

# The Future Generations Report 2020



Let's create the future together



### **Future Generations Report 2020**

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# The role of Welsh Government in implementing the Act

#### The vision - a government leading by example on the Well-being of Future Generations (Wales) 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.

#### Prosperous

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

#### Resilient

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

#### LLES GENEDLAETHAU'R **DYFODOL WELL-BEING OF FUTURE GENERATIONS**

#### Healthier

A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

#### More Equal

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

#### **Globally Responsible**

A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

#### Vibrant Culture and Thriving Welsh Language

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

#### Cohesive **Communities**

Attractive, viable, safe and well-connected communities.

# Challenges and opportunities for change

#### What future generations need

For Wales to realise its vision set out in the Act, public services need to place well-being at the heart of everything they do. Kindness needs to be at the core of government and public policy.

Our public services are highly valued and a source of national pride. However, the ways they work do not always make sense to the user and too often, they kick in too late to prevent a problem. Future generations need a public service that works more effectively together; that is integrated, collaborative and preventative. This starts with leadership.

Future generations need a government who recognise that business as usual is not sustainable and take action to change this, through:

- A long-term vision and plan for public services in Wales;
- Brave leadership that is trusting of others and unafraid to try different things;
- Civil servants that seek to reduce bureaucracy and complexity, collaborating with others to understand and proactively breakdown barriers to integration;
- A financial planning system that is longer-term, preventative, integrated and based on the Act's national mission;
- Finding better ways of involving people that recognise the power of diversity and transparency in decision-making; and
- Transforming measures of success and forms of accountability based on wellbeing and kindness.

#### Where we are now

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

Welsh Government led the way in legislating for sustainable development when they introduced the Well-being of Future Generations (Wales) Act in 2015. Still, they got off to a slow start in showing leadership and commitment towards the Act.

There has, however, been a marked change in public commitment from the new First Minister, including setting out the principles that his administration would operate by using the framework of the Act in his first address to the civil service:





"In a very simple way, the sort of Wales we want is the one set out in the Well-being of Future Generations Act. That seminal piece of legislation, you know, much admired in other parts of the world. A practical challenge [is] to translate its ambitions into actual activity on the ground. But if we think about what we are trying to achieve on behalf of people here in Wales, then just go into the 7 Goals set out in that Act.

And [the Act's] first and most important message is that we have to find a way of balancing our ability to make decisions that are important in the here and now and to protect and defend the interests of today's citizens. But to do it in a way that does not compromise the well-being of those who come after us. And in that slightly trite saying [is] a message of trying to hold in our heads the fact that we don't inherit this fragile world from people who have come before us, we borrow it from those people who come after us."

First Minister, Mark Drakeford, in his opening address to Welsh Government staff (March 2019)

This change is reflected in changes to how Welsh Government are considering their finance and budget process. As a result of recommendations from my monitoring and assessment in 2019, Welsh Government have developed a <u>Budget Improvement Plan</u> to improve the budget process using the Act and the five ways of working to drive continuous improvement. Overall, the Budget Improvement Plan will help stakeholders better understand how progress against the Act is being made. While there is scope for it to encourage greater aspiration and pace of change, there are some ambitious actions including:

- "Aim to embed an approach where spending proposals are developed by considering their long-term benefits, balanced against short-term needs, their ability to prevent problems occurring or getting worse, and have been influenced following consultation and engagement with stakeholders impacted by the activity."
- "Subject to findings from previous work, explore how a whole Budget approach to preventative activity could be best supported. Consider commissioning an external review to test the value and outcomes of applying the prevention definition to Budget lines to support a shift to preventative activities."
- "Publication of a new Wales Infrastructure Investment Plan to be developed by drawing on a robust evidence base to integrate consideration of other essential benefits - including decarbonisation, and biodiversity - so that these major investments have the maximum positive impact on Wales' wellbeing."

They also published a paper setting out Ministers' written evidence to Assembly scrutiny committees on allocations within the budget, which makes the budget process more transparent.

I am also beginning to see action in other areas. 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, Welsh Government showed progress in investing in decarbonisation in their budget for 2020-21. It is encouraging that a number of key budget lines relating to decarbonisation have increased significantly, particularly in relation to investment in sustainable travel and nature-based solutions.

The criteria of the <u>Innovative Housing</u>
<u>Programme</u> has also improved since being introduced in 2017. Following my advice to Welsh Government in 2018, regarding the original criteria failing to reflect the aspirations of the Act, the fund criteria has been changed so that it now funds projects to build new homes that fully reflect the seven national well-being goals.

#### **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.



Down to Earth is an organisation that shows the power of involvement, collaboration, prevention, integration and long-term thinking. As well as building innovative homes, they employ vulnerable people to build these homes, including people with brain injuries, disabilities, young people at risk, asylum seekers and veterans who have post-traumatic stress disorder to reduce their depression and anxiety levels and improve their skills by working on these construction projects.

While some parts of the government are hearing the change in narrative, they all now need to increase the pace of change, placing well-being and sustainable development at the heart of everything the government does

Over the last four years, I have provided advice to several Welsh Government departments and teams. I can see some change in how the civil service is operating in line with the Act, for example:

The introduction of the Environment (Wales) Act 2016 and biodiversity duty. This 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, showing how civil servants are applying the five ways of working. The practical project provides starter-packs to town and community councils and community groups, containing plants and tools to create local garden projects. This work integrates efforts to contribute to a prosperous Wales (low carbon, providing skills), a resilient Wales (improving biodiversity and ecological resilience), a healthier Wales (being in nature is good for physical and mental health), a Wales of cohesive communities (this initiative relies on the community delivering), a Wales of vibrant culture and thriving Welsh language (preserving our natural heritage), an equal Wales (giving everyone the opportunity to apply and contribute) and a globally responsible Wales (making Wales a greener place seeks to reduce our carbon emissions).

My work on monitoring and assessing the annual budget process has also demonstrated positive changes in how the civil service is considering the Act. The Budget Improvement Plan (mentioned earlier in this section), was developed by the Strategic Budgeting Team following engagement across the Welsh Treasury, and they intend to continue engagement across Government and with external stakeholders.

There are also positive changes in investment happening in Government. In my scrutiny of the draft 2020-21 budget, I highlighted the example of the Whole School Approach to emotional support as one of the strongest examples of investment in prevention, with funding increasing to £5m in 2020-21. It is a particularly strong example because 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.

Similarly, the £15 million Community Hubs programme, funded through the Infrastructure Fund is an example of a capital investment decision that supports wider wellbeing. The programme aims to provide 21 additional hubs across Wales, supporting innovative approaches to bringing communities together through childcare provision, family learning, healthcare and more under one roof.



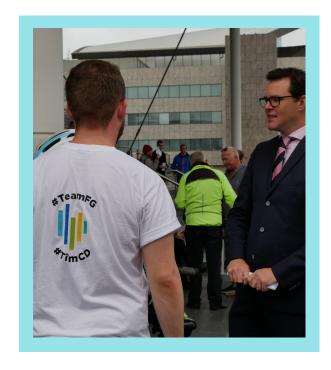
Despite pockets of good examples, there are numerous examples highlighted in this chapter, of areas where Welsh Government need to catch up with the push from political leadership, and lead by example and place well-being at the centre of their work – making sustainable development a central organising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

For example, a recent Welsh Government report providing an update on their approach to procurement serves to layer additional information and guidance on to an already crowded, complex landscape of procurement guidance to public bodies. Welsh Government have missed the opportunity to describe their approach in a way that showed, through procurement, how public bodies can contribute to each of the national well-being goals. The report only makes passing reference to the Act, while describing how they are focusing on ethical procurement, the foundational economy, circular economy, community wealth building, better jobs, decarbonisation, community benefits and social value.

While these are all valuable, the approach is not framed within the context of the statutory duties that already exist under the Act, thereby creating a confusing picture for those who are seeking to implement policy.

My work with public bodies has suggested they are confused by the perceived differences in language and information. Partly, this is because the <u>Procurement Policy Statement (2015)</u> predates the Act and, therefore, does not adequately reflect well-being. I have advised that there is a need to change this and increase the pace to match the more promising direction of other departments.



We need to increase the pace of change, supporting those who are taking brave, different approaches to tackling the critical issues facing our future generations.

The public bodies 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, are successfully driving cultural change.

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

Academi Wales, the Welsh Government funded centre for excellence in leadership and management for public services in Wales, has undertaken work with the public sector to define a set of public service values.

Defining these values is an important step but perhaps misses an opportunity to put the more universally understood and supported principles of kindness and compassion at the heart of public service delivery.



#### Public service values: the beliefs we hold



Working for the Long Term: To safeguard the ability of future generations to meet their own needs, requires real long-term integration and collaboration addressing the well-being of people and communities, economic prosperity and the health of the natural environment.



term needs with the need to safeguard the ability to also meet long-term needs.

Well-being delivery principles:

how we will work



Always Growing and Improving: We will be at our best for citizens and each other by choosing positive attitudes and behaviours, embracing learning and development and sharing ideas on ways to improve and deliver public services.



occurring or getting worse may help public bodies meet their objectives.



Working Together: Where everyone involved in the delivery of public services, values others contributions, shares common principles and collaborates for the benefit of the people of Wales, within and across organisational boundaries and sectors.



Integration: Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.



Treating Everyone With Respect: Recognising, valuing and respecting the diversity of the people of Wales is central to seeing people as individuals and doing the right thing, at the right time and in the right place for citizens and each other.





Putting Citizens First: Our organisations need to be focussed on the needs of the people of Wales. This requires us to genuinely involve people in decision making which impacts them and their communities.



with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.



C Academi Wales

Challenges with navigating the public sector system and securing the services which meet the needs of individuals is a common concern for many people, often because the system is placed first, rather than the citizen. Asking the question of whether this is a kind or compassionate thing to do could be a starting point in addressing this.

However, even beyond the delivery of services to individuals, there is a case for embedding kindness and compassion as core values in public policy and service delivery.

These values would support the sort of responses that the Act envisages in preventing ill-health, delivering community cohesion and the goal of a more equal Wales.

"Caring for my son is the easy part. The difficult part, the part causes me so much stress and anxiety is interacting with social services and the local authority. In the last few months the stress of my son being transitioned from children's to adults' services has been so great that I've been put on medication for the first time. I don't want to be on it but the stress and anxiety is awful and I've been experiencing anxiety attacks for the first time in my life."

> Sensemaker survey respondent, Measuring the Mountain



#### **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.

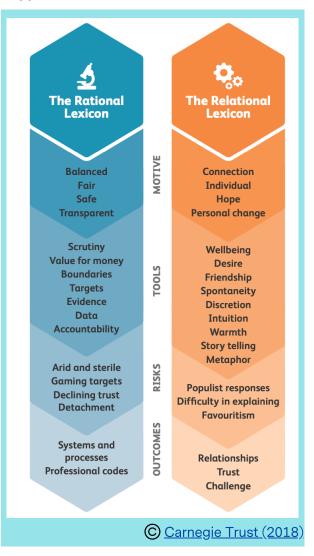
Positive signs of placing kindness at the centre of government is shown in research undertaken <u>by Carnegie Trust</u>, where public perceptions of how kindly they have been treated are higher in Scotland than in Wales, Northern Ireland and England.

"We want Scotland to be characterised by kindness, dignity and compassion. So we're clear that government – and the way in which we conduct government – should encourage those qualities. (The framework) is informed by the knowledge that to achieve that, we need to focus – not just on the wealth of our nation, but on the wellbeing of the nation."

Scotland's First Minster (2018)

A civil service, and public sector, with kindness at its core can improve well-being, build trust and confidence in public services and encourage behaviour change. Evidence suggests outcomes for children at risk of Adverse Childhood Experiences improve when they have a trusted adult in their lives, and the health outcomes of older people in social care improve when physically touched. Furthermore, at the time of writing, communities are coming together to show kindness and solve problems, helping each other during the outbreak of COVID-19.

However, it is inherently difficult for public services to combine the language, and therefore, the behaviours, of rational, evidence-based, dispassionate rule-following public with the relational, fluid and flexible language of real life, as this diagram suggests:



We need civil servants, and those working in public bodies, to be more bilingual in the two languages of public policy set out above and for this to impact.

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.

"Questions of kindness are seen as referring to them, not to us. They are seen as challenges for the front line [...] but never for the designers, evaluators, auditors and managers of public services.

Questions of kindness and empathy and demands for better behaviour are made of the most hard-pressed and least well rewarded people in public service – the care workers, cleaning assistants and school dinner ladies. They need to be asked of those making crucial allocative decisions, those designing new frameworks and policies and those assessing their impact."

Carnegie Trust (2018)

A kind public service in Wales would grasp the opportunities and tackle the challenges facing current and future generations, aiming to improve social, economic, cultural and environmental well-being.

Following the Scottish Government example, and in seeking to implement the Well-being of Future Generations (Wales) Act, Welsh Government should be leading the way in instilling kindness at every level of government and in public policy. They held a kindness round-table in January 2020.

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

Introducing the sustainable development principle (defined in the Act as "seeking to ensure that the needs of the present are met, without comprising the ability of future generations to meet their own needs"), alone is not enough to change the well-established public sector culture in Wales.

"What Wales is doing today, we hope the world will do tomorrow - action more than words is the hope for our future generations."

Nikhil Seth, United Nations

We need action, as well as words, to create a public service that makes sense for everyone as a more integrated, collaborative, preventative system for the 21st century and future generations. This would enable us to solve some of the problems we have within public sector culture and within society.

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. Encouragingly, it is the current campaign of Academi Wales:

"As One Welsh Public Service, we have a shared purpose and shared drivers to achieve a better and lasting quality of life for us all. It is about improving the economic, social, environmental and cultural well-being to help us create a Wales that we want to live in now and in the future."

Academi Wales Website

While it is encouraging that government are encouraging people to act in this way, and indeed, this report outlines examples of progress; this report also provides examples of where this is not yet fully embedded. There are some fundamental shifts required to how Welsh Government operates and its impact on the wider public service, outlined in this section and in the chapter on cultural change across the public sector.





The infrastructure is in place to facilitate 'One Public Service' working through Public Services Boards and other partnership arrangements. However, 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 such as: working with medics and manufacturing to design and produce ventilators, as well as delivering critical services using community and voluntary sector networks. This joint 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.

In Wales one of best examples of this is work that Monmouthshire Council have done with Innovate UK:



#### Understanding solutions to rural social isolation

#### Monmouthshire Public Services Board

began to look at the issue of rural isolation and transport. Recognising that this was a complex challenge to understand and solve, they successfully bid for funding from the UK Government "GovTech Catalyst" scheme – intended to help public services work with the private sector on innovative solutions to problems.

The challenge set out to find how technology could be used to improve interaction with older people to reduce loneliness whilst alleviating digital exclusion, and how transport could be coordinated more efficiently to increase peoples' ability to travel in rural areas while reducing public subsidy. It also looked at how to better connect people in rural areas to improve well-being and reduce pressure on the health and social care systems, while improving service efficiency.

The challenge received over 100 expressions of interest, including ideas like a digital community-directed platform to 'match' people, integrate landline and voice services with digital tracker technologies and introducing new transport and communication digital platforms. Two companies have been selected to develop their proposals as viable market options.

There are considerable benefits to be drawn from adopting this approach at a national policy level.

### 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.

"The Ministry will showcase a new model for next-generation government operations to the world. [It] will address urgent government issues by developing proactive and radical solutions to overcome pressing challenges, improve government services and instil a culture of tackling the impossible."

Minister of Cabinet Affairs
and The Future, United Arab
Emirates

Welsh Government should consider establishing 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 find innovative solutions to current or future challenges.

# There is a lack of long-term vision regarding the kind of government and public services we need in a future Wales

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.

As I have set out in this report, there are opportunities which are presented by technological developments, a wider wellbeing response to decarbonisation, the ageing population and changes to jobs and skills. Welsh Government should be commended for setting out the long-term aspirations for Wales as a country through the national well-being goals, but this now needs to move towards a clear vision of what this means for public services, as well as what this means for the future public service workforce. In each chapter of this report, I have outlined a vision for contributing to the goals and how public services should be reaching towards them.

The public services of the future need to be collaborative with multidisciplinary teams connected but not tied to organisations, bringing skills together to solve complex problems. Job roles will be based on creativity, communication, kindness and problem-solving and public servants need to be increasingly connected (through technology and physically) to wider networks and communities, helping to cocreate solutions to entrenched issues.

As such, public services will also need to be more reflective of the population, with a breadth of diversity in backgrounds, reflecting the importance of bringing different experiences, lived experiences and perspectives to the table. This requires a significant shift in the public sector workforce of 2020.



#### The public services of the future

Nesta, the innovation foundation, have imagined the government and public services of 2030, describing roles of the future such as the 'Creative Facilitator': "working with the people of the district to imagine, initiate, develop and maintain local systems, often taking on the role of 'trusted person' and may find themselves acting as mentor, play-fellow, sounding board, celebrant, or mediator."

Nesta have also modelled <u>'ShareTown'</u>, an imaginary community to inspire a future for the way citizens, technology and local government live and work together. For example, the creation "The Loop", is a cooperative reuse and recycling collection company.

Welsh Government should 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.

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

Regulatory Impact Assessments are undertaken for new regulations, but rarely is the cumulative impact calculated of the layers of legislation, policy and guidance that Welsh Government produce.

This results in a gap between the aspirations of Welsh Government and reality, due to a lack of capacity and increased confusion for local deliverers. Public bodies and Public Services Boards often tell me and the Auditor General for Wales that expectations are unrealistic, they require increased capacity, additional resources, training, central government support and permission to undertake some of the changes proposed by Welsh Government.

"We often talk about austerity in this Chamber, but sometimes we don't pay enough attention to the way it has hollowed out the capacity of our local authorities to deliver on anything other than essential statutory services. Active travel is an area where understaffing is felt particularly severely..."

Lee Waters AM (<u>May 2019)</u>



There are numerous occasions where I have advised Ministers and civil servants that setting out aspiration is not enough to create cultural change, such as:

The <u>Wales Transport Appraisal Guidance</u> was updated in 2017 in line with the Wellbeing 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 (see the section on Transport in Chapter 5).

<u>Planning Policy Wales 10</u>, 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 (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 <u>Active Travel (Wales)</u> <u>Act 2013</u> is lacking. <u>Rates of active travel</u> 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. (see the section on Transport in Chapter 5).

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, given the cultural and practical changes to public services it represents.

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.

This should 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.

The lack of analysis of capacity, additional resources, training, central government support and permission for people to undertake transformational change results in gaps between the aspirations of Welsh Government policy and reality.

Public bodies and Public Services Boards often raise concerns on the barriers to implementing policy and legislation with the Auditor General for Wales and me, suggesting that Welsh Government put systems in place that work against the Act – rather than for it.

# Welsh Government continues to complicate an already complex landscape

The Well-being of Future Generations (Wales) Act has been called the 'common sense Act' because it is intended to simplify and focus public services and integrate our collaborative contributions towards the national well-being goals.

However, 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 bigger picture.



Welsh Government are complicating an already complex landscape by requiring new boards, bodies and governance structures to exist alongside Public Services Boards.

Most recently, another set of new committees, known as 'regional collaborative committees' have been proposed in the Local Government Bill, adding yet another new layer of governance and decision making.

New policies, legislation, guidance or reviews that do not acknowledge and respond to the role of Public Services Boards as a local delivery mechanism for improving holistic well-being is unacceptable and dilutes the effective implementation of the principles of the Act. 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.

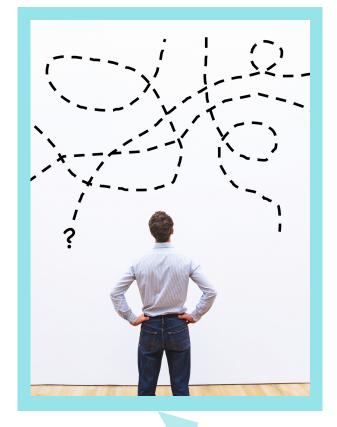
Instead of Welsh Government acting in an integrated way, trying to help public bodies and Public Services Boards deliver their well-being objectives through funding streams, policy and legislation, they are currently putting barriers in place. In developing policy for local implementation, it is unclear whether Welsh Government have taken into account what Public Services Board well-being assessments have told us about an area, or what well-being objectives the public bodies and Boards have set.

The evidence I hear most often on this relates to the role of Regional Partnership Boards and Public Services Boards. I am aware that there is confusion – from the local level to Assembly Member level - about the role of these two partnerships around how the boards function and how they integrate their duties.

Despite some good work happening locally, I have advised Ministers that government should clarify the situation by encouraging flexibility for both boards, and for collaboration to happen in the best, locally-determined ways. See my advice within this report to Public Services Boards also.

The Welsh Government representative on every Public Services Board should be playing more of a role in solving this lack of integration. Many Welsh Government representatives are passively attending meetings or providing one-way communication from government to Public Services Boards. These officials should be empowered to work across government to take back and resolve concerns from Public Services Boards. A trouble-shooter and fixer role for Welsh Government representatives on Public Services Boards would help the government to understand the challenges of implementing their initiatives locally, due to a lack of integration at government level. They could then provide solutions back to the other Board members from Welsh Government.

Welsh Government should seek to streamline governance, removing rather than adding layers. Any proposal for a new governance arrangement needs to be able to answer the question of how it is assisting integrated policy-making and service delivery, and should set out clear guidelines at the outset on how that body should interact with others to achieve local and national well-being objectives.





Welsh Government should provide 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.

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

While we are beginning to see some promising progress from Public Services Boards, any expectation that the mere establishment of these boards, would in itself drive the necessary cultural changes required by the Act (in working relationships and solving silo-based working and protectionism) were unrealistic. This is the first time such a broad range of agencies have been given a statutory remit to work together on such a wide range of well-being goals and objectives.

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, they should be given more status by Welsh government in meeting the key challenges facing future generations.



A starting point for Public Services Boards to operate more effectively would be for clarification on the ways they can receive and spend resources. Some Public Services Boards are unsure whether or not they can accept funding, which is possible provided one partner holds the funds.

Many of the concerns raised relate to an opinion that Welsh Government are allocating funding in a way that undermines the role of Public Services Boards in their duties to improve collective well-being. Continually allocating funding to Regional Partnership Boards, without explicit links to prevention and the work of the Public Services Boards has caused, and continues to cause, a lack of integration, collaboration and therefore missed opportunities to invest in prevention and the wider determinants of health.

As laid out in the section on A Healthier Wales in Chapter 3, the World Health Organisation have recently shown that a range of issues cause the difference in reported health between the richest and poorest. Only 10% of the difference in health between richest and poorest is due to the quality of health services, with the wider determinants such as living conditions, income and working conditions and community connection being much more important.

These wider determinants of health are the focus of the Public Services Boards, where wider agencies who can affect change are present. Yet the perception is that the Regional Partnership Boards (set up under the Social Services and Wellbeing (Wales) Act 2014) are being funded to focus on health and social care services to 'improve health', and Public Services Boards are merely being funded much smaller amounts to support secretariat and process requirements.

Welsh Government should provide support to the Public Services Boards, encouraging further flexibility and funding if they are to be successful. If more funding cannot be allocated to the Boards, then it would be useful for Welsh Government to use the opportunity provided by the current national reviews into partnership arrangements to consider and address how funding is allocated and communicated, thereby actively providing Public Services Boards and other local partnerships with more flexibility in how they do things

"It would be helpful if national funding arrangements could be further consolidated so that regional and local Boards are dealing with fewer grants, over longer periods of time, with combined wider priorities attached...

Participants were clear that the attention locally and regionally needed to shift to how partners are transforming the major elements of services to meet needs more effectively and efficiently, and that Welsh Government oversight should also focus more on this than on detailed monitoring of relatively small - scale additional grants."

Professor Keith Moultrie on Regional Partnership Boards and Public Services Boards (July 2019)



Providing this clarity and encouraging the legislation to be realised through partnership working provides an opportunity for Welsh Government. Given the Public Services Boards' wider remit across all political areas and specifically, in the priority themes of 'Prosperity for All', Welsh Government could be using them far more extensively by adequately funding them to deliver the aspirations of the Act.

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

"We're not hearing it loud and clear in health bodies. Ministers need to be saying 'five ways of working', WFG Act, in everything they do. And then they'd sit up and take notice. Even using slightly different language in guidance, legislation, funding, like 'A healthier Wales', means it's seen as the 'new thing' and starts to cancel out the WFG Act."

A representative of a health board (February 2019)

One of the most common barriers reported to me, and the Auditor General for Wales, is that differences in language within policy, legislation and guidance coming from government serves to distract from the Act.

In particular, those responsible for implementing the Act in Health Boards have raised concerns that this results in the Board and senior management seeing the Act as separate to what they do. See Chapter 2 on Public Sector Culture Change.

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. 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. For example:

- The Parliamentary Review of Health and Social Care (2018) makes passing reference to the Act, the ways of working and sets a timeframe of transforming health and social care over the next fiveten years (the Act defines long-term thinking as at least ten years ahead, ideally a generation, which is 25 years ahead).
- The Welsh Government Integrated Care
   Fund guidance (2019) defines
   (integration' in a different way to how the
   Well-being of Future Generations Act
   defines the term, focusing on partnership
   and new models of services.
- The Fair Work Commission (2018) was established with little reference to the definition of a "prosperous Wales", which includes the term "decent work".
- Welsh Government's most recent <u>Annual Report (2019)</u> on progress towards their well-being objectives describes a "more prosperous, equal and greener Wales."
   Confusingly, they provide some detail of activity under two of the goals but have added the term 'greener' (without making reference to "a resilient Wales" or other goals) and made no reference to the legal definition of all seven well-being goals.

Welsh Government should standardise the language they are using in line with the Act. This includes making the Act clear in the Terms of Reference of any reviews, commissions or bodies set up that they are required to align their work both to the principles and language of the Act.

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

I have outlined within my findings and recommendations of Chapter 2 on Public Sector Culture Change that some of the barriers to implementing the Act identified by public bodies are the short-term nature of funding cycles, corporate planning and performance management requirements placed on them by government. 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.

"As a consequence of Welsh Government we have an annual budget regime which makes it extremely difficult to plan longer term. The restrictive approach to annual or short term grant allocations also exacerbates long term financial planning... In reality, while we are working hard to use the 5 ways of working to deliver the financial savings, we are very much at the point where the cuts cannot avoid having a negative impact on future generations."

Observations from local authority officers (February 2019)

For example, in placing performance and financial targets on health bodies that focus on meeting acute need rather than prevention of illness, Welsh Government are driving the attention of management teams away from the sustainable development principle and five ways of working. The ways Welsh Government notify public bodies of available funds and the grant criteria attached can cause short-termism.



Welsh Government place the blame for short-term budgets on UK Government funding allocations and, likewise, public bodies place the blame on Welsh Government.

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 wellbeing budget, explore options for working differently and find ways of planning longerterm approaches. This is something that could be strengthened in Welsh Government's Budget Improvement Plan and brought forward in terms of the proposed timings they have set out.

Short-term funding cycles lead to short-term performance measures of success. Public bodies are adopting existing, narrow performance measures to track their progress towards well-being objectives, based on statistical data that Welsh Government also ask them to provide. However, with an Act in Wales, that champions sustainable development and all forms of well-being, we need measurements that go beyond short-term siloed measurements.

Public bodies should be encouraged by the government to measure what matters, not what can easily be counted, and performance management and audit approaches need to be sympathetic towards a changing culture and risk-taking. There are already globally recognised forms of measurement relating to well-being, standards of living, quality of life, kindness, social value, public value and happiness that Welsh Government should be adopting. These include the Organisation for Economic Co-operation and Development (OECD) Better Life Index, Social Progress Index and Thriving Places Index.

Other countries are moving towards measuring impact using well-being, such as the Scottish Government adopting 'kindness' as one of its core values in its National Performance Framework, Norway measuring trust and happiness, the World Happiness Report and the New Zealand Parliament Living Standards Framework.

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. Welsh Government and public bodies need to stop short term performance measure and find ways of measuring the success of initiatives based on well-being to encourage integration, preventative thinking and collaboration.





# More needs to be done to ensure grant funding and core funding criteria incentivise and encourage the application of the Act

Linked to how public bodies are managed by Welsh Government, there is more government could be doing through the funding criteria they set, to make applying the Act and meeting well-being objectives easier for public bodies.

Firstly, providing more notice of funding and a longer guarantee of funds would help public bodies and Public Services Boards to adopt a longer-term vision and plan. The Auditor General for Wales has previously published findings and recommendations to the government on this subject. For example, a report into the Welsh Government Integrated Care Fund found that the short-term annual funding horizons were stifling regional delivery of the funding to improve health and social care. The evidence gathered suggested the funding had become prescriptive, and the late notification of what funding was available, put pressure on planning and delivery.

More recently, Welsh Government and Public Health Wales established a multiagency 'Building a Healthier Wales' group to drive forward systemic and structural change aimed at reducing inequalities in health outcomes and implementing 'A Healthier Wales' strategy. Welsh Government agreed that this group would oversee a £7.2 million 'Prevention Fund' to 'support effective interventions in relation to the prevention of ill health and early years.'

This funding has been allocated to health boards (with priorities needing to be agreed with Regional Partnership Boards), against my advice that it should be focused on the broader determinants of health at a Public Services Board level.

Health boards were notified about this funding in October 2019 and asked to submit proposals by the end of December 2019. Not only was this a short period of planning time, but left only a quarter of the financial year for the funding to be spent. I argue this hampers any longer-term and sustainable service redesign that could be considered transformational.

"The integration of processes and legislation from Welsh Government, particularly the short notice of financial settlements, impacts on our ability to plan for the long term. Short-term notice of some funding streams can also inhibit our ability to truly plan for the long-term and make well-considered decisions."

Observations from local authority officers (February 2019)

Secondly, Welsh Government should incentivise and encourage the use of the five ways of working through funding criteria, specifying proposals must demonstrate not just broad consideration of the Act, but how it is preventative, collaborative, integrated, long-term and meaningfully involves people, thereby seeking to contribute to each of the national well-being goals and the well-being objectives that are set by the particular applicant organisation or collection of organisations.

Rarely does funding come jointly from more than one department of Welsh Government and it can often be aimed at one public body – rather than a collaborative collection of bodies (although there are some notable exceptions, such as the funding announced in this year's budget from the Health and Education departments, to support a whole school approach to mental health).

By simply introducing this to more funding criteria, Welsh Government would encourage collaboration and integration.

Funding criteria of many grants from government currently pay lip-service to the Act, rather than seek to encourage its proper application. For example:

The Enabling Natural Resources and Wellbeing Scheme (updated 2019), makes passing reference the Act and strategic fit of applications with the well-being goals but does not provide any detail on how projects will be judged, delivered or monitored in a way that encourages the application of the Act.

The Community Facilities Programme (updated 2020), providing grants to community and voluntary organisations to improve community assets makes no reference to the Act or how these organisations can contribute towards the well-being goals, thereby missing a significant opportunity for the government to meet a number of its own well-being objectives at a community level.

The Health Transformation Fund (2018) guidance aimed at Regional Partnership Boards, to demonstrate new models of health and social care, makes no reference to the Well-being of Future Generations Act or Public Services Boards being involved in funding considerations.

Other funding guidelines state that the Wellbeing of Future Generations Act should "guide the principles" of delivery but give no practical advice on what this means and is it unclear how this is tested in determining the award. This is symptomatic of my earlier point that both culture and process in Welsh Government need to change in line with the Act.

Thirdly, funding criteria should seek to help public bodies and Public Services Boards meet their well-being objectives. It is not clear that in developing funding criteria, Welsh Government have taken into account what information is contained in either the Public Services Board well-being assessments and plans or public body well-being objectives.

Welsh Government should collaborate more with public bodies and Public Services Boards to ensure funding rounds do incentivise application of the Act and help them meet their local well-being objectives, alongside whatever government want them to achieve.

Welsh Government capital and revenue funding programmes should incentivise and encourage the proper application of the Act and flexibility to innovate. Funding should not be awarded unless the proposal can demonstrate the application of the Act. As a minimum, given the climate and nature emergencies, public funding should be carbon-neutral and enhance or maintain nature.

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

These problems raised by public bodies regarding short-term funding cycles and funding criteria are connected to a problem higher up the chain within the structures of government. 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.

Cabinet portfolios are often focused on driving a specific outcome, and Ministers are directly accountable for delivering this outcome. In Welsh Government, the way Main Expenditure Groups are still organised in terms of Ministerial portfolios means it is challenging for collaborative decisions to be made that take account of the causes and effects of key issues facing future generations.

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.



Although there has been some attempt to address this more recently with the appointment of Ministers to lead particular pieces of work, I do not yet see comprehensive change illustrated in budgets to support this.

While it is encouraging that the <u>Budget</u> <u>Improvement Plan</u> contains actions to assess the impact of budget decisions and improve the collaborative assessment of budget proposals by 2023, the timescales need to be reconsidered, as bolder action could be taken much sooner.

The National Assembly for Wales could also be taking a greater focus on scrutinising the interconnected financial decisions that are proposed, rather than a single Committee focusing on scrutiny of single issues.

Welsh Government should set an example to public bodies by more explicitly showing how policies across departments are integrated, including demonstrating how the costs spent by one department are providing benefits or savings to another.

# 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. 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.

I have worked with Welsh Government officials to explore the definition of prevention and preventative spend and I am now using this to challenge government spending decisions:

#### **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."





Currently, opportunities are being missed to take a cross-government, coherent and evidence-based approach to prevention. It is encouraging to see the Government taking a more integrated approach through their focus on cross-cutting themes, but they are yet to show their workings and spell out how they are:

**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.

The work that I have undertaken with the Welsh Treasury over the last two years has led to the publication this year of the <u>Budget Improvement Plan</u>. This contains some positive actions in this regard such as "work with departments to explore how to expand the application of preventative definition across all portfolios in all Main Expenditure Groups" and "Use evaluation to test the practicalities and impact of shifting spend towards preventative activities, and the conditions needed to do this effectively across whole organisation."

I would like to see Welsh Government reconsidering the time frames of these actions and aim to drive faster progress (although since the emergence of the COVID-19 pandemic I recognise this is likely to be challenging).

It is important, however, that, as a minimum, the Government stick to the timescales in their plan and in time seek to encourage and support similar approaches in relation to other public services that have critically important roles to play in relation to prevention, like Local Government.

#### **New Zealand Well-being Budget**

"Our five Well-being Budget priorities show how we have broadened our definition of success for our country to one that incorporates not just the health of our finances, but also of our natural resources, people and communities."

Jacinda Ardern,
Prime Minister of New Zealand

The New Zealand Government published their first Well-being Budget in May 2019. It takes a different approach to measuring success, based on a broader range of indicators than just Gross Domestic Product and puts well-being at the heart of decision making.

The Well-being Budget does this in three ways:

- 1. Breaking down agency silos and working across government to assess, develop and implement policies that improve wellbeing.
- 2. Focusing on outcomes that meet the needs of present generations at the same time as thinking about the long-term impacts for future generations.
- 3. Tracking our progress with broader measures of success, including the health of our finances, natural resources, people and communities.



#### **Traditional Budget Process**

The Treasury Cabinet agrees **Cabinet agrees to** to a final Ministers and **Budget** broad priorities to initiatives, with a package agencies documents guide Budget focus on value for develop recommended present the final money and decisions as part initiatives by Budget package. strategic Ministers of the strategy alignment **Well-being Budget Process** Cabinet agrees Well-being budget priorities through an evidence-based and collaborative process that anchors Budget 2019 Ministers and agencies develop initiatives targeting Impact analysis and evaluation of policies inform evidence-based intergenerational well-being outcomes and present expected priorities in future Budgets well-being impacts Assessment of initiatives **Budget documents present the** includes consideration of their impact of Budget decisions for impacts for the Living Standards improving the well-being of New Framework well-being domains **Zealanders** and capitals Cabinet agrees a Budget package that best supports wellbeing outcomes, as advised by **Cabinet Committees** 

Welsh Government need to take a bolder approach to using their definition of prevention in the budget process, leading the way for other public bodies. Countries like New Zealand have shown how putting well-being at the heart of financial planning creates a cross-government approach to public services. Our Well-being of Future Generations Act requires us to go further again in demonstrating that the Government is spending in a way which reflects all five ways of working and requires consideration of the whole budget not just new spend.

It is notable, however, that the New Zealand example relates to new spend of around \$3.4 billion. It is notoriously difficult to shift to preventative spend throughout whole budgets, especially in key areas where there is increasing demand.

Therefore, for a bolder approach to be taken, there is a case for top-slicing budgets in order to direct spending towards meeting specific objectives. This should apply to the government's well-being objectives, but in the short-term could start with the government's cross-cutting themes.

Source: NZ Treasury

In order to coordinate this cross-cutting preventative approach, there is a case for establishing a Minister for Prevention who would be responsible for the process set out in Table 1 above. 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.



Welsh Government should appoint a Minister for Prevention, with responsibility for taking a whole-government, coherent and evidence-based approach to investment in prevention. This should not negate the responsibilities to work in a preventative way for all Ministers but should act as a central point for coordinating preventative work and challenging the extent to which preventative approaches are used in each portfolio.

Budgets should be top-sliced for specific spending on prevention and allocated to be spent on meeting the cross-cutting priorities set by Welsh Government that reinforce their well-being objectives, overseen by the Minister for Prevention.

Welsh Government should be using their definition of prevention and preventative spend in conversations with public bodies about performance management and finance. For example, in relation to health bodies, government should ensure the prevention agenda is indicated as a priority to Health Boards and senior managers in conversations on performance, prioritisation and finance.





There are good examples of Welsh Government involving people in their work, but their statutory consultation does not always give people an opportunity to test proposals against the Act

Welsh Government have a plethora of bodies panels and committees who facilitate engagement with Ministers and officials on government policy, but many organisations express concern that these arrangements still do not add up to the involvement coproduction approach that the Act requires. Some of the involvement Welsh Government have recently done shows progress towards the Act. For example:

Through using a combination of the software SenseMaker and a Citizens' Jury approach, Measuring the Mountain is part of the Welsh Government's evaluation of the Social Services and Well-being (Wales) Act (2014). This approach gathers stories from carers and people who need care and support services to provide findings and recommendations to government, social care professionals, healthcare and the public. In 2018, the Citizens' Jury made 31 recommendations to Welsh Government – 30 were accepted fully.

The Ministerial Taskforce for the South Wales Valleys gathered evidence for the action plan <u>Our Valleys</u>, <u>Our Future</u> through the <u>Talk Valleys</u> campaign, involving people through social media, online surveys, face to face events, themed meetings, staff meetings, and focus groups.



I propose a number of mechanisms for better involvement in other chapters of this report (see sections on A More Equal Wales in Chapter 3 and Skills in Chapter 5). I have also provided advice to Welsh Government on better ways to involve people, but in addition to this, Welsh Government could go further in ensuring its statutory consultation processes demonstrates better application of the Act.

Welsh Government published around 70 consultations in total during 2019 on a range of issues, from water quality to puppy sales. The Consultation Institute looked at the content of these consultations and found passing references to the Act, but rarely are consultees asked the extent to which they think the proposal contributes to the national well-being goals.

Therefore, specifically, where there is a legal and/or procedural obligation for them to follow specific consultation procedures, there is an opportunity to ask the public how proposals might impact on each of the well-being goals from their perspective.

Giving the public an understanding of the seven well-being goals and asking them to reflect on impact would help to assess how the proposal will affect well-being. This would also make the decision-making process more transparent, with the public being involved in debating the positive or negative impacts on each well-being goal.

All Welsh Government consultations should ask views on the relevance, and perceived impact of proposals on each of the national well-being goals and government are required to have due regard to their response.





#### **Recommendations for Welsh Government**

#### Policy Recommendations

#### Welsh Government should:

- 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 <u>United Arab Emirates model</u>, 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.
- 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.
- In seeking to close the 'implementation gap', they should clearly set 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. (Also a recommendation in Chapter 3: A Healthier Wales)
- Top-slice budgets for specific spending on prevention within the cross-cutting priorities set by Welsh Government that reinforce their well-being objectives, overseen by the Minister for Prevention.

#### **Recommendations for Welsh Government**

#### **Process Recommendations**

In their day to day actions Welsh Government should stop:

- Funding any programme which does not clearly demonstrate how it has applied the Act.
- Imposing short-term, output based performance measures on public bodies and across policy areas.
- 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 service delivery and should set out clear guidelines at the outset on
  how that body should interact with others to achieve local and national well-being
  objectives
- Placing requirements on public bodies that discourage application of the Act. The
  Integrated Medium Term Plans do not adequately align with the Act, so there is no
  requirement on health boards to account for their performance against their well-being
  objectives from the Health Minister or senior officials in government. It is essential that
  this is rectified.
- Establishing 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.

#### In their day to day actions Welsh Government should start:

- Incentivising and encouraging proper application of the Act and flexibility to innovate through capital and revenue funding programmes.
- Setting an example to public bodies by more explicitly showing how policies across departments are integrated, including demonstrating how the costs spent by one department are providing benefits or savings to another.
- 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, not focus on outputs, quantitative
  measures and process. Welsh Government and public bodies need to stop short term
  performance measure and find ways of measuring the success of initiatives based on
  well-being to encourage integration, preventative thinking and collaboration.



- 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.
- Reflecting the Act in the corporate planning, performance management and reporting requirements on public bodies. In particular,
  - encouraging long-term planning, particularly through Integrated Medium Term Plans in NHS bodies.
  - aligning the management of the health public bodies and other services to measures that reflect wider well-being, as well as service and financial performance.
  - reforming the remit letters to national bodies so that they are set in a longer-term context; incentivise proper application of the Act; and reflect discussions with government on how the national body can collaborate with others to meet its own well-being objectives and contribute to the objectives and steps of government.
- 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.
- Giving a clear steer to Public Services Board members that the Boards are able to accept funding, provided one partner holds the funds.
- Standardising the language they are using in line with the Act. This includes making the Act clear in the Terms of Reference of any reviews, commissions or bodies set up that they are required to align their work both to the principles and language of the Act.
- Meaningfully apply their definition of prevention and preventative spend and using it in conversations between government and public bodies about performance management and finance. For example, in relation to health bodies, ensure the prevention agenda is indicated as a priority to Health Boards and senior managers in conversations on performance, prioritisation and finance.
- Asking views on the relevance, and perceived impact of proposals on each of the national well-being goals within consultations and having due regard to the response.
- 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.
- To introduce a 'Real Life Fast Tack' programme within Civil Service and Public Sector. In order to bring a variety of skills, perspectives and experiences to the public services of the future, Welsh Government should work with public bodies to introduce a 'Real Life Fast Track' programme, seeking to recruit people who are experts on their own lives.
   (Also a recommendation in Chapter 4: ACEs and Chapter 3: A More Equal Wales)



#### **Resources / Useful Information**

#### **Future Generations Commissioner for Wales**

- <u>Journey to Involvement</u>
- Future Generations Framework
- Future Generations Framework for Scrutiny
- Future Generations Framework for service design

#### Welsh Government

- WG Future Trends Report
- Well-being of Wales 2019
- Prosperity for all: A Low Carbon Wales
- Welsh Government Annual Report 2019

#### Other

- Well-being evidence at the heart of policy.
- New Zealand's Well-being Budget





