

Research Briefing:

The Well-being of Future Generations Act



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the National Assembly website: www.assembly.wales/research

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

Research Service
National Assembly for Wales
Tŷ Hywel
Cardiff Bay
CF99 1NA

Tel: **0300 200 6316**

Email: Chloe.Corbyn@assembly.wales

Twitter: [@SeneddResearch](https://twitter.com/SeneddResearch)

Blog: SeneddResearch.blog

© **National Assembly for Wales Commission Copyright 2018**

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the National Assembly for Wales Commission and the title of the document specified.

Research Briefing: The Well-being of Future Generations Act

Author: Chloe Corbyn

Date: May 2018

Paper number: 18-033



Contents

1. The Act	1
The seven well-being goals	2
2. Public bodies	3
The sustainable development principle and five ways of working	4
Well-being objectives	4
3. Public Services Boards	6
Assessment of Local Well-being	7
Local well-being plans	8
4. National indicators, milestones and the Future Trends Report	9
National indicators	9
Milestones	9
Future Trends Report	9
5. The Future Generations Commissioner for Wales	10
6. The Auditor General for Wales	12
7. Guidance	15
SPSF 1: Core Guidance	15
SPSF 2: Individual role (public bodies)	15
SPSF 3: Collective role (public services boards)	15
SPSF 4: Collective role (community councils)	15

1. The Act

The Well-being of Future Generations (Wales) Act 2015 received Royal Assent in April 2015, with most of its provisions coming into force from 1 April 2016. The Act is concerned with improving the social, economic, environmental and cultural well-being of Wales. It aims to put sustainable development at the centre of decision-making, and is designed to ensure actions meet the needs of the present, without compromising the ability of future generations to meet their own needs. The Act defines sustainable development as:

The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.

The seven well-being goals

The Act puts in place seven well-being goals for Wales:

A prosperous Wales

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

A resilient Wales

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

A healthier Wales

A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

A more equal Wales

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

A Wales of cohesive communities

Attractive, viable, safe and well-connected communities.

A Wales of vibrant culture and thriving Welsh language

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

A globally responsible Wales

A globally responsible Wales. A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being, and the capacity to adapt to change (for example climate change).

2. Public bodies

The Act places a well-being duty on public bodies (including local authorities and the Welsh Government) to set and publish objectives to show how they will achieve the vision for Wales set out in the well-being goals. The bodies are required to maximise their contribution to delivering each of the well-being goals. Public bodies must take action to make sure they meet the objectives they set. The cost of delivering the Act's requirements need to be met by public bodies.

The public bodies identified in the Act are:

- The Welsh Ministers;
- Local authorities;
- Local Health Boards;
- Velindre National Health Service Trust;
- Public Health Wales;
- Welsh National Park Authorities;
- Welsh Fire and Rescue Authorities;
- Natural Resources Wales;
- The Higher Education Funding Council for Wales;
- The Arts Council of Wales;
- The Sports Council for Wales;
- The National Library of Wales; and
- The National Museum of Wales.

Although not designated as 'public bodies', any Town or Community Council (TCC) with income or expenditure greater than £200k for each of the three financial years preceding the year in which the local well-being plan is published is required to work towards the implementation of the local well-being plan for its area.

The sustainable development principle and five ways of working

The Act puts in place a ‘sustainable development principle’ that sets out how public bodies should go about meeting their duties under the Act. Acting in accordance with the sustainable development principle means that the body must act in a manner that seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

There are five things that public bodies need to take into account to show they have applied the sustainable development principle. These are known as the ‘five ways of working’:

- **Long-term:** The importance of balancing short-term needs with the need to safeguard the ability to also meet long term needs;
- **Prevention:** How acting to prevent problems occurring or getting worse may help public bodies meet their objectives;
- **Integration:** Considering how the public body’s well-being objectives may impact upon each of the well-being goals, on its other objectives, or on the objectives of other public bodies;
- **Collaboration:** Considering how acting in collaboration with any other person (or different parts of the body itself) could help the body meet its well-being objectives; and
- **Involvement:** The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

In order to support public bodies to put the five ways of working into practice, the Future Generations Commissioner and the Welsh Government published a framework in January 2018. The **Future Generations Framework for service design** is intended for use by those who design and oversee provision of services to prompt thought, have structured discussions, and make decisions about new ways of working to ensure services are resilient and are seeking to improve the well-being of people now and in the future. Use of the framework is non-statutory and optional.

Well-being objectives

All public bodies are required to set **well-being objectives**, and are encouraged to ensure that corporate planning becomes the mechanism for the setting these. Objectives are to be reviewed as part of the annual reporting process, and can be

revised or reviewed at any time. Reviewing well-being objectives provides a public body with the opportunity to align its objectives to those of the public services board for its area.

At the same time as publishing objectives, a public body must also publish a **well-being statement**. The statement must explain:

- Why the public body considers that its well-being objectives will contribute to the well-being goals;
- Why the public body considers that its well-being objectives have been set in accordance with the sustainable development principle;
- The steps to be taken to meet the well-being objectives in accordance with the sustainable development principle;
- How the public body will govern itself to meet its well-being objectives;
- How the public body will keep the steps it takes to meet its well-being objectives under review;
- How it will ensure that resources, including financial, are allocated annually for the purpose of taking steps to meet its objectives;
- When it expects to meet its well-being objectives; and
- Any other relevant information about the objectives.

In November 2016, the Welsh Government published its initial set of 14 well-being objectives. These were developed further, and a final set of 12 well-being objectives for 2016 -2021 were published in its **2017 well-being statement** in Autumn 2017. The 12 objectives have been structured around the four themes set out in the Welsh Government’s Programme for Government, **Taking Wales Forward**: Prosperous and Secure; Healthy and Active; Ambitious and Learning; and United and Connected. The statement says these will “form the foundation” of the accompanying strategies. The well-being objectives are:

1. Support people and businesses to drive prosperity;
 2. Tackle regional inequality and promote fair work;
 3. Drive sustainable growth and combat climate change;
 4. Deliver quality health and care services fit for the future;
 5. Promote good health and well-being for everyone;
-

6. Build healthier communities and better environments;
7. Support young people to make the most of their potential;
8. Build ambition and encourage learning for life;
9. Equip everyone with the right skills for a changing world;
10. Build resilient communities, culture and language;
11. Deliver modern and connected infrastructure; and
12. Promote and protect Wales' place in the world.

Annex A of the well-being statement provides a comparison against the original 14 well-being objectives.

A public body must publish a new set of objectives no later than 6 months after the date of each general election. The Welsh Government is required to publish annual progress reports showing how it has progressed towards meeting its well-being objectives. These reports should show progress made towards the achievement of the well-being goals by reference to the national indicators and milestones (see Section 4). The **first of these progress reports** was published in September 2017.

Other public bodies were required to publish their first set of well-being objectives by May 2017. As with the Welsh Government, public bodies are required to publish annual reports on progress towards meeting their objectives.

3. Public Services Boards

The 2015 Act established Public Services Boards (PSBs) for each local authority area in Wales. PSBs replaced the predecessor Local Service Boards (LSBs). LSBs were non-statutory partnerships with the aim of providing a strategic approach to address cross-cutting issues requiring a multi-agency approach. The 2015 Act says that two or more PSBs may agree to merge if they consider it would assist them in contributing to the achievement of the well-being goals. The Welsh Ministers can also direct two or more PSBs to merge, but only if the same Local Health Board is a member of each PSB seeking or directed to merge.

Each PSB must improve the economic, social, environmental and cultural well-being of its area by working to achieve the well-being goals. It should assess the state of economic, social, environmental and cultural well-being in its area (**Assessment of Local Well-being**) and set objectives to maximise its contribution

to the well-being goals. Each PSB must prepare and publish a **Local Well-being Plan** setting out its objectives and the steps it will take to meet them. The plan must set out why the PSB considers its objectives will maximise its contribution to achieving the well-being goals within its local area. It also must show how it has had regard to the Assessment of Local Well-being in setting its objectives and steps it needs to take. Each PSB will carry out an annual review of its plan showing progress.

The members of each PSB must include:

- The local authority;
- The Local Health Board for an area any part of which falls within the local authority area;
- The Welsh Fire and Rescue Authority for an area any part of which falls within the local authority area; and
- Natural Resources Wales.

In addition to these members, each PSB must also invite the following people and organisations to participate on the Board:

- The Welsh Ministers;
- The Chief Constable for a police area;
- The Police and Crime Commissioner for a police area;
- Certain probation service; and
- At least one body representing voluntary organisations.

PSBs can also invite anyone else who carries out a public function.

19 PSBs have been established in Wales. Anglesey and Gwynedd, Conwy and Denbighshire and Rhondda Cynon Taf/Merthyr Tydfil (Cwm Taf) have partnered to form PSBs, with the other 16 opting to work on their own authority footprint.

Assessment of Local Well-being

PSBs are required to prepare and publish an assessment of the state of economic, social, environmental and cultural well-being in its area. PSBs were required to publish their first assessments of local well-being by May 2017.

Shortly after the assessments were completed the Future Generations Commissioner reviewed the assessments and set out her key findings and recommendations. She stated:

PSBs are to be congratulated for the positive approach they have taken to completing the assessments; they are a step in the right direction but they also highlight where the real challenges for public bodies lie in considering the needs of future generations.

She outlined a number of recommendations for PSBs. These included:

- PSBs should consider whether the way they are chaired and resourced best supports the ethos of the Well-being of Future Generations Act;
- PSBs should consider how they can build on their involvement work to date, and collaborate better with each other;
- Despite the evidence in the assessments showing a range of alarming trends, PSBs are only engaging in safe and non-contentious territory. PSBs need to evidence how they are identifying and exploring tensions between different policy issues and priorities; and
- PSBs should consider how to link well-being plans to other strategies and plans.

Local well-being plans

Under the Act, PSBs are required to publish a local well-being plan, setting out their local objectives and the steps they propose to take to meet them. The first plan must be published within a year of local government elections (so by May 2018). The plan is to include:

- Why the PSB feels its objectives will contribute to achieving the well-being goals within its local area; and
- How it has had regard to the assessment of local well-being in setting its objectives and steps to take.

The plan must be reviewed on an annual basis, and PSBs must show their progress towards meeting objectives. Public bodies are encouraged to consider how their corporate planning process links to the process of developing well-being plans.

TCCs that meet the £200k income and/or expenditure threshold have to take all reasonable steps to contribute towards the PSBs Well-being Plan and report annually on it. PSBs are required to involve all TCCs in the area when consulting on the assessment and plan regardless of whether they meet the threshold. TCCs who are not subject to the duty are also still encouraged to participate.

4. National indicators, milestones and the Future Trends Report

National indicators

Under Section 10 (1) of the Act, the Welsh Ministers are required to set national indicators to measure progress towards achieving the well-being goals. The first set of indicators, and accompanying technical document, was laid before the Assembly in March 2016. The set of 46 indicators covers a broad spectrum of topics, including health, the environment and education.

In September 2017 the Welsh Government published its first Well-being of Wales report. It provides an update on progress being made in Wales towards the achievement of the seven well-being goals. It considers the current position and progress by reference to the 46 national indicators and some additional contextual information where appropriate.

Milestones

The Welsh Ministers are required to set milestones to show what the indicators should show at certain points in the future. At the start of each financial year Ministers must publish an annual progress report setting out progress made over the last year. At the time of writing these milestones are yet to be published.

Future Trends Report

The Welsh Government published its first Future Trends Report in May 2017. The report sets out what the Welsh Government considers to be key future social, environmental, economic and cultural trends for Wales, under six themes that impact the business of all aspects of government and public administration: Population; Health; Economy and Infrastructure; Climate Change; Land Use and Natural Resources; and Society and Culture. The second part of the report provides some initial analysis of the influencing factors that could impact on the future trends identified, and explores the interactions between potential and combined effects of the trends. The Future Trends Report is intended to be a source of

information to help public bodies understand the long-term drivers affecting the well-being of Wales and its communities.

5. The Future Generations Commissioner for Wales

Sophie Howe was appointed by the Welsh Government as the **first Future Generations Commissioner** for Wales in 2016. The Future Generations Commissioner for Wales' role is to promote the sustainable development principle, act as a guardian for the interests of future generations in Wales, and to support the public bodies listed in the Act to work towards achieving the well-being goals. The Commissioner holds office for a 7-year period.

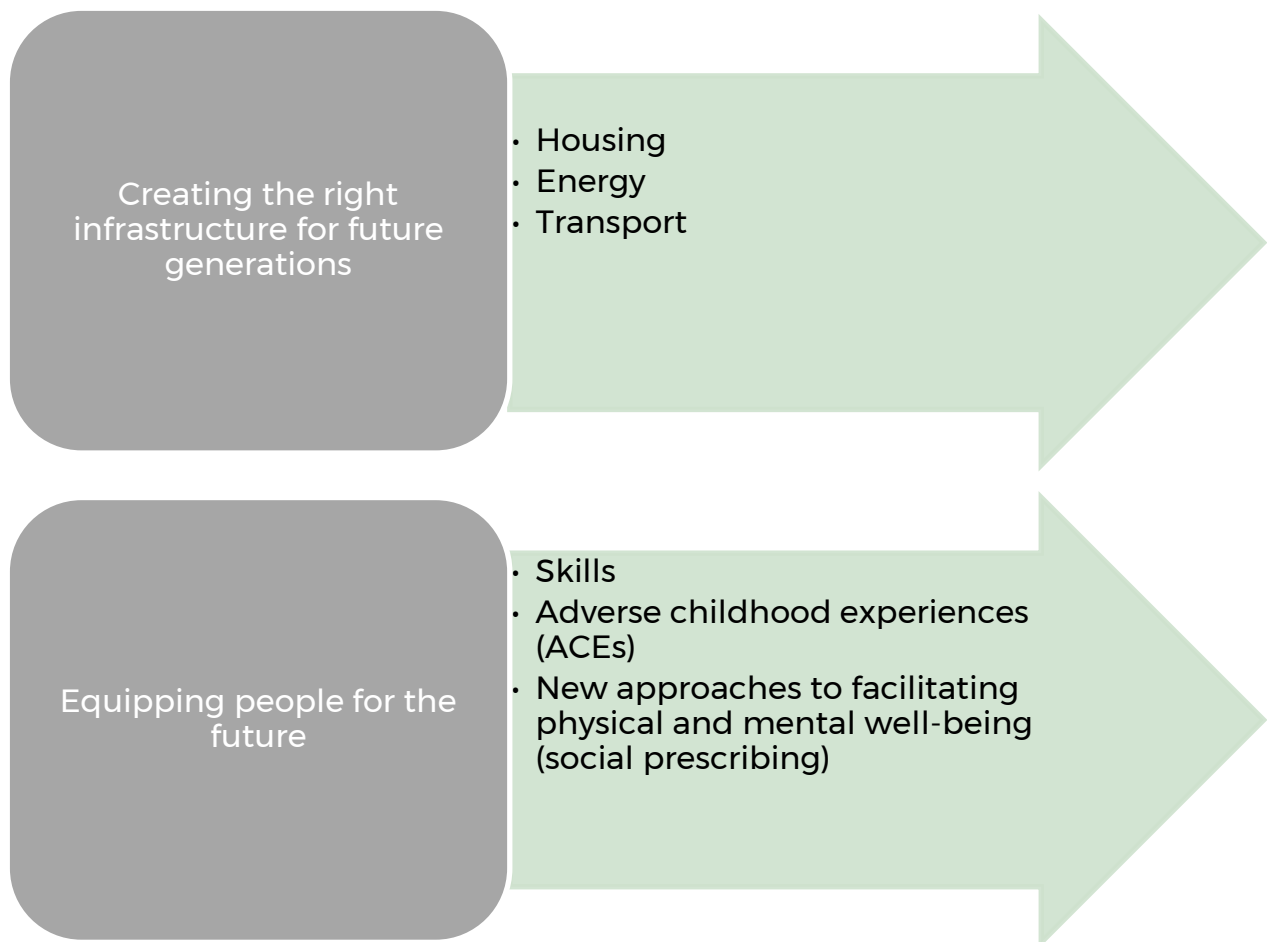
The Commissioner has a number of roles and can undertake a number of actions:

- **Advise, encourage and promote:** The Commissioner can provide advice to public bodies and PSBs and promote and encourage them to work to meet their well-being objectives;
- **Research:** The Commissioner may carry out research, including into the well-being goals, the national indicators and milestones, and the application of the sustainable development principle;
- **Carry out reviews:** The Commissioner may conduct a review of how public bodies are taking account of the long-term impact of their decisions, and make recommendations based on the findings;
- **Make recommendations:** The Commissioner can make recommendations to a public body about the steps it has taken or proposes to take to set and then meet its well-being objectives. Public bodies must take all reasonable steps to follow the recommendations made by the Commissioner;
- **Future Generations Report:** The Commissioner must publish, a year before an Assembly election, a report containing her assessment of the improvements public bodies should make to achieve the well-being goals; and
- **Advisory Panel:** The Commissioner will be supported by an advisory panel. The Panel includes the other Welsh Commissioners, the Chief Medical Officer for Wales, a representative of Natural Resources Wales,

Wales TUC and Welsh business. The Commissioner may invite others to attend and Welsh Ministers can appoint new members.

Additionally, each year the Commissioner must publish an annual report, setting out a summary of action taken in the exercise of her functions, an analysis of effectiveness of those actions, and a summary of her work programme for the coming year. The **first annual report and accounts** (for the period 1 February 2016 to 31 March 2017) were published in mid-2017.

In her Annual Report and Accounts the Commissioner states that, working with the New Economics Foundation, she developed a set of criteria to assess those areas which would make the biggest contribution towards achieving the well-being goals and embed the ways of working in the Act with a particular focus on the long term. She has identified six areas of focus, in two broad themes:



6. The Auditor General for Wales

Under the Act, the Auditor General for Wales (AGW) may carry out examinations of the public bodies listed in the Act to assess:

...the extent to which a body has acted in accordance with the sustainable development principle when;

- a. Setting well-being objectives, and
- b. Taking steps to meet those objectives.

The AGW must examine each public body at least once in a five-year period and must present a report on the examinations to the National Assembly for Wales before each Assembly election. In carrying out an examination, the AGW must take into account any advice or assistance given to the public body, or any review and recommendations made to the body, by the Future Generations Commissioner. He must also consult the Commissioner.

In 2017, the AGW and the Future Generations Commissioner signed a **Memorandum of Understanding (MoU)**. The MoU provides a basis for how they will cooperate to deliver on areas of common interest, and specifically on the related responsibilities set out in the Act. There are four specific areas under the Act where the AGW and Future Generations Commissioner have a shared interest or responsibility, and the MoU sets out how they will work together on these aspects:

- Examinations and reviews

We will work together to ensure a coordinated approach to examinations and reviews, so that:

Our work is complementary, proportionate and has maximum value and impact;

We help make efficient use of our resources;

We help each other to discharge our statutory duties under the Act, including the Commissioner's general duty to monitor and assess the extent to which well-being objectives by public bodies are being met.

We will seek to develop a co-ordinated work programme for section 15 examinations and section 20 reviews.

- National Reports

The Auditor General is required to report on the results of his examinations.

The Commissioner is required to publish a report containing her assessment of the improvements public bodies should make in order to set and meet well-being objectives in accordance with the sustainable development principle (the Future Generations Report). In preparing the report, the Commissioner must take account of relevant reports by the Auditor General.

The Auditor General and Commissioner will communicate with one another as part of the development of these reports.

- Advice

The Commissioner may provide advice to the Auditor General on the sustainable development principle. Examples of how this will be undertaken in practice include:

Meetings between the Auditor General and the Commissioner on issues of common interest.

Representatives from the Commissioner's office providing advice on the scoping and development of relevant work being undertaken by WAO.

Representatives from the Commissioner's office supporting WAO staff to develop their understanding of the sustainable development principle and how it can be applied.

The Commissioner will share the advice she provides to public bodies with the Auditor General.

- Good practice

The Act allows for the Commissioner to encourage best practice amongst public bodies, specifically in relation to applying the sustainable development principle when taking steps to meet their well-being objectives.

Legislation does not prescribe a specific role for the Auditor General in encouraging best practice. However, the Auditor General is committed to improving public services across Wales by identifying and sharing good practice.

The Auditor General and Commissioner will therefore seek opportunities to work together to support shared learning and promote good practice by public bodies in relation to the sustainable development principle.

7. Guidance

The Welsh Government has produced a **suite of statutory guidance** for public bodies specified in the Act. Public bodies must take the guidance into account when fulfilling their legal duties under the Act.

Four guidance documents make up the package:

SPSF 1: Core Guidance

This document contains guidance to public bodies and PSBs on: key definitions; how to carry out sustainable development; understanding the well-being goals; applying the sustainable development principle; an explanation of individual and collective duties; how public bodies fit into the architecture of the Act; and where the key changes in organisations are expected to be seen.

SPSF 2: Individual role (public bodies)

This document contains guidance for all public bodies covered by the Act to help them set well-being objectives, publish a well-being statement, review well-being objectives and report on progress.

SPSF 3: Collective role (public services boards)

This contains guidance for PSBs about the exercise of their functions, including preparation of an assessment of local well-being and a local well-being plan.

SPSF 4: Collective role (community councils)

This document contains specific guidance for those TCC's required by the Act to comply with the duty to take all reasonable steps towards meeting the local objectives in their local well-being plan.