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Llywodraeth Cymru
Welsh Government

Mark Isherwood MS
Chair of Public Accounts and Public Administration Committee
Senedd Cymru
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25 May 2022

Dear Mark,

Further to my letter of 10 January, I have enclosed an update on the Welsh Government's progress in implementing the recommendations from the Public Accounts Committee (5th Senedd) report *Delivering for Future Generations – the story so far*. This builds on the Welsh Government response sent to you on 1 October 2021.

Yours sincerely,

Jane Hutt AS/MS
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Minister for Social Justice

Copied to the Chair of the Equality and Social Justice Committee

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

ANNEX A: June 2022 Update on the Welsh Government's progress in implementing the recommendations provided in the Public Accounts Committee (5th Senedd) report *Delivering for Future Generations – the story so far*.

The Welsh Government response to the recommendations in the report sent to the Chair of the Public Accounts and Public Administration Committee on 1 October 2021 can be found here: <https://gov.wales/sites/default/files/publications/2021-10/letter-to-chair-of-public-accounts-and-public-administration-committee.pdf>.

RECOMMENDATION 1

The Welsh Government should carry out of a review of how it can provide longer-term financial security to the public bodies that are subject to this Act. This review should be completed in time to inform funding decisions in relation to the 2023-24 financial year.

Welsh Government progress update:

Following the UK Government's Autumn 2021 Spending Review, which provided us with a multi-year settlement, budget priorities have been set through to 2024-25. Welsh Government Ministers agreed that the 3-year spending review should focus on prioritising health and social care, local government, education, and the climate and nature emergency; all vital public services, and areas where public bodies have a direct interest. These allocations provide much needed certainty for our delivery partners including those in the third sector, and we will continue to push the UK Government for additional flexibility and continued certainty in respect to any financial settlements we receive.

RECOMMENDATION 2

The Welsh Government should carry out a review of how the work of Public Service Boards is funded. The review should begin no later than six months after the next Senedd election, with its conclusions implemented in time for them to inform funding allocations for the 2023-24 financial year. The review should be undertaken with the following principles in mind:

- PSBs should be able to access pooled funds, drawn from the resources of their statutory members, which they could either hold as formal corporate entities, or via informal arrangements.
- PSB budgets should be determined by clear, consistent guidelines set out by the Welsh Government.
- PSB budgets should be informed by the role that the Welsh Government has set out for them.
- The contributions that each organisation is required to make to finance PSBs should recognise wider commitments that they have to other partnerships (including to other PSBs).

Welsh Government progress update:

As noted in the response (October 2021), the most pressing priority for Welsh Government and the Public Services Boards has been the development the local assessments of well-being, which are now being published.

PSBs will be turning their attention to developing the local well-being plans and identifying their local well-being objectives, which will set out the contribution they intend to make to the

achievement of Wales' seven national well-being goals. These will need to be in place by May 2023. Alongside this development, Welsh Government officials are continuing to work with PSBs to explore where they have pooled – or attempted to pool – resources to identify good practice. We will work with them to identify how best to share and amplify this good practice. This is on track to complete before the well-being plans are published.

RECOMMENDATION 5

The Welsh Government must continue with plans to set and publish milestones as required by section 10 of the Well-being of Future Generations (Wales) Act 2015 no later than six months after the 2021 Senedd election.

RECOMMENDATION 6

The Welsh Government must continue with plans to review and publish revised national well-being indicators no later than six months after the 2021 Senedd election. The review should recognise the challenges and opportunities presented by the Covid-19 pandemic and take into account the views of public bodies, the public, and key stakeholders of the private and voluntary sectors.

Welsh Government progress update (Recommendations 5 and 6):

In 2021, we consulted on the first wave on national milestones and proposed changes to the national indicators. Based on the outcome of this consultation, we have added four more national indicators and laid the first wave of national milestones in December 2021. The additions to the set of national well-being indicators include new measures on justice, travel, housing costs and digital inclusion, which were all matters that we were told now play a greater role in shaping our national well-being than they did before the COVID-19 pandemic. The expanded national indicator set will continue to help us measure progress towards the seven well-being goals.

The annual Well-being of Wales Report, which will be published in September 2022, will report on the 50 national indicators and, for the first time this year, the national milestones where data is available. Together, the national indicators and milestones help us know whether progress is being made towards the seven well-being goals.

The national indicators are designed to represent the desired outcomes for Wales, and its people. These will help demonstrate progress towards the seven well-being goals. They are not performance indicators for an individual organisation or actions by an individual organisation. They provide a more holistic national picture of what is changing.

The national milestones are a series of measures against the national indicators that set out our expectations of what the indicators should show in the future. The milestones help us understand whether the national indicators are moving in the right direction towards achieving Wales' seven well-being goals. In a [written statement](#) on 19 February 2021 we committed to delivering the first wave of National Milestones by the end of 2021. The [first national milestones](#) for Wales were co-developed with public bodies and formally laid before the Senedd on 14 December 2021, with an accompanying oral statement by the Minister for Social Justice on the same day.

RECOMMENDATION 7

The Welsh Government must carry out a review of the public bodies that are subject to the Act. The findings of that review should be implemented in sufficient time for any newly added public bodies to receive their funding allocations and associated remit letters for the 2022-23 financial year. The review should:

- take into account the impact on the implementation of the Act at a national level that including/omitting any particular public body would have;
- acknowledge that the inclusion of any additional public bodies will result in additional reporting, monitoring and auditing requirements that will inevitably have financial/resourcing implications;
- clearly set out the expectations of public bodies that are not formally subject to the Act in relation to sustainable development, and how those expectations will be monitored and enforced; and
- clearly set out the criteria against which inclusion/exclusion decisions were made and the process or timeframes by which future reviews will be initiated.

Welsh Government progress update

On 7 March 2022, I replied to a letter from the Chair of the Equality and Social Justice Committee requesting further information on the review of the public bodies that are subject to the Act. This [response](#) provided an update on the approach and the tests we are applying to consider which additional bodies would be subject to the Act's well-being duty. Based on an initial assessment of the four criteria set out in Well-being of Future Generations Bill's Explanatory Memorandum, which determined which public bodies were originally subject to the Act, we estimate that fewer than ten additional public bodies are likely to be added to Section 6 of the Act.

We will shortly publish a consultation document seeking views from stakeholders on our approach to extending the well-being duty (Part 2) to additional public bodies.

RECOMMENDATION 8

The Welsh Government must continue with plans to frame remit letters around the Well-being of Future Generations (Wales) Act 2015, following consultation with the Future Generations Commissioner. The new remit letters should be in use no later than in relation to the 2022-23 financial year.

Welsh Government progress update:

The template for Term of Government remit letters includes a requirement to meet in full the well-being duty set out in the Well-being of Future Generation Act (Wales) 2015.

New Term of Government Remit Letters are required to be in place following the 2021 Senedd Cymru election in May 2021, as and when they fall due.

It will be the responsibility of Arms-length body (ALB) Partnership Teams to assess to what extent ALBs are fulfilling those requirements, based on monitoring information provided to them by the Bodies.

RECOMMENDATION 9

The Welsh Government must not create any new partnership or collaborative structures to fulfil any functions unless it has fully explored whether:

- existing partnership structures could undertake those functions instead;
- the new structure could replace existing ones;
- the functions can be carried out by existing public bodies; and after consultation with public bodies affected by the proposed changes, can demonstrate support for the new structures from a majority of public bodies affected by them.

RECOMMENDATION 10

The Welsh Government must publish guidance no later than six months after the next Senedd election that sets out:

- how the work of Regional Partnership Boards, Public Services Boards, Corporate Joint Committees, alongside other major partnership structures, interact with each other within the framework of the Well-being of Future Generations (Wales) Act 2015, with examples of good practice;
- what flexibility partnerships have to make decisions to better and more efficiently organise themselves;
- where partnerships and organisations can take action to simplify or consolidate the governance and reporting structures to reduce repetition and duplication;
- the Welsh Government's view of the landscape of partnership structures over the next reporting period (2020-25), including any proposals to abolish or consolidate those structures.

Welsh Government progress update (Recommendations 9 and 10):

As noted in the response (October 2021), the *Review of Strategic Partnerships* contained clear recommendations on practical actions to simplify the partnership landscape. Delivering against the recommendations from the review will also deliver the aims within recommendation 9 and 10.

The Public Accounts and Public Administration Committee will note that there is a commitment in the Co-operation Agreement to keep regional partnership arrangements under review, which overlaps with the recommendations from the Committee.

The Minister for Finance and Local Government is scheduling discussions with the Chairs of strategic partnerships to review actions, opportunities and barriers to capitalise on flexibility to simplify partnership arrangements. The underlying principle remains that changes to partnership arrangements should be led locally, driven by what works best and based on local priorities and existing relationships.