

Explanatory Memorandum to The Well-being of Future Generations (Wales) Act 2015 (Public Bodies) (Amendment) Regulations 2024

This Explanatory Memorandum has been prepared by the Sustainable Futures Division of the Welsh Government and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Well-being of Future Generations (Wales) Act 2015 (Public Bodies) (Amendment) Regulations 2024. I am satisfied that the benefits justify the likely costs.

Lesley Griffiths MS
Cabinet Secretary for Culture and Social Justice
21 May 2024

PART 1

Description

1. These Regulations amend the meaning of ‘public body’ in section 6(1) of the Well-being of Future Generations (Wales) Act 2015 (“the Act”) by adding eight additional public bodies for the purposes of Parts 2 and 3 of the Act. These public bodies are Qualifications Wales, Social Care Wales, Health Education and Improvement Wales, Welsh Revenue Authority, Transport for Wales (company number 09476013), Centre for Digital Public Services Ltd (company number 09341679), Digital Health and Care Wales, and the Welsh Ambulance Services University NHS Trust (the “additional public bodies”).
2. These Regulations make provision in relation to section 9(2) of the Act for the additional public bodies to set and publish initial well-being objectives no later than 31 March 2025.
3. These Regulations make provision in relation to the reporting period of the Auditor General for Wales (“the AGW”) under section 15 of the Act, for the additional public bodies. This amendment provides that the AGW must carry out an examination of each additional public body at least once over an initial six-year period (2024-2030). Each subsequent reporting period, following the initial period, will follow the reporting period provided under section 15(6) of the Act.

Matters of special interest to the Legislation, Justice and Constitution Committee

4. The Legislation, Justice and Constitution Committee will wish to note:
5. The Public Accounts Committee (fifth Senedd) carried out an inquiry *Barriers to the successful implementation of the Well-being of Future Generations (Wales) Act 2015* between May 2020 and March 2021. The Committee’s report [Delivering for Future Generations: the story so far](#) was published on 17 March 2021 and a Plenary Debate was held on 24 March 2021. The report included a recommendation (Recommendation 7) for the Welsh Government to carry out a review of the public bodies that are subject to the Act. The [work](#) of the Public Accounts Committee in 2020-21 outlined that acting in accordance with the sustainable development principle is an alternative, better way of working rather than an additional way of working. In practice this means enhancing existing arrangements for objective setting, monitoring, reporting, and decision making, as well as training and development for decision makers.
6. The remit of the Senedd’s Equality and Social Justice Committee includes the examination of legislation and scrutiny of expenditure, administration and policy for matters encompassing the implementation of the Act. In their [Report on the annual scrutiny of the Future Generations Commissioner \(An Update April 2022\)](#), the Committee were pleased that the Welsh Government is taking forward the Public Accounts Committee’s recommendation to review the number of bodies that are subject to the Act.

7. The Senedd Public Accounts and Public Administration Committee recently published a report [Scrutiny of Accounts: The Future Generations Commissioner for Wales 2022-23 \(March 2024\)](#), which included a recommendation for the Future Generations Commissioner to advise whether he will be able to continue to provide reassurances regarding the support provided by the public bodies team to the additional public bodies to be added to the Act, for which his office used its reserves to fund in 2022-23.
8. The Senedd Finance Committee in their scrutiny of the then Social Partnership and Public Procurement (Wales) Bill, which places a social partnership duty on the public bodies listed in section 6(1) of the Act, included in their [Stage 1 Report](#) (November 2022) a recommendation (Recommendation 10) asking the Welsh Government to report back on the outcome of the review of the bodies subject to the Act. These regulations implement, in part, recommendations of Senedd Committees.

Legislative background

9. The Act makes provision, among other things, requiring public bodies listed under section 6(1) to do things in pursuit of the economic, social, environmental, and cultural well-being of Wales in a way that accords with the sustainable development principle, to require those public bodies to report on such action, and to establish a Future Generations Commissioner for Wales to advise and assist public bodies in doing things in accordance with the Act.
10. The Act requires listed public bodies to collectively deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Public Bodies – criteria to be subject to the Act

11. The public bodies that are subject to the provisions of Part 2 of the Act were identified following consideration of a set of four published criteria covering: public funding (over 50%), impact on well-being, functions, and whether they are auditable.
12. When the Act was passed, a statutory test was established in section 52, so that only bodies that have public functions may be added to the list of public bodies under section 6(1). The fourth non-statutory test, which concerns whether bodies are auditable by the AGW, needed to be updated to reflect amendments to the Government of Wales Act 2006 arising from the Wales Act 2017. This repealed Schedule 7 of the Government of Wales Act 2006 meaning that there is no statutory definition of an auditable public body. This resulted in amending the wording of this test to include bodies where the AGW has the power to audit from existing legislation. The selection criteria are provided at Annex 2.
13. Five of the additional public bodies are executive bodies (Transport for Wales, Centre for Digital Public Services Ltd, Social Care Wales, Qualifications Wales, Welsh Revenue Authority). Given this status, these

public bodies are indirectly impacted by the well-being duty of the Welsh Ministers and in practice seek to achieve the well-being objectives of Welsh Ministers, and work across the public sector to enable better collaboration and coherence in delivering their services.

14. The Welsh Government [consultation](#) on the review of bodies subject to the well-being duty set out a criteria that public bodies who are subject to the well-being duty (part 2) of the Act were selected on the basis that their remit or functions have the greatest impact on the economic, social, cultural and environmental well-being of Wales, and those who have the strategic policy and corporate planning functions. Where public bodies are registered companies limited by guarantee, these bodies deliver functions of a public nature, for example, Transport for Wales (TfW) was established under the Companies Act 2006 to provide support and expertise to the Welsh Government in connection with transport projects in Wales. In 2017, TfW procured the new Operator and Development Partner for the Wales & Borders railway franchise under powers delegated to the Welsh Government under the Government of Wales Act 2006. The functions of TfW are set out in its [remit letter](#) which describes its policy objectives to deliver public transport in Wales.
15. Centre for Digital Public Services Ltd (CDPS) was established under section 58A and 60 of the Government of Wales Act 2006. As a public body, it acts as a delivery agent for Welsh Ministers and its role is to fulfil its responsibilities set within the context of the Welsh Government's strategic aims. CDPS sets out its functions of a public nature in its [Articles of Association](#) and the purpose and remit of the CDPS is set out in Article 3.1. The principal purpose of CDPS is to support the delivery of better (devolved) public services to the citizens of Wales.
16. When added to section 6(1) of the Act, these additional public bodies will be subject to the well-being duty (Part 2 of the Act), but their subsidiary companies will not. However, their subsidiary companies will contribute to the Welsh Government's well-being objectives as outlined in their remit letters.
17. Certain public bodies do not meet the criteria to be added to section 6(1). Advisory bodies, tribunals and inspectorate bodies are not included as they do not have executive functions and are not considered to pass the test of having strategic functions relevant to the Act. Higher education institutions and further education corporations are excluded because they are non-profit institutions serving households independent of government control and they are not auditable by the AGW. Registered social landlords are not included as they do not meet the 50% public funding criteria.
18. The Tertiary Education and Research (Wales) Act 2022 establishes a new Commission for Tertiary Education and Research, which will be the regulatory body responsible for the funding, oversight and regulation of tertiary education and research in Wales and will be added to section 6(1) of the Act in 2024.

19. Many of the organisations that do not meet the criteria have embraced the Well-being of Future Generations approach in their work and we will continue to look at ways in which this practice can be shared across Wales.

The well-being duty

20. The well-being duty requires public bodies to carry out sustainable development, which is defined in section 2 of the Act as the process of improving the economic, social, environmental, and cultural well-being of Wales by taking action, in accordance with the sustainable development principle (see para 23), aimed at achieving the well-being goals.

Well-being goals

21. The well-being goals are:

- a prosperous Wales
- a resilient 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

22. Full descriptions of each well-being goal are provided for in section 4 of the Act. There are 50 national [well-being indicators](#) and 17 national milestones which help to measure performance towards achieving the well-being goals. The indicators and milestones provide additional clarity on the practical changes expected in achieving the well-being goals.

Sustainable development principle

23. Public bodies listed in section 6(1) must act in accordance with the sustainable development principle, which means that the body must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. In order to act in accordance with the sustainable development principle a public body must take account of five ways of working. These are:

- Long-term
- Integration
- Prevention
- Collaboration
- Involvement

Well-being objectives (section 4)

24. The action a public body takes in carrying out sustainable development must include setting and publishing objectives ('well-being objectives') that are designed to maximise the bodies' contribution to achieving each of the well-being goals. Public bodies have a duty to take all reasonable steps, in exercising their functions, to meet the objectives they have set.

Statements about well-being objectives

25. When setting their well-being objectives public bodies must publish a statement setting out these objectives.
26. In preparing the statement, public bodies must explain how their well-being objectives have been set in accordance with the sustainable development principle and how they will involve other persons in achieving the well-being goals, ensuring those persons reflect the diversity of the population. The statement must also detail what the public body intends to do (their steps) to meet their well-being objectives. The public body must detail how it will govern itself, ensure the steps are kept under review and explain how resources are allocated annually for the purposes of taking their identified steps. In addition, the statement will detail the timeframe within which the public body expects to meet their well-being objectives.

Annual Reports

27. Public bodies are required to report annually on their progress towards meeting their well-being objectives as soon as reasonably practicable following the end of the financial year to which the report relates.

Statutory Guidance

28. The Welsh Ministers must issue guidance to public bodies about the exercise of functions under Part 2. Public bodies must take such guidance into account. The guidance, [Shared Future : Shared Purpose](#) was published in September 2016 and contains 4 guidance documents covering; core guidance, individual role (public bodies), collective role (public services boards), collective role (community councils) and key dates. The guidance was updated on 1 April 2024 to reflect the amendment to the “A Prosperous Wales” well-being goal by section 20 of the Social Partnership and Public Procurement (Wales) Act 2023.

Role of the Future Generations Commissioner for Wales

29. The Act established the office of the Future Generations Commissioner for Wales (“the FGC”), an individual appointed by the Welsh Ministers after consultation with the responsible committee of the Senedd.
30. The general duty and role of the FGC is to:
 - Promote the sustainable development principle.
 - Act as a guardian of the ability of future generations to meet their needs.
 - Encourage public bodies to take greater account of the long-term impact of their activities.
 - Monitor and assess the meeting of the well-being objectives set by the public bodies subject to the Act.
 - In carrying out the general duty, the FGC may:
 - Provide advice or assistance to:
 - A public body.
 - A public services board (in relation to the preparation of its local well-being plan).

- Any other person that they believe is taking, or is seeking to take, action that may contribute to Wales' well-being goals.
- Encourage best practice and promote awareness amongst public bodies to help ensure they meet their well-being objectives in a manner that is consistent with the sustainable development principle.
- Encourage public bodies to work with each other and with other persons if this could assist them in meeting their well-being objectives, sharing lessons learned and best practice.
- Promote awareness amongst public bodies of the need to take steps to meet their well-being objectives in accordance with the sustainable development principle.
- Conduct a review into the extent to which a public body is safeguarding the ability of future generations to meet their needs.

31. The FGC must:

- Prepare and publish a Future Generations Report 12 months before each Senedd election, containing their assessment of the improvements public bodies should make to achieve the well-being goals. The FGC must consult a wide range of organisations and representatives in preparing the report.
- Prepare and publish an Annual Report which will include a summary of the actions taken by the FGC, an analysis of the effectiveness of that action, a summary of complaints received, and a forward work programme. The Annual Report may include the FGC's assessment of the improvements that public bodies should make to meet their well-being objectives in accordance with the sustainable development principle.

Role of the Auditor General for Wales: sustainable development principle examinations

32. The Act confers a power on the AGW to carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle in both the setting of and steps taken towards meeting their well-being objectives. The AGW must carry out at least one examination of each of the public bodies within each 'reporting period' (currently once every five years). Each reporting period starts one year before the planned date of the next ordinary general election of the Senedd and runs until a year and one day before the next such election.

33. The AGW has discretion to determine the timing of examinations within that period. Before the end of that period, the AGW must report to the Senedd on the overall results of the examinations. The AGW reports the findings from examinations of individual bodies to the body itself, with the relevant outputs also being published by the AGW when finalised. The first AGW report was laid before the Senedd in May 2020. The next report is scheduled to be published in May 2025.

Public services boards

34. The extension of the well-being duty to the additional public bodies does not change the statutory membership of a public services board (PSB), nor does it change the list of bodies the public services board must invite to participate in the activity of the board. However, the Welsh Government encourages these new bodies to engage in the work of PSBs where it is relevant to the achievement of the well-being goals.

Powers enabling these regulations

35. Subject to approval by the Senedd, the Regulations will be made by the Cabinet Secretary for Culture and Social Justice and will come into force on 30 June 2024.

36. Section 6(1) of the Act lists certain persons as being a 'public body' for the purposes of Part 2 and Part 3 of the Act. Under section 52 of the Act, the Welsh Ministers may, by regulations, amend section 6(1) by adding a person, removing a person, or amending the description of a person. The specific power being relied upon is section 52(1)(a).

37. The powers to make the required provisions in relation to section 9 and section 15 of the Act are provided for by section 54 of the Act. Section 54(1)(b) provides a power to make such incidental, consequential, transitional, or supplemental provision as the Welsh Ministers consider appropriate. Under Section 54(3)(b) consequential amendments can be made in relation to the section 52(1) duty (to add the additional bodies).

38. Section 9(2)(a) of the Act provides that 'A public body's well-being objectives must be set and published no later than the beginning of the financial year following the commencement of this section'. Section 9 was commenced on 1 April 2016 pursuant to the Well-being of Future Generations (Wales) Act 2015 (Commencement No. 2) Order 2016 (2016/86). The public bodies listed under section 6(1) at that time were required to set and publish well-being objectives by no later than the beginning of the 2017 financial year. A provision is required to place a duty on the additional bodies to set initial well-being objectives by no later than the end of the financial year following their addition to section 6(1) of the Act (by 31 March 2025).

39. The proposed coming into force date of 30 June 2024 to add the additional public bodies to section 6(1) and the requirement for the additional public bodies to set well-being objectives by 31 March 2025, would not provide sufficient time for the AGW to complete examinations of the additional public bodies within the current reporting period (2020-25). A provision is therefore required to amend section 15 of the Act in relation to the additional bodies. This provision provides that the AGW will have a six-year reporting period for the additional public bodies from 30 June 2024 to one day and one year before the next Senedd election after May 2026 (currently May 2031). The AGW will produce a report on the examination of the additional public bodies. The additional public bodies will then follow the reporting period under section 15 of the Act, in line with the other 48 public bodies under section 6(1) for subsequent examinations.

Purpose and intended effect of the legislation

40. The effect of these Regulations is to add eight additional public bodies to section 6(1) of the Act which will result in those additional public bodies being subject to the well-being duty. The additional public bodies will be required to carry out sustainable development and set and publish their well-being objectives by no later than the 31 March 2025).
41. Through being listed in section 6(1) of the Act, the additional public bodies will also be subject to the social partnership and socially responsible procurement provisions as set out in the Social Partnership and Public Procurement (Wales) Act 2023 (“the SPPP Act”). This will improve public service delivery and complement the embedding of fair work within well-being objectives, a change introduced under the SPPP Act.
42. If these Regulations are not made, the benefits outlined in Annex 1 for the organisation and the population of Wales will not be realised. The additional public bodies will not set well-being objectives to maximise their contribution to the well-being goals or act in a manner which seeks to ensure the needs of the present are met without compromising the ability of future generations to meet their own needs. This will also result in inconsistent governance standards across the Welsh public sector and would limit the coverage of the social partnership and socially responsible procurement provisions.

Consultation

43. Before making regulations that amend section 6(1) of the Act, under section 52(4), the Welsh Ministers must consult the FGC, such other persons as the Welsh Ministers consider appropriate, and those persons (public bodies) who are to be added to the Act.
44. Between 14 July and 20 October 2022, the Welsh Government invited views on the proposals through a [public consultation](#) on extending the well-being duty in Part 2 of the Act to the additional public bodies. In response, there was strong support for the well-being duty to be extended to the additional public bodies and a [summary of responses](#) was published on 15 December 2022. Both the FGC and the AGW provided responses to the consultation.
45. Since October 2022, using feedback from the consultation about sharing best practice, regular knowledge exchange sessions have been facilitated by the Welsh Government involving officials from the existing and additional public bodies yet to be subject to the well-being duty. The sessions have focused on the key elements of the well-being duty to help share good practice about the practical application of the duty. Further knowledge exchange sessions will be delivered in 2024-25.

PART 2 – REGULATORY IMPACT ASSESSMENT

Options

1. The options that have been considered in preparing this Regulatory Impact Assessment (RIA) are option 1 – do nothing, and option 2 – introduce Regulations to add additional public bodies to section 6(1) of the Act. Both options have been assessed using the best information available to the Welsh Government at the time of completing this RIA.
2. These Regulations do not alter the policy of the Act but do extend its impact by virtue of adding the additional public bodies to section 6(1) of the Act.
3. Following the assessment of additional public bodies against the criteria at Annex 2, an option for adding more than the additional bodies was ruled out. An option to seek a voluntary contribution to the well-being of future generations agenda by the additional bodies was discounted as the contribution those bodies currently make would not achieve more than a 'do nothing' option.

Option 1 – Do nothing

4. The option of doing nothing would mean that the additional public bodies are not added to section 6(1) of the Act. As a result, the additional public bodies would not be required to carry out sustainable development, set, publish, and report on progress towards well-being objectives, or act in accordance with the sustainable development principle. Furthermore, they would not be subject to the duties and powers of the FGC or be subject to examinations by the AGW.
5. By extending the well-being duty to the additional public bodies, they will be required to deliver on well-being objectives set by themselves that are more closely aligned with their role and function while also achieving the national well-being objectives set by the Welsh Ministers. Health Education and Improvement Wales, and Digital Health and Care Wales are Special Health Authorities which, along with the Welsh Ambulance Services University NHS Trust, are committed to the wider well-being approach of NHS Wales.

Option 2 – Add the additional public bodies to section 6(1) of the Act

6. The option of introducing regulations will add the additional public bodies to section 6(1) of the Act. In doing so, the additional public bodies will be subject to the well-being duty and so will have to carry out sustainable development, as well as publish, deliver, and report on well-being objectives that contribute to the well-being goals, and be required to act in accordance with the sustainable development principle.
7. Bodies will also receive support from and may be subject to a review by the FGC, and will be subject to examinations by the AGW.

Costs and benefits

Option 1 – Do nothing

Costs

8. In the absence of the additional public bodies being added to section 6(1) of the Act, existing arrangements would likely continue and therefore there are no direct associated additional costs from this option.
9. The additional public bodies will continue their existing engagement with the Act either through Welsh Government remit letters, and thereby contributing to the well-being objectives of the Welsh Ministers, or through voluntary engagement and association with sectoral sustainability activities.
10. The additional public bodies can access online resources provided by the FGC but will not receive support from the FGC to maximise their contribution to the well-being goals. The additional public bodies will continue to be able to access the existing guidance and resources available from the FGC's office, but advice and support will not be tailored to their specific needs.
11. The additional public bodies would not be able to gain valuable insight from the AGW's examinations.

Benefits

12. The benefit of maintaining the status quo is that the additional public bodies will have familiar processes that have taken time to put into place. Being subject to the well-being duty will require the additional public bodies to re-shape some of their activities and reporting practices. Retaining these existing arrangements may be perceived by some as beneficial, particularly given the challenging financial position facing the public sector in the 2024-25 financial year. Voluntary involvement by the additional public bodies in the well-being of future generations agenda has helped deliver some positive changes, so it is possible – but not guaranteed – that this would continue without them being listed in section 6(1) of the Act.
13. The consultation responses demonstrate that the additional public bodies' addition to section 6(1) of the Act is widely seen as a timely and welcome move to create more consistency across the public sector. The degree of voluntary engagement suggests a shift towards greater alignment to the well-being duty.

Option 2 – Add the additional public bodies to section 6(1) of the Act

Costs

Costs to the additional public bodies subject to the Act

14. The RIA for the Act in 2015 found that the additional costs of the legislation to public bodies subject to the well-being duty, where they arise, can be absorbed within existing budgets and activities. No new additional costs for additional public bodies were identified. Similarly, work carried out at that time on the culture change by [PricewaterhouseCoopers International Limited](#), found that the 'potential opportunities and benefits that could be derived from implementing the proposed duties significantly outweigh the

negative administrative impacts associated with implementation'. The findings also suggested that if implemented effectively, the Act has the opportunity of creating significant cost efficiencies by enabling more joined up reporting and monitoring and that the longer-term positive impacts were considered to far outweigh the initial upfront costs.

15. The Act does not dictate the decisions public bodies must reach in any given situation when discharging the well-being duty. The decisions public bodies may take as a result of acting in accordance with the sustainable development principle will be wide and varied and the decision-making processes not readily quantifiable in monetary terms. There have been financial challenges across the public sector in recent years, but the Act gives discretion to public bodies when setting well-being objectives and taking steps to meet those objectives to do so in a way that reflects their role and functions. When the Act was introduced in 2015, the Welsh Government did not provide additional funding to the original 44 public bodies listed in section 6(1) of the Act. This was on the basis that they would be improving existing processes and practices rather than undertaking new substantive functions. The Act's 2015 RIA found that these additional costs can be absorbed within existing mechanisms and budgets.
16. The main costs to the additional public bodies will come from the duties to:
 - Setting and publishing well-being objectives (section 3(2)(a))
 - Publish a statement about well-being objectives (section 7(1))
 - Take all reasonable steps to meet those objectives (section 3(2)(b))
 - Publish an annual report of progress (section 13(1) and Schedule 1)
 - Publish a response to a recommendation made by the Future Generations Commissioner for Wales (section 22(4)) (where applicable)
17. As the Act is designed to make sustainable development the central organising principle of public bodies, it follows that the discharge of the duties in the Act affects how public bodies currently set, publish, and explain their existing objectives and report on them annually. All of the additional public bodies have existing mechanisms through which they will set out their objectives for their organisation, explain how they will have arrived at those objectives, and report on their progress annually. Existing mechanisms such as corporate strategies and plans provide the main vehicle for discharging the duty and this approach is advised in the [statutory guidance](#) issued under section 14 and 22(2) of the Act. Public bodies must take this guidance into account in discharging their well-being duty. The majority of the existing public bodies have used existing mechanisms to discharge these duties.
18. The reasonable steps a public body decides to take in meeting their well-being objectives is wide and varied and will depend on their level of ambition and associated resources and levers to deliver those steps. The

FGC has been collecting [case studies](#) that demonstrate how public bodies are delivering on their well-being objectives and the [impact of the Act](#). It is not possible to quantify the costs arising from the nature of the well-being objectives and the steps a body may take.

19. The additional public bodies have become familiar with the framework of the Act and in many cases have already taken action and made changes to how they set well-being objectives, prepare a statement on how they are working to the Act, and report on progress of these objectives. The corporate plans or equivalent of the additional public bodies already indicate a level of engagement with the well-being of future generations agenda (Annex 2).
20. The additional public bodies have been preparing to discharge the well-being duty since the Welsh Government consultation in 2022, also attending Welsh Government knowledge exchange sessions about discharging the well-being duty and are sufficiently prepared and it is unlikely that there will be significant transitional costs for the additional public bodies. Three of the additional public bodies, including Transport for Wales, Health Education and Improvement Wales, and the Centre for Digital Public Services Ltd have had participants in the Well-being of Future Generations Leadership Academy and so will benefit from leadership and insight on good practice around implementing the Act.
21. Many resources, tools, networks, and good practice behaviours have been developed since the Act was passed, predominately by the FGC and the AGW, which public bodies can draw from.
22. The responses to the 2022 consultation outlined that many of the additional public bodies did not anticipate administrative costs to discharge the well-being duty and that costs would be absorbed into current resources with no increase in staff costs. Some considered that this position would need to be reviewed. Through further engagement with the additional public bodies, they all indicated that they have already made plans to set and publish well-being objectives and a statement about the well-being objectives by March 2025, so no opportunity costs are expected, other than adjustments to existing governance arrangements in terms of providing assurance around compliance with the well-being duty.
23. Drawing from the Act's 2015 RIA (paragraphs 383 to 408 and Table 17), the then Minister for Social Justice and Chief Whip wrote to the existing 48 public bodies in January 2023 requesting information on the transitional costs for public bodies in adapting to being subject to the well-being duty.
24. The responses received emphasised the complexity in estimating the costs of implementing the well-being duty due to the integration of the duty within existing planning and reporting processes. Public bodies explained that it is important to consider the time and resources required for awareness raising and targeted training to maximise the implementation of the duty but given the familiarity of the additional public bodies with the well-being of future generations agenda through their voluntary engagement to date, familiarisation costs are likely to be minimal. Responses highlighted that creating or strengthening existing structures for collaboration and

preventative interventions will take time and effort. Public bodies may need to divert internal resources during the early phases of implementation (during the first 2 years of setting objectives and preparing an annual report) by putting in place preventative infrastructure. Responses also outlined that the additional costs required to strengthen ways of working are outweighed by the benefits to the operation of the organisations. Furthermore, the responses explained that the additional costs of being subject to the duty have been, in the main, absorbed within existing budgets. The wealth of information and experience that has been accumulated through existing support, guidance, reports, training, case studies, and networks was raised as invaluable.

25. In summary, given it is not possible to quantify the costs arising from the nature of the well-being objectives and the steps a body may take there will be no additional costs to the additional public bodies due to their existing arrangements to embed and contribute to the well-being of future generations agenda, through their familiarisation with the framework of the Act and access to the existing materials and information available to them.

Costs to the Future Generations Commissioner for Wales

26. The statutory duties and discretionary powers of the FGC are set out at paragraphs 29-31 of part 1.
27. Through its statutory annual reports and termly [Future Generations Report](#), the FGC sets out the activities they have undertaken to discharge their duties and where deployed, its powers. This includes detail of the monitoring of public bodies, their assessments of improvements, direct support to public bodies and section 20 review powers which have been used twice since 2017. The annual report must also include a summary of the Commissioner's work programme for that financial year and for the following financial year. In addition, for each financial year the Commissioner must prepare an estimate of the income and expenses of the Commissioner which is submitted to the Welsh Ministers. The [statutory estimate](#) for 2024 to 2025 was laid in the Senedd on 19 December 2024.
28. In the Final Budget 2024-25 that was published on 27 February 2024 the Future Generations Commissioner was allocated £1,610,000. The Welsh Government also agreed a capital allocation of £30k and £10k of non-cash in 2024-25, this will be formalised as part of the first supplementary budget process. This gives the Commissioner a total resource budget of £1,650,000. The original RIA (Stage 2) in 2015 estimated a budget for the Commissioner of £1,323,900 for 2020-21.
29. Since 2016, the FGC has increased their expertise and knowledge of supporting public bodies. They have provided direct support to public bodies and have published reports and created tools to help public bodies and public services boards.
30. In 2021-22, the FGC piloted a new model for supporting public bodies to implement the Act to gauge appetite and expectations and to respond to a recommendation from a Public Accounts Committee [report](#). All public bodies require some form of ongoing support be that strategic, operational, or through updated guidance and best practice. Public bodies have said that

they want more direct advice and assistance as well as support, contact with the FGC, and more events to help build connections, exchange best practice, and develop their approaches.

31. In their 2022-23 annual report, the FGC's activities to support public bodies included: developing relationships by appointing Public Body Leads, bringing academia and public bodies together, holding national and regional workshops, delivering hundreds of meetings and presentations, and providing advice to public bodies on a range of policy topics, processes and decision making.
32. Following a budget reduction in 2024-25, the FGC's office has changed their approach from one named contact per public body, to providing a more generic approach to working with public bodies, seeking to convene, deliver one-to-many sessions, and reduce the amount of one-to-one intensive support and feedback. However, as the additional public bodies will be new to their duties under the Act, they are likely to require FGC time to meet regularly, give feedback, help them work through FGC resources and requirements, and on how to change their practices around their new duties and to develop their plans.
33. It is possible that there will be a greater quantity of requests for advice, assistance, and support from the additional public bodies to the FGC given the increasingly complex and challenging context within which public bodies are functioning.
34. The additional public bodies themselves already engage with the well-being of future generations agenda and Annex 2 provides an overview of the additional public bodies, also setting out where public bodies already use corporate planning arrangements to voluntarily deliver on the well-being of future generations agenda. Executive bodies also have a commitment to deliver the Welsh Governments well-being objectives under Welsh Ministers through their remit letters. The additional public bodies have been preparing to discharge the well-being duty for over a year, participating in knowledge exchange sessions facilitated by Welsh Government and many are already using the guidance and tools available to them.
35. In their [statutory estimate for 2024-25](#), laid in the Senedd in December 2023, the FGC estimated that the total minimum amount needed to support the additional eight public bodies would be £80,000 per year from 1 April 2024.
36. The Act's 2015 RIA estimated that the direct support for the additional public bodies to help embed sustainable development as a central organising principle would be around £7,600 per body. The level of support to individual public bodies will change depending on their level of maturity and the action they need to take to discharge the well-being duty and/or make improvements and changes to how they work.
37. Costs have been adjusted from the minimum total annual estimate of £80,000 for the eight additional public bodies to £120,000 (£15k per body per year) to more accurately reflect an up-to-date analysis of the resources required since the FGC undertook an organisational restructuring. This cost includes an annual per body cost of £11,000 for the provision of advice and assistance and £4,000 for monitoring, assessing, and other powers and

duties. Table 1 provides a breakdown of the costs which are averaged across each of the additional public bodies and across each financial year.

38. These costs will be met within the FGC's budget from 2024-2025 onwards. Initial work with the eight additional public bodies will include introductory meetings, training, and the provision of advice and feedback on well-being objectives and plans. However, over time, it is likely that the requests from the additional public bodies will increase and become more demanding as their understanding of the well-being duty increases. Staff turnover in public bodies can also mean that some further introductory work is required, but it is hoped that the organisations will be able to provide most of this support via their internal training.
39. While there is a strong level of existing engagement in the well-being of future generations agenda by the additional public bodies, and a range of resources exist, there will be opportunity costs associated with the FGC's provision of support for the additional public bodies in the first year and every subsequent year. The main associated opportunity cost will be the reduction in the FGC's capacity to provide one-to-one support to the existing public bodies.
40. Given the maturity and progress made to date by the existing 48 public bodies, it is likely they will require less general support in the coming years but may require different support depending on the improvements they are making to how they work.

Table 1 Costs for the Future generations Commissioner over a five-year period

	Cost per financial year (£)					Total (£)
	2024-25	2025-26	2026-27	2027-28	2028-29	
Health Education and Improvement Wales	15,000	15,000	15,000	15,000	15,000	75,000
Welsh Ambulance Services University NHS Trust	15,000	15,000	15,000	15,000	15,000	75,000
Digital Health and Care Wales	15,000	15,000	15,000	15,000	15,000	75,000
Social Care Wales	15,000	15,000	15,000	15,000	15,000	75,000
Welsh Revenue Authority	15,000	15,000	15,000	15,000	15,000	75,000
Qualifications Wales	15,000	15,000	15,000	15,000	15,000	75,000
Transport for Wales	15,000	15,000	15,000	15,000	15,000	75,000

Centre for Digital Public Services Ltd	15,000	15,000	15,000	15,000	15,000	75,000
Total	120,000	120,000	120,000	120,000	120,000	600,000

Costs to the Auditor General for Wales – Welsh Consolidated Fund

41. The role of the AGW is set out at paragraphs 32-33 of part 1.
42. The AGW's programme of national value for money examinations and studies provides support to the scrutiny work of the Senedd. These studies are reported to the Senedd's Public Accounts and Public Administration Committee. Funding from the Welsh Consolidated Fund for such examinations and studies has, in the current reporting cycle, been used to help discharge the AGW's duties under the Act for the relevant central government bodies. It is also supporting preparation of the AGW's statutory report on the overall findings from sustainable development examinations at individual bodies.
43. In the current reporting cycle (May 2020-May 2025), the AGW has sought to integrate sustainable development examinations within existing programmes of work, as far as possible. As part of their consultation response, Audit Wales set out how the additional eight public bodies fit within existing audit programmes at Annex 3. The AGW has a complex range of powers and duties for different bodies, resulting in different opportunities and some barriers to achieving integrated examinations alongside existing planned programmes of work.
44. Different audit arrangements are determined by statute. For local government and NHS bodies, the AGW undertakes programmes of 'local' performance audit work, albeit of varying scales (local in the sense that it is work that we are required to undertake at local government bodies and NHS bodies). This presents an opportunity to integrate sustainable development principle examinations as part of those audit programmes.
45. The benefits of integrated examinations include a broader coverage of examinations, a reduced cost and burden to public bodies and a more rounded view of performance. There are existing local performance audit programmes for Health Education and Improvement Wales, the Welsh Ambulance Services University NHS Trust and Digital Health and Care Wales.
46. For the remaining bodies, the AGW does not undertake equivalent local performance audit programmes because they do not fall within their existing range of powers and duties. For bodies where there is an absence of provision for a proper arrangements conclusion, the AGW cannot undertake integrated local performance audit programmes and it is more difficult to have the same impact through infrequent, standalone examinations. Standalone examinations can also be relatively expensive and burdensome for smaller bodies, and less efficient. There may, however, be opportunities to integrate some sustainable development examinations as part of more broadly scoped, and more resource intensive, value for money examinations under the AGW's wider audit powers.

47. The annual additional costs for the AGW to examine the additional public bodies and report on their findings to the Senedd are set out in Table 2. The estimate period is six years as the regulations will give flexibility for the AGW to discharge his duty until the end of the next reporting period, as currently defined, rather than examine all eight additional bodies between June 2024 and March 2025, and report on the findings of this in the report to the Senedd under section 15(3) during that period to the Senedd.
48. The approach adopted is based on an average annual cost across a reporting cycle. This is because there are no requirements that dictate exactly when the AGW's examinations are carried out within a reporting cycle. This will depend on various factors around Audit Wales's wider audit work programme planning and resourcing. It will also take account of contextual factors for the individual bodies. In practice therefore, the work undertaken to discharge the AGW's duties at each individual body may be spread differently across the period.
49. In their statutory estimate, *Supporting information for the Estimate for Audit Wales 2024-25*, Audit Wales identified a £41,000 of costs associated with the extension of the Act to the eight additional bodies (at 2024-25 rates). They anticipate this baseline annual cost would be recurring each year through the 2025-30 reporting cycle, uplifted as appropriate in line with their wider estimate. The £41k figure is lower than the figure in Table 2 as, in practice, Audit Wales currently anticipates covering most of the work associated with examinations for the three health bodies within existing programmes, although the AGW can charge additional fees for examinations if he wishes.
50. The cost estimates are based on the cost of the work to meet the minimum statutory requirements if delivered as standalone sustainable development examinations, at 2023-24 rates, and based on an assumed skill mix. The actual costs will depend on audit cost rates and the optimal skill mix available to deliver the work at a point in time, considering Audit Wales' wider resourcing and other work programme priorities. Differences in costs for individual bodies take account of assumptions relating to size and complexity, and the extent of existing audit coverage.
51. The cost estimates take no account of the staff/opportunity costs to audited bodies that arise from their engagement in audit activity. Similarly, they do not account for costs to the FGC through their engagement with Audit Wales about the AGW's examinations of individual bodies.
52. The estimates assume no additional costs arising from the addition of the eight public bodies regarding the AGW's overall report in each reporting cycle on findings from sustainable development examinations.

Table 2 costs for AGW over a six-year period (at 2023-24 rates)¹

	Cost per financial year (£)						Smoothed totals (£)
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Health Education and Improvement Wales	5,500	5,500	5,500	5,500	5,500	5,500	33,000
Welsh Ambulance Services University NHS Trust	5,500	5,500	5,500	5,500	5,500	5,500	33,000
Digital Health and Care Wales	5,500	5,500	5,500	5,500	5,500	5,500	33,000
Social Care Wales	7,200	7,200	7,200	7,200	7,200	7,200	43,000
Welsh Revenue Authority	7,200	7,200	7,200	7,200	7,200	7,200	43,000
Qualifications Wales	7,200	7,200	7,200	7,200	7,200	7,200	43,000
Transport for Wales	9,400	9,400	9,400	9,400	9,400	9,400	56,400
Centre for Digital Public Services Ltd	7,200	7,200	7,200	7,200	7,200	7,200	43,000
	54,600	54,600	54,600	54,600	54,600	54,600	327,400

¹ Figures have been rounded to the nearest £100, with all sub-totals and overall totals rounded on the same basis from original figures. Consequently, totals presented in these tables do not add up to the sum of the parts.

Benefits

53. Annex 1 lists the expected benefits of the well-being duty on organisations and the Welsh population.
54. Since the Act became law, the public sector landscape in Wales has changed. The addition of the additional public bodies will help better reflect the scope and breadth of the sustainable development agenda in Wales. The public bodies' formal inclusion within the agenda will strengthen how the devolved Welsh public sector collectively implements the Act. The public consultation held in 2022 emphasised that the addition of these public bodies is widely seen as a timely and welcome move which would strengthen the sustainable development architecture in Wales and benefit the Welsh language.
55. The responses from public bodies currently subject to the Act's well-being duty have outlined the benefits from improved partnership working, which provides opportunities to identify synergies and to make a shared contribution to sustainable development. Taking collective, preventative approaches were outlined as more cost effective than responding to impacts after issues have occurred. The inclusion of these additional public bodies will increase the scope and breadth of the sustainable development agenda in Wales and will strengthen the sustainable ways of working that are central to how the [One Welsh Public Service](#) works.

Summary of the preferred option

56. The preferred option (option 2) would extend the number of devolved public bodies operating at a national level across Wales under the same duty as the existing 48 national, regional, and local public bodies. It broadens the extent of the well-being of future generations framework for decision making, ensuring the widest possible public sector is working to a common purpose and a common way of working. These include a clearer focus, future proofing public services against an unpredictable future and a consistent and strengthened sustainable development framework for all public bodies across Wales to work within. It would further enable Wales to become an international leader in translating sustainable development into practice, particularly in the context of the United Nations Sustainable Development Goals.
57. The additional public bodies' formal inclusion will also strengthen how the devolved Welsh public sector collectively implements the Act. The additional public bodies have been aware of these proposals since mid-2022, have been preparing to discharge the well-being duty for over a year, and are already engaged in the well-being of future generations agenda. When added to section 6(1) of the Act, they may receive support from the FGC and benefit from their expertise and knowledge of supporting the existing public bodies and by using the tools already created as part of that support.
58. Existing public bodies subject to the Act have already benefited from the examination reports of the AGW, which bring transparency and accountability for the public bodies and assurance for the Welsh Ministers which cannot be achieved with voluntary engagement. Citizens will also

benefit through improved engagement and involvement with the additional public bodies when they are subject to the sustainable development principle, resulting in better service delivery and collaboration across sectors.

Impact Assessment

59. The policy in the Act is not changed and the impacts only arise as a result of more public bodies being subject to the sustainable development principle and well-being duty.
60. The main impact is therefore on the public bodies who will become subject to the Act. The Act does not dictate the decisions public bodies must reach in any given situation when discharging the well-being duty. The decisions public bodies may take as a result of acting in accordance with the sustainable development principle will be wide and varied and the decision-making processes not readily quantifiable in monetary terms. This will result in changes to how those organisations are to make decisions, engage with communities, collaborate with others, and set, publish, and report on their objectives. The impact assessment found positive impacts are likely as the public bodies seek to achieve the national well-being goals through their well-being objectives.
61. The impact assessment recognises reflections of Well-being of Wales Report, reports by the FGC and AGW's report on examinations. The AGW's report in particular found some opportunities for public bodies when complying with the sustainable development principle and good examples of bodies supporting children and young people but found that public bodies needed to do more to involve those with protected characteristics in service design and delivery.
62. Extending the Act to the additional public bodies will strengthen and widen existing governance arrangements for improving the well-being of Wales. Consistency of standards will help assist the delivery of the Welsh Government's well-being objectives and supports the delivery of transformative policies in Wales. Including more of the One Welsh Public Service under the framework of the Act will provide for better consistency and a level playing field.
63. A summary of the integrated impact assessment will be published on the Welsh Government website, with individual assessments made available on request.

Welsh Consolidated Fund

64. The AGW will draw funding to cover the cost of examinations for the additional public bodies, as outlined at paragraph's 41-52.

Competition Assessment

65. The competition filter test has been applied. The regulations are not expected to impact on the level of competition within Wales or the competitiveness of Welsh businesses.

Post-implementation review

66. The Act puts into place changes to governance structures of the specified

public bodies and creates a framework for the improvement of long-term well-being in Wales, for which transparency is assured by a system of statutory reporting and statistical measurement at national and local levels.

67. For executive public bodies which are funded by the Welsh Government, the implementation of the well-being duty will be subject to the broader regime of oversight and performance management by the Welsh Government. This includes 'Term of Government' remit letters, which are issued by Welsh Ministers to direct their corporate plans annual funding letters; the framework documents agreed with the Welsh Government; and the appointment of an Accounting Officer for each organisation. The additional public bodies will continue their existing engagement with the Act either through Welsh Government remit letters, and thereby contributing to the well-being objectives of the Welsh Ministers, or through voluntary engagement and association with sectoral sustainability activities.
68. Transparency is crucial for improving how public bodies do their business and how they are performing. It is vital that the public, those with responsibility for providing accountability for the Act, and those working in public services can easily access timely and relevant information to support continual improvement.
69. The Act also sets up a system of review, monitoring, and evaluation, which will measure the improvement of well-being. It identifies long term goals for Wales' well-being now and in the future. The specified Welsh public bodies must seek to achieve these goals and are to show that they are working towards them in their reporting.
70. The implementation and impact of the additional public bodies in carrying out sustainable development is also monitored through:
 - Annual reports – each public body is required to report on the progress it has made in meeting its well-being objectives for the preceding year.
 - Monitoring – under section 18 of the Act, the FGC has a general duty, among other things, to monitor and assess the extent to which well-being objectives set by public bodies are being met.
 - Reviews – under section 20 of the Act, the FGC may conduct a review into the extent to which a public body is safeguarding the ability of future generations to meet their needs by taking account of the long-term impact of things the body does. A public body must take all reasonable steps to follow the course of action set out in a recommendation made to it by the FGC under this section.
 - Examination – under section 15 of the Act, the AGW carries out regular examinations of the setting of well-being objectives and the steps public bodies make to meet those objectives.
71. It is important to note that effective implementation depends on the individual decisions each public body makes as to how it is run and how it discharges its functions. It will therefore also be for the public bodies themselves to monitor and manage the effectiveness of their arrangements to secure optimal effectiveness. The knowledge exchange events led by the Welsh Government have been designed to provide a holistic overview of the key components associated with the Act's well-being duty.

72. Welsh Government officials have appointed a UK Research and Innovation-funded policy fellow to develop an approach for, and deliver the first stage of, an evaluation of the Act. This work will provide a broader review of the effectiveness of the implementation of the Act.
73. Statutory reports by the FGC and AGW have provided up-to-date evidence of the impact of the Act. Similarly, the annual Well-being of Wales Report provides information on national progress towards the seven well-being goals. These can be drawn upon to learn more about how the Act is being implemented across the public sector.

Annex 1: Benefits of introducing the regulations under the Well-being of Future Generations (Wales) Act 2015

Well-being duty	Benefits	
<p>Duty to carry out sustainable development (defined in section 2 of the Act).</p> <p>In carrying out this duty, public bodies must set and publish objectives designed to maximise their contribution to achieving each of the well-being goals and take all reasonable steps in meeting their objectives.</p> <p>Public bodies must also act in accordance with the sustainable development principle, which is defined in section 5 of the Act, and annually report on progress towards their objectives.</p>	<p>Population-wide benefits (the sustainability of Wales)</p> <ul style="list-style-type: none"> ▪ Alignment – a common purpose for public sector. ▪ Coherence – ensure consistency in the application of sustainable development to these additional public bodies. ▪ Consistent framework – increase consistency of the legislative framework by adding public bodies. ▪ Scope – a wider coverage of public bodies given the roles and functions they provide and their relationship with the existing public bodies. ▪ Accountability – increased transparency to drive openness and awareness of the complex challenges Wales faces and the sustainable solutions that public bodies have opted for. ▪ Integrated decision-making – a clearer framework in which to promote integrated thinking and decision-making. ▪ Long-term – enable public bodies to plan for the long-term. ▪ Responsibilities – the Act helps public bodies defining better the responsibilities they have and the contributions they make to Wales’ well-being. 	<p>Organisation benefits (sustainable development as a central organising principle)</p> <ul style="list-style-type: none"> ▪ Resilience – organisations will be better prepared and able to respond to and recognise threats. ▪ Shared contribution – improved understanding of where their impact may overlap with those of other organisations. ▪ Improved risk management – better identification of the long-term risks that may emerge. ▪ Efficiency – promoting preventative spend. ▪ Reputation – safeguarding and enhancing the reputation of organisations, and in particular the opportunities that may arise from a clear commitment to sustainable development. ▪ Integrated reporting – fostering the conditions for organisations to better integrate their reporting arrangements to communicate with citizens. ▪ Better transparency – leading to better performance and better relationships. ▪ Accountability – recognising that the audit profession is increasingly embedding sustainable development thinking into their practice.
<p>The extent of these benefits will depend on the organisation’s situation, and the means of achieving them will be adaptable to circumstances and requirements The implications for organisations will depend upon the strategies they develop to meet the well-being objectives they set in response to the legislation. Decisions taken by organisations in both setting and achieving their well-being objectives include the exercise of discretion.</p>		

Annex 2: Overview of additional public bodies to be subject to the Well-being of Future Generations (Wales) Act 2015

Body	Established	Criteria for including in Well-being of Future Generations (Wales) Act 2015				Voluntary application of WFG		
		Public body ²	Impact on well-being	Strategic functions	Authority for AGW to Audit	In recent remit letter or equivalent	Well-being objectives in corporate plan	Report on progress
Qualifications Wales	2015	✓ Statutory executive arm's length body	✓	✓	✓ ³	Yes	Yes	Yes
Social Care Wales	2016	✓ Statutory executive arm's length body	✓	✓	✓ ⁴	Yes	Reference to upholding principles of the Act	No
Health Education and Improvement Wales	2018	✓ Special Health Authority	✓	✓	✓ ⁵	N/A	IMTP includes reference to objectives under strategic aims	Yes
Transport for Wales	2018	✓ Registered Limited Company	✓	✓	✓	Yes	In transport strategy	Yes
Welsh Revenue Authority	2018	✓ Non-ministerial department	✓	✓	✓ ⁶	Yes	In corporate plan	No
Digital Health and Care Wales	2021	✓ Special Health Authority	✓	✓	✓	N/A	State IMTP objectives are linked to goals	Contribution to goals
Centre for Digital Public Services Ltd	2020	✓ Registered Limited Company	✓	✓	✓	Yes	Contained in the 'year in review'	Awaiting latest report
Welsh Ambulance Services University NHS Trust	1998	✓ NHS Trust	✓	✓	✓ ⁷	N/A	Committed to work in spirit – objectives in IMTP	No

² Section 52 of the Well-being of Future Generations (Wales) Act 2015 and [Register of devolved public bodies | GOV.WALES](#)

³ Annex 35 of Schedule 1 to the Qualifications Wales Act 2015

⁴ Paragraph 16 of Schedule 2 to the Regulation and Inspection of Social Care (Wales) Act 2016

⁵ Section 61 of the Public Audit (Wales) Act 2004

⁶ Section 31 of the Tax Collection & Management (Wales) Act 2016

⁷ Section 61 of the Public Audit (Wales) Act 2004

Annex 3: Additional public bodies and existing local audit programmes of Audit Wales

Health Education and Improvement Wales	Audit Wales currently undertake both audit of the accounts and local performance audit programmes (chiefly to deliver the proper arrangements conclusion) and will integrate examinations as part of those existing local performance audit programmes.
Welsh Ambulance Services University NHS Trust	
Digital Health and Care Wales	
Social Care Wales	Audit Wales currently only undertake an audit of the accounts ⁸ . The absence of statutory provision for a proper arrangements conclusion means that there are no opportunities to integrate our examinations as part of local performance audit programmes.
Welsh Revenue Authority	
Qualifications Wales	
Transport for Wales	These bodies' audits are governed by the Companies Act 2006, which does not provide for a proper arrangements conclusion, so there is no basis for integrating sustainable development examinations with the audit. Also, as the AGW is not currently the external auditor, there is no routine audit work taking place within these bodies by AGW at this time, which further precludes integrating examinations. In addition, as there are no statutory access rights in the Act to support examinations. ⁹
Centre for Digital Public Services Ltd	

⁸ And tax statements in the case of the Welsh Revenue Authority.

⁹ There are no statutory access rights set out under the Well-being of Future Generations (Wales) Act 2015 to support the delivery of s15 examinations. This means that the Auditor General relies on access rights set out under the Public Audit (Wales) Act 2004 and the Government Wales Act 2006 when carrying out the examinations integrated with audit work delivered under other powers and duties. At bodies where there is no routine audit work, access to information necessary for examinations will be a matter of explanation and negotiation, which may take up more auditor time and hence incur additional expense and may lead to an additional risk of legal costs.