

Statutory Guidance for the Well-being of Future Generations (Wales) Act 2015

Thank you for your time and co-operation in responding to this consultation. It would be helpful if you could use this questionnaire.

The Welsh Government intends to publish a summary of the responses to this document. Normally, the name and address (or part of the address) of its author are published along with the response, as this gives credibility to the consultation exercise.

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Question 1: Does the Core Guidance (SPSF 1) explain what is expected of public bodies and public services boards subject to the Act in a way that can be understood by public bodies and interested stakeholders?

If not, why not?

General:

The guidance is very helpful and the core guidance particularly accessible, being well designed, engaging and user-friendly. Breaking up text with diagrams was seen as a positive by our staff and more of this in the detailed guidance may be beneficial.

We particularly welcomed the section on “Where the change needs to happen” in the core guidance. The format of the What, the Why and the How in the core guidance provided helpful clarity.

The core guidance would benefit from inclusion of a narrative around how other key legislation emerging, or emerged at this time (Environment (Wales) Bill, Planning (Wales) Act, Social Care and Well-being Act), is part of the package of delivering a more sustainable Wales, with improved well-being.

We believe the guidance would benefit from clarity on the respective timelines and processes across these separate pieces of legislation, such as plan (or equivalent) production and reporting requirements. It would also be beneficial for this clarity over linkage between timelines and process to be replicated in guidance for those other pieces of legislation.

Linked to this it would be helpful for the guidance to be clear which plan or process informs which others. For example the relationship between the plans developed through the Planning (Wales) Act and the outputs proposed in the Environment (Wales) Bill, with the PSB Well-being Plan and also the relationship with the Social Services and Well-being (Wales) Act (2014). It would also be helpful to provide guidance on the interrelationship with other established partnerships, for example City Regions.

Similarly The report of the Review of Designated Landscapes in Wales, 'National Landscapes: Realising their Potential', was published on 29 October. The recommendations include integration with the new arrangements under the Well Being of Future Generations (Wales) Act, the Planning (Wales) Act and the Environment Bill. It would be therefore be helpful to align the Future Landscapes Working Group process with the process to refine and amend the statutory guidance for the Well-Being of Future Generations (Wales) Act 2015.

Where timeframes or processes don't align, it may be helpful for the guidance to explain how that is expected to be managed, particularly in the interim phase as legislation comes into force.

The guidance would benefit from greater clarity on the requirements in relation to reporting on compliance with the Act, for example, what evidence is likely to be required?

The document is currently silent about the role of Welsh Government. Whilst we understand that the statutory guidance cannot be written to apply to Welsh Government, we think it would be beneficial to explain this within the guidance. It would therefore be helpful to clearly state that WG are subject to the Act and would be working in the spirit of this statutory guidance.

Our detailed comments on specific elements are provided below:

- Section 1.1 Fundamentals:

We think the Core guidance could make more of the point in para 9 about the Act providing a "shared purpose". Being really clear in the guidance that the Goals are the shared purpose for all the public services in Wales to work towards together. It is covered in para 59 sec 1.9: Aiming for the Wellbeing Goals, but could perhaps benefit from a higher profile and earlier in the guidance.

Whilst we understand what is being said, we feel the sentence in Para 9 (page 4) – ‘these well-being goals are indivisible from each other’ does not clearly articulate the intent. We suggest something along the lines of “These goals are interrelated and collectively describe the well-being of Wales; the shared outcomes for the public service subject to this Act and others to deliver”.

The diagram (Figure 2) used to depict well-being (four overlapping circles), suggests that well-being only occurs at a small part of where they all join. The depiction of sustainable development and the well-being that delivers is widely recognised now as concentric circles not overlapping circles. The concentric circle model shows the interrelationships, with the environment as the outer circle, since this provides the benefits and resources to the society circle, which then uses and trades these resources through an economy (the inner circle). It is this understanding of interrelationships across all the elements in the Act and a need for integrated consideration, which will deliver the SD duty in the Act. We do not believe this Figure is helpful in conveying that integrated nature of well-being nor the breadth of opportunity for multi-benefit outcomes through collaborative planning and delivery.

- Section 1.3 Where the change needs to happen:

Results Based Accountability (RBA) is mentioned in the context of performance management in this section as “one of the tools that can help public bodies adapt their business processes in line with the Act”. We suggest that RBA is wider than just performance management, it is about how you plan and track delivery together. It may be beneficial to cover this in the opening generic paragraph (30.) of this section.

WG are also leading a Welsh public sector pilot for Integrated Reporting (IR).

We think Integrated Reporting should be covered in the same way as RBA. Moving forward it could be seen as more important than RBA as it lends itself to changing the way organisations strategically plan and think about value created, and then how this is meaningfully reported. Integrated reporting is an approach that is transferrable and lends itself to supporting delivery of the Act, particularly in helping organisations build a business model focussed on contributing to the wellbeing goals.

Taking an integrated approach is mentioned in 1.5, but not specifically the use of Integrated Reporting to support this. (See comments below)

Assets is also a bullet heading here and says “the Act will strengthen arrangements for the effective management of their (public bodies) assets for the benefit of our communities”. It may be beneficial for the guidance to be clear about the breadth of what “assets” may contain. This wording may suggest physical assets and facilities, but it should also be about developing and optimising the skills, knowledge and experience held by people and communities.

- Section 1.4 Looking to the long term:

The guidance suggests a minimum 10 year look ahead but suggests best practice is 25yrs. From a natural resource management perspective, long term may need to be greater than 25 years. The emergence of the natural resource management approach and a shift to adaptive management will be key to ensuring natural resources are managed sustainably for their benefits to society and the economy. As discussed in the generic section above, we believe that the Core Guidance would benefit from a narrative explaining the links between the Well-being of Future Generations (Wales) Act (WoFG Act), the Planning (Wales) Act and the proposals in the Environment Bill for sustainable management of natural resources.

It may therefore be helpful to clarify that when integrating consideration of environmental issues into public service planning, decision making and delivery, time frames longer than 25 years may be required, particularly with respect to adapting to Climate Change for example, where 50+ years are necessary. The UK CCRA, which is required to be taken account of in this Act, is based on the UKCP09 projections which cover the rest of this century.

- Section 1.5 - Taking an integrated approach.

Section 5 of the Act requires a public body to take account of how a body's well-being objectives may impact upon each other and upon *other* public bodies objectives, to effectively ensure that one objective doesn't impede delivery of another. The guidance, as written, does not provide clarity on the process or timeline required to achieve this. (NB. the statutory guidance as currently written doesn't quote this section of the Act correctly).

Our understanding from reading this section is that NRW would need to consider its objectives with all 22 PSBs and the other 42 public bodies subject to the Act. This could appear to be quite an onerous activity that may delay setting of the well-being objectives through a corporate plan. However we believe the statutory guidance could help this occur more efficiently if it articulated that this is about better strategic communication across the public bodies when setting objectives and is not intended to be a detailed and complex process of cross checking. Our corporate planning process does involve engagement with stakeholders and will continue to do so to meet the requirements of the Act.

As discussed in 1.3 above we believe that the integrated approach section of the guidance would benefit from discussion of the Integrated Reporting (IR) approach. Whilst WG may not wish to prescribe an approach, the fact that a pilot is being run around Integrated Reporting suggests that provision of some information within or without this guidance, would be beneficial. The approach is actually about integrated thinking, delivery and then reporting and therefore lends itself well to supporting delivery of this Act.

(We note that IR is also referenced along with the WG pilot in Section 1.13 Transparency).

We note that Section 1.5 of the Core Guidance (Taking an integrated approach) states:

“Impact assessments

If you are required to undertake any impact assessments (either statutory or non-statutory) consider how these could be integrated with consideration of your contribution to the well-being goals.”

We consider that the WoFG Act is about corporate responsibility in ensuring that all bodies apply SD principles to their work, plans, projects and strategies. “Impact assessments”, as referred to in the guidance document, can be viewed, therefore, as the different tools that organisations can use to demonstrate and integrate SD principles. From an environmental perspective, these tools could be SEA and HRA but from other perspectives they could, for example, also be Equality Impact Assessments, Health Impact Assessments, Economic Impact Assessments, or Sustainability Appraisals.

Based on our current understanding we read it that the guidance is prompting authorities to integrate the well-being goals into the different impact assessments they might need to undertake. This is a sensible approach and one that we support.

- Section 1.8 Prevention

Shifting to a preventative approach will be key to delivering the outcomes of this Act. Identifying trends will be important and so the future trends report under this Act and for the environment and natural resources the State of Natural Resources Report (SoNaRR) as required by the Environment (Wales) Bill will be key underlying evidence.

The prevention section would benefit from further examples and discussion on what prevention could look like across the goals and public services.

- Section 1.12 Common pitfalls and shared opportunities:

This is a useful section clarifying what won’t constitute compliance with the Act.

Question 2: Does the statutory guidance (SPSF 2) enable **public bodies** to discharge the requirements provided by Part 2 of the Well-being of Future Generations (Wales) Act 2015?

If not, why not?

2. SPSF2 – Individual Role (Public bodies)

We believe that it would be helpful to draw out the requirements set out in the core guidance relating to the role of corporate planning, up front in the Public Bodies (SPSF2) guidance.

It is explained in para 4 and in SPSF1, but these documents are aimed at different audiences. It would therefore be helpful to draw out the requirements set out in the core guidance relating to the role of corporate planning, up front in the this separate Public Bodies (SPSF2) guidance. For example, summary box Para 1., would benefit from including reference to the need for the public bodies' corporate planning process to be used to fulfil many of the requirements of the Act, so that it is clear from the outset.

Para 9 – mentions “Outcome Based Accountability” – it would be useful to clarify that this is the same as Results Based Accountability mentioned in SPSF1 and that the same nomenclature is used throughout the suite of guidance.

Since the guidance has been written for different audiences, we believe that this SPSF2 Individual Organisation (Public bodies) and SPSF 3 Collective Role (Public Services Boards) should both articulate the relationship between individual public body and PSB wellbeing objectives. It does say that local wellbeing objectives can be included in a public body's national wellbeing objectives and vice versa, which makes sense.

The guidance also encourages public bodies to integrate their reporting arrangements, although it doesn't say how. (See comments re IR in earlier sections). Whilst we would not look for complete prescription, for those organisations that are subject to both parts of the Act, it would be helpful if the guidance could articulate and provide clarity upon how reporting at both the PSB and as the organisation is expected to work in order to ensure an efficient and effective process.

Para 53-56: Taking an integrated approach to other duties; Biodiversity:

This section needs to link across and be amended to reflect the principles set out in the Environment (Wales) Bill.

Question 3: Does the guidance (SPSF 2) explain how public bodies should respond to the recommendations of the **Commissioner**?

If not, why not?

No comment

Question 4: Does the statutory guidance (SPSF 3) enable **public services boards** to establish and complete all its functions as provided for in Part 4 of the Well-being of Future Generations (Wales) Act 2015?

If not, why not?

SPSF 3 - Collective role (Public Services Board)

- Chapter 1 – Operating a public services board:

Whilst in paras 9-27 the guidance does try to set out the respective categories of involvement in a Public Services Board, we think it would be beneficial to be explicit up front that when referring to a PSB “member” it is only the 4 statutory members that are being referred to and that all others involved in a PSB are participants – ‘Invited’ or ‘Other’.

Para 16. Does expressly state that invited participants do not become “members” of the Board, but due to the fact that the word “member” is often used as a generic term to refer to people involved in a group or board, queries were raised internally as to who was meant by ‘member’ when it was used throughout this section of the guidance. Would it be helpful to refer to those involved in a PSB as Statutory Members and participants?

Whilst paragraph 11 does refer to unanimous agreement (of the four statutory members) being needed for a PSB to publish its assessment of local well-being and local well-being plan, we believe it will be beneficial if the guidance was more explicit about the four statutory members having

equal weight on the PSB in planning and decision making. We are aware of questions being raised around this at external events and therefore we suggest it needs clarity in the guidance.

It follows that clarity is needed that this doesn't therefore automatically mean that all members bring equal resources or funding. Our understanding is that the resourcing of delivering the PSB assessments and well-being plan is part of the decisions that the PSB come to, as the equally weighted statutory members, and we support that. We are also interpreting this to mean pooling of resources or staff, where the members feel this is appropriate for the achievement of the well-being plan. Whilst we think the flexibility around this should be left to the PSB, the principle and the approach should be clearly articulated in the guidance.

Whilst we support the PSB making decisions on the resources needed for the development and delivery of a well-being assessment and well-being plan, we think clarity is still needed on whether funds will be available from WG, or any other source such as European Funding, to support the partnership establishment and running. The administration of LSBs was supported by a European Social Fund bid.

- Chapter 2 – Assessing the state of well-being in the area

We note that Paragraph 43 of the guidance states that well-being assessments must be produced **a year** before a Well-being plan is published and paragraph 50 states **at least 12 months**. We believe it would be clearer if the guidance was more explicit in what is required. For example, a statement along the lines of 'a Public Services Board should allow a full twelve months between producing the assessment and publishing the plan, so that the evidence can be properly considered'.

Again, we think a visual timeline would be helpful to articulate what is required when.

Paragraph 69 of the guidance instructs the PSB to refer to the national indicators. It must be recognised, however, these national indicators may not necessarily be relevant at the local scale, whatever that turns out to be. There is no guarantee that the data for the national indicators can be cut to smaller spatial areas.

Paragraphs 76 and 77 specify a number of statutory reviews and assessments which the board must take into account when preparing their assessment. We suggest that the Area Statements currently proposed under Section 10 of the Environment (Wales) Bill, might also be included here, once there is an Act confirming them. This would support the amendments put forward during the development of the Environment Bill, making clear which other plans and legislation should take account of SoNaRR and Area Statements.

In suggesting this we do recognise that the Area Statements will not be completed in time for the first round of assessments of local wellbeing prepared under the Wellbeing of Future Generations (Wales) Act, however the evidence and information that already exists or is produced during their development can be utilised.

- Chapter 3 – Preparing a local well-being plan.

Para 89 suggests that the local objectives in a well-being plan should reflect where the board has decided collective action can be taken to deliver a positive impact on state of well-being. Does this mean that if actions re well-being improvements can only be delivered by one member, that they do not go in the plan? We can see that where an organisation is a sole deliverer of an action, that this is likely to be included in their own organisational objectives, but we believe some narrative may need to be provided in the well-being plan on such activities to show how a well-being issue is being addressed. For example issue x is being delivered through organisation x's specific programme to y timeframe.

We think this collective action only may benefit from some examples, or further clarification.

Para 90. As discussed in SPSF2, we think both pieces of guidance need to provide the same information around the relationship and timeline between setting PSB well-being objectives and individual organisation objectives and how reporting can be done efficiently and effectively without adding bureaucracy.

- Chapter 5: Reporting on progress:

The chapter lacks clarity on how the PSB will source evidence to generate its report on progress. We envisage that this will be drawn from the local performance of each body forming the PSB, and that the PSB will then aggregate this together. It should also indicate that this quantification of local performance should be delivered through the integration of the Act into Corporate Planning & Performance Reporting processes, i.e. it should not be an extra requirement, but should just be part of an organisations hierarchy of planning & performance which is all adapted to meeting the requirements of the Act, including what goes into and is delivered on through the well-being plan.

- Performance Indicators and Standards:

We are unclear when and why Welsh Ministers would set PSB performance indicators. Greater clarification is needed on when this section would be used. Is it intended that these will definitely be set by ministers, or only if PSBs are not complying with the Act?

- Chapter 6: Local accountability:

The guidance could provide more clarity on how the PSB statutory members' governance at an individual level interfaces with the new governance at PSB level, especially with respect to the scrutiny role for local authority designated scrutiny committees. Will these scrutiny Committees' advise direct to PSBs or back to individual statutory members, or both? Should local authority designated scrutiny committees be adapted to incorporate non-executive involvement of PSB statutory members governance? Given the innovation implied in the proposed arrangements and the fact that there is very clear guidance for accounting officers and Board's in respect of institutional good governance then it will be important to ensure clarity in the interface to avoid repetition and/or tension.

- Chapter 7: Merging and collaboration

We welcome the Act and the guidance making clear that PSBs can merge and collaborate (subject to some criteria), if it is felt this would assist them in delivering their contribution to the well-being Goals. NRW would support any reduction in number of partnerships.

- SPSF3 – Collective Role (Annex A).

The reference to section 62 of the Planning and Compulsory Purchase Act 2004 in the Planning section of Annex A needs to be amended to reflect the provisions of the Planning (Wales) Act 2015.

As discussed in previous sections, we believe it would be beneficial to set out in the statutory guidance the relationship between Well-being Plans and other plans, such as those under the Planning (Wales) Act.

Question 5: Does the statutory guidance (SPSF 3) support **public services boards** to achieve a step change in the way they work collectively towards shared objectives?

If not, how could it?

The SPSF 3 would benefit from an upfront statement about the fundamental nature of the shift required. The guidance as it stands goes straight into the process of what and how, but the ethos behind the Act is mainly covered in the core guidance. As previously discussed, because the guidance is in separate sections, it would be beneficial to carry forward some of the generic messages around purpose and intent of the Act from the core guidance, into these specific sections.

Question 6: Does the statutory guidance (SPSF 4) to **Community and Town Councils** make clear which councils are subject to the duty in section 40, and what those affected are required to do?

If not, why not?

Question 7: In the context of Local Government Reform and new authorities to be in place in 2020, we would welcome your views on the appropriate arrangements for the development of assessments of local well-being, and local well-being plans, in order to enable the Act to be implemented in a timely and effective manner but in a way that minimises the need to duplicate effort.

If not, why not?

In order to minimise effort and or duplication at the point of local government reform, the development of assessments of local well-being would benefit from a degree of prescription to ensure consistency and comparability at the time well-being plans may need to be merged. This will be particularly important in terms of methodologies, data used, scale etc. when undertaking the local well-being assessments.

NRW would welcome reduction in the number of PSBs, so would support early merger in line with the provisions in the Act in advance of the Local Government reforms. This would help support more joined up thinking and consistency in the assessments of local well-being as discussed above.

Question 8: Do you have examples of good practice that show key actions under the Well-being of Future Generations (Wales) Act 2015 that could be shared with other public bodies?

If not, why not?

1. NRW's Corporate planning process to date, which represented our approach to sustainable development and resulted in organising our work into "good for" programmes around people, business, and the environment with good knowledge supporting and that we are a good organisation – with good governance etc. We are now however revisiting this process in light of the Act and well-being Goals to check if it's still fit for purpose and what may need to be done differently in future. The learning from this could be shared with other public bodies.

Our new corporate plan with well-being objectives will be from 2017. 2016-17 will be our period for thinking this through, liaising with stakeholders and

our Board to develop a plan that demonstrates how we will be maximising our contribution to the Goals and applying the SD Principle.

2. NRW are also exploring the option of asset transfer to communities where appropriate.

Question 9: We have asked eight specific questions on the draft guidance. If you have any related issues which we have not specifically addressed, please use the consultation response form to express your views.

If not, why not?

We welcome the support and advisory role of the Commissioner and look forward to working with them in this capacity and with others, for example to develop decision making guidance and tools, etc.

We welcome that WG are running a PSB event on the 26th November, and see this as a really good start for getting all the statutory members for the PSBs on a consistent message on intent and purpose. We feel that further meetings may be required with the statutory members to discuss in more detail the issues around governance and clarity raised in this response. More regular liaison and dialogue between the statutory members may need to continue in the run up to and potentially past April 2016.

We think the guidance could be more explicit about the SD Principle being part of the decision making for the current budget cuts and service reviews. This will help ensure that those decisions are not taken for the short term without consideration of long term implications.

Responses to consultations may be made public – on the internet or in a report. If you would prefer your response to be kept anonymous please tick the box: