



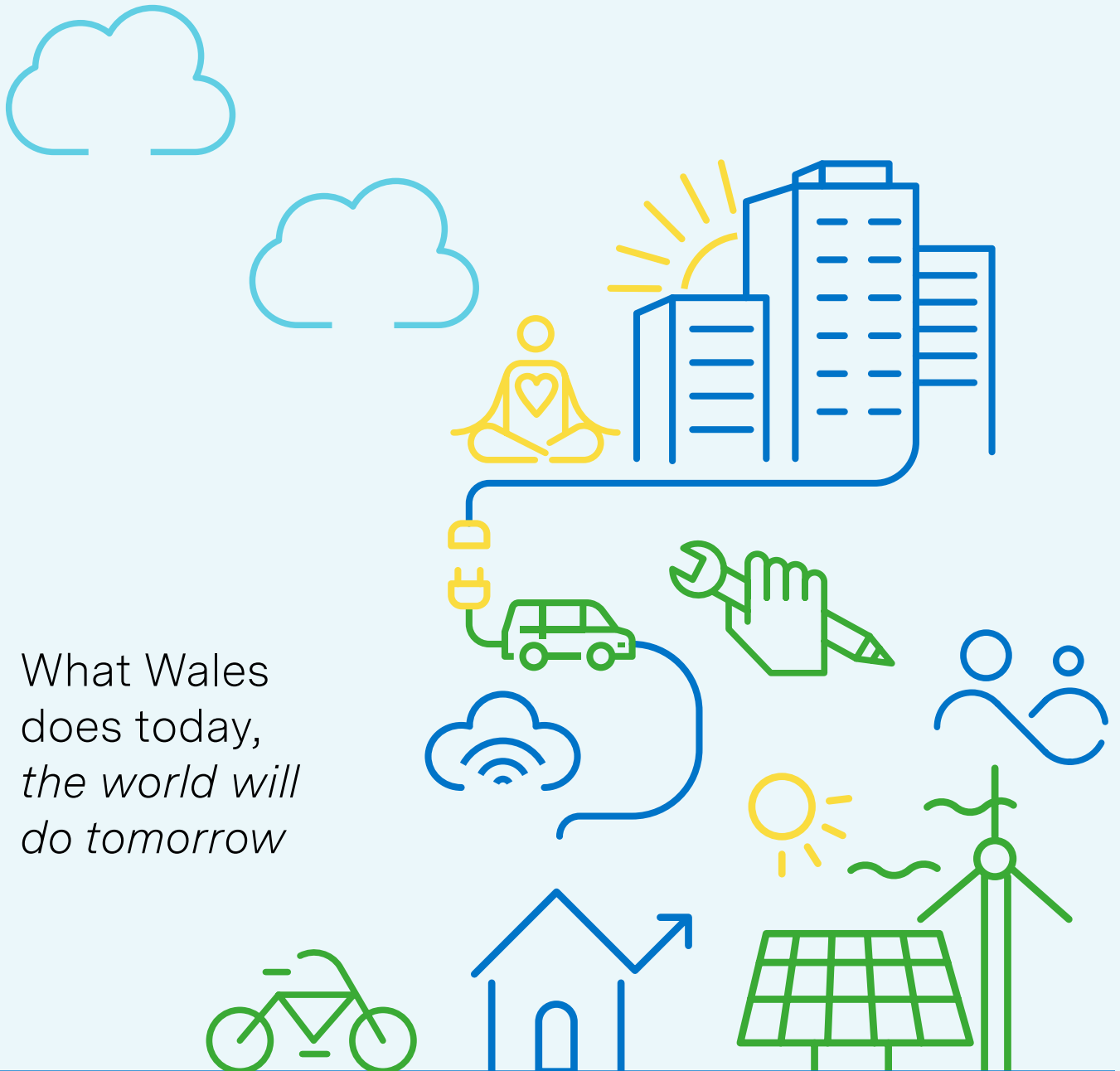
Comisiynydd
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Cymru

**Future
Generations**
Commissioner
for Wales

Future Generations

Commissioner for Wales

Annual Report 2017-2018



What Wales
does today,
*the world will
do tomorrow*



Future Generations

Commissioner for Wales

Annual Report 2017-2018

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Foreword

Sophie Howe

Future Generations Commissioner for Wales

I have often spoken about the implementation of the Well-being of Future Generations Act being an expedition and this annual report presents an overview of the work I and my team have done during our second year of operation to create the right conditions for this expedition to be a success.

The conditions have in many ways been harsh – reducing public spending increasing demand in public services and a public sector workforce who in many ways are beleaguered from weathering the storm of austerity. The attraction towards short term decision making in this climate is strong and yet our legislation is asking decision makers to fundamentally change the way they think and to be willing to take decisions which consider future generations and which holistically improves the social, economic, environmental and cultural well-being of Wales.

I believe this journey starts in a place of making **'simple changes'**, moves through various stages of challenging current practice, stretching ourselves and working with others in developing new approaches and then enters a stage of transformation that changes people's lives. The final destination is where Wales can be sure that our policy making and service delivery is in the best possible health in terms of delivering for current and future generations - both people and the planet

Having overseen the work of public bodies and public services board in the last year as they set their plans and begin working on their objectives it is clear that there are many who see this Act as the **catalyst for change** - throughout this report you will see examples of where that change is starting to happen. Many public sector workers tell me that it gives the permission and the confidence to work differently. But for others, it may still be seen as a legal obligation or an extra level of compliance. I have been clear that these public bodies are unlikely to be in a position to meet the aspirations of the Act.

But even for those who are trying to make the necessary changes there are still barriers within

the existing system. There are a myriad of existing policies, guidance, budget allocations and performance indicators which at best do not embed the new requirements of the Act and at worse drive the wrong behaviours and outcomes. I see part of my role as **recognising and helping to remove barriers that get in the way** of the system-change we need to see. That is why this year I have focused on challenging policies and processes that do not enable that culture change.

Having expressed concerns about the decision making on the M4 I have worked with the Welsh Government to revise the transport appraisal guidance which sets out the criteria by which transport programmes are decided. **Responding to concerns raised by the public** and their representatives about planning decisions and policy I have helped to recast Planning Policy Wales which will set the overall policy for Wales to ensure that it is aligned with the Well-being of Future Generations Act.

I have challenged the Government on how they are demonstrating that the Act is being applied to **spending decisions** and for the coming budget round I hope that they will have made progress in determining a **definition of prevention** by which their spending can be judged. I have also challenged the way in which public sector **procurement** works and am contributing to the Government's review. I have worked closely with Transport for Wales to advise on the procurement of the new rail franchise and am pleased to see significant reference to the Act and the well-being goals in what will be delivered through this £5bn contract.

Looking ahead to the next year I will continue to work closely with the new Auditor General for

Wales as I begin the process of **monitoring and assessing public bodies** as they produce their first set of annual reports. But I will also continue to support them in understanding what they need to do to transform the way they work and meet the well-being goals through my Art of the Possible programme, collaborating with a range of people experts and organisations to shine a light on simple changes that can be made and good practice that can be adopted.

I would like to thank my team and the many hundreds of people and organisations who have worked with us this to help us on our expedition this year. I believe that there is a **growing momentum around the Act** and what it aspires to and I want to ensure that that momentum is transforming its aspirations into reality.

“We should embrace innovation and accept that in doing so we must be less risk averse. Government, public bodies and those who audit them must encourage well managed risk taking.”



Summary

In my second year, I have worked on national policy, local projects and at every level in between, as the sustainable development principle must be applied in everything we do if we want to realise the Wales we want.

I have provided support and advice to public services boards as they prepared their well-being assessments, draft objectives and plans. This was a significant milestone in the implementation of the Well-being of Future Generations Act (Wales) 2015. I continued to provide assistance to public bodies to help embed the Act in their work.

I have continued to engage stakeholders and mobilise knowledge as we step up in the journey towards a sustainable Wales and contributing to each of the seven well-being goals. This has included a strong partnership with the Auditor General for Wales. I have also started creating tools for the public bodies and everyone wanting to use the Act and to ensure that it can be translated on the ground at the decision-making level. I have also improved my ways of working and my internal policies to maximise my contribution to the goals.

Using my five strategic performance measures, in my second year I have:

- **Framed debate and got issues on the agenda** in relation to prevention (in Welsh Government budgeting); adverse childhood experiences (ACEs); my advice to public bodies and public services boards on their well-being assessments, draft objectives and plans; the application of the Act on the M4, environmental permitting, housing, decarbonisation, procurement, city deals and planning; and also in my correspondence with the public.

- **Encouraged discursive commitments from ministers, Government and others** for example increased reference to the Act, the sustainable development principle and future generations in plenary; requests for information and engagement with cabinet secretaries (regarding procurement, NHS, planning), the Permanent Secretary and the tender for the South Wales Metro and rail franchise.
- **Secured procedural change in how public bodies go about things** in relation to auditing, monitoring and assessing the implementation of the Act by working closely with the Wales Audit Office (WAO); in the content of the Welsh Transport Appraisal Guidance (WelTAG); integrated medium-term plans (IMTPs); and in my own policies and procedures.
- **Affected policy content and commitments** in Planning Policy Wales; in the well-being objectives published by public services boards; on the decarbonisation agenda particularly the Welsh Government's Low Carbon Delivery Plan; in strategic budgeting, the city deals, health and long-term planning.
- **Influenced practical behaviour change in others** and my team through my Future Generations Framework; the many partnerships in the Art of the Possible; training for new councillors; public correspondence; health organisations and continuing Live Labs

My team and I have reached over **8,000 people** in person this year, and many more via digital and print media.

There were **15,927** new visitors to our website (website created March 2017)

80% new visitors

Over **50%** new visitors are under the age of **35**

Website visitors came from France, Netherlands, New Zealand, Nigeria, USA

The Well-being of Future Generations Act page most viewed



Social Media

- [3,801 followers](#)
- [383 followers](#)
- [11 subscribers](#)
- [164 followers](#)

Email marketing

reach April 2017-March 2018 sent to:

Assembly members	60
Public body chief executive officers and leaders	88
Public services board co-ordinators	56
Public services board members	520
Other stakeholders - approximately	1,500
ARAC and Advisory Panel	19

Total reach by email
2,243



Summary (Continued)

I have complied with my duties under the Act and used my powers to maximise my own contribution to the well-being goals. I have also used the five ways of working and worked with my team to improve their well-being.

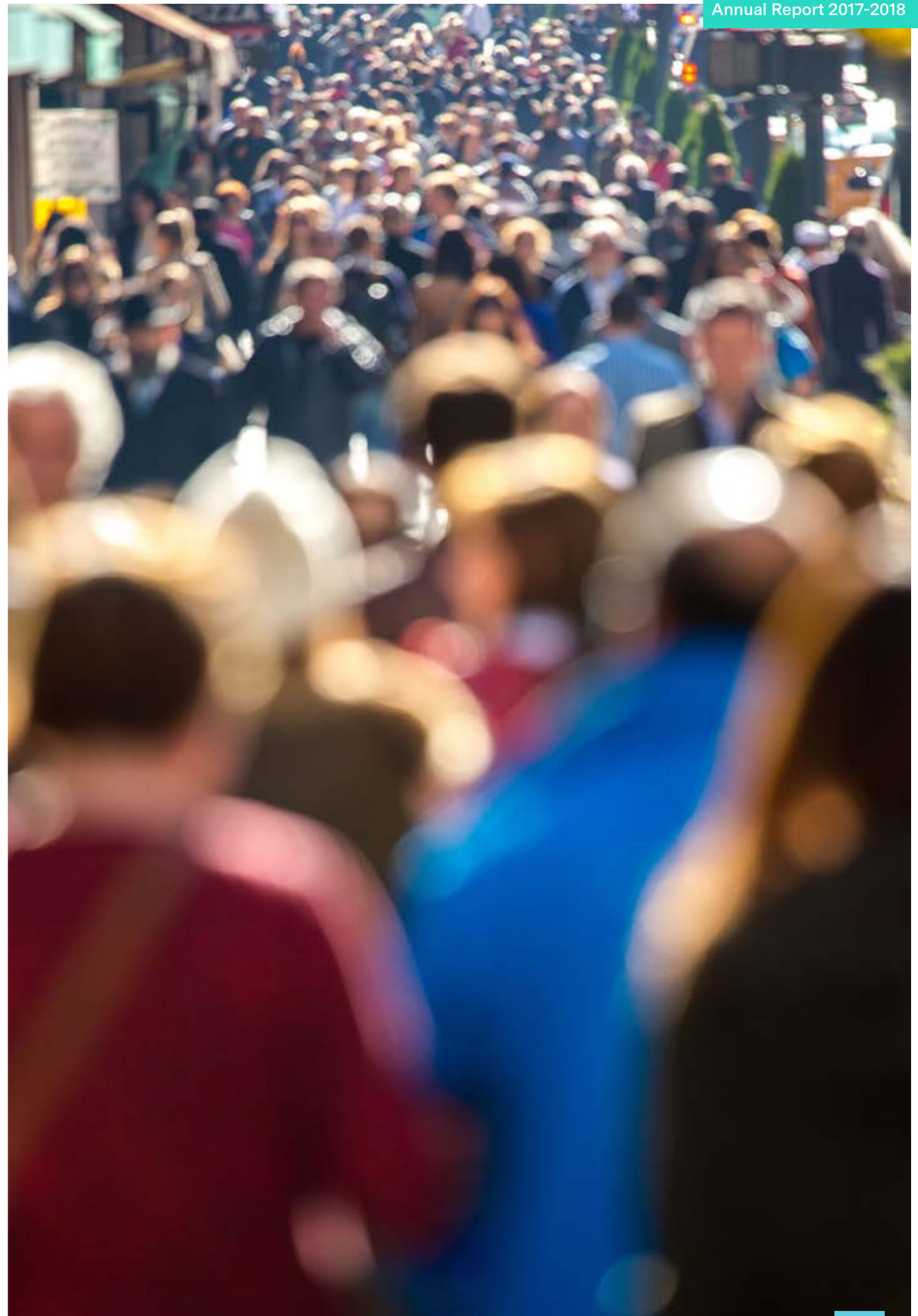
My work in year two has reinforced and prepared the way for the ongoing implementation of the Act and use of my powers, so that in 2018-2019, I will:

- **Continue to provide further advice** and assistance on specific projects and follow up on my advice, in particular in relation to transport, decarbonisation and budgeting

- **Focus on delivering examples** of quick wins through Art of the Possible and further developing the Live Labs I am currently conducting with public bodies

- **Monitor and assess the well-being objectives** when the first sets of annual reports have been published. This work will be aligned very closely to the work of the Auditor General for Wales.

“ I have also used the five ways of working and worked with my team to improve their well-being. ”



Performance Report

The **Well-being of Future Generations (Wales) Act 2015** came into force in April 2016. This legislation is world-leading in that it places sustainable development at the heart of what we do in Wales. The Act gives us the ambition, permission and legal obligation to improve what we do and how we do it for current and future generations.

The Act applies to everything public bodies do – from conception of an idea to making major policy decisions on services or infrastructure. It is about changing the way we think, plan and act. This is a significant change for the 400,000 public service employees in Wales and it will not happen overnight. It also amounts to a journey which needs everyone's involvement.

Strategic Plan

My strategic plan sets out how I am using and intend to use these powers over my seven-year term. It is a David and Goliath task for me and my small team. We are encouraging transformational change in the 44 public bodies and 19 public services boards and my approach from day one has been to bolster my core team with partners and collaborators so that I can extend my reach right into the heart of public services in Wales.

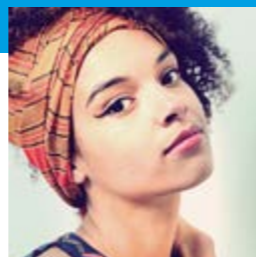
My second year has been focused on setting up strategic partnerships to deliver work on supporting public bodies; giving advice to public services boards; providing advice and support to public bodies in key priority areas; reorganising my office so that it can deliver work in an agile way; and continuing to listen and involve all those who can deliver the vision and requirements set out in this pioneering Welsh legislation.

“ *Diwylliant bywiog*
We are spreading love through
Welsh language music
Mae gen ein treftadaeth
gerddol sut gymaint i gynnig

Spread the love, share the
music today and every day.
Rhanu'r cariad a'r
gerddoriaeth heddiw a
phob dydd

We are prosperous, resilient
and equal
A vibrant culture
Ni'n ffyniannus, yn wydn a
gyfartal **”**

Kizzy Crawford
 © Kizzy Crawford/BDI Music Ltd



© Kirsten McTernan



Performance Report (Continued)

How I measure performance

In the spirit of the Well-being of Future Generations Act, I have adopted performance measures which will help me demonstrate the impact of my office. These are focused on outcomes rather than outputs. I didn't want to measure things done, I wanted measures that would provide evidence of what difference my office is making and show how the work we do is supporting and challenging others to change towards a more sustainable way of working.

My five strategic performance measures are:

- **Framing debates and getting issues onto agendas**
- **Encouraging discursive commitments from ministers, Government and other policy setters**
- **Securing procedural change in how public bodies and others go about things**
- **Affecting policy content and commitment**
- **Influencing practical behaviour change in others**

The measures are qualitative, and this is my first opportunity to report on the impact my office is starting to make. My report sets out a summary of the work I and my team have done in 2017-2018 and the impact it has already made on the transformational agenda for public bodies in Wales. The report also highlights how this work contributes to the seven well-being goals and provides examples of where the five ways of working are being used to good effect.

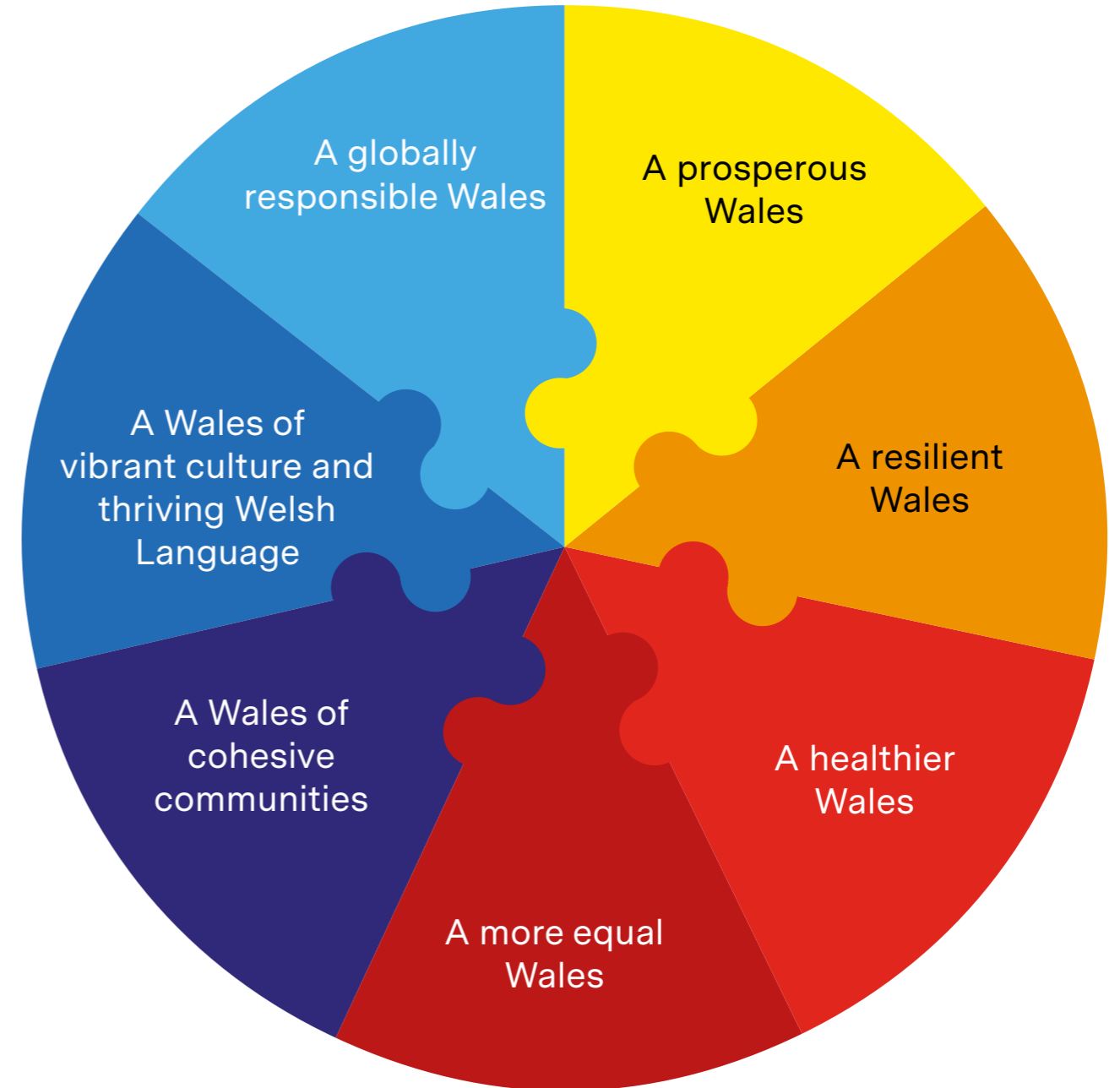
Highlighting good practice

I want to take every opportunity to promote the sustainable development principle and to highlight good practice as we travel together on this journey to improve the well-being of current and future generations.

This is why, throughout this document, examples of good practice across the goals and ways of working will be flagged by the use of icons.

The seven well-being goals enshrined in the Act set out a full picture of economic, social, environmental and cultural well-being which public bodies, including Welsh Government and public services boards, must contribute to. Good examples of contribution to specific well-being goals within this annual report will be flagged by their designated colours.

Each goal is represented by its individual colour within this annual report:



Our well-being goals

Performance Report (Continued)

The Act also provides for better decision-making by ensuring public bodies adopt the five ways of working:

1. Taking account of the **long-term**
2. Helping to **prevent** problems occurring or getting worse
3. Taking an **integrated** approach
4. **Involving** a diverse range of people
5. Acting in **collaboration** with any other person (or different parts of an organisation itself) that could help the body to meet its well-being objectives

Each way of working is represented by its individual icon within this annual report. All pieces of my work have considered all five ways of working but I draw your attention to good examples through the use of these icons.

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

My role

As [Future Generations Commissioner for Wales](#), my general duty is to promote the sustainable development.

What does my duty include?

“Promote the sustainable development principle (including the five ways of working), in particular to act as a guardian of the ability of future generations to meet their needs; and encourage public bodies to take greater account of the long-term impact of the things they do.

“For that purpose, monitor and assess the extent to which well-being objectives set by public bodies are being met.”

To carry out my general duty, I have a range of specific [functions and powers](#)

In 2017-2018, I finalised my **strategic plan** which sets out how I will make a difference over my seven-year term. I have selected the following four main purposes to my office and my annual report is structured around these corresponding headings:

1. **Highlight the big issues**, challenges and opportunities facing future generations
2. **Support and challenge public bodies** to think about the long-term impact of the things they do
3. **Work with others** to drive the changes needed
4. **Walk the talk** – be the change that we want to see in others.



Purpose 1

Highlight the big issues, challenges and opportunities facing future generations

To carry out my duty to promote the sustainable development principle, and in particular its requirement for me to **act as a guardian for future generations**, I have decided to provide challenge, support and advice in a number of areas that, through consultation, I have identified as particularly important for future generations.

Throughout my second year, I have continued to focus on raising awareness of the Act throughout the public bodies covered by it but also with leaders and frontline staff in public bodies, community groups and individuals from across Wales and beyond. I have personally carried out 55 public engagements during the year, ranging from keynote speeches or presentations at conferences and events, contributions at board meetings, workshops, seminars, panels, public services boards and many informal events, with my team taking on many more and speaking to over 8,000 people about the Act this year alone.

Our reach through digital platforms (such as our website, social media, and online surveys like SenseMaker) is even greater, at over 23,000.

I have raised awareness of the Act and its requirements across a broad range of sectors and organisations, including public bodies, third sector organisations, grassroots groups, businesses and academia, on issues ranging from health, education, climate change to engineering, transport, planning, the arts, housing and social care.

Impact:

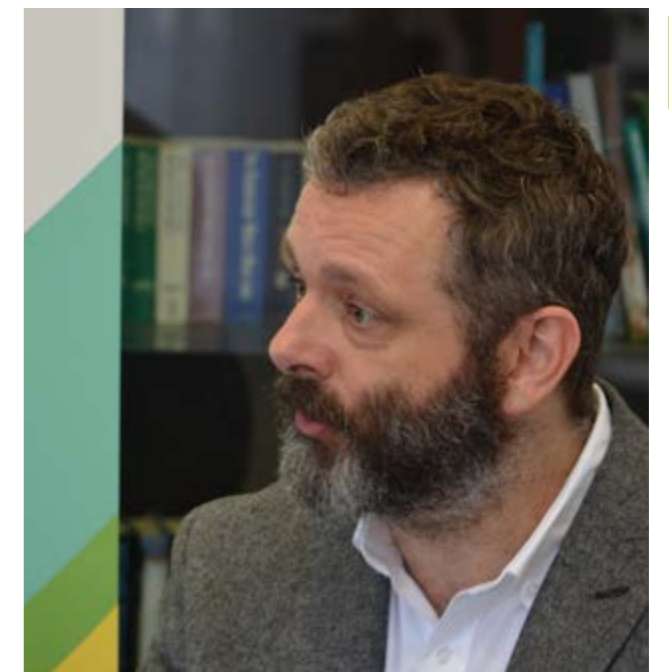
- Framed debate and got issues on the agenda
- Influenced practical behaviour change in others

Training for new councillors

*Local councillors are uniquely placed to scrutinise decisions as they are developed and debated. They often provide valuable insight from local residents and assist in being the bridge between communities and policy-makers. Working with the **Welsh Local Government Association**, we delivered training for newly elected local councillors to give them an understanding of their role in implementing the Well-being of Future Generations Act.*

*We provided an opening address and a workshop around the five ways of working. Reaching over **300** new councillors through **five** regional workshops, the sessions greatly increased members' knowledge and understanding of the Act, and they now have a different approach to decision-making and a greater desire to scrutinise officers.*

As a next step, we are designing a Future Generations Framework for Scrutiny which will support this process.





Future Gen Cymru @futuregenymru
"Sometimes when we talk about housing, we get caught up in the technicalities- the regulations, the planning and specifics, we forget that what we're really about is home"
@sophiehowe #annualconf17 #housinghorizons



Priority areas for my work

Between March and September 2017 I worked with the **New Economics Foundation** and engaged over 1,300 people and organisations to determine the priority areas I would focus on over my seven year term. Areas represent some of the most important issues facing future generations and I will focus my resources to deliver profound and lasting change.

My priorities are divided into two groups:

Creating the right infrastructure for future generations.



Housing stock



Energy efficiency and generation



Transport planning

Equipping people for the future



Skills



Adverse childhood experiences (ACEs)



New approaches to facilitating physical and mental well-being including social prescribing

These areas will underpin my activities over the course of my time in office and I see a huge opportunity to inspire and influence, frame debate and get issues on the agenda. I will use these areas to focus my attention on monitoring and assessing as well as highlighting good practice.

Having taken steps throughout my first two years to understand and raise awareness of these six priority areas and their importance to future generations, I am pleased to see that they feature significantly in the 345 well-being objectives set by public bodies in 2017.

In 2017-2018, I have focused on transport and ACEs, as well as decarbonisation (as part of my work on energy efficiency and generation) and housing because of important opportunities arose during the course of the financial year, such as the public inquiry on the M4 proposals; the Government's work to produce the first carbon budget and issues raised by members of the public and their representatives.



This is how my six priority areas feature across the 345 well-being objectives.



Creating the right infrastructure for future generations

transport planning



Acting as guardian of future generations and promoting the sustainable development principle as defined in the Act, I submitted [further evidence](#) following my [initial written evidence to the M4 public inquiry](#). My advice to **Welsh Government** and submission to the public inquiry questioned how the Act was being considered in an existing decision (M4) and whether the decision to borrow over £1 billion is the right one for future generations. I wanted to avoid a dangerous precedent being set by challenging the arguments presented in the M4 inquiry which I believe could lead to a misinterpretation the Well-being of Future Generations Act and undermine its spirit and purpose.

The Act requires public bodies to take well-balanced decisions in improving well-being across its four pillars – economic, social, environmental and cultural – and to reflect its holistic nature. It cannot be used either as an excuse not to comply with other duties under other legislations. I believe my intervention on the M4 has **helped to frame the debate**, helped others understand how the Act should operate and ensured that the Well-being of Future Generations Act is a key consideration of the Public Inquiry and of the outcome of this inquiry.



Read more



I see transportation and technology developing at a high speed, revolutionising the way we travel, live and work. To implement the Act, planning for these needs must now also support a low-carbon, resilient, prosperous and well-connected Wales for the future.

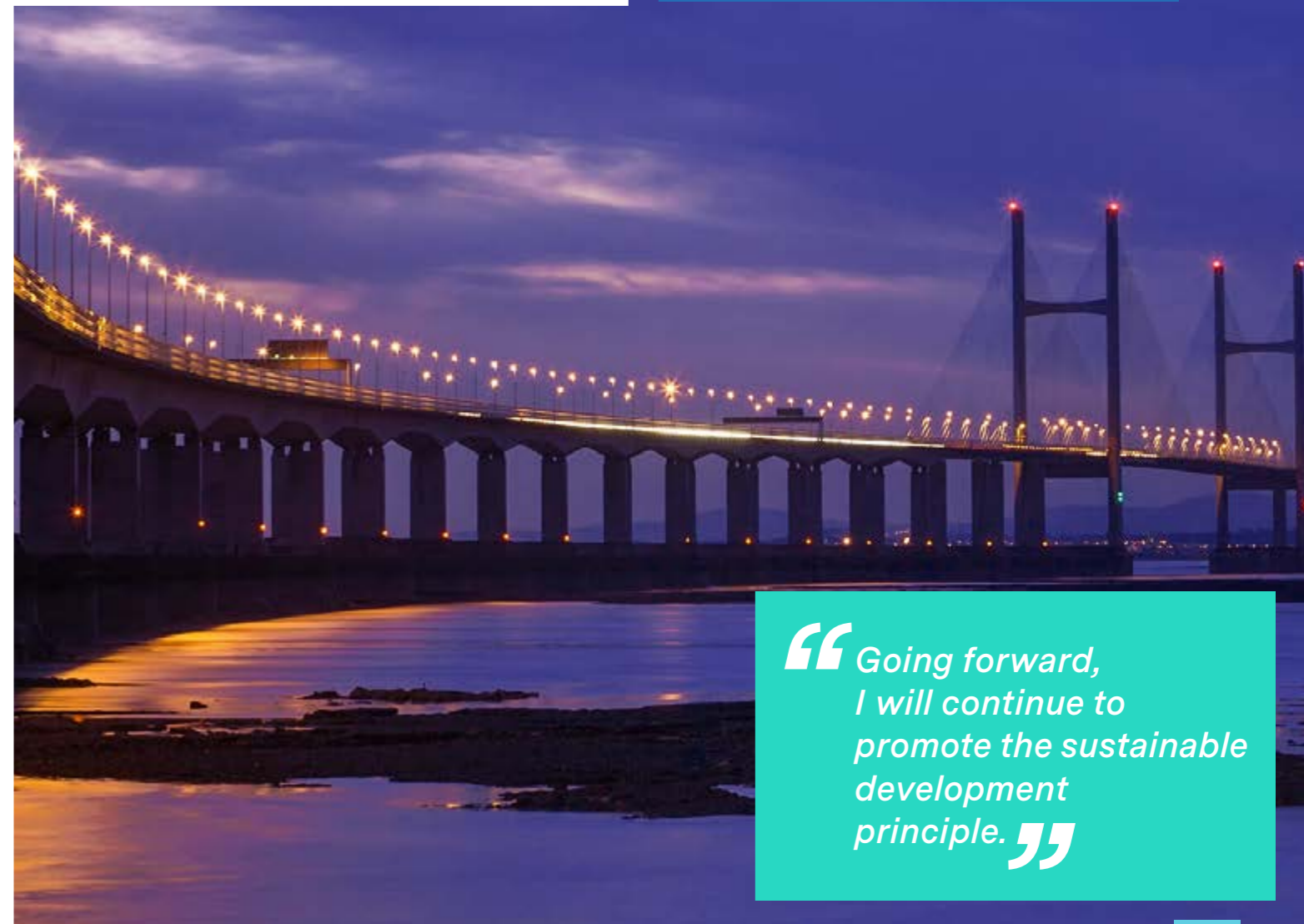
My intervention has also paved the way to **securing procedural change** as I have followed it with further advice to support the Welsh Government to embed the Act into new guidance on transport projects through the [Welsh Transport Appraisal guidance \(WelTAG\)](#) which is used in all decisions on transport interventions (discussed later in this report).

I want to help transport in Wales become truly sustainable, maximising its contribution to all seven well-being goals and improving the way people live their fulfilled lives in Wales.

Impact:

- Framed debate and got issues on the agenda
- Secured procedural change in how public bodies go about things
- Influenced practical behaviour change in others

- A prosperous Wales
- A resilient Wales
- A Wales of cohesive communities
- A more equal Wales
- A Wales of vibrant culture and thriving Welsh Language



“Going forward, I will continue to promote the sustainable development principle.”



Creating the right infrastructure for future generations

housing stock



Housing forms the cornerstone of the well-being of individuals, families and communities. The buildings we live in may still exist in a 100 years or more, and so the decisions we make today will also have a big impact on the well-being of future generations.

Welsh Government, local authorities and registered social landlords are committing themselves to extensive house building to address issues of housing shortage. Through shared staff with **Constructing Excellence in Wales** and also with **United Welsh** housing, my initial focus has been to identify where I can have the biggest impact - supporting the shift towards a low-carbon green economy and better-quality work through developing Welsh enterprises and a supply chain that can deliver future-fit housing.

In November 2017, I submitted a [response](#) to the **National Assembly for Wales Climate Change, Environment and Rural Affairs Committee's** consultation on low-carbon housing, drawing on the expertise of organisations including **Community Housing Cymru, Community Energy Wales, Rounded Developments, the Design Commission for Wales, Melin Homes, WWF Cymru, One Planet Developments** and [SPECIFIC \(Swansea University\)](#). I suggested the following preliminary criteria for housing that is 'fit for the future':

- Adaptability
- Net positive environmental impact
- Protection from future challenges
- Community well-being
- Green economy

They must do all of this whilst still prioritising the core purpose of housing, which is to provide homes for people in which they can be comfortable, healthy and secure.

I am seeking to influence the Affordable Housing Review commissioned by the Housing and Regeneration Minister, Hannah Blythyn AM, and the requirements of the Welsh Government Housing Innovation Grant – a £90million grant to bring a change to housing in Wales. I want to ensure that opportunities to contribute to all of the seven well-being goals are an intrinsic part of these programmes.

Impact:

- Framed debate and got issues on the agenda
- Encouraged discursive commitments from ministers, Government and others

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A Wales of cohesive communities

The [Solcer House](#), designed and built by the Welsh School of Architecture at Cardiff University (funded by the Welsh European Funding Office under the Low Carbon Research Institute convergence programme), generates more energy than it uses over an annual period, significantly reducing carbon emissions and energy bills for occupants.

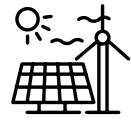


“I will seek to influence the affordable housing review and housing innovation grant.”



Creating the right infrastructure for future generations

energy efficiency and generation



Energy is central to our lives and our economy and we need to make a rapid shift towards the use of renewable energy sources such as hydro power, solar and wind.

In 2016, 43% of Wales' electricity consumption was generated from renewable energy, with renewables energy capacity increasing by 47% since 2014 making up 18% of all electricity generation but we are behind the rest of the UK. We have relatively old housing stock which was not designed to conserve energy, and this is one reason why in 2016 almost a quarter of the population (23%) was living in fuel poverty. A more systematic approach is needed to improve energy efficiency at the scale required if we want to be truly sustainable.

My work this year has been concentrated on the decarbonisation agenda, which is detailed in this report, and on the promotion of renewable energy in my advice to public services boards and public bodies.

The Vale of Glamorgan Council has reduced their emissions by over 20% in the 2008-2015 period and **Caerphilly County Borough Council** has installed large-scale photovoltaic schemes on many buildings including 39 schools, generating over 3000 KWh of electricity and saving £400 and 1.9 tonnes of CO2 each year for each school. They are also installing electric charge points and introducing electric pool vehicles, have pool bikes for staff to use and have reinvested £1.87 million in energy efficiency measures using Invest to Save funding.

Torfaen Public Services Board has a focus on climate change and will be using the approach championed by [Natural Resources Wales](#) to work out their carbon footprint.

One of **Aneurin Bevan University Health Board's** well-being objectives focuses on carbon and waste management.

In 2016

43%

of Wales' electricity consumption was generated from renewable energy, an increase of **47%** since 2014

A Wales of cohesive communities

A prosperous Wales

A resilient Wales



Equipping people for the future

tackling adverse childhood experiences (ACEs)



My priority areas also focus on people and their resilience as a major contributor or inhibitor of well-being in Wales. I recognise the impact that adverse experiences early on in life have on people's life chances, society, the well-being goals and future generations.

[Read More](#)

Preventing these adverse experiences from happening, where they have happened and preventing them from being passed on through generations are complex issues we should address collectively using the five ways of working set out in the Act. Many of our public services need to collaborate to make this happen. No one can resolve this in isolation. The work I have undertaken in this area includes:

- Supporting the development of and contributing to an [ACEs Support Hub](#) - a programme of work under the **Cymru Well Wales** partnership that is developing and sharing expertise on tackling ACEs in order to support the actions of all public bodies
- Developing a partnership with the criminal justice system through a part-time secondment with **Her Majesty's Prisons and Probation Service in Wales** to work closely with the ACEs hub
- Supporting the **Police Transformation Fund** application to the Home Office which secured £6.78 million to facilitate the transformation of policing in Wales to a multi-agency, ACE-informed approach that enables early intervention and root cause prevention. This programme will scale-up the approach that has been taken by the **Maesteg Early Help Hub**

■ Working with the **Wales Audit Office Good Practice Exchange** to produce learning resources for public bodies including webinars

■ Providing advice to public services boards on tackling ACEs through the well-being planning process

Through this work I have framed the debate and secured policy commitments to prevent ACEs, demonstrated by 16 of the 19 draft well-being plans and well-being objectives.

My team will continue to constructively challenge both the Hub partners and the **national ACE approach to policing the vulnerability programme** to ensure the Act remains the underpinning principle for their work. I will also continue to help develop the vision for ACE-informed public services to secure procedural change in how public bodies go about things and bring about the practical behaviour change in others that is needed.



Impact:

- Framed debate and got issues on the agenda
- Encouraged discursive commitments from Ministers, Government and others
- Affected policy content and commitments
- Influenced practical behaviour change in others

A healthier Wales

A more equal Wales

A Wales of cohesive communities

Maesteg Early Help Hub

The **Early Help Hub in Bridgend** is a brilliant example of the Well-being of Future Generations Act in practice. What it aims to do is to intervene much earlier where families have got some perhaps low-level issues or complex problems to make sure that they don't escalate into becoming issues which involve social services and safe guarding. They're picking up young people who are clearly experiencing ACEs, young people who perhaps wouldn't have any support before. The way they are doing that is having better information sharing, through working across a number of agencies including the police, **Bridgend County Borough Council, Barnardos Cymru and NSPCC Cymru**, to identify young people and families who might be on the edge of getting into problems or issues which are going to cause ACEs.



“The office of the Future Generations Commissioner for Wales has been absolutely key in developing this programme in Wales, for Wales. The legislative context that the Act has set and also the research into adverse childhood experiences really gave us an opportunity to look at how we could work differently across Wales. One of the key roles that the Future Generations Commissioner for Wales has played is in supporting a substantial bid for funding to the Home Office in UK Government.”

Janine Roderick

Director of the National ACE approach to policing vulnerability programme



Listening and responding to the public



It is important that I am aware of instances where people feel that public bodies are not considering the Well-being of Future Generations Act and I encourage people and organisations to write to me. Whilst I do not have a case-work function, to intervene in specific cases I seek to detect systemic issues which affect people's lives.

Members of the public write to me about a wide range of issues and call on me to challenge how decisions are being made. Whilst the legislation does not give me powers to intervene or overturn specific decisions, my approach has been to provide advice and guidance on the application of the Act, as I see this as another important opportunity to promote the sustainable development principle within the public, private and third sectors, as well as with individuals and action groups. I am also keen to empower people to use the Act directly in their interactions with public bodies to encourage better involvement.

It is clear from the correspondence I receive that many people would like to challenge the existing system – the legislation, administration, bureaucracy, decision-making and delivery of services. Often, people and communities who write to me feel that developments and decisions are imposed on them, they want to be heard and be involved at the very start so that they have a chance in helping find joined-up solutions to future challenges which work for them and for future generations.

I undertook an internal review of the correspondence I received in 2017 to inform the exercise of my functions and to identify common threads on which I can provide challenge, support and advice to public bodies.

I received over **200 letters** in 2017-2018 calling on me to challenge decisions and policies. The majority were from individuals, but a large minority from community groups and local politicians.

Over **40 separate issues have been raised** from the closure of leisure centres, housing developments, energy and waste plants, road building, tree felling, air quality etc.

Land use planning, local amenities, environmental permitting regulations and energy are the main recurring themes.

Involvement has been a factor in over a third of all letters - people do not feel involved in the decisions that affect their lives.

80% of letters related to bodies covered by the Act.

Letters received related to 24 of the 44 public bodies with Welsh Government, Vale of Glamorgan Council, Natural Resources Wales and Cardiff Council being the most frequent.

I have worked with the **Welsh Language Commissioner, the Children's Commissioner for Wales and Older People's Commissioner for Wales** to respond to issues which overlap with their remits.

Feedback shows that my advice has helped to **frame debate** and **secure procedural change** in how public bodies go about things and has had a **practical impact on how communities have been involved** in local decision-making.

I will be writing to relevant public bodies with information on the issues raised with me and carry out a similar review annually.

“Members of the community council have asked me to thank you very much for your detailed response. Your letter has given members a new train of thought that could prove useful.”

A community council

“Thank you from the bottom of my heart for your comprehensive and useful answer. I deeply appreciate your advice and I will use the information when dealing with this issue.”

Judith
from Gwynedd.

“Hi Sophie, Many thanks for your full and informative response. It is most helpful and we greatly appreciate this and the links you have provided.”

Helena and Chris,
Powys

A more equal Wales

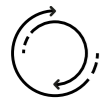
A Wales of cohesive communities

“Thank you so much for the prior notice of the Commissioner's press release. We are delighted that the Commissioner has been able to use our case to help highlight the issues that so concern us all and of course everyone saw the article and media interest it generated.”

John
from Caerphilly



Environmental permitting regulations



Over the past year, I have been contacted by a number of people who expressed concern about a range of developments across Wales, in particular the Barry Biomass scheme and Hazrem waste facility in Cwmfelinfach. My role as set out in the Act does not include a case-work function to intervene in specific cases, however, I have pledged to listen to concerns the public raise with me and to monitor these to detect any wider systemic issues.

Environmental permitting decisions taken by **Natural Resources Wales** emerged as a common thread in the correspondence I have received and so in November 2017, I wrote to Natural Resources Wales to seek further information and assurance about how their environmental permitting process was being aligned with the Well-being of Future Generations Act. I worked with our lawyers to examine the information that they supplied, and I welcome the willingness of Natural Resources Wales to co-operate in this process. I was also grateful for the information from community groups, local representatives and other stakeholders who provided useful insight and evidence to me.

My team and I identified some areas where I believe that Welsh Government and Natural Resources Wales should undertake further work to ensure the whole process around environmental permitting and associated systems that relate to it, work coherently together. This work is on-going but my initial recommendations are that:

- We will support Natural Resources Wales to improve the visibility of how they apply the Act and explain their permitting decisions, and we agreed to review progress in 12 months
- We will work with NRW and the Welsh Government on statutory guidance to clarify the application of the Act and its integration with the Environment (Wales) Act
- The Welsh Government should conduct a review to look at the whole journey of proposed developments including the interaction with, and roles and responsibilities of, other parts of the system including planning, licensing, impact assessments and statutory consultees, so that the system is in line with the Well-being of Future Generations Act and is easily understood by the general public. The consultation draft of Planning Policy Wales Edition 10 provides impetus for such an approach.
- My office will attend Natural Resources Wales' internal training on the Well-being of Future Generations Act and provide advice.

"I am very grateful to you for taking such an interest in the process by which Natural Resources Wales awards Environmental Permits and I know that the Docks Incinerator Action Group, together with the residents of Barry and the Vale, share this sentiment."

Jane Hutt AM,
Vale of Glamorgan

"Your recent intervention in the Cwmfelinfach decision by NRW has been welcomed by the community of the Lower Sirhowy Valley."

Chris
from Caerphilly

"Dear Sophie, I own shares in Aviva. I consider the imposition of the Barry biomass plant on the residents is immoral. A large proportion of shareholders (including myself) are in revolt. Please do not stop..."

Aviva Shareholder,
Yorkshire

"Dear Sophie... As you know, we've been working closely with your team since November 2017 to look at our permitting function to see how we are building the requirements of the Act into our decision making. This has been useful and informative, and we very much appreciate your help and advice. Using some specific examples of recent decisions, we have identified that, although we do consider the five ways of working, more could be done, and we also need to ensure we record the reasoning behind our decisions in greater detail. We're looking forward to working with you on this over the next few months – both to develop our regulatory guidance further as well as our process for documenting decisions."

Clare Pillman,
Chief Executive, Natural Resources Wales.

Impact:

- Framed debate and got issues on the agenda
- Secured procedural change in how public bodies (Welsh Government and Natural Resources Wales) go about things
- Affected policy content and commitments
- Influenced practical behaviour change in others

A resilient Wales

A healthier Wales

A Wales of cohesive communities

Purpose 2

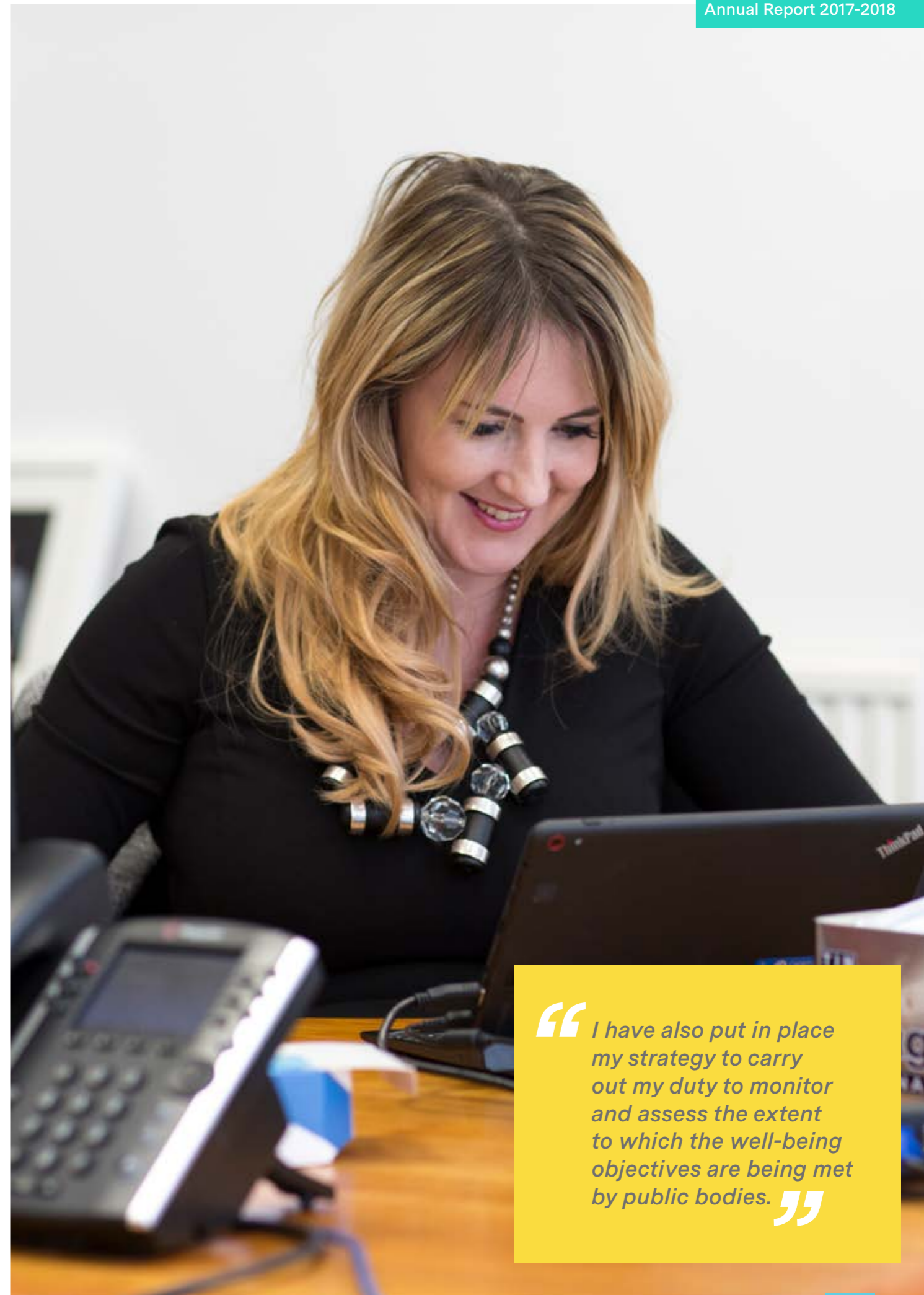
Support and challenge public bodies to think about the long-term impact

To carry out my duty to promote the sustainable development principle, and in particular its requirement for me to **act as a guardian for future generations**, I have decided to provide challenge, support and advice in a number of areas.

This year I have focused my work on:

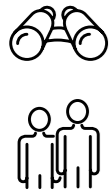
- Producing a **Future Generations Framework** to provide guidance to public bodies and others on the application of the Act
- **Advising to public services boards** on well-being objectives and well-being plans
- **Advising on specific policies and projects** including the city deals, **Welsh Government's** strategic budgeting, decarbonisation, procurement, planning, **WelTAG**, **South Wales Metro** and **NHS** planning framework.

In addition, in preparation for the publication of the first annual reports by public bodies between May 2018 and May 2019, I have also put in place my strategy to carry out my duty to monitor and assess the extent to which the well-being objectives are being met by public bodies and I will work in close collaboration with the Wales Auditor General (detailed under Purpose 3 below).



“ I have also put in place my strategy to carry out my duty to monitor and assess the extent to which the well-being objectives are being met by public bodies. ”

Future generations framework



In conjunction with the **New Economics Foundation (NEF)** Consulting I developed the Future Generations Framework - a set of prompts intended to assist public bodies to integrate well-being objectives and plans, the five ways of working and the well-being goals into the decision-making process.

After taking on board feedback from a range of users, I finalised and published this as a [Future Generations Framework](#) for projects in December 2017. I have shared it with all public bodies and want to see them use it on any major infrastructure projects they are developing, as well as encouraging community groups and individuals who write to me to use it in their interactions with public bodies and public services boards.

Within the first two months, the report had over **2,000 hits** on our website and has been used by:

- **Swansea Bay City Region** on one of their projects (Llanelli Wellness and Life Science Village)
- **Cardiff Capital Region City Deal** used it to inform their City Deal Business Plan and the guidance they are issuing to potential schemes
- **Transport for Wales** in respect of the Metro system
- **Welsh Government** as part of their revised **Welsh Transport Appraisal Guidance (WelTAG)**

- **Isle of Anglesey County Council** to assess different options of improving the social, economic, environmental and cultural well-being of a large infrastructure project like Wylfa Newydd

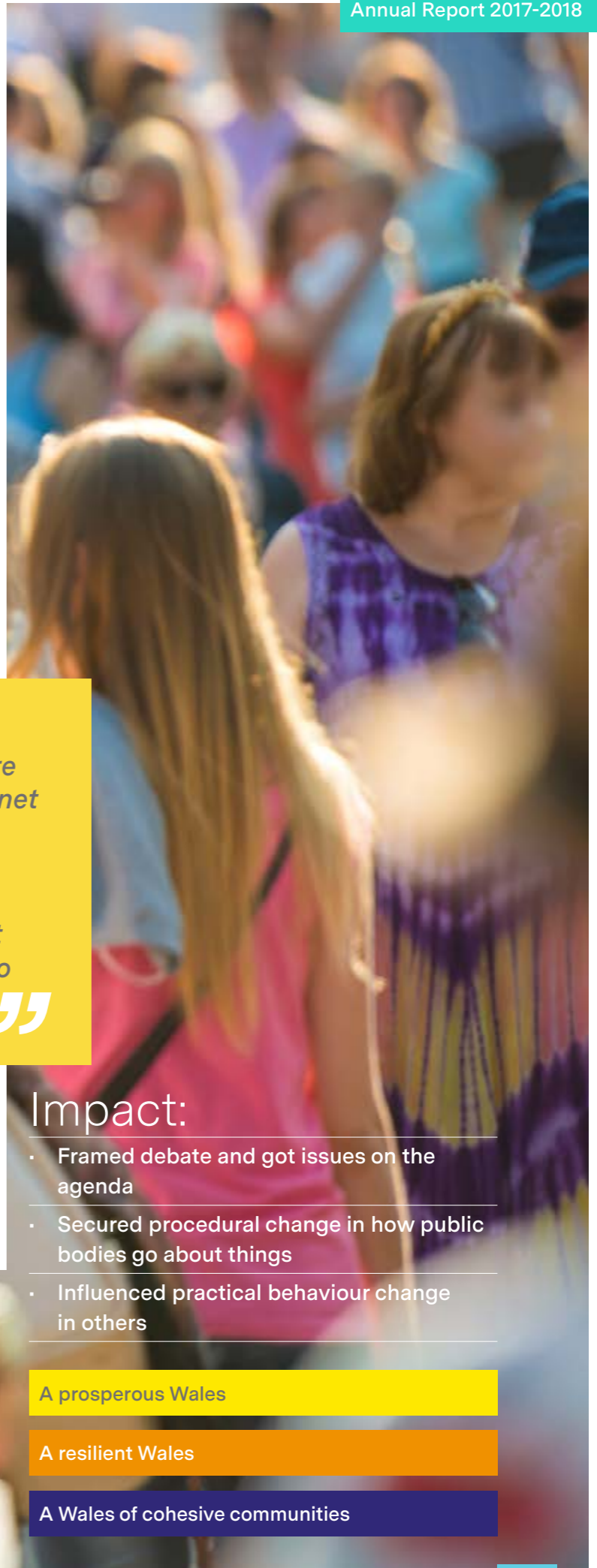
- **Sport Wales** inform their national conversation and vision. By providing this advice, we secured procedural change in how Sport Wales was going to go about this major piece of work

Welsh Government are currently in the process of appointing the chair and members of the National Infrastructure Commission for Wales to support independent, better informed advice on a longer-term strategy of infrastructure investment. Once this is in place (expected June/July 2018) we will be looking to work with them to deliver on this aspiration, providing support through tools such as our framework.

The framework has formed the basis for a suite of products aimed at supporting people to ensure they are properly applying the Act. Working with Welsh Government I have developed the framework further for use in [service design](#) and published this jointly with the Cabinet Secretary for Finance (see attached screenshots). Feedback demonstrates that public bodies have begun to use the questions in their work to prompt thinking. One corporate manager in a local authority said:

“I can see how this framework will be useful to us when we are considering proposals for cabinet or the public services board. We can pick and choose these questions to use them in our assessment of whether the Act has truly been considered up to this point in decision-making.”

I will keep these products and their use under review and will work with partners including Social Care Wales to co-produce a version suitable for scrutiny by boards and committees.



Impact:

- Framed debate and got issues on the agenda
- Secured procedural change in how public bodies go about things
- Influenced practical behaviour change in others

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Providing advice to

public services boards on their well-being assessments



My second year has been focused on delivering one of my specific duties under the Act which was to advise the public services boards (PSBs). I took an early decision to provide individual feedback to each of the 19 PSBs on their well-being assessments to ensure their best implementation of the Act from the start of the process.

The findings of this work were published in July 2017 in my report [Well-being in Wales: Planning today for a better tomorrow](#) which was launched at an 'unconference' giving PSBs a shared, safe space to learn, discuss experiences of working on the well-being assessments and plans and discuss what was on their mind.

Key findings from this work have identified:

- Public services boards have taken an important first step in the right direction. They are to be congratulated for the **positive approach** taken to completing the assessments.
- Active leadership will continue to be important. There is a need for a clearer demonstration of the **willingness to do things differently**, to continue to **break down silos** and shift focus from the short to the **longer-term**.
- More work is needed to build a **better understanding of people's lives**. The assessments showed clear efforts had been made to work with the public but more needs to be done to move away from traditional consultation towards an on-going conversation which draws on day-to-day intelligence gathered by front-line services.

- The assessments highlight a number of alarming trends. These include childhood obesity, health inequalities, climate change and persistent inter-generational poverty. PSBs need to equip themselves with the skills, resources and expertise to **better understand future trends** and how to respond to these.
- Public bodies need to **dig deeper into data**. The assessments should not just be a collection of data, they should be an opportunity to make connections between key issues and ask 'so what?' as a result of the data we have.
- Issues are often still being tackled in isolation**. PSBs need to demonstrate a broader understanding of well-being and recognise the connections between issues. PSBs need to show how they are identifying and exploring tensions between different issues and priorities to enable an honest discussion about new approaches that need to be taken and collaborate in doing things differently.



What is an 'unconference'?



At an 'unconference', the agenda is mostly unplanned and delegates nominate issues to be discussed in workshops. Instead of lots of speeches, delegates are encouraged to set the debate themselves and instead of having the Cabinet Secretary for Finance and Local Government as the keynote speaker, he was invited as an 'active listener'. The issues debated included scrutiny, well-being assessments, defining prevention and collaboration. Throughout the day, volunteers provided insight into their lived experiences, to help the public-sector delegates think about the impact their services have on real lives.

Approximately **250** people from around **80** organisations attended our 'unconference'.

Questions and comments were captured by the online resource Slido, which showed that the common theme running throughout the day was 'people'.

As a result of focusing on the experiences of people regarding public services, better involvement was an issue picked up in every workshop and the actor and campaigner, Michael Sheen, spoke in the afternoon about the importance of enabling people to get their voices heard:



Since the 'unconference', other events and organisations have sought to use actors or service users to frame debates and encourage public bodies to consider decisions from the perspective of the people they serve. For example, the events in January 2018 jointly hosted by my office, the **Good Practice Exchange, Welsh Local Government Association, Welsh Government and NHS Confederation** on the role of scrutiny in relation to [future generations](#) included testimonials from young people and a performance by young actors, role-playing real life situations.



Quotes from those who attended

“Public services officers could stand to be shoved into new ways of approaching things a lot more often. The event on Monday was a step away from the run-of-the-mill ways in which we usually have these conversations, but not a step that was so far from the ‘norm’ that it alienated people. That is a hell of a thing to have pulled off and I can see it bringing alternative ways of conducting conversations closer to the mainstream in the future. Turns out, innovation doesn’t have to be particularly scary.”

“First discussion session on scrutiny, the lived experiences person complemented it perfectly. Worked really well.”

“I wanted to say was how good the ‘unconference’ was on the 17 July - I was quite sceptical about it beforehand if I am honest but I think that the areas discussed on the day in the workshops would not necessarily have been the same as a pre-planned agenda. I think people found it, although at the start a little bit strange, a much more relaxed affair than something more formal. I came away with a few ideas about taking things forward here, so it was a win-win I think.”



Impact:

- Framed debate and got issues on the agenda
- Affected policy content and commitments
- Influenced practical behaviour change in others

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As a next step in the process, the Act requires that I provide advice to public services boards on their draft local well-being objectives and plans which build on the well-being assessments. I must provide this feedback within 14 weeks to each PSB.



Providing advice to

public services boards on their well-being objectives and plans



The advice I have given to each of the 19 public services boards was intended to be helpful as well as challenging. In the spirit of collaboration and involvement I have ensured that PSBs were engaged throughout the advice period as well as other partners who worked with me and informed the advice I provided.

My advice has informed the setting of the well-being plans and the steps public services boards need to take to meet their objectives. It has covered a wide range of topics and has challenged PSBs to think differently about how they will meet long-term challenges and local priorities. The full advice to each PSB is [here](#), but examples of some of the advice are set out below:

- In setting their steps and publishing a well-being plan, **how is this different** from what has been done before? What services will be affected, what commitments have they made and how are things changing in the area?
- PSBs should think about **what the future holds for employment and skills**, [The Future of Work](#) report predicts that 65 percent of the children who are now starting school will find themselves working as adults in jobs that don't even exist yet. And, [according to McKinsey](#), technology could automate 45 percent of the tasks people are currently paid to do.
- **Infrastructure goes beyond housing** - how public services plan, design and locate future developments, buildings, infrastructure and other public and community spaces as part of the local development plan is critical to creating a prosperous and environmentally resilient place. The [Closing the Circle](#) report gives examples of how the public sector can minimise waste and resources.
- **Climate change is a huge global challenge**, but we all have a responsibility. Zero Carbon Britain's recent [Making it Happen](#) report sets out what we can do for future generations to act on climate change now. Are current approaches adequate to cope and what preventative action could be taken?
- It is important that PSBs deepen their understanding of their communities from the **lived experiences of local people**, and use sport, heritage, language, traditions and the natural environment to enable people to participate.
- **Involving people is central to challenging the system** because only by understanding the lived experiences of people can we design services that are fit for current and future generations. [Why poor people don't plan long-term](#) provides an insight into the barriers people face in overcoming inequality and the case studies in this report by [Locality](#) demonstrate the financial and social costs of not taking this holistic and preventative approach to people's lives.



My advice has also focused on the importance of involving people in the development of well-being assessments and plans and ongoing work. I am pleased to see PSBs taking this advice on board, for example:

Monmouthshire PSB realised the need to involve their residents at an earlier stage. They had not planned to involve people (other than their partner organisations) in drafting objectives, but only after they had put the well-being plan out to consultation. But after receiving my advice, they took longer to draft objectives and involved grass-roots partnerships and members of the community early on to shape objectives.

Blaenau Gwent PSB provided extensive opportunities for involvement in assessments and plans development. The Blaenau Gwent We Want involved going where people are and encouraging drawings and postcards from young people about their lives to inform the public services of the area what matters to people.

In **Cwm Taf PSB** engagement is jointly resourced, where possible, among PSB partners, including **Interlink RCT. The Merthyr Tydfil Youth Forum** have been involved in developing the objectives and steps of the PSB and have previously produced hard-hitting videos about the issues affecting their lives, bringing their experiences into public service forums.

My advice was intended to stretch their thinking as they thought about delivery of their objectives. Feedback from public services boards have said that they recognised the value of this and have requested a continuation of our coaching relationship with them and it has influenced the structure and content of their well-being plans.

I will continue to listen to feedback on what could have been better in how we have supported PSBs including more direct engagement with members and officers and ensuring the key points in the advice can be drawn out easily.



“I think for us what was useful was the ongoing dialogue that we had. We had several meetings with Heledd Morgan from the Future Generations Commissioner's office. In terms of the written advice, we did find that extremely useful and we were surprised how detailed it was when it came through because there were a lot of hyperlinks to research papers and things that we might find useful for particular areas of our plan. We did spend some time going through these and checking out those research papers.”

Kathryn Peters,
Caerphilly Public Services Board



“They’re walking alongside us, and nobody knows what that route looks like quite yet, we’re navigating through it. So that was a helpful approach.”

Bernadette Elias
Blaenau Gwent County Borough Council

“What’s been really important is the profile that this office has brought to the Act. It’s meant that what we are trying to achieve is not seen as something on the fringes, it means it’s central in the minds of the colleagues we work with and in the minds of politicians, both local and national.”

Matthew Gatehouse,
Monmouthshire County Council

“The advice from the Commissioner was that we needed to really work hard to make sure we got the people with ‘protected characteristics’. We did make real efforts because of that advice to make sure that we reached people of all different ages, people with disabilities, and people from all ranges of backgrounds who perhaps usually wouldn’t come to events or turn up at things. Rather than expecting people to come to us, we made an effort to go to different types of groups, different organisations, sitting in the flu clinic waiting room, and other places....“...They were clear on getting the importance of the five ways of working and involvement and collaboration as a part of that, but very much left it to our own discretion to develop an approach that worked for us.”

Hazel Clatworthy,
Monmouthshire County Council

Impact:

- Framed debate and got issues on the agenda
- Encouraged discursive commitments from ministers, Government and others
- Affected policy content and commitments
- Influenced practical behaviour change in others

Although I do not have a corresponding duty to advise individual public bodies on their well-being objectives or steps, I must monitor and assess the extent to which they are being met.

Comments gathered from group feedback with Public Services Board co-ordinators:

“We found the letter extremely valuable...all the information contained was useful. We liked the comprehensive feedback.”

“We used your advice to show the connections between our objectives and made the steps more integrated.”

“Through speaking with you during the 14-week period of advice, we realised we needed to involve more people in drafting our objectives so slowed things down and involved more grass-roots partnerships and members of the community to not only comment on, but also shape, our collective objectives.”

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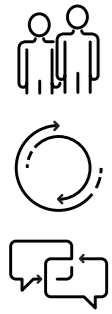
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Monitoring and assessing



By April 2017, the [local and national public bodies across Wales](#) covered by the Act were required to publish their well-being objectives and steps, showing how they will improve the social, environmental, economic and cultural well-being of Wales and contribute to the seven national well-being goals.

These public bodies have devoted much time and energy to ensuring they meet a challenging timetable set in law, while working on assessments of well-being for their local area and developing joint well-being plans if they were sitting on public services boards. Since April 2017, public bodies have been working towards a collective **345 objectives** and they must now take all reasonable steps to meet them.

I am required to monitor and assess the extent to which such objectives are being met. This year I have been developing my approach to this, in advance of the first set of annual reports from public bodies which will be published between April 2018 and March 2019.

The **Auditor General for Wales** is charged with examining how the five ways of working are being used by public bodies. The complementary nature of our functions, in addition to the ethos of the legislation (integration, collaboration and involvement in particular) have led us, the Auditor General for Wales and myself, to work very closely together and we developed parallel and complementary strategies to discharge our functions. It is paramount to us that we do not

send conflicting messages to public bodies and that we pull together in the same direction to drive the deep and right changes towards the Wales we want.

Over time both I, the **Wales Audit Office** and the people of Wales will expect public bodies to be able to demonstrate how the Act is shaping what they do. As we are now entering the third year of the legislation, I expect to see more public bodies clearly adopting simple changes across Wales, as well as new approaches and moving towards making transformational change happen.

I have undertaken an **analysis of the 345 objectives and looked for common themes** emerging across objectives and steps. Whilst it's not an exact science, it's clear to see that the majority of public bodies have stuck to their core business and have not yet considered how they can maximise their contribution to the seven well-being goals (alone or with others) in what they do and how they do it. **Overwhelmingly, objectives have the tone of improving the economic and social well-being of localities, with little emphasis on the environment or culture.**



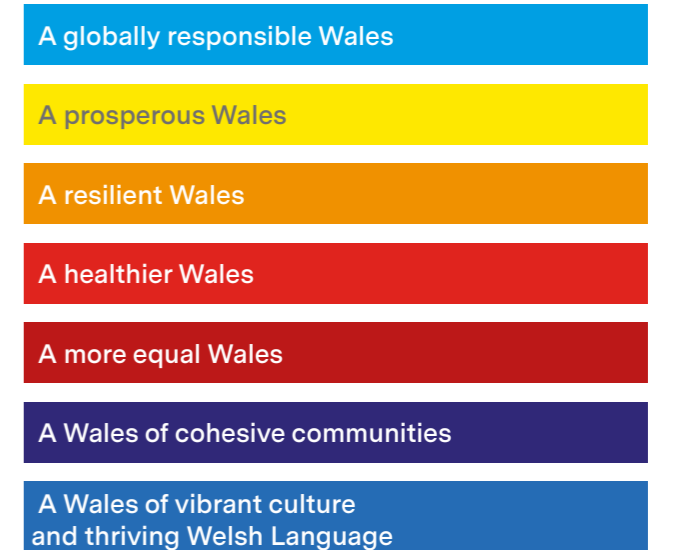
My reflections on the purpose, progress and pace of this work and recommendations on what I expect to see in annual reports are available in a report [Well-being in Wales: the journey so far](#) which was published in parallel with a report from the Wales Audit Office [Reflecting on Year One: How have public bodies responded to the Well-being of Future Generations \(Wales\) Act 2015?](#) on their first year commentary.

I will continue to work collaboratively with the Auditor General for Wales to meet my duties on monitoring and assessing and with the Wales Audit Office Good Practice Exchange to promote good practice and provide advice and assistance to public bodies.

Alongside this I have established a partnership agreement with **Cardiff Business School who will work with me to assess how public bodies are meeting objectives relating to jobs and skills for the future** and to provide guidance on best practice in this area.

Impact:

- Framed debate and got issues on the agenda
- Encouraged discursive commitments from Ministers, Government and others
- Secured procedural change in how public bodies go about things



Providing advice and assistance

public bodies on their work



Public bodies also frequently call on me for advice. In 2017-2018, I have met with 24 public bodies covered by the Act and have provided detailed advice or worked closely with at least 11 of them, as well as six different Welsh Government departments.

The statutory guidance of the Act sets out [seven areas for change](#) within the corporate centres of organisations (risk, performance management, corporate planning, financial planning, workforce planning, assets and procurement) and much of my advice has been relevant to these areas.

Decarbonisation

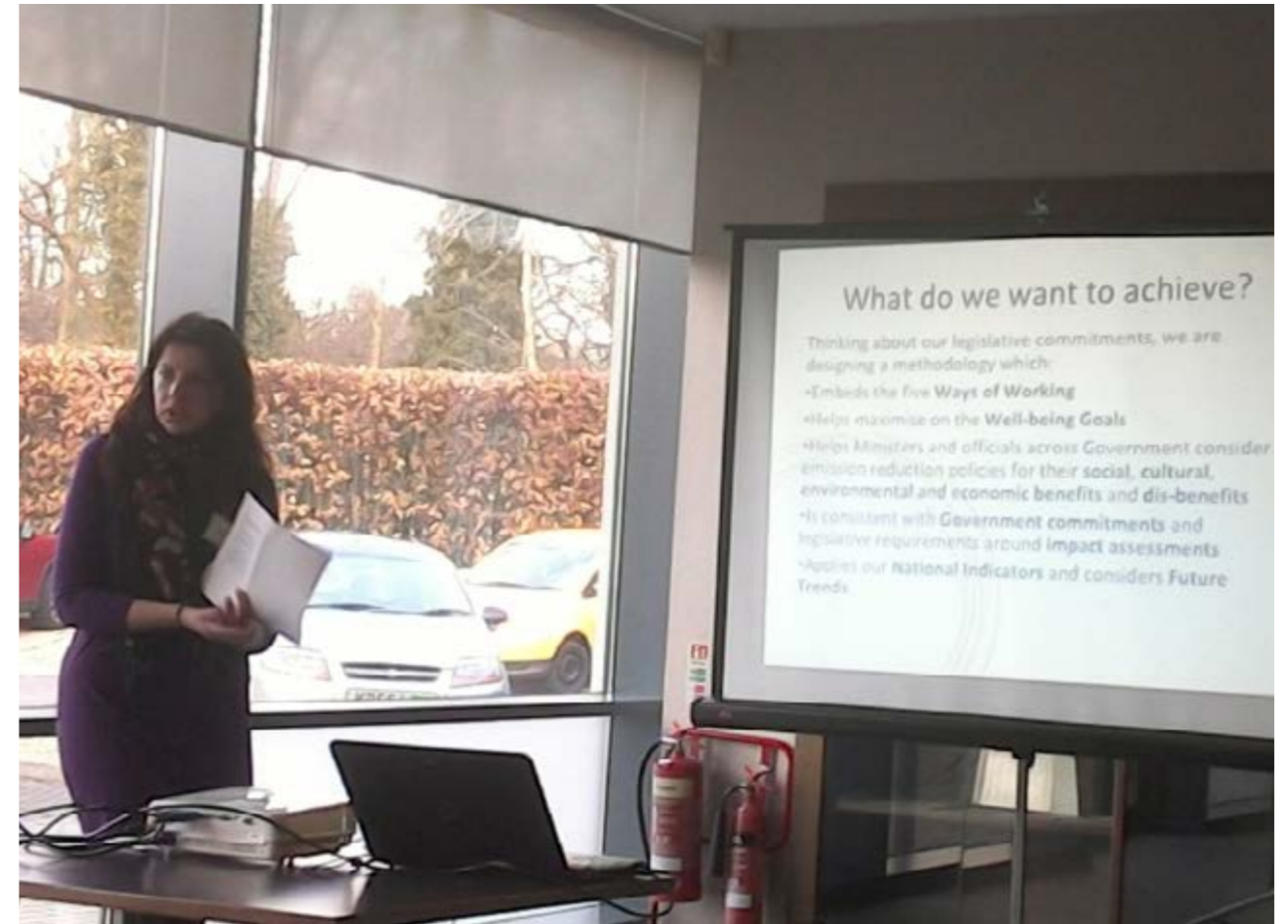
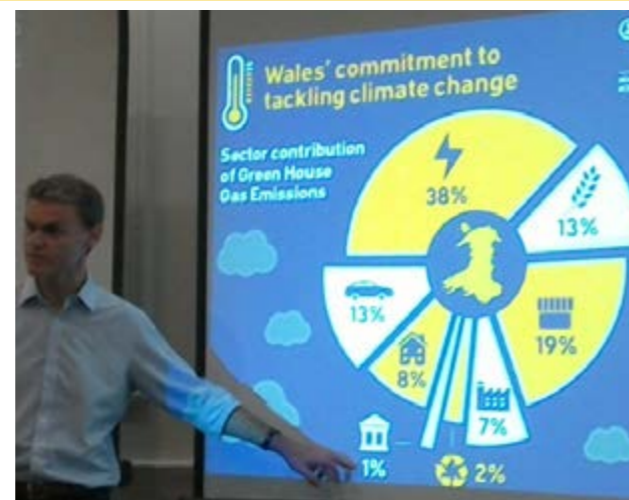
The [Environment \(Wales\) Act 2016](#) introduces a duty on Welsh Government to develop carbon budgets for Wales, and to reduce emissions by at least 80% by 2050. This is a considerable challenge as over 50% of emissions are produced by a small number of industrial sites (e.g. Tata steel, Port Talbot and Aberthaw power station). This is closely linked to my work in the priority areas and it underpins several of the well-being goals. I have supported, challenged and provided forums for practical sharing of good practice to assist public bodies in moving towards decarbonisation. I have also:

- Held an event called 'Leading positive action on climate change - delivering a carbon neutral Welsh public sector by 2030' with **Welsh Government** and **Natural Resources Wales**. **Attended by 60 public sector leaders**, its purpose was to establish a conversation across the Welsh public sector on the delivery of the decarbonisation ambition for Wales.
- Highlighted the good work achieved by Natural Resources Wales [Carbon Positive Project](#) and encouraged organisations to learn from this approach and share case studies with us on an ongoing basis.
- Encouraged public bodies to look wider at carbon savings through transport and

buildings, and to realise the potential benefits of decarbonisation to community cohesion and tackling poverty etc.

- Written to the **chairs of all local government pension funds** and other public bodies (the eleven local authorities with the largest pension funds invested in fossil fuels), asking them to confirm how their decisions are considering the long-term and climate risk (encouraging them to divest).

The Wales Pension Partnership (WPP) has been established on behalf of the eight Welsh local government pension funds, and although individual funds such as **Gwynedd Pension Fund** are developing Principles for Responsible Investment, I believe that there will be further opportunities for the WPP to consider how investments can support the well-being of current and future generations. I am encouraged to see that **Swansea Pension Fund** is looking at the extent of fossil-fuel related investments with results showing they have a 9% below average exposure to carbon-related investment, and that they are considering setting a 50% carbon reduction target and investing in renewable energy and clean technology.



- Challenged the Government on carbon targets which should be included in the procurement of the South Wales Metro.
- Shared good practice about well-being objectives which contribute to decarbonisation in my report on [Well-being in Wales: the journey so far](#) - 23 different public organisations have set objectives relating to energy.
- Supported the work of **National Energy Action** and the **Fuel Poverty Coalition** with public services boards.
- Supported the **Institute of Welsh Affairs Re-energising Wales** project whose vision is for Wales to meet 100% of its energy demand from renewables by 2035.
- Delivered two Zero Carbon Wales workshops in partnership with the **Wales Council for Voluntary Action** and **Centre for Alternative Technology**.

Examples of good practice from public bodies

Swansea Council [Mountain View Children's Centre, GP Surgery and Pharmacy](#). Newly opened, low carbon design, integration of services.

Mid and West Fire and Rescue Service have: Installed LED lighting in all of their fire stations through an Invest to Save scheme, and solar thermal panels and photovoltaic panels in five fire stations across the service and continue to be included in all new build and refurbishments.

Aberystwyth Community Fire Station re-build received a project rating for the *Constructing Excellence in Wales* initiative of 99.12%, which was the highest rating for any project in Wales. The build also had a 98% recycling rate for the zero-waste programme, which placed the project as one of the highest performing in Wales.

I have also challenged the Welsh Government to clearly demonstrate their commitment across Government to carbon reduction. I have provided assistance to the Welsh Government's decarbonisation team specifically on proposals for the Low Carbon Delivery Plan that will contribute to the seven well-being goals. This has led to:

- A policy commitment from the **Cabinet Secretary** for the public sector to be carbon neutral by 2030. I will continue to work with Welsh Government and others to work out how this commitment can be achieved in reality.
- The **Welsh Government** developing a matrix to use as part of their well-being appraisal process to ensure that their **Low Carbon Delivery Plan** is framed within the Well-being of Future Generations Act at the start of policy development (this is a significant step forward from the traditional impact

assessment approach which is done after a decision is taken). The matrix will also help the development of policies that reduce emissions and deliver wider social, cultural, economic and environmental benefits.

- The **Welsh Government** aligning their financial budget cycles with their carbon budgets which means that decisions about where money is spent can have a greater focus on achieving carbon reduction targets. They are the only government in the UK to do so.
- The advice given to the **Welsh Government** by the **UK Committee on Climate Change** reflecting the Act by not only considering cost-effective pathways for emission reduction but also the wider opportunities to improve well-being.



“For example, the main aim of housing retrofit would be to reduce energy demand, but there are also opportunities to improve health and reduce fuel poverty, increase local jobs and skills, and even wider benefits including improving educational attainment and community cohesion.”

“The Decarbonisation Programme is very complex, it involves a whole range of partners collaborating, integrating objectives across government and thinking about the long-term. We have been developing and testing new approaches and ideas and have been collaborating with the office of the Future Generations Commissioner to challenge, support and review these ideas. It has really been useful to have a critical friend to guide and advise on these new ways of working, develop solutions together and learn along with the way.”

Lucy Corfield,
 Head of Decarbonisation, Welsh Government

“I think what the Act has done has given us a chance to look wider... Traditionally we've looked at carbon reduction in buildings and transport, but this gives us a chance to think right across the services that are done within the authority. The office of Future Generations support has been useful in terms of linking us to other projects and sharing good practice. As we speak we've got an electric bus been trialled in Caerphilly town centre and we're doing some work around electric vehicles. We are looking at electric pool cars and electric vehicles of various services and next week we've got a couple of trial vehicles coming in.”

Paul Cooke,
 Caerphilly County Borough Council

Impact:

- Framed debate and got issues on the agenda
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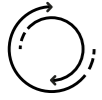
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Procurement



Public bodies in Wales spend over £6 billion each year on buying goods, services and works. It is essential that this is seen as an investment towards meeting all seven of our well-being goals

I have raised concerns with Welsh Government and provided evidence to the [National Assembly for Wales Public Accounts Committee](#) highlighting the fact that procurement policy and practice in Wales has not kept up with the new requirements under the Well-being of Future Generations Act. The Procurement Policy Statement for example does not reflect the Act and the extent to which the National Procurement Service and Value Wales are embedding the Act is not clear.

Following these interventions in September 2017, the **Cabinet Secretary for Finance and Local Government, Mark Drakeford AM**, initiated a review into the National Procurement Service and Value Wales. This is a clear opportunity to ensure that the Well-being of Future Generations Act is the over-arching framework for how we buy goods, services and works in Wales.

In order to secure policy and procedural change in this area I have:

- Contributed to the Welsh Government review through membership of the Stakeholder Reference Group. The review is on-going, and I am continuing to work with officials and with the Group to emphasise the potential to improve the well-being of Wales through what we buy.
- Supported workshops for **Value Wales** and the **National Procurement Service** and have provided assistance to help them understand how the Act can be better applied across what they do, at a strategic and practical level.
- Challenged public bodies to look at how they can use procurement as a vehicle to test new ways of thinking and find ways for procurement to deliver far more than just products and services by utilising the whole life-cycle approach, contributing to the zero waste and

decarbonisation agendas and delivering real community benefits, both in Wales and in developing countries. We have been working with a range of other organisations including **WRAP, Good Practice Exchange, Business in the Community, Centre for Local Economic Strategies** and the **Wales Centre for Public Policy** to explore opportunities to collaborate, to challenge and change the way procurement is done in Wales.

- Worked with the **National Procurement Service (NPS)** to influence the development of new food frameworks in the National Procurement Service – through following the five ways of working they have developed procurement objectives under all seven well-being goals to promote local suppliers, environmental considerations, lower carbon emissions, ethical and Fairtrade goods. The food framework contract is worth £73 million and is available to 72 public body customers. The outcome of this work is that **80% of suppliers on the new fresh food contracts** are Welsh SMEs. The NPS is now working with their suppliers to develop indicators that will monitor food waste, packaging, use of sustainable products, transportation and greenhouse gas emissions with the aim of improving environmental performance over time.
- Included advice on procurement in my statutory advice to public services boards as described above in this report.
- As a result of our work with them, we have influenced and informed the **Welsh Government's** approach to developing pilots focused on the Act, working with **Caerphilly, Torfaen, Monmouthshire, Ceredigion** and **Pembrokeshire** councils to develop an effective and consistent approach for applying the Act

to procurement activity in organisations, which can then be replicated across Wales. Some of these pilots involve reducing plastics in the supply chain associated with food, eco-friendly alternatives to one third size school milk cartons, increasing supply of local food by improving supply chain analysis, supporting an authority with their collaborative Catering Disposables Framework by looking at sustainable alternatives. The pilots have started, and the focus of my work is now to provide support on capacity building, test different approaches and explore opportunities to embed the Act into specific commodities, increasing local suppliers in the supply chain and a focus on plastics and packaging. I look forward to seeing the impact of these new approaches over the coming year.

A globally responsible Wales

A prosperous Wales

A resilient Wales

A healthier Wales

“ We welcome the inclusion of working towards meeting the goals of the Well-being of Future Generations Act in the recent NPS tender applications. This is a positive step, and I trust that as the tender process evolves that a greater points weighting will be given to the criteria. Many of the requirements naturally align to our principles at Castell Howell Foods. It is important to support the local economy and work towards ensuring that the well-being of our employees is high on the agenda, through the medium of Welsh and English. ”

Edward Morgan,
Castell Howell Foods

Ethical procurement

*It's a decade since Wales became the world's first Fair Trade Nation, and I have been pleased to see the **Welsh Government's All Wales Catering Contract increase its sales of fair and ethical goods by 49% over the last three years with up to 60 Fairtrade items being available in their 10 office restaurants over the year.** However, the Fairtrade sales are only 11% of the total value of the contract, so I look forward to seeing further progress in this area and other public bodies following their lead.*

*As the global aspects of sustainable development are not always well understood by public bodies, I have entered into a partnership with **Welsh Government, Fair Trade Wales and Hub Cymru Africa** which resulted in a secondment to my office.*

*Building on the review of all public bodies in 2015 by **Fair Trade Wales and Hub Cymru Africa** which identified an issue around the data collection of sustainable and ethical procurement in the public sector, this partnership aims to support the Welsh Government and public bodies to recognise the value of procurement – what they buy and how they buy.*

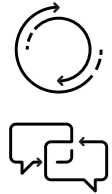
*I am encouraging public bodies to becoming more self-aware and creative in how they contribute to the **Globally Responsible Wales Goal** through for instance, energy, food and single-use plastics, which shows integration with the other goals. My work has resulted in the National Procurement Service collecting wider data and from June 2018 I am pleased that they will include Fair Trade on their supplier questionnaire. This should unblock a potential barrier and encourage more Fair Trade goods into the Welsh supply chain.*

Impact:

- Framed debate and got issues on the agenda
- Encouraged discursive commitments from Ministers, Government and others
- Secured procedural change in how public bodies go about things
- Affected policy content and commitments



Land use planning



The majority of letters that I have received this year relate to concerns about planning decisions. People and communities tell me that they often feel that developments are imposed on them against their will and with little opportunity for involvement.

Whilst I recognise that planning decisions are often complex and polarising issues this suggests that public bodies might not be finding the best ways to communicate with the public in harnessing their vision and knowledge of their community. These concerns can be addressed by applying the principles of the Act and in particular the five ways of working.

Around 25,000 individual planning decisions, including 700 major projects, go through the planning system each year (2015 figures). It is impossible for me to undertake an assessment of each one and my role as set out in the Act does not provide for my office to be an extra layer to appeal against unpopular decisions. However, I recognise the frustrations that many communities have with the current system and the need to ensure that the built environment meets the needs of the future.

In light of this and in line with my functions, in particular to carry out my duty to promote sustainable development, I have decided that my input this year is more effective at a strategic level to influence the policies and processes within which the planning system operates.

Welsh Government has started updating the suite of national planning policy documents, starting with a full revision of **Planning Policy Wales** (the national planning strategy for Wales), in parallel with the design of the **National Development Framework** (the national statutory spatial plan for Wales) created by the Planning (Wales) Act.

I welcome the commitment the Government has shown to recasting planning policy in light of the Well-being of Future Generations Act and it is encouraging that the Government has been keen to work with me from the inception of this work. I have worked closely with the Planning

Department to ensure that new planning policy is in line with Well-being of Future Generations Act while responding to the concerns raised with me by individuals, action groups and politicians.

The three bills

The [Planning \(Wales\) Act 2015](#) was legislated for at the same time as the [Well-being of Future Generations \(Wales\) Act 2015](#) (and the [Environment \(Wales\) Act 2016](#)) with the intention of changing the law in an integrated manner and put in place the key elements needed for Wales to develop sustainably, namely:

- *A clear idea of what we are aiming for and an undertaking of the key principles that guide us (the Well-being Future Generation Act)*
- *A clear picture of the natural resources we have, the risks they face and the opportunities they provide (Environment Act)*
- *An efficient process that ensures that the right development is located in the right place to make it happen (Planning Wales Act)*

I have supported the Government's process for revising Planning Policy Wales by:

- Advising on the use of the five ways of working and well-being goals
- Adapting our Future Generations Framework for their consultation exercise
- Providing information on future trends
- Ensuring input from a broader range of stakeholders than would have traditionally been secured prior to the consultation stage
- Supporting integration between the themes in Planning Policy Wales

My advice has influenced Welsh Government's processes (involvement) and content of the draft Planning Policy Wales – ensuring a strong narrative on the Well-being of Future Generations Act throughout the document and consistent focus on the seven well-being goals. I have ensured that the aspirations contained correct references to the five ways of working, to the well-being goals in their holistic nature, including low carbon, equality and reduction in poverty.

My team has also provided support to the **Planning Inspectorate for Wales** and the **Royal Town Planning Institute** to develop their understanding of the Act.

I will continue to build on the relationship and work to date to ensure a steady flow in future work on the National Development Framework and **Local Development Training Manual**. I will continue to engage with the Planning Inspectorate including observing at a small number of local planning hearings and inquiries, and I will also continue to provide advice to individuals and groups on how to use the Act in their dealings with the local planning authorities and Planning Inspectorate.



Impact:

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- A prosperous Wales
- A resilient Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language

Welsh Transport Appraisal Guidance (WeITAG)



I was approached by the Welsh Government transport team, following my intervention on the M4, to advise on their proposed update of the Welsh Transport Appraisal Guidance (WeITAG). I wanted to ensure that the Act was embedded across the guidance rather than presented as a supplementary note as was initially envisaged.

This was an intensive piece of work through which I sought the involvement of **Sustrans, Equality and Human Rights Commission, Royal Town Planning Institute, Natural Resources Wales, Disability Wales, a local authority practitioner** and the **University of South Wales** and **Cardiff University**.

As a result of my advice and assistance, the new [WeITAG](#) published in December 2017 was substantially different, with the Well-being of Future Generations Act central and upfront. The new guidance now clearly states:

"It has been developed by the Welsh Government to ensure that public funds are invested in a way that ensures they maximise contribution to the well-being of Wales, as set out in the Well-being of Future Generations (Wales) Act 2015 and to deliver the Act's vision of the Wales we want" or that "WeITAG has been revised to ensure that it can drive this positive change and innovation in Wales, to ensure contribution to the seven national well-being goals and to embed the spirit of the Act."

This new guidance represents a significant procedural change in how public bodies go about doing things and has influenced practical behaviour changes in others. It encourages people to think wider than just road transport solutions and emphasises the need to consider wider issues such as equality of access, health, air quality, promoting active travel and reducing carbon emissions when they formulate their options throughout the process until the evaluation of the project.

My [Future Generations Framework](#) is also included as part of the guidance documentation. This work has led to securing procedural change and will influence how public bodies make decisions about all transport projects in the future.

I am in the process of agreeing an approach with Welsh Government to monitor and assess the effectiveness of new guidance and have committed to supporting them to look at how it is being applied on a small number of projects, to assess its impact and record how it is leading to different decisions. Members of the public will continue to provide useful insight into how this is being played out on the ground.



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WeITAG 2017
Welsh Transport Appraisal Guidance

“Members of the public will continue to provide useful insight into how WeITAG is implemented.”



South Wales Metro



Positive and productive discussions have continued with Transport for Wales over the last twelve months as they move forward with the competitive dialogue process for the South Wales Metro.

Positive and productive discussions have continued with **Transport for Wales** over the last twelve months as they move forward with the competitive dialogue process for the South Wales Metro.

I have been pushing for long-term commitments on carbon and energy to be in place and following a visit to the US, introduced the Transport for Wales team to **Trimet**, based in Portland, Oregon, who have been successful in implementing a range of sustainability initiatives on their light-rail line.

My advice helped Transport for Wales develop their vision and define six themes (social, economic, environmental, cultural, ethical and innovation) specifying how the new Metro and rail franchise should develop local jobs, skills, training and supply chain opportunities, involve local communities and promote culture, and take positive action on environmental issues such as waste, air pollution and carbon emissions. I have also encouraged the Cabinet Secretary for Economy and Transport to be ambitious in his commitments for a low carbon metro system, specifically the carbon targets which should be included which has resulted in a requirement for the core Valley Lines to be electrified and 100% of electricity generated from renewable sources, with emission reduction targets for the remaining franchise as they seek a range of solutions for the new rolling stock whilst minimising embodied carbon.

I have welcomed Transport for Wales' positive approach and willingness to work with others to identify best practice from elsewhere.

Now that the successful rail operator has been **announced** as **KeolisAmey**, I will continue to support and challenge Transport for Wales and work directly with the new operator to ensure all opportunities to contribute to the seven wellbeing goals are taken.



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Rail franchise - the devil is in the detail
 WALES IN MOTION
 PROFESSOR STUART COLE

On Monday, the Welsh Government, through its co-ordinated Agency Transport for Wales (TFW), signed a 10-year (to 2025) operational partnership with KeolisAmey - together a formidable team being put in place by officials - to ensure Wales' railway network is "transformed over the next five years into perhaps a degree of efficiency (equivalent) to that of the best in the world".

This is the paraphrased position of First Minister Carwyn Jones, Cabinet Transport Secretary Ken Skates, Keolis Amey CEO Steve Fennell, and Amey CEO Andy Millar.

All the bones matching the desired outcome of the railway public and the various have been added to their proposal. However, the devil, or indeed, the detail.

Some 80% of trains being used since 2012 is feasible within the next five-year lead time for new diesel and electric units. Several units manufacturers are approaching the end of their current contracts and are seeking some work with an opportunity to be in place. The driver could only be given with TFW's big red flag and a red flag for Valley Lines.

Employment prospects arise through the new rolling stock and the new rolling stock.

The increased frequency will make train travel more convenient. The increased capacity announced for 2022 (the new electric passenger train) will increase passenger demand of 4.5% per annum over 10 years. Both can persuade many commuters to switch their mode of transport, particularly to the south and west Wales commuter area.

Investment in transfer and security at stations, including the new passenger usage on other parts of the Welsh railway network. Cycle paths and side tracks are planned and new or expanded high security PRU facilities for use at key stations to direct to enhance passenger growth figures.

Such expenditure will be £100 over 10 years and estimates suggest this is sufficient for these plans. Of this, £3.5bn will cover the increased annual operating costs (over the present £180m to £200m) and a £100m annual investment in the

the Cardiff and north Wales and a full Amey frequency of local and long distance routes between Newport and Carmarthen through local and long distance routes.

The Swansea district line with a Villidun-Morriston Hospital interchange would consistently connect west Wales rail, car and bus users with other west Wales stations served by public transport.

Current fares are relatively cheap on the Valley Lines but can be low cost and an alternative, particularly to north Wales. Flexible off-peak fares and a new fare structure has to be determined by TFW (within the parameters) for which it is amenable to the Cabinet Secretary.

However, we should not have unrealistic expectations in the short term, though December will bring some extra value on Valley Lines. Many have been critical of Arain Ffôn Wales' performance but this is not the case.



Cardiff Capital City Region and Swansea Bay City Deals



In my annual report last year, I recommended that as city deals and other economic development programmes across Wales move forward, the **local authorities** involved, and **Welsh Government** must themselves demonstrate how they are applying the Well-being of Future Generations Act, in particular reflecting the statutory definition of A Prosperous Wales, as well as making the case to the UK Government for this more progressive framework to be adopted.

I wrote to the chair of **Cardiff Capital City Region** in September 2017, attended the Regional Cabinet meeting in November and secured a commitment from them to work closely with my office to ensure the Act is applied. As a result, the Joint Cabinet has now agreed a five-year business plan that reflects their duties and sets out that proposed schemes are required to demonstrate the use of the five ways of working and how they contribute to the seven national well-being goals.

We have also supplied the Future Generations Framework for projects to both **Swansea Bay City Deal** and **Cardiff Capital City Region Deals** to assist them in applying the Act to their consideration of projects. As part of Swansea Bay City Region, **Carmarthenshire County Council** has collaborated with their partner organisations to use the framework to help plan the Llanelli Wellness and Life Science Village.

The team co-ordinating the Swansea Bay City Deal said:

“Engaging in discussion on future generations at the formative stages (of a proposal) can maximise impact and realise benefits. It can also help to ‘future proof’ the project by thinking about the interrelationship between social, economic, cultural and environmental well-being.”



Great to welcome @futuregencymru Commissioner @sophiehowe to @ccrcitydeal cabinet meeting. Good discussion on embedding sustainable development into City Deal



Future Generations Commissioner for Wales @sophiehowe is speaking to @ccrcitydeal Regional Cabinet, and pays tribute to the Leaders for the progress they have made with the City Deal

Impact:

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Welsh Government strategic budgeting



The Welsh Government budget strategy and decision-making process are a fundamental part of driving change across public services in Wales as it frames a significant proportion of decisions by public bodies. I am providing assistance to the **Cabinet Secretary for Finance, Mark Drakeford AM** and have worked with the strategic budgeting team to review last year's budget and to feedback where improvements could be made in line with the Act for coming years.

I have advised the Cabinet Secretary for Finance, Mark Drakeford AM, that the Government must develop a definition of prevention to be used in time for the next budget round. The impact of this is that **he has commissioned this work to be undertaken which is being supported by my office**. This will be the first time the Government has an agreed definition of prevention.

The evidence that I gave to the National Assembly Finance Committee for Wales in November 2017 emphasised the need for a tangible shift to preventative approaches, better integration across policy, and for Government decisions (such as the M4) to be framed in the long-term.

My evidence to the Finance Committee resulted in three of their nine recommendations relating to the Well-being of Future Generations Act:

Recommendation 7. *The Committee reiterates the recommendation it made in relation to the 2017-2018 draft budget that the Government should demonstrate greater alignment between its draft budgets, the well-being goals and the five ways of working. Future draft budgets should also demonstrate how the Government's allocation of funds will meet the priorities outlined in its national strategy, currently Prosperity for All.*

Recommendation 8. *The Committee recommends that the strategic integrated impact assessment provided alongside future draft budgets should provide a clear explanation as to how decisions were reached.*

Recommendation 9. *The Committee recommends that the Cabinet Secretary consider the suggestion that the Future Generations Commissioner for Wales has a role in assessing the impact of Government's budget in supporting the well-being goals, both in the short- and longer-term.*

We will continue to support and challenge the strategic budgeting team to inform the early development of the 2019-2020 budget and there will be a particular focus on developing a better understanding and practical examples of preventative spend.

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Impact:

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Welsh Government NHS planning team



How our NHS supports people to stay well (as well as treating them when they are ill) is a key challenge for future generations.



Spending on the healthcare system accounts for almost half of public spending in Wales and yet healthcare systems contribute only around 15% towards the health and well-being of the population.

Wider determinants of health relate to social, environmental and economic issues. It is important, therefore, that my office provides a robust challenge to the ways in which the NHS changes to respond to future challenges, and in particular the shift from treatment to prevention.

10 health bodies (7 local health boards and 3 NHS trusts) are covered by the Well-being of Future Generations Act.

The relationship between Welsh Government and health bodies is influenced by the Integrated Medium-Term Plan cycle (IMTP). The first IMTP guidance published in October 2016 did not fully reflect the Act, limiting the extent to which health bodies contributed towards the well-being goals and embedded the five ways of working. This was a missed opportunity, so this year, my team has worked closely with the **Welsh Government NHS Planning team** to provide support and challenge in the redrafting of the guidance, including how the five ways of working could be applied to the planning framework. My team also contributed to the NHS summer planning event to set our expectations for IMTPs, based on lessons from my well-being assessments report, [Well-being in Wales: Planning today for a better tomorrow](#), published in July 2017.

Based on these interventions, in August 2017 the Chief Executive of the NHS in Wales wrote to all health bodies highlighting the report's recommendations, and asking how they were responding to the requirements of the Act.

The 2018-2019 NHS planning framework (published in October 2017) has clearly displayed an improvement on the previous year. The Government now requires health bodies to include:

- An update on progress in delivering the organisation's well-being objectives in line with the five ways of working
- Confirmation of priorities for the next three years (within the context of the longer-term plans)
- Evidence that the organisation is maximising its contribution to the seven well-being goals.

I will continue to challenge the Government to ensure that both the planning framework and in turn the actions of health boards on the ground reflect the requirements of the Act. I am particularly interested in how the Parliamentary Review of Health and Social Care (published in January 2018) will influence this change.

“I know that there has been a positive and challenging working relationship between our teams that has contributed to a greater focus on the Well-being of Future Generations Act. In particular the advice we received during the development of the NHS Planning Framework for 2018-2021 resulted in the five ways of working, sustainable development principle, featuring prominently in the guidance. As a consequence, this raised awareness across the NHS in terms of its accountability and the approach that, required to develop their plans going forward. This has encouraged the development of more integrated approaches and, in turn, is influencing NHS long-term planning.

By way of examples it is worth noting that Powys Teaching Health Board has completely transformed its approach to its long-term strategy and integrated medium-term plan by setting out its plans through the lens of the five ways of working; Public Health Wales has aligned its strategic and well-being objectives and also mapped them to the five ways of working. While this work is still in its early phase it is a development that is testament to the influence of your team and their commitment to the Act.”

Andrew Goodall,
Chief Executive of the NHS in Wales

Impact:

- Secured procedural change in how public bodies go about things
- Affected policy content and commitments
- Influenced practical behaviour change in others

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Powys Teaching Health Board

In September 2017 my team attended a development session for the **Powys Teaching Health Board** to provide a critique on their approach to embedding the Well-being of Future Generations Act to date.

A key element of my feedback was that they should use the Act as an opportunity to rethink their objectives, rather than just trying to retrofit their existing objectives to the goals. Over a number of months, we provided ongoing support and challenge around the five ways of working in particular and, as a result, the Board voted to develop new well-being objectives in line with its collaborative work on health and social care in Powys and develop a new structure for their IMTP.

Feedback from Powys Teaching Health board included:

Impact:

- Encouraged discursive commitments from Ministers, Government and others
- Secured procedural change in how public bodies go about things

“Whilst the Board had already given some consideration to the Well-being of Future Generations Act as part of its briefing and update sessions, the workshop held with the office of the Future Generations Commissioner helped on a number of fronts. The sense of ‘aren’t we doing this already?’ was fundamentally challenged as the group explored the much more significant expectation of us as a Board and as a wider organisation working with others. Any ideas therefore of ‘retrofitting’ our existing work into the well-being goals for Wales were changed. Furthermore, we really started to understand the much broader context of our role as a board, not just in the field of population health and the provision of health services, but through working with others to enable change in the wider and longer-term health of our county and nation.”

Carol Shillabeer,
 Chief-Executive Powys Health Teaching Board



We've been saying it for years! Must also think beyond physical activity and include services like libraries and culture that do so much to tackle social isolation and improve mental wellbeing. Da iawn @sophiehowe



NHS could 'keep leisure centres open'



Working with Welsh Government's Permanent Secretary



In my second year, I have started to support cultural change within organisations. It is crucial that staff in public bodies have a better understanding of the types of behaviours they need to adopt to make the Act work and it is important that the Welsh Government shows leadership.

I have worked with **Shan Morgan, the Welsh Government's Permanent Secretary**, in supporting this internal change, which has included contributing to staff events, and developing a set of questions which will be used by the Permanent Secretary to test new policy proposals.



“It’s a way of making sure that I’m bringing together all the officials across government who’ve got an interest in any particular area. For example, the other day we looked at social care. I brought together officials covering a very broad span of policy areas from housing, to health, to social care, to communications, our legal officers and a very wide-ranging set of officials who have an interest in that area. I used the questions and the approach the Commissioner has suggested to make sure that we are really testing out the extent to which those policies are looking right across the whole range of issues involved in any one area and that they are forward-looking.”

Shan Morgan,
Permanent Secretary, Welsh Government

Questions for the Permanent Secretary

1. What consideration have you given to the long-term trends which could affect your proposal or how could your proposal impact these trends?

Potential social, economic, political, environmental, cultural or technological trends.

Known trends.

Those with a higher level of uncertainty.

2. Is this proposal trying to prevent problems from occurring? If so, what are they and how will you know you're preventing them through this proposal?

Is the proposal about primary prevention (i.e. tackling the root cause of a problem) or secondary prevention (preventing an existing problem getting worse)?

What are the risks of creating new problems or letting existing ones get worse?

Where could the best preventative action take place – including wider than own department or organisation?

3. Who have you collaborated with in finding out about this problem and potential solutions?

What are the positive and negative impacts on delivering the seven well-being goals the Government's well-being objectives?

Who else is trying to 'solve this problem'?

How to involve people who bring insight, constructive challenge, data and solutions?

Impact:

- Encouraged discursive commitments from Ministers, Government and others
- Secured procedural change in how public bodies go about things
- Influenced practical behaviour change in others

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Purpose 3

Work with others to drive the change needed

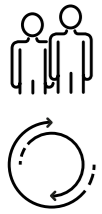
The change needed to deliver the Well-being of Future Generations Act cannot be achieved by my team or by public bodies alone, and so I have dedicated a lot of my time this year to building partnerships which will develop a movement for change, where people champion the Wales approach to sustainable development and will support and deliver the changes on the ground.

These have taken several forms and include:

- Working with the Auditor General for Wales
- Art of the Possible and its associated projects to set-up Live Labs and a Cloud of Innovators
- Collaborating with the Children Commissioner for Wales on Children's Rights
- Responding to and capitalising on international interest



Working with the Auditor General for Wales



The approach taken in Wales to auditing is fundamental for the success or failure of the implementation of the Act as it will drive the approach taken by public bodies to comply with the new legislation.

The Act also sets out similar and complementary duties for my role as Future Generations Commissioner for Wales and for the Auditor General for Wales. As the two main organisations scrutinising the work of public bodies and public services boards we need to ensure a consistent approach and that our approach drives the right sort of behaviours rather than encouraging a 'tick box' compliance approach.

There are a number of specific areas under the Act where the Auditor General and I have a shared interest and responsibility. These are:

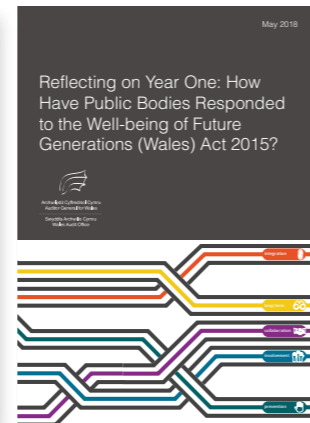
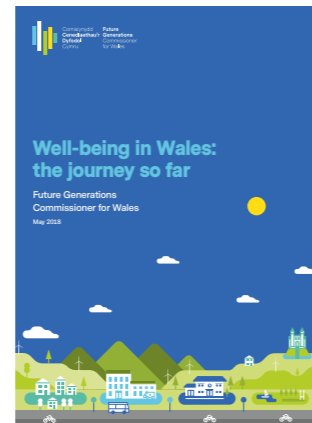
- Monitoring and assessment of progress
- Examinations and reviews
- National reports
- Advice
- Dissemination of good practice

In order to maximise the effectiveness of our individual duties and powers I have worked closely with the Auditor General and the Wales Audit Office. In December 2017, we signed a [Memorandum of Understanding](#) to ensure that our powers and duties act in a complementary manner.

This year I have:

- Supported the Wales Audit Office to work collaboratively with public bodies in developing their approach to audit.
- Agreed a collaborative approach to our work which means we will draw on the expertise from each organisation and provide a coherent approach for public bodies

- Supported the development of the method used by Wales Audit Office to comment on year one. Questions were put to public bodies that have helped us to understand how they are using the Act in this first year. It was important that public bodies gave Wales Audit Office an honest reflection of progress, therefore the tone and emphasis of questions was important.
- Prepared a complementary report [Well-being in Wales: the journey so far](#) outlining what the organisations have said they will do in this first year and providing advice on how they can best demonstrate they are taking effective steps to meet their objectives.
- Worked with the **Wales Audit Office Good Practice Exchange** to support public sector learning on adverse childhood experiences, scrutiny and procurement.
- Shared information on our strategies, findings and next steps.



“The involvement of the Future Generations Commissioner for Wales has helped change the nature of our audit process. It was always important that the audit of the legislation should not be some kind of tick-list. We needed to embed her approach in the way we do our audit work. So, it hasn't been an easy process and it has required a debate, the sharing of the information from pilot sites, and the involvement of the Future Generations Commissioner for Wales.”

Huw Vaughan Thomas, Auditor General for Wales.

We will continue to work closely together and will finalise a joint programme of work to deliver our different but complementary monitoring and assessing duties. I look forward to working with the new Auditor General as he starts his functions in Summer 2018.



Heledd Morgan
@MorganHeledd

@sophiehowe describing her #scrutiny18 drawing to delegates at @GoodPracticeWAO seminar in Llanrwst. How services are missing the mark on investing in prevention. @futuregencymru



Anthony Barrett

Many thanks to Georgina @MelinHomes, Carwyn & Jane @WalesAudit and @sophiehowe @futuregencymru for proving heartfelt and real insight on what the Wellbeing of Future Generations Act means to them. Great way to start our thinking on new ways of supporting scrutiny#Scrutiny18

Impact:

- Secured procedural change in how public bodies go about things
- Influenced practical behaviour change in others

Fit for future generations

In my second year, I have also been working with public bodies to provide support to them to take decisions which are fit for future generations.



This will be delivered through three interrelated programmes of work:

- **Art of the Possible** – a collaborative programme that explores and explains the practical implications of public services maximising their contribution to the well-being goals
- **Live Labs** – Developing and testing methods to equip public bodies to ‘walk through’ an issue and learn how to apply the lens of the Well-being of Future Generations Act
- **Cloud of Innovators** – a network to connect future generations champions and innovators in their field, equipped and willing to advise and assist public bodies to challenge business as usual.

“We aim to inspire them and provide practical examples of how they can meet the well-being goals”

Art of the possible

We know that it is only through collaboration that we are going to make an impact on wide and complex problems such as poverty, climate change and social disengagement.



The Art of the Possible is a major programme to draw on the collective intelligence of people and organisations across Wales to explore and explain the practical implications for public services of maximising their contribution to each of the well-being goals. This will lay the foundations for public bodies’ interpretation of, and action on, the well-being goals and shine a light on the good work that is already happening. It will influence and support practical behaviour change by offering public bodies a bank of good practice (stories of change) and resources (tools to help change).

achieve a common aim is a key requirement of the Act for all public bodies and those working with me have demonstrated their commitment to this new way of working.

As part of the initial phase of the programme the goal convenors have connected with almost **200 different organisations** and individuals to gather stories of good practice from the public, private and third sectors to share with others. Using their broad network, two **innovator workshops** were held in March with people who have demonstrated innovative thinking and developed new ways of working. These people are helping us to gather ideas of good work that supports the Act and the simple changes that public bodies can make.

To deliver this work I have secured commitment from a range of 12 organisations from the public, private and third sectors who have expertise and are part of networks in sectors that support all of the well-being goals.

We are seeking to give these breakthrough enterprises the credibility and confidence to connect with policy-makers and, in so doing, reinforce that small-scale innovative projects have a part to play in the well-being of future generations as well as big public bodies.

This collaborative programme has a dual benefit of bringing expertise into my team but also supports the seconding organisations to develop a better understanding of the Act. Pooling resources to



“Involvement with the Art of the Possible has enabled Wildlife Trusts Wales to develop a much sought-after partnership with the Future Generations Commissioner for Wales. By working with Art of the Possible, it has allowed Wildlife Trusts Wales to understand and continue to apply the Act within our own organisation, especially the five ways of working, so that our work is truly collaborative, long-term, involving, integrating across all of the 7 Goals and prevents further loss of biodiversity.”

Rachel Sharpe,
Wildlife Trusts Wales

“Art of the Possible gives us the chance to share this experience and also see close up and learn from partners who are embedding sustainable development in their work. The Well-being of Future Generations Act helps us to ‘frame’ our work to explicitly deliver well-being. We are seeing other public services - with whom we share a common cause - using the same ‘frame’ and this is helping us to strengthen existing partnerships and open up new conversations about future collaborations. This has to be a good thing.”

Steve Cranston,
United Welsh Housing Association

The partners are:

■ **Arts Council of Wales** – supporting the vibrant culture and thriving language goal



■ **BT Cymru Wales** – supporting project management



■ **Fair Trade Wales and Hub Cymru Africa and Welsh Government** – supporting the globally responsible goal



Llywodraeth Cymru
Welsh Government

■ **Interlink RCT** – supporting involvement



■ **NHS Centre for Equality and Human Rights** – supporting the goal of a more equal Wales



■ **Sport Wales** – supporting the goal of a healthier Wales



■ **United Welsh** – supporting the goals of a cohesive Wales



■ **Wales Co-operative Centre** – supporting the goal of a prosperous Wales



■ **Wildlife Trusts Wales** – supporting the goal of a resilient Wales



■ **Mid and West Fire and Rescue Service** – supporting engagement with public bodies and PSBs



“We’ve been delighted to have the partnership because it’s given us an insight into what the Well-being of Future Generations Act actually means in reality. It’s enabled us to have Rachel, who’s with the Commissioner, to come back and give us an insight into what others are doing and how others are taking it forward. So in terms of practical advice, practical support, but really challenging us, are we really thinking about the Art of the Possible? Or are we thinking, still, in a very corporate way or traditional way? So that challenge and, I suppose, that confidence to really try different things has been very helpful.”

Sarah Powell,
Sport Wales

“Our purpose at BT is to use the power of communication to make a better world and to achieve this we must do business responsibly. That means behaving ethically, respecting people and the environment, and investing in society. One of the ways we can do this and create real shared value across Wales and beyond is by encouraging collaboration and partnerships that bring resources together to deliver against shared goals and ambitions.”

Alwen Williams,
Director BT Cymru Wales

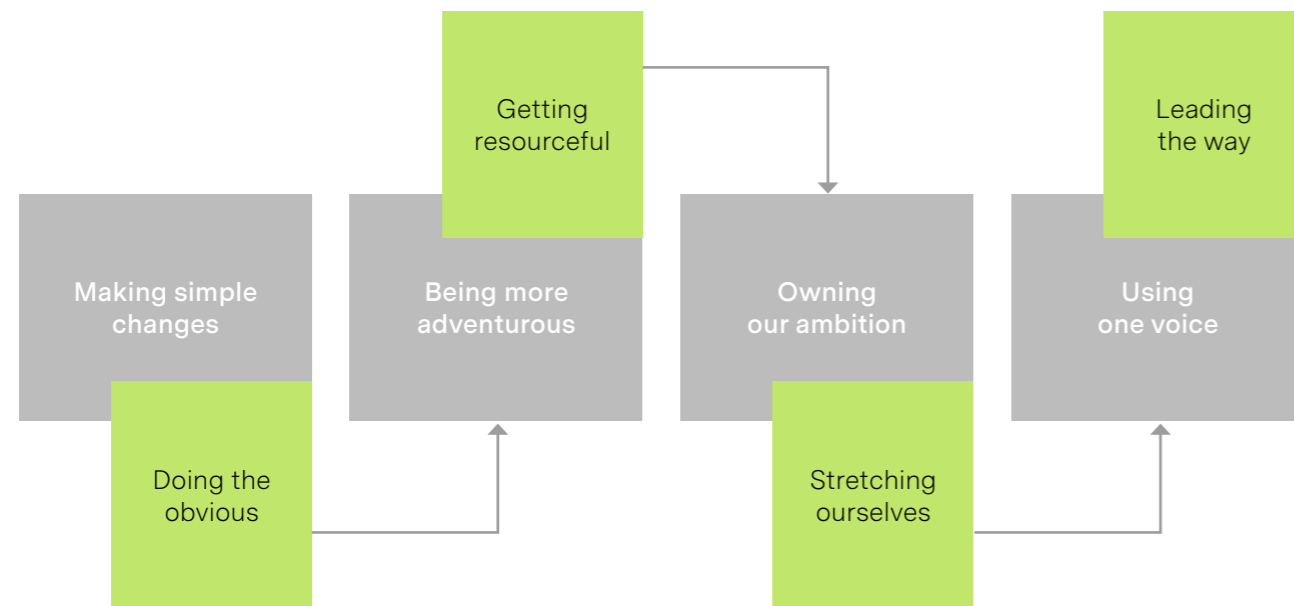
“For us it’s not just what we do but how we do it and we’ve been challenging ourselves to think perhaps more carefully than we’ve done before about the longer-term implications of what we’re trying to do, where we’re allocating our resources and crucially who we are working with as partners to deliver our agenda.”

Nick Capaldi,
Arts Council of Wales

The partnership work on the Globally Responsible Wales Goal started first and has gathered consensus between different organisations. It has enabled the co-production of a shared vision about what it means for a public body to be globally responsible and identify the simple changes that they can make. As a result, I am seeing some public bodies demonstrating a better level of understanding of the action they can take to meet

the goals, as well as practical behaviour change. For example, **Caerphilly County Borough Council** is developing a resource for teachers to support them to integrate their lesson plans with the Act so that young people are learning about sustainable development from Year 1 in an engaging way. **Public Health Wales** is also encouraging Fair Trade tea and coffee clubs, whilst reviewing their catering contracts and use of single-use plastics.

Public Boards & Public Services Board Journey Checker "Where are we now"



“As a result of our involvement with Art of the Possible we have held a workshop with colleagues in the co-operative sector to see how co-operatives and co-operative working can deliver the well-being goals. It was staggering to see how much overlap there is between the goals and the values and principles of the co-operative and social business movement. We are now planning to do more work to demonstrate to public bodies how working with co-ops and social enterprises can help them to deliver on the goals.”

Derek Walker,
Wales Co-operative Centre

My team has also been working with the seconded convener from **Interlink RCT** and the **Valleys Task Force** to gather people's stories about their experiences. These voices are providing the context for the good practice stories being collated about the simple changes that public bodies can make, ensuring that these are practices that will make a difference to people's lives.



As the Art of the Possible programme grows I will be testing different ways of how people can be involved in this work especially targeting the voice of seldom-heard and marginalised people, to develop our practice and to share our learning, thereby supporting public bodies to develop real and meaningful dialogue between communities, individuals and their public services.

The findings and good practice identified through the Art of The Possible programme will underpin my advice and assistance to public bodies.

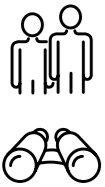
Impact:

- Secured procedural change in how public bodies go about things
- Affected policy content and commitments
- Influenced practical behaviour change in others

- A globally responsible Wales
- 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

Live labs

prototyping the concept with Betsi Cadwaladr University Health Board



To drive change at scale within the public services in Wales I want to be able to understand how change is really happening in public bodies.

I am therefore developing a 'live lab' concept which aims to work and learn alongside a small number of bodies or public services boards, focusing on trying and testing new approaches to designing and delivering public services or infrastructure.

I started piloting my approach, drawing on expertise from a range of stakeholders, with **Betsi Cadwaladr Health Board**, the largest health board in Wales which provides services for around 694,000 people across north Wales. All health boards are facing huge and growing pressures, which are often seen as a barrier to embedding the Act. My team have been sensitive to this, and invested time in building trust and understanding, as part of the live lab prototype.

Live labs are about creating safe-to-fail spaces for organisations to develop new ways of working. I am keen that live labs are seen as an opportunity to break free from some of the constraints of process that often characterise the development of new approaches in public bodies.

In prototyping this concept, I have:

- Encouraged staff to think about long-term challenges and future trends (linked to their ten-year strategy)
- Enabled staff from many parts of the Betsi Cadwaladr Health Board to identify opportunities for testing new ways of working, for example, childhood and maternal obesity, outpatient services and health improvement in south Gwynedd and Board assurance.

While the Betsi Cadwaladr prototype continues, I am learning from a range of other organisations including **Birmingham City University** who have developed a STEAM (Science, Technology, Engineering, Arts and Maths) Lab and private sector partners who are developing similar

approaches and will use this support to develop a model to roll out the approach more widely.

Cathy Madge

Great energy and commitment from @BCUHB in our discussions about making the future generations agenda a reality, as part of our collaboration with @PublicHealthW @futuregencymru @TanyaNash1 @TeresaOwenDPH



In my third year, to work alongside Live Labs, I will develop my **Cloud of Innovators**. This will consist of future generations champions and innovators in their field, equipped and willing to advise and assist public bodies on using the five ways of working to challenge business as usual in my priority areas and beyond.

Impact:

- **Secured procedural change in how public bodies go about things**
- **Affected policy content and commitments**
- **Influenced practical behaviour change in others**

- A prosperous Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities

Working with Her Majesty's Prison and Probation Service (HMPPS) in Wales

In addition to the set-up of these two flagship programmes, I have worked in partnerships with others to promote the sustainable development principle in Wales.

From the well-being assessments that were published in 2016-2017, there was limited linkage between community well-being and offending-related issues. Through discussion with members of public services boards, it was also identified that there was sometimes a lack of local understanding of the role that wider partners (housing providers, mental health services etc.) play in community safety matters, stemming from a need to better understand the 'lived experience' of those in the justice system. To help make these connections, I took on a jointly-funded post with Her Majesty's Prison and Probation Service (HMPPS) in Wales to support work to embed the Act in areas of the probation and justice sectors in Wales. This has included:

- Framing debates by **supporting the National Probation Service to raise awareness of criminal justice and offender management issues on public services boards**, adopt a joined-up approach to addressing offending and community safety issues and identify opportunities to facilitate access to 'lived experiences' from probation service users.
- Getting issues on the agenda and influencing behaviour change by helping to shape the **Framework to Support Positive Change for those at Risk of Offending in Wales, 2018- 2023** (jointly developed by Welsh Government and HMPPS in Wales on behalf of the All Wales Criminal Justice Board). The purpose of the Framework is to bring partners together to improve services for those at risk of entering (or those already in) the criminal justice system and identifies six key areas for action including reducing the number of women in the criminal justice system and providing support for young adults/care leavers. My team provided constructive challenge to those responsible for delivering against the Framework around: involving unusual suspects and wider public bodies who may not traditionally be involved in criminal justice agendas; considering how they involve public services boards, recognising that PSBs hold many of the levers for change in terms of preventing/reducing offending and reoffending; and setting a long-term vision for each of the Framework's workstreams.
- Affecting policy content and commitments through the development of All Wales Partnership Agreement: Working together to build resilience through a public health approach to policing and criminal justice in Wales. This Agreement outlines **how policing and criminal justice partners will apply the Sustainable Development Principle** in progressing joint priority issues such as working collaboratively to address adverse childhood experiences.
- Encouraging discursive commitments from Ministers, Government and others by influencing the **Justice Commission for Wales** to apply the Act and five ways of working in their decision-making processes. I wrote to the Commission with examples of how the Commission should take into account the impact of decision-making on future generations.

Working with other commissioners

Embedding children's rights for future generations



Other Commissioners sit, among others, on my advisory panel and my preferred approach to working with my advisory panel is to concentrate on areas of joint interest and concern.

In my first year, I set out with the **Children's Commissioner for Wales, Sally Holland**, a partnership which resulted in a jointly-funded member of staff. Together we have developed a resource which will help public bodies (including councils and schools) think about how they embed rights and sustainable development in their work to make best use of the United Nations Convention on the Rights of the Child and the Well-being of Future Generations Act. The [toolkit](#) was piloted in Swansea and will be published in June 2018

Impact:

- Encouraged discursive commitments from Ministers, Government and others
- Secured procedural change in how public bodies go about things
- Influenced practical behaviour change in others

A healthier Wales

A more equal Wales

A Wales of cohesive communities

“Over the last year my team and I have worked again with Sophie and her team to ensure that children's human rights are protected and promoted as public services adapt and change in response to the Well-being of Future Generations Act. We both see huge potential to transform children and young people's experiences as citizens under the Act, and our joint toolkit helps public bodies consider how they are safeguarding children's rights to provision, protection and participation through and alongside the Act.”

Sally Holland, Children's Commissioner for Wales

Taking Wales to the world

and the world to Wales

The Well-being of Future Generations Act is world-leading legislation and it continues to attract attention internationally. Wales does not hold all the answers in addressing the challenges we face, and I believe sharing ideas and widening discussions to include other nations and regions is of great importance in delivering on the objectives and duties of the Act.

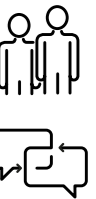
This is particularly important as many of our social, economic, cultural and environmental challenges transcend national barriers.



To promote sustainable development internationally, I have nurtured and developed strong relationships with several international partners over the year, showcasing our pioneering work and developing a willingness to learn. These include:

- **Chairing the International Network of Institutions for Future Generations** – the network shares knowledge from across the world and is supporting other countries which are seeking to establish governance arrangements for future generations. For example, the Netherlands have launched a campaign to develop future generations legislation based on the Welsh model which is supported by HRH Princess Laurentien and Finland is currently considering similar legislation.
- Supporting the work of the **InterAction Council**, an independent non-profit organisation that brings together former world leaders to mobilise their energy, experience and international contacts, in an effort to develop recommendations and foster co-operation and positive action around the world.

- Taking part in the **US State Department-funded International Visitor Leadership Programme** – where I visited several US cities to discuss the Well-being of Future Generations Act and learn from other organisations promoting sustainable development.
- I wrote to all directors of education and published an [open letter](#) to schools encouraging them to take part in the **World's Largest Lesson** on the [United Nations Sustainable Development Goals](#).
- [Raising the profile](#) of Wales and the Act through forums and international knowledge exchanges including through the **United Nations**. The Well-being of Future Generations Act has gained international profile in several countries including New Zealand and Australia.



“Sophie Howe as Chair has been instrumental in showcasing the International Network of Institutions for Future Generations (NIFG) in the international arena. This includes with Mr. Yuwang Zhu, Director of Sustainable Development Division, UN Department of Economic and Social Affairs and Mr Erik Solheim, United Nations Environment Programme Executive Director. Under her leadership members have developed a methodology of sharing best practice in areas of interest, amongst others the Welsh Plant! scheme served as one of the role models for the Hungarian ‘Tree Sibling’ initiative. Institutional engagement with UN Sustainable Development Goals is a common project among many of NIFG members and under her leadership we co-organised an international conference “A co-creation towards an institution for Future Generations in the Netherlands” in The Hague in February 2017.”

Anna Martinez-Zemplén,
Secretariat for the Network of Institutions for Future Generation

- A globally responsible Wales
- 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



Purpose 4

Walk the talk – being the change we want to see in others

Building on the sustainable development approach to the set-up of my office in year one, this year my team and I have achieved several important milestones on our personal journey to ‘walk the talk’

In May 2017, my team worked together to identify how we could maximise our own contribution to the seven well-being goals. I challenged my team to explore which aspects of our work ambitions align with each goal. In line with the Act and the challenge I am issuing to the rest of the public sector, I want to ensure that I am thinking differently as an employer and be able to demonstrate how the well-being goals and the five ways of working influence everything we do as an office.

In this section I also illustrate the impact of my agile working environment and promote the good practice I have identified. This was a commitment I made in response to the [National Assembly for Wales Public Accounts Committee's report on Scrutiny of Accounts 2016-2017](#). The Committee also asked me to evaluate the high proportion of

secondments within my workforce and consider the impact on my organisation's outputs and efficiency.

My office's commitment to the five ways of working

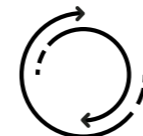
This year we have been exploring less hierarchical and more adaptable accountability structures and agile methodologies for delivering our work. As Commissioner, I want to empower the people who work for me to be creative, take well-managed risks and try new things irrespective of their position in my organisation. My team has worked together to describe a **new accountability framework** which will evolve as we grow and learn.

Our new approach to accountability is very important to me because it frames our internal working relationships and helps to make my organisation an innovative, productive and enjoyable place to be. I believe it inherently reflects the five ways of working set out by the Well-being of Future Generations Act.



Long-Term: balancing short-term needs with the need to safeguard the ability to also meet long-term needs

I have adopted an approach to accountability that means our organisational development evolves as we grow and learn, taking account of people's experiences and ideas for innovative approaches to creating an excellent workplace. My approach to resourcing my office in partnership with others can be more complex to arrange at the outset, but I believe reaps longer-term benefits, bringing external expertise into the team, as well as sharing learning about how to implement the Act. The most agile organisations and people will be best placed to meet the demands of public policy and future jobs and therefore I am investing in creating a flexible workforce which will best meet future needs.



Integration: considering how our work may impact upon each other and that of the organisation

I have ‘busted’ the functional approach to our work by moving to an agile working system. This means we do not work in silos and that our projects are

interdependent and benefit from the integration of our varying expert skills and knowledge, including external placements and secondees. This also means that accountability for delivering programmes of work exists at all levels in the organisation, providing opportunities for more junior staff to lead work and develop project and people management skills.



Involvement: the importance of involving people with an interest in achieving the well-being goals

We are a signatory of the [National Principles for Public Engagement](#), an overarching set of principles offering a consistent approach and good standard for public engagement across Wales. I have continued our programme of lunch and learn sessions learning from people's lived experiences.

Over the last year my team and I have spoken to and visited a vast range of community groups, from the [Hapi project](#) in Rhydfelin, the campaign for a new train station in Magor and Undy and young people at [Llamau](#) to inspirational women from [Women Connect First](#). In every piece of work I aim to involve people and organisations and use their voices in my work, for example the lived experience contributions which featured at our unconference and welcoming a group from Llamau into my office for workplace experience.



How our accountability frameworks works for us:





Collaboration: acting in collaboration with any other person (or different parts of the organisation itself)

I have actively sought partnerships outside of my organisation because I know that the change needed to deliver the Well-being of Future Generations Act cannot be achieved by my team alone.

40% of staff
are secondments from:

- Children's Commissioner for Wales
- Public Health Wales
- United Welsh
- Sport Wales
- Wildlife Trusts Wales
- Wales Cooperative Centre
- BT Cymru Wales
- Mid and West Fire and Rescue
- Interlink RCT
- Arts Council of Wales
- National Offender Management Service in Wales
- Constructing Excellence Wales
- Fair Trade Wales

Evaluating the impact of secondments

This year, I have proudly increased the reach of our team by one third through partnerships and collaboration. On 31st March 2018, we were working with 13 different organisations through secondment agreements and collaborations. A full list of collaborators in 2017-2018 is [here](#)

Many collaborators recognise the value of seconding staff into my team as an important part of breaking down the silos between sectors. It offers a first-hand opportunity to find out how we are walking the talk of the Act and take this learning back and share. My team learn too from our secondees who bring in new perspectives and ideas that further enrich our development. Collaboration definitely helps speed up cultural understanding of the public bodies we want to support and challenge which will make our interventions have more impact in the long-term.

The sustainable development principle is the key driver behind our commitment to collaboration and partnership working. Joined up working will bring joined-up thinking in the longer-term but in the early years the table below shows that this has also been financially beneficial to my organisation too, bringing in an additional £653,000 of resources to my work because a number of secondees have come fully or partly funded from partner organisations. This is an innovative approach to resourcing the substantial work that my office is tasked with and clearly reflects the spirit of the legislation.

FGC: SECONDMENT - VALUE ADDED (VA)	2016/17	2017/18	2018/19	2019/20	Total (£)
VA from cost saving (non-paid secondees)	335,790	59,286	93,062	-	488,138
VA from cost saving (partially paid secondees)	n/a	27,149	53,104	-	80,253
Total	335,790	86,435	146,166	-	568,391

Percentage of income expressed in term of additional income to grant in aid received	22%	6%	10%	-	13%
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AOTP: SECONDMENT - VALUE ADDED (VA)	2016/17	2017/18	2018/19	2019/20	Total (£)
VA from cost saving	-	32,302	132,000	13,906	178,209
VA from partner organisations' financial contribution	-	86,159	352,135	36,460	474,754
Total	-	118,461	484,135	50,366	652,963

Percentage of income expressed in terms of additional income to grant in aid received	-	8%	33 %	3%	14 %
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* These savings are calculated based on the value of the FGC post the secondees filled.



Prevention: acting to prevent problems occurring or getting worse

I am not afraid of taking well-managed risks to reach our aims. This is set out clearly in my [Strategic Risk Policy](#). What we are trying to achieve is huge and requires us to be innovative and try new things. We will share our successes and failures with each other so that we can learn from them, adapt our approaches and improve our chance of success. I have set out the six key strategic risks for my seven-year term that I believe could adversely affect my organisation's ability to make a positive impact on behalf of future generations.

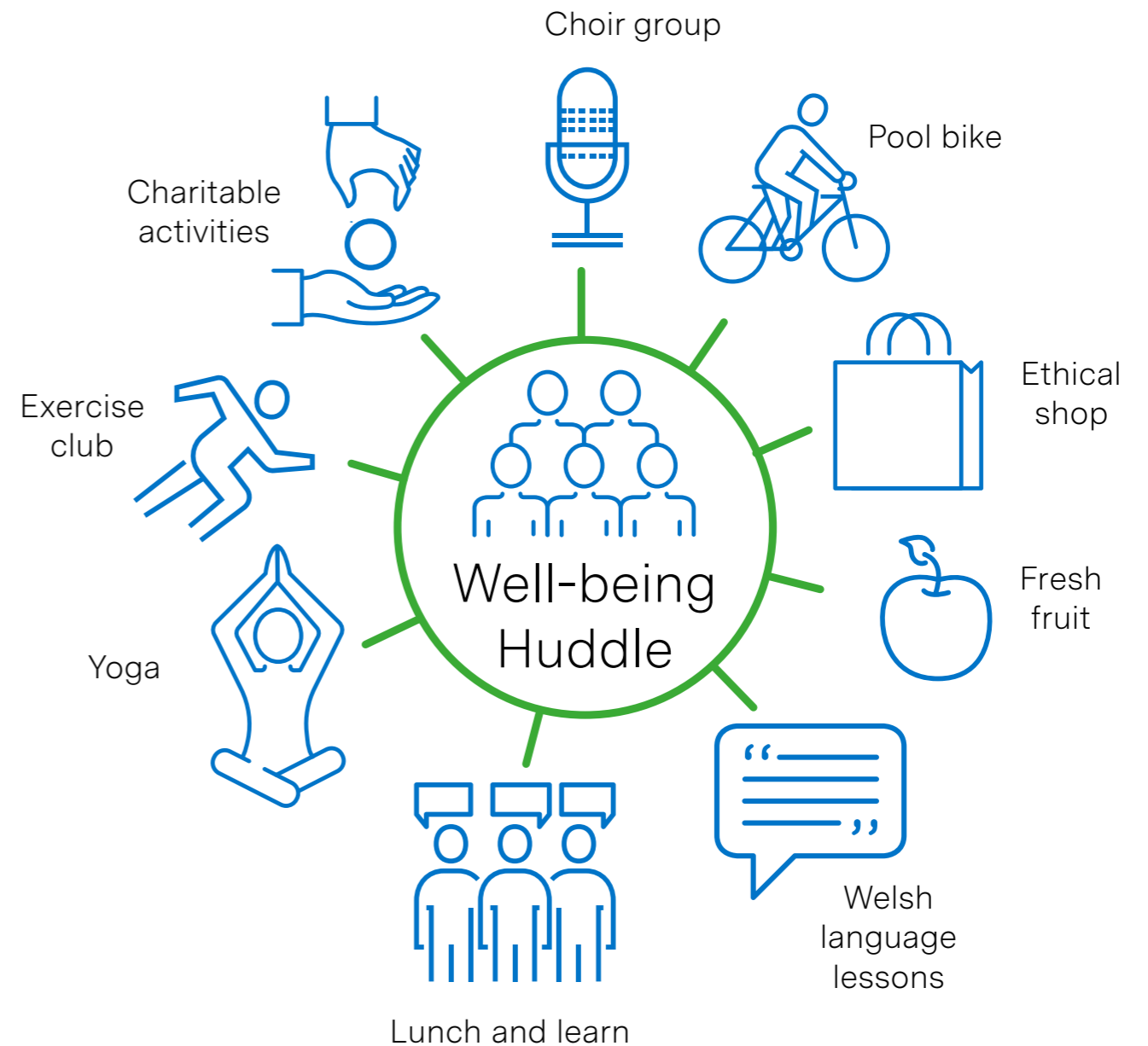
My strategic plan guides the work of my team to do all that we can to prevent these risks becoming a reality. All my team helped me determine these risks and they understand how their work contributes to addressing them. We have made good progress in years one and two and my second annual report shows how our work is progressing and how we are on track to achieve our strategic objectives. I will continue to report annually on progress as we move into years three to seven

Our Values and what matters to us

And what that means about how we aspire to behave	
Achieving our purpose and making it happen	I will work with others to generate a shared sense of purpose and a positive view of what the future looks like.
Being super connected	I will seek to understand the different aims and agendas of those with whom I am working and use this knowledge to address any potential conflict and to achieve a positive outcome. I will plan ahead to identify and cultivate relationships that are likely to be important to the successful delivery of services now and in the future
Being super engaged	I will continually reinforce a culture of inclusive decision-making and shared leadership.
Being Leaders that ask and not tell	I will demonstrate trust in others knowing when to support and when to step back. I will communicate openly, build credibility and be straightforward with people to generate trust and confidence in me.
Minimising rules and encouraging freedom to innovate	I will encourage and support others to think differently, to question and to try new ways of doing things, taking appropriate calculated risks. I will work with agility to adapt my role and purpose in response to the anticipated needs of my team and our stakeholders. I will seek to continually improve financial performance and deliver value for money without compromising quality.
Celebrating learning from our mistakes as well as our successes	I will learn from my successes and mistakes and develop new areas of knowledge and expertise I will pursue unpopular initiatives if they represent progress and the 'right thing to do'
Understanding and Valuing our differences	I will reflect honestly on my personal style and its impact on others and I will develop my skills so that I can adapt my style as appropriate.
Having balance in our lives "love work get a life"	I will maintain a realistic balance and positive attitude to challenges, adversity and change and support others to do the same.
Loving learning	I will learn from my successes and mistakes and develop new areas of knowledge and expertise I will understand and embrace the benefits of new technology and implement their use for managing and delivering public services.

Maximising our contribution

to the well-being goals



As well as working with others to drive the change we want to see in public bodies across Wales, my office and team aim to make our own contribution to the seven well-being goals – from small actions to bigger pieces of work to drive the right sort of actions and behaviours. I am aiming to create a

workplace where people are able to be productive and creative and where their health and well-being as well as that of the local environment are valued.

A prosperous Wales

I have achieved the following:

- I am a Living Wage employer
- I have been working with **Cardiff and Vale College** to recruit an apprentice
- I have provided opportunities to secure practical **work experience** for a number of students through paid placements. These have contributed to our work on city deals (Loren Axinte), my review of public correspondence (Charlotte Ford) and the analysis of well-being objectives (Jess Antell).
- If there is a need to provide catering we ensure that we support the many excellent independent businesses in Cardiff, for example [Nature Cater](#), [Women Connect First](#) and [Green Shoots Catering](#), a social enterprise.
- I specifically contracted our office cleaner, Serena Barter who set up and runs **Emerald Green Clean**, a small Welsh business, not only because her bid offered good value for money but because she is committed to using only environmentally-friendly cleaning products. I am pleased to be supporting a brave and independent single parent who changed her life for the better when she decided to start her own business.
- I encourage my team to innovate and share good ideas, for example our Digital Media Assistant has developed a very popular weekly tech bulletin 'Abby's Apps'.

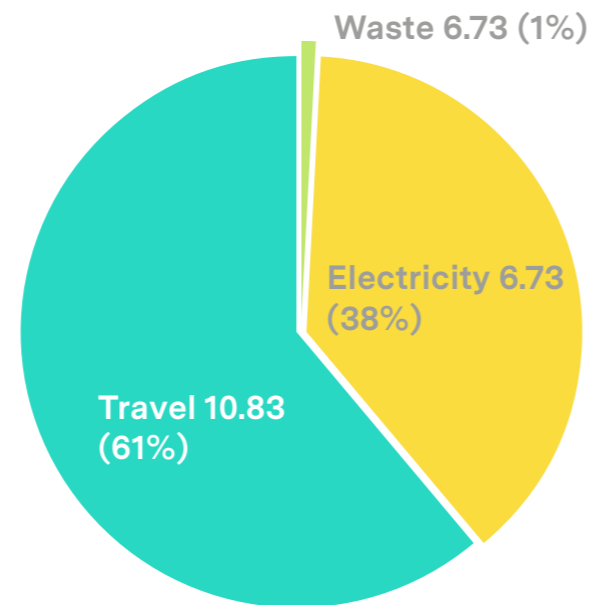
A resilient Wales

I have established a baseline for reporting on the environmental aspects of sustainable development. I have looked at five different elements of our activity (travel, waste, electricity, water and gas) in line with the UK Government's advice on measuring greenhouse gas emissions.

I cannot access data for water and gas use for my office because I occupy a shared office space but the data on energy, travel and waste available to me gives a useful insight into the impact of my office on the environment and how I drive that down in absolute terms in subsequent years.

Figure 1 shows that **over 60% of my team's carbon emissions is as a result of travel for work**. Establishing this is an important baseline and whilst the first two years reflect an intense amount of travel across Wales to meet all 44 public bodies and other partners, year on year I will aim to reduce the carbon emissions which come from our collective travel. Members of my team have been challenging one another to improve our carbon footprint by sharing personal results of eco footprint calculators.

Figure 1 – Carbon emissions, tonnes (2017/18)



To monitor and reduce the environmental impact of my office I have:

Transport

- Established a baseline of my office's carbon emissions
- Set out a policy that encourages the use of public transport and active travel for work and to work.
- Started work to track modes of transport to work - preliminary data shows that **over three quarters of my team routinely travel to work by public transport or active travel**.
- Committed to off-set my emissions by making donations to relevant charities

- Purchased a pool bike for attending local meetings
- Installed video conferencing and regularly held meetings via Skype and FaceTime to reduce the need to travel for my team and myself

Electricity:

- Switched our electricity provider to **Ecotricity** to provide us with 100% renewable energy.

Waste:

- Monitored our printing and have sought to make reductions on the amount of printing per staff member. Our staff number increased this year so overall printing went up but the number of copies per staff member went down. We are working towards becoming a paperless office
- Implemented a strict **Reduce, Re-use, Recycle** policy and I am proud that to date we have only purchased four new items of furniture for our office. The vast majority of my office furniture was obtained through upcycling sources and charity shops limiting the need to buy new – this not only supported local charities but **saved £17,019 and 2.24 tonnes** of carbon dioxide emissions
- Composted and recycled my office waste
- Banned single-use plastic cups from the office



“Our pool bike was an inexpensive second-hand purchase from Cycle Training Wales which meant we were upcycling as well as supporting a local social enterprise. All the accessories were donated by Sustrans or members of staff. Staff use it to travel to meetings, saving time using other means of transport. Going to meetings by bike also offsets the carbon footprint incurred by travelling by car or public transport.”

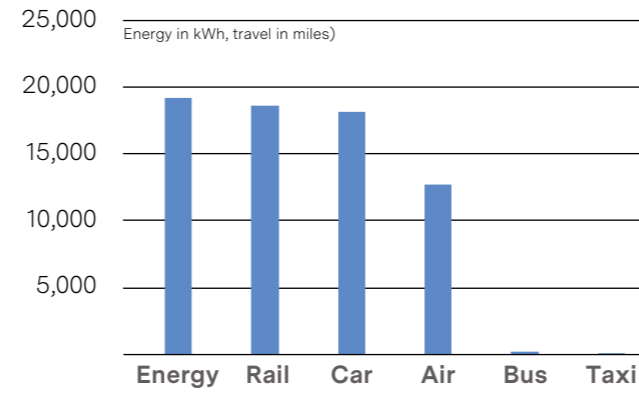
Clare Johnson,
Stakeholder Officer

Overall my office generated a modest 18 tonnes of greenhouse gases through electricity, waste and travel in 2017-2018 and we are working to further minimise our emissions in the future is an organisational priority. I will be offsetting these emissions by donating £100 each to the **Woodland Trust** and **Size of Wales** which I hope will highlight the good work of these schemes and demonstrate our commitment to actively managing carbon emissions responsibly.

Table 2 Provides further detail and captures information relating to business expense claims.

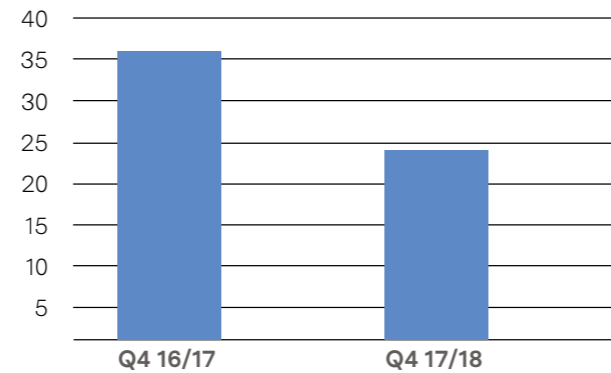
Waste	2017/18
Waste:	
Non-financial (tonnes)	
Landfill	0.14
Reused/recycled	0.14
Energy	2017/18
Greenhouse gas emissions (CO ² e tonnes)	
Gross emissions, scope 2&3 (indirect)	6.82
Energy consumption (kWh)	
Electricity (non-renewable)	7,249
Electricity (renewable)	11,908
Gas (information unavailable, included in service charge)	N/A
Staff Travel	2017/18
Travel emissions (Co ² e tonnes)	
Rail	1.40
Air	4.05
Car/bus/taxi	5.38
Travel (miles)	
Rail	18,621
Air	12,735
Car/bus/taxi	18,414

Table 3 – Energy consumption with our office and business mileage



Our air travel reflects the Commissioner’s visit to the U.S. to attend the International Visitor Leadership Program sponsored by the U.S. Department of State (10 - 27 Oct 2017)

Table 4 – Office printing
 Number of copies per staff, weekly average



A healthier Wales

Recognising the importance of a good work/ life balance for physical and mental health I have introduced an ‘anytime anywhere’ approach to working hours that enables the people in my team to ‘love work and get a life’. This fully flexible approach is highly valued by my staff and the feedback received in our recent survey shows this. The things that my team most liked were:

- The people, our team
- World-leading legislation
- Our mission
- The challenge and the change we are influencing
- The location and office space
- Creative environment
- Inspirational Commissioner
- Feeling valued
- Well-being initiatives



“I really appreciate the anywhere, anytime working policy. This is important to me.”

“Love the workplace flexibility, it’s about the results not the time sat at a desk!”

Response to staff survey

I have also:

- Taken time to design different spaces in our office for different activities as I recognise that the office environment has the potential to have a very significant impact on the health and well-being of my team. These spaces each have their personality reflected in the choice of comfortable chair, bright colours, plants, pictures and good old-fashioned desks.
- Purchased a large second-hand dining table from a charity shop to use in our kitchen space which has brought much benefit and enjoyment to all my team and visitors, providing a place where we often come together in small or large gatherings to work or eat lunch.
- Increased the number of plants in my office.

My team has also worked collaboratively this year to identify and implement well-being initiatives that are important to them. They share actions amongst themselves and hold a 'well-being huddle' on a quarterly basis to review progress. Building on action in my first year, we now have a range of initiatives that are thriving due to the motivation of the staff team. These activities include:

- A self-organised weekly lunchtime run/walk
- A weekly early morning yoga class funded by the participants
- Amser ffrwythau Fruit time – ordering fruit on a daily basis so we get our five a day
- A Mindfulness training session was organised
- A week of activities around Mental Health Week was led by one staff member.



“ *The inspiration for our well-being activities as a team is driven by our quarterly ‘well-being huddle’. We come together as colleagues and throw great ideas at each other. We spread the responsibility for organising activities between ourselves and no one worries if we try it once and never try it again. It’s a collaborative effort and one that supports a number of the well-being goals, including a healthier Wales, a resilient Wales, a prosperous Wales and Wales of a vibrant culture.* **”**



Amanda Evans,
Head of Human Resources

“ *It’s great to be able to grab a healthy snack between meetings or as part of catching up with people. I particularly appreciate it as I sometimes miss out on eating enough fruit at home - I have two kids with enormous appetites who tend to take priority! I appreciate how my employer is creating practical steps to contribute to a healthier workplace.* **”**



Cathy Madge,
Change Maker Lead

“ *The running club is an opportunity to bond with my colleagues as we support and encourage each other, regardless of age and ability, which strengthens us as a team and reflects how we work together. The club has motivated me to exercise more often and take part in leisure activities. I now walk or run to and from the workplace more often than I use public transport, helping to keep low carbon levels and contribute to a prosperous, healthier and globally responsible Wales.* **”**



Mari Gwyn,
Support Services Officer



“ *One of the suggestions from our well-being huddle was to form a choir. As well as being a social event, it was clear that we all looked forward to our weekly sing along, everyone felt it was great for stress relief, a good workout for the lungs and lots of fun. This culminated in a public performance on St Mary’s Street to raise money for homeless charities.* **”**



Susan Crutcher,
Office Manager

“ *Yoga is an interesting experience to blur the boundary between work and exercise. Certainly practicing yoga in the office has made it much easier to improve my physical and mental wellbeing!* **”**



Sang-Jin Park, Finance and Corporate Governance Officer



A more equal Wales

Anytime, anywhere working not only helps to support the overall well-being of my team but also benefits working parents by helping them to meet work and caring responsibilities. And this year the pay award for staff delivered a bigger increase to lower paid staff – 2.25% to staff earning less than £36,000 and 1.25% to staff earning more than £38,000.

Working with the **Royal National Institute for the Deaf** and **Royal National Institute of Blind People** as well as drawing expertise from our seconded partner from the Public Health Wales Centre for Equality and Human Rights I am seeking to improve how we communicate and this year have used British Sign Language and Easy Read in producing this annual report.

A globally responsible Wales

I introduced a Fair Trade honesty shop to the office to help staff and visitors learn about the vast array of goods that are available, and to support a local Fair Trade and ethical community interest company, **Fair Do's/Siopa Teg**. Staff and visitors are able to buy items such as chocolate, snacks and drinks and even handmade gifts and greeting cards on a sale or return basis each month.

My office contributes on average £60 a month to the shop which not only supports a local ethical business but also international farmers upon whom we depend.

At Christmas, staff contributed to the Fair and Ethical Advent Box and each day a player picked an item from under the locally-sourced FSC certified Christmas tree. Each item had a message about the product, the producer and the country it came from so that staff could connect with the person behind the product and learn while having fun!



A Wales of vibrant culture and thriving Welsh Language



The talented Welsh singer/song-writer, Kizzy Crawford, wrote a song in Welsh for us

As a team we enjoy a very healthy bilingual culture, with nine staff (28%) proficient or **fluent in Welsh** and twelve colleagues **are learning**. I have implemented weekly Welsh language lessons for beginners and for advanced speakers who wish to improve their confidence and skills levels.



“The Welsh language is such a big part of our workplace culture. I’ve never worked anywhere where Welsh is so highly used and valued... it runs through the DNA of the organisation.”

Tanya Nash,
Head of Performance

A Wales of cohesive communities

Growing and learning is a founding principle in our journey towards walking the talk. I have continued to encourage our Lunch and Learn sessions this year, hearing valuable stories from people and organisations in the community so that I keep in touch with people affected by and using public services.

Recognising the problem of homelessness in Cardiff city centre, and more specifically, hearing the sad stories from the people sleeping in our doorway, my team have chosen to raise money to donate to homelessness charities and shared their reflections on this [issue](#) in a blog

“Our enthusiasm and commitment to the Act is grounded in our regular lunch and learn sessions where we invite people who have used different services across Wales, to learn first-hand about their experience. Some of the guests have talked to us about mental health services available, the experiences and perspectives of refugees arriving in Wales and services offered to families who have experienced domestic violence. By attending these open honest sessions we have greater exposure to what is important to the people who are using public services.”

Susan Crutcher,
Office Manager



My team and I have many ideas to further challenge ourselves to ensure that the five ways of working underpin what we do and contribute to the well-being goals.

Next year, we will look at reducing emissions through how we travel to and for work. We will continue to support local businesses and find creative ways to reflect Welsh culture and the language.

Sophie Howe
Future Generations Commissioner for Wales
July 2018

Impact:

- Changed our procedures in how we go about things
- Implemented internal policy content and commitments that reflect the Act
- Influenced practical behaviour change in team members



Update on recommendations made in 2016 - 2017

In last year's annual report, I made a number of recommendations to other organisations which I have committed to reporting against this year.

Future Generations Framework

1. Recommendation: Once the Future Generations Framework is finalised, the Welsh Government should consider how the newly created Infrastructure Commission could use it to support their work.

I published my [Future Generations Framework](#) for projects in December 2017, following feedback from a range of stakeholders who contributed to its development. As outlined above in my performance report, I have shared this with all public bodies and I am encouraging them to use it when developing major infrastructure projects – for instance Isle of Angelsey County Council have used it as part of the Wylfa Newydd discussions. Welsh Government have also published it as part of their new guidance accompanying the new Welsh Transport Appraisal Guidance (WeITAG).

Welsh Government are currently in the process of appointing the chair and members of the Infrastructure Commission for Wales and once in place (expected June/July 2018), I will work with them to ensure my framework supports their work.

This framework is now the basis for a suite of products aimed at supporting people to ensure they are properly applying the Act. I have worked with Welsh Government to co-produce a version for service design and I am currently working with a range of partners, including Social Care Wales, to co-produce a version suitable for scrutiny by boards and committees.

City Deals

2. Recommendation: As city deals and other economic development programmes across Wales move forward, the local authorities involved and the Welsh Government must themselves demonstrate how they are applying the Well-being of Future Generations Act, in particular reflecting the statutory definition of a prosperous Wales, as well as making the case to the UK Government for this more progressive framework to be adopted.

I have supplied the Future Generations Framework for projects to both Swansea Bay City and Cardiff Capital City Region Deals to assist with how they apply the Act to their consideration of projects. As part of Swansea Bay City Deal, Carmarthenshire Council have collaborated with their partner organisations to use the framework to help plan the Llanelli Wellness and Life Science Village. Members of the team said *“Engaging in discussion on future generations at the formative stages (of a proposal) can maximise impact and realise benefits. It can also help to future proof the project by thinking about the interrelationship between social, economic, cultural and environmental well-being”*.

I have advised Cardiff Capital City Region on demonstrating they are applying the Act to decision-making. This has resulted in the Cabinet agreeing a five-year business plan that reflects their duties and sets out that proposed schemes are required to demonstrate the use of the five ways of working and how they contribute to the seven national well-being goals in order to be approved by the Cabinet. A wider six-case

business model is being developed for proposed schemes, which includes a well-being case. This will ensure that proposed projects will need to demonstrate how they are applying the Well-being of Future Generations Act.

M4 relief road

3. Recommendation: The Government should review the decision making on the M4 with a view to ensuring that future decisions on transport infrastructure are taken using the framework of the Well-being of Future Generations Act at the outset, rather than retrofitting when the decision has been taken.

I submitted [evidence](#) to the Public Inquiry taking place on the M4 corridor around Newport in February 2017 and submitted a [subsequent letter](#) to the Inspector in September 2017 highlighting concerns about the interpretation of the Well-being of Future Generations Act by the Welsh Government's legal team. I remain concerned about how they have used the sustainable development principle to inform their decision-making, and now that the Inquiry has ended we are in the process of reviewing whether we should take any further action.

Wales Transport Appraisal Guidance (WeITAG)

4. Recommendation: The revised WeITAG guidance should fully integrate the duty to apply the sustainable development principle (the five ways of working: long-term, prevention, collaboration integration and involvement) both in its design and content and the duty to maximise contribution towards the seven well-being goals. We will continue to support officials with the development of this work.

We have supported Welsh Government to update the Transport Guidance (WeITAG), ensuring that the Act is embedded into the [new Guidance](#)

rather than presented as a supplementary note. Consideration of the five ways of working runs throughout the five-case business model, and organisations are encouraged to integrate potential schemes with their well-being objectives to maximise contribution to the seven well-being goals. We are in the process of agreeing a plan with Welsh Government to monitor and assess the effectiveness of the new guidance, including our own Future Generations Framework for projects. Public correspondence is a useful insight into how this is being played out on the ground and I will keep my eye on how WeITAG is being used.

South Wales Metro

5. Recommendation: The work so far is promising but must also be matched with a clear government commitment to securing a zero-carbon metro system over time which must be built into the procurement requirements for the scheme.

Positive and productive discussions have continued with Transport for Wales over the last twelve months as they move forward with the competitive dialogue process. I have been pushing to see how the new metro and rail franchise can develop local jobs, skills, training and supply chain opportunities, involve local communities and take positive action on environmental issues such as waste, air pollution and carbon emissions. I will continue to work closely with Transport for Wales and KeolisAmey to ensure that the aspirations of the Act are a key consideration to delivering the rail franchise and new metro for south east Wales.

Climate change and decarbonisation

6. Recommendation: In developing their approach to carbon budgeting the Government must demonstrate that their approach considers not just the mechanics of producing a carbon budget but also identifies ways in which the approach to decarbonisation maximises positive impacts across all the well-being goals. The Government must also demonstrate how their spending plans for next year's budget reflect these emerging commitments.

I have challenged the Welsh Government to clearly demonstrate their commitment across government to carbon reduction. I have provided assistance to the Welsh Government's decarbonisation team specifically on proposals for the Low Carbon Delivery Plan that will contribute to the seven well-being goals. This has led to securing a policy commitment from the Cabinet Secretary for Energy, Planning and Rural Affairs, Lesley Griffiths AM, who announced her ambition for the public sector to be carbon neutral by 2030. I will be working with Welsh Government and others to work out how this can be achieved in reality.

Support for public bodies and public services boards

7. Recommendation: All Government-funded programmes which focus on providing leadership development for the public sector should be explicitly required to have support for implementation of the Act as a core part of their remit or programme criteria.

We have developed an excellent relationships with the Wales Audit Office Good Practice Exchange, collaborating to influence procedural and behavioural change in the public sector through targeted events, social media, seminars and webinars in areas such as scrutiny, procurement, adverse childhood experiences (ACEs) and risk.

We have also developed a partnership with Academi Wales in order to develop a shared understanding of our work and find opportunities for the transfer of knowledge and implementation of ways of working and interesting practice.

Wider than this, we continue to work with Welsh Government as they re-evaluate their relationship with public bodies and other significant programmes and resources to ensure that a more strategic and inclusive approach is taken to delivery of its own requirements under the Act. This includes reviewing remit letters to consider a clearer statement of expectations in relation to the Act.



What will we do in the next 12 months

Building on my work in my first two years, I will continue to drive forward the actions set out in my strategic plan with an emphasis on:

- **Continuing to provide further advice** and assistance on specific projects and following-up on my advice in relation to transport, decarbonisation and budgeting.
- **Focusing my work in the third year** on delivering examples of quick wins through my programme The Art of the Possible and building on further developing the Live Labs I am currently conducting with public bodies.
- **Monitoring and assessing the well-being objectives** (when the first set of annual reports has been published). This work will be aligned very closely to the work of the Auditor General for Wales.

As I move into my third year, I will be expecting public bodies to be able to demonstrate how the Act is shaping what they do and adopting simple changes across Wales, as well as new approaches being adopted and moving towards transformational change.



Purpose 1: Highlight the big issues, challenges and opportunities facing future generations

I will consider further interventions on the **M4**, including working with others to explore alternative ways to spend the money and seek to influence both the **Housing Innovation Grant and Affordable Housing Review**, two important opportunities that will determine both housing and building policy in years to come.

I will continue to contribute to the **ACE Support Hub** focusing on vision development - for instance what good would look like in terms of preventing/mitigating ACEs.

I am planning a joint event with the CBI on **future skills and the impact of automation** and will contribute to the Government's review of automation.

In 2017-2018 the issue of **environmental permitting** was a common thread and next year I will report on my assessment of how the Well-being of Future Generations Act is being considered alongside these regulations by Natural Resources Wales (NRW). I intend to review NRW's activities a year on, including how training on the Act is delivered to NRW staff. I will continue to empower individuals and community groups to understand how they can use the Act and monitor the issues raised with me to detect and act on systemic issues.

Purpose 2: Support and challenge public bodies to think about the long-term impact of what they do

I have always said that the USP of the Well-being of Future Generations Act is challenging public services to think about the long-term impact. I will increase my own team's capacity on future trends and to this affect, I am exploring a partnership with Public Health Wales on **futures and foresighting**.

I will work with the Welsh Government to determine the definition that they will use for prevention and monitor the budget in respect of shift towards the preventative spend.

I will also undertake a **review of public bodies' annual reports** to monitor and assess the extent to which public bodies are meeting their well-being objectives. I will work with Cardiff University Business School to take one of my priority areas, skills for the future, and look at the steps public bodies are taking in this area and provide advice on good practice.

I will also continue to provide advice and support on:

- **Cardiff Capital Region City Deal** – keeping a watching brief on the work of the City Deal Cabinet and providing training to the Programme Board.
- **South Wales Metro** - working with Transport for Wales and the new operator to ensure that there are clear targets for a low carbon metro system.
- **WelTAG** – monitoring and assessing the effectiveness of new guidance to assess its impact and record to what extent it is leading to different decisions.
- **Land use planning** – increasing our capacity/expertise to help us input to the National Development Framework and Local Development Training Manual.
- **Future Generations Frameworks** - Keeping this under review and will also be co-producing a version suitable for scrutiny by boards and committees.

Purpose 3: Work with others to drive change

Art of the Possible will be a major piece of work. The findings and good practice identified through this programme will underpin my advice and assistance to public bodies. I am seeking to share this, along with tools and useful contacts for public bodies and other stakeholders. My team will be piloting this good practice with a range of organisations to understand how we help good practice to 'travel' and what barriers prevent that from happening.

Based on the prototyping of the Betsi Cadwaladr **Live Lab** I will develop a pilot model to test further. Will bring in additional capacity to explore how I take forward the **Cloud of Innovators**.

Purpose 4: Walk the talk – being the change I want to see in others

My team and I have many ideas to further **challenge ourselves to ensure that the five ways of working underpin what we do and contribute to the well-being goals**.

We will continue to implement sustainable initiatives in the office, find ways to support local businesses and community enterprises, and look for creative ways to reflect Welsh culture and the language throughout our work.

We will also continue to monitor energy usage and find ways to reduce emissions further through how we travel to and travel for work, in particular.

Several of our team members are keen volunteers in the community and I want to support and harness their enthusiasm for this activity in 2018-2019. I am currently exploring the implementation of a **Volunteering Scheme** where all team members have a small amount of time to support a community initiative that furthers one of the well-being goals. I see this as valuable personal development for people in our team and a source of knowledge and experience to bring back and share with colleagues. I see participating in networks such as Business in the Community as an important part of learning and sharing good practice around this.

I will continue to ensure that my work draws on and reflects **lived experiences** of people, and that there are opportunities for stakeholders to be involved in the areas of my work, whether that's through programmes such as Art of the Possible or my policy priorities.

Sophie Howe
Future Generations Commissioner for Wales
5 July 2018

Want to get involved?

I want to hear from and work with groups and individuals who have insight, expertise, ideas, concerns or lived experience on any of the above issues.

0 Get in touch by email, twitter, letter or phone if you want to find out more and get involved. Sign-up for my regular bulletin which has further info.

Accountability report and financial statements



Accountability Report

In this section I report on key accountability requirements to Welsh Ministers along the lines of a Directors' report that is prepared by a private company. These reporting requirements have been adapted to fit the public sector context.

Alan Morris chairs my Audit Risk and Assurance Committee and his perspective on governance arrangements in my office at the end of the second year of operation can be found [here](#).

My accountability report is required to have three sections: a Corporate Governance report, a Remuneration and Staff Report and a certificate of audit from the Auditor General for Wales who is responsible for reviewing my accountability report for consistency with other information in my financial statements and providing an opinion on the following disclosures within this report:

- Regularity of expenditure
- Remuneration and CETV pension disclosures for me and members of my senior management team
- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Exit packages, if relevant
- Fair pay disclosures
- Analysis of staff numbers and costs

Corporate Governance Report

Information on my governance structure and who is responsible for and influences what happens in my office is set out on my website and in my Governance Statement. I am also required to disclose any significant interests held by me and my senior management team which may conflict with our management responsibilities. A summary register of interests for my senior management team is available to view [here](#). Any potential or actual conflicts of interest arising during the year were managed in accordance with my [conflicts of interest policy](#).

Format of the accounts

My financial statements have been prepared in accordance with Paragraph 20 Schedule 2 of the Well-being of Future Generations (Wales) Act 2015 and any Accounts Direction issued by Welsh Ministers.

The Office of Future Generations Commissioner for Wales came into existence on 1 February 2016 with my appointment as the first Commissioner. These accounts cover the period from 1 April 2017 to 31 March 2018 and reflect the assets, liabilities and resource outturn of my office. The financial statements that follow this report have been prepared in accordance with the Government's Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Accounting Standards (IFRS) as adopted or interpreted for the public-sector context.

Funding

The Office of the Future Generations Commissioner for Wales is independent of, but funded by the Welsh Government. In 2017-2018, £1.48 million was received to fund activities (£1.556 million was received in the previous accounting period).

Results for the period

The Statement of Comprehensive Net Expenditure shows expenditure, for the year, of £1.433 million, a thirty per cent increase on the previous period (£1.102 million for the 14 months to 31.3.17). The general fund balance as at the year-end increased slightly to £501,000 (£454,000 at 31.3.17). £316,000 of this balance is committed to fund the continuing work on my foundational Art of the Possible Programme in partnership with six partners from the public, private and voluntary sectors in Wales. This Programme will be concluded in 2019-20.

A reasonable level of reserves is also retained to exercise the statutory functions within the Act and to allow for any unplanned, urgent and important matters brought to my attention. Such additional costs are likely to be associated with legal proceedings and additional staff resources.

Complaints

My office did not receive any complaints during the period.

Disclosure of information to the auditors

So far as I am aware, there is no audit information of which the auditors are unaware and my team have taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of that information.

During the period no remuneration was paid to my auditors for non-audit work.

Statement of Accounting Officer's responsibilities

Under [Schedule 2](#) of the Well-being of Future Generations (Wales) Act 2015, Welsh Ministers have directed the Future Generations Commissioner for Wales to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Future Generations Commissioner for Wales and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Commissioner is the Accounting Officer for her office by virtue of paragraph 18 of Schedule 2 to the Well-being of Future Generations (Wales) Act 2015. The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Future Generations Commissioner for Wales' assets, are set out in an Accounting Officers' Memorandum issued by HM Treasury.

Sophie Howe
Future Generations Commissioner for Wales
5 July 2018

Annual Governance Statement

Purpose

As Accounting Officer, I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of my policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible.

This Governance Statement follows HM Treasury Guidance. It sets out the governance structures for my office, and the internal control and risk management procedures that have been in place or under development during the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts.

The systems in place as outlined in this statement are designed to manage risk to an acceptable level rather than to eliminate all risks of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Given the ground-breaking

nature of the work of my office, I concluded that it is necessary to adopt a "hungry" risk appetite for much of my outward-facing work as a more traditional minimalist or cautious approach would, in my view, not succeed in bringing about the beneficial change that my office was set up to achieve. This is explained further below.

Nature of my office and accountability

The Well-being of Future Generations (Wales) Act 2015 established the office of Future Generations Commissioner for Wales as a corporation sole. This means that all the functions (powers and duties) are vested in the office holder and there is no traditional 'board' that is corporately responsible for the performance and governance of the organisation. I am independent of ministers and, subject to the 2015 Act, responsible for setting the strategic direction of my office. I am accountable to the National Assembly for Wales for the actions of my office, and to its Public Accounts Committee, in particular for matters such as the arrangements for governance, financial management and internal control.

Advisory Panel

The 2015 Act established a panel to provide me with advice on the exercise of my functions. The members of the advisory panel are—

The Children's Commissioner for Wales;	The Welsh Language Commissioner;	The Commissioner for Older People in Wales;	The member of staff of the Welsh Government designated by the Welsh Ministers as the Chief Medical Officer for Wales;
The chairperson of the Natural Resources body for Wales or another non-executive member of that body selected by the chairperson;	An officer of the body representing trade unions in Wales known as Wales TUC Cymru, nominated by that body;	The chairperson, director or similar officer as the Welsh Ministers may appoint of a body representing persons carrying on business in Wales;	Such other person as the Welsh Ministers may appoint.

It has met once in 2017-2018 to advise and discuss my first Annual Report and in my second year I have drawn on individual members' experience to inform my organisation's work programme.

Audit and Risk Assurance Committee

I have appointed an Audit and Risk Assurance Committee (ARAC) to provide constructive advice and challenge on matters of governance, financial management and audit, and the arrangements for internal control – including risk identification and management. The [Committee](#) comprises:

- **Alan Morris**, retired Auditor and committed sustainable development champion who chairs the Committee;
- **Jocelyn Davies**, former Plaid Cymru AM and former member of PAC and chair of Assembly's Finance Committee, member of Advisory Panel to Children's Commissioner for Wales and Chair of their ARAC, trustee of Care and Repair Cymru, non-executive board member of the Welsh Revenue authority;
- **John Dwight**, retired Auditor, trustee and honorary treasurer for City Hospice Care and member of the CIPFA-Cymru branch executive;

- **Gareth Madge**, former Chief Officer and Chief Legal Adviser with South Wales Police, member of the Board of Directors of ACPO, Chair of Association of Police Lawyers; and
- **Jonathan Morgan**, former conservative AM and chair of PAC and Assembly's Health, Well-being and Local Government Committee and currently Director of Practice Solutions. Chair of the Public Services Ombudsman's ARAC

All are independent and do not work for the Commissioner. All members had a 100% attendance record at the four Committee meetings held during 2017-2018.

The Chair of the Committee has provided me with a [report](#) covering the 15-month period from its establishment to 31 March 2018 in which he concludes that the Committee can provide me with assurance that the governance, financial management and risk assurance arrangements in place, whilst still evolving, are appropriate and have operated effectively during 2017-2018.



Senior management team

I restructured my organisation during the year and as at 31 March 2018 my senior management team (SMT) comprises myself and three directors. We meet at least monthly with other members of my wider team to discuss progress, operational and strategic issues. SMT members are responsible and accountable to me for executing the approved strategic plan for my seven-year term of office. I take key decisions after discussion with SMT members. I have also given authority to certain staff to authorise financial transactions.

Development of governance framework

My governance framework was largely developed during the first accounting period covering the 14 months to 31 March 2017. During 2017-2018 the initial office policies have been updated to reflect a restructuring of accountabilities for people and project management in my team and to reflect our evolving working practices as we continue to embed the five ways of working recommended by the Well-being of Future Generations Act into day to day working arrangements. Internal Audit has been in place throughout the year and has delivered a full programme of work and the ARAC has been fully operational.

My [strategic plan](#) sets out what I hope to deliver by way of beneficial change for the people of Wales and how I intend to go about doing it in collaboration with other public bodies in Wales. It is an ambitious document that will require public bodies to challenge the ways in which they work and adapt long-standing practices to achieve what was envisaged by the Welsh Government when it decided to bring forward what is now the 2015 Act. This plan is dynamic and will be adapted as necessary in response to changing circumstances throughout my term of office.

Approach to risk management

My approach to risk management is consistent with my strategic plan and is in line with the 2015 Act and what it is intended to achieve. My risk management policy, which has been endorsed by the Audit and Risk Assurance Committee, makes it clear that I want to create and maintain an environment that will allow the effective management of risk to flourish. This will include ensuring that staff are kept fully informed.

The policy makes it clear that I am not averse to taking risks. On the contrary, to achieve the objectives in my strategic plan and deliver what is expected will often necessitate an open or hungry risk approach which is not the norm for most other public bodies. I have concluded that adopting such an approach for my outward-facing work with other public bodies is the only realistic way of securing the change needed across the Welsh public sector. To do otherwise might well mean failing to capitalise on opportunities when they occur and will run a high risk of failure to achieve the challenging objectives that I have set in the strategic plan and what is expected of me by my stakeholders. Similarly, I have decided that my organisation needs to 'walk the talk' of the Act and be open and innovative and try new approaches to the way we work. However, such risks are not taken recklessly but managed appropriately and carefully with the aim of maximising successful delivery.

I have taken a more traditional and cautious approach to my internal processes concerned with financial management, compliance with laws and regulations and security of information.

During 2017-2018 I have updated my strategic risk register in consultation with staff and the Audit and Risk Assurance Committee. This was facilitated by an all staff meeting held in January 2018. The strategic risk register identified appropriate risks relating to my statutory duties and the role my organisation will play in helping public bodies deliver the aims of the Act. Actions to address these risks continue to be embedded within my operations.

Internal audit

The work of internal audit is one of the key assurances that I require as Accounting Officer. I have appointed Deloitte to act as my internal auditors and they have produced the following reports during the year:

- Corporate Governance and Risk Management
- Financial Systems
- Cyber Security
- Data Protection Act

[Deloitte's Annual Report for 2017-2018](#) confirms that "Based on the work we have undertaken during the year, we are able to conclude that the Commissioner has a basically sound system of internal control, which should provide moderate assurance regarding the achievement of the Commissioner's objectives". Substantial assurance can be taken from the design of corporate governance controls and risk management arrangements. The timing of the audits for Cyber Security and Data Protection came part way through implementation of a new Information Governance Framework and consequently only gained a limited assurance rating and 11 recommendations were made. [Follow up work](#) in May 2018 confirmed that significant progress had been made and 8 recommendations had been fully addressed and arrangements were in place for addressing the remaining 3. I have asked for an updated assurance rating for my office's cyber security and data protection arrangements to be provided in 2019-2020.

Information assurance

I have completed a substantial review of my information governance arrangements in 2017-2018 in readiness for the introduction of the new General Data Protection Requirements which came into force in May 2018. A new information governance framework has been put in place with a suite of underpinning policies that set out the security arrangements and principles of good information governance, together with the responsibilities and behaviours I expect of all those that work for me.

There have been no data breaches during the year. No personal data related incidents were formally reported to the Information Commissioner's Office during the period.

Summary of effectiveness

From the assurances provided by my SMT, my knowledge of the work of my office, and the reports provided by internal and external audit, I am able to report that the system of internal control in place during the year and up to the date of approval of the Annual Report and Accounts did not contain any significant weaknesses.

For 2018-2019 where necessary I will continue to update my staff structure to ensure I have the most efficient and effective staffing arrangements to deliver the wide range of functions and I will continue to walk the talk of the Act and develop the governance and internal control arrangements in my office in a sustainable way.

Sophie Howe

Future Generations Commissioner for Wales
5 July 2018

Remuneration and staff report

This part of my Accountability report provides information on my remuneration policy for me and my Senior Management Team.

- Payments to past directors, if relevant
- Payments for loss of office, if relevant
- Exit packages, if relevant
- Fair pay disclosures
- Analysis of staff numbers and costs

Remuneration of senior members of the senior management team

I was appointed on 1 February 2016 and other senior members of staff were appointed between June and September 2016. The Welsh Ministers determine the remuneration of the Future Generations Commissioner for Wales in accordance with Schedule 2 paragraph 5 to the Well-being of Future Generations (Wales) Act 2015.

For other members of my Senior Management Team, I took remuneration advice from civil service recruitment specialists.

The following sections, which have been subjected to audit, provide details of the remuneration and pension benefits of the most senior officials within my office:

Number and analysis of senior staff costs by band (audited)

	Salary £000		Benefits in Kind (to nearest £100)		Pension Benefits (to nearest £1000)		Total £000	
	1.4.17 to 31.3.18	1.2.16 to 31.3.17	1.4.17 to 31.3.18	1.2.16 to 31.3.17	1.4.17 to 31.3.18	1.2.16 to 31.3.17	1.4.17 to 31.3.18	1.2.16 to 31.3.17
Sophie Howe – Future Generations Commissioner for Wales, from 1 February 2016. Full time	90-95	100-105 (FTE 90-95)	-	-	36	35	125-130	135-140
Mike Palmer – Director of Policy Performance and Implementation, from 11 July 2016. Retired on 31 October 2017. Full time	40-45 (FTE 65-70)	50-55 (FTE 65-70)	-	-	6	13	45-50	60-65
Kate Carr – Director of Engagement, Partnerships and Communications, from 19 July 2016. Full time	55-60	40-45 (FTE 55-60)	-	-	23	16	75-80	55-60
Marie Brousseau-Navarro – Director of Policy, Legislation and Innovation, from 12 September 2016. Part time 0.8 FTE	45-50 (FTE 55-60)	20-25 (FTE 55-60)	-	-	19	10	60-65	30-35
Helen Verity – Director of Finance and Governance, from 6 June 2016. Part time 0.6 FTE	40-45 (FTE 55-60)	30-35 (FTE 55-60)	-	-	17	14	55-60	45-50

CETV pension disclosures for me and members of my senior management team (audited)

	Total accrued pension	Real increase in pension	CETV at 31.3.18	CETV at 31.3.17	Real increase/ (decrease) in CETV
	£000	£000	£000	£000	£000
Sophie Howe – Future Generations Commissioner for Wales, from 1st February 2016. Full time	0-5	0-2.5	38	20	11
Mike Palmer – Director of Policy Performance and Implementation, from 11 July 2016. Retired on 31 October 2017. Full time	35-40	0-2.5	715	694	5
Kate Carr – Director of Engagement, Partnerships and Communications, from 19 July 2016. Full time	0-5	0-2.5	23	9	9
Marie Brousseau-Navarro – Director of Policy, Legislation and Innovation, from 12 September 2016. Part time 0.8 FTE	0-5	0-2.5	15	5	7
Helen Verity – Director of Finance and Governance, from 6 June 2016. Part time 0.6 FTE	0-5	0-2.5	19	8	8

Pension Scheme

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but our office is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [here](#).

For 2017-2018, employers’ contributions of £137,732 were payable to the PCSPS (2016-17 £97,496) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2017-2018 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. None of the employees at this office took up the option.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age

on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the

employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

(i) Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

(ii) Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Reporting of Civil Service and other compensation schemes – exit packages (audited)

During the period there was no compensation paid to any member of staff.

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Commissioner has agreed early retirements, the additional costs are met by the Commissioner and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and not included in the table.

The full costs of departure are charged to the Statement of Comprehensive Net Expenditure in the year that the decision is made. Amounts payable in future years are credited to a provision which is utilised when the payments are made.

Payments to past directors (audited)

No payments were made to past directors.

Fair pay disclosures (audited)

	2017-18	2016-17
Band of highest paid individual's remuneration (£000)	90-95	90-95
Median total (£)	34,975	43,050
Ratio	1:2.65	1:2.15

I am required to disclose the relationship between the remuneration of the highest-paid individual and the median remuneration of employees. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The median point has dropped for 2017-2018 because of a decrease in the number of Directors from four to three and the introduction of two fixed term paid policy research work posts given to PHD students in 2017-2018 at the base of my pay scale.

Gender pay gap (not subject to audit)

The Equality Act 2010 does not require me to report on the gender pay gap in my organisation. Gender pay analysis is an important marker in our move toward a more Equal Wales. For 2017-2018 I am therefore opting to report on the gender pay position for people that work in my team. The first table below shows the median and the mean hourly rate of pay for those in my team that I have direct control over their remuneration rates. The second table shows the median and mean hourly rate when team members from partner organisations are included.

Gender pay gap: directly employed only	2017-18	
	Female	Male
Median hourly rate of pay (£)	16.29	16.10
Mean hourly rate of pay (£)	17.19	16.10

Gender pay gap: Paid secondees included	2017-18	
	Female	Male
Median hourly rate of pay (£)	18.07	16.10
Mean hourly rate of pay (£)	18.32	15.91

Staff Report

Staff numbers and related Costs

On 31 March 2018 the Commissioner's staff complement was 32 people (25.06 whole time equivalent) including the Commissioner. As at 31 March 2017 comparative figures were 26 people (17.84 whole time equivalent)

Staff costs (audited)

For the year staff costs consist of:

	2017-18	2016-17
	£000	£000
Wages and salaries	641	469
Social Security costs	68	52
Pension costs	136	103
Sub Total	845	624
Inward secondments and agency staff	225	185
Less recoveries in respect of outward secondments	-	-
Total Net Costs	1,070	809

The analysis of staff costs for 2016-17 has been corrected. Corrections: Wages and salaries £131,472 increase; social security £103,962 decrease; pensions £27,510 decrease. Net effect nil. The breakdown as disclosed in 2016-17 Staff Report was incorrect. The total staff costs figure was correct and remains unchanged.

The number of whole-time equivalent persons employed (including senior management) for the period was as follows: (not subject to audit)

	2017-18	2016-17
	WTE	WTE
Directly Employed	15.57	9.31
Paid Secondees	3.88	4.24
Total	19.45	13.55

The number of whole-time equivalent paid and unpaid secondees for the period was as follows: (not subject to audit)

	2017-18	2016-17
	WTE	WTE
Paid Secondees	3.88	4.24
Unpaid Secondees	1.04	4.29
Total	4.92	8.53

The following table shows the number of whole time equivalent secondees from the eighteen organisations we have partnered with since taking up my post

Organisation	Area of work	2017-18	2016-17
		WTE	WTE
Fair Trade Wales	Policy	1.00	-
Mid and West Wales Fire and Rescue Service	Policy	0.83	-
Welsh Government	Business Support and Policy	0.75	1.71
Rhondda Cynon Taf County Borough Council	Policy	0.75	0.18
Children's Commissioner for Wales	Business Support and Policy	0.65	0.63
National Offender Management Service	Policy	0.18	-
Sport Wales	Policy	0.17	-
United Welsh	Policy	0.10	-
Constructing Excellence in Wales	Policy	0.10	-
Wildlife Trusts Wales	Policy	0.10	-
Wales Co-operative Centre	Policy	0.09	-
NHS Centre for Equality and Human Rights	Policy	0.08	-
BT Cymru Wales	Project Management	0.08	-
Interlink RCT	Policy	0.03	-
Arts Council of Wales	Policy	0.01	-
Severn Wye Energy Agency	Policy	0.00	4.29
South Wales Police	Policy	0.00	0.86
RenewableUK Cymru	Policy	0.00	0.86
Total		4.92	8.53

Remuneration of Audit and Risk Assurance Committee Members (not subject to audit)

The Commissioner's Audit and Risk Assurance Committee comprises five independent members, appointed by the Commissioner. Members receive a daily allowance of £250 and the Chair receives a daily allowance of £300. In 2017-18 the following payments were made:

	2017-18	2016-17
	(£)	(£)
Alan Morris (Chair)	2,400	600
Jonathan Morgan	1,250	500
John Dwight	1,500	500
Gareth Madge	1,375	500
Jocelyn Davies	2,000	500
Total	8,525	2,600

Staff composition

We collect workforce statistics in relation to all the protected characteristics detailed in the Equality Act 2010. Not all of these are published due to the small size of our workforce and subsequent difficulty in maintaining our obligations to protect the anonymity of sensitive data.

Workforce gender and pay statistics

(not subject to audit)

Headcount by gender, pay band, contract type and working pattern on 31 March 2018: (temp includes staff employed on fixed term contracts and secondees from partner organisations).

Pay level (or equivalent for secondees) Organisation	F/T male perm	F/T male temp	P/T male perm	P/T male temp	F/T female perm	F/T female temp	P/T female perm	P/T female temp	Totals
Grade 1 £19 - 22k pa					1	1		2	4
Grade 2 £23 - 27k pa					2				2
Grade 3 £30 - 35k pa	2					2			4
Grade 4 £38 - 43k pa					1	2	1	1	5
Grade 5 £49 - 53k pa					1		1		2
Grade 6 £58 - £62 pa					1		2		3
Commissioner £90 - 95k pa					1				1
Partnership workers		1		1		3		6	11
Total	2	1	0	1	7	8	4	9	32

Workforce gender statistics

(not subject to audit)

This table shows 32 employees on 31st March 2018 by gender along with comparison against the previous year and Census Population date 2014: Wales (3,092,000)

Gender	FGCW 31/3/2018	2018	FGCW 31/3/17	2017	Wales 2014	
	Total No.	%	Total No.	%	No.	%
Male	4	12.5	6	23	1,500,000	49
Female	28	87.5	20	77	1,560,000	51

Workforce age statistics

(not subject to audit)

16-24	25-34	35-44	45-54	55-64	65 & Over	Undisclosed
4	5	7	6	0	1	7

Workforce leavers statistics

(not subject to audit)

There have been 7 leavers in the year.

- 2 secondments came to an end
- 2 fixed-term contracts came to an end
- 1 person retired
- 2 people resigned to take up other employment

Pregnancy Adoption Maternity Between April 2017 And March 2018	
Number of pregnant employees in 2017 -2018	0
Number of employees taking Adoption and/or Maternity Leave in 2017 - 2018	0

Workforce training and development statistics

(not subject to audit)

Headcount by gender, pay band, contract type and working pattern of team members who engaged in externally delivered training opportunities during the year. Please note that the 'temporary' definition includes staff employed on fixed term contracts, or engaged as secondees from partner organisations.

Pay level (or equivalent for secondees) Organisation	F/T male perm	F/T male temp	P/T male perm	P/T male temp	F/T female perm	F/T female temp	P/T female perm	P/T female temp	Totals
Grade 1 £19 - 22k pa								1	1
Grade 2 £24 - 28k pa					1				1
Grade 3 £31 - 35k pa	1				1	1			3
Grade 4 £39 - 43k pa					1			1	2
Grade 5 £47 - 51k pa									
Grade 6 £58 - £62 pa							1		1
Commissioner £91k pa						1			1
Non remunerated secondee									
Total	1				3	2	1	2	9

Nine people were supported to participate in external training events as individual team members. Team members across most grades, gender and working pattern were supported to participate as shown above.

In addition, we delivered several team development days for the whole team

- A team day reviewing our different working styles and the impact of these on our relationships, working methods and behaviours. (Insights Discovery)
- A team day with our Audit and Risk Assurance Committee understanding our risk register.
- A team day reviewing our office processes against the seven well-being goals.
- A team day on strategic planning
- Management team day to explore agile methodologies

Sickness absence data

(not subject to audit)

Sickness absence figures are collected, monitored and recorded for directly employed team members. (Nineteen people, 17.8 WTE as at 31 March 2018). Between April 2017 and March 2018 the sickness absence rate was reported at 0.4 per cent. (0.6 per cent 2016-2017). This equates to a total of 15 days of short-term sickness absence for 6 team members. There were no cases of long-term absence in this financial year.

Expenditure on consultancy

(not subject to audit)

Consultancy costs of £7,025 associated with provision of objective strategic advice to inform the structural set up of my organisation: Development of an Agile organisational structure £5,400; and Information Governance Framework £1,625.

Sophie Howe

Future Generations Commissioner for Wales
July 2018

Report on the audit of the financial statements

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Opinion

I certify that I have audited the financial statements of the Future Generations Commissioner for Wales for the year ended 31 March 2018 under Paragraph 21 of Schedule 2 of the Well-being of Future Generations (Wales) Act 2015. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Cash Flow Statement and Statement of Changes in Tax Payers' Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In my opinion the financial statements:

- give a true and fair view of the state of the Future Generations Commissioner for Wales' affairs as at 31 March 2018 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Well-being of Future Generations (Wales) Act 2015.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the

Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Future Generations Commissioner for Wales has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Future Generations Commissioner for Wales is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies

with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Well-being of Future Generations (Wales) Act 2015.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in Annual Report or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Future Generations Commissioner for Wales for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Future Generations Commissioner for Wales is responsible for preparing the financial statements in accordance with the Well-being of Future Generations (Wales) Act 2015 and Welsh Ministers' directions made thereunder, for being satisfied that they give a true and fair view and for such internal control as the Future Generations Commissioner for Wales determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Future Generations Commissioner for Wales is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Future Generations Commissioner for Wales is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ
10 July 2018

Financial statements

Statement of Comprehensive Net Expenditure for the period 1 April 2017 to 31 March 2018

	Note	1.4.17 to	1.2.16 to
		31.3.18	31.3.17
		£000	£000
Expenditure:			
Administration costs:			
Staff costs	2 and 3	1,070	809
Depreciation	2	11	6
Other administration costs	2	352	287
		1,433	1,102
Income:			
Income from activities		-	-
Other income		-	-
Net expenditure		1,433	1,102
Interest payable/receivable			-
Net expenditure after interest		1,433	1,102

Other comprehensive expenditure

	Note	1.4.17 to	1.2.16 to
		31.3.18	31.3.17
		£000	£000
Net gain/(loss) on revaluation of plant and equipment		-	-
Total comprehensive expenditure for the year period		1,433	1,102

All income and expenditure is derived from continuing operations. There are no gains or losses other than those reported in the Statement of Comprehensive Net Expenditure.

The Commissioner receives funding from the Welsh Government.

The notes on pages 135 to 140 form part of these accounts

Statement of Financial Position as at 31 March 2018

	Note		2018 £000		2017 £000
Non-current assets:					
Property, plant and equipment	5		15		11
Current assets:					
Trade and other receivables	6	2		23	
Cash and cash equivalents	7	601		607	
			603		630
Total assets			618		641
Current liabilities:					
Trade and other payables	8		(112)		(187)
Total assets less current liabilities			506		454
Long-term liabilities:					
Provision			(5)		
Total assets less total liabilities			501		454
Taxpayer's equity:					
General fund			501		454

Sophie Howe,
Future Generations Commissioner for Wales
and Accounting Officer
5 July 2018

The notes on pages 135 to 140 form part of these accounts

Statement of Cash Flows for the period 1 April 2017 to 31 March 2018

	Note	1.4.17 to 31.3.18 £000	1.2.16 to 31.3.17 £000
Cash flows from operating activities			
Net Expenditure	Remuneration Report and 2	(1,433)	(1,102)
Adjustment for non-cash transactions	2	11	6
(Increase)/decrease in trade and other receivables	6	21	(23)
Increase/(decrease) in trade payables	8	(75)	187
Increase/(decrease) in provision		5	
Net cash outflow from operating activities		(1,471)	(932)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(15)	(17)
Net cash outflow from investing activities		(15)	(17)
Net cash outflow		(1,486)	(949)
Cash flows from financing activities			
Net Financing		1,480	1,556
Net increase/(decrease) in cash and cash equivalents	7	(6)	607
Cash and cash equivalents at beginning of period		607	
Cash and cash equivalents at end of period		601	607

The notes on pages 135 to 140 form part of these accounts

Statement of Changes in Taxpayers' Equity for the period 1 April 2017 to 31 March 2018

		1.4.17 to 31.3.18	1.2.16 to 31.3.17
	Note	£000	£000
Balance as at 1 April 2017		454	-
Changes in taxpayers' equity 2017-2018			
Funding from Welsh Government		1,480	1,556
Comprehensive net expenditure for the year		(1,433)	(1,102)
Balance at 31 March 2018		501	454

The notes on pages 135 to 140 form part of these accounts

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the Government's Financial Reporting Manual (FRoM) issued by HM Treasury. The financial statements have been prepared for the twelve-month period ending 31 March 2018. The comparative figures are for the Commissioner's first accounting period from 1 February 2016 to 31 March 2017. The accounting policies contained in the FRoM apply International Accounting Standards (IFRS) as adopted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commissioner for the purpose of giving a true and fair view has been selected. They have been applied consistently in dealing with items considered material in relation to the accounts.

My team have considered the impact of standards and interpretations which have been issued but are not yet effective and which have not been adopted early by the Commissioner. With the exception of International Financial Reporting Standards (IFRS) IFRS16 Leases, the Commissioner anticipates that the adoption of these Standards and interpretations in future periods will have no material impact on the financial statements. The impact of IFRS16, which has been issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union and will apply from 2019-2020, is not reasonably estimable at this stage.

The particular accounting policies adopted for my office are described below.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention as, in my opinion, the effect of the revaluation of fixed assets at their value to the organisation by reference to their current cost is considered to be immaterial.

1.2 Funding

The only source of funding for my office is from the Welsh Government via an annual grant, which is credited to the general fund when the grant is received.

1.3 Property, plant and equipment

All non-current assets have been valued at historic cost (see 1.1 above). The minimum level for capitalisation of individual assets is £1,000. Large numbers of the same type of asset have been grouped together in determining whether they fell above or below the threshold.

1.4 Depreciation

Depreciation is provided at rates calculated to write off the value of non-current assets by equal instalments over their estimated useful lives, as follows:

- ICT Equipment 3 years
- Furniture 3 years

A full year's depreciation is charged in the year of acquisition.

1.5 Statement of Comprehensive Net Expenditure

Operating income and expenditure is that which relates directly to the operating activities of my office. It comprises charges for goods and services provided on a full cost basis. All expenditure is classed as administration expenditure.

1.6 Value Added Tax

My office is not registered for VAT. Expenditure and fixed asset purchases are accounted for VAT inclusive, as VAT is irrecoverable.

1.7 Pensions

My staff are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is a defined benefit scheme. The cost of the defined benefit element of the scheme is recognised on a systematic and rational basis over the period during which it derives benefit from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the scheme, my office recognises the contributions payable for the year; these amounts are charged to the Statement of Comprehensive Net Expenditure in the year of payment.

1.8 Leases

Leases of assets where substantially all risks and rewards of ownership of a leased asset are borne by my office are classified as finance leases. The asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments. Payments are charged to the Statement of Comprehensive Net Expenditure and a finance charge is made based upon the interest rate implicit in the lease.

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

1.9 Segmental reporting

My office operates in Wales and deals with issues that impact upon people in Wales. The Statement of Comprehensive Net Expenditure and associated notes reflects the segments that the operating results are reported in.

1.10 Staff expenses

My office provides for short term compensated absences such as annual leave that was not taken at the year-end.

1.11 Provisions

My accounts provide for legal or contractual obligations which are of uncertain timing or amounts at the balance sheet date, on the basis of best estimate of the expenditure required to settle the obligation.

1.12 Cash and cash equivalent

My office holds cash which is deposited in an account within the Government Banking Service upon receipt. My office does not hold any petty cash.

2. Other administration costs

	1.4.17 to 31.3.18		1.2.2016 to 31.3.2017	
	£000	£000	£000	£000
2.1 Administration costs:				
Premises	45		24	
Office	102		95	
Training and recruitment	6		8	
Travel and Subsistence	30		27	
External auditor's remuneration	16		17	
Internal auditor's remuneration	12		9	
ICT equipment	34		25	
Project work	102		82	
		347		287
2.2 Non-cash items:				
Depreciation charge on ordinary assets	11		6	
Loss on disposal of fixed assets	-		-	
In year provision	5			
		16		6
		363		293

3: Staff costs

For the year staff costs consist of:

	2017-18	2016-17
	£000	£000
Wages and salaries	641	469
Social Security costs	68	52
Pension costs	136	103
Sub Total	845	624
Inward secondments and agency staff	225	185
Less recoveries in respect of outward secondments	-	-
Total Net Costs	1,070	809

The analysis of staff costs for 2016-17 has been corrected. Corrections: Wages and salaries £131,472 increase; social security £103,962 decrease; pensions £27,510 decrease. Net effect nil. The breakdown as disclosed in 2016-17 Staff Report was incorrect. The total staff costs figure was correct and remains unchanged.

4. Segmental information

My office operates in Wales and deals with issues that impact upon people in Wales. The Statement of Comprehensive Net Expenditure and associated notes reflects the segments that the operating results are reported in.

5. Property, plant and equipment

	ICT Equipment	Office Furniture and Equipment	Total
	£000	£000	£000
Cost			
At 1 April 2017	17	-	17
Additions	13	2	15
Disposals	-	-	-
At 31 March 2018	30	2	32
Depreciation			
At 1 April 2017	6	-	6
Charged in year	10	1	11
Disposals	-	-	-
At 31 March 2018	16	1	17
Net book value at 1 April 2017	11	-	11
Net book value at 31 March 2018	14	1	15

6. Trade receivables and other current assets

	31.03.18	31.03.17
	£000	£000
Amounts falling due within one year:		
Trade and other receivables	-	-
Prepayments and accrued income	2	23
	2	23

7. Cash and cash equivalents

	31.03.18	31.03.17
	£000	£000
Balance at 1 April 2017	607	-
Net change in cash and cash equivalent balances	(6)	607
Balance at 31 March 2018	601	607

All balances as at 31 March 2018 were held in an account within the Government Banking Service.

8. Trade payables and other current liabilities

	31.03.18	31.03.17
	£000	£000
Amounts falling due within one year		
Taxation and social security	-	-
Trade payables	36	37
Accruals	76	150
	112	187

9. Commitments under leases

The Commissioner was committed to making the following payments in respect of operating leases expiring

	2017-18		2016-17	
	£000		£000	
	Land & Buildings	Other	Land & Buildings	Other
Obligations under operating leases:				
Not later than one year	38	1	50	1
Later than one year and not later than five years	-	1	38	2
Later than five years				
	38	2	88	3

The amount of the lease payments recognised for this accounting period is £50,847

10. Financial instruments

IFRS7, Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the non-trading nature of my activities and the way in which my operations are financed, my Office is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS7 mainly applies. I have very limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks I face in undertaking activities.

Liquidity risk

My Office's net revenue and capital resource requirements are financed by the Welsh Government. My Office is not therefore exposed to significant liquidity risks.

Interest-rate risk

My Office's financial assets and liabilities are not exposed to interest-rate risks.

Foreign Currency risk

My Office's financial assets and liabilities are not exposed to foreign currency risks.

Fair values

There is no material difference between the book values and fair values of my Office's financial assets and liabilities as at 31st March 2018.

11. Capital commitments

There were no capital commitments as at 31st March 2018.

12. Contingent liabilities

There were no contingent liabilities as at 31st March 2018.

13. Related party transactions

The Welsh Government is a related party, my office received its sole source of funding from the Welsh Government (£1.480 million for this year and £1.556 million in the previous accounting period). My office's payroll is outsourced to the Public Service Ombudsman for Wales (PSOW) and there have been a small number of material transactions during the period, relating to the operation of payroll and pensions, with the PSOW, HM Revenue and Customs and the Cabinet Office.

There were no material transactions with organisations in which senior staff, or any of their family, held positions of influence.

14. Events after the reporting period

There were no events between the statement of financial position date and the date the accounts were signed that impact upon these statements. These financial statements were approved for issue on 5 July 2018 by Sophie Howe

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