

Review by the Future Generations' Commissioner into how the machinery of Welsh Government is carrying out sustainable development and safeguard the ability of future generations to meet their needs

Terms of Reference

January 2022

Background

Under the Well-being of Future Generations (Wales) Act 2015 ("the Act"), the Future Generations Commissioner for Wales ("the Commissioner") is under a general duty to promote the sustainable development principle and to monitor and assess the extent to which well-being objectives set by public bodies are being met. The Act also gives the Commissioner, under section 20, a power to carry out a review into the *extent to which a public body is safeguarding the ability of future generations to meet their needs by taking account of the long-term impact of the things the body does* under their well-being duty (section 3). In conducting such a review, the Commissioner may make recommendations and must publish a report of the review.

The review will have regard to any examination of the Welsh Government carried out by the Auditor General for Wales concerning the extent to which it has acted in accordance with the sustainable development principle when setting well-being objectives and taking steps to meet those objectives.

Purpose of this review

Under the Act, the Welsh Government has several legal obligations including the duty to carry out sustainable development as a public body. A specific duty also rests on Welsh Ministers to make appropriate arrangements to promote sustainable development when exercising their functions, this includes for example setting and taking reasonable steps towards achieving their well-being objectives as well as developing and implementing strategic and policy decisions to meet well-being objectives.

Through this review, the Commissioner will explore 'how' the Welsh Government is ensuring their processes, people and culture and public sector leadership further their well-being objectives, and acts in

accordance with the sustainable development principle by taking greater account of the long-term impact of the things they do – rather than review 'what' it is seeking to achieve by them.

The Commissioner has drawn on a range of evidence to determine that a review at this time is needed, including the Commissioner's own [Future Generations Report \(2020\)](#), the Auditor General's report '[Implementing the Well-being of Future Generations Act](#)' (2019) and the Public Accounts Committee (5th Senedd) report '[Delivering for Future Generations: The Story so Far](#)' (2021) which all highlighted barriers and areas for improvement associated with implementation of the Act within Welsh Government. Specifically, these reports found that:

'Welsh Government and civil servants continue to introduce new guidance, policy, legislation and reviews that overlook the Act and create new layers of complexity and governance. This displays a lack of integrated thinking and suggests that the Cabinet needs more robust mechanisms for join-up and seeing the big picture.' ([Future Generations Commissioner](#), page 111: 2020).

'The implementation of the cultural change required by Well-being of Future Generations (Wales) Act has not been sufficiently resourced – both within government and for the public bodies they sponsor... In seeking to close this implementation gap, Welsh Government should be applying the ways of working in how they design, resource, deliver and evaluate the implementation of policy and legislation.' ([Future Generations Commissioner](#), page 111: 2020).

'In the steps we reviewed, the Welsh Government was applying the five ways of working in various ways although we identified some common opportunities for improvement [...]. The Welsh Government could improve its evidence of the long-term impact of the steps and build its understanding of prevention'. ([Audit Wales](#), page 15: 2019).

'The Welsh Ministers were slow to implement and promote the Act in the years immediately after it was passed. Consequently, the Welsh civil service did not implement the Act well enough internally and did not make it clear to public bodies that it expected them to do so too. This has been a fundamental barrier to implementation, the impact of which is still evident across the public sector today.' ([Public Accounts Committee](#), page 7: 2021).

The Commissioner would like now to explore how Welsh Government applies the Act and meets their duties in the design, development, and delivery of policy decisions – specifically the implementation of Welsh Government's well-being objectives – with a view to identifying good

practice and recommending any improvements that may be required to further embed the Act into Welsh Government's working culture so that it can best safeguard the ability of future generations to meet their needs and take account of the long-term impact of their actions.

The review will focus on steps the Welsh Government is taking on apprenticeships policy as the main case study and will draw on a limited number of other areas as needed.

Outputs and Outcomes

In accordance with section 20 of the Act, the Commissioner will publish a report concluding the review, which may include formal recommendations, and will send a copy to Welsh Ministers.

The Commissioner will also seek to produce more engaging products to help support the implementation of potential recommendations and to support learning and improvement for Welsh Government. These products will be designed to be shared with the other public bodies in Wales to help discharge their well-being duties. Involving Welsh Government, early findings or opportunities for improvements may also be published.

Our approach

'How' policy is implemented is as important to the Act's mission as 'what' that policy seeks to accomplish as stated in the Welsh Government's Statutory Guidance (SPSF 1, 2016). The Commissioner's [Future Generations Report](#) highlights that those public bodies which are successfully driving cultural change are those '*who have not only invested in corporate structures, but upskilled and explained the national mission of the Act to their wider staff, instilling a broader purpose within their workforce*' (page 104: 2020). The [Report](#) also emphasised the importance for future generations of having a government which is sustainable, taking account of the long-term impact of the things they do and acting in accordance with the sustainable development principle, including through '*Civil servants that seek to reduce bureaucracy and complexity, collaborating with others to understand and proactively breakdown barriers to integration*' (page 100: 2020).

The Act requires one of the greatest cultural change programmes the Welsh public sector has ever undergone. This cannot be achieved unless the internal workings of public bodies – their processes including their policy formulation and delivery, and their workforces and internal culture – are acting in

accordance with the sustainable development principle, and are promoting and enabling sustainable development as required by the Act. The Welsh Government also has a particularly important role to play, as the leader of public bodies and as they set national policies for everyone in Wales.

As the [Future Generations Report](#) stated: *"To fully embed the Act, people, policies and practice need to be working in harmony"* (page 52: 2020) and the Commissioner would like to help build on current good practice and provide recommendations on how to further embed the Act to improve the well-being of current and future generations.

The review will be structured around three themes:

1. Processes.
 - Understanding the internal processes at all levels in place within Welsh Government, including Cabinet and Directorates, to ensure the Act's duties and core objective of sustainable development and improvement of the well-being of current and future generations is the central organising principle which is reflected in all processes related to policy design, implementation, delivery and evaluation.
 - Understanding where ownership over application of the Act within these processes lies.
 - Exploring performance frameworks to understand the extent to which they promote the Act through their design and application.
 - Understanding how the policy making system in Welsh Government ensures policies are developed in accordance with the sustainable development principle and the well-being duties.
2. People and Culture.
 - Understanding how the Welsh Government civil service uses the Act and exhibits those sustainable behaviours required by the Act, the actions the Welsh Government has put in place to shift the culture towards the five ways of working, and the pursuit of sustainable development throughout the policy design, implementation and evaluation processes.
 - Considering capacity within the Welsh Government civil service, and the implications this has for their understanding and application of the Act.
3. Public Sector Leadership.
 - Understanding how Welsh Government is exercising their leadership role in helping other public bodies to implement the Act and in promoting sustainable development and the well-being goals.

Focusing on the overall themes of processes, people and culture, and public sector leadership, the review will look in particular at the extent to which:

1. Welsh Government's internal governance processes, including how Ministerial commitments delivered by the civil service, are efficient and implement the Act;
2. The sustainable development principle and its five ways of working are being applied at all levels of the organisation;
3. Welsh Government ensures it is taking all reasonable steps to meet their objectives;
4. Well-being objectives, and steps to achieve these, are considered across Ministerial portfolios and how the sustainable development principle is applied to the corporate functions (corporate planning, financial planning, workforce planning, procurement, assets, risk management, performance management);
5. The policy development, delivery and evaluation processes apply the sustainable development principle and meet the well-being objectives;
6. There is a good level of understanding, awareness and application of the Well-being of Future Generations Act and its duties by Welsh Ministers and the Welsh Government civil service;
7. Welsh Government is leading public services in the implementation of the Act, including (but not limited to) sharing learning, removing barriers, and encouraging innovation;
8. Welsh Government is taking steps to address the findings identified by the Public Accounts Committee (5th Senedd) [report *Delivering for Future Generations: The story so far*](#) (2021)(recognising that implementation of the recommendations contained within the report remains within the remit of the Senedd's Public Accounts and Public Administration Committee); and the [Future Generations Report 2020](#) (recognising that the Welsh Government's official response to the Future Generations Report 2020 was published on 18 October 2021);
9. Sustainable development is the central organising principle of Welsh Government, as the [Well-Being Statement](#) accompanying their well-being objectives recognises.

The review will be conducted with an understanding of the parameters within which the Welsh Government operates, including pressures brought on by an increase in new Covid-19 variants posing potential ongoing challenge into 2022. The Commissioner will bear this in mind in the conduct of the review while recognising that using the Act in times of crisis is particularly important.

Walking the talk of the Act, using in particular involvement, integration and collaboration, the Commissioner will seek to work in a collaborative manner with the Welsh Government.

Focus of the review

To allow the Commissioner to understand how the Act is being implemented within the machinery of Welsh Government, the review will focus on multiple policy steps to meet well-being objectives included in the Welsh Government's Well-being Statement 2021 and the Programme for Government. The review will focus mainly on the following 'steps' in the field of skills related to apprenticeships contained in the [Programme for Government](#):

- Create 125,000 all-age apprenticeships.
- Increase apprenticeships in care and recruit more Welsh speakers.
- Expand the use of shared and degree apprenticeships.

The review will also draw on a limited number of other policy areas, as needed, to draw on existing practice and including the good practice we have already seen to understand processes for integration across government and to enable the Commissioner to make recommendations relevant to Welsh Government as a whole.

The review will focus mainly on the selected three steps in the field of skills related to apprenticeships for the following reasons:

Skills is a fundamental issue for the well-being of future generations. Providing people with education and the opportunity to develop the right skills for their future is widely accepted as a significant determinant of life outcomes including health, socio-economic position and life expectancy, all of which have an intergenerational impact on many generations. Current and future trends, such as the climate and nature emergencies, increasing presence of technology and automation, and demographic change are changing the nature of life and work. Our education and skills system must adapt if we are to face these challenges and grasp the opportunities global trends present.

- Providing people with skills for the future and for a life well lived could bring **multiple benefits across the four dimensions of well-being** (economic, social, environmental and cultural). Not just beneficial for the economy, but also the environment, in helping to lift people out of poverty, and in extending life expectancy, skills are a major determinant for wider factors. As the Commissioner's [Future Generations Report](#) stated:

"Having the right education and opportunities to develop the right set of skills is widely accepted as being one of the most significant determinants of their life outcomes including health, socio-economic position and life expectancy. The purpose of an education and skills system must go beyond just preparing people for work, it must prepare us for a life well-lived." (page 618: 2020).

- Skills is a **cross-cutting area** that spans across a range of government policy portfolios and departments, giving us insight into other policy processes alongside testing the Welsh Government's ability to integrate their work and contribute to the four dimensions of well-being.
- Skills is a **largely devolved** policy area.
- Skills is an area where Welsh Government has experienced changes in **workforce leadership**, enabling the Commissioner to test policy and process continuity.
- Skills is one of the Commissioner's six policy **areas of focus**, and so aligns this review with her wider strategic objectives. Skills is also a cross-cutting theme of the Commissioner's work on Covid recovery, encompassing housing, decarbonisation, equalities, culture, Universal Basic Income, a National Nature Service, and the green economy.
- Skills is a continuation of several pieces of high-profile and detailed work produced by the Commissioner, including:
 - Future Generations Report 2020 ([Chapter 5](#))
 - [Manifesto for the Future](#)
 - [A Fit for the Future Programme for Government](#)
 - [Skills Through Crisis: Upskilling and \(Re\)Training for a Green Recovery in Wales](#)
 - [Education Fit for the Future in Wales](#)
- Given the extensive amount of work that has been carried out in this area, the Commissioner is satisfied that her office has comprehensively examined and recommended 'what' Welsh Government should do in this area, and can now move to consider 'how' the Act has been applied internally within Welsh Government.

Methodology

In addition to the exploration of the machinery of government around the selected apprenticeship steps, the review will also gather evidence and examples of practices from other cross-cutting Welsh Government departments and policy areas, as necessary, to gain a more holistic understanding of how the Welsh Government is applying the Act internally.

The review will include (indicative list):

- a review of research and documents, including publicly available documents;
- the commissioning of specific research;
- interviews with Welsh Government officials
 - at the centre of government to gather further evidence, identify good practice and explore opportunities for early improvements;
 - policy officials to understand how the system within which policy officials work is ensuring they act in accordance with the sustainable development principle in their policy processes in relation to apprenticeships and other policy areas, as necessary;
 - interviews with relevant Welsh Ministers, the Permanent Secretary and key officials relevant to the review.
- Interviews with stakeholders, including representatives of relevant public bodies, organisations with relevance to apprenticeships and skills, trade unions, and third sector representatives and those in other areas relevant to the review;
- Interviews with individuals with lived experience.
- Workshops and events.

'Walking the talk' of the Act, and in the spirit of efficiency and proportionality, the delivery of the review's methodology will be finalised with the involvement of the Welsh Government.

Timelines and Stages

Once initiated on 31 January 2022, it is intended that the review work will comprise of four Stages:

- Stage 1: Evidence gathering (February-August 2022). Requests for interviews and conducting interviews with Welsh Government and other relevant organisations, desk-based analysis and live feedback.
- Stage 2: Drafting the report and any recommendations (August 2022-November 2022).
- Stage 3: Publication of the report and recommendations (November 2022)
- Stage 4: Post-review work (from November 2022). Monitor and assess Welsh Government's response towards the findings and any potential recommendations contained in the final report, in accordance with section 22 of the Act.

Involvement

The review will primarily involve Welsh Government officials. Other relevant organisations and individuals will be interviewed as part of this review, where necessary building on the important involvement

exercises undertaken by the Commissioner and the Public Accounts Committee (5th Senedd) during their inquiry in 2021 and in the preparation of the Future Generations Report.

The review will be guided by a [Steering Group](#), comprised of individuals with experience of government (both Welsh and UK), academia, and skills and apprenticeships policy. They will advise the Commissioner on all elements of the review at a strategic level and give comments on documentation.

Invitations will be sent by email well in advance of the interview sessions to enable attendance.

Documents will be exchanged mainly by email and through the Welsh Government's Objective Connect portal including the sharing of confidential information. Draft documents will be shared before publication electronically.

The Commissioner will process all personal data gathered in connection with the review in accordance with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

These Terms of Reference have been prepared with the involvement of Welsh Government.

Confidentiality

The Commissioner intends for most of the information discussed within this review to be published or referred to within the detailed findings and potential recommendations contained in the review's published report. However, information which is genuinely sensitive or confidential will not be published.

After completion of the review, any information or contractual documentation which was marked either sensitive or confidential information upon receipt by the Commissioner will be returned to the relevant organisation or destroyed in a confidential manner if the organisation instructs the Commissioner to do so.

Queries

For any queries about the review, please contact our Team at Review@futuregenerations.wales