



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

Statutory Estimate

2021-22

Submitted to the Welsh Ministers pursuant to paragraph 19 of schedule 2 to the Well-being of Future Generations (Wales) Act 2015

1. Estimate Basis

This estimate for the financial year 2021-22 is submitted in accordance with paragraph 19 of Schedule 2 to the Well-being of Future Generations (Wales) Act 2015 as amended by the Well-being of Future Generations (Wales) Act 2015 (Consequential Provisions) Regulations 2015. The Welsh Ministers are required to examine this estimate and lay it before the National Assembly with any modifications they think appropriate.

It is prepared on a resource basis and covers anticipated revenue expenditure. It also includes a reconciliation to the net cash requirement or grant-in-aid that I have been advised to expect to receive from the Welsh Ministers. This amount is based on a regulatory impact assessment completed when the Commissioner's duties were not as extensive as those set out in section 2 below. This has been fully documented in detail in my 2019-20 estimate.

2. My General Duty and Statutory Functions

My General Duty is:

- (a) to promote the sustainable development principle, in particular to—
 - (i) act as a guardian of the ability of future generations to meet their needs, and
 - (ii) encourage public bodies to take greater account of the long-term impact of the things that they do, and
- (b) for that purpose to monitor and assess the extent to which well-being objectives set by public bodies are being met.

My statutory functions are:

- (1) The Commissioner may, in carrying out the Commissioner's general duty—
 - (a) provide advice or assistance to a public body (which includes providing advice on climate change);
 - (b) provide advice to the Auditor General for Wales on the sustainable development principle;
 - (c) provide advice or assistance to a public services board in relation to the preparation of its local well-being plan;
 - (d) provide advice or assistance to any other person who the Commissioner considers is taking (or wishes to take) steps that may contribute to the achievement of the wellbeing goals;

- (e) encourage best practice amongst public bodies in taking steps to meet their well-being objectives in accordance with the sustainable development principle;
- (f) promote awareness amongst public bodies of the need to take steps to meet their well-being objectives in accordance with the sustainable development principle;
- (g) encourage public bodies to work with each other and with other persons if this could assist them to meet their well-being objectives;
- (h) seek the advice of an advisory panel in relation to the exercise of any of the Commissioner's functions.

(2) The Commissioner may undertake research or other study into—

- (a) the extent to which the well-being goals and national indicators are consistent with the sustainable development principle,
- (b) the extent to which the sustainable development principle is taken into account in the national indicators,
- (c) the sustainable development principle itself (including how it is applied to setting and meeting objectives), and
- (d) anything related to any of those things that impacts upon the economic, social, environmental and cultural well-being of Wales (or any part of Wales).

3. FGC Operational Landscape and Financial Position as at October 2020

In my 2019-20 Estimate I flagged concern about how my funding level would have a negative impact on the quality and level of my support and advice to Public Bodies. Increased pension costs, modest pay rises in line with Welsh Government rates eat into my year on year flat lined funding.

To put my funding into context: My office is the lowest funded of all the Commissioners with a significantly larger remit. My budget for 2019-20 was £71,000 less than the Children's Commissioner and £1.648m less than the Welsh Language Commissioner, despite having a significantly wider remit.

Flat line underfunding means in real terms I can do less while expectations and demands for support and advice across 44 public bodies grows (who both I and the Auditor General for Wales have found are not resourced themselves to support the cultural change required by the Act). The level of support and advice offered to Public Bodies and Ministers increases year on year. Requests for support and advice were up by 44% in 2019-20 from 2018-19.

Furthermore, this demand for statutory services looks set to increase: The most recent regulatory impact assessment (RIA) relating to the establishment of Corporate Joint

Committees (CJCs) within the Local Government and Elections Bill specifies that costs to my office are nil despite me providing detailed costings to officials:

" For the purpose of this draft RIA we have assumed the additional burden of monitoring and assessing the CJCs {by FGC} would be undertaken within the current funding arrangements and in line with the approach under Option 1 "Do nothing", we have not included any additional costs within this RIA."

This is despite the CJCs also being subject to internal and external audit and the RIA suggesting they will be charged between £21K-£34K for audit purposes. So, the additional audit burden on Audit Wales is recognised but not the statutory monitoring and assessing burden.

In previous years I have used a combination of the underspend from my year one budget (resulting largely from the delay in recruiting staff to my office) and other income to fund a level of services over and above my annual grant in aid funding level.

Chart showing FGC expenditure as a percentage of annual GIA and future spending trend dropping to match known future income

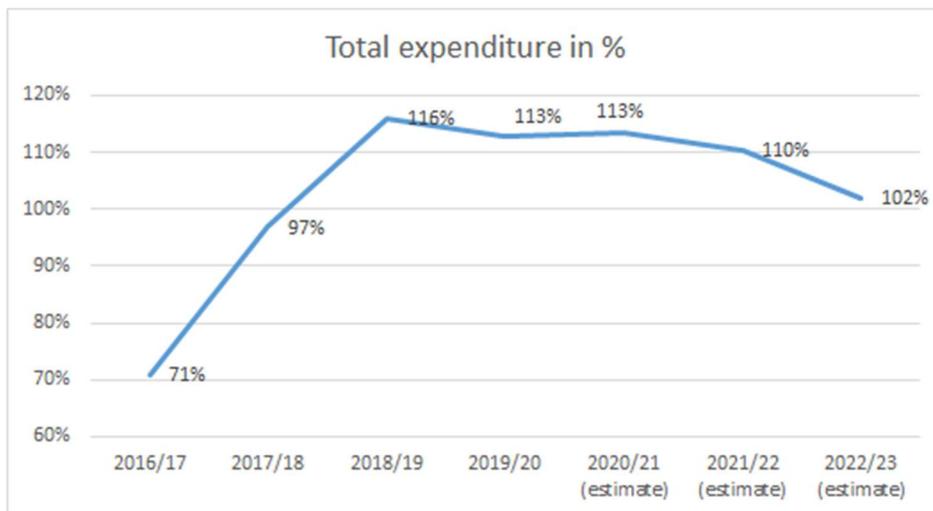
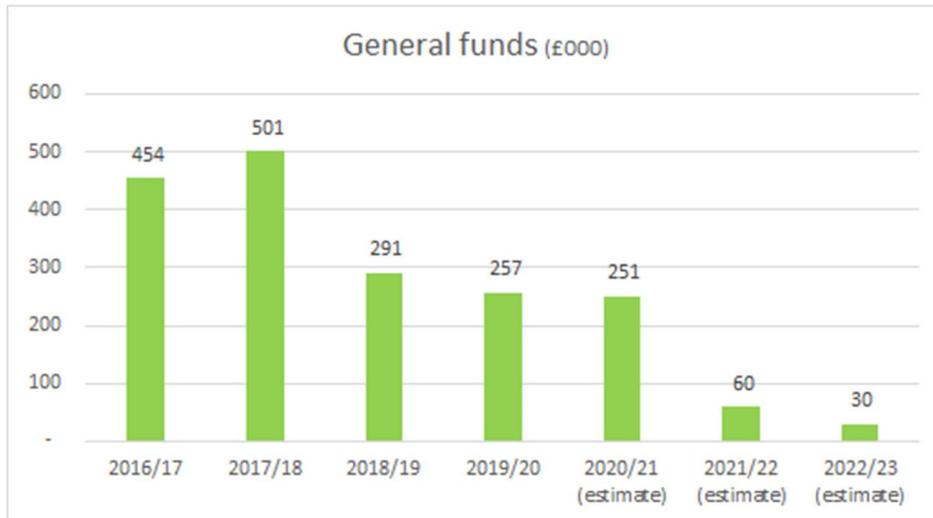


Table showing by the end of 2022-23 this underspend will be largely exhausted:



In 2021-22 I have estimated I will be able to fund 2 x one-year fixed term posts from my remaining £60k underspend. In the run up to PSBs publishing new well-being assessments in May 2022 they are statutorily required to consult me on their content. PSBs will then be seeking my advice on their new well-being objectives and we have a 14-week period to respond. My policy has always been to retain a reasonable level of reserves to allow for any unplanned, urgent and important matters brought to my attention. A forecast £30k reserve and a forecast statutory workload for 2022-23 puts this in jeopardy without further funding from 2021-22 onwards.

I do not think continuing to ask my small team to deliver a statutory work programme that is inadequately resourced and also source income and manage short term resources is sustainable. I do not think Ministers' intentions were that I should be sourcing other income to resource statutory work. I would like the funding basis for my Office to be formally revisited. If this is not addressed for 2022-23, I will need to make some difficult decisions, review and cut back statutory support and advice to a minimum to safeguard the health and well-being of my team.

4 My Funding Request 2021-22

As advised by Welsh Government officials, I have prepared my 2021-22 Estimate based on an indicative flat lined funding level of £1,509m. I do not consider this level of funding sufficient to properly meet expectations in the discharge of my statutory duties and adequately support cultural change in public bodies.

I would like to *again* request parity on an ongoing basis at least in line with the Children's Commissioner which would increase my funding to £1,592m (based on 2020-21 funding information). This would help my Office plan for and meet known statutory work demands at the end of 2021-22 and beginning of 2022-23. Early

confirmation of this would allow scope to properly plan my approach to service deliver in future years.

6 My Annual Estimate 2021-22

The table below shows how my 2021-22 funding would be allocated

Annual Estimate	2021-22
	(£000)
Salary costs	1,256
Accommodation	86
Office expenses	29
Training and recruitment	42
Travel and subsistence	16
Internal and external audit	30
Communication	31
IT (revenue)	41
Project costs	163
Contingency	30
Total revenue expenditure	1,724
Less Non-cash costs	-
Plus capital expenditure	-
Less underspend b/f from previous year	(215)
Net cash requirement	1,509

Notes to table:

Salary costs

This cost covers the full cost of employing or seconding staff including employer's NI and pension costs. It also covers my own salary costs (as determined by the Welsh Ministers) and the cost of remuneration for the Audit and Risk Assurance Committee.

Accommodation and office expenses

Accommodation and office expenses include expenditure on rent, rates, repairs and maintenance, security, utilities, stationery and insurance.

IT cost

The ongoing revenue costs associated with IT are monthly service and support costs for enabling a secure data service for all staff users and IT equipment.

Communications

Costs are for website hosting and maintenance, translation and events and workshops associated with stakeholder engagement.

Project costs

For in year specialist advice and assistance needed to exercise my General Duty. In 2021-21 there will be a particular focus on implementation of the covid recovery strategy – how ‘the how’ is happening and following up recommendations in FG 2020 Report with Government and other Public Bodies – expanding focus on other Public Bodies.

Contingency

A contingency of £30,000 for general operational purposes and for unplanned work has been included in the estimate. Such additional costs might be associated with for example additional temporary staff resources and securing advice and assistance for unforeseen events.

Non-cash movement

This relates to those costs where there is a charge to the expenditure account but no cash payment e.g. movement on creditors and debtors, as well as depreciation and amortisation charges.

Net cash requirement

This is the cash that I will need to draw from the Welsh Ministers to meet my expected costs for 2020-21.

Sophie Howe

Future Generations Commissioner for Wales

November 2020