of Government at all.

7.11 It is clear that if the Act is to be effective in delivering a step change in public sector and government activity then it needs to be part of the political arena. Our research shows that the WBFGA is getting 'airplay' in political discourse. It has been referred to in NAW as "ground-breaking" a "breath of fresh air" and "a new and exciting agenda for change". There are some encouraging signs that the Act is being used to explain changes in approaches and to justify these. There are also encouraging signs that the opposition is using the Act to explore the Government's thinking on key areas of policy and delivery, including financial decisions. It will be interesting to see whether debate on the Act shifts from predominantly notional references to a greater degree of detail and challenge on the contribution of the WG to WBGS, the added value of applying the SDP in government activity and how Government maximises its contribution to well-being through its activity.

7.12 Our research also sought to explore whether and how the WBFGA had been reflected in cabinet decisions. The Cabinet is the main decision-making body of the Welsh Government, giving direction to the work of the whole organisation. This is currently made up of 9 Cabinet members each with a specific portfolio of responsibility related to a wide range of policy and service delivery. Other Ministers help them to deliver on this work. Cabinet minutes were reviewed from 29 meetings from 24<sup>th</sup> June 2016 to 28<sup>th</sup> March 2017. Only in very few cases were background papers available online.

7.13 This material showed only three items where the minutes referred to the Act, these were

- *Programme for Government* – where **NOTIONAL** reference was made to the PfG delivering the aspiration of the Act
- *National Infrastructure Commission* for Wales where discourse was on the Commission utilising the sustainable development principle and contribution of the Commission to the national WBGs **(CONDITIONS)**
- *Mutual Investment Model* again, where the activity would contribute to the WBFGA **(NOTIONAL)**

Of papers made available, only two referred to the Act:

- *Ministerial Task Force for the South Wales Valleys* – that the task force would utilise the frame of the Act in their work (**CONDITIONS**)
- *20,000 Affordable Homes* – that this would contribute to WGs response to the WBFGA (**NOTIONAL**)

7.14 Our research aimed to provide a review of a sample decisions (see table below.) However, WG Cabinet make decisions and publish the decision online without any background information or papers readily available to the public. This makes it difficult to understand the extent to which the WFGA is informing decision making. Is the Act actually informing decision making or Cabinet discourse at all? Three mentions of the legislation in 10 months does not indicate that this Act is having much influence within the Cabinet. It was unclear from Cabinet discourse whether any 'appraisal' or advice is made available to Ministers to understand a decision's relevant to well-being goals or how the SDP has been applied.

**Environmental**

- *RDP Written Statement 2014-20*
- *Towards Zero Waste Strategy*
- *Closure of Resource Efficient Wales*
- *Glastir Advanced 2018*
- *Letter to Heads of Planning regarding Housing and the Planning System*

**Cultural**

- *National Library of Wales Remit Letters*
- *Arts Council Remit letter*
- *Welsh Public Library Standards Framework*

**Social**

- *21<sup>st</sup> Century Schools*
- *Capital Programme Business Case*
- *Healthy Ageing Programme 2017-20*
- *Communities First Funding Allocation*
- *Credit Union Grants 2017-18*

**Economic**

- *Remit Letter for Sector Development Wales Partnership (Industry Wales)*
- *Property Asset Management System*
- *Local Transport Funding Grants*

It is suggested that further research by WWF Cymru could involve requesting and examining papers on these Cabinet decisions to understand the level of influence of the WBGs and SDP on this wide range of activity.

## 7.15 Political Discourse and Decision Making summary

What conclusions can we draw from analysis? Our evidence suggests that:

C10 The evidence suggests that political discourse around the Act from Ministers, within Cabinet and most of debates in NAW has been very limited, in most cases this is notional to support a preferred approach – with little evidence from this discourse to show that WGs activities are *changing* as a result of the Act.

C11 There is a lack of transparency in how the WBFGA frame is being used in Cabinet decisions. There is no evidence available to show the extent to which the WBGs and SDP are used to provide advice to Ministers – or indeed provide the rationale for their decisions.

C12 There is some evidence from political discourse in the NAW that the WBFGA is being used to challenge traditional approaches to fiscal systems and what is expected from funded bodies.

This also raises some specific questions about how Ministers approach the WBFGA:

Q10 How can Welsh Government Ministers move beyond notional support of the Act and provide proactive leadership to drive principles of the legislation through their political decisions and Government activity?

Q11 How can Cabinet evidence that they have actually considered the contribution of a decision to the well-being goals and provide assurance that the SDP has been integral to their thinking rather than retrofitted to any given activity?

Q12 How will Welsh Ministers challenge the civil service on their progress in implementing the Act within the organisation?

What could we reasonably expect from a government which is 'using the lens' of the Act to inform government activity in this area of work?

E10 Ministers communicating the added value of using the WBFGA frame to their work.

E11 Ministers driving corporate change to respond to the WBFGA within the civil service.

E12 Transparency in how the WBFGA frame is applied to matters considered by Cabinet, and the decisions made by Cabinet.

## 8 CIVIL SERVICE DISCOURSE AND DECISION MAKING

8.1 The Ministerial Civil Service employs just under 5500 staff (as of June 2016)<sup>24</sup> to support the work of Welsh Government. The structure up to May 2016 is shown in Appendix 2. There are four main 'Offices' with departments underneath them: Office of the First Minister and Cabinet Office; the Health and Social Services Group; the Economy, Skills and Natural Resources Group; and the Education and Public Services Group. The 'business' of the Ministerial Civil Service is managed through a number of Boards and Groups.

8.2 To thoroughly review the extent to which the WBFGA is influencing civil service discourse over 5 years we would consider agendas, papers and reports from Welsh Government's Board, Business Group Operations Group and Cabinet. We would look for evidence that the Permanent Secretary, Director General, Deputy Permanent Secretary, Officer of First Minister were engaged in change management around the WBFGA.

8.3 In terms of the corporate responsibilities of Welsh Government we would also be looking for evidence of the civil service adapting approaches to those areas of management identified by the statutory guidance including: risk management, asset management, performance management, workforce planning, financial management and procurement. We might also look at the way projects and programmes are managed and decision making frameworks to understand how civil servants apply the five ways of working, the sustainable principle and well-being goals to their work.

8.4 Are we seeing any evidence of the *Welsh Government Board* taking a lead in change management across this large and complex organisation? According to WG "*the board takes the key strategic decisions about how our organisation is developed to support the cabinet and ministers and ensures that we deliver what ministers expect*". The Board Terms of Reference from September 2015 states that the Board would "*oversee implementation of and Welsh Government compliance with the [WBFGA] goals*."

8.5 Our research reviewed the agendas and minutes of eight Board meetings from 29<sup>th</sup> April 2016 to 31<sup>st</sup> March 2017 which were chaired by the Permanent Secretary. Mention of the Act is **ABSENT** throughout this period, despite discussions on performance management, the PfG, organisational redesign, committee business and presentations on other corporate activity including diversity, equality and Welsh Language. A key question and major cause for concern arising from this research is the lack of discussion within the Board about how to approach the WBFGA from a corporate perspective. Has there been a conscious decision not to develop a change management approach to the Act or is this an oversight?

8.6 A similar review of the Operations Committee and Business Group minutes, agendas and reports would have been useful to understand whether the WBFGA is being enacted at an operational level across WG. These groups provide "*strategic leadership and direction on the running of Welsh Government Operations*". The minutes of these groups are not published on line. Further information on this could be gleaned from a FOI request

8.7 The *Welsh Government Publications Scheme* provides an overview of the wide range of management procedures civil servants use in WG. There is no written protocol, policy or procedures on

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<sup>24</sup> <http://gov.wales/docs/hrd/publications/160712-wg-staff-numbers.pdf>

'A 'game-changer' for Future Generations?' - Netherwood Sustainable Futures June 2017 0.6  
the WBFGA available under this scheme. So how are civil servants required to apply the framework of the WBFGA to their work? Are there any other drivers for individuals working within Government to apply the sustainable development principle and think about the WBGs? Unfortunately, there are few signs from WG that there is anything in place to drive implementation of the WBFGA across the organisation. The following examples illustrate this suggesting that the WBFGA framework is an optional, rather than a required *modus operandi* for the civil service.

WGs online information on "how we work" states

*We expect everyone working here to...put the principles of sustainable development at the heart of everything we do, focusing our work on enhancing economic, social and environmental well-being of communities.*

Without protocols to back this aspiration up, this provides only a **NOTIONAL** approach to the Act.

8.8 *Academi Wales* <sup>25</sup>provides material to support leaders across the public sector in Wales and they have clearly linked their approach to the wellbeing goals and sustainable development principle into a *One Public Service* approach. This work has included internal awareness raising across WG on the aims of the Act, running workshops on the SDP and WBG and disseminating good practice from across the public sector. However, again this is **NOTIONAL**. There is nothing to suggest in the wide range of material available that this resource will *drive* change across WG to adopt the WBFGA framework.

8.9 WG have standard guidance for civil servants for project and programme management that is designed to provide a framework for decision makers within Government, including Ministers and senior civil servants to understand the rationale for new work being undertaken by WG. This is called "*Better Business Cases*" and utilises something called the *Five Case Model* – which is often quoted in material from WG, especially in terms of justifying spending. Those proposing new activity are required to develop their business case around 7 steps and 5 cases shown below:

***The Strategic Assessment***  
Step 1: determining the strategic context  
***The Strategic Case***  
Step 2: making the case for change  
***The Economic Case***  
Step 3: exploring the preferred way forward  
Step 4: determining potential value for money  
***The Commercial Case***  
Step 5: preparing for the potential deal  
***The Financial Case***  
Step 6: ascertaining affordability and funding requirement  
***The Management Case***  
Step 7: planning for successful delivery  
From the Five Case Model (WG)

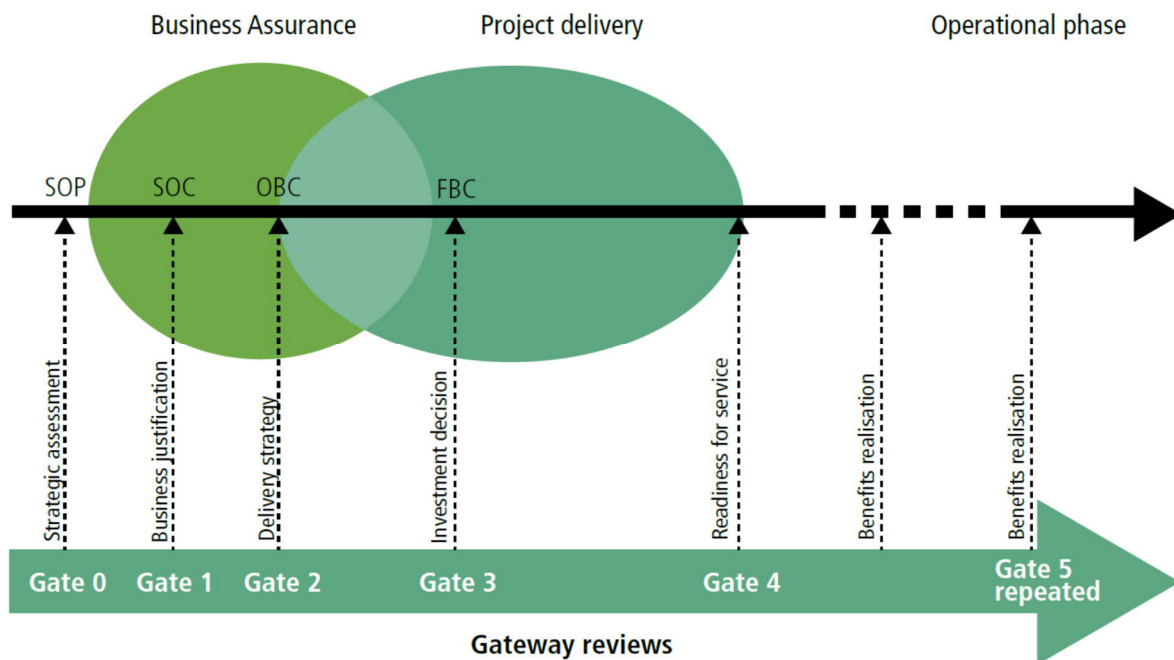
There is currently no reference to the WBGs, SDP or the WBFGA. The Act seems to be **ABSENT** from the standard approach to 'business development' across the organisation. Clearly there is an opportunity to make sure that the SDP and Goals are required as part of business cases across WG, by

<sup>25</sup> <https://academiwales.gov.wales/>



updating the guidance and by civil servant enforcing their inclusion if they are not included as part of WGs activity. At present the key contexts for progressing initiatives are strategic fit; public value to society; commercial viability; affordability and fundability over time; whether the activity can be delivered successfully by organisation and its partners. Could a new criteria focus on how the activity will maximise its contribution to well-being – by using the SDP and considering impacts on the WBGs?

8.10 WG also use a Policy Gateway, (see below) providing 5 'junctures' at which a business case is considered. If the WBFGA framework was integrated into this approach, it is strongly recommended that the WBG and SDP are used *early* in the procedure to shape or reframe WGs activity, rather than as an afterthought to retrofit the WBFGA framework or justify a particular approach. Any given activity could also be checked at the end of the process for its 'fit' in relation to the WBFGA.



8.11 In addition to the above management tools, WG also published *Making Good Decisions (2016)* aimed at assisting public authorities in Wales to make decisions that comply with the law, outlining the main grounds on which a public authority's actions may be challenged through the judicial review procedure. It also includes a number of case studies and practical tips that give public authorities in Wales insight into good decision-making. Section 16 of this document covers *Is the decision-maker complying with the Well-being of Future Generations (Wales) Act 2015?* This reiterates statutory guidance, provides a case study, relevant case law and practical tips, providing help to legal teams in public sector to understand and respond to the Act. This theoretically provides the **CONDITIONS** for others to respond to the Act. Ironically this simple and straightforward approach could be utilised in WG's own internal guidance to drive the Act across the work of its divisions.

8.12 This is not the only example of parts of WG which clearly understand the scope and implications of the WBFGA and drive change within their own sphere of influence. The *Welsh Government Consolidated Accounts 2015-16* provides a good example of how WG can communicate the change as a result of the Act. The quote overleaf provides a 'vision' of how the WBFGA should be being driven across the work of the organisation- clearly the author of this report expected a co-ordinated approach to implement the WBFGA Act across WG. Our research suggests that WG is adopting an almost optional, notional approach of hoping for incremental change towards the SDP and WBGs without implementing and managing that change in a co-ordinated or coherent way. This a major concern and should be perceived as an organisational risk.

8.13 Our research also aimed to focus on the other corporate functions mentioned in the statutory guidance. Earlier sections of this report deal with corporate planning and financial management responsibilities, however others will need to be the subject of further research and FOI requests. There is little available material on WG approaches to workforce planning, performance management and approaches to risk management. The lack of available material is itself surprising, but given our observations above about the lack of a corporate approach to the Act – how do WG intend to show to WAO, the Commissioner and the public that they are adapting their approaches to these corporate functions to accommodate the SDP and WBGs? The statutory guidance is clear about what is expected in these areas of activity<sup>26</sup>. How will WG report on their progress in these areas? Will this be a case of **RETROFIT** from Government to justify their current or preferred approach?

*Coming into effect from April 2016, the [WBFGA] provides a framework for the way in which the objectives of the next Welsh Government programme will be delivered and also of the wider public service. Work is in hand to this effect, including:*

- *adopting a common business planning system which enables more effective joint planning and working in support of the well-being goals*
- *undertaking awareness and engagement activity to help people understand the requirements of the Act and how it will support more effective delivery*
- *revising key business processes and guidance to ensure that they support implementation of the Act*
- *improving policy capacity and skills to enable colleagues to provide better support to Ministers and to put the focus on impact and effectiveness of interventions aimed at addressing the big challenges.”*

*The Welsh Government Consolidated Accounts 2015-16*

8.14 Of the other corporate functions there is plenty of evidence that WG have **REFRAMED** procurement policy, providing the **FISCAL** mechanisms and providing the **CONDITIONS** for others to implement the aims of the WBFGA. WG are central to the drive for sustainable procurement in Wales through the *Wales Procurement Policy Statement* which adopts the Sustainable Procurement Task Force's definition of sustainable procurement. Further research would be required to consider how effectively this is being implemented in WG and by others.

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<sup>26</sup> “Risk management – There will be long term risks that will affect both the delivery of your services but also the communities you are enabling to improve. Use the well-being goals to frame what risks you may be subject to in the short, medium and long term.”

Performance management - The well-being objectives should frame the way that a public body contributes to the well-being goals and the role of performance management is to enable this to be measured and communicated (via reporting). Tools and frameworks will need to be adapted by public bodies to measure the extent this is happening. Results Based Accountability is one of the tools that can help public bodies adapt their business processes in line with the Act.

“Workforce planning – The change envisaged by the Act will be supported by a workforce with the right skills and support, and will be instrumental for the transformation expected. Ensuring your workforce is fully engaged in this change, in order to adapt to the changing needs of our society, will be a critical success factor.”

All from SPSF 1

There is a clearer picture on WG's approach to the WBFGA through the Corporate Asset Management Strategy 2016-21. This strategy applies to WG's management, assessment, retention and disposal of an asset base worth £330 million across Wales over the next five years. This also influences the way in which the wider £13 billion Welsh public sector estate is managed. The statutory guidance is very clear about how asset management should link to the WBFGA<sup>27</sup>. The Minister provides the overall context for the Strategy:

*This new integrated approach will enable us to make more informed choices in the utilisation of our property holdings and acquisitions to deliver pan-Welsh Government policies, such as the 'Well-being of Future Generations (Wales) Act 2015', which comes into force in April this year. The Act will set out the parameters whereby we must ensure our actions meet the needs of today and do not compromise the needs of future generations. We must take account of the long term implications and benefits that can result from our property planning, investment and delivery, as part of our ongoing drive to deliver more for less. Through this Strategy the structured delivery of our Welsh Government property priorities will establish a firm strategic direction.*

8.15 However, like many other examples in this research, the **NOTIONAL** reference is not backed up with any evidence that the traditional approaches will be adapted to alter WGs approach to asset management. There is no reference to the WBGs or SDP in the detail of the 'new arrangements; the policy statement, asset assessment approaches, supporting guidance and tools, the work of the National Asset Working Group, land transfer protocol or approaches to due diligence. How will WG evidence how asset management is contributing to the WBGs or utilising the SDP? There is no evidence here that WG will be able to show how their approach to asset management contributes to well-being.

#### **8.16 What does our analysis tell us about how WG and its approach to the WBFGA across the civil service?**

What conclusions can we draw from analysis? Our evidence suggests that:

C14 There is no evidence available from the 'WG Board or Operational Group' work that they are initiating change management activity to establish the SDP and WBGs into procedures, processes which inform decision making, investment and programme and project management in the organisation (with the exception of procurement).

C15 There is no evidence available that standard management approaches and internal guidance within Welsh Government, which determine the business case for activity, have adapted to reflect the SDP or WBGs. This includes the 5 business case model, policy gateway tool and approaches to asset management.

C13 There is no evidence available that the Welsh Government are systematically embedding the WBFGA into their or the civil service's operations across the organisation.

This also raises some specific questions about WG's approach

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<sup>27</sup> The Act will enable public bodies to strengthen arrangements for the effective management of their assets so that they can be used for the benefit of our communities; enabling them to be used over the long-term with safeguards in place for their retention at the community level. Through collaborative working, public bodies should identify opportunities to be used in ways that improve the well-being of Wales.

Q13 Why is there no evidence of change management occurring in relation to the WBFGA? Is this related to the status of the Act within the senior civil service, or understanding of it?

Q14 What scale of change do WG envisage the WBFGA having on their work? How ambitious are Ministers and the civil service in terms of adopting the SDP and the WBGs to challenge and change traditional approaches for better well-being outcomes?

Q15 Why is WG not showing leadership to the rest of the public sector on the WBFGA given their influential role on the ability of others to implement the legislation?

What could we reasonably expect from a government which is 'using the lens' of the Act to inform activity in this area of work?

E13 Evidence that the WG Board are establishing change management to implement the corporate responsibilities outlined in statutory guidance and monitoring its progress.

E14 Adaptation of standard approaches and internal guidance, particularly the 5 case model and Policy Gateway, to reflect the SDP and WBG.

E15 Exemplars of how WG have used the WBFGA to inform their work, demonstrating leadership to the rest of the public sector.

E16 Dialogue with public bodies for WG to understand what they need to do to support the rest of the public sector to implement the legislation.

## 9 Creating the conditions for others to respond to the WBFGA

9.1 1 Much of the £15 Billion WG budget is spent in Wales through other parts of the public sector which deliver services to the community, including: 22 local councils and 3 national parks, regional health bodies and government sponsored bodies with a 'whole Wales' remit. These bodies, like WG, are subject to the WBFGA and need to demonstrate the same response to the legislation, adopting the WBGs and SDP and maximising their contribution to well-being. The 2017/18 budget shows local government accounting for £3.4 billion of WG funding, Health, Well-being and Sport accounting for £7.2 billion and Education, £1.5 billion.

9.2 WG influences policy and governance and performance frameworks for these bodies. This means that WG have a clear role in creating the conditions for others to respond to the FGA. They hold the purse strings, and to a certain extent, hold these public bodies to account on how they spend public money and how they report on it. This is a major opportunity for WG to drive the WBFGA framework across our public services. How is WG influencing these organisations to adopt the frame of the WBFGA Act? Are there any signs during 2016-17 that WG are using their influence to create the conditions for others to respond?

9.3 We have already considered this from a policy perspective, in term of major projects and investment, the budget, the PfG and political discourse and have found that WG's approach to the Act is predominantly NOTIONAL, with very few examples of WG developing approaches which create the conditions for others to respond, either through shaping new activity or reframing existing work. It is also clear that WG is not demonstrating good practice in relation to the WBFGA with the evidence suggesting that WGs' organisational response to the WBFGA is inconsistent and fragmented. There is a risk that this provides a very weak message on the WBFGA to the rest of the public sector

9.4 However, as we explored in previous sections there are some signs from WG that suggest a change in some parts of the organisation to embrace the WBFGA, and influence others. This includes the work on Local Government White Paper, on the NHS Performance Framework, the Wales and Border Rail Service and the Single Revenue Grants to local authorities. Are there any other signs that WG is responding to the WBFGA in its relationship with others, and using its unique position to influence the wider public sector?

9.5 Our research sought to understand how WG is influencing, or reflecting on the Act in its work with sponsored bodies. Remit letters are sent to a range of publically funded bodies who work on behalf of Welsh Government, setting out requirements and informing them of their levels of funding and what is expected of them by Ministers. Each of these bodies has its own individual responsibility to respond to the Act and will, in time, be subject to Wales Audit Office reviewing their progress. However, WG have an influence on their priorities, objectives and funding through these documents. They set the frame for the organisations' work for the next business planning cycle. How was the WBFGA communicated to these bodies in their 2017/18 remit letters? This is shown in the table below:

<b>Organisation</b>	<b>Approach to WBFGA in remit letter 2017/18</b>
Arts Council for Wales	<i>As a "guide to work", to publish well-being objectives and "take all reasonable steps" to use the SDP and five ways of working in "everything that you do".</i>
Estyn	<i>ABSENT</i>
Higher Education Council for Wales	<i>ABSENT</i>
National Library of Wales	<i>Publish well-being objectives and use five ways of working in the draft Action Plan</i>
National Museum of Wales	<i>Publish well-being objectives and "integrate the five way of working" into the draft Operational Plan</i>
Natural Resources Wales	<i>ABSENT (refers to responsibilities under Environment Act only and Sustainable Management of Natural Resources Principles.)</i>
Sports Wales	<i>Set well-being objectives which maximise their contribution to achieving the goals of the Act and in a way that satisfies the sustainable development principle.</i>

9.6 There is a great deal of variability between remit letters and the way the WBFGA is referenced – does this represent a co-ordinated approach to the legislation in the way that WG works with its sponsored bodies? There is clearly a focus on delivering organisational well-being objectives and including the SDP and WBGs as part of business planning in some. The Act is absent from the legislative context in others. There is no indication of what is required from these bodies by WG to *evidence* their changed approaches. Further research could be carried when these bodies report back to WG to understand the influence of these remit letters in driving the Act across their work.

9.7 How is Welsh Government influencing the private sector to adopt the framework of the WBFGA? We have already discussed the limited current approach to the Act in terms of major projects and investments, and the limited reference to the WBGs and SDP in *Green Growth Wales* and through funding support to businesses in Wales. The voluntary *Sustainable Development Charter* has been used up until recently to engage a network of organisations and businesses on sustainable development – with nearly 400 organisations signing up to place sustainable development as their central organising principle. This, according to WG web pages is now 'under review' as a result of the WBFGA. This research has shown that the WBFGA is given very little profile in WG's work with the private sector and is **ABSENT** in current discourse. Will the '*Prosperous and Secure*' Strategy currently being developed within WG provide some clarity of how WG will create the conditions for the private sector to respond to the Act?

9.8 WG also have a major influence on the work of the third sector, providing funding to support a wide range of bodies in delivering activity nationally and within communities across Wales through a Third Sector Scheme published in 2014. How is the WBFGA reflected in the joint work of this sector and WG? The *Third Sector Scheme Annual Report 2015-16* was produced in March 2017. This discusses the contribution of 30,000 voluntary organisations in Wales, with 938,000 volunteers. *The sector has a value of £3.8 billion and is active in every community across Wales (WCVA)*. It sets out the challenges of the current financial climate and the evolving relationship between the sector and government. The WBFGA is **ABSENT** from the wider strategic and legislative context. There is one reference to the voluntary sector's contribution to well-being goals. Clearly this is of concern. The WBFGA framework seems to have no profile in this work.

9.9 Local authorities and others are undergoing major service redesign programmes in response to funding pressures. One of the key components of this is community asset transfer – this involves authorities and communities searching for ways in which communities can take responsibility for managing and running local assets on behalf of and for the local community e.g. libraries and community centres. WG produced guidance *Community Asset Transfers in Wales – A Best Practice Guide March 2016*. While there is a strong specific reference to the WBFGA in the document:

*The Community Asset Transfer approach which the guide promotes fully aligns with the 'Wellbeing of Future Generations (Wales) Act 2015', which comes into force in April 2016. The Act is about improving the social, economic, environmental and cultural well-being of Wales and making public bodies in Wales think more about the long term, working better with people and communities and by taking a holistic approach to solving problems and avoiding future ones*

*From a practical perspective, it will be important to support asset recipients to understand how they can use the five ways of working to ensure their contribution to the goals of the Act, thereby continuing to maximise a positive impact following a Community Asset.*

This is an example of where the rhetoric is not backed up in the way in which decisions will be made on assets. There is no sign of requirements on the applicants for CAT to focus on WBGs or the SDP in the due diligence process, guidance for applicants, expressions of interest, or business plan templates. This is an example of where it is important that we do not take commitments on the Act from WG at face value and 'dig a little deeper' to see where good intentions on the WBFGA are followed up different elements which create the conditions for others to respond to the legislation. This guidance only provides a **RETROFIT** approach to the legislation.

9.10 However, in contrast, the Environment and Sustainable Development Directorate has made the WBFGA central to the award of £21million of core funding to Third Sector organisations from October 2015 to the end of March 2018. This fund is focused in better management of our natural resources, increasing ecosystem resilience and delivering commitments on biodiversity. This creates the **CONDITIONS** for a wide range of NGOs to respond to the Act by requiring a clear rationale for activity in the context of the WBGs. The application process requires evidence from applicants that they are applying the SDP in delivering the funded activity.

9.11 WG are required by the WBFGA to publish a *Future Trends Report* which helps public bodies to understand and plan for a wide range of future trends which are likely to impact on Wales' communities in coming decades. WG published this in 2017. The intention is that this document will be used by Public Services Boards and public organisations as part of their own responses to the Act, including PSB Well-being Plans and corporate planning in the 44 individual bodies (including WG themselves) which are subject to the legislation. This document describes arrange of economic, social, environmental and cultural trends in a Wales context, and then offers advice on potential impacts, questions public bodies should ask of themselves and advice about how to stimulate a conversation about future trends. This is clearly creating the **CONDITIONS** for others to respond to the legislation by encouraging them to think over the long term.

## 9.12 Creating the conditions for others to respond – summary

What conclusions can we draw from this analysis? Our evidence suggests that:

C16 There is clear evidence that WBFGA is helping to shape discourse on local government reform and create the conditions for NHS bodies in Wales to respond to the Act. There are pockets of good practice where WG are using legislative and grant mechanisms to influence public bodies and the third sector.

C17 Remit letters suggest that there is major inconsistency in how WG is influencing sponsored public bodies to the Act. In many cases this is absent from requirements, and where it does appear – the requirements refer primarily to establishing organisational well-being objectives.

C18 The evidence suggests limited integration of the WBFGA in relation to the private and third sectors, where it has been absent from major pieces of policy discourse. Its lack of profile is notable in discussions on green growth and future arrangements with the third sector.

This also raises some specific questions about WG's approach :

Q16 Why is there inconsistency in approach across WG Divisions in terms of how they are communicating the legislation and influencing others to respond?

Q17 Why is WG displaying a weak leadership role on the WBFGA in the way it is dealing with other bodies? Do they see themselves as an agent for change in terms of the legislation?

Q18 How can WG move beyond notional commitments to the Act in their dialogue with other bodies to become more specific in their requirements of funded bodies and begin to act as a champion of the legislation?

What could we reasonably expect from a government which is 'using the lens 'of the Act to inform government activity in this area of work?

E16 A clear and consistent message to sponsored and funded bodies that the WBFGA will be influencing and changing the way WG works with them. It is not business as usual.

E17 Specific requirements of sponsored and funded bodies to demonstrate the impact of their proposed activities on well-being, the use of the SDP and changing their corporate practices to accommodate the legislation. A consistent approach across WG Divisions

E18 Working with public bodies to focus on how WG can adapt their systems to help others respond to the Act with a view to removing barriers and creating the conditions for others to respond, especially through public service reform.



## 10. One year of the WBFGA in Welsh Government– game changing?

10.1 The last Welsh Government created an innovative piece of legislation, which, if managed well, gives government in Wales the opportunity to plan their activities for current and future generations far more effectively, and provides an opportunity not only to transform themselves and the way they operate, but the way others do too.

10.2 The framework we have developed has been useful to analyse wide ranging information and enable us to begin to understand the impact of the legislation on the current government's activity and its potential for creating change in the way WG govern, plan, finance, deliver and work with partners. It is 'early days', and it is recognised that 2016/17 has been a busy year, with a WG election, the development of a Programme for Government, Brexit, a budget to be passed, local government and UK elections and the delivery of statutory requirements for WG around this piece of legislation, like the Well-being Objectives and the Future Trends Report. The previous sections have provided some insight into how the WBFGA is affecting change during this busy period in different aspects of government activity.

10.3 Despite there being some pockets of good practice there little evidence from WG's 'outputs' during 2016/17 that the WBFGA is making any significant difference to way the government is operating. These pockets of good practice should be built upon, but it not difficult to come to the conclusions that there is no systematic approach to WG implementing this Act. Key internal guidance and protocols are not supporting the delivery of the Act effectively. The evidence suggests a collective lack of leadership and co-ordination by the civil service to drive change through the organisation. What does this say about WG's approach to change management?

10.4 With little evidence that the WBFGA frame is driving decision making or policy development at present this means that major investments, the budget, policy and guidance are likely to continue to provide a notional 'nod' to the Act. One year in, we might expect a clearer understanding and communication of how the Programme for Government, funding and policy is contributing to well-being – and how the sustainable development principle has added value to the government's work.

10.5 This may be an example of a government which is struggling with how to fit their normal political approaches to manifesto delivery with the fixed vision of the goals and a sustainable development principle which at its core should be challenging normative approaches to delivering policy and government. The low profile of the Act has manifested itself in missed opportunities to consolidate and reinforce the WBFGA in national debates and cross sector work. There is also a risk that a notional approach to the Act might, in turn, drive a poor response to the legislation within and outside WG.

10.6 A key question is whether WG is likely to 'shift' from a focus which is on informal, incremental implementation of the Act to one which steers the political narrative and provides leadership within the civil service and to the rest of the public sector in Wales – creating the conditions for civil servants, divisions and others to make the most of this legislation. Politicians and civil servants are currently applying the Act to their work as a notional force for good, providing limited insight into its added value to their work. WG need to become more adept at this – to engage within its own organisation and with partner organisations around the frame of the WBFGA and understand how it can add value to traditional public service planning and delivery.

10.7 Much has been written about WG's previous Sustainable Development Duty and Scheme and its inability for WG to deliver change toward sustainable development without a stronger legislative imperative<sup>28</sup>. In delivering this Scheme between 1998 and 2015, WG adopted an inconsistent, rhetorical

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<sup>28</sup> Flynn A, Marsden, T, Netherwood, A, Pitts, R (2008) The Sustainable Development Effectiveness Report for Welsh Government Wales Audit Office (2010) Sustainable Decision Making in Welsh Assembly Government WWF Cymru (2011): Progress in embedding the One Planet Aspiration in Welsh Government: Report by Dr. Alan Netherwood, Netherwood Sustainable Futures

'A 'game-changer' for Future Generations?' - Netherwood Sustainable Futures June 2017 0.6 approach to sustainable development with little evidence that the Scheme was impacting on delivery, planning or the finance of the government. Have WG drifted into a similar mode of operation around the WBFGA? Are WG maintaining incremental approach of the Scheme even though Act provides opportunity for more systematic change?

10.8 The research raises a very important question, as it suggests a lack of profile of WBFGA in WG as a corporate entity, despite the statutory imperative to adapt corporate functions. Why is this? Are the Board and Operations Group intending to develop a more corporate approach to implement the legislation or will the WBFGA be treated as 'background noise' to the usual business of government? Is there a plan already in existence, which has no public profile in WG's publications or communications?

10.9 The national strategy being developed should give us a clear indication of how well this frame is shifting policy debate and delivery from traditional approaches of government and cross sector work. The absence of engagement on this strategy to date does not suggest an integrated, engaging and collaborative approach to strategy development.

C19 There is little evidence as yet, that the WBFGA frame is driving decision making, policy development or delivery in Welsh Government, or that traditional modes of operation are being altered as a result of the legislation. Despite there being some pockets of good practice, the approach to the Act is inconsistent across government activity. Overall, the findings of the research suggest there is no systematic, coherent approach by WG to implementing the WBFGA.

10.10 This research suggests some immediate priorities which, if they aren't already underway, need to be started during 2017/18 – this is the message to Welsh Government from this work. What could we reasonably expect by the end of year 2 from a government embracing the WBFGA? Implementing these would enable a game-changing Act.

Recommend 1– Develop and engage with stakeholders on the WG's **approach to the effective operationalisation of the Act** i.e. interpretation, implementation and monitoring of WFGA (both substantive duties and integration across corporate business).

Recommendation 2 – establish a '**whole organisation' approach** to implementing the Act through Cabinet Office, Board, and Operational Group and corporate functions. Make someone responsible and accountable for corporate change and report on it.

Recommendation 3 – establish work to adapt key **internal guidance and processes** to change practice within WG, with the priority being the 5 business case models and the policy gateway tools.

Recommendation 4 - establish ways to '**show your workings' to internal and external actors** and communicate how the sustainable development principle frame has added value to the government's work, and how this work maximises its contribution to the well-being goals.

Recommendation 5 – Start work to adapt **key funding mechanisms** so that those funded are required to use the sustainable development principle and well-being goals to plan, deliver and report on their work.

Recommendation 6 – establish an approach to ensure that all **major investment projects** the sustainable development principle, and maximising their contribution to well-being goals as a core

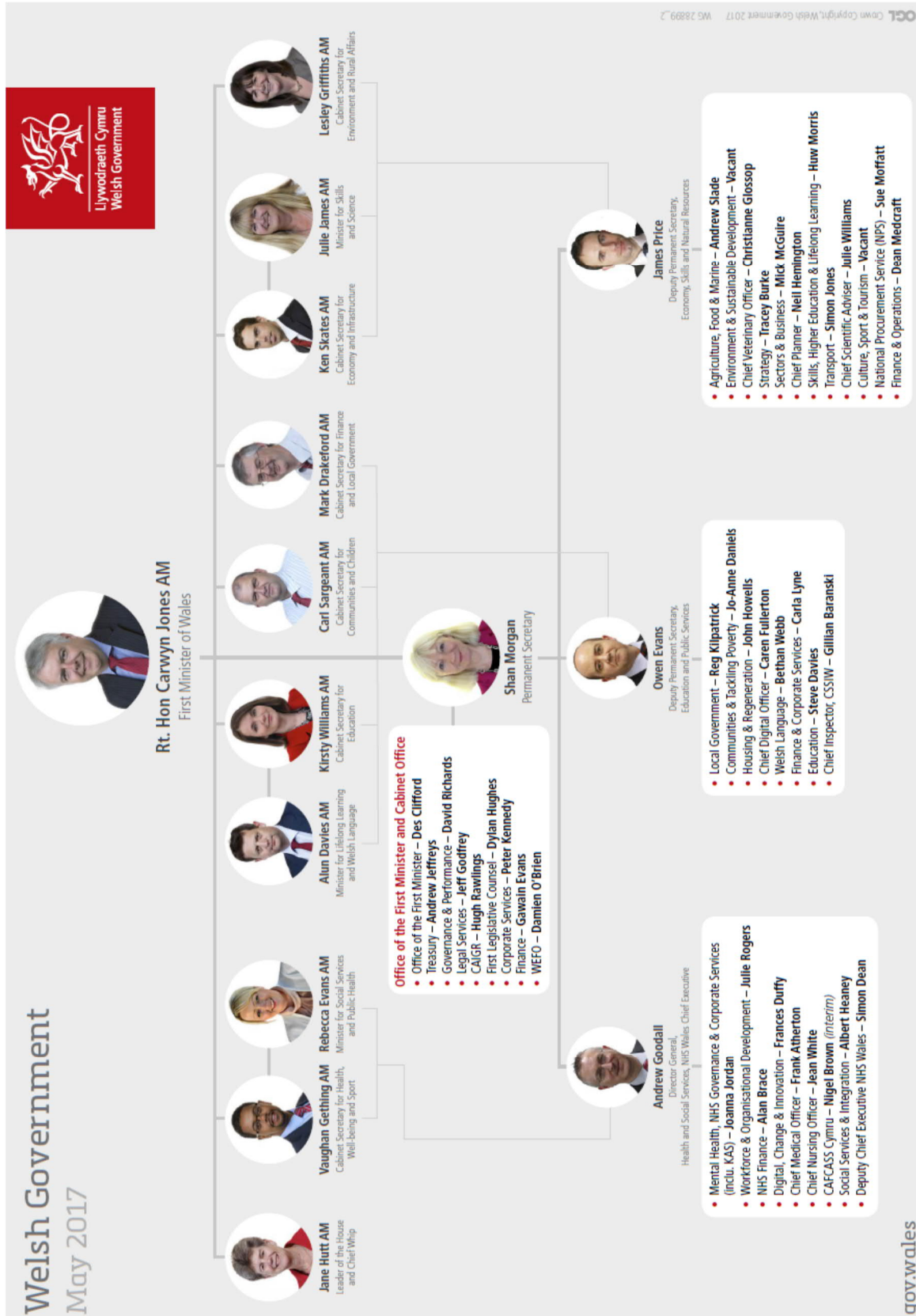
'A 'game-changer' for Future Generations?' - Netherwood Sustainable Futures June 2017 0.6  
part of project planning, finance, delivery and reporting. Work should begin establishing this as part of the City deal projects and two other major investments. Use these to educate Ministers and the Civil Service about the value of the Act.

Recommendation 7 - Work internally and with partner organisations around the frame of the WBFGA and understand how it can add value to traditional **public service planning and delivery**, what barriers need to be removed to create conditions for others to respond.

Recommendation 8- WG see themselves as **agents and leaders of change in the public sector and** as an exemplar of implementation of the Act.

Recommendation 9 – **Political leaders** are clear and consistent in how the WFGA is influencing their priorities and decisions. This includes Cabinet and NAW discourse.

## Appendix A – Welsh Government Structure





## **Appendix B –References**

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## **Appendix C: Expectations of progress (what good would look like)**

The conclusions and questions resulted in eighteen 'characteristics' we would expect to see from a government embracing this legislation in the way that it operates. These expectations play a key part in developing our expectations on what good looks like for WG.

E1 Clarity and coherence in exactly what the WG wellbeing objectives are how they will maximise contribution to the goals and how these link to strategic delivery plans, policies, programmes and expenditure.

E2 Detail on how the WBGA has adapted WG's approach to policy development, to assure policy communities across Wales that the Act is transformative.

E3 A clear expectation on others through policy and guidance that they will be expected to evidence and adopt the WBFGA framework in their activity.

E4 A clear commitment to adapt existing financial frameworks and mechanisms during 2018/19 to demonstrate how government expenditure contributes to the well-being goals and financial planning utilises the sustainable development principle. This would be communicated in advance to those impacted by government finance, and partly shaped by their advice. Ideally key stakeholders would be involved in helping to shape the priorities using WFGA frame.

E5 Emerging good practice, where civil servants and Ministers can clearly demonstrate the rationale and impact of investment and expenditure on well-being and future generations.

E6 Adapted grant guidance and support to grant recipients on new expectations of them in evidencing their own use of the WBFGA frame.

E7 Clarity on how the WBFGA will influence the City Region Deals and WGs role in ensuring this investment maximises its contribution to well-being.

E8 Convening discussions with key actors in major projects and investments on WGs expectations of them with regard to the WBFGA, and to inform the work on a standard approach to investment planning which incorporates the goals and principles of the WBFGA

E9 Initiating pilot projects to demonstrate the added value and learning from this approach and developing financial reporting mechanisms which incorporate the Acts goals and principles.

E10 Ministers communicating the added value of using the WBFGA frame to their work.

E11 Ministers driving corporate change to respond to the WBFGA within the civil service.

E12 Transparency in how the WBFGA frame is applied to matters considered by Cabinet, and the decisions made by Cabinet.

E13 Evidence that the WG Board are establishing change management to implement the corporate responsibilities outlined in statutory guidance and monitoring its progress.

E14 Adaptation of standard approaches and internal guidance, particularly the 5 case model and Policy Gateway, to reflect the SDP and WBG.

E15 Exemplars of how WG have used the WBFGA to inform their work, demonstrating leadership to the rest of the public sector.

E16 Dialogue with public bodies for WG to understand what they need to do to support the rest of the public sector to implement the legislation.

E17 A clear and consistent message to sponsored and funded bodies that the WBFGA will be influencing and changing the way WG works with them. It is not business as usual.

E18 Specific requirements of sponsored and funded bodies to demonstrate the impact of their proposed activities on well-being, the use of the SDP and changing their corporate practices to accommodate the legislation. A consistent approach across WG Divisions.

E19 Working with public bodies to focus on how WG can adapt their systems to help others respond to the Act, with a view to removing barriers and creating the conditions for others to respond, especially through public service reform.