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**Future
Generations**
Commissioner
for Wales

The Future Generations Report 2020: Executive Summaries



Let's create the future together

Leadership and implementation of the Act

Part 2 - The role of Welsh Government in implementing the Act

Welsh Government led the world in legislating for sustainable development when they introduced the Well-being of Future Generations (Wales) Act. They now need to lead the way in matching their ambition with reality, challenging and changing the Welsh public sector culture to match the aspiration of the Act by showing strong leadership and commitment.

Welsh Government play a critical role in the success of this large scale cultural change programme driven by the legislation, not just because they are a major public body covered by the Act themselves, but because whether or not they demonstrate the principles of the Act has a significant impact on what other public bodies do.

Without a purposeful cultural change by Welsh Government, we will not act fast enough or effectively enough to meet the needs of our future generations in Wales.



My advice and recommendations to Welsh Government are:

Remove barriers to effective implementation of the Act

Welsh Government need to lead the way in changing public sector culture towards well-being and kindness at its core. They need to show a willingness to remove barriers to implementing the Act, provide trusting leadership to public bodies and Public Services Boards, incentivise and encourage adoption of the Act, reduce bureaucracy on public bodies and welcome new approaches.

Adopt a model of well-being budgets

The legislation requires us to look at the whole budget, but a positive place to start this transition would be with 'new money'.

Lead the way in instilling values of kindness at every level of government and in public policy

following the Scottish Government example, and in seeking to implement the Well-being of Future Generations Act.

Establish a Ministry of Possibilities, based on the United Arab Emirates model,

bringing the brightest and the best from all levels of government and public service, the private sector and third sector together, to develop and implement innovative solutions to current or future challenges.

Establish a cross-party, cross-sectoral Commission to create a long-term vision and strategy for the Welsh public sector of 2050,

specifically focusing on key future trends including (but not limited to): opportunities and challenges posed by the digital revolution; the ageing population; the public sector workforce of the future; the climate and nature emergencies.

Close the 'implementation gap'

by clearly setting out how they are applying the ways of working in how they design, resource, deliver and evaluate the implementation of policy and legislation. This would include involving a range of people with lived experiences, practical knowledge of delivery on the ground and integrating their aspirations with the well-being objectives of others.

Appoint a Minister for Prevention

with responsibility for taking a whole-government, coherent and evidence-based approach to investment in prevention.

Top-slice budgets for specific spending on prevention,

starting with the cross-cutting priorities set by Welsh Government that reinforce their well-being objectives, overseen by the Minister for Prevention.



To achieve this, there are a number of things I have advised Welsh Government should stop doing and start doing in their day to day actions, such as:

| Should Stop | Should Start |
|--|--|
| Funding any programme which does not clearly demonstrate how it has applied the Act. | Incentivising and encouraging proper application of the Act and flexibility to innovate through capital and revenue funding programmes. |
| Imposing short-term, output based performance measures on public bodies and across policy areas. | Measuring the success of initiatives based on well-being. The performance management frameworks and funding conditions set by Welsh Government should evolve rapidly to reward and recognise kindness and well-being. |
| Complicating an already complex landscape. Any proposal for a new governance arrangement needs to be able to answer the question of how it is assisting integrated policy making and there should not be any new reviews, commissions or bodies or governance structures, which do not have the requirements of the Act as part of their terms of reference. | Setting out clear guidelines on the relationship between various Boards and bodies, requiring each body to apply the Act in its principles and must seek to contribute to the well-being objectives of other bodies within that geographical area. |
| Placing requirements on public bodies that discourage application of the Act. | Prioritising opportunities to work in partnership on primary and secondary preventative activities - particularly through Public Services Boards. |
| Short-term, silo-based funding or pilots which do not have long-term, continuation plans. | |
| Bypassing Public Services Boards. | Providing more clarity to the role of civil service representatives on Public Services Boards, empowering them to work across government to resolve issues and concerns, plus provide intelligence on local delivery to civil servants. These representatives should have a role in reporting challenges and opportunities to Cabinet regularly. |

To see a full list of recommendations, please refer to Chapter 2 within the full report.



Where are we now? My assessment of the progress made by Welsh Government in implementing the Act

Innovation

There has been a marked change in political commitment and leadership towards meeting the aspirations of the Act in the last year, but this needs to filter down to all the actions of Welsh Government

While Welsh Government got off to a slow start in showing leadership and commitment towards the Act, there has been a marked change in public commitment from the new First Minister. Examples include the decision of the First Minister on the M4 Relief Road; and how Welsh Government have developed a Budget Improvement Plan, using the Act and the five ways of working, as a result of recommendations from my monitoring and assessment in 2019. Plus, investing in decarbonisation following the declaration of a Climate Emergency in April 2019 and my publication of a [‘Ten-point plan to fund Wales’ Climate Emergency](#) in June 2019.

There are examples of innovation and new approaches, such as:

- The new Curriculum for Wales provides a solid framework for realising the well-being of individuals in Wales. Its mission clearly recognises the importance of the education system in creating well-rounded citizens who, in turn, will be part of creating the Wales we want for future generations.

- Since 2017, Welsh Government have also sought to encourage innovative new approaches to building homes in a way, which meets a number of well-being objectives, through the creation of the Innovative Housing Programme. We are currently in the third year of this programme and we are now seeing much more ambitious projects being proposed and commissioned, such as:

Innovative Housing in Swansea

Coastal Housing Association in [Swansea](#) has been successful in delivering three projects as part of the Welsh Government Innovative Housing Programme.

A collaboration with [Gower-based](#) social enterprise, Down to Earth will provide six new homes as part of a larger site. The homes will be built using timber frames, and clad using traditional methods. They will generate over half of their heat passively, from the sun and their design, ensuring that residents’ utility bills cost just £15 per month.

- It is positive that Welsh Government are enacting [Part 1, Section 1 of the Equality Act 2010](#) – the Socio-economic Duty, which will require named public bodies, when making strategic decisions (such as deciding priorities and setting well-being objectives) to consider how their decisions might help to reduce the inequalities associated with socioeconomic disadvantage. This has the potential to be an important lever to reduce poverty in Wales.



- The Welsh Government were the first to declare a ‘Climate Emergency’ and to consider the climate and nature emergencies in tandem. Over the last year there has been significant additional investment in these areas, including in nature-based solutions, active travel and electric vehicle infrastructure. The requirement to think holistically to meet a number of objectives has led to initiatives, such as the collaboration with Keep Wales Tidy to boost ‘nature on your doorstep’, as part of the wider £5 million 'Local Places for Nature' fund. The practical project provides starter-packs to town and community councils and community groups, containing plants and tools to create local garden projects, helping to connect communities, enhance and maintain nature and encourage healthy activities.

Despite pockets of good examples, there are examples, highlighted in this report, of areas where Welsh Government need to catch up with the push from political leadership, and lead by example by placing well-being at the centre of their work – making sustainable development a central organising principle of everything they do.

These include the ways they are setting funding criteria, the use of language in guidance and policy that conflicts with the Act and setting up new governance structures or new reviews and commissions with no connection to each other or to the Act.

The language of well-being is prominent in policy and legislation; however, Welsh Government could go further in putting kindness and compassion at the heart of public policy and service delivery in Wales.

A Kind Government

The [Scottish Government](#) have placed kindness within their core values and reflected this in the [National Performance Framework](#). They have begun to recognise this change in actions, as well as words, by measuring and auditing for kindness, designing policy for kindness and regulating for kindness.

Positive signs of placing kindness at the centre of government are shown in research undertaken [by Carnegie Trust](#), where public perceptions of how kindly they have been treated are higher in [Scotland](#) than in [Wales](#), [Northern Ireland](#) and [England](#).

Being kind is often talked about for front-line staff, but cultural change and the permission to try different things come from the top. The Act provides Welsh Government with the framework that would support kindness and compassion as a means of achieving well-being at the centre of everything they do, reflecting this in funding opportunities, performance management and governance.



Implementation

There is an implementation gap between the aspiration set out by Welsh Government in policy and legislation and their commitment to supporting and resourcing delivery on the ground.

While new policies and legislation are showing promise, Welsh Government have an overly optimistic view of what it takes to implement these. As well as resourcing the introduction of legislation, policy and guidance, Welsh Government need to fund their implementation, including delivery capability, awareness raising, training and robust monitoring.

There are numerous occasions where I have advised Ministers and civil servants of this implementation gap:

- The [Wales Transport Appraisal Guidance](#) was updated in 2017 in line with the Well-being of Future Generations (Wales) Act. Still, there has been a lack of resources and training for its proper implementation and no analysis of capacity in the current system to enable these changes to happen. (Please see the [section on Transport in Chapter 5.](#))
- [Planning Policy Wales 10](#), a significant step in the right direction, but I have emphasised that its implementation is critical to a successful local approach to planning and place-making. (Please see the [section on Planning in Chapter 5.](#))

- The [NHS Planning Framework](#), which influences Integrated Medium Term Plans, has improved year-on-year in terms of how the Well-being of Future Generations Act is reflected. However, there is a gap between this guidance and the extent to which health boards can implement the five ways of working, due to how they are managed and performance-measured by Welsh Government.
- Implementation of the [Active Travel \(Wales\) Act 2013](#) is lacking. [Rates of active travel](#) have stagnated or declined over the last six years. While my advice to the government has been to allocate £60 million per annum to active travel, in 2019-20, they have allocated this amount over three years. Targets of 10% people cycling once a week by 2026 are also unambitious. (Please see the [section on Transport in Chapter 5.](#))

Public Services Boards are not being given a high enough priority by Welsh Government.

While Public Services Boards can't do everything, they are often bypassed by government, meaning that new partnerships, funding offers or governance arrangements are created on top of an already complex landscape. As a collaboration of local leaders, representing the broadest sections of public and third sector delivery, they should be given more status by Welsh Government in meeting the key challenges facing future generations.

Welsh Government need to ensure consistency in using the language of the Act in legislation, policy, guidance, ministerial statements, performance frameworks and terms of reference for review boards.



Welsh Government and civil servants are contradicting their own Act by using conflicting language in guidance and policy, setting up new governance structures, new reviews and commissions that do not refer to the Act (such as the Integrated Care Fund (2019) [guidance](#), which defines ‘integration’ in a different way to the Act, the [Fair Work Commission \(2018\)](#), which was established with little reference to the definition of a “prosperous Wales” even though it includes the term “decent work”).

This is serving to actively drive civil servants and people in public bodies away from the sustainable development principle and the five ways of working.

The short-term funding cycles, corporate planning requirements and performance management requirements set by Welsh Government for public bodies are a barrier to long-term thinking and are often driving the wrong behaviours. More needs to be done to ensure grant funding and core funding criteria incentivise and encourage the application of the Act.

Public bodies feel that the way that they are held to account by Welsh Government through these duties and requirements is not long-term or integrated and, in many cases, this is driving behaviour away from the five ways of working and measuring what matters.

I believe there is more government could be doing to give greater long-term financial certainty to public and third sector services. Public bodies and government should be working collaboratively to introduce a well-being budget, explore options for working differently and find ways of planning longer term approaches.

With the Act in place, Wales should be at the forefront of measuring success based on well-being. The performance management frameworks and funding conditions set by Welsh Government should evolve rapidly to reward and recognise kindness and well-being, not focus on outputs, quantitative measures and process.



Insight

There is a lack of long-term vision regarding the kind of government and public services we need in a future Wales. The Act is driving progress towards delivering the vision of ‘One Public Service’, but more needs to be done. Welsh Government should work beyond public sector boundaries to tackle the ‘wicked’ issues for the future.

Welsh Government have made strategic and policy commitments to ‘One Welsh Public Service’ - a more collaborative way of working, aiming to break down the artificial barriers between teams, departments and organisations and work in a way that echoes the Act.

There is not yet a comprehensive approach to bringing the brightest and the best from all levels of government and public service, the private sector and third sector together, to find innovative solutions to current or future challenges.

The emergency response to COVID-19 has displayed some positive approaches to multi-sector working to solve immediate problems. This working should continue beyond the crisis to identify innovative solutions to some of the intractable challenges public services face now and will face in the future.

A long-term vision for the public services of 2050 in Wales is needed, taking into account future trends, potential scenarios and setting out how public services can respond to these in a way which will best meet each of our national well-being goals.

Instilling a culture of tackling the impossible

The United Arab Emirates have established a ‘Ministry of Possibilities’, the world’s first virtual ministry to apply design-thinking and experimentation to develop proactive and disruptive solutions to tackle critical issues. The Ministry brings together the ‘brightest and best’ from national and local government teams, private and voluntary sectors to consider radical changes in government systems, adopt new innovative models and work in ways that take calculated risks.



More needs to be done by Government to demonstrate a cross-government, coherent and evidence-based approach to prevention.

Further work needs to be done across Welsh Government to ensure every department understands and is using the agreed definition for prevention and preventative spend.

Definition of prevention

"Prevention is working in partnership to co-produce the best outcomes possible, utilising the strengths and assets people and places have to contribute.

Breaking down into four levels, each level can reduce demand for the next:

- Primary prevention – Building resilience – creating the conditions in which problems do not arise in the future. A universal approach.
- Secondary prevention – Targeting action towards areas where there is a high risk of a problem occurring. A targeted approach, which cements the principles of progressive universalism.**
- Tertiary prevention – Intervening once there is a problem, to stop it getting worse and prevent it reoccurring in the future. An intervention approach.
- Acute spending – Spending, which acts to manage the impact of a strongly negative situation but does little or nothing to prevent problems occurring in the future. A remedial approach.

**Progressive universalism is a determination to provide support for all, giving everyone and everything a voice and vested interest, but recognises more support will be required by those people or areas with greater needs."

Despite a number of programmes, which have prevention as a core principle, it is not clear how preventative approaches are being applied consistently across government or within departments. There is a case for establishing a Minister for Prevention who would be responsible for this process, alongside specific spending (through a top-slice of budgets). This would not remove the duty of all Ministers to demonstrate how they are applying the definition of prevention in their own portfolios, but would drive coherent action in the most significant cross-cutting areas.

Steps to Prevention

1. Setting a long-term vision for each of these areas, including analysis of future trends.
2. Collaborating and involving others to work out the problems they need to prevent and whether they fall into primary, secondary or tertiary prevention and using evidence to identify what the best preventative interventions are.
3. Assessing those interventions to identify how they could prevent and maximise contribution to other well-being objectives.
4. Shifting funding across Government and beyond in line with these identified best value interventions.



Integration

It is encouraging to see Welsh Government taking a more integrated approach in some areas. For example:

- The Whole School Approach to emotional support. It demonstrates integration, with funding from the ‘health’ budget being invested in another area of government (‘education’, in this case) to prevent mental health problems from occurring. It is an example of investment in primary prevention that illustrates collaboration between departments.

Foundational Economy & Community wealth building

Over the last 12 months, Welsh Government has had an increased focus on supporting Wales’ foundational economy – industries and firms, which locally deliver basic goods and services to support our everyday needs, the homes we live in, the energy we use, the food we eat, and the care we receive. Estimates suggest they account for [four in ten jobs](#) and [£1 in every three we spend](#).

Wales is the first country in the world to adopt the foundational economy approach at a national level – they launched a £4.5 million challenge fund in 2019 to support [52 innovative projects across Wales](#), to spread and scale best practice, and a focus on how Public Service Boards can maximise the social value of procurement through maximising local spend as has been achieved in Manchester and Preston.

Welsh Government finance and budgeting structures based on main expenditure groups, linked to individual ministerial portfolios, are not integrated.

Traditional, siloed structures in Welsh Government (and other public bodies) are not designed to enable an integrated approach to decision-making, including financial decision-making. In Welsh Government, the way Main Expenditure Groups are still organised in terms of Ministerial portfolios (for example, ‘Education’, ‘Health and Social Services’) means it is challenging for collaborative decisions to be made. These challenges of integration and collaboration within government mean narrow policies, measures and funding criteria can filter down to public bodies, which makes applying the five ways of working locally very difficult.

Welsh Government continues to complicate an already complex landscape.

Welsh Government continue to introduce new guidance, policy, legislation and reviews that overlook the Act and create new layers of complexity and governance. For example – several local boards or groups and more recently, another set of new committees known as ‘regional collaborative committees’ have been proposed in the Local Government Bill.

This displays a lack of integrated thinking and suggests that the Cabinet needs more robust mechanisms for join-up and seeing the bigger picture. This causes confusion, duplication, wasted resources and frustration on the part of public bodies as they try to meet their well-being objectives while dealing with conflicting demands from the government.

