

Future Generations Commissioner for Wales Financial Estimate

2018-19

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

1. Background

1. This estimate for the financial year 2018-19 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.
2. The estimate is prepared on a resource basis and covers anticipated revenue and capital expenditure including non-cash items. It also includes a reconciliation to the net cash requirement or grant-in-aid that I expect to receive from the Welsh Ministers.
3. It is my intention to continue to embed the principles of the Well-being of Future Generations (Wales) Act 2015 in my working arrangements and this estimate has been put together with this in mind. Therefore, the estimate shows that sharing functions with other public bodies and making the best use of technology and ensuring sustainability in all aspects to keep costs low and productivity high are important aspects of my budget.

2.2018-19 Work Programme

Key outputs planned for 2018-19 are:

- 2.1. The Art of the Possible - Develop and deliver a programme of collaborative work that draws on the collective intelligence of people and organisations across Wales to explain and explore the practical implications, for the public service in Wales, of using the five ways of working to maximise its contribution to each of the well-being goals. This will be a significant piece of work which will lay the foundations for public bodies' interpretation of and action on the well-being goals.
- 2.2. Live Labs - Drawing on expertise from a range of stakeholders, develop and test methods to equip public bodies to 'walk through' an area or issue to build a vision for the future and apply the five Ways of Working in the Act. We will continue our work on procurement and decarbonisation, and will develop a three-year programme for Live Labs based on the emerging priority areas.

- 2.3. Cloud of Innovators - connecting public bodies to each other and to experts and academic institutions through organisational development, change management and transformation programmes. We will develop a network of 'innovators' to connect future generations champions and innovators in their field, equipped and willing to advise and assist public bodies on using the five Ways of Working to challenge business as usual.
- 2.4. I will continue to work with the Auditor General for Wales and Wales Audit Office (WAO), as we ensure audit is used to support better outcomes and gather information and evidence on how well public bodies are meeting their well-being objectives to prepare the way for the first Future Generations report in 2020.
- 2.5 In addition to plans for collaborative working outlined above, I will use my priority areas for action to work with the people and organisations best placed to drive the changes needed. We will build insight into each of these priorities and develop case studies around how the Act can be used as a framework for transformational change.

3. Resourcing Needs

- 3.1. Delivering against the breadth of my role in policy and functional terms is very challenging on the allocated budget. I have already implemented innovative ways of securing additional resources through partnerships and am currently reconfiguring my Office to better direct my limited resources to maximum benefit. This new structure will be resourced from within my existing budget and there will be no redundancy or severance costs with this restructuring.
- 3.2. Public bodies have now set some 342 objectives and we are receiving on average four requests for support and advice each week in addition to the proactive programmes we are running. With this level of activity, it will be a significant challenge to discharge my statutory obligations and drive the cultural change that the Act requires in the medium to longer term. In addition to the consideration of future funding opportunities and my continued approach to securing innovative funding arrangements through

partnership working, this could be alleviated if the Government ensured that funding allocated to other bodies and resources to support public service delivery and improvement was accompanied with information to demonstrate how they are assisting public bodies to meet their duties under the Well-being of Future Generations Act.

- 3.3. I will continue sharing office accommodation with the Welsh Language Commissioner and utilising space made available to me within Bangor University for my staff based in North Wales. I will continue to share my HR function with the Children's Commissioner, my payroll function with the Ombudsman and joint internal audit arrangements with the Older People's Commissioner, the Children's Commissioner and the Public Sector Ombudsman for Wales.

4. Current financial position and Reserves Policy

- 4.1. The annual accounts for my first reporting period ended 31 March 2017 showed accumulated reserves of £454,000. The main reasons for this were the length of time it took to recruit staff when the office came into being and a delay in taking up office space that needed to be refurbished. Working practices needed to bed down before finalising further investment in office equipment, furniture and technology that supports an agile, low carbon way of working.
- 4.2. I have given careful consideration as to the amount that I should need to keep in reserve from one year to the next to meet unexpected calls on resources without significantly impeding my ongoing work programme. Taking account of the ground-breaking nature of my remit, the possible need for urgent unplanned work and associated costs, I have decided to maintain ongoing reserves of around £130,000 which is about 9% of my current grant-in-aid but which I consider to be justified in the current uncertain climate. I will review this figure from time to time.
- 4.3. For the current financial year (2017-18), current projections are that the reserves at 31 March 2018 will fall to £280,000. I will use £150,000 of these reserves to complete a substantial piece of work on guidance for Public Bodies on the Seven Goals. This project is

being resourced by partnership arrangements with public, private and third sector bodies.

4.4. Meanwhile, the amounts quoted in this document are my best estimate of my costs for the 2018-19 financial year.

5. Welsh Government funding

5.1. The Welsh Government's own budget for 2018-19 provides funding of £1.46m for the work of my office. My estimate is compatible with this total.

6. Accounts

6.1. I am required to prepare annual accounts for audit by the Auditor General for Wales. My first accounts covered the period from when I took up post to 31 March 2017 and were published as part of my Annual Report 1 August 2017. The Auditor General for Wales opinion on my financial statements were that they gave a true and fair view of my operations and were properly prepared in accordance with Welsh Ministers' directions.

7. Audit and governance issues

7.1. I appointed an Audit and Risk Assurance Committee to provide assurance to me as Accounting Officer on matters relating to audit, financial management, risk management and governance in 2016. I have also appointed internal auditors whose work will be overseen by that committee.

8. Annual Estimate 2018-19

8.1 The 2018-19 Estimate for the Future Generations Commissioner is set out below:

Description	Estimate 2018-19 £000
Salary costs	1,083
Accommodation	87
Office expenses	29
Training and recruitment	7
Travel and subsistence	36
Internal and external audit	30
Communication	22
IT (Revenue)	39
Project Costs	250
Contingency	30
Total Revenue Expenditure	1,613
Less Non-cash costs	(8)
Plus capital expenditure (IT)	5
Less Underspend b/f from previous year	(150)
Net cash requirement	1,460

Notes:

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 (revenue and capital)

The ongoing revenue costs associated with the IT are monthly service and support costs for enabling a secure data service for all staff users. There will be little capital expenditure.

Communications

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

Project costs

Details set out in Section 2 '2018-19 Work Programme' above.

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 2018-19. It is compatible with the funding agreed by the Welsh Ministers.

Sophie Howe

Future Generations Commissioner for Wales

October 2017

