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MEITHRIN SYNIADAU ER LLES DYFODOL PAWB

Understanding The Wellbeing of Future Generations Bill

An Egino Analysis

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***Awdur y papur yw Chris Johnes, cyfarwyddwr Egino CIC.** Treuliodd Chris y rhan fwyaf o'i fywyd gwaith yn symud rhwng gwaith polisi ac ymarferol i gefnogi pobl i fynd i'r afael â thlodi ac anfantais. Mae wedi gweithio yn y trydydd sector yn neheudir Affrica, Cymru a'r DG yn ehangach yn cynllunio a rheoli rhaglenni cymunedol a dylanwadu ar lunio polisi. Hefyd, treuliodd 5 mlynedd yn gweithio mewn llywodraeth ganolog yng Nghymru ar addysg a chynllunio'r rhaglenni Amcan 1 Ewropeaidd cyntaf i ddod i Gymru.*

***This paper has been written by Egino CIC director Chris Johnes.** Chris has spent most of his working life moving between policy and practical work that has supported people to tackle poverty and disadvantage. He has worked in the third sector in southern Africa, Wales and the wider UK designing and managing community based programmes and influencing policy making. He also spent 5 years working in central Government in Wales on education and designing the first Objective 1 European programmes to come to Wales.*

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Main Points

- The Bill is based on sound principles and has the potential to significantly enhance and improve the development of both policy and services.
- It is highly relevant at a time of shrinking resources and a growing need for more effective services: it's the right legislation at the right time.

However

- It does not treat the three pillars of sustainable development equally: it is much more focused on the social pillar and is more of a public sector reform bill than a sustainable development one.
- There is much work to do to get the technicalities of the Bill right, in particular to agree wording which is strong enough to ensure that wellbeing is taken sufficiently seriously by public bodies.
- The planning process that the Bill brings in is comes on top of a raft of other planning requirements and the opportunity to effectively streamline them must be taken – without disadvantaging vulnerable groups.
- The skills and understanding required to plan for the needs of future generations are many and varied and must be catered for as the Bill moves into its delivery stages.
- The Sustainable Futures Commissioner's independence should be enhanced by making that an Assembly rather than a Government appointment and giving the Commissioner freedom to select his or her advisors.
- The role of non-state actors should be revisited: the private sector, for example, is conspicuous by its absence from the architecture of the proposed Public Service Boards.

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Preface

This analysis of the Wellbeing of Future Generations Bill has been prepared by Eginio CIC. As an organisation, we seek to promote wellbeing and sustainability. Helping to promote an enhanced understanding of the Bill and what it can achieve is therefore a priority.

The Wellbeing of Future Generations Bill, in terms of its scope, is the most far reaching piece of legislation the Welsh Government has yet introduced. However, as currently drafted, it arguably offers less than early promises suggested. This piece analyses both the strengths of the Bill in providing for far reaching reform of public services and its limitations in promoting sustainable development. It also outlines some of the challenges in turning the Bill's ambitions into achievements.

Content of the Bill

Originally announced as the Sustainable Development Bill in July 2011, First Minister Carwyn Jones claimed:

We will legislate to embed sustainable development as the central organising principle in all of our actions across Government and all public bodies, by bringing forward a sustainable development Bill. The approach will set Wales apart as a sustainable nation, leading from the front.

He then added:

Sustainability lies at the heart of the Welsh Government's agenda for Wales; it also lies at the heart of this legislative programme. Taken as a whole, it will promote economic, social and environmental wellbeing, and enhance people's quality of life in Wales... Sustainability is more than just a green idea. It is about defining the long-term development path for our nation. It means healthy, productive people; vibrant, inclusive communities; a diverse and resilient environment and an advanced and innovative economy. This legislative programme provides new powers, duties and institutional capacity to advance our goals of building a sustainable Wales.

That Bill, much discussed and much amended, not least in its name, is now before the Assembly where it had been the subject of an extensive reportⁱ by the Environment and Sustainability Committee ahead of a Plenary debate on 9 and 10 December (2014). This paper does not seek to go over the same ground as that report; rather, it focuses more on the possible wellbeing impacts of the Bill if enacted and on those areas where the Bill may make the greatest difference.

In the words of Jeff Cuthbert, the then Minister for Communities and Tackling Poverty:

The Well-being of Future Generations Bill strengthens the existing governance arrangements in named public sector organisations for improving the well-being of Wales. The Bill ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs. This will be provided for by securing the sustainable development principle in law.

Sustainable development in the Welsh Government's eyes will be secured by setting and meeting long-term well-being goals. These are [in the current version of the Bill] for a prosperous; resilient; healthier; more equal Wales; with cohesive communities; and a vibrant culture and thriving Welsh language.

The legislation is underpinned by five principles, intended to determine how the wellbeing goals are developed and delivered by public bodies (set out in full at Annex A). They are:

- 1 Long-term thinking
- 2 An integrated approach
- 3 Engagement
- 4 Collaboration
- 5 Preventative action

The Bill requires the Government to establish national indicators to measure progress towards the achievement of the well-being goals (and report on them annually) and requires public sector bodies, to develop specific objectives, developed in line with the five principles, to meet these goals.

The general purpose of the Bill is to *ensure that the governance arrangements of public bodies for improving the wellbeing of Wales take the needs of future generations into account.*

In practice, it seems to us that it is also using the bill to bring together the Sustainable Development principle which supposedly underpins all the Welsh Government's actions and its long term (and thus not obviously successful) aim of reforming public services through collaboration rather than competition. The key mechanism for doing this is the setting of local long term goals for improving wellbeing across a range of indicators covering the three pillars of sustainable development – environmental, social and economic.

How well does the Bill encapsulate sustainable development principles?

The principles of sustainable development demand an integrated approach to policy making that seeks to secure the wellbeing of people living here and now in ways that builds up human, social, economic and environmental capital to secure the wellbeing of future generations and in ways that don't damage the wellbeing of people living elsewhere. Balancing the wellbeing of people here and now, in the future and elsewhere is fundamental to sustainable developmentⁱⁱ.

Measuring wellbeing, as the Bill now does, is logical and provides a clear focus for what Government is trying to achieve through economic, social and environmental development.

The new title of the Bill is much more helpful in setting out that this is about balancing current wellbeing and future wellbeing. However, it fails to encapsulate the balance of the here and now with the wellbeing of people living elsewhere. As many environmental organisations have argued, without this the Bill will fail to force authorities to consider the impact of their actions on others. This is important when thinking about the impact of climate change on the poorest people in the poorest countries, or in terms of environmental footprints.

And while the Government deserves credit for setting out wellbeing goals that genuinely cover the three pillars of sustainable development, the limited coverage of what is the most obvious sustainability challenge of our time, climate change, has certainly been controversial.ⁱⁱⁱ Indeed whilst the economic development goal in the Bill refers to a low carbon economy the environmental one merely talks about resilience, suggesting a focus on adaptation rather than mitigation.

There is of course a pragmatic defence for both the limited focus on climate change and the omission of reference to people elsewhere. This is focused around the limited powers of the Assembly and Wales' wider global influences and of course that the role of the Welsh Government is, as the purpose of the Act says, to promote wellbeing in Wales, not globally (that's the Department for International Development's job).

This argument, however, also exposes wider fault lines in the conception of the Bill when it comes to looking at the three pillars of sustainable development.

Many of the key levers affecting the wider economy and the environment are held outside Wales. Pointing this out is as much a recognition of reality as a call for enhanced Assembly powers, especially as many of the key factors impacting on any Government's ability to undertake sustainable development are actually at a supranational level. Many key decisions relating to developments in Wales are not only taken outside Wales, they are taken outside the UK, in multinational fora, by multinational companies and indeed by wider environmental changes influenced by, but not totally controlled by humans.

This has, perhaps inadvertently, led to a stronger focus on the social pillar of sustainable development. Not only do four of the six goals carry descriptors which are more social than economic or environmental in nature, but the mechanisms for delivering the Bill draw in partners and processes that are likely to lead to a focus on the social goals. It is thus difficult to avoid the conclusion that, when adding the proposed goals and the delivery mechanisms together, that more weight has been put on the social pillar of sustainable development than on the other two (namely economic and environmental sustainability). We also suspect that this is an emphasis that Ministers are comfortable with, given their expressed view that the Bill is lacking in its coverage of environmental issues in particular.

Sustainable development and the challenges to public services in Wales

Arguably the Bill offers at least as much a new way of looking at the challenge of public service reform as it does a way of mainstreaming sustainable development. Whilst the well-being goals do touch on all three pillars of sustainable development they are in practice weighted more towards the social pillar than either the environmental or economic pillars.

More joined up, long term thinking in terms of public services, along with greater citizen engagement has been a Welsh Government priority for the best part of a decade. However progress in either integrating complementary services or bringing them closer to citizens has been at best sporadic, with specific successful initiatives often failing to be mainstreamed or learned from in a systematic way.

Thus, embedding wellbeing principles (the globally accepted means of measuring sustainable development) into the way services are planned is seen as the means of ensuring they become strongly rooted in the way institutions think and behave rather than as an add-on.

From a public service perspective there is much to welcome in the five principles underpinning the wellbeing goals. Public services based on the principles would be more likely to tackle complex issues than current models of service planning or delivery, which are too often characterised by a silo-based approach with little input from service users.

However, adherence to these principles in itself would not guarantee improved wellbeing now, let alone for future generations. The way public bodies negotiate the conflicts that arise in adhering to the different principles will be key. Certainly the practice (if not the principle) of engagement could clash with the principles of long term thinking and preventative action, as anyone involved in debates about rationalisation of secondary health care could attest. The principles would also entail a significant challenge to elected politicians, especially at local level, as the delivery of wellbeing objectives of this kind would not be as easily open to “tinkering” as current service delivery models, whilst effective public engagement could easily provide an alternative public mandate that might be far from welcome. Furthermore the financial environment in which public bodies are operating makes these changes in practice even more challenging even if the rationale becomes, in theory at least, more obvious; the demonstrable reaction of many public bodies is to pare services to the legal minimum rather than seek imaginative but potentially unproven ways of delivering in different ways with new partners.

The delivery of public services and their ability to promote wellbeing will be strongly impacted upon by the arrangements for local governance established by the Bill. It provides for local wellbeing plans set by Public Service Boards critically set against the five principles (in Annex A).

This should drive a strong focus on maximising wellbeing among locally designed and delivered services as well as nationally designed ones. However, as previously argued, the proposals for local wellbeing plans are likely to be heavily weighted towards public services, rather than wider public policy,^{iv} given both the way the wellbeing goals are framed and the likely membership of Public Service Boards.

There are also concerns about the language currently used in the Bill and the degree to which it obligates public bodies to fundamentally adopt the 5 principles in their work.

And of course the Bill will be coming in alongside and deeply linked to Local Government reform. Ensuring that the upheavals of local government reform lead to or facilitate improved

and more joined up service delivery is going to be a major challenge. A commitment to new ways of working will have to be a fundamental part of the new bodies' ethos if the reform and merger process is to have any realistic chance of leading to better services – remembering, of course, that it will sit simultaneously alongside further cuts. And that will require substantial leadership from the Welsh Government as part of the reform process, given that local government capacity will both be reduced and inevitably focused on the mechanics of getting new bodies to be functional. This is especially true given the recorded problems with the language in the Bill as drafted^v which would appear to lack specificity and firmness, leaving much to local determination. While there are strong arguments for not being over prescriptive from the centre this has been a notable feature of public service “reform” since 2006 and progress since then might indicate that a different approach was required.

Will the new governance arrangements deliver a focus on the needs of future generations?

At the heart of the Bill are proposals for new governance arrangements for public bodies, specifically to ensure that their work to promote well-being takes into account the needs of future generations. Some of the new governance arrangements are common to all public bodies in Wales – the application of the sustainable development principle, the requirement to set and report on wellbeing objectives and the oversight role of the Commissioner – while others are different at different levels. At local level (i.e. Public Service Board level) there is a significant degree of collaboration and partnership working involved in the development of local well-being plans; at national level (i.e. the Welsh Government) that seems to be less obvious with the only significant external presence being the Commissioner.

And while the Bill's direct requirements do bring in significant new governance demands on Government (not least the Future Trends report) the levels of external input are limited. This is even more marked when it is appreciated that the Commissioner is her/himself a Government appointee. While it is clear that the Commissioner's prime role is to support public bodies in meeting their obligations under the Bill they do have the power to challenge when required. It's hard to escape the feeling that under the proposed arrangements challenge to local plans and objectives will be easier than challenge to national plans and objectives. It's difficult to see how this form of appointment of the Commissioner is good governance practice.

What is surely right, however, about the Commissioner's proposed role is that the focus is on promoting the ends of Future Generations as that is where the biggest area of challenge will be for public bodies. Public bodies are well versed in meeting immediate (i.e. five year) wellbeing challenges and while there has been an improvement at both UK and Welsh Government levels in thinking in longer timeframes over the last 12 years or so, it's not a mindset that always asserts itself and this will be especially challenging at a time of rapidly shrinking budgets and institutional reform.

Where the Bill does not necessarily comply with many of the lessons learned on sustainable development governance^{vi} is in the role of non-state actors. Even in regard to Public Service Boards the engaged parties are overwhelmingly public bodies and very largely public bodies who receive strategic direction and democratic legitimacy from Welsh Government. There is a role for the voluntary sector and post-16 education bodies at local level but the private sector is

conspicuous by its total absence from the architecture whilst the insistence on the presence of some public bodies is harder to understand than others.

The final challenge over the Governance arrangements is whether public bodies (and indeed their partners) will be equipped and ready to work in the new ways the Bill requires. To think and plan in ways that balance the present and the quite distant future requires new mindsets and new skills which will clearly come more easily to some than to others, both individually and institutionally. It is almost certain that meeting the challenges set out in the Bill in a meaningful way will require more than compliance with legislation, needing also committed and imaginative leadership in the affected public bodies.

Can the Act deliver change? The Delivery Challenge

The Bill sets out a broad sweep of measures to make public policy more effective in promoting wellbeing both now and in the future. Few involved in debates about public policy and public services in Wales will doubt the need for this; and few will reject the premise that the most predictable challenges ahead are likely to be in terms of the quality of delivery.

The *Administrative Impact Appraisal* of the Bill conducted for the Welsh Government by PWC highlights a number of challenges in this area, especially the likely distinction between compliance with the requirements of the legislation and the actual “full on” adoption of the principles therein; in other words ticking the boxes required to get Welsh Government approval of wellbeing plans and the whole hearted adoption of the principles set out in the legislation. Given how much this problem has marked attempts at public service reform since 2006 it’s not at all surprising^{vii} that this should be a major concern; the same appraisal widely recognised that the challenges of delivering the approach required by the Bill are hardly new, even if some of the means of addressing them are^{viii}.

There are strong grounds for thinking, despite the enthusiasm with which the Bill has been greeted in some parts of the public sector,^{ix} that the 5 principles which will underpin the goals will be challenging to say the least. Long-term thinking, collaboration within organisations let alone between them, and an integrated approach cut across decades of public sector management practice based on time limited budgets and clear but very narrow lines of vertical accountability. Of course there is a growing number of examples where practice is changing but progress is erratic at best. It might be fair to say that public policy makers are getting more adept at thinking long term but not yet in acting long term – and that will be at least as true of partners in business and civil society (with the likely exception of universities).

Public engagement is another area where progress has been mixed, requiring substantially changed working practices among some service deliverers and in some cases work to improve the relationships between service users and providers.

But in some ways the biggest challenge would come from a shift from curative to preventative action. The latter has been a favourite of public sector reformers for well over a decade but the much praised examples (e.g. Sure Start/Flying Start) have tended to remain isolated examples rather than fully integrated into mainstream services. They have often not been conclusively backed by evidence for long term effectiveness and easily side-lined when resources get tight:

the dilemma between acute and primary care in the NHS most obviously illustrates the way in which longer term preventative services are no match for a winter emergency on the list of senior management and political priorities.

The other critical question then to ask of the Bill is how effective it will be in achieving its aims and whether improved public policy and public services, if successful, will produce noticeable changes in wellbeing for ordinary citizens.

At first glance the Bill's chances of making a significant beneficial impact on the lives of Welsh citizens are not especially promising. More plans produced by public sector bodies – which is what the Bill will most immediately produce - doesn't sound like the stuff of effective social reform and only promising in offering material for satirists. There is also potential confusion in the links between planning under this Bill and other either existing or proposed legislation, and the opportunity needs to be taken within the legislation to secure a clear degree of harmonization to avoid excessive bureaucracy greatly hindering effective local delivery: the Bill makes some steps in this direction but not, as yet sufficient.

However, as the Bill's Impact Appraisal suggests, the potential impacts of the Bill are very varied with some of those who will have to implement its requirements feeling it has the potential to shape radical change in how they work^x. Whilst recognising the risks of some simply adopting a compliance "tick box" type response to the Bill's requirements, the assessment has also recognised the radical potential of the legislation in shaping a significantly different way of planning and delivering services.

At its most effective the legislation could see the way public services are delivered in Wales transformed. Services which clearly have complementary impacts – health, social care, policing and education to give obvious examples – could be jointly planned and explicitly work to provide complementary outcomes. Budgets could be pooled, information widely shared and services planned for the long term. Skills development could be based on the likely future needs of employers and business support strategies clearly informed by where businesses think their needs are going in 10 years' time. For citizens this could make it much easier to move from one service provider to another when needed without going to "the back of the queue" again. We have of course seen successful pilot projects of this type like *On Track* before but they have never become institutionalised.

However what is most fundamentally required is widespread change to working practices across the public sector; longer term perspectives, working out what it takes to prevent problems before they occur, not only collaboration between services but increasingly integration between them, and a far greater focus on the role and views of services users and citizens.

We've been trying to do this in Wales for almost a decade with at best patchy success. The legislation, with all the amendments it will attract as it goes through the Assembly, should provide a more supportive model for governance which actively supports wellbeing and provide another vital ingredient in the mix of what is needed to make sustainable development a reality.

Now the stakes are higher will we be more successful? The success and indeed entire purpose of this legislation depends on it.

We would suggest that there are several steps that should be taken both in the passage of the legislation and then its roll out which will make success more likely.

In terms of the legislation as it currently stands in draft form there is a substantial report from the Environment and Sustainability Committee which examines many of the issues in great detail. In addition to this, the Government may wish to reflect on whether its intention is to entrench wellbeing principles into public services or into wider public policy: the current goals point mostly towards the former aim which is of course more limited.

In addition we are broadly in agreement with the comments of the Sustainable Futures Commissioner^{xi}. In particular, to strengthen the Governance arrangements we believe the Commissioner's independence should be enhanced by both making that an Assembly rather than a Government appointment and the Commissioner having freedom to select his or her advisors as do the existing Commissioners. We also believe that the role of providing advice on climate change set out in the Bill should apply to all public bodies.

However, it is in terms of the delivery of the work following from the Bill that, we believe, the greater challenges arise. The task of promoting collaborative working with a significant focus on the long term as budgets are being cut and local government is being reformed is very significant. There needs to be a clear leadership development programme for those involved in designing public services to promote wellbeing which "hardwires" the behaviours required in the future into its delivery, and there will need to be a more systematic approach to identifying, evidencing and sharing good practice; at the moment a myriad bodies undertake interesting and innovative work on aspects of improving public services, with erratic means of dissemination. We would highlight in particular the challenge of analysing future trends and applying this learning into long term thinking about policy and service design as a major priority which lies at the heart of the Bill's intentions and needs to be both more greatly understood and more widely applied.

Annex A – The Five Principles

1 Long term thinking – balancing the need to take action to address current issues with the need to meet the long term needs of Wales. This is especially relevant where their short term actions may have a detrimental effect in the future.

2 An integrated approach – considering how a body’s well-being objective may impact upon the three aspects of well-being contained in the Bill (the environment in which we live, our economy, and society – people and communities), and by considering how well-being objectives impact upon the well-being goals, also how the well-being objectives impact upon each other and in turn the objectives of other public bodies.

3 Engagement – involving the people and communities with an interest in the well-being objectives, engaging them in finding sustainable solutions.

4 Collaboration – acting collaboratively with other bodies, or different parts of a body acting together in a co-productive way, to assist in the achievement of the body’s objectives, or another body’s objectives.

5 Preventative action – deploying resources to undertake action now in order to prevent problems occurring or getting worse.

ⁱ National Assembly for Wales, Environment and Sustainability Committee, Wellbeing of Future Generations (Wales) Bill Stage 1 Committee report

ⁱⁱ Stiglitz 2009 and 2013 OECD/ UNECE and Eurostat report

ⁱⁱⁱ Ibid p17

^{iv} Ibid p38; a view shared by the committee

^v Ibid pp16-18

^{vi} Baker, S. and Eckerberg, K. (2012) Sustainable development within the European Union. In: Nicholl, A. and Osmond, J, (eds.) *Wales’ Central Organising Principle*. Cardiff: IWA

^{vii} Welsh Government – Future Generations Bill: Administrative Impact Appraisal PWC May 2014 p9

^{viii} Ibid p10

^{ix} Ibid P9

^x Ibid pp7-8

^{xi}

<http://www.senedd.assembly.wales/documents/s30074/WFG%2060%20Commissioner%20for%20Sustainable%20Futures.pdf>