



AUDIT COMMITTEE - 8TH MARCH 2017

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

REPORT BY: CORPORATE DIRECTOR, SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To update Audit Committee in respect of the Area for Improvement in the Annual Governance Statement 2015/16 on the approach being taken to the requirements of the Well-Being of Future Generations (Wales) Act 2015.

2. SUMMARY

- 2.1 This report provides an update on the steps being taken to address the requirements of the Act and with particular reference to the core set of activities that are common to the corporate governance of public bodies as identified in the statutory guidance:

- Corporate planning
- Financial planning
- Workforce planning
- Procurement
- Assets
- Risk Management
- Performance Management

- 2.2 The report makes the distinction between the roles of the Public Services Board, with Caerphilly CBC as a statutory partner, and Caerphilly CBC as a public body with its own duties under the Act.

3. LINKS TO STRATEGY

- 3.1 The Well-Being of Future Generations (Wales) Act 2015 places a number of duties on the Council to meet the legally binding 'common purpose' for 7 statutory well-being goals.

4. THE REPORT

- 4.1 The Annual Governance Statement 2015/16 identified one new area for improvement which was that the Authority works to ensure that the requirements of the Well-Being of Future Generations (Wales) Act 2015 are progressed to ensure compliance prior to regulator reviews. The Act came into force on the 1st April 2016 and placed a number of legal duties on public bodies in Wales to meet the legally binding 'common purpose' for 7 statutory Well-Being Goals:

- A resilient Wales
- A prosperous Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

4.2 The Council is required to set its own Well-being Objectives that define how it will meet the Well-being Goals. The objectives should flow from having a clear vision of how the local authority will achieve the well-being of future generations. The vision should not be separate from the objectives that guide and steer the organisation. It is suggested that the objectives are communicated through the Corporate Plan. There should be a single integrated corporate approach and the Act should not be seen as an add-on.

4.3 The Local Authority must consider the sustainable development principle in setting, taking steps towards and meeting its well-being objectives. The sustainable development principle, as defined in the Act, sets out five ways of working:

- Taking an integrated approach – to reach all the goals
- Collaborating with others – to find sustainable solutions
- Looking to the long-term – to not compromise future generations
- Involving people – the full diversity of the population
- Taking a preventative approach – by understanding root causes

[ICLIP – Integrated / Collaborative / Long-Term / Involvement/ Preventative]

4.4 Core Governance Activities

In terms of applying the five ways of working (the sustainable development principle) and considering how we can contribute to all seven of the well-being goals the Statutory Guidance Shared Purpose: Shared Future (SPSF 1: Core Guidance) expects this to require action across the organisation. The guidance goes on to identify a core set of activities that are common to the corporate governance of public bodies where applying the requirements of the Act is considered likely to most effectively secure the type of change required. These are considered in turn below.

4.4.1 Corporate Planning

The WBFGA requires public bodies to set Well-being Objectives by 31st March 2017. There must be a well being statement to accompany the objectives which says why the Council has chosen the objectives that it has chosen, what resources will be allocated, the steps to be taken to meet the objectives, and how the well-being objectives will contribute to the achievement of the well-being goals

4.4.2 The Local Government Measure 2009 is in part still in force and the authority is still required to set Improvement Objectives. Whilst the Local Government Measure allows for a delay in publication until the new financial year in an election year, the WBFGA states that Well-being Objectives must be published by 31st March. Additionally the local 'Well- being Assessment', being conducted by the Public Services Board, required by the WBFGA legislation has emerging priorities which will form its Well being Plan for the Public Services Board to be issued by May 2018. The Council's own contribution, through its own well-being objectives, should be reviewed in light of this extensive and emerging information.

4.4.3 With conflicting timing requirements and the finalising of the Well- being Assessment the advice now received from the Welsh Local Government Association and Wales Audit Office is to set our corporate Well-being Objectives prior to 31st March 2017 and then review them after local elections, and in light of the emerging priorities. We reviewed our 2016 Well-being Objectives and these are to be presented to the meeting of Council on 7th March 2017 for approval on the basis that they continue to contribute strongly to the well-being goals above.

4.4.4 **Financial Planning**

In addition to the significant financial savings already delivered in recent years due to the ongoing programme of austerity, it is currently anticipated that Caerphilly CBC will need to identify further savings to balance its budget during the period 2017/18 to 2020/21. In light of this, work is currently underway to agree the next steps in respect of progressing savings proposals already under consideration and to identify new savings to address the projected financial shortfall. As part of this process the information requirements in relation to proposed savings has been reviewed and includes a requirement to specify the impact that individual savings proposals will have on the Well-being Goals and the five ways of working.

4.4.5 **Workforce Planning**

Our HR Strategy recognises that the Council must have a workforce with the right skills and support in order to achieve the cultural change envisaged by the Act. We are working to ensure that staff are aware of the well-being goals, the ways of working and the well-being duty so that it becomes part of how they deliver their work. We are doing this through briefings, intranet resources, and by embedding the well-being goals and five ways of working in our planning, decision making, policies and procedures. A pocket sized aide memoire has been issued to staff, and also to Members.

4.4.6 **Procurement**

Where appropriate all future procurements will consider the Well-Being of Future Generations (Wales) Act 2015. Going forward the Authority's revised procurement policy and strategy will set out how the Authority can contribute to the Well-being Goals through the co-ordination and development of all third party expenditure. The Authority has agreed to participate in a Welsh Government pilot, commencing in Spring 2017, which will support the implementation of the WBFGA in our procurement activity.

4.4.7 **Assets**

The Council's Corporate Asset Management Strategy identifies the following Principles that will be pursued in line with the Well being of Future Generations Act (Wales) 2015:

- We will balance short term needs with the need to safeguard the ability to meet long term generational needs, where those long term needs are identifiable.
- We will communicate what we are doing and the progress we have made.
- We will involve other persons in the development of our asset management strategies/plans to reflect the diversity of the people within the county borough.
- We will work with other public services bodies to deliver (where possible) both joint asset management solutions, and complementary goals.
- We will seek to improve the quality of our environment through good asset management by ensuring our resources are deployed effectively.
- Quality of life and fit for purpose assets will be our main consideration, within imposed financial constraints.

4.4.8 **Risk Management**

We have reviewed our approach to corporate risk to include the possible implications for future generations in the short, medium and long term, and to identify any additional risks to the well-being of future generations. We have reviewed the existing risks through the lens of the longer term implications and from a customer perspective and amended the Corporate Risk Register accordingly. Training has been delivered to the Audit Committee on Well-being of Future Generations Act and in particular the potential changes to how risk might be identified in future. The Councils Risk Management Strategy as approved in 2013 will need to be updated to reflect any changes to way risk is viewed as a result.

4.4.9 **Performance Management**

Corporate Planning is part of our Performance Management Framework (see para 4.6) and this work has already commenced in identifying our Improvement Objectives as Well-being Objectives and their contribution to the national Well-being Goals. The requirement of the legislation is also to ensure that there are tracking frameworks to monitor the success of the

Councils Well-being Objectives and we have those systems in place having monitored and tracked our objectives via the Ffynnon system and through Scrutiny since 2009. We have amended our service planning processes to ensure linkages are made to the Corporate Plan, Well-being Objectives, and that the sustainable development principle is embedded.

4.5 Decision Making – Report Template

The well-being duty placed on specified public bodies by the Act is intended to strengthen sustainable development in these bodies through effective governance. When making their decisions, public bodies need to take into account the impact they could have on people living in Wales in the future. As stated in 4.3 above, public bodies are expected to consider the five ways of working in order to demonstrate that they have applied the sustainable development principle (The five ways of working).

- 4.5.1 The Act places a new duty on the Auditor General to examine the extent to which each public body has applied the sustainable development principle when setting Well-being Objectives and taking steps required to meet those Well-being Objectives. The Auditor General will work with the Future Generations Commissioner to ensure that public bodies are working to achieve the Well-being Goals for Wales. The Future Generations Commissioner’s role is to act as a guardian for the interests of future generations in Wales and includes supporting public bodies to work towards achieving the Well-being Goals and Objectives, and carrying out reviews into how public bodies are taking account of the long -term impact of their decisions.
- 4.5.2 In order to assist the Council in demonstrating that the requirements of the Act are being met the Report template and guidance has been amended and the Constitution updated. A consideration of the contribution to the Well-being Goals and Objectives is included within the existing “Links to Strategy” section. The revised template includes a new section, entitled “Well-being of Future Generations” to allow further discussion of any impact that the report subject may have on people living in Wales in the future. In this Section the application of the sustainable development principle is demonstrated through consideration of the five ways of working.

4.6 Future Generations Advisory Panel

The Council has established a Future Generations Advisory Panel, formerly the Sustainable Development Panel. The terms of reference of the Panel reflect that the primary purpose of the Panel is to promote the economic, social, environmental and cultural well-being of residents of the county borough by providing guidance and advice to the Authority on the work required as part of the Well-Being of Future Generations (Wales) Act 2015. This includes ensuring that this work is undertaken in accordance with the “sustainable development principle”, and does not compromise the ability of future generations to meet their own needs. The Panel is Chaired by the Cabinet Member for Regeneration and Planning who has also been identified as the Council’s Future Generations Champion. Minutes of Future Generations Advisory Panel meetings are reported to Cabinet for information and consideration.

4.7 Public Services Board - Local Well-Being Assessment

The final draft Well-being Assessment is to be presented to the meeting of Caerphilly Public Services Board on 7th March 2017 for approval. The Assessment was prepared by the Corporate Policy Unit on behalf of the Caerphilly Public Services Board which is required to prepare a local assessment of well-being for the area that looks at its economic, environmental, cultural and social situation. The Well-being Assessment will be used to inform planning across the public sector to deliver ‘The Caerphilly We Want’ and meet the national Well-being Goals for Wales.

- 4.7.1 The Assessment will be used to set the Public Services Board's own Well-being Objectives and the Well-being Plan for the area. The assessment has been developed by consulting extensively with our communities to gather their views on the well-being of the area, now and in the future. This engagement is supported by the relevant data for the county borough to paint a rich picture of life in the area. It highlights a number of emerging trends that will be the focus of objective setting and planning across public services.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This report describes the approach that the Council is taking to embed the 5 ways of working and to ensure that it considers the sustainable development principle in setting, taking steps towards and meeting its well-being objectives.

6. EQUALITIES IMPLICATIONS

- 6.1 Equality in its widest sense is a key theme of the Act. More specifically the Cohesive Communities Goal protects the most vulnerable in society.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications directly arising from this report.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no personnel implications directly arising from this report.

9. CONSULTATIONS

- 9.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

10. RECOMMENDATIONS

- 10.1 That Audit Committee consider steps being taken to ensure that the requirements of the Well-Being of Future Generations (Wales) Act 2015 are progressed to ensure compliance prior to regulator reviews.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To advise and seek the views of Audit Committee on the approach being taken to requirements of the Well-Being of Future Generations (Wales) Act 2015.

12. STATUTORY POWER

- 12.1 The Well-being of Future Generations (Wales) Act 2015.

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Background Papers:

Well-being of Future Generation (Wales) Act 2015 The Essentials - The Wales We Want

<http://thewaleswewant.co.uk/sites/default/files/150623-guide-to-the-fg-act-en.pdf>

Shared Purpose: Shared Future Statutory Guidance for Public Services Boards, Public Bodies and
Community Councils

<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>