



SUSTAINABLE DEVELOPMENT ADVISORY PANEL – 25TH FEBRUARY 2016

SUBJECT: WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To make members of the Panel aware of the content of the Well-Being of Future Generations (Wales) Act 2015 and draft statutory guidance.

2. SUMMARY

- 2.1 The Well-Being of Future Generations (Wales) Act places a duty on public bodies, including local authorities, to improve the economic, social, environmental and cultural well-being of Wales in accordance with sustainable development principles, and to report on how we are complying with the Act from April 2016.
- 2.2 The Act sets 7 well-being goals and a sustainable development principle which is made up of “5 ways of working”.
- 2.3 In September 2015 the Welsh Government issued draft statutory guidance on the Act for consultation. The statutory guidance sets out the specific responsibilities on local authorities, as individual organisations and with other public bodies as part of Public Service Boards.

3. LINKS TO STRATEGY

- 3.1 The Authority’s work on sustainable Development supports the following strategies:
- “Living Better, Using Less”, Sustainable Development Strategy, 2008.
 - “Caerphilly Delivers” Single Integrated Plan, 2013 – 2017
 - Education for Sustainable Development & Global Citizenship Strategy, 2009.

4. THE REPORT

- 4.1 The Well-Being of Future Generations (Wales) Act 2015 places a duty on public bodies, including local authorities, to improve the economic, social, environmental and cultural well-being of Wales in accordance with sustainable development principles, and to report on how we are complying with the Act from April 2016.
- 4.2 The Act is in 4 parts:
- Part 1: Introduction and Key Concepts
 - Part 2: Overview of the main provisions
 - Part 3: Establishes the office of Future Generations Commissioner for Wales

- Part 4: Establishes a Public Services Board for each local authority area in Wales

Part 1: Introduction and Key Concepts

- 4.3 **Purpose of the Act.** The general purpose of the Act is to ensure that the governance arrangements of public bodies, including local authorities, for improving the well-being of Wales take the needs of future generations into account. The aim is for public bodies to improve the economic, social, environmental and cultural well-being of Wales in accordance with the sustainable development principles.

Part 2: Overview of the main provisions

- 4.4 **Well-Being Goals. The Act sets out 7 well-being goals against which all public bodies must set and publish well-being objectives that are designed to maximise their contribution to the achievement of these well-being goals.**
- **A more prosperous Wales** - An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work
 - **A resilient Wales** - A nation which maintains and enhances a biodiverse natural environment with health functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
 - **A healthier Wales** - A society in which people's physical and mental well-being is maximised and in which choices and behaviors that benefit future health are understood.
 - **A more equal Wales** – a society that enables people to fulfill their potential no matter what their background or circumstances.
 - **A Wales of cohesive communities** – attractive, viable, safe and well-connected communities
 - **A Wales of vibrant culture and thriving Welsh language** – a society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation
 - **A globally responsible Wales** – A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.
- 4.5 **Sustainable Development Principle.** The Act puts in place a 'sustainable development principle' which tells organisations how to go about meeting their duty under the Act. The principle is made up of **five key ways of working** that public bodies are required to take into account when applying sustainable development. These are:-
- Looking to the **long term** so that we do not compromise the ability of future generations to meet their own needs;
 - Taking an **integrated** approach so that public bodies look at all the well-being goals in deciding on their priorities;
 - **Involving** a diversity of the population in the decisions that affect them;
 - Working with others in a **collaborative** way to find shared sustainable solutions;
 - Understanding the root causes of issues to **prevent** them from occurring.
- 4.6 **National Indicators and Annual Well-Being Report.** The Welsh Ministers must publish national indicators that may be applied to measuring progress towards the achievement of well-being goals. They must then also report annually on progress towards the goals by reference to the indicators.

- 4.7 **Future Trends Report.** The Welsh Ministers must, within 12 months after the general election, publish a report that contains predictions of likely trends in the economic, social, environmental and cultural well-being of Wales; and any related analytical data and information that the Welsh Ministers consider appropriate.
- 4.8 **Annual Reports by other public bodies.** Public bodies covered by the act, including local authorities, are required to publish annual reports of the progress they have made in meeting their well-being objectives. At the same time the public body must review its well-being objectives, and if they are no longer considered appropriate they must amend them and include an explanation of reasons for any amendment.

Part 3: Establishes the office of Future Generations Commissioner for Wales

- 4.9 The Act makes provision for Welsh Ministers to appoint a Future Generations Commissioner for Wales. The Commissioner's general duty is to promote the sustainable development principle and to monitor and assess the extent to which well-being objectives set by public bodies are being met.
- 4.10 The Commissioner may make recommendations to public bodies on how steps can be taken to meet well-being objectives in accordance with the SD principle. A public body must take all reasonable steps to follow the course of action set out in the Commissioner's recommendations.

Part 4: Establishes a Public Services Board for each local authority area in Wales

- 4.11 **Public Services Boards.** The Act makes provision for the establishment of a public services board for each local authority area in Wales. The board will have the local authority, Local Health Board, the Welsh Fire & Rescue authority and Natural Resources Body for Wales as members. In addition the board must invite ('invited participants') the Welsh Ministers, the chief constable of the police force in that area, the police and crime commissioner for a police area in that area, a person required to provide probation services in relation to the local authority area and a body representing voluntary organisations in the area.
- 4.12 The aim of each public services board is to improve the economic, social and environmental well-being of its area in accordance with the sustainable development principle. Each board is required to publish an assessment of the state of the economic, social, environmental and cultural well-being in its area prior to the production of a local well-being plan.
- 4.13 **Local Well-Being Plan.** Each public services board is required to prepare and publish a "local well-being plan", which must include objectives that are designed to maximise the board's contribution within its area to the achievement of the well-being goals. The objectives in the plan may also be well-being objectives published by the board member's individual public body. The public services board must also review and amend its local well-being plan and produce annual progress reports.
- 4.14 Executive arrangements by a local authority must ensure that its overview and scrutiny committee has power to review or scrutinise decisions made, other actions exercised by its public services board and the board's governance arrangements; and to make reports and recommendations to the board with respect to the board's functions or governance arrangements; and to exercise that power in requiring the board or individual members to attend a meeting of the committee and provide it with explanations of such matters as it may specify.

Draft Statutory Guidance

- 4.15 In September 2015 Welsh Government issued draft statutory guidance on the Act for consultation. The statutory guidance sets out the specific responsibilities on local authorities, as individual organisations and with other public bodies as part of Public Service Boards.

Individual role (Public Bodies)

4.16 Public bodies covered by the Act must (in carrying out sustainable development)

- Set and publish well-being objectives
- Take all reasonable steps to meet those objectives
- Publish a statement about well-being objectives
- Publish an annual report of progress
- Publish its response to a recommendation made by the Future Generations Commissioner for Wales

4.17 Setting well-being objectives

Public bodies must, when they are carrying out sustainable development, set and publish objectives, known as well-being objectives. The well-being objectives must be designed to maximise the contribution of the public body to achieving each of the well-being goals.

The identification of the well-being objectives should flow from having a clear view of the contribution the public body can make to the seven well-being goals, and the vision of the public bodies.

The application of the sustainable development principle, which provides the five ways of working of sustainable development, clarifies how an organisation must identify its well-being. Only when a public body can demonstrate it has taken into account the sustainable development principle in the setting, taking steps and meeting of its well-being objectives will it be compliant with the Act.

The first set of well-being objectives will be agreed and published no later than 31 March 2017.

Public bodies must publish a statement about their well-being objectives at the same time that they publish their well-being objectives.

4.18 Meeting well-being objectives

Public bodies are required to take all reasonable steps (in the exercise of their functions) to meet the well-being objectives they set.

4.19 Reviewing well-being objectives

The Act requires that each year public bodies must review their well-being objectives as part of their arrangements for reporting on them.

4.20 Annual reporting – taking an integrated approach

Each public body is required to report on the progress it has made in meeting its well-being objectives for the preceding financial year.

The Act does not state the structure and content for annual reports, but public bodies will need to demonstrate that:

- their well-being objectives are contributing to the achievement of the well-being goals;
- they are taking all reasonable steps to meet their well-being objectives; and
- their well-being objectives are consistent with the sustainable development principle.

To reflect the well-being objective setting process, the reporting arrangements should be central to the main activities of the public body. WG do not expect the report to be an additional document or piece of work. Public bodies are encouraged to look for opportunities to bring together existing reporting arrangements in a more integrated way as part of the Act.

4.21 Responding to recommendations of the Commissioner

Public bodies will have three options when responding to the recommendations of the Commissioner. They may:

- accept the recommendation(s) and take all reasonable steps to follow them;

- reject the recommendation(s), or part of it, on the basis of that there is a ‘good reason’ for not doing so; or
- reject the recommendation(s) because there is alternative course of action available.

Public bodies must publish their response to recommendations made by the Commissioner under the Act.

Collective role (public services boards)

4.22 Operating a public services board

The Act establishes a statutory board, known as a public services board, in each local authority area in Wales.

The four statutory members of each board are the Local Authority, the Local Health Board, the fire and rescue authority for an area and Natural Resources Wales.

A reference to a public services board is a reference to the members of that board acting jointly, and any function of a public services board is a function of each member and can only be exercised jointly. This means unanimous agreement is needed in order for public services boards to publish assessments of local well-being and local well-being plans.

All the members must be in attendance at a meeting of a public services board for the decisions made during that meeting to be considered valid.

A public services board must hold a meeting, chaired by the Local Authority, no later than 60 days after the date on which the board is established.

The public services board will be required to engage with key partners in the area who have a material interest in the well-being of the area, or who deliver important public services, in the preparation, implementation and delivery of the work of the board.

4.23 Assessing the state of well-being in the area

A public services board must prepare and publish an assessment of the state of economic, social, environmental and cultural well-being in its area a year before it publishes its local well-being plan. It is vital that this assessment provides an accurate analysis of the state of well-being in each community and in the area as a whole. There is significant weight placed on the validity of this assessment due to the impact the findings and analysis will have in choosing the objectives to be set out in the local well-being plan.

The board must explain in their local well-being plan how their local objectives and any steps they propose to take have been set with regard to any matters mentioned in the assessment, and should be reassured that those objectives are sufficiently robust to stand up to local scrutiny.

The assessment must identify the geographic community areas within the board’s overall area. It is intended that these ‘communities’ are localities within the board’s area which are large enough to show differences between them and have a sense of identity but not as small as electoral wards. Since official statistics are generally resolved down to the recognised ONS Lower Super Output (LSOA) areas it would make sense for the community areas identified to correspond with multiple LSOAs rather than cut across them.

4.24 Predictions of likely future trends

The assessment must include predictions of likely future trends in the economic, social, environmental and cultural well-being of the area. The analysis must refer to a future trends report published by the Welsh Ministers to the extent that it is relevant to the assessment of well-being in the area.

4.25 Preparing a Local Well-being Plan

Each public services board must prepare and publish a local well-being plan setting out its local objectives and the steps it proposes to take to meet them.

A board's first local well-being plan must be published no later than 12 months following the first local government ordinary election following commencement of Part 4 of the Act. The board must then publish a local well-being plan no later than 12 months after each subsequent ordinary election.

The local well-being plan will set out how the board intends to improve the economic, social, environmental and cultural well-being of its area by setting local objectives which will maximise the contribution made by the board to achieving the well-being goals in its area.

There are two main elements of a local well-being plan:

- a) The local objectives; and
- b) The steps the board proposes to take to meet the objectives

4.26 Local objectives

In line with the sustainable development principle the local objectives should seek to adopt an integrated approach to delivering against the well-being goals – considering how the objectives may impact on each of the goals (and on the other local objectives). One objective could deliver against multiple goals.

The objectives included in the local well-being plan must accord with the sustainable development principle, namely the need to ensure that action taken by public bodies to improve the well-being of people now doesn't detrimentally affect the ability of future generations to meet their own needs.

The board must take all reasonable steps to meet the local objectives they have set, to deliver on collectively. It is for the board to form its own judgement of what steps it would be reasonable to take, on the basis of its own knowledge and consideration of the circumstances and characteristics of its area.

4.27 Involvement (engagement and consultation)

In preparing both its assessment of local well-being and its local well-being plan, each public services board is required to consult fully

4.28 Reporting on progress

A public services board must prepare and publish a report no later than 14 months after the publication of its first local well-being plan. This is intended to enable the board to report on the full year's activity.

Subsequently, an annual report must be published no later than one year after the publication of each previous report.

In the year following a ordinary local government election, when a new local well-being plan is being prepared and published, there is no requirement to also produce an annual report.

4.29 Local accountability

Local integrated planning will only be effective if the members of the public services board take joint responsibility themselves for securing improvement, with local democratic processes providing appropriate challenge and support. For this reason, the Act gives the Welsh Ministers relatively few powers and relies predominantly on the role of local government scrutiny to secure continuous improvement.

5. EQUALITIES IMPLICATIONS

- 5.1 This report is for information only. No Equalities Impact Assessment has been done on this report, however Sustainable Development and Equalities interact on many levels and work done in one area often supports the other. Creating sustainable communities, employment and transport for example, is of benefit to all the residents of Caerphilly county borough, regardless of their individual circumstances or backgrounds.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications associated with this report at this time.

7. PERSONNEL IMPLICATIONS

- 7.1 Undertaking work to comply with the emerging requirements of the new Act has been identified as a key priority in the work programme for the SD & Living Environment Team. A working group including officers from Policy and Performance Management has been set up to consider the implications and the best approach for the Authority.

8. CONSULTATIONS

- 8.1 The report has been sent to the consultees listed below and all comments received are reflected in this report.

9. RECOMMENDATIONS

- 9.1 That the Panel note the content of the Well-Being of Future Generations (Wales) Act and draft statutory guidance.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 For the reasons set out in the report.

11. STATUTORY POWER

- 11.1 The Well-Being of Future Generations (Wales) Act 2015.

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