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Post legislative scrutiny of the Well-being of Future Generations Act: evidence to the Equality and Social Justice Committee

- 1 This written evidence is provided to inform the Committee's post-legislative scrutiny of the Well-being of Future Generations (Wales) Act 2015. It addresses the key questions posed by the Committee's inquiry and builds on our [oral evidence](#) on 30 June 2025.

Q1. How far are the intended objectives of the Act being achieved?

Effectiveness of the Act and its implementation – our audit findings and recommendations

Overall findings

- 2 Our statutory report, '[No time to lose](#)', sets out our assessment of the extent to which public bodies are acting in accordance with the Act's sustainable development principle. This assessment is based on a substantial evidence base, gathered between 2020-2025. It builds on our first statutory report under the Act, [So what's different?](#), in May 2020.
- 3 Overall, our latest report finds that, 10 years in, the Act has increased in prominence and is influencing longer-term planning, decision-making and working practices within public bodies. However, we also see examples of little or no explicit consideration of the Act. We see variation in practice within organisations, and within and between sectors.
- 4 More broadly, we observe that accelerating progress under the Act starts with prioritising prevention. We emphasised this because of the upward trends in demand over the 10 years since the Act was passed and the scale of the financial pressures now facing public bodies.
- 5 Our report highlights that the health system in particular has some way to go in implementing the Act. The Act's objectives align with what health bodies are seeking to achieve. However, the Act has not necessarily had the prominence that it needs to shape strategic planning and decision making.

- 6 Our report also shares examples of where the health system is struggling to make the shift to prevention. For example, previous work highlighted that there is more to do to shift resources from secondary to primary care and to ensure primary care has the necessary visibility and focus in decision-making and scrutiny. We also identify the lack of a coherent, strategic approach to preventing cancer.
- 7 In particular, we have found there is still much to do across public bodies on applying the sustainable development principle to corporate functions, including workforce planning, financial planning and asset management. This is despite the Welsh Government's [core guidance](#) on the Act setting out seven areas where the 'change needs to happen'. These are corporate functions that are important in promoting and embedding wider application of the Act.¹
- 8 Given all of this, we find the Act is not driving the system-wide change that was intended. Public bodies need better data, a clearer picture of resource implications and a better means of understanding impact to ensure they can effectively apply the sustainable development principle.
- 9 However, there is only so much that individual public bodies can do. Bodies are working in an environment that does not always promote that change. We consider that there is scope to change wider systems and processes to help ensure the Act's objectives can be achieved. The Act is aimed at driving system change, but there are limits to what legislation can achieve in isolation. There needs to be more focus on complementary factors, such as performance frameworks, funding, and other guidance to facilitate greater progress.

What we recommended and why

- 10 We made four recommendations to the Welsh Government in [No time to lose](#). They are strategic in nature, focused on the Welsh Government's role as the system-leader. Our report included some additional detail and context but, in short, our recommendations were that:
- Recommendation 1: The Welsh Government should now clearly set out a scope and timetable for its own post-legislative evaluation and any changes to the Act.
 - Recommendation 2: The Welsh Government should work with public bodies to explore and agree what can reasonably be done to

¹ The seven areas are corporate planning, financial planning, workforce planning, procurement, assets, risk management, and performance management.

minimise funding uncertainties and aid their medium and longer-term planning where possible.

- Recommendation 3: The Welsh Government should explore ways of encouraging investment in prevention.
- Recommendation 4: The Welsh Government should work with public bodies to take a fresh look at the assessment of performance and impact under the Act.

11 We chose not to make recommendations to other public bodies. This is because we have made recommendations relevant to the application of the sustainable development principle through other examinations over the past five years. The Commissioner has also made far-reaching recommendations in his [Future Generations Report 2025](#).

Recommendation 1

12 We made recommendation 1 because the Act is a significant piece of legislation, and it represents good governance to review its effectiveness. This recommendation also reiterates one of two recommendations in [So what's different?](#).

13 This Act is also particularly broad ranging, given that it covers most of the devolved public sector and relates across public bodies' services and functions. Therefore, any challenges or inefficiencies are likely to add up in wasted time and costs. Given the pressures facing public bodies, there is also a significant opportunity cost if capacity is not being used as effectively as it could be.

14 In the spirit of the legislation, it seems appropriate that public bodies and other stakeholder should have the opportunity to share their views and experiences 10 years on. For example, our experience of delivering sustainable development examinations under section 15 of the Act has identified opportunities to strengthen this part of the legislation to improve both efficiency and effectiveness (see also **paragraphs 39 to 57**).

15 There have also been wider changes in other legislation and the number of bodies covered by the Act's well-being duty which may have a bearing on the Act.

Recommendation 2

16 Recommendation 2, about minimising uncertainty in funding, captures a consistent theme across our work, for example in recent reports on [Affordable Housing](#) and the [Wales Infrastructure Investment Strategy](#). It also comes through in our general engagement with public bodies.

- 17 Public bodies continually describe the difficulty of planning in the face of short-term funding cycles, late notifications, unexpected in-year allocations of specific grants (which may have to be spent at short-notice) and capital funding that is not backed by revenue. These issues can result in funding not being used in a planned way to secure value for money and better outcomes for the long term, aligned to bodies' objectives. It also seems that these factors can make it more difficult for public bodies to invest in prevention, which is likely to require a sustained funding commitment.
- 18 While we have continued to highlight the need for public bodies to take a longer-term view of their finances to help them plan for these uncertainties, we think it is also important for the Welsh Government to act. The Welsh Government faces its own uncertainties but should explore and agree what can reasonably be done to minimise funding uncertainties for public bodies to aid their medium and longer-term planning.

Recommendation 3

- 19 As prevention is at the forefront of No time to lose, we made this recommendation to support a shift to a more preventative public service model. We recognise that investing in prevention is a challenge given the pressures public bodies face.
- 20 Beyond the requirement to apply the ways of working, there is a need for changes in process and some more technical solutions to facilitate the aims of the Act. Specifically on prevention, it is very difficult to categorise spend as preventative. However, it is important to understand the current baseline to inform decisions about increasing investment and understanding the value for money that is being achieved. CIPFA are doing interesting work to develop a method (we have connected the Commissioner and CIPFA on this).
- 21 There are also opportunities to look at how the Welsh Government's budget process could further embed prevention to ensure national funding is allocated with that purpose. For example, bringing together funding streams across different parts of the system.
- 22 In addition to this, there are opportunities to look at what could be done to further incentivise or protect preventative spend at a local level. This could involve removing ringfencing, or in some cases might mean the protection of certain funding for prevention.
- 23 Our recommendation differs from the Commissioner's recommendation on ringfencing spend for prevention that increases over time but encourages the Welsh Government to explore complementary ways of incentivising investment in prevention. In setting out a range of opportunities, it covers

strengthening the understanding of preventative spend. This is similar to a separate recommendation from the Commissioner on mapping preventative spend.

Recommendation 4

- 24 The backdrop to this recommendation is that our work on the setting of well-being objectives has found gaps in performance measures or a focus on outputs, rather than measures that reflect the long term, cross-cutting outcomes bodies are seeking to achieve.
- 25 Other work, notably in local government, has highlighted limitations of performance measures and a lack of focus on measuring outcomes. There is also a lack of national comparative performance information for local government, which makes benchmarking difficult.
- 26 Interestingly, the Act does not require public bodies to take account of the national indicators when developing their local measures. This appears to be a missed opportunity. We think it would be beneficial to look at performance assessment under the Act. This could help strengthen performance measures at individual bodies, enable benchmarking where feasible, and connect local and national measures. We note that Public Health Wales made a similar point about adapting performance arrangements to take account of national indicators in their written response to the inquiry.
- 27 This would not need to be, and we would not recommend, anything restrictive. It would be important to maintain a focus on flexibility so that bodies' measures appropriately reflect their objectives.

Effectiveness of the Act and its implementation: the Auditor

General's duties under section 15

- 28 The section 15 duties focus on the application of the sustainable development principle. This is (as far as we know) a unique focus for audit work.
- 29 We have developed our audit approach over the two reporting periods. We initially undertook an extensive programme of work, engaging stakeholders and piloting a new audit approach. This included developing a set of 'positive indicators' that describe what good could look like for each way of working.
- 30 Designing a bespoke approach helped to ensure clarity on the requirements of the Act and gave it the prominence it needed in the early

days of public bodies' implementation. We received positive feedback for adopting this approach.

- 31 Our aim was that, over time, we would incorporate the assessment of the sustainable development principle into wider audit work. Specifically, the examinations of steps to meet well-being objectives, which takes us into functions and activities that we may be reviewing for other purposes. Assessing the setting of well-being objectives is more likely to be a standalone review, given its specific nature.
- 32 We consulted on this approach for the second reporting period, then began integrating the examinations alongside our value for money work from 2020. As a result, we have embedded consideration of the Act across our performance audit processes, from scoping through to project learning. The positive indicators continue to inform our audit criteria.
- 33 In practice, this means that we now carry out more examinations than the minimum number required under the Act. It also means that, even where we are not carrying out a comprehensive assessment of the application of the sustainable development principle, we often build in consideration of at least some of the ways of working.
- 34 Carrying out our examinations of steps to meet well-being objectives in this way also allows us to effectively address the sustainable development principle as a major factor in the arrangements bodies have in place to secure value for money. We think this comes out clearly in No time to lose.
- 35 We also welcome the opportunity to report our findings to the Senedd in each reporting period, sharing key messages and themes from our work. The medium-term cycle ensures we have a large body of work to draw from. Publishing alongside the Commissioner's report also provides a fuller picture of what is known about bodies' implementation of the Act.
- 36 Overall, we consider that we have developed an effective approach to delivering section 15 examinations. At the same time, we continue to look for ways we can refine and strengthen how we assess the ways of working as part of value for money considerations. We have also identified ways the Act could be strengthened to enable us to add more value and increase efficiency (see **paragraphs 46 to 57**).

Coordination between the Auditor General and the Future Generations Commissioner

- 37 We have good working relationships across the two organisations. This is set out in an MoU. The MoU also provides various examples of how we coordinate functions in practice. These include:

- seeking the Commissioner’s advice when scoping examination work; and
- taking account of advice and recommendations made by the Commissioner when undertaking future examination work.

38 We have a long-established working relationship that serves both organisations well. However, there are some inherent complications in the division of responsibilities across the Auditor General and Commissioner that could, in theory, cause difficulty (see **paragraphs 62 to 66**). While this has been avoided to date, that cannot be guaranteed for the long term, particularly where there are changes in key personnel.

Q2. Any action which should be taken to improve the effectiveness of the Act and its implementation, including any specific drafting issues

Opportunities to improve the section 15 duty on the Auditor General

- 39 We think that additional flexibility in the Act’s provisions for section 15 examinations is merited. In short, it would enable us to add more value and carry out our work in a more efficient and proportionate way within our resource envelope and with less impact on the Auditor General’s discretion to decide on his work programme amid competing demands.
- 40 We said this when commenting previously as part of the Welsh Government’s consultation on extending the well-being duty to more bodies (as happened in June 2024). And we raised the same issue when providing estimated costs for the Welsh Government’s regulatory impact assessment for the Senedd Cymru (Members and Elections) Act 2024, which has shortened the reporting cycle for our work under the Act.
- 41 Section 15 requires us to examine, at least once in a reporting period, the setting of well-being objectives and steps to meet them at each body. It is therefore focused on discrete elements of activity, rather than how public bodies are implementing the legislation overall. This effectively means we gain insight into some specific activities (which is useful). However, the duty does not lend itself to a broader understanding of how public bodies are implementing the Act, unless we are able to incorporate the examinations in wider, routine performance audit work.
- 42 We are also less able to gather such a broader assessment at Welsh Government Arm’s Length Bodies (ALBs), and to some extent the Welsh Government itself. This is because of the absence of a duty to be satisfied

as to arrangements for securing value for money (which applies in local government and the NHS).

- 43 The provisions also mean that we must carry out an examination of the setting of well-being objectives at all bodies in each cycle. However, bodies are not required to set well-being objectives to a particular timetable, and objectives are sometimes set for the long term, which is in keeping with the Act.
- 44 In some instances where objectives were not set in the reporting period, we examined how bodies reviewed their well-being objectives to assure themselves that they are still providing the right direction. Public bodies must review their objectives each year and whenever the national well-being goals are changed. A review may lead to changes in the well-being objectives.
- 45 We would favour a broader examination power rather than duty, for example along the lines of:
- ‘The Auditor General may assess the extent to which public bodies are acting in accordance with the sustainable development principle as required by this Act’.
- This would allow us to continue to undertake examinations of both the setting of well-being objectives and steps to meet them, but with more freedom to prioritise coverage.
- 46 Such a duty would also allow us to carry out more work focused on steps within the same resource envelope (however, see also **paragraph 76**). We could replace work on objective setting with additional work on steps if, for example, a body had not set new well-being objectives or if we considered that that would add more value. A more flexible power would also render academic any confusion about the difference between setting and reviewing objectives. It would lend itself to examinations of either, ensuring we can programme our work to fit with public bodies’ planning arrangements and other relevant considerations.
- 47 A power such as this would also enable us to undertake section 15 examinations across multiple bodies, with in-depth work at a sample. This could be a more proportionate and efficient way of covering the sustainable development principle at some, particularly smaller, bodies. This could include producing a single report for such an examination, rather than reporting to individual bodies.² Carrying out examinations across multiple

² While there is no duty to report on individual examinations, we think it is important to communicate our findings and promote accountability. Invariably, this reporting would also include recommendations for improvement.

bodies could also provide opportunities to examine more steps at these bodies over the reporting period.

- 48 The focus of the Auditor General's current duty on individual bodies is arguably also at odds with the sustainable development principle and its emphasis on integration, involvement and collaboration, which tend towards a less individual body focus. A more flexible power would allow us to prioritise more cross-body issue or place-based examinations.
- 49 We think this additional flexibility is especially important now that the well-being duty has been extended to more public bodies, taking the number from the original 44 to 56.³ There is also the prospect of further bodies being added through other policy developments. While our work suggests bodies still have some way to go in their application of the sustainable development principle, we consider that arrangements have matured in a way that supports a change in focus for the section 15 duty.
- 50 A more flexible power would also help us manage the impact of moving from a five to four-year reporting period because of Senedd Reform. It would help ensure we can focus our work effectively, while taking a proportionate approach, in a shorter timeframe.
- 51 It could help us to deliver the examinations in a more economical way, particularly at smaller ALBs. So far, we have sought to avoid charging fees for the section 15 examinations, as it would have a significant impact on bodies' overall audit fees, particularly for smaller bodies. By integrating the examinations where we can, we have been able to deliver these without charging additional fees to public bodies in the second reporting period.
- 52 For bodies where we cannot carry out routine ongoing performance audit work (see **paragraph 42**), we covered the cost in the second reporting cycle through funding we received from the Welsh Consolidated Fund (WCF). That funding was approved via our estimate to the Senedd, and in part the examinations at these bodies was at the expense of other work.
- 53 We have already sought a relatively small amount of WCF funding to accommodate demands from new bodies coming under the Act and the effect of Senedd reform which results in a need to undertake 25% more examinations in any given period. Given the general pressures on finances, we costed this on a minimum required extent of work basis, though a

³ On 18 September 2025, the Cabinet Secretary for Economy, Energy and Planning announced that the functions of the Centre for Digital Public Services would be merged into the Welsh Government in April 2026, meaning the number of bodies subject to the well-being duty would reduce to 55, at least in the short-term.

greater extent of work may be desirable to fully meet the objectives of the Act.

- 54 It is also worth noting that, as there is less opportunity to integrate work at ALBs because of the general absence of a value for money arrangements duty, we will look to embed examinations as part of our national value for money studies programme. While this approach is necessary because of the legal constraints on central government audit work, it is less suitable for ongoing consideration of the sustainable development duty than the approaches available in local government and the NHS.
- 55 The greater flexibility that would be provided by a power along the lines set out at **paragraph 45** could help to reduce the need for further increased WCF funding and impacts on our wider programme of work. It should also help deal with the problem of interference with the Auditor General's independence in setting his work programme that arises from being required to undertake examinations at each public body in each electoral cycle.
- 56 To be clear, we are not suggesting changing the duty for the Auditor General to report to the Senedd in accordance with the current cycle (see also **paragraph 35**). This would help to ensure a meaningful and continuing coverage of the sustainable development principle across our work.
- 57 There is also potential to give the Auditor General the power to assess public bodies' progress towards their well-being objectives. This would complement work on setting and taking steps to meet well-being objectives (see **paragraphs 62-66**). Currently, there is rather confusingly provision for work assessing bodies' progress by the Commissioner in both section 18(b) of the Act (as part of a general duty) and in section 20(2)(b) (as a power in relation to particular bodies). However, whether in the form of a power or a duty, having such work undertaken by a separate body to that undertaking reviews of whether well-being objectives are set and pursued in accordance with the sustainable development principles is inherently less efficient and less effective than having these functions taken by the same body. Indeed, the Commissioner noted in his submission to the committee that section 20 reviews are resource intensive.

Other drafting issues

- 58 There are some other elements of drafting that could be improved. Some are minor oddities, for example, PSBs are required to send the Auditor General their well-being assessments, plans, annual reports and details of associated scrutiny. However, our examinations relate to individual public bodies (and not PSBs), but public bodies are not required to send us any

such information. It would be more efficient for all concerned if the Act were revised to provide the Auditor General with a right of access to such information that he considers necessary for the exercise of his functions under the Act, as is usual in public sector audit, rather than just having a standing requirement for PSBs to send assessments etc.

- 59 Indeed, the absence of such access rights is an oddity in its own right. Fortunately, it has not been a significant problem to date, but it has the potential to create substantial practical barriers to the delivery of sustainable development examinations. The risk of this becoming a real problem increases if more bodies whose accounts are not audited by the Auditor General become subject to the well-being duty.
- 60 The absence of such statutory access rights also contrasts with the robust access to information provisions that accompany the Auditor General's accounts audit and other examination functions. This perhaps risks signalling that the Act is not quite as serious a matter as that other work.
- 61 There is also incoherence in reporting and laying provisions in the Act in relation to the Commissioner's accounts and annual report. There are overlapping, dual report laying requirements in paragraphs 17 and 21 of Schedule 2 to the Act. These are practically managed by the Welsh Ministers arranging for the Auditor General to lay reports on their behalf. While this works, it is not entirely satisfactory, and if the opportunity for tidying the legislation is available it would be appropriate to address this.
- 62 Other more material matters relate to the Auditor General's and Commissioner's closely related responsibilities. As mentioned at **paragraph 57**, the Commissioner has a duty to monitor and assess the extent to which well-being objectives set by public bodies are being met (section 18(b)). There is, therefore, a disjuncture between the assessment of how well-being objectives are set and steps to meet them are carried out (Auditor General's responsibilities) and the assessment of progress.⁴
- 63 The monitoring and assessment of progress towards objectives would fit well with the Auditor General's existing examinations. In examining the setting of well-being objectives, we already consider how public bodies have taken account of past performance and how they intend to monitor progress towards their well-being objectives. It would also fit with wider performance audit work where we may review performance management arrangements (health and local government bodies).

⁴ The Commissioner has made clear that exercising the section 18(b) duty is very difficult, even impossible. He has highlighted public bodies' piecemeal approach to the setting of well-being objectives as the cause of this difficulty.

- 64 And a broader power for the Auditor General, as described in **paragraph 445**, could enable proportionate assessment of progress in meeting well-being objectives (as part of consideration of whether they are pursuing sustainable development, i.e. improving well-being, in accordance with the sustainable development principle, as required by section 2 of the Act). A broader power would enable a generally more integrated and proportionate approach, allowing the work to deliver greater value for a given level of resource.
- 65 We also consider that such a development would enable a clearer and more coherent delineation of responsibilities between the Auditor General and the Commissioner. We consider that it is generally helpful that there is separation between functions that concern advice, guidance and encouragement (i.e. largely functions of the Commissioner) and review functions. This is chiefly because where advisory functions are combined with review functions, there is a danger of undermining (or appearing to undermine) the objectivity of the review functions. It is for this reason that auditors are generally prohibited from providing advisory services by the Financial Reporting Council's Ethical Standard.
- 66 The current division of functions in the Act, while seeming to broadly set out such a separation, is, however, not quite coherent, as indicated at **paragraph 57**. This leads to confusion on the part of public bodies, as the Commissioner has mentioned in his written submission, and this is not conducive to successful implementation.
- 67 Most importantly, any developments in overseeing progress towards well-being objectives need to be seen in the context of our recommendation 4 (the need to take a fresh look at performance assessment under the Act – see **paragraphs 24 to 27**). Progress on this should facilitate a more effective and consistent assessment of progress.

Q3. Consider whether the review and reporting requirements under the Act are being met

- 68 We are confident that we are meeting the reporting requirements of section 15 examinations, but we do not have a role in checking public bodies' compliance with the requirement to review and report annually on their well-being objectives. Therefore, we cannot give a complete answer on the extent to which all bodies covered by the Act are meeting those requirements.
- 69 Neither do we have an explicit role in examining how public bodies review their well-being objectives. However, as noted in **paragraph 44** we have examined how bodies are reviewing their well-being objectives where they

had not, and did not intend to set, new objectives within the reporting period.

70 In those cases, we developed audit criteria, drawing on the Welsh Government's guidance on the Act and seeking the views of the Commissioner. We also shared the criteria with Welsh Government officials. However, the information we could draw on from guidance was limited (see **paragraph 78**).

71 In carrying out our work on well-being objectives, we have seen that certain bodies had not reviewed them for some time. More generally, the need to improve performance measures is a barrier to effective annual reporting. We found that:

- public bodies often did not have the right performance measures in place to help them understand progress and impact against their objectives;
- measures were typically more focused on activities and outputs than outcomes; and
- some public bodies had not set out specific measures to accompany the objectives.

Where measures have not been set out alongside the objectives, this clearly makes it difficult to communicate progress transparently. Again, progress on our recommendation 4 would help to address this.

Q4. The effectiveness of guidance made under the Act

72 There is fairly extensive Welsh Government guidance to accompany the Act. Nevertheless, since the guidance was drafted, the collective understanding of the legislation across public bodies and wider stakeholders has matured, and there is potential for the guidance to be further developed to reflect this. The Commissioner also has a role in providing advice to public bodies and has a range of tools to support them.

Gaps in guidance

73 There would, however, seem to be some key gaps in the guidance produced under the Act. In particular, it appears that there is a lack of guidance to democratically constituted public bodies on how to reconcile political mandates with the duty to set and take steps to meet well-being objectives in accordance with the sustainable development principle duty. This seems particularly pertinent in terms of 'taking account of the importance of involving other persons with an interest in achieving the well-

being goals and of ensuring those persons reflect the diversity of the population' (section 5(2)(c)).

- 74 Indeed, this complexity arose in our examination of the setting of well-being objectives at the Welsh Government in 2021. Putting the well-being objectives at the heart of the programme for government was appropriate, but the reality of setting well-being objectives soon after an election requires government to ensure that programme reflects the sustainable development principle, which has inevitable challenges following an election. We found that, ultimately, the Welsh Government had not provided clear supporting evidence to show how it has applied the sustainable development principle when setting its well-being objectives.
- 75 There also seems to be an issue of the Act effectively providing dual sources of guidance, albeit with one source (the Commissioner) this is labelled as 'advice or assistance'. It may be worth considering whether arrangements for guidance could be made more streamlined and more robust, so strengthening the position of the Commissioner. This could perhaps be done by transferring the Welsh Ministers' function of issuing guidance (section 14) to the Commissioner.
- 76 Clearer guidance could also help public bodies set out clear well-being objectives and associated steps. Public bodies have freedom to pitch their objectives as they see fit, and this is important. However, objectives can be high level and the accompanying information on steps may be limited. This has implications for how bodies measure progress towards them and how the Commissioner can effectively monitor them.
- 77 There is also a question of whether corporate enablers, such as financial planning, should automatically be considered steps to meet well-being objectives, even if not explicitly listed as steps in the well-being statement. This would recognise their vital role is supporting overall delivery of the well-being objectives, and the read across to the areas 'where the change needs to happen' described in the Act's guidance (see **paragraph 7**).
- 78 Through our work we have also identified that the expectations relating to how public bodies should review their well-being objectives could be clearer. Guidance states that public bodies should, when reviewing their objectives, consider whether they 'remain consistent with the sustainable development principle'. This could entail quite detailed and resource-intensive work, and it would be helpful to clarify whether and how this differs from how bodies should apply the sustainable development principle when setting their well-being objectives. We think additional clarity would be helpful as we expect public bodies will be doing these reviews in different ways with varying levels of consideration of the sustainable development principle.

Changes since the Act was introduced

- 79 Since the Act was passed, other related legislation has come into force. For example, the Social Partnership and Public Procurement (Wales) Act 2023, which was developed with the Well-being of Future Generations Act in mind.
- 80 While undoubtedly intended to be complementary and supportive, there is potential for confusion between some of the provisions. The Social Partnership and Public Procurement Act places a requirement on public bodies to seek consensus with social partners when setting well-being objectives. It may be helpful to clarify expectations on consensus and how it relates to involvement under the Well-being of Future Generations Act.
- 81 There is also an opportunity to clarify the relationship with the Environment (Wales) Act 2016. This requires Natural Resources Wales to lead on preparing areas statements, but there is potential overlap between these and PSBs' well-being assessments and plans.
- 82 Similarly, the relationship between the Regional Partnership Boards and PSBs, and alignment of the RPBs' population needs assessment and PSBs' well-being assessment, could be clearer.
- 83 Overall, it appears that public bodies may be struggling with the need to service different requirements and comply with multiple duties. Linked to this, the volume of reporting requirements under different duties, especially for smaller bodies, may be burdensome and difficult to bring together.
- 84 There may also be a need to update the guidance following action government takes in response to the Auditor General and Commissioner's recent recommendations. Specifically, recommendation 1 (post-legislative evaluation) and recommendation 4 (assessment of performance).

Q5. How far the Act has been legally binding and enforceable

- 85 The legislation does not lend itself to legal enforcement of its requirements, as it is based on 'ways of working'. Application of the ways of working are context dependent – the way and degree to which they are applied will vary depending on the policy area and a range of other factors. However, there are some opportunities to strengthen accountability under the Act.
- 86 Given that the ways of working model is a deliberate design choice, it is difficult to see how the legislation could easily be revised towards a standards and enforcement model. It is also important to consider the consequences of such a change, which could increase litigation and cost. We generally see merit in avoiding litigation in favour of co-operation.

Impact assessment

- 87 One option may be to consider whether there would be merit in requiring bodies to assess the impact of their decisions on future generations. Like the Public Sector Equality Duty, this would entail decision makers demonstrating how they have taken account of the long term as part of the decision-making process. This could aid transparency. It could also enable enforcement to a degree through Judicial Review.
- 88 However, this would add to a long list of impact assessments that are already required. While many bodies already carry out 'integrated impact assessments', there are both advantages and disadvantages associated with this. Such a requirement would also have to be set in the context of existing weaknesses in public bodies' approaches to impact assessments.⁵
- 89 Therefore, if a requirement to undertake impact assessments was introduced in relation to the Well-being of Future Generations Act, there would need to be further development of the integrated impact assessment model and associated guidance to support public bodies. Simply adding another requirement would not be helpful. However, an integrated model could be an opportunity to streamline and strengthen impact assessments more generally.

Strengthening performance management and reporting

- 90 We made recommendation 4 in [No time to lose](#) (assessment of performance) with a view to strengthening the accountability arrangements that support the Act (see **paragraphs 24 to 27**). While this is not the same as enforcement, it is an important means of driving improvement, ensuring transparency and assessing value for money.
- 91 Making these improvements would not only support accountability for delivery at a local level but improve the national picture of how activity by individual bodies is contributing to the well-being of Wales. It could enable comparisons of performance and build understanding of performance across different parts of the system/ sectors.

⁵ In our 2022 report, [Equality impact assessments: More than a tickbox?](#), we found equality impact assessments were still often treated as a tickbox exercise, that qualitative information was patchy, and highlighted concerns that diverse groups were not being involved often enough. We also raised a recommendation for the Welsh Government around working towards a shared understanding of what good looks like for an integrated impact assessment.

Our role in providing challenge

- 92 The Auditor General is not an enforcer, but alongside the Commissioner has a key role in ensuring accountability for delivering on the Act.
- 93 We have deliberately developed our audit approach over time to balance an emphasis on learning and improvement with challenge. We stated that our expectations would grow in the second reporting period.
- 94 Our increased expectations are reflected in our published outputs, including No time to lose, which sets out a clear message that we are not seeing the system-wide change intended. Other examples include:
- Springing Forward, where we said that many councils had not yet considered how they could use the sustainable development principle to help them develop their approaches to workforce and assets.
 - Our affordable housing report, which stated ‘The lack of a long-term approach to affordable housing hampers progress and contributes to an unstable pattern of spending and delivery’.
 - Our cancer services review, where we made clear recommendations on the need for a coherent, long-term strategic approach for cancer and a strategic approach to population health improvement and disease prevention.
- 95 The nature of the sustainable development principle means it is difficult to say that a body has fully applied it. It is also often difficult to say that a body has categorically not applied it, but we nevertheless challenge public bodies and highlight where they need to go further in applying the ways of working.
- 96 We report our findings to public bodies (despite the fact there is no duty to do so, and the only reporting duty is to the Senedd at the end of each reporting period). Following this:
- We ask that bodies complete a formal response to our recommendations (management response form). We consider the response and request further information where we think it necessary.
 - Our reports and the organisations’ responses are presented to audit committees. Those committees can then track activity against those recommendations.
 - We also follow-up on our recommendations.
- 97 We think it would be helpful to extend the Auditor General’s power to issue Public Interest Reports (paragraph 19 of Schedule 8 of the Government of Wales Act 2006) so as to include matters arising in the course of section 15 sustainable development principle examinations. This would put our assessments of the sustainable development principle on the same serious

footing as financial matters. This would require a small amendment of paragraph 19 of Schedule 8 to the Government of Wales A 2006. Amending paragraph 18 of that Schedule so as to give statutory access rights for section 15 examinations would also be helpful.

Q6. How far the Act has represented, and will continue to represent, value for money

98 We have continued to stress that the sustainable development principle is a value for money issue. Public bodies will not be able to assure themselves that they are delivering real value money if they do not:

- think about costs over the longer term;
- consider how they can act preventatively to stop costs from occurring or escalating;
- work with partners to deliver more efficiently or effectively;
- understand what people want and need from their services; and
- consider how they can maximise value by delivering a broader range of benefits.

We note that other public bodies have reflected this in their consultation responses.

99 However, this is a different question from whether the legislation itself has represented and will continue to represent value for money. That is a difficult question to answer, due to the nature of the legislation.

Implementing the Act is not tied to one specific activity or function; it is meant to be pervasive and requires regular action across organisations. A large number of inputs and outcomes would need to be weighed, and this would be very difficult or impossible.

100 While the true breadth of activity will be difficult (if not impossible) to capture, organisations may be able to provide information on how much corporate capacity they have devoted to putting necessary systems and processes in place. This could include updating/ developing templates and tools for staff, delivering training and carrying out required activity for the PSBs they are involved with.

101 We have not conducted work on the value for money of the Act (this is beyond the scope of the Auditor General's section 15 duty) and only bodies themselves would have information on time spent. However, when it comes to effectiveness, we find there is more that could be done to improve implementation of the legislation (as described above).

102 Many of the improvements that need to be made by bodies extend beyond the direct scope of the legislation. For example, good data, clarity on the

resources required to deliver various ambitions and the right performance measures. These are also the foundations that public bodies need to ensure they are delivering value for money more generally. It will be important for public bodies to continue strengthening them, particularly given the financial challenges they face.

- 103 We have also already identified opportunities to add more value and increase efficiency in our audit work under the Act (see **paragraphs 39 to 57**).