



Consultation Response

Senedd Public Accounts Committee consultation: Barriers to the successful implementation of the WFG Act

Introduction

1. We welcome the opportunity to feed into this committee inquiry. First it is important to state that we believe the Well-being of Future Generations Act is a ground-breaking piece of legislation – on which we are fully committed to its successful implementation. We wholly expected that such a transformative piece of legislation – intended to change the culture and the way that all public bodies work – would take a while to fully implement but there are signs that it is beginning to gain momentum in Wales.
2. From our experience of working with other public bodies, we know that the culture change is hard – we are working in an immensely complex, fast paced, and uncertain world, and as such it can be difficult to plan more long term – to plan with future generations in mind – when the needs of current generations are so present and stark. From that experience we have identified what we consider are some of the key barriers to implementation.

Awareness and understanding of the Act and its implications.

3. There is some evidence of misinterpretation of both the goals and the policy intention that all goals apply to all functions. For example, we have experienced the misinterpretation of the **Resilient Wales** goal through our conversations with other public bodies and our attendance as members of PSBs. An example of this is the perception of the term 'resilience' meaning resilient communities alone, not a resilient natural environment that can continue to support the needs of communities, now and in the future.
4. This issue is highlighted in the Future Generation Commissioner's 5-year report and drawn out as a key recommendation. We are keen to work with FGC to ensure that there is better understanding of the Resilient Wales goal. Our Vision 2050 work will be key to this as will the next State of Natural Resources Report (SoNaRR) due in 2021, which will contain some strong messages around the societal actions needed to deliver a Resilient Wales.

5. Public bodies have the biodiversity duty under the Environment (Wales) Act – and many have responded well to that duty. But this needs to be considered alongside the wider Resilience goal definition – so that we can deliver for social, economic, cultural and environmental well-being - rather than treating the duty as a stand-alone requirement.
6. The consequence of the misinterpretation of the goals is that, delivery is not fully aligned and hence progress towards a sustainable Wales as set out in the Act. The requirement at this 5-year point for PSBs to refresh their local well-being assessments and well-being plans, and for public bodies to review their well-being objectives, is a useful trigger point for a review against the wording of the Goals, to check the understanding of each goal. We are committed to doing this in NRW as we develop our new corporate plan and its well-being objectives. It will include investing more time across our directorates on revisiting what each of the well-being goals means for us. We will also work with our partners, including at PSBs to do this, particularly supporting around understanding of the Resilient Wales Goal.
7. NRW anticipates that Area Statements (produced March 2020) will help to support public bodies to understand their wider role in relation to A Resilient Wales goal and the contribution healthy stocks of natural resources make to the other goals. We are engaged with work with Welsh Government on the refresh of guidance for PSBs local well-being assessment, to ensure the process appropriately embeds Area Statements and the forthcoming State of Natural Resources Report (SONARR).

The resources available to public bodies to implement the Act and how effectively they have been deployed.

8. We “plan” over the long term – as evidenced through our corporate plan and proposed shared 2050 vision for the natural environment - but our ability to deliver as required to meet that long-term plan can still be impacted by the annual budget settlement.
9. The short notice of financial settlements and the setting of one-year budgets impact on the ability of public bodies to plan and think for the long term. This can lead to short-term decision-making – for example, to meet any required savings - and a fear of innovation, failure and risk (fear to try something new).
10. We recognise this as an issue for NRW. We have a 1-year GiA budget settlement, to which we have seen real annual cuts in GiA and Capital budgets for the current corporate plan period. This coupled with changes in pensions, NI etc. means our financial budget planning is on an annual cycle. Our preference would be for longer term settlements aligned to the timing of our corporate plan.

11. Whilst this inevitably presents some challenges to public bodies in fulfilling their duty to carry out long-term planning, it should also be recognised that the vast majority of funding is relatively static and long-term planning could be undertaken on that basis, if national bodies are genuinely embracing the Act as part of their core business.
12. NRW is currently changing our corporate and business planning processes, including how we plan and allocate resources. This is now done through a process of 'place' and 'service' planning - we are making progress towards staff and budget resources being allocated following agreement on priorities between Heads of Business, Service and Heads of Place. In doing so we are taking into account local needs including our role on Public Services Boards across Wales.
13. Public bodies are expected to pool budgets with their PSB partners in order to collaborate effectively. As NRW is the only public body that sits on all 19 PSBs, we have a key opportunity to lead the way on this. However, there are still challenges in enabling our financial systems to do that. In 2018/19 we developed a new grant policy, procedure and strategy which is intended to enable us to use our grant funding mechanisms to support the priorities and opportunities set out in our corporate and business plans, PSB Well-being Plans, and Area Statements.
14. We identified our "strategic allocated funding" grant mechanism as one way that we will support the pooling of our resource with PSB members. However, the PSB itself is not a legal entity for holding budgets, these budgets need to be held by a "host" organisation and this can provide a challenge to joint working putting an additional administrative burden on the host organisation. The constitution of PSBs with respect to this could be reviewed.
15. Linked to these financial and procurement issues, is the challenge that whilst progress has been made to co-produce well-being plans, some of the priorities decided as a PSB aren't every organisation's priority. Where this happens, it becomes very hard for these other organisations to fully engage – which doesn't engender the change envisaged under the Act.
16. For example, we know that to scale up our response to the climate and nature emergencies, a focus on the social aspects is key to leveraging change to the everyday activities that are driving pressures on climate and nature. Rather than addressing problems sector by sector through regulation, a more fundamental look at redesigning the systems creating these problems is needed. That means looking at the way we in Wales live and leveraging cultural change to rapidly establish a better fit between humans and the environment. This will require a willingness and capacity to bring a range of actors together, including private and voluntary sector

groups, otherwise it will continue to be hard to look through the lens of wider systems and processes.

Support provided to public bodies by the Future Generations Commissioner.

17. We have always welcomed the support and challenge provided by the Future Generations Commissioner. One such example has been the series of Deep Dives at the PSB level that have been supported by the FGC. Our involvement in the Cwm Taf PSB Deep Dive on Adverse Childhood Experiences, for example, was a great experience and helped the partnership get a clearer understanding of the complex issues, and where wider than usual stakeholders have a contributory role to play.
18. We feel that the Office gives the right balance of challenge and encouragement. We would encourage the Commissioner to set out the robustness and significance of the evidence base that support her findings. We understand many of the ideas are assimilated from the range of conversations and engagement sessions conducted – which is an important qualitative resource – as well as literature reviews. In analysing and presenting this data it is important to acknowledge sources, and any assumptions that may have been made. There are established methods for drawing out patterns in qualitative data that we'd suggest could be better utilised. There is also a need to take these ideas forward in the context and knowledge of the legal barriers and challenges to implementing them.
19. We understand the Commissioner's approach to behaviour change has been through encouraging small easy steps. We now consider that significant transformational change is required – particularly to meet the dual challenge of the climate and nature emergencies. The scale of change has, up to more recently, been underplayed by us all, because of the perceived need not to scare people.
20. FGC reports are often long and can provide a challenge to digest. We would support the work of the Commissioner's office over the next 5 years in providing practical, targeted support to public bodies to help overcome some of the barriers to implementation. This could take the form of more "task and finish" type exercises for example - to work with WAO and financial institutions to redesign parts of the public service that require modernisation, climate proofing, and to build the regenerative economy that we require in Wales. In line with our forthcoming State of Natural Resources Report our suggested focus would be on social transformation across the Energy, Food and Mobility systems, as well as aligning corporate planning and budgeting processes across public bodies to better support development and delivery of shared outcomes.

The leadership role of the Welsh Government.

21. Welsh Government have an important leadership role to play across all Departments to show how they are integrating their Policy ambitions and applying the SD principle across everything they do. We are not yet seeing the adoption of ‘Sustainable Management of Natural Resources’ as an overarching policy concept, which embeds the ways of working outlined in the WFG Act across all departments, and guides NRW’s core purpose. More collective leadership is needed – to help integration across policy teams.
22. Scrutiny of PSBs is an area that further support or training may be beneficial. We have been involved in some of the PSB scrutiny processes and question if there is sufficient understanding about the requirements of the WFG Act and what the role of PSBs is in that. We also question whether there is enough environmental representation/knowledge to fully challenge across the requirements in the Act, for example, as set out above the intention within the Resilient Wales Goal. The social, economic, environmental and cultural outcomes should be appropriately represented and equally weighted at Scrutiny to give fair challenge. We would be happy to work with WG/FGC on any training/guidance in this regard.

Any other barriers to successful implementation of the Act (e.g. Brexit, COVID, etc.).

23. COVID-19 and associated lockdowns have been devastating to the health and economic prosperity across Wales and have made collaborative working challenging. Whilst not wanting to diminish this impact, it is also seen as a real opportunity to “build back better” for example, such as the community impact assessments undertaken through the PSBs and the increased role greenspace and nature has played in supporting physical and mental health. The evidence and ideas submitted to the recent Green Recovery Task Force reflect this. We also understand that there has been a shift in the way in which public bodies have been able to engage with communities in responding to this crisis. These positives should be built on as we move into 2021.
24. Brexit will put different kind of pressures on the delivery of public services – particularly in rural areas – as we move away from the Common Agricultural Policy. We need to continue to embrace the ways of working in the WFG Act to ensure that we adapt and support long term change.

How to ensure that the Act is implemented successfully in the future

25. We believe there are three key areas to continue to help the successful implementation of the Act:
26. **Supporting ongoing culture change** – it’s a long-term endeavour – here in NRW we have already been through a fundamental review of our organisational structure in line with our core purpose which has helped us to

consider and frame our work around WFG. Whilst it has been challenging for NRW to manage significant organisational change, we are now using it to fundamentally support the delivery of our new purpose under the Environment (Wales) Act (which was designed to be a key contributor to the WFG). This has resulted in a positive shift in terms of both implementation and identity for NRW.

27. Other public bodies may not have had the benefit of their establishment legislation being reviewed or renewed in light of the WFG. This may be needed in order to make the culture change needed. There is also an opportunity for corporate and financial planning across public bodies to be better aligned to support development and delivery of shared outcomes.

28. **Skills for the Future** – More collaborative work is needed to develop the skills and behaviours that we require in Wales to deliver the Goals of the WFG Act. We have invested internally in our SMNR accreditation course which includes a skills audit and action plan for individual staff. Staff are asked to highlight the skills that they feel are important for SMNR/WFG and score themselves against these. This is then followed up with an action plan in their Personal Development Plans.

29. **Continuing to seek co-benefits through delivery and performance management** – It will be important to continue to ensure any service is delivering the widest range of co-benefits possible – not just to service those requirements set out in the underlying legislation. This is likely to cause a chaotic period of legal challenge as we work through the demand for these services to go above and beyond what they are legally required to do. In practice, it also requires everything that we do to be measured in terms of social, cultural, environmental and economic well-being, and a move toward a more integrated outcomes framework for all reporting is needed. Stronger scrutiny of decision making against this framework will help lead to change.