



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

Future Generations

Commissioner for Wales

Annual Report 2018-2019

Acting today,
for a better tomorrow.





Future Generations

Commissioner for Wales

Annual Report 2018-2019

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**Future
Generations**
Commissioner
for Wales



Future Gen Cymru
@futuregencymru

@rufusmufasa "Let us all be art of the possible" our amazing, energising Poet in Residence ends the conversation with her powerful words 🥰 @sophiehowe @JaneBryngwyn @wgmin_deputy @LitWales @hayfestival @TanyaNash1



Wales in the World



– **Rufus Mufasa** the Future Generations Commissioner Poet in Residence

*To be, we need a centre...
City centre, town centre, our soul centre
Canol llawn cariad sy'n curo mewn undeb
gyda ein cymdogion rhwyngwladol
syniadau yn tyfu a symud
Wales in the World global perspective
Pro-active practice - profound peer learning...*

*All those centres need culture
Placed at the top of every agenda
& if we get that right, all our goals work together
Make love & kindness the only formula
Stride for a worldwide nation of happiness ministers*

*We want to collaborate creatively, culturally, sincerely
We want environmental sustainability for you & me
We want to humanise colleagues
Organic balance between work & families
20 hours a week commute isn't good for anybody...*

*Let's be Art of the Possible
Arts on Prescription
Public Service Swops for Rent
Coffee cups of compassion
Time to talk cups of tea
Mix of styles Future Leaders Academy...*

*Our waterfalls produced millions of litres daily
Magical Mills once gifted us an abundance of industry
We were once Tin Kings & Pottery Queens
Now love & kindness is our number one priority...*

*Global Guardians embedding systemic change
Kindness Challenges riding the waves
Sustainable Wellbeing Culture Craze
Pioneering Promises for the World, from Wales.*

Find out more about our Poet in Residence initiative under Purpose 4 on page 76





Foreword

What's changing...

Sophie Howe

Future Generations Commissioner for Wales

In this third year since the Well-being of Future Generations Act came into force, at the dawn of the 20th anniversary of devolution in Wales, I am very pleased to see that public bodies and public services boards covered by the Act are clearly on the journey towards sustainability. They have started taking visible steps to meet their well-being objectives and to achieve the national well-being goals, despite the difficult conditions (including austerity and the uncertainty around Brexit). Examples of change are dotted across this report.

This year, I started my first monitoring and assessing exercise as is my statutory duty. Public bodies have demonstrated that they are making progress in meeting their well-being objectives and through a self-reflection tool which was devised in partnership with them and others have provided numerous examples of the good work they are doing to improve well-being in their areas. This is very encouraging.

It is also good to see that collaborative working through public services boards is leading to focused action on a range of issues from tackling adverse childhood experiences, low carbon transport and asset-based approaches working with communities. I can also see integrated governance arrangements with a range of different organisations and partnership boards operating with different footprints and with overlapping responsibilities.

Providing inspiration has been a focus for me, having completed the setting up of my office and developing understanding amongst public bodies and others of the requirements of the Act. Using the five ways of working, I published the first steps of 'Journeys' to achieve the well-being goals in partnership with many organisations. More than



two thirds of public bodies have already adopted or are in the process of adopting my suggested 'Simple Changes'. I will publish in the next few months the rest of my 'Journeys' outlining practical steps that public bodies can take to meet each of the well-being goals.

In just three years we can see that Wales is changing and that the well-being of current generations is starting to improve. Now we need to increase the pace and the scale of transformative change. Budgeting sustainably for the nation will have a key role to play in this.



Wales is recognised internationally for this ground-breaking Act. I am encouraged by the general movement I see building on the ground within the public sector and beyond. We now need to collectively deliver on these expectations. We need to be bold, innovative and unafraid to do things differently - the First Minister's announcement on the M4 was a test of the Act showing true commitment from this government.

Next year, I will continue to monitor and evidence the change taking place throughout Wales and will use this information to provide further advice and assistance in my first Future Generations Report in 2020. I will become more challenging in key areas such as health and procurement.

I look forward to continuing to work relentlessly to inspire, advise and encourage public bodies to get Wales closer and closer to the achievement of the goals.





Performance Summary

The [Well-being of Future Generations \(Wales\) Act 2015](#) 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 well-being of both current and future generations. It is about changing the way we think, plan and act.

The Act applies to everything public bodies do – from conception of an idea to making major policy decisions on services or infrastructure. This is the biggest cultural change programme Wales has ever seen for the 400,000 employees of public services in Wales. The Act came in to force in April 2016 and we are in its fourth year of operation. Nearly all the blocks of the legislation have been put in place and the Welsh Government promises to publish national milestones in the next 12 months.

The fundamental shift towards true sustainability will not happen overnight and it needs everyone's involvement. My role is to encourage and support this transformational change in 44 public bodies and 19 public services boards and my approach from day one has been to both lead by example and be a critical friend.

How I measure performance

The Act is about bringing change to people's lives and changing behaviours. This is complex, takes time and is a real organisational and human challenge. I have chosen performance indicators that allow me and those who want to scrutinise my work to see how my Office is influencing this evolution toward a more sustainable Wales.

The strategic performance measures for my office are to:

- ✓ Frame debate and get issues on the agenda
- ✓ Encourage discursive commitments from ministers, Government and others
- ✓ Secure procedural change in how public bodies go about things
- ✓ Affect policy content and commitments
- ✓ Influence practical behaviour change in others

My role

As Future Generations Commissioner for Wales, my general duty is to promote the sustainable development principle. I am a coach and a critical friend for public bodies, public services boards and anyone who can help contribute to the achievement of the national well-being goals. I am both supporting and challenging public bodies so that they embrace their duty and improve all aspects of economic, social, environmental and cultural well-being for the whole population of Wales.

What does my duty include?

“Promoting 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, monitoring and assessing 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**:

- **Section 18 (a) General duty** – Promote the Sustainable Development principle
- **Section 18 (b) General duty** – Monitor and assess the extent to which well-being objectives set by public bodies are being met
- **Section 19 (a) Power** - Provide advice or assistance to public bodies (which includes providing advice on climate change)
- **Section 19 (b) Power** - Provide advice to the Auditor General Wales on the Sustainable Development principle
- **Section 19 (c) Power** - Provide advice to a public services board in relation to the preparation of its local well-being plan
- **Section 19 (d) Power** - Provide any other advice or assistance to any other person who the Commissioner considers is taking steps that may contribute to the achievement of the Well-being Goals
- **Section 19 (e) Power** - Encourage best practice in public bodies in taking steps to meet their well-being objectives in accordance with the Sustainable Development principle

- **Section 19 (f) Power** - Promote awareness amongst public bodies of the need to take steps to meet their well-being objectives in accordance with the Sustainable Development principle
- **Section 19 (g) Power** - Encourage public bodies to work with each other and with other persons if this could assist them to meet their well-being objectives
- **Section 19 (h) Power** - Seek the advice of an advisory panel in relation to the exercise of the Commissioner’s functions
- **Section 20 to 22 - Power to conduct reviews and to make recommendations**

I also have a duty to provide advice to public services boards on their well-being assessments and draft plans and powers to receive copies of reports and to be consulted on different occasions.

I have distilled these functions and powers into four Strategic Purposes:

Purpose 1

Highlighting and acting upon the big issues and challenges facing future generations

Purpose 2

Supporting and challenging public bodies to use the Well-being of Future Generations Act

Purpose 3

Creating a movement for change

Purpose 4

Walking the talk – being the change that we want to see in others.

My annual report is structured around these four purposes.





Summary of what I did in 2018-19

My third year has been focused on producing resources and giving advice to public bodies so that they can fully understand the Act and its implications at all levels of public service delivery and governance across Wales. I have focused my efforts on promoting the Act and working on my biggest work programme to date 'Art of the Possible'.

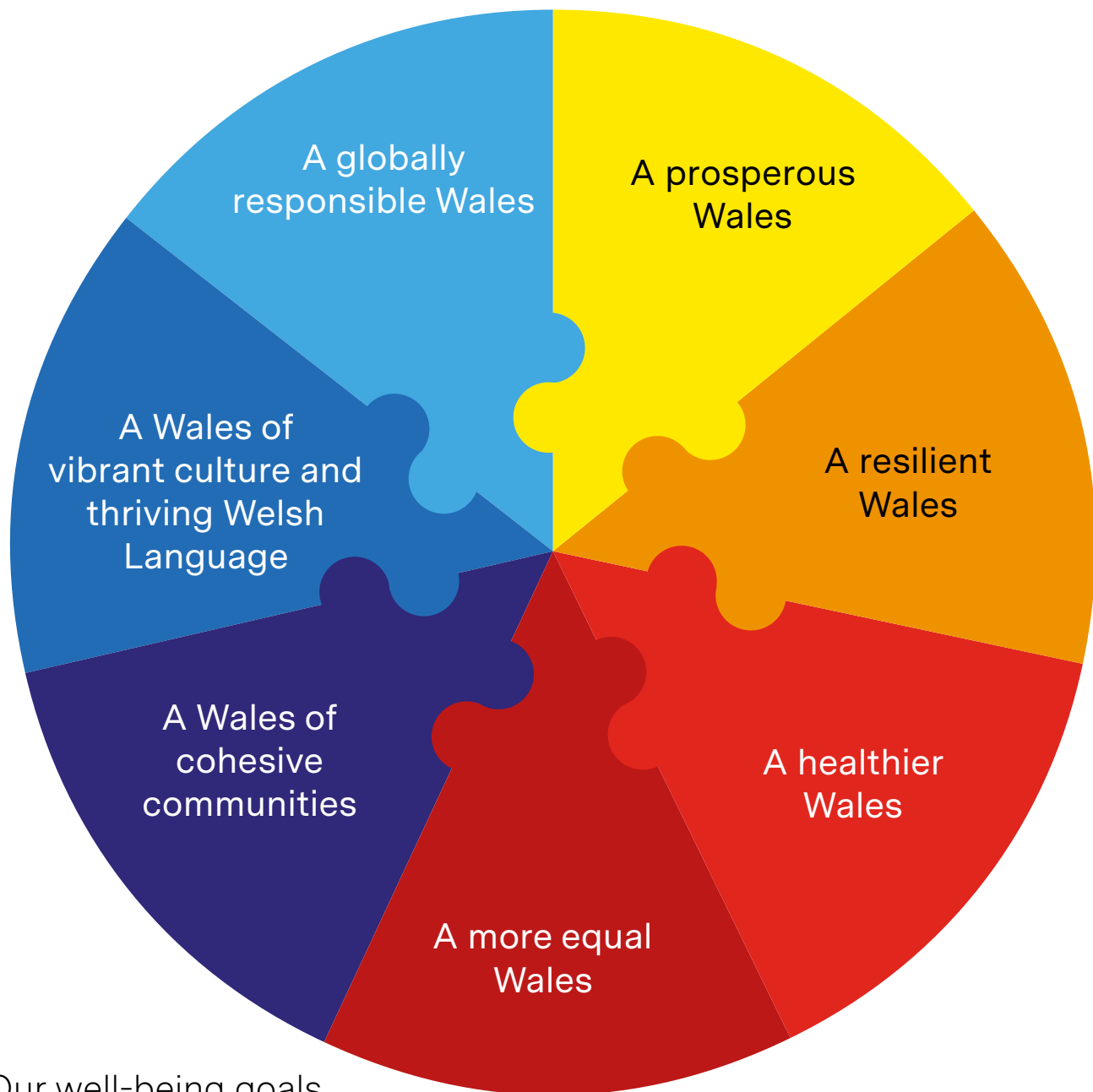
There has been an increasing demand for my advice and assistance from public bodies and organisations and of the 183 requests, I have advised and assisted 76% of these.

I have also chosen to proactively advise on issues which relate to my areas of focus which are the equivalent of my own well-being objectives – planning, housing, transport, adverse childhood experiences, better ways of keeping people well and future skills. I also designed a methodology for my first round of monitoring and assessing, working with public bodies and partners following the principles of the Act myself.

I have continued to listen to the communities and organisations across all three sectors, as well as to people writing to me. I have sought to equip them with tools to use the Act in their interactions with public bodies and public services boards and replied to over 200 requests for advice from members of the public, their representatives and to community groups. I have continued to build understanding of the Act through many events, training sessions, workshops, conferences and focused sessions with boards. I see this as an important part of 'building a movement' because I believe all public bodies, third and private sector organisations, communities and individuals in Wales need to work together, supporting and challenging each other to achieve fully the Wales We Want.

At a glance, I have:

- ✓ **Framed debate and got issues on the agenda** in relation to the M4 and transport in Wales; the Affordable Housing Review; housing standards; sustainable conferencing; skills; the importance of preventing adverse childhood experiences (ACEs); budgeting and prevention; WelTAG implementation; the Welsh Government Review of Digital Innovation and Review of Procurement; decarbonisation funding; how we measure progress; futures and the need to think longer-term on the difference between involvement and consultation; in discussions and legislative plans in other countries.
- ✓ **Encouraged discursive commitments from Ministers, Government and others** in relation to the M4; delivery of the South Wales Metro; the National Transport Strategy, Affordable Housing Review; Planning Policy Wales 10; decarbonisation - Low Carbon Wales; strategic budgeting; interactions between the Well-being of Future Generations Act and the Environment Act, planning and permitting regulations; decarbonisation targets and need for an integrated approach; procurement; national milestones.
- ✓ **Secured procedural change in how public bodies go about things** in relation to public bodies' annual reporting; scrutiny by councillors; delivery modelling by the Metro operator KeolisAmey; how IMTPs in health should be framed; the selection of projects under the Innovative Housing Fund; strategic budgeting and how budgets are presented; WelTAG process and implementation; assessment of Welsh Government decarbonisation actions against the well-being goals; secured more collaboration and longer-term planning within the health sector; public bodies' and public services boards' approach and response to ACEs; how HEFCW allocated some funding and through the adoption of my Art of the Possible Simple Changes.



Our well-being goals

- ✓ **Affected policy content and commitments** on the M4; Planning Policy Wales 10; Low Carbon Delivery Plan; the NHS Planning Framework 2019-22; UN Sustainable Development Goals Voluntary National Reporting; national survey; strategic budgeting; the Welsh Government's Childcare Offer and housing standards; cumulative impacts of intensive farming and through the adoption of some of my Art of the Possible Simple Changes.
- ✓ **Influenced practical behaviour change** in others such as my Art of the Possible partners; WelTAG users; Metro operator and Transport for Wales; the Planning Inspectorate; Planning Aid; Academi Wales; the many individuals and community groups using my frameworks; auditors; health professionals; the ACEs Hub and many public bodies trained by the Hub; constructors and engineers; Betsi Cadwalader University Health Board; Conwy PSB and national bodies taking part in our Live Lab on tackling obesity; some universities; businesses and third sector organisations in Wales and the Sustainable Development Commissioner of Gibraltar.





Purpose 1

Highlighting and acting upon the big issues and challenges facing future generations

With a small team relative to the breadth and ambition of the Act, I need to be smart and work on issues that will have the biggest potential impact across each aspect of the economic, social, environmental and cultural well-being of the population of Wales.

This is why, in 2017, I selected the areas of change where I can maximise my contribution towards the seven well-being goals – the equivalent of setting my own well-being objectives.

They are divided into three groups and include:

- **Creating the right infrastructure for future generations**
(Transport, Housing, Decarbonisation and Land use planning)
- **Equipping people for the future**
(Skills, alternatives to the NHS, Adverse Childhood Experiences)
- **Improving systems** of finance and decision-making that underpin public services (Budget and Procurement)



Creating the right infrastructure for future generations

Transport planning

New ways of thinking and planning mobility and transport in Wales are fundamental to the achievement of the well-being goals – particularly a Resilient, Prosperous, Cohesive, a more Equal and Healthier Wales. It is an important part of everyone’s lives and if we get it right it will have a significant impact on our ability to meet carbon reduction targets.

Driving a modal shift away from relying on individual cars and fossil fuels for mobility needs to happen for both current and future generations. It is a requirement of both national and international law. With 14% of Welsh carbon emissions coming from the transport sector it should be a top priority in light of the Climate Emergency declared by Welsh Government on 29 April 2019.

How is the Act already making a difference in transport?

Cardiff Council is prioritising clean air and a shift from private car travel to walking, cycling and public transport. Initial concept designs have been prepared for four cycle super-highway routes, together with cycle infrastructure schemes and the On-street Cycle Hire scheme (Nextbike) which has become the most successful in UK, growing from 25 to 500 bikes across the city.

Read the blogs from one of the local Nextbike ambassadors [Rogib Monsur](#) and [Cllr. Caro Wild](#), the Cabinet Member for Strategic Planning and Transport

The City and County of Swansea have bought 40 electric vehicles and won an award for the most electric vans in a public sector fleet. **Caerphilly County Borough Council with Stagecoach**, as well as **Cardiff and Newport councils** are in the process of introducing electric buses.



M4

Wales had to make a choice on whether or not to spend at least £1.4 billion on building a new section of M4 motorway or invest in an alternative sustainable transport future. My advice to Welsh Government was very clear:

If we are choosing to spend such a vast amount of public money, we need to be certain that the money we are borrowing which future generations will have to pay for will positively contribute to the social, environmental, economic and cultural well-being of both our current and future generations. Following my [evidence](#) to the M4 public enquiry in 2017-2018, I collaborated with **Sustrans**, the **Centre for Transport** and **Society at the University of the West of England**, and the **New Economics Foundation** to publish '[Transport Fit for Future Generations](#)' which showed how the £1.4bn earmarked for the M4 relief road should be spent on other measures, including public transport and active travel, and would result in far greater benefits to well-being.





“Transport and technology are developing rapidly and will revolutionise how we travel and the ways in which we will live and work in the future”

Currently Wales has reduced emissions from transport by only 3% since 1990 and this is set against a target already set of an 11% reduction by next year (2020) and a 79% reduction in this sector by 2050. The Welsh Government claims that the relief road will be carbon neutral by 2072, by which time an additional 500,000+ tonnes of emissions might have been produced. This is unacceptable. The Black Route would exacerbate many of the societal and environmental challenges facing Wales including emission of 500,000+ tonnes of carbon dioxide equivalents which will not be removed from the atmosphere until at least 2072. This is not in line with the Well-being of Future Generations Act nor with the Climate Emergency Declaration. My report provided Assembly Members and wider stakeholders with credible evidence to challenge the M4 as not being 'fit for future generations' and my views added considerable weight to the debate.

[Read more](#)

[Read more](#)

M4 Black Route plan unambitious, says the future generations commissioner for Wales Sophie Howe



The decision from the Welsh Government has shown a marked shift in Government policy with the First Minister placing substantial weight on the impact the scheme would have on the environment. A new expert Commission has been established which embeds the Future Generations Act principles in its terms of reference:

- **The Commission will consider the views of all stakeholders** including the National Infrastructure Commission for Wales, the Future Generations Commissioner for Wales, business groups, social partners, environmental groups, transport users' groups, local and national political representatives and of course the public.
- **The Commission will consider the needs of current and future generations**, taking into account immediate problems and future trends, such as the impact of alternative fuels and connected and autonomous vehicles.
- **The Commission will take into account the report of the UK Committee on Climate Change** and other social, economic, cultural and environmental issues, including air quality.
- **The Commission will consider the behavioural issues** which lie behind the continued growth in road-based transport in Wales, and how solutions might respond to those factors.



Wales could transform its transport system by investing active travel and in public transport – and delivering all phases of the South Wales Metro instead of spending £1.4 billion on a new section of the M4 motorway at Newport.

The Future Generations Commissioner for Wales, Sophie Howe, has branded the mooted M4 project an unambitious solution to transform the country's transport system. Howe's challenge to the government's motorway project is buttressed by a report written in partnership with the Centre for Transport and Society, University of the West of England, Sustrans and New Economics Foundation.

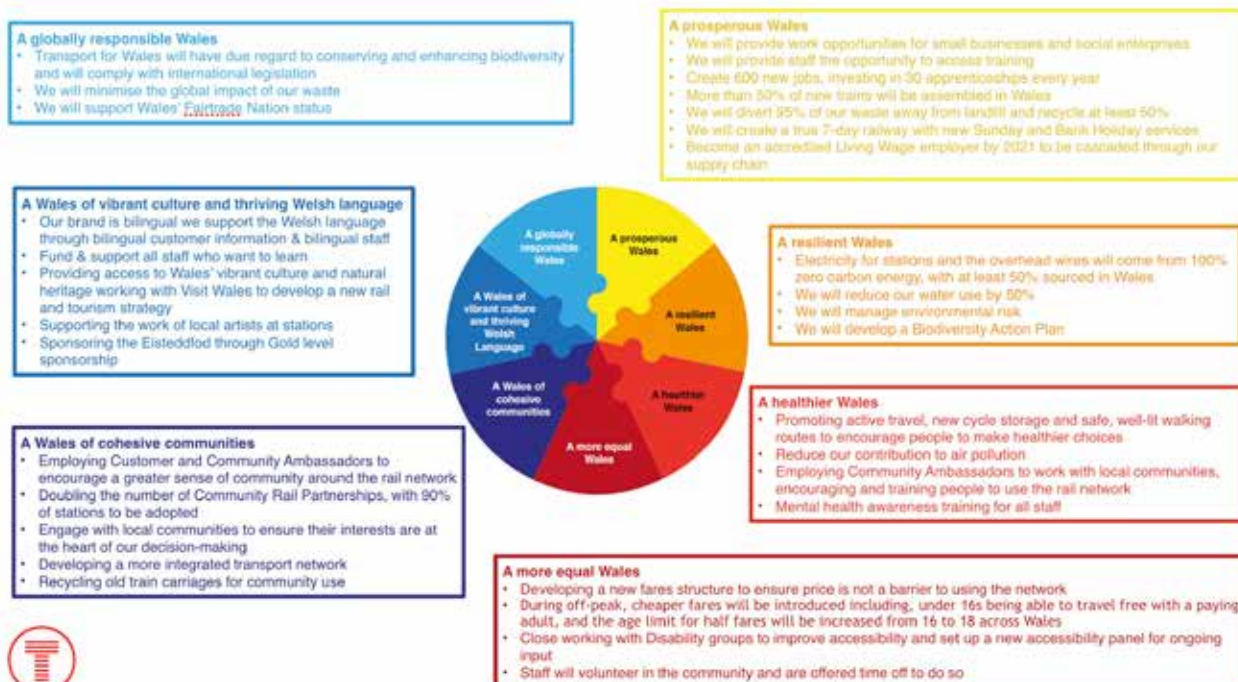
Welsh Transport Appraisal guidance (WeITAG)

The Welsh Transport Appraisal Guidance (WeITAG) published in December 2017 is a step-change in the traditional approach to building the case for transport interventions. Following my advice in 2017-18, the Well-being of Future Generations Act is upfront and central and represents a significant procedural change in how public bodies should go about their transport planning, encouraging them to focus on solutions that reduce carbon emissions, encourage equality of access, improve health, air quality and promote active travel.

It is important to make sure that WeITAG is understood and is applied properly and that we can see examples of where the Act is leading to a different approach to transport appraisal. I have reviewed and challenged two WeITAG reports as random samples – one for a scheme in Llandeilo and another in Haverfordwest. I am concerned that those commissioning and writing the WeITAG reports are not able to clearly apply the Act and new ways of working, so I have been very clear on my expectations which is, if they haven't applied the five ways of working at Stage 1 they need to start again. To address this, I have written to WeITAG leads to ask for feedback and have contributed at several events with engineers and professionals working at all levels of the transport planning system, and it's something I will continue to monitor.

[Read more](#)

Figure 1: How Transport for Wales is meeting the goals



Wales Transport Strategy

I have supported Welsh Government with engagement to develop a new Wales Transport Strategy, supporting and presenting at stakeholder workshops, and have challenged them to consider how it will support the long-term vision of delivering all of the well-being goals including a significant focus on modal shift. I have also emphasised the importance of integration with other government policies, such as planning, and ensured issues like decarbonisation, air quality and health are key considerations. I will continue to work with Welsh Government over the next 12 months as the strategy is finalised.

Transport for Wales Rail Franchise

The Well-being of Future Generations Act is at the heart of rail franchise for Wales and the Borders, the biggest procurement contract tendered in Wales with a value of £5 billion, thanks to the work of my team last year. **KeolisAmey** (who are now known as **Transport for Wales Rail Services**) are the successful rail operator. I have continued to support and challenge them to ensure all promised opportunities to contribute to the seven well-being goals are taken. I am encouraged by the modelling done by KeolisAmey of how they will include the seven well-being goals in delivery, and I welcome Transport for Wales' positive approach and willingness to work with me and others to identify best practice from elsewhere.

As part of this commitment, to Transport for Wales announced they would work with a social enterprise that helps people with disabilities obtain employment.



Creating the right infrastructure for future generations

Housing

The quality of the homes we live in is central to everyone's well-being. It influences our health, our communities and the environment around us, and poor-quality housing is strongly associated with inequality, poverty and limited life chances.

How is the Act already making a difference in housing?

I have been pleased to see the housing sector, and related industries like the construction sector, proactively adopting the principles of the Act. There are many brilliant examples of the difference this is making which is particularly pleasing given that housing associations are not covered by the Act.

City and County of Swansea built 18 homes for social rent designed to the low energy Passivhaus standards, meaning they need very little energy for heating and cooling, helping to keep fuel bills low and help the environment. Construction created jobs, providing opportunities for apprentices and using local suppliers.

Cartrefi Conwy Housing Association have a property and training subsidiary called Creating Enterprise which has started a 'modular house' factory in Holyhead, which uses timber to build homes in less than two weeks. The homes are low energy, which can save residents up to 90% in energy costs and through reducing heat loss there is a minimal environmental impact.

I have challenged Welsh Government on how they were selecting schemes under the Innovative Housing Programme, a three-year programme with £90 million funding to support the housing sector, and to be more forward thinking and develop an evidence base of best practice.

Working with a secondee from **Constructing Excellence in Wales**, I gave advice to improve both the Welsh Government and applicants' awareness and assessment of the projects in Year 2 and how best practice can be shared with others. This resulted in a commitment from government that in Year 3 the Act would be given much more consideration and weight. The programme now formally states that its aim is to 'increase the supply of affordable housing as part of the 20,000 additional affordable homes target in a way that aligns the design and delivery of affordable housing with the seven goals of the Well-being of Future Generations Act' and the Technical Specification and Guidance for the programme reflects these aims.



In 2018, the Welsh Government commissioned a review of affordable housing policy in Wales - the first in 10 years - to better understand how Government could increase the pace and scale of building affordable housing. My office worked closely with the Review Panel and utilised the expertise of secondees into my office from **Construction Excellence Wales** and **United Welsh** to provide advice and challenge sessions to support those involved to approach the exercise with a long-term, integrated and well-being focus. Current housing policies and commissioning frameworks are complex and short-term, preventing the sector from making long-term decisions in line with the seven well-being goals. I advised that the Review should not be a siloed, technical 'numbers game' approach to increasing the number of houses, but instead should consider actual needs within Wales, including future trends and the links to decarbonisation and jobs and skills for the future and the ageing population.

The findings of the Review were [published](#) on 1 May 2019 and the recommendations are aligned with the principles of the Well-being of Future Generations Act. The new Minister for Housing and Local Government, Julie James AM, will shortly publish an implementation plan. A fresh, challenging and forward-thinking approach for housing in Wales, which is realising the ambitions of the Act is exactly what Wales needs.

In 2019, I will be focusing on providing advice on the implementation of the Housing Review recommendations, and to the **Advisory Panel on the Decarbonisation of Existing Homes** which is due to report in July.

The affordable housing review panel



The UK Committee on Climate Change have produced a report called '[UK Housing: Fit for the Future?](#)' Similar to the reviews undertaken in Wales, the report outlines the need for significant changes within the sector. It also focuses on some areas which, to date, have not been highlighted as strongly at a strategic level in Wales, such as the skills gap within the house-building sector for new methods of construction.





Creating the right infrastructure for future generations

Land Use Planning

The way we plan our homes, communities and infrastructure for the future is critical in addressing long-term challenges, responding to future trends and delivering well-being. Many people are frustrated by the current system because it is clear that key planning decisions are not sufficiently focused on considering the impact on all elements of well-being and the suite of planning policy documents did not reflect new obligations under the Act.

I have worked with Welsh Government to update their national planning documents, starting with a full revision of **Planning Policy Wales** (the national planning strategy for Wales) and the design of the **National Development Framework** (the national statutory spatial plan for Wales). This will be followed by the **Local Development Manual** in 2019. These are key documents that will drive the direction and manner in which planning law will be applied in the years to come and so it is essential that they are designed to drive progress towards the well-being goals.

The updated edition of [Planning Policy Wales](#) was published in 2018. I influenced the Government's processes for involvement and ensured a strong narrative on the Well-being of Future Generations Act and the seven well-being goals. I made sure that its aspirations embed the five ways of working and the well-being goals in their integrated nature, including low carbon, equality and reduction in poverty.

I have given similar advice on the new statutory **National Development Framework**, advising on the draft consultation document and the first draft of the Framework facilitating involvement with a wider range of people (for example, young people).

As part of ensuring the whole system understands their obligations under the Act, I have engaged with the **Planning Inspectorate for Wales**, observing local planning hearings and inquiries and providing advice. The Planning Inspectorate has recently rejected planning appeals on the basis of inconsistency with the well-being objectives and seven well-being goals.

"You may be aware of a decision taken by the Planning Inspectorate director recently when she decided that her obligation to the Well-being of Future Generations Act meant that she could not uphold an appeal by Pets at Home to have only English on their signs on a new store in Cross Hands. Quoting the Well-being of Future Generations Act, she said that there was a need for the Inspectorate to work towards ensuring Wales has 'A Vibrant Culture and Thriving Welsh Language' and therefore backed Carmarthenshire's decision to refuse planning permission."

I have involved many organisations including the **Royal Town Planning Institute** in my work and have spent a lot of time engaging with professionals working at all levels of the planning system. I have also recently started collaborating with **Planning Aid Wales** so that people get the help or redress available to them and to ensure Planning Aid Wales consultants are well aware of the Act and our advice. The recast of the whole planning system will take time to trickle down and to be applied in all planning decisions in Wales.

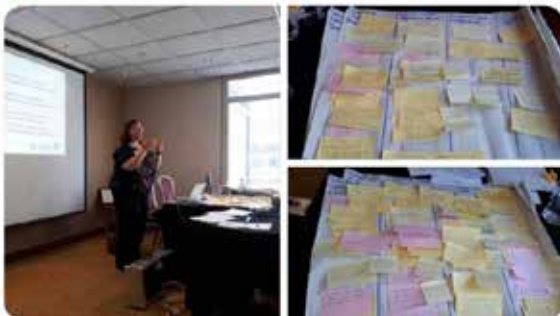
“The introduction of the Well-being of Future Generations Act has added a new and necessary dimension to our strategic planning thinking, in ensuring that we pay equal attention to the long-term future as to the present day”

Phil Williams, Planning Consultant.



Marie B- Navarro
@MarieBNavarro

Very productive workshop at Wales Planning Conference #walesplan19 generated lots of ideas for our inspirational planning journeys @RTPIPlanners @futuregencymru



Planning is one of the most frequent issues that people write to me about - usually about specific developments and proposals - where it is not part of my remit to intervene.

It is for this reason that I have been working to reform the system at a strategic level but I also seek to empower people and communities to use the Act themselves and have provided detailed advice as to how this can be done.

Such correspondence has helped me identify gaps and systemic issues within the planning system (such as a lack of appeal process for decisions to grant permission; conflicting TAN1 where economic considerations are given priority; and the fact that the different stages of planning, permitting and licensing seem disjointed etc.)

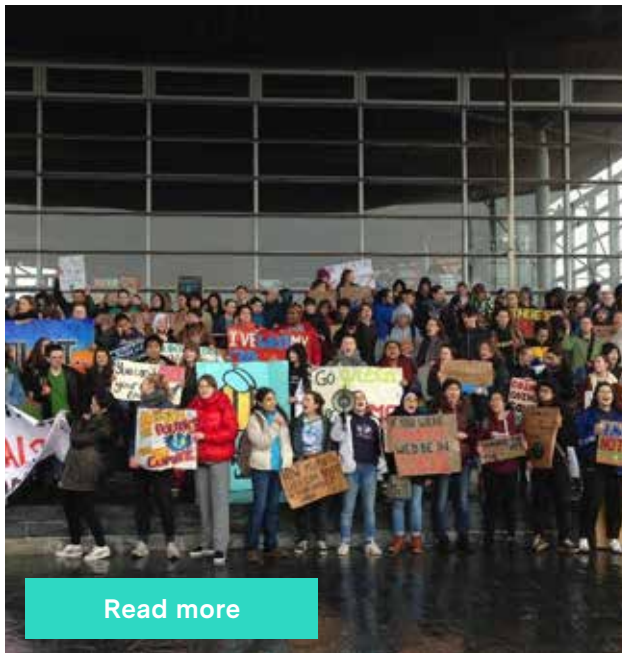




Creating the right infrastructure for future generations

Tackling Climate Change - Decarbonisation

2018-2019 was the year where children and young people showed politicians and decision makers across Wales and the world that they must do more on climate change.



[Read more](#)

The **UK Committee on Climate Change (UKCCC)** has set an ambitious new target to reduce greenhouse gas emissions in Wales by 95% by 2050, with the UK as a whole aiming for net zero by 2050. I am pleased that the Welsh Government's declaration of a Climate Emergency on 29 April 2019 echoes the urgency of the Committee's recommendations.

Words are not enough. We need to see clear action and allocation of resources in Wales to match these commitments. The decision not to invest all of the country's borrowing capacity in an extension to the M4 relief road is a good starting point but more needs to be done to change policy and allocate resources. The UKCCC have also been clear that action is needed to increase renewable energy, make buildings more energy efficient, reduce

emissions from farming, ensure better planning design and build of homes and to restore forests and peat lands to capture carbon.



[Read more](#)

How is the Act already making a difference in tackling climate change?

Town councils like Machynlleth and local authorities including Carmarthenshire declared Climate Emergencies in 2019, closely followed by the Welsh Government becoming the first government in the world to do so.

Transport for Wales & Metro committed to 100% renewable electricity for all stations with half of this energy being produced in Wales, and the electrification of 172 km of track on the valleys lines.

South Wales Fire and Rescue Service, Caerphilly and Conwy councils have rolled out solar panelling on their own buildings and community buildings like schools.

Natural Resources Wales should be commended on their efforts to be a carbon positive organisation. This is an area where they've led the way through their Carbon Positive project which is being rolled out to other public sector organisations.

Monmouthshire County Council have developed a solar farm on council-owned land in Crick that has the capacity to generate enough electricity to power around 1,400 homes. It will also save over 2,000 tonnes per year of CO2 by generating clean, renewable energy and **Riversimple** are preparing to run a 12-month trial of 20 hydrogen fuel cell cars in Monmouthshire.



Future Gen Cymru
@futuregenymru

@sophiehowe poses the question: what is the art of the possible here with the metro? @transport_wales @AndrewMorganRCT @kelliebeirne @CaerphillyCBC @TransportXtra @TransportMonth



Paul Matthews
@PaulMatthews67

And for all you 'clean' transport lovers a pilot agreed between @riversimple / @MonmouthshireCC to trial 20 hydrogen powered cars for a year





In April 2018, I wrote to all **Cabinet Secretaries** including **Lesley Griffiths AM** and **Ken Skates AM** and advised that the Welsh Government should:

- Follow the five Ways of Working and consider all well-being goals when setting Welsh carbon budgets and targets
- Accelerate action on carbon reduction over the next few years as well as thinking further ahead to 2030 and 2050
- Agree more ambitious ministerial commitments to reducing emissions that make up the remaining 45% (i.e. non-industrial sectors which are within WG control). For example investment in public transport/active travel not roads, low/zero carbon housing/buildings, land management (restoring peat / planting trees)
- Consider requirements of the global Paris Agreement which aims to keep warming to 1.5 degrees Celsius and ensure wider engagement to inform future work.

A few months later, on 10 July 2018 Cabinet agreed to add decarbonisation as a sixth priority area in [Prosperity for All](#).

Plan for a Low Carbon Wales

I provided detailed advice to Welsh Government on the development of its Plan for a **Low Carbon Wales** which was published in March 2019. I helped the Government to devise a matrix to apply the Well-being of Future Generations Act and helped them involve a wider range of people, as well as engaging stakeholders in developing my own advice on the plan.

The Plan sets out 100 policies and proposals across ministerial portfolios and as a result of my interventions also includes evidence of how actions will impact positively / negatively on each well-being goal. The Welsh Government have also adopted the five Ways of Working to guide and shape their plan, including establishing a Climate Justice Advisory

Group to ensure a transition that is equitable and avoids unintended consequences. Whilst the consideration of the Act is encouraging, I still believe that the Plan needs to be more ambitious and certainly needs to set out how the actions will be funded and with timescales.

Financing Decarbonisation

My monitoring of the budget this year shows that approximately only 1% of current Welsh Government funding is supporting action on decarbonisation – this will undoubtedly need to be increased significantly to meet carbon reduction targets. I recommended that the budget should articulate how the actions set out in the Low Carbon Delivery Plan will be funded and the level of cross-Government investment needed in relation to transport and buildings, for example. In the coming year I will be undertaking work to identify the financial commitment that will be needed to deliver the most significant actions on climate change.

As decarbonisation must be integral to all our activities in Wales, I have challenged public bodies to demonstrate how the Act is influencing decisions for example investments, pension divestment and procurement. In 2019, I will be publishing guidance to public bodies on 'A Resilient Wales' and 'A Globally Responsible Wales' with the practical and necessary steps they should make to help limit their carbon emissions and positively contribute to our people and planet.

(L) Coal Exchange Cardiff in its heyday
(R) The launch of low carbon Wales 2019





Sophie Howe
@sophiehowe

This is future leadership @sleeps123 tells current leaders "we have 11 years to complete the greatest comeback in human history. Mother Nature has no voice, but you do. Be that voice. The time is now" #LowCarbonWales



“The Act is a unique way of tackling long-term challenges and the fact Welsh Government has declared a climate emergency following a low carbon plan for Wales demonstrates that.”

Jane Hutt AM
Deputy Minister and Chief Whip





Equipping people for the future:

Health System Change

The Goal of a Healthier Wales requires public bodies to set objectives which will deliver *“A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.”*

How is the Act already making a difference in health?

Hywel Dda Health Board have published their first long-term strategy (20 years). They’ve stated their main strength in relation to the Act has been the widespread commitment from Board level to grass-roots staff, and the recognition that achieving improvements in health and well-being needs to be *‘driven by emphasis on how we change culture and focus more on prevention, early intervention and community care to keep people well’*. Hywel Dda are rightly proud of this which they believe *‘demonstrates how we are seeking to “live and breathe” the principles of the Act in our everyday business’*.

Swansea Bay University Health Board are the first health board in Wales (and second in the UK) to achieve ‘green flag’ status at Glanrhyd Hospital. *“The more we do, the more we think we can do”*. They see the green flag status as a first step and are now looking at other green space opportunities, citing examples of Swansea’s Botanical Gardens and a sensory garden at Morriston Hospital. Their Annual Report states: *“Since the Well-Being of Future Generations Act came into being, links have been forged with other bodies within Wales who are responsible for the stewardship of the natural environment.”*

Aneurin Bevan Health Board are detailing the habitat and geology of their sites and as per NHS Pollinator Friendly Estate guidance, have planted wildflowers.

Although not a named body under legislation, **Welsh Ambulance Service NHS Trust** is also embracing and applying the well-being of future generations principles.

GPs in Cardiff are prescribing patients to use Nextbikes, to encourage a healthier lifestyle and improve recovery.

Bridgend has Local Community Coordinators to help people develop their strengths, well-being and resilience by making connections with local networks and resources. During 2017-18, they received 116 referrals. One aspect of their work has seen support for people moving from managed care to more local and community-based support, a cost-effective approach which released £216k of social work time to support other demands.

Despite the majority of Welsh Government spending going to the NHS, evidence tells us that most of the things that have an impact on people's health and well-being sit outside the health service and relate to – living conditions, poverty and environmental conditions such as air pollution amongst others.

Evidence suggests that only 15-20% of a nation's health and well-being is dependent on healthcare services and yet over 50% of the Welsh Government's budget is allocated to health spending. As the health service is so vast and so dependent on the funding relationship with Welsh Government, I have focused on providing advice on how they work with health bodies, in particular around long-term planning.

This is dictated by Integrated Medium Term Plans (IMTPs), which are key documents setting out milestones and actions over a 1 - 3-year period. Following my advice, **Powys Teaching Health Board, Public Health Wales, Aneurin Bevan, Cwm Taf, Cardiff & Vale University Health Boards** and the **NHS Wales Shared Services Partnership** are showing evidence of embedding the Act through their IMTPs. The NHS Planning Framework 2019-22 also now contains a growing emphasis on the Well-being of Future Generations Act including a definition of 'prevention', a link to our 'Journey' encouraging health boards to self-reflect on their progress against the Act and a strong narrative in the introduction: *'IMTPs must demonstrate evidence of and an emphasis on: The Well-being of Future Generations Act (with a particular focus on how IMTPs are routinely utilising the 5 ways of working and contributing to the well-being goals)'*.

“The Office of Future Generations produced an excellent workshop for the recent event on ‘Supporting Long Term Planning’ in March 2019. The workshop produced a lively debate about where people saw themselves and others, and how this technique can be used easily in meetings and projects to achieve successful results. Having this workshop at the event proved to be a change and gave those who participated food for thought”

Despite this, I believe the Government could do more to drive the shift needed to implement the Well-being of Future Generations Act by aligning their performance measures, funding allocations and day to day interaction with health boards. In the coming year I will undertake further work to assess how the Government are supporting implementation of the act within this sector.



Equipping people for the future:

Skills

Of the 381 well-being objectives published in 2018 by public bodies and public services boards, 111 relate to skills and a workforce for the future – the highest number across my areas for change.

For the majority of public bodies, these objectives seek to meet the demand of the current economy and do not focus on improving wider social, cultural and environmental well-being at the same time. This narrow focus limits the scope of their proposed steps in developing skills and education. For example, missed opportunities of improving skills in low-carbon industries, making sure available opportunities are equal to all, and ensuring that programmes improve the health of participants.

To address, I am working in partnership with Cardiff Business School to publish guidance on the steps public bodies should take to ensure they are equipping their own workforce with the skills which will be needed in the future. We held an intergenerational workshop and a separate round table with Phil Brown share on the Welsh Government review of digital innovation.



“Rarely do academics get the chance to develop research with such a deeply and consistently engaged partner, who has in mind a clear and important use for genuinely co-produced new knowledge. This is exactly the sort of distinctive partnership, based on shared values, that we think truly defines us as the Public Value business school”

Rachel Ashworth, Dean and Head of Cardiff Business School.

Skills for the future

In order to get a handle on the future, Nesta looked at the impact of trends including automation, the growing 'green economy' and changing demographics, on the workforce up to 2030. It predicted which underlying skills will be in greater – or lesser demand – in the future, in particular highlighting the increasing need for a group of 'soft' and cognitive skills, from problem solving to communications skills and science. It is also likely to be the case that increasing numbers of tech and digital skills will be needed across many jobs in the future.

“The technological challenges advanced economies will face in the coming decades risk further entrenching inequalities rather than addressing them. All the evidence suggests that workers with the lowest skills will see the greatest impact from automation. We need to embed a commitment to social justice at the heart of our response”.

David Hagendyk, Learning Work Institute





Equipping people for the future:

Adverse Childhood Experiences (ACEs)

I am committed to helping develop the vision for 'ACE-informed' public services to bring about the procedural and practical change that is needed. Last year, I dedicated a lot of my work on ACEs to raising awareness through advice to PSBs through the well-being planning process.

The ACEs Hub is moving from raising awareness to driving institutional change. I am helping them scope this work, key elements of which include embedding and sustaining trauma-informed practice across public services, and communities. In the coming year, I will also deliver a Live Lab on ACEs with **Cwm Taf Health Board**. This is my most detailed offer of support which is about working and learning alongside a small number of bodies or public services boards, focusing on trying and testing new approaches.



How is the Act already making a difference on ACEs?

There has been huge investment by the police and by **Public Health Wales** to drive integration of services and better trauma-informed services. The £6.78 million **Police Transformation Fund** secured from the Home Office will help deliver a multi-agency, ACE-informed approach that enables early intervention and root cause prevention. The programme will scale-up the approach that has been taken by the **Maesteg Early Help Hub** for example.

Thousands of professionals, community volunteers, sports clubs, youth workers and the youth offending workforce have received training, and a third of all schools have been trained through awareness campaigns. This significant improvement in awareness of ACE's is in a large part down to the work of the

ACEs Hub which I have supported, chaired by the **Chief Constable of South Wales Police, Matt Jukes**.



Public Health Wales has a well-being objective to "build capacity and support system change, to protect and improve health and reduce inequalities" to embed ACE's informed working". They have developed a partnership with **Community Housing Cymru** to identify approaches to ACEs in housing and develop work on ACEs and homelessness.

Improving systems of finance, governance and decision-making that underpin public services:

Welsh Government's budget process and narrative

The Welsh Government budget is the single biggest decision (or set of decisions) that is taken by a public body in Wales each year. As well as determining how public services are funded, the budget process and decisions send important signals about priorities across our public services and shows whether those priorities are shifting to realise the aspirations of the Well-being of Future Generations Act.

I monitor and assess the draft budget each year and provide evidence to the National Assembly for Wales Finance Committee. Last year, I advised and successfully agreed with the then Cabinet Secretary for Finance, Mark Drakeford AM a definition for prevention. Whilst this will take a while to be fully understood across Government, I expect to see how the definition is informing spending decisions and we're pleased to see some analysis in this year's budget.

Definition of prevention

- **Prevention** is working in partnership to co-produce the best outcomes possible, utilising the strengths and assets people and places have to contribute. Breaking down into four levels, each level can reduce demand for the next:
 - **Primary prevention** – Building resilience – creating the conditions in which problems do not arise in the future. A *'universal approach'*.
 - **Secondary prevention** – Targeting action towards areas where there is a high risk of a problem occurring. A *'targeted approach'*.
 - **Tertiary prevention** – Intervening once there is a problem, to stop it getting worse and prevent it reoccurring in the future. An *'intervention approach'*.
 - **Acute spending** – Spending, which acts to manage the impact of a strongly negative situation but does little or nothing to prevent problems occurring in the future. A *'remedial approach'*.



This year, I explored the links between well-being objectives, strategic and policy decisions, and the decisions outlined in the budget narrative. This was challenging, in particular as no one in government could see it as an integrated whole. **Social Finance** supported my team to look in more detail at decisions relating to three cross-cutting policy areas agreed with the Minister:

1. Decarbonisation
2. Mental health
3. Social Care

The definition of prevention was included in the 2018-19 budget and had been applied to selected budget lines. The budget narrative was presented in a more integrated way, structured by Welsh Government's well-being objectives, rather than in siloed portfolios. These changes were a direct result of the advice and assistance provided by my team which included organising a roundtable on prevention in July 2018 with a range of experts, academics and officials. I believe this moved prevention up the agenda of Government and ensured that the definition was agreed in time to influence the draft budget.

However, the budget lines that were considered against the prevention definition presented a limited picture and it was difficult to understand how they fitted into all of the other spend in relevant areas. Beyond the presentation of the budget narrative, there was not much evidence that spending decisions were being made in a more integrated way.

I published my advice to Welsh Government about the change I expect to see. This can be found [here](#). Next year in 2019-2020 Welsh Government will have a number of opportunities and imperatives to think differently about spending decisions: a new First Minister, a UK Government Spending Review, their first Low Carbon Delivery Plan, a declaration of Climate Emergency and there is an expectation that the definition of prevention will be used to shape rather than respond to future spending plans. I will monitor how this is happening and in particular how the Climate Emergency is being funded.

“The Commissioner has had a powerful influence in moving the Welsh Government towards a more preventative budgeting approach.”

Jane Hutt AM
Deputy Minister and Chief Whip

Procurement

£6.1 billion is currently spent by the public sector on procurement in Wales which has the potential to contribute positively (or negatively) to well-being goals including a Prosperous Wales, a Resilient Wales, a Globally Responsible Wales and a Healthier Wales.

My focus this year has been supporting **Welsh Government**, but progress has been slow and disappointing. Despite some good examples across Wales, procurement policy and practice have not kept up with the new requirements under the Well-being of Future Generations Act and the extent to which Welsh Government and public bodies are developing contracts informed by the five ways of working and seven well-being goals is not clear.

I have made several recommendations on areas which need to be improved, you can find more information [here](#). In the coming year I am intending to use my review powers to assess how public bodies are embedding the Act in their approach to procurement.

Listening and responding to the public

I have pledged to listen to all those who can contribute to the realisation of the Act. Whilst I do not have a case-work function, I seek to empower people to use the Act in their interactions with public bodies to encourage better involvement and to detect systemic issues which affect people's lives.

This year, I received over 218 letters covering over 130 separate issues with the main themes being environmental permitting, transport planning, land use planning, questions about the Act and our work, and school closures. I took action on the following systemic issues that had been repeatedly raised with me:

- **WelTAG:** Members of my team are now supporting the implementation of the guidance.
- **Environmental permitting regulations:** Following my work with **Natural Resources Wales**, I wrote to the Minister for the Environment, Energy and Rural Affairs (Lesley Griffiths AM) to share my findings. I advised Welsh Government to conduct a review into the extent to which the whole system surrounding permitting/licensing is acting coherently in line with the Well-being of Future Generations Act to ensure that the different stages of planning, permitting and licencing are less disjointed.
- **Air pollution:** Letters about air pollution were a key consideration in my decision to write to the **National Assembly Petitions Committee** with the **Children's Commissioner for Wales** in relation to air quality around schools. We urged the Committee to act now to improve the quality of air children are breathing. This letter was discussed by the Petitions Committee on 2 April 2019 and has prompted the Committee to seek further evidence from **Natural Resources Wales, Public Health Wales and the Health and Safety Executive**.
- **Intensive farming:** Following letters from across Wales, and a meeting with the **Campaign for the Protection of Rural Wales**, I raised the issue of the proliferation and cumulative impact of intensive farming with Welsh Government. Planning Policy Wales now includes a reference to the cumulative impacts of intensive farming developments: *"Care should be exercised when considering intensive livestock developments... in particular, the cumulative impacts (including noise and air pollution) resulting from similar developments in the same area, should be taken into account."*
- **Childcare Offer for Wales:** I wrote to the then Minister for Children and Social Care (Huw Irranca-Davies AM) about concerns surrounding restrictions of grandparents who are registered childminders being able to access the offer. The policy was changed in September 2018 to allow registered childminders to receive funding for the care of a child who is also a relative but who does not live with them.

"Dear Ms Howe, thank you for your recent correspondence and for copies of the letters sent to all other interested parties. It is heartening to know that positive progress has been made and we applaud the steps that have been taken. We would also like to express our thanks to you and your staff for the work that has clearly been put in to reach this position".

The People's Platform

I recently launched ['The People's Platform'](#) which is aimed at providing opportunities for individuals to share their views and ideas with me, on anything that matters to them whether they are public services or other issues they care about in their community. Over the summer 2019, in the spirit of collaboration, we will work with public bodies to access the stories as an open data source to help inform their work. The People's Platform will be a key part of the ways that I will involve people in my statutory Future Generations Report 2020.





Impact

This year my team and I have:

- ✓ **Framed debate and got the Well-being of Future Generations Act on the agenda** of the Affordable Housing Review and Housing Innovation Grant. Made clear the level of ambition of the new Wales Transport Strategy, ensured prevention is at the heart of strategic budgeting in Wales and continued to raise awareness of tackling ACEs.
- ✓ **Encouraged discursive commitments from Cabinet Secretaries, Government and others** on climate change (including the declaration of a Climate Emergency); the revision of the National Development Framework; and the links between environmental permitting regulations, planning and licensing. Helped raise the importance of long-term planning within the health sector and secured commitments from Government in relation to how IMTPs should be framed around the Act.
- ✓ **Changed the procedures** for how transport schemes are appraised through new Welsh Transport Appraisal Guidance and how the new system is monitored and scrutinised. I changed the way that applications for the Innovative Housing Programme are assessed, how Welsh Government assesses the impact of decarbonisation decisions across the seven well-being goals and how they present their strategic budget. I've helped to **change the way other public bodies go about things** including improving collaboration and long-term planning within the health sector and how the Act is considered by the Planning Inspectorate Wales and the planning profession.
- ✓ **Secured changes to policy** in relation to the decision not to build the M4 relief road. I provided decision-makers with credible evidence to challenge the M4 and added considerable weight to the debate. I have also **secured changes** to Planning Policy Wales (2018) with a strong narrative on the Act and a focus on the seven well-being goals including on low carbon, equality, and a reduction in poverty; the Government's Low Carbon Delivery Plan; and key strategies such as the NHS Planning Framework 2019-22 that will ultimately improve outcomes for people and communities. I influenced the recommendations of the Affordable Housing Review and as a result of public correspondence helped to secure a change in policy on to the cumulative impact of intensive farming and the Childcare Offer for Wales.
- ✓ **Influenced practical behaviour change** in civil servants, Planning Inspectorate inspectors and in health professionals, including from the workshop we ran on Futures, and in how many individuals, community and action groups use the Act in their dealings with public bodies. I am also supporting my own team to change to electric cars through ULEV salary sacrifice scheme.





Andrew Sutton
@AS_Architecture



Fascinating discussion about [#FutureGenerations](#) and [#Planning](#) in [#Wales](#) and what more is needed beyond [#PWW10](#) to further clarify and inspire.





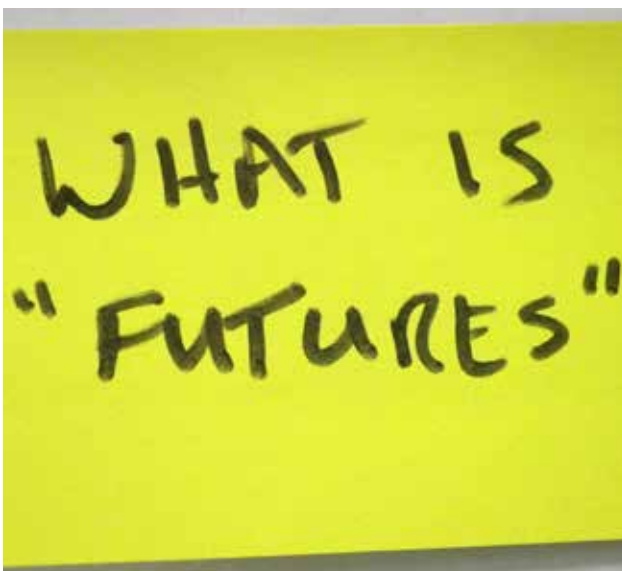
Purpose 2

Supporting and challenging public bodies to use the Well-being of Future Generations Act

In Purpose 1, I have highlighted the key policy areas which I am taking action to maximise my contribution to achieving the seven well-being goals. In this section, I will show how I am supporting and challenging public bodies to use the Act.

I have used my powers in three ways:

- Providing advice and monitoring progress towards public bodies' well-being objectives
- Creating resources to help with the application of the Act, working closely with the **Wales Audit Office Good Practice team**
- By responding to requests for advice and assistance from public bodies and public services boards. These requests were constant throughout the year.







Statutory Duties

First Round of Monitoring and Assessing

Since 2017, councils, health boards, national parks, fire and rescue services, Welsh Government and national organisations, such as Natural Resources Wales and Sport Wales, have been working towards a collective 316 well-being objectives. In addition to those, public services boards published an additional 381 local well-being objectives for their 19 areas.

In 2017, I analysed the objectives set by public bodies and public service boards to look for common themes and I gained a helicopter view of how the Act was being implemented. Overwhelmingly, objectives had the tone of improving the economic and social well-being of localities, with less emphasis on the environment and culture. My reflections on the purpose, progress and pace of this work and recommendations on what I would expect to see in annual reports, was published in May 2018 in the report [Well-being in Wales – The journey so far](#).

This year I have developed a self-reflection tool in collaboration with the Wales Audit Office and a range of public, third sector and academic partners to help me monitor and assess the progress being made toward achieving these well-being objectives and share learning amongst public bodies. I have also worked with the Wales Audit Office to undertake joint visits to public bodies as part of our related duties to monitor and assess. In the coming year I will publish feedback to each body on my findings and conclusions and an overview report on progress being made in each sector.

Examinations and reviews

Under the Act, the Auditor General for Wales must carry out examinations to assess the extent to which public bodies are setting objectives and steps using the sustainable development principle and the five ways of working. My duty is to promote the sustainable development principle and for that purpose, monitor and assess the extent to which well-being objectives are being met.

We have agreed a programme of joint visits to public bodies, where my focus has been visits that relate to objectives and steps on my areas for change. I have helped shaped how they go about examinations. For example, the 'question hierarchy' WAO has used to examine public bodies is based on our Future Generations Frameworks and their method of examining has a greater focus on involvement.

How is the Act already making a difference?

- **South Wales Fire and Rescue Service** looked at strategic priorities and the goals, the five ways of working and seven corporate areas of change (outlined in the Statutory Guidance to the Act) in a different way this year. *“The self-reflection tool has really helped us with this – with thinking differently.”*
- **Ceredigion County Council** are putting the questions from the self reflection tool in their business planning processes. *“The way we’re setting up our annual report this year will be different because we’ve had this tool. It’s been real learning”*
- **Hywel Dda University Health Board** – said that the tool was initially viewed as a *“another thing to do”* but has actually *“provided a really useful framework for looking at things”*.
- **Betsi Cadwaladr Health University Health Board** said that they felt there was value in doing something like this again next year as it helped them to see where they were, and they can look back.
- **Sport Wales** said that *“it prompted us to have honest discussions across the organisation about the progress that we’ve made. It provides a baseline that we can consider future progress against. We plan to use the tool on an ongoing basis as part of our quarterly business planning reporting”*.
- **Merthyr Tydfil County Borough Council’s** Corporate Planning Team said: *“The expectations reframed our approach to our own annual report e.g. the style of reporting, including case studies that cut across goals and demonstrate the 5 ways of working, the fact you’ve spelt out “what you will need to do and what I expect to see” and generally the provision of the advice and expectations.”*

It is too early to see the impact of this major piece of work which has not been completed yet. We have included feedback this year and will include more detail next year. I am already using the information to determine my focus in future years.



Statutory Duties

Advice on Milestones and Indicators

Under section 10 of the Well-being of Future Generations legislation, Welsh Ministers must set milestones in relation to the national indicators to assist in measuring whether progress is being made towards the achievement of the well-being goals.

In January 2019, they published the draft criteria by which they would choose the milestones. I have previously consulted extensively on the indicators and from this work proposed a set of key indicators which could be used to develop milestones. My response to the Government's consultation can be found [here](#)

National Indicator 46


National Indicator 46: 'The social return on investment of Welsh partnerships within Wales and outside of the UK that are working towards the United Nations Sustainable Development Goals'

There has been a renewed acceptance by Welsh Government that the current Indicator 46 is not viable and there is openness for a replacement indicator.

I worked in partnership with **Fair Trade Wales** earlier this year to understand the definition of indicator 46 and look at alternatives. We recommended that Welsh Government review the consultation response it received from the Welsh international development sector and identify specific questions to be included in the National Survey 2019.

In April 2019, Welsh Government agreed to change it. The national survey questions are currently being tested and should produce a better way of demonstrating how Wales is being globally responsible through sustainable consumption, global learning and active global citizenship.



 **Future Gen Cymru** @futuregencymru · 29 Jun 2018
@MarieBNavarro and Elen Jones lead the first stakeholder workshop - Shaping Wales' Approach to Evaluation: National Indicator 46, Social Return on Investment (SROI) what can it be, who is already doing it, how do we interpret it in line with Well-being of Future Generations Act?



General support to public bodies

Future Generations Frameworks

Future Generations Frameworks are designed to offer prompts to shape or scrutinise how decisions are made, to help identify options which have considered the five ways of working and would make the best contribution to the well-being objectives and goals and are a key part of the advice that I provide to public bodies.

It is encouraging to see how the use of my Future Generations Frameworks **for Infrastructure Projects** and **Service Design** is growing and already bringing about procedural and practical change.

- **Vale of Glamorgan County Council** considered changes to day services and as a result of using my Framework for Service Design, realised that they needed to do far more involvement.
- **Cardiff Capital Region City Deal** used my Framework to appraise the 'Skills for the Future' proposal. This has resulted in climate change resilience, Welsh language and culture being included – which it was not before.
- **The Plas Kynaston Canal Group** is a good example of how community groups can use these resources: *"The FG Framework is an ideal tool for use on this and will be used throughout the project at the centre of the Pontcysyllte World Heritage Site."*
- Businesses such as **Hafren Dyfrdwy** (Severn Trent's new Welsh Company) used the Framework as a core component of their business case to Ofwat, and it is also being used by ARUP.

This year in collaboration with **Social Care Wales, Ceredigion County Council, WLGA's Heads of Democratic Services Network and my own Audit, Risk and Assurance Committee**, I developed a Future Generations Framework for Scrutiny. This aims to provide support on the implications of the Act for scrutiny, non-executive functions and the overall governance of public bodies



"I am really delighted to be using the Future Generations Framework in my work as a Cllr. I was already enthusiastic about it, but your workshop gave me the confidence to apply. It would be really useful to have the opportunity to explore how, as Cllrs, we need to apply the Act, in for example, Scrutiny meetings, council, task and Finish groups etc".

Cllr. Henshaw, Cardiff Council



Getting ready to talk about [@futuregenymru](#) Framework for Scrutiny (working title!), the Well-being of Future Generations Act and decision making in [@cardiffcouncil](#) Been a lot of interest in this work since [@GoodPracticeWAO](#) event last year! The Framework will be published soon...





Futures

The need for public bodies to take greater account of the long-term impact of what they do is the key foundation of the Well-being of Future Generations Act and reflected in my general duty.

With **Public Health Wales** I have recruited a joint post to support my team and public bodies with futures and long-term thinking and develop skills in this area by taking a 'learn through doing' approach. This has included holding Wales' first ever national conference dedicated to futures in partnership with **Public Health Network Cymru**.

Going forward, futures methods and approaches will be embedded in everything that I do, from Live Labs and Art of the Possible 'Journeys' to our policy advice on housing, skills and health, as well as my Future Generations Report 2020 and future advice on well-being assessments.



“ [The conference] gave me some tools and techniques to apply to futures work and the encouragement to get stuck in ”

We have engaged with futures experts and practitioners from all over the world to learn about their work and its relevance for public services in Wales. Some of the people we have made new connections with include the **UK Government's Office for Science** and **Dr Claire Craig CBE**, who used to head-up their futures department; **Futuribles**, a futures think-tank in France; **Bill Sharpe and Graham Leicester** from the **International Futures Forum**; and **Cat Tully, Co-Founder, School Of International Futures**.



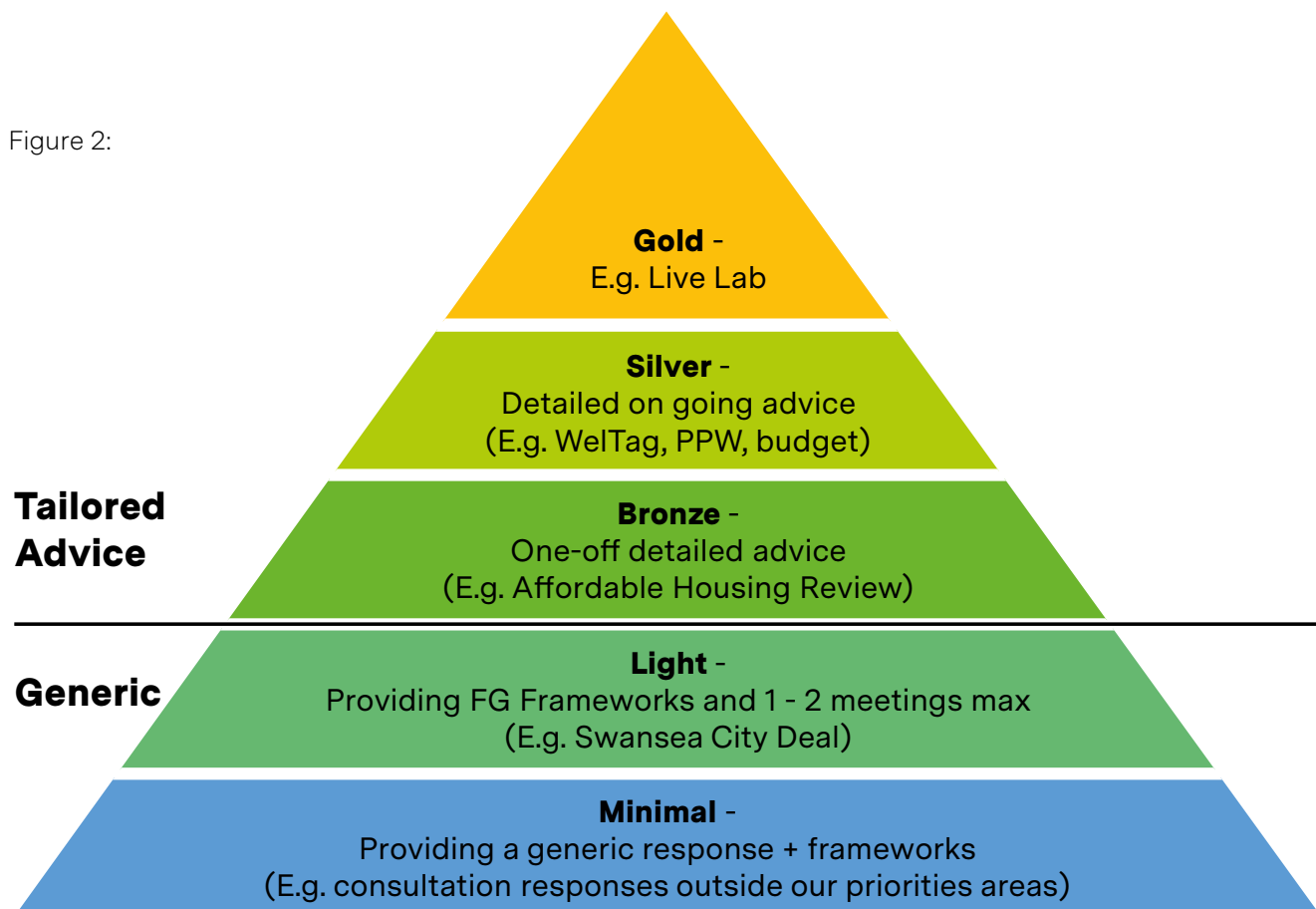
Responding to requests for advice and assistance

Alongside requests for advice from members of the public my office is receiving year on year an increasing number of requests for advice and assistance from public bodies and other organisations.

In 2018-19, I received over **183 separate requests for help**, 52% of which were from public bodies covered by the Act. Others came from amongst others: housing association, professional bodies, universities and third sector organisations.

It is clear that there is a huge demand for advice and assistance on applying the Act and the capacity of my office to meet this demand is limited due to the resources available to me. For this reason, I have devised specific criteria to determine if I should assist, and if so, what level of support I can provide as shown in figure 2 below:

Figure 2:





Of the requests that I have received, around a half were able to be supported through signposting to (or adapting) existing resources, or through face-to-face meetings. For the others, my team provided more detailed, tailored support. Some of these are already included in this report – for example my advice on the Affordable Housing Review, WelTAG and undertaking a Live Lab (my highest level of support) with the **Betsi Cadwaladr University Health Board**.

Other requests I supported include:

- Training on my Future Generations Scrutiny Framework to **Blaenau Gwent, Torfaen, Monmouthshire, Cardiff, Vale of Glamorgan** and **Caerphilly** councils. Feedback we received from these sessions includes: *“We used the training materials and the elected members thought the session and materials were so good that it should be mandatory for all.”*
- Contributing to the **Wales European Funding Office’s** Steering Group on their new regional investment policy (the replacement EU structural funds).
- Providing advice to **Velindre NHS Trust** on embedding their well-being objectives.
- Advising **Sport Wales** on whether the Steps in their Plan were compliant with their duties. I supported them to place the seven well-being goals at the core of their ‘Vision for Sport in Wales’, launched in 2018.

- Contributing to the **‘Snowdonia National Park Cynllun Eryri’** Management Plan – this was about getting social, economic, cultural and environmental well-being considered by the National Park and its partners. As a result, the draft report contains themes and connections made across the seven well-being goals and five ways of working.
- Providing advice on the **Cardiff Capital Region City Deal Regional Skills Plan** and the employee skills survey. I highlighted the risks associated with their focus on five priority sectors, with little to no focus on things such as energy (as an example), despite the obvious direction of travel with decarbonisation targets. The Regional Skills Plan is set for 3 years, but the employee skills survey is annual, and so I have ensured it better reflects questions around sustainability, green growth and reducing emissions.
- Related to this, I supported the **Wales Audit Office** with their ‘Review of Arrangements that Supported the Cardiff Capital Region City Deal’s First Investment Decision’. This prompted a recommendation that *“the Well-being of Future Generations Act is considered throughout the project appraisal process rather than after the event”*.





- Advising the **Chartered Institute of Highways and Transportation** on the Act to enable its members to deliver on it in transport planning schemes (supporting my work on WeITAG)
- Assisting the **Supply Chain Sustainability School** on their e-learning module to support the construction industry comply with the Act (supporting my work on housing, decarbonisation and procurement)
- Supporting the **Royal Town Planning Institute** on public involvement (linking to my work on land use planning)

I have also provided on-going support to the 19 public services boards through development sessions delivered in partnership with **Academi Wales, the Welsh Government** and others and have developed a tool to assist PSBs and public bodies to think to the long-term.



“ I found it hugely inspiring and helpful. In particular on the day, I was really interested by the Horizons 1, 2 and 3 explanations in the Future Generations seminar. That evening I drew the graph for my partner, the next day I drew it again for my line manager... I’m sure I’ll be using it again many times in the future! ”

Katie Mallam, All Wales Public Service Graduate Scheme

“ Your advice included plenty of really useful ideas that I can read to get up to speed and inspire our programme boards ”

Wrexham PSB’s team





Detailed, Innovative Advice

Live labs

I am developing my concept of 'Live Labs' which is about working and learning alongside a small number of bodies or public services boards, to test new approaches.

Live Lab

A 'Live Lab' is a creative process I use to:

- Bring about significant improvements in well-being
- Explore complex problems and opportunities from the perspective of future generations
- Challenge the "business as usual" approach
- Test ways of delivering significant changes in policy design and service delivery

This year, I have piloted my approach with **Betsi Cadwaladr University Health Board** to explore how to prevent and tackle obesity. Obesity is important to the Health Board and other Conwy Public Service Board partners because levels are increasing, and at a faster rate than other parts of Wales. We need to act differently if we are to reverse this trend.

All health boards are facing huge and growing demand, pressures which are often seen as a barrier to embedding the Act. My team have been sensitive to this by investing time in building trust and understanding. We brought together 14 organisations and 11 'innovators' from **Public Health Wales, Youth Sport Trust, TYF**, academics from **Cardiff University** and **Glyndwr University**, and a school counsellor and foster parent, to address the issue of obesity in a series of intensive scoping, involvement and problem-solving sessions.



The Live Lab produced a series of actions for consideration by **Betsi Cadwaladr University Health Board, Conwy PSB** and national bodies. The Health Board is developing an internal action plan and looking at how the Live Lab process can inform their service re-design toolkit and leadership course.

“Really engaging, a good way of getting a wider variety of ideas”

“Very interesting to discuss this with others with different perspectives, skills and expertise”

“For the Health Board, this has introduced a new way of working”

“Time to think and be challenged in a safe space”

International evidence shows that change is achieved by the following factors, which are built into the Live Lab process:

- Strong and visible leadership often with a key figure
- Taking a long-term approach with realistic goals
- Intervention at multiple levels and across sectors
- Tackling both environmental and individual factors
- Community ownership and participation mobilising community assets and opportunities
- A flexible approach that evolves and changes
- Strong communication and marketing
- Action learning and robust long-term evaluation

In the coming year I will develop this model, further learning from what worked and what didn't, in this first live lab.

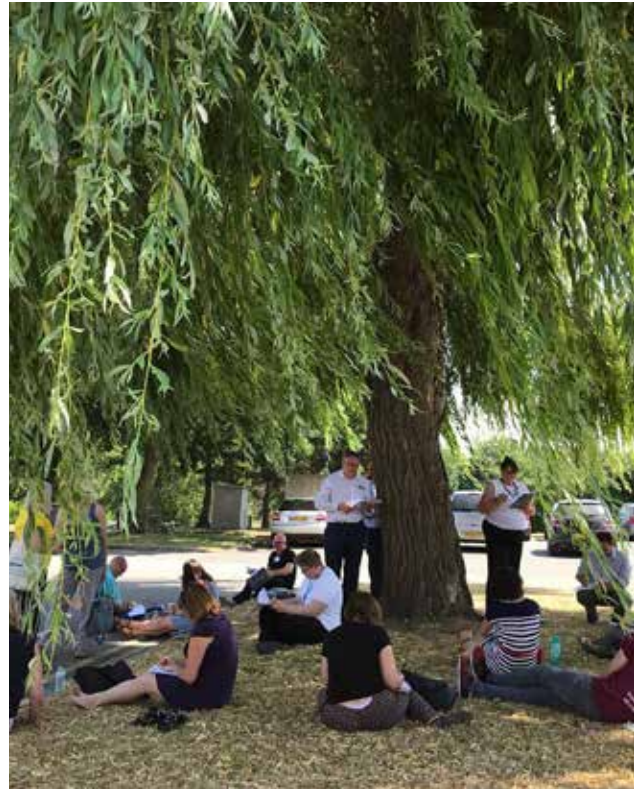




Impact

This year my team and I have:

- ✓ **Framed debate and got the WFG Act on the agenda** in relation to how we measure progress, futures and the need to think longer-term, on the difference between involvement and consultation. It's also ensured that issues such as climate change resilience, Welsh language and culture are on the agenda of the Cardiff Capital Region City Deal Regional Skills Plan and the employee skills survey.
- ✓ **Encouraged discursive commitments** from Government in relation to the publication of Milestones and Indicator 46, also from Betsi Cadwaladr Health Board and its partners to use the Act to address obesity.
- ✓ **Changed the procedures** including the way that the Wales Audit Office undertakes its examinations under the Act and the way that some public bodies have involved people. My first round of monitoring and assessing has also changed how some public bodies plan ahead and review progress against the seven well-being goals and their own well-being objectives.
- ✓ **Affected policy content and commitments** in a wide range of corporate plans, management strategies and policies as a result of responding to over 70 requests for assistance.
- ✓ **Influenced practical behaviour change** within businesses, communities and public bodies from the increasing use of my Future Generation Frameworks for Projects, Service Design and Scrutiny, and as a result of workshops on 'futures'.







Purpose 3

Creating a Movement for Change

I have dedicated a lot of my time this year to building partnerships which will develop 'a movement for change' within the public sector and beyond, where people champion the Wales' approach to sustainable development and drive the changes needed on the ground.

Inspiring, Influencing and Involving

I have continued to focus on raising awareness of the Act within the public bodies covered by it, but also with leaders and front-line staff and individuals from across Wales and beyond.

I have personally carried out over 85 public engagements during the year, ranging from keynote speeches or presentations at conferences, contributions at roundtables, webinars, panels, seminars, public services boards and many informal events, with my team taking on many more. I have engaged with a variety of sectors, including: construction, academia, business, arts and culture, sports and recreation, the third sector, environmental groups, health, housing, transport and social care. And in October 2019, I held my inaugural Future Generations Commissioner for Wales Annual Lecture. This was delivered by founder of The Big Issue, **Lord John Bird, 'Yn and Yáng: Investing in Today for a Better Tomorrow'**.



Awen CEO
@Awen_CEO

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'

My reach has been global: from primary schools like **Millbrook Primary** in Wales, to the **World Government Summit** in Dubai, from speaking at the launch of the Prosperity for all: A low Carbon Wales in Cardiff's Coal Exchange, to the **United Nations High Level Political Forum** in New York. The interest in the Well-being of Future Generations Act clearly extends far beyond those who are covered by the legislation.





What has the Future Generations Act done for Wales?

By Sarah Dickens
BBC Wales economics correspondent

10 May 2018



Chris Lines
@Lineschris



The most brilliant way to start the year. I've watched @sophiehowe give her @futuregencymru TEDx talk to @WelshGovernment staff on being a badass and working for future generations #WFGAct

It needs to be on YouTube so we can all be inspired.



Melanie Jane Edgar
@agroecofarm



"Well-being of future generations act taking a holistic approach to environmental management" @JacobDEllis representing @sophiehowe @futuregencymru at #N4FG18 - it'll be facinating to see how this legislation promoting long term planning impacts agricultural policies @BESPolicy

Meet the world's first 'minister for future generations'

The Welsh government has given Sophie Howe statutory powers to represent people who haven't yet been born



▲ Sophie Howe speaking at the All Wales Scouts Camp Jamboree Photograph: Future Generations Commissioner for Wales

Sophie Howe is a public servant with a particularly tricky constituency. The people she represents are remote and unresponsive and they never show up to voice an opinion or tell her if she's doing a good job.

They don't even vote. That's because they haven't yet been born. Howe is the





“ Sophie, many thanks for speaking so supportively at the launch of the Healthy Travel Charter. Personally, on numerous occasions I’ve heard you speak about how the Act should empower people to do the right thing – even when that’s against the prevailing culture and norms – and that you and your office would be there to champion and support those people. That message is really powerful and helps change happen – so thank-you ”

Dr Tom Porter, Consultant in Public Health Medicine, leading on Cardiff Healthy Travel



CathD
@cathdenholm

Inspiring presentation from [@futuregenymru](#). Clear and lucid links between protecting our environment, creating the conditions for health and valuing both our heritage and future [#N4FG18](#)



Art of the Possible

I established Art of the Possible to draw on the collective intelligence of people and organisations across Wales to explain and explore the practical implications for public services of maximising their contribution to each of the well-being goals.

“Art of the Possible 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”

In 2018-19 the focus has been on developing a model of change called ‘Journeys’ for each of the seven well-being goals, detailing the main elements of each goal and giving a menu of actions which could be taken to achieve the goals – from simple to ambitious. This also contains a body of good practice and resources which public bodies can use to demonstrate how their behaviours and actions are in line with the Act and which my office will monitor over time. I published the first stage in these journeys as ‘Simple Changes’ and shared with public bodies and asked for feedback.

30 out of the 44 public bodies subject to the Act responded. On average, 71% of the Simple Changes are already adopted or ‘in development’ across the 30 public bodies that replied. Approximately 12% are being considered for implementation in the future.

Art of the Possible partners:

- Arts Council of Wales
- Fair Trade Wales & Hub Cymru Africa
- Interlink RCT
- NHS Centre for Equality and Human Rights
- Sport Wales
- United Welsh
- Wales Cooperative Centre
- Welsh Government
- Wildlife Trusts Wales

The Simple Changes under ‘Involvement’ and ‘A Healthier Wales’ are the ones most public bodies have taken up, whilst the actions under ‘A Vibrant Culture and Thriving Welsh Language’ have the lowest rate of adoption, indicating that perhaps public bodies are still finding it hard to think about the cultural pillar of well-being.



As a public body, you should...

A Resilient Wales

Manage road verges and connected green spaces (such as spaces around buildings) for wildflowers and pollination

[Read More](#)

A More Equal Wales

Publishing data on protected characteristics and pay grades within the workforce. This includes the gender pay-gap

[Read More](#)

A Globally Responsible Wales

Review your procurement policy and ensure that it includes fair and ethical practices (to include fair trade, marine stewardship council and forestry stewardship council)

[Read More](#)

A Resilient Wales

Adopt a single-use plastic policy, to remove single-use plastics from your estate

[Read More](#)

A Wales Of Vibrant Culture & Thriving Welsh Language

Promote opportunities for older people to engage in culture, through the Gwanwyn Festival.

[Read More](#)

Involvement

Engage on a theme rather than a specific policy

[Read More](#)

Case Study

Who is doing this?

Case Study

Friend of mine

There are several successful intergenerational projects making a difference to people's lives across Wales. In Gwent, the Ffrind i mi (or Friend of mine) initiative, run by Aneurin Bevan University Health Board and other partners, who have developed projects to help people who feel lonely or isolated to reconnect with their communities using intergenerational projects. In Brecon, the community group that helped the town become a Dementia friendly community also run a continued intergenerational project between Llanfaes CP School and Bupa Trenewydd care home. This partnership has been successfully running for around 2 years.

Simple changes are:

- Quick, easy and painless
- Present the Well-being of Future Generations Act in a positive way
- Do what they say on the tin, and have a low risk of failure
- Mobilise and involve people
- Build trust and opportunities for involvement
- Align the agendas of different organisations or departments.

The least adopted Simple Changes were:

- Set targets for the retention in jobs of women returning from maternity leave (A More Equal Wales)
- Promote job-sharing for elected representatives e.g. Councillors (A More Equal Wales)
- Explore the potential of time credits in your organisation. (Cohesive Communities)

As I move into my fourth year, I am expecting public bodies and public services boards to demonstrate how the Act is shaping what they do and move from adopting simple changes towards policies and plans that are more ambitious and transformational. We will be publishing the more detailed 'journeys' progressively as opportunities emerge in 2019. The full impact of this programme will not be truly seen immediately but change should start to show during 2019-20.

How is the Act already making a difference?

Simple Change 7

Explore funding options or support community groups, to develop renewable energy projects on public land

Cardiff Council plans to build a solar farm that would generate £21m of green energy over a 35-year period.

Simple Change 10

Consider opportunities to second staff within and between organisations, to share knowledge and develop transferable skills

Natural Resources Wales encourages appropriate exchange of employees both within NRW and with other organisations. Through the **Torfaen public services board**, they are contributing to the part-funding of an **Academi Wales** MSc secondee.

Simple Change 17

Map public land to identify and publicise land that is accessible for use by community groups, with the aim of connecting wildlife habitats

Pembrokeshire Coast National Park Authority has published a Green Infrastructure Action Plan (which includes a guide and examples for green infrastructure) and developed a land use

planning tool (part of a Nature Fund project at Castlemartin) to look at opportunities for connectivity.

National Museum Wales has been involved in several community-focused schemes (like wildlife friendly gardens at St. Fagans developed by **Hafal, the Wallich** and **Innovate Trust**). The Graft Project at the **National Waterfront Museum Swansea** converted an unused space into a public garden, with horticulturally based courses for volunteers. At **Big Pit** the Coity Tip Trail was developed to provide short walks around an old waste tip from the Coity Pit, and to support wildlife, plants and natural habitats. Volunteers at the **National Wool Museum** created a natural dye garden and hold natural dyeing workshops. Research undertaken in natural sciences identifies the distribution of species in Wales, information which is disseminated to the public by a variety of means.

Simple Change 21

procure and grow native trees as a first choice

Powys Teaching Health Board are looking to develop partnerships with charities and **Powys County Council** want to build 2 trees for every tree fallen due to their activities.





Simple Change 25

Review your policies to ensure you're optimising opportunities to improve your employees' health and wellbeing

Cardiff Council are looking at ways to improve the health and well-being of employees. A number of policy documents relating to, for example, substance misuse, healthy eating and physical activity, menopause guidance have been created.

Simple Change 39

Employees receive refugee and asylum seeker awareness training

Public Health Wales arranged a 'Lunch and Learn' session with Sanctuary Speakers to offer an introduction to the reality of seeking sanctuary in Wales and they are co-developing content for an e-learning module for all NHS Wales staff, which they hope will go 'live' later this year.

Simple Change 49

Explore opportunities for intergenerational activities

The Caerphilly 50+ Forum has collaborated with the Parent Network on several projects, for example books for parents, children and grandparents through PETRA Publishing CIC and luncheon clubs.

In **Carmarthenshire**, the libraries work in partnership with schools and residential homes and day centres, making a centre hub to build better communities. The Education and Children's Services Department use an intergenerational approach in its work programmes like the School Holiday Enrichment Programme (SHEP), supporting families and children during school vacations to cook healthy meals.

The Substance Misuse Team have held 'Listening Events' with parents of disabled children together with young adults to understand what they need from the service.

In **Rhondda Cynon Taf**, Ferndale care home residents visit the school and share activities with children, who in turn visit the care home.

Pembrokeshire Coast National Park Authority have established an intergenerational forum the Pembrokeshire Youth Assembly and the Pembrokeshire 50+ Forum twice a year to discuss

and learn regarding topics of joint interest (such as dementia, mental health and falls awareness, and loneliness and isolation). Several Older People Day Centres undertake regular sessions with local school children to hold joint sessions on history, cooking lessons and exchanges.

Simple Change 61

Support the Night Out scheme

Newport Council are an avid supporter of the scheme and run, for example, performances through the Promoters Scheme in **Ringland Primary School, Pill Millennium Centre, Maindee Primary School** and at Community House in Eton Road.

Simple Change 67

Promote Leadership Opportunities to your staff to understand global contexts

Powys Teaching Health Board have a link with the Molo Health District in Kenya focused on improving maternal and new-born health.

Public Health Wales, together with **Oxfam**, are delivering global citizenship training to Welsh health professionals.

South Wales Fire and Rescue Service have, along with **University of South Wales**, devised academic programmes for leaders within the organisation called the Pioneer and Challenge Programmes, which look at challenges facing the organisation and the public sector in Wales and beyond.

Simple Change 78

Include 'public involvement' in planning, monitoring, reporting and staff appraisals (where appropriate):

Newport Council has set out a number of commitments to young people across Newport in their Children's Charter (Newport Promise), which was developed by young people. This charter will be annually monitored by members of Newport Youth Council. The Council is also considering young people's engagement in chief officer appraisals.

A Growing Movement for Change...

The reach of Art of the Possible has demonstrated how organisations not covered by the legislation are embracing its vision and principles. This has been inspiring and encouraging to see.

Nation-wide change needs a cross-sector movement where a whole range of organisations and communities work toward a shared vision which is long-term, responsible and collaborative. This is not an easy journey and I often describe it as an expedition. I also realise that different organisations are at different stages in their journeys with different views and practices around sustainable development and social responsibility in Wales. There are many beyond the public sector who haven't yet considered the part they could play and the difference it could make, but there are some real champions too.

This year, I have formed a strategic partnership with **Business in the Community Cymru** – a business-led membership organisation made up of responsible businesses of all sizes who understand that the prosperity of business and society are mutually dependent.

In collaboration with the Welsh Government **Business and Regions**, we conducted a survey "Working together to build the Wales we want". The survey was predominantly aimed at businesses in Wales, however we encouraged cross sector participation. We wanted to establish the awareness, understanding and practice of sustainable development and socially responsible practices in business in Wales and find out the readiness for cross sector contribution to the achievement of Wales' long-term well-being goals. Based on our findings and review, we are considering potential cross sector partnership approaches to encourage organisations not covered by the Act to lend their voices and responsible actions towards building the Wales we want.





How is the Act already making a difference?

Here are some examples of how organisations are embracing the Act.

- **Hafren Dyfrdwy** (Severn Trent's new Welsh Company) have used my Future Generations Framework as a core component of their business case to Ofwat.
- **Construction Excellence in Wales** has proposed that the construction industry is considered the 45th named body in the Act. They will develop well-being objectives for the sector and a way to monitor progress.
- **Kingspan Insulated Panels** has set itself a target of becoming a Net Zero Energy company by 2020. It has already reached 75% of its target and its Holywell manufacturing site runs on 100% renewable energy. Supporting their contribution towards 'A Resilient Wales Goal' are other initiatives to maximise resource efficiency and send zero waste to landfill, all of which is also helping to increase manufacturing efficiency and profitability.
- **Pobl Group** has launched the Pobl Academy, a two-year career development programme helping young people who may not have had the opportunity to build a career due to a range of common barriers. Through the Academy, Pobl can recruit people from more diverse backgrounds, build workforce that better reflects and understands the communities it serves and is helping young people into quality employment.
- **The Wales Council for Voluntary Action** have developed a comprehensive set of resources adapted for the third sector and community groups to encourage and support action on the Act.

- **Coleg Cambria** has a Future Generations Plan underpinned by the seven well-being goals. Jack Sargeant, Assembly Member for Alyn and Deeside has said "They clearly recognise the importance of the Act and the opportunities it presents."
- **Welsh Health Specialised Services Committee, the NHS Wales Shared Services Partnership and Welsh Ambulance Service NHS Trust** don't fall under the Act but have shown tremendous enthusiasm for applying its principles.
- **Liverpool University** said that: "We found the idea of the Well-being of Future Generations Act and its implementation through the Commissioner particularly thought-provoking. Looking at internal issues through this lens will provide new insights as we develop our own policies and procedures".



Wales' civil engineering sector set out action plan to embed aims of the Well-being of Future Generations Act

On Tuesday, 16 February 2016, the Civil Engineering Contractors Association Wales (CECA Wales) launched 'Transporting our Future Generations', a joint report with Association of Consulting Engineers (ACE) and County Surveyors Society Wales, at the National Assembly for Wales, CECA Wales, sponsored by Merthyr and Dowlais Assembly Member Jack Sargeant.

[Read more](#)

Voluntary National Reporting

My office has been supporting Welsh Government to prepare the Welsh response to the UK National Voluntary Review. The purpose of such voluntary reviews is to highlight the progress a UN Member State is making toward achieving the Sustainable Development Goals (SDGs) and we are in a unique position in Wales.

Wales distilled the SDGs into seven well-being goals and legislated to put well-being at the heart of our policy-making. The seven well-being goals are mapped against the UN SDGs and can be viewed [here](#).

My office arranged and facilitated two successful SDG stakeholder summits in January 2019 to capture and contribute to drafting our response. The final document will be presented to the High-Level Political Forum in New York in July 2019. We also worked with Welsh Government to produce a Welsh Supplementary Report which will be available later in 2019.





International profile:

Taking Wales to the world...

The Well-being of Future Generations Act remains the only legislation of its type in the world and is regarded as a leading example for others by the United Nations.

I have been truly amazed and proud at the reaction of organisations, governments and individuals across the world towards the Well-being of Future Generations Act. It continues to inspire and impact change internationally.

Over the last year I have met with several government officials and international organisations to highlight the work Wales is doing in relation to well-being and sustainable development. Global challenges facing our country are complex and shared by many around the World. I actively seek to learn from others and share our work to better assist public bodies here in Wales.

These are some of the examples of how I have raised the international profile of the Well-being of Future Generations Act:

- I am the **Chair of the Network of Institutions for Future Generations (NIFG)** - a collective body of similar commissioners or bodies with responsibilities for representing the needs of future generations across the globe. Over the last year we have continued to support members and co-produced a policy paper to be presented to the United Nations in July to influence and encourage other countries in the world to adopt similar legislation and independent future generations institutions.

[Read more](#)

[Read more](#)

- In July 2018, I addressed the **High-Level Political Forum at the United Nations, New York**. This is an annual forum that tracks progress towards meeting the UN Sustainable Development Goals. I was given the opportunity to discuss the lessons we have learnt in Wales about 'leaving no one behind,' which I believe is a crucial principle to the Welsh legislation.

[Read more](#)



[Read more](#)

- In February 2019, I delivered a key-note speech at the **World Government Summit** in Dubai, United Arab Emirates at the invitation of the UAE Minister of Happiness and Wellbeing.



[Read more](#)



- I delivered a key note speech via video message to **The Fifth Global Conference of Young Parliamentarians in Azerbaijan** by invitation of the Inter-Parliamentary Union.



- In July 2018, my Director for Policy, Legislation and Innovation, Marie Brousseau-Navarro conducted a workshop for the Office of the Prime Minister and representatives of the **New Zealand Government** sharing our experience on futures and long-term thinking in the Well-being of Future Generations Act. She also delivered an open lecture at Victoria University, organised Jonathan Boston, Professor of Public Policy at **Victoria University** (Wellington, New Zealand) whom we later in the year welcomed to Wales to share our learnings.



[Read more](#)

“The legislation is remarkable in terms of its breadth, its coverage and ambition. There’s nothing quite like it anywhere else in the world at this point. I am enormously impressed with the amount of work the Commissioner has done in a very short space of time to seek to give expression to the legislation and to make it work. It seems to me that the Commissioner, Sophie Howe, has led a very strong team of people, who have no doubt worked extremely hard and to have been very innovative in the way that they have approached the task of seeking to give expression to the Act. I think in one’s language you would say, “one would take ones’ hat off.” I’m sure that Wales is going to be one of the lighthouses on the horizon that will be shining a beacon that will be of relevance to many other jurisdictions...”

(Professor Jonathan Boston)





Recently I met with Daniella Tilbury, the **Sustainable Development Commissioner for Gibraltar**. I look forward to continuing my support for her role and to offer advice on the further implementation of the similar legislation in Gibraltar.

“The Act to Amend the Federal Sustainability Development Act (Bill C-57) has just received royal assent. The focus will move from just “environment” to sustainable development and with a closer link the UN’s Sustainable Development Goals...”

Julie Gelfand, Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada)

... and the World to Wales

I have welcomed organisations and individuals from several countries to Wales to share their learnings with me, including **Olivier Cadic** (French Government Senator), **Peter McKinlay** (New Zealand Local Government Think Tank), a delegation of **Chinese Mayors** and **Mark Ruskell** (MSP Scottish Green Party).

I've also presented to a selection of **Foreign and Commonwealth Office Diplomats**. Following my visit to the World Government Summit, my office is seeking to share learning work with the New Zealand Treasury and the **OECD** on well-being budgeting.

In March 2019, my Director for Policy, Legislation and Innovation met with officials from the **French Parliament, the French Ministry for Agriculture** and from the Ministry from **Ecological Transition, and Les Futuribles** (a future thinktank advising public bodies and governments on futures methodology and research) in Paris to discuss and learn from their practices in relation to futures and future trends and to share our practice from Wales.





Impact

This year my team and I have:

- ✓ **Inspired, influenced and raised awareness** of the Act across a wide range of people and organisations from front-line staff to leaders, communities and young people. Showcased Wales and the future generations legislation to international audiences and to MPs in the UK Parliament.
- ✓ **Encouraged discursive commitments** from public bodies on taking forward the Simple Changes and what actions they would commit to undertaking. Providing a 'Journey' from

simple changes to 'leading the way' has given public bodies and others a framework against which to monitor progress.

- ✓ **Affected policy content and commitments** of the UK's Voluntary National Report to the United Nations on our progress against the Sustainable Development Goals.
- ✓ **Influenced practical behaviour change** in a wide range of organisations from business, voluntary groups and education, creating a 'movement of change' around the Act.







Purpose 4

Walking the Talk

Stories from our personal journey
– living the change we want to see in others

Alongside my work with public bodies and others to drive progress in meeting the well-being goals, I am determined that my office also leads by example. My team is increasingly embedding the behaviours we promote to others in our day to day working.

For example, one of our core values is minimising rules and encouraging freedom to innovate. I want to provide 'context not control' and encourage my team to make their own judgements about situations, allowing them freedom to make decisions that demonstrate my trust in their abilities.



With this in mind, we have been developing employment policies that steer our working practices rather than script rules for every eventuality. These policies suit a workplace culture that promotes and values work that contributes to strategic impact.

I feel confident that we are creating a culture which praises people who ask for help. My office has moved away from a traditional line manager approach to a more agile and flexible arrangement one which allows people to seek support from the most appropriate person. I have linked this with a mentoring scheme where you choose your own mentor and I encourage reverse mentoring too. This is where less senior or younger members of the team mentor upwards in a specific skill, like digital skills.



With this spirit in mind, in this section I have included a selection of stories from our personal expedition as a team this year. Again, I have used the five ways of working and sought to maximise our contribution to the well-being goals. Although I attribute each story to a specific goal it's important to remember the integrated nature of well-being and the integration principle, which means that most of these activities contribute to more than one goal.



A Prosperous Wales'

We contributed to a Prosperous Wales through:

“ 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 ”



- A partnership with **The Wales Co-operative Centre** as part of Art of The Possible to develop the Journey towards 'A Prosperous Wales'.
- Supporting **apprentices**
- **Secondments** giving people opportunities to learn new skills – this year I have supported 15 different inward and outward secondments. A full list of partner organisations in 2018-2019 is [here](#).
- Enhanced **pay deal for lower paid staff** - Our 2017-2019 reward strategy paid a greater percentage annual increase to staff earning less than £40k which narrows the gap between the highest and lowest pay bands and aids fairness and pay equality. Salaries of the people earning above £40k were top sliced and paid into a well-being pot.
- Supporting local business including **Eartha** who installed our green wall





Say hello to Hollie

I recruited my first Apprentice in September 2018 to a Team Support role. Hollie is working towards an NVQ in Marketing whilst supporting the team with events and general office activities. I am committed to ring-fencing resources in our staff budget for an Apprentice position on an ongoing basis.



Say hello to Rhys

Rhys has a degree in Maths and Physics and came to us on a graduate internship to set up our CRM system. We've helped Rhys to secure a permanent job at the Welsh Revenue Authority.



'A Resilient Wales'

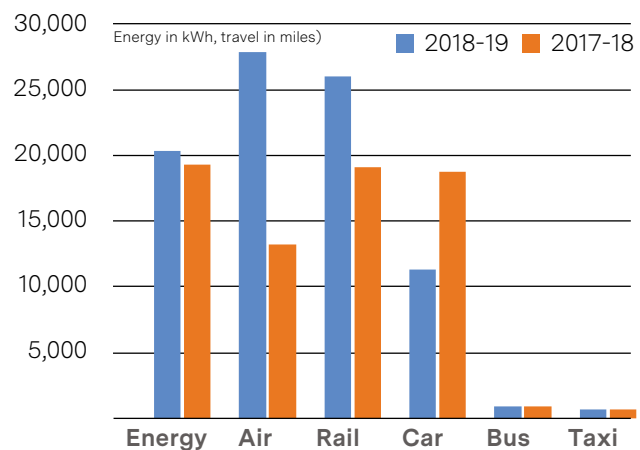
We contributed to a resilient Wales through:



- A partnership with **Wildlife Trusts Wales** as part of Art of The Possible to develop the Journey towards 'A Resilient Wales'.
- Reducing our impact on the environment and **decarbonising my work** overall my office generated 21 tonnes of greenhouse gases through waste, electricity and travel in 2018-19. 70% of my team's carbon emissions is as a result of travel for work. I will be offsetting our carbon emissions by making a donation again this year to the Woodland Trust and the Size of Wales charities to highlight the good work of these schemes and demonstrate our commitment to actively managing carbon emissions responsibly.

[Read more](#)

Office energy consumption and business mileage



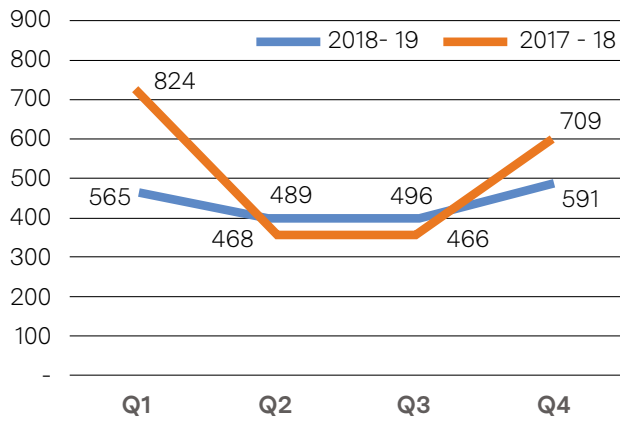
My visit to the **United Nations** in New York and attendance at the World Government Summit in Dubai account for 84% of office's air travel, which is generally very low..

- Encouraging **paperless** working – our volume of printing is decreasing - good for the environment and a thumbs up from our auditors too .
- Supporting **modal shift** this year - Car mileage decreased by 44% while business mileage from public transportation increased by 41%
- Supporting staff to lease **Ultra Low Emissions Vehicles**
- **Pool bike and space for cycle storage** – many of my staff cycle to work on a regularly basis





2018-19 Office printing
(number of copies, weekly average)



Say hello to Sang-Jin

Sang-Jin monitors our office waste, energy and travel carbon emissions and keeps them in check securing modal shift year on year. He has also helped us install our green wall.



‘A More Equal Wales’

We contributed to a more equal Wales through:

- **A partnership** with the **NHS Centre for Equality and Human Rights** which has been my partner in Art of The Possible to develop the Journey towards ‘An Equal Wales’.



- **Team training and development** this year included British Sign Language skills, training as Mental Health First Aiders and a multi-faith tour.



- Our **lunch and learn programme** which offers the Team knowledge and stories of lived experiences from community initiatives such as: **Sport Wales’s Young Sports Ambassadors**; **Hafal** a Mental Health charity; **Purple Shoots**, a charity that provides funding to people who are excluded from other forms of finance apart from high cost options; the **British Deaf Association**; and **National Fire Cadets**.



- Benchmarking our **workforce diversity** profile each year against the national statistics.

[Read more](#)

- As a small team it is a challenge to represent all groups. We addressed this **by involving underrepresented groups** in our newly developed [People's Platform](#) which will ensure we capture the perspectives of people from all groups **Disability Wales** and **The Muslim Council for Wales** and other under-represented groups will be holding events for us in 2019-20 in support of the People's Platform.

A new leave allowance for staff. Inspired by New Zealand's Domestic Violence Victims Protection Bill, this year I enhanced our policy for supporting people experiencing domestic abuse by introducing 'who may need time off to urgently flee from an abusive relationship and protect themselves and their children.'



Say hello to Marie

Marie's children have outgrown play schemes and holiday clubs, but they are not old enough to be left home alone. Marie uses our anytime anywhere working policy so she can work at home and be there for her children. Happy children, productive mum.



‘A Wales of Cohesive Communities’

We contributed to a Wales of Cohesive Communities through:

- **A partnership with United Welsh Housing** which has been my partner organisation in Art of The Possible to develop the Journey towards A Wales of Cohesive Communities and to support work on housing
- Supporting initiatives such as **Beauty Bank** and clothes swap to raise funds for our charity and to provide toiletries for people who are homeless or fleeing abuse



- Opening up our office to other organisations who use it as a meeting space or to hot desk
- Our **staff volunteering policy** – staff have volunteered with **Women’s Aid** and the **Scouts**
- Supporting our Charity of the Year – **Big Moose** a social enterprise whose mission is to ‘leave the world in a better place that you found it’



- Providing desk space for **Constructing Excellence in Wales**

Say hello to Julie

Julie uses our volunteer policy which gives her time off to work with **Welsh Women’s Aid** as an ambassador. She has recently become a champion for their SEEDs programme (Survivors Empowering and Educating Services) drawing on her personal experience of abuse to influence and inform a wide range of stakeholders about how to best plan, develop and deliver violence against women services, including domestic abuse and sexual violence.





'A Healthier Wales'

We contributed to a Wales of Cohesive Communities through:

- **A partnership with Sport Wales** which has been my partner organisation in Art of The Possible to develop the Journey towards A Healthier Wales.



- **Anytime Anywhere working' policy** which reduces our need to travel unnecessarily, allows us to spend quality time with our family and which is highly dependent on trust in each other to deliver.
- Signing up to Cardiff's Healthy Travel Charter led by **Cardiff Public Services Board** details can be found [here](#).
- Outdoor meetings
- **Running club and Yoga**
- **Staff well-being fund** whereby staff can access £400 per year to support their well-being
- My team **well-being huddle** which is our collective idea generator for our office well-being initiatives continued this year and we will be putting their ideas into practice for a 'Well-being Wall' and a redesigned 'Zen Den' with recycled art-work and calm lighting in 2019-20.



Say hello to Clare

Clare organises yoga and running club. She loves road and trail running and usually wins the over 70s category in races of all distances. She cycles every day to work and loves bike touring in Wales and beyond.



‘A Wales of Vibrant Culture and Welsh Language’

We contributed to a Wales of Vibrant Culture and Welsh Language through:

- A **partnership** with the **Arts Council Wales** which has been my partner organisation in Art of The Possible to develop the Journey towards A Wales of Vibrant Culture and Thriving Welsh Language



- We attended the **Hay Literary Festival** in 2018 and ran an activity with young people centred on the **Urdd Eisteddfod Chair**. Young people decorated one of our office chairs with ribbons that described their ambitions, hopes and aspirations for the future. This chair sits in our office and reminds us on a daily basis of the future generations and the purpose of our work. It has also become a talking point for visitors to the office.



- **Welsh is encouraged and spoken** without inhibition in my office, about one third of my team are advanced or proficient in the Welsh language. Several team members attend a weekly advanced class to improve their written Welsh, vocabulary and confidence levels and others are funded to undertake personal learning opportunities.
- My Team have a **‘culture vulture’** ethos and regularly share reviews and information about cultural activities through social media platforms. Culture and language offer the softer skills required for the creative thinking of the future.
- I have appointed a Poet in Residence



Poet in Residence

I am delighted to have appointed Rufus Mufasa as my Poet in Residence, in partnership with **Literature Wales**. Rufus Mufasa is an exciting up-and-coming bilingual performance poet who combines poetry with hip hop. Her appointment is a key part of our creating a movement for change. As one of the four 'pillars' of sustainable development, culture offers an opportunity to communicate with a diverse audience in a dynamic and powerful way, and create "musical statistics, turn policies into poems, rap the rules for a brighter future and bring our collective ambition to transform our lives for the better into reality." To hear Rufus Mufasa's first poem you can listen here



Say hello to Rebecca

Rebecca is a culture culture. She organises cultural activities and won the 2018 Planet Magazines Young Writers Prize.



A Globally Responsible Wales

We contributed to a Globally Responsible Wales through:

- **A partnership** with **Fair Trade Wales/Hwb Cymru Africa** which has been my partner organisation in Art of The Possible to develop the Journey towards A Globally Responsible Wales
- We look for **ethical supply chains** such as in my electricity supply
- We have a **FairTrade honesty shop** in my office.
- We supported Public Health Wales with the procurement of Fairtrade cotton T Shirts for an Annual Conference on Decarbonisation.
- My team sourced and bought FGC branded bilingual Fairtrade organic cotton T Shirts in partnership with **KoolSkools** who have been providing workshops to schools in Wales, including **Hafan Y Môr and Neyland** who have both switched to Fairtrade Cotton School Uniforms.



“ Making a good decision to purchase products using an ethical supply chain, contributes to more than one of the seven well-being goals ”

Say hello to Elen

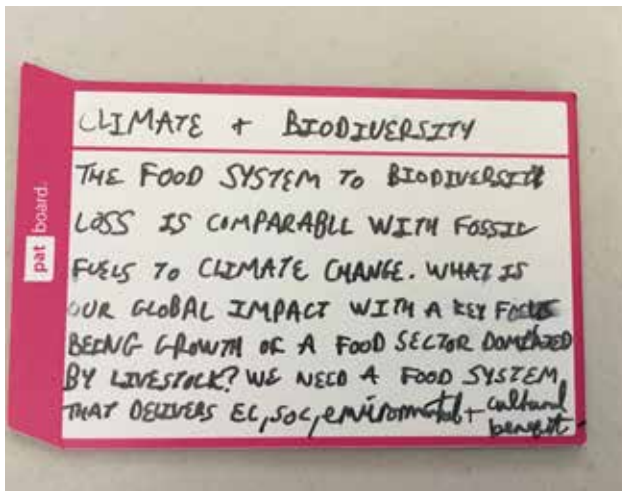
Elen is on secondment from Fair trade Wales. She has set up our Fairtrade honesty shop and has arranged for us to meet producers who benefit from Fair trade





What will we do in the next 12 months

Next year, I will gather and publish resources for public bodies and anyone who wants to be part of the movement of change as I release my Art of the Possible Resources, build on my first round of monitoring and assessing and start to work on my Future Generations Report. I expect public bodies and PSBs to demonstrate how the Act is shaping what they do, moving from adopting simple changes towards policies and plans that are progressively more ambitious and transformational.



A Journey to
A Resilient Wales

1: Biodiversity & Soil



Making Simple Changes

- Manage road verges and connected green spaces** (such as spaces around the edge of buildings) for wildflowers and pollinators.
 - Eg** Wildflower area at the **Natural Resources Wales** Maes y Ffynon offices in Bangor <https://naturalresources.wales/about-us/news-and-events/blog-public-places-natural-spaces/?lang=en>
- Engage people and community groups** you work with to Adopt a Path to help manage it for Biodiversity (for example through raking grass cuttings to reduce fertility).
- Use peat-free compost** in planting schemes and planters across cities, towns and villages.
 - Eg** **National Botanic Garden** is now peat-free <https://botanicgarden.wales/wp-content/uploads/2017/10/Peat-free-Compost-a-leaflet.pdf>
- Provide spaces for wildlife** such as bird boxes, insect homes, ponds, and bat boxes.
- Use peat-free compost** in planting schemes and planters across cities, towns and villages.
 - Eg** **Ceredigion Council** Adopt a Path Scheme <https://www.ceredigion.gov.uk/resident/coast-countryside/public-rights-of-way/getting-involved/>
- On land you own or work with**, reduce intensive management (such as cutting) of churchyards, allotments, waterways, parks etc. to leave areas for biodiversity.
- Eg** **Living Churchyards Project** example in Abergavenny <https://www.steiaschurch.org.uk/churchyardproject.htm>
- Use native**, and where possible, local provenance seed mixes where re-sowing of an area is needed (connect with local organisations who may be able to facilitate seed collection from local wildflower rich meadows).

A Journey to
A Resilient Wales

In the Well-being of Future Generations Act, this goal is defined as

“A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change.”

A Journey to
A Resilient Wales

1: Biodiversity & Soil



Disablers

Achieving this goal is **less likely to happen** when...

- Environmental grants are reduced and restrictive and short-term.
- Economic growth, including jobs and business, are prioritised over the natural environment, with environmental damage trade-off for short-term growth.
- Failure to plan, design and manage green infrastructure from the start of programmes and projects.
- A focus on waste, transport and energy, away from the natural environment.
- Lack of knowledge – Green Infrastructure is seen as the role of environment department.



A Journey to
A Globally Responsible Wales

- Ensuring that our supply chains are fair, ethical and sustainable
- Supporting sustainable behaviour and making the connections
- Playing our part to ensure that Wales is welcoming, safe and fair to all
- Ensuring that we understand the importance of using the earth's resources efficiently and contribute to global well-being
- Making the right financial decisions now, to enable future generations to thrive

A Journey to
A Globally Responsible Wales

1: Ethical Consumption and Procurement



Being More Adventurous

- Review and develop** your food policy and procurement contracts to increase product range to include fair, ethical and sustainable fruit, juice, snacks and other food where possible, and include palm-oil free / sustainable palm oil in your food contracts to ensure that natural habitats are being maintained.
 - Eg** **Welshpool High School, Ysgol Hafan y Mor and Transport for London.**
- Review and develop** your workwear policy and procurement contracts to increase product range to include fair, ethical and sustainable textiles/workwear/uniforms.
- Review and develop** policy to ensure your supply chain is sustainable for all sourced materials, including aggregates, paint, vehicle and oil-based products and include [CAFOD](#) / [FSC](#) requirements in all your contracts and tenders.
- Ensure all of your contracts** meet the requirements of the [Modern Slavery Act/Code of Practice](#).
- Procure conflict-free** electronics through independent verification schemes such as [electronicswatch.com](#) and [Greenpeace Guide to Electronics](#) so that the minerals and natural resources are sustainable and ethical.
- Apply for sustainable** organisational certifications.
 - Eg** **BCorp** and **Green Dragon** in tenders and contract bids.
- Deliver updates/training** so existing and new staff are aware of changes to sustainable certification schemes, empowering staff to make appropriate contract and policy decisions – this could include asking your local Fair Trade group or [Fair Trade Wales](#) to come and talk to you.





Purpose 1:

Highlight and act upon the big issues and challenges facing future generations

I plan to use my powers in the legislation to undertake two Section 20 Reviews in areas where I am frustrated with progress - **procurement** and **health**. I want to see the Act driving procurement decisions and public spend contributing to the well-being goals. In terms of health policy, I want to see a shift to long-term well-being approaches across the NHS and Welsh Government. The reviews will help me assess to what extent that's happening and make recommendations, which a public body must take all reasonable steps to follow.

The Welsh Government's **strategic budget** will continue to be a priority. I will monitor the Government's implementation of my previous recommendations and provide advice and challenge where the Act is not being applied.

With regards to **housing**, my focus will be to influence Welsh Government's implementation of the Affordable Housing Review's recommendations.

Decarbonisation must be integral to all our activities in Wales, including the work of my team. I will publish a ten-point plan to show how we should fund the climate emergency and additional guidance on 'A Resilient Wales' and 'A Globally Responsible' Wales with the steps public bodies should make to enhance biodiversity and limit their carbon emissions.

I will publish a Future Generations Framework for **planning** design and development control that can be used by public bodies, communities and statutory advisors.

In partnership with Cardiff University, I will publish a state of the Nation report and 'Journey' on what good looks like on **'skills for the future'**.

I will continue to contribute to the **ACE** Support Hub to support institutional change, and I will gain a more detailed understanding of progress through my own monitoring and assessing and by undertaking a Live Lab on ACEs with Cwm Taf Public Services Board.

Purpose 2:

Support and challenge public bodies to use the WFG Act

Summer 2019 will see me finalise my first round of **monitoring and assessing** by providing individual feedback to the 44 public bodies and publishing an overall report with recommendations by sector. This has been a major undertaking.

I will continue to increase my team's capacity on **future trends** which will become a distinctive component of Live Labs and other areas of work.

I will continue to **respond to requests** for advice and assistance from public bodies and PSBs throughout the year and follow-up to understand where my interventions are most effective.

My partnership with the **Wales Audit Office** and **Academi Wales** will continue to be an important element of delivering support to public bodies and multiplying our impact.

The Future Generations Report 2020

The **Future Generations Report** is one of my statutory duties as Future Generations Commissioner. The Act deliberately sets its timing to be published in May 2020 before national and local elections so that its content can inform public debate and political manifestos.

I see it as a great opportunity to develop a collective manifesto for the future generations of Wales and it will be one of my priorities for 2019-20 with involvement at its heart under the name 'Our Future Wales'. Check out our website, social media and newsletter for updates.

Purpose 3: Create a movement for change

Art of the Possible was a major programme of work which has resulted in a model of change for each of the well-being goals. These “Journeys” with their body of good practice and resources will be published in the second part of 2019 and will help public bodies demonstrate how their behaviours and actions are evolving in line with the Act.

The reach of Art of the Possible has demonstrated how organisations not covered by the legislation are embracing its vision and principles. Phase 2 will map public bodies’ well-being objectives against the Journeys to provide an understanding of ambition and progress and identify actions from Wales and elsewhere that are truly ‘Leading the Way’. I will share this with a range of organisations to understand how we help good practice to ‘travel’ and what barriers prevent that from happening.

I will be exploring potential cross-sector partnership approaches with **Business in the Community** and others to harness the collective energy and drive of the private and third sectors to join our journey towards a more sustainable and socially responsible Wales.

I am excited to be launching a new **Leadership Academy** for young people which has the Well-being of Future Generations at its heart and will support young leaders to take part in internships, reverse mentoring and the One Young World summit in October 2019.

[Read more](#)

Purpose 4: Walk the Talk - be the change that we want to see in others

My team and I are committed to **creating a culture that has a positive impact** on us as well as in Wales and the rest of the world. The Simple Changes I’ve published, and the more ambitious actions set out in my Art of the Possible ‘Journeys’ will form the basis of this.

I will publish a Journey on **sustainable conferencing**, in collaboration with the Major Events Unit in Welsh Government, which offers an opportunity for us to showcase the Act and how all organisations should seek to embed the sustainable development principle into events, conferences and smaller meetings.

And I look forward to seeing our new **Volunteering Scheme** come to life, where members of my team have time to support a community initiative that furthers one of the well-being goals. We have exciting plans with our first chosen charity, Big Moose, a Cardiff based social enterprise coffee shop that provides employment opportunities to the homeless.

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. Get in touch by email, twitter, letter, phone or by my Peoples’ Platform if you want to find out more, or sign-up for my regular newsletter.

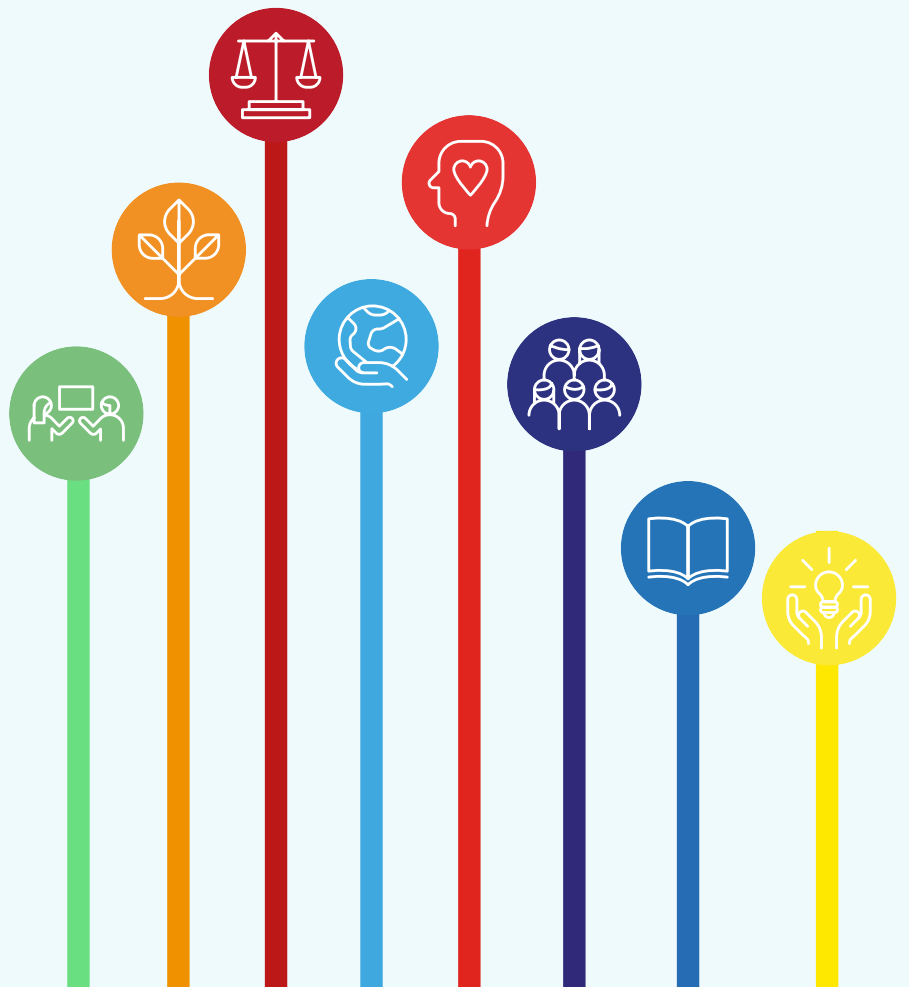
Sophie Howe

Future Generations Commissioner for Wales
9 July 2019





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.

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
- Disclosures on parliamentary accountability
- Remuneration and CETV 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 and
- 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 directors which may conflict with our management responsibilities. A summary register of interests for me and my directors 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 2018 to 31 March 2019 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 (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM 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 2018-19, £1.48 million was received to fund activities (£1.48 million, 2017-18). I also received a small amount of other income from charges for requests for advice, support and assistance.





Results for the period

The Statement of Comprehensive Net Expenditure shows expenditure, for the year, of £1.690 million, an 18 per cent increase on the previous year (£1.433 million to 31.3.18). The general fund balance as at the year-end dropped to £291,000 (£501,000 at 31.3.18). A reasonable level of reserves is retained to fund the final phase of my Art of the Possible programme which will be completed in 2019-20 and to allow for any unplanned, urgent and important matters brought to the Commissioner's 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

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, Statement of Financial Position, 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 Accounting Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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.

The Accounting Officer is required to confirm that, as far as she is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Sophie Howe

Future Generations Commissioner for Wales
9 July 2019

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 during the year ended 31 March 2019 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— (a) the Children’s Commissioner for Wales; (b) the Welsh Language Commissioner; (c) the Commissioner for Older People in Wales; (d) the member of staff of the Welsh Government designated by the Welsh Ministers as the Chief Medical Officer for Wales; (e) the chairperson of the Natural Resources Body for Wales or another non-executive member of that body selected by the chairperson; (f) an officer of the body representing trade unions in Wales known as Wales TUC Cymru nominated by that body; (g) the chairperson, director or similar officer as the Welsh Ministers may appoint of a body representing persons carrying on business in Wales; (h) such other person as the Welsh Ministers may appoint I have drawn on individual members experience to inform my organisation’s work programme and advise on my statutory functions throughout the year.





Audit and Risk Assurance Committee

I have appointed an Audit and Risk Assurance Committee 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 and trustee of Care & Repair Cymru, trustee of Plaid Cymru Credit Union, Member of Welsh Government Valleys' Taskforce, non-exec member of Welsh Revenue Authority Board, member of Plaid Cymru National Executive Committee, member of Plaid Cymru Membership, Standards and Disciplinary Panel, Chair of Plaid Cymru Audit, Risk and Compliance Committee, ambassador of Welsh Women's Aid;

- **John Dwight**, retired Auditor, trustee and honorary treasurer of City Hospice Cardiff, member of CIPFA Cymru-Wales Branch Executive;
- **Gareth Madge**, former Chief Officer and Chief Legal Adviser with South Wales Police, vice chair of South Wales Police Heritage Board, trustee of Calfaria Baptist Chapel; and
- **Jonathan Morgan**, former conservative AM and chair of PAC and Assembly's Health, Well-being and local government committee, trustee of the Whitchurch Community Association, sole owner and director of Insight Wales Consulting Ltd., employed by Practice Solutions Ltd to manage the Association of Directors of Social Services Business Unit.

All are independent and do not work for the Commissioner.

The Chair of the Committee has provided me with an annual report in which he concludes 'As a result of its work during the year and the findings of internal and external audit, the Committee can provide the Commissioner with assurance that the governance, financial management and risk management arrangements in place are appropriate and have operated effectively during the 2018-19 financial year.'



Governance framework

My corporate governance structure has evolved during the year to reflect our 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. The core components largely remain the same however some additional structures and roles have been created.

I take key decisions after discussion with team members. I have also given authority to certain staff to authorise financial transactions. Internal Audit has been in place throughout the year and has delivered a full programme of work and the Audit Risk and Assurance Committee 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 requires 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 is reviewed annually and 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 in the loop about our plans and the approach that I and risk owners will take to managing the associated risks.

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 2018-19 I have updated my strategic risk register in consultation with staff and the Audit Risk and Assurance Committee. 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
- High Level Cyber Security review
- Data Protection

Deloitte's Annual Report for 2018-19 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 substantial assurance regarding the achievement of the Commissioner's objectives'.





Information assurance

An information governance framework is in place with a suite of underpinning policies that set out the security arrangements and principals 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 team, 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 2019-20, I will monitor, maintain and enhance the governance and internal control arrangements to ensure they continue to meet my assurance needs and fit with a modern, agile workplace. 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.

Sophie Howe

Future Generations Commissioner for Wales
9 July 2019

Remuneration and staff report

This part of my Accountability report provides information on my remuneration policy for me and my directors.

I took remuneration advice from civil service recruitment specialists for my directors. 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:

I was appointed on 1 February 2016 and my directors 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.

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 | |
|---|-------------------|-------------------|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
| Sophie Howe – Future Generations Commissioner for Wales. Full time | 90-95 | 90-95 | 2 | - | 36 | 36 | 125-130 | 125-130 |
| Kate Carr – Director of Engagement, Partnerships and Communications. Full time | 60-65 | 55-60 | - | - | 24 | 23 | 80-85 | 75-80 |
| Marie Brousseau-Navarro - Director of Policy, Legislation and Innovation. Part time 0.8 FTE | 45-50 (FTE 60-65) | 45-50 (FTE 55-60) | 1 | - | 20 | 19 | 65-70 | 60-65 |
| Helen Verity – Director of Finance and Governance. Part time 0.6 FTE | 35-40 (FTE 60-65) | 40-45 (FTE 55-60) | - | - | 16 | 17 | 50-55 | 55-60 |
| Mike Palmer – Director of Policy Performance and Implementation. Full time. Retired on 31st Oct 2017 | - | 40-45 (FTE 65-70) | - | - | - | 6 | - | 45-50 |

Benefits in Kind

These relate to payments made under our Well-being Gift Policy. Well-being is hugely important to us as an organisation and is a central theme of the Well-being of Future Generations Act and its seven goals. Well-being is also a very personal

thing. As part of our 2017-19 Reward Strategy, salaries of the people earning above £40,000 per year were top sliced and paid into a Well-being Pot. Employees can claim up to £400 towards the costs of membership of a club, an activity, a health treatment or equipment to support the activity.





Pension Benefits – Civil Service Pension Scheme (audited)

| | Total Accrued Pension | Real increase in pension | CETV at 31.3.19 | CETV at 31.3.18 | Real increase/ (decrease) in CETV |
|---|-----------------------------|--------------------------------|--------------------|--------------------|--|
| | £000 | £000 | £000 | £000 | £000 |
| Sophie Howe – Future Generations Commissioner for Wales, from 1st February 2016 | 5-10 | 0-2.5 | 65 | 38 | 13 |
| Kate Carr – Director of Engagement, Partnerships and Communications, from 19th July 2016. | 0-5 | 0-2.5 | 42 | 23 | 11 |
| Marie Brousseau-Navarro - Director of Policy, Legislation and Innovation, from 12th September 2016. | 0-5 | 0-2.5 | 29 | 15 | 9 |
| Helen Verity – Director of Finance and Governance, from 6th June 2016. | 0-5 | 0-2.5 | 32 | 19 | 9 |
| Mike Palmer – Director of Policy Performance and Implementation. Full time. Retired on 31st Oct 2017 | - | - | - | 715 | - |

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 the Office of the Future Generations Commissioner 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 2018-19, employers' contributions of £159,491 were payable to the PCSPS (2017-18 £137,732) 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 2018-19 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. Employers' contributions of £878.43 were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £53.39, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £931.82. Contributions prepaid at that date were nil.

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 uprated 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 (nil 2017-18).

Redundancy and other departure costs have been 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 department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme

Payments to past directors (audited)

No payments were made to past directors (nil 2017-18).

Fair pay disclosures (audited)

| | 2018-19 | 2017-18 |
|--|---------|---------|
| Band of highest paid individual's remuneration (£000) | 90-95 | 90-95 |
| Median total (£) | 32,311 | 34,975 |
| Ratio | 1:2.86 | 1:2.65 |
| Range of staff remuneration: highest (£) | 60,750 | 69,125 |
| Range of staff remuneration: lowest (£) | 16,120 | 16,120 |

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. A slight change in the median point and ratio in 2018-19 reflects minor staff changes in my organisation.

Gender pay gap (not subject to audit)

Gender pay analysis is an important marker in our move toward a more Equal Wales. For 2018-19 I am opting again 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 | 2018-2019 | | 2017-2018 | |
|--|-----------|-------|-----------|-------|
| | Female | Male | Female | Male |
| Median total (£) | 16.79 | 16.79 | 16.29 | 16.10 |
| Mean total (£) | 18.79 | 15.99 | 17.19 | 16.10 |

| Gender pay gap: paid secondees included | 2018-2019 | | 2017-2018 | |
|---|-----------|-------|-----------|-------|
| | Female | Male | Female | Male |
| Median total (£) | 18.07 | 16.79 | 18.07 | 16.10 |
| Mean total (£) | 19.07 | 15.89 | 18.32 | 15.91 |





Staff Report

Staff numbers and related Costs (audited)

On 31 March 2019 the Commissioner's staff complement was 35 people (27.78 whole time equivalent) including the Commissioner. As at 31 March 2018 comparative figures were 32 people (25.06 whole time equivalent)

Staff costs (audited)

For the year staff costs consist of:

| | 2018-19 | 2017-18 |
|---|--------------|--------------|
| | £000 | £000 |
| Wages and Salaries | 778 | 641 |
| Social Security Costs | 81 | 68 |
| Pension Costs | 160 | 136 |
| Sub Total | 1,019 | 845 |
| Inward secondments and agency staff | 273 | 225 |
| Less recoveries in respect of outward secondments | - | - |
| Total Net Costs | 1,292 | 1,070 |

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

| | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|-------------------|----------------------|----------------------|
| | WTE | WTE |
| Directly Employed | 19.20 | 15.57 |
| Paid Secondees | 7.10 | 3.88 |
| Total | 26.30 | 19.45 |

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

| | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|------------------|----------------------|----------------------|
| | WTE | WTE |
| Paid Secondees | 7.10 | 3.88 |
| Unpaid Secondees | 0.66 | 1.04 |
| Total | 7.76 | 4.92 |

The following table shows the number of whole time equivalent secondees from the fifteen organisations we have partnered with in the period:

| Organisation | Area of work | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|---|-----------------------------|-------------------|-------------------|
| | | WTE | WTE |
| Sport Wales | Policy | 1.00 | 0.17 |
| NHS Centre for Equality and Human Rights | Policy | 1.00 | 0.08 |
| Arts Council of Wales | Policy | 1.00 | 0.01 |
| Wildlife Trusts Wales | Policy | 0.60 | 0.10 |
| Interlink | Policy | 0.60 | 0.03 |
| United Welsh Housing | Policy | 0.57 | 0.10 |
| Fair Trade Wales | Policy | 0.50 | 1.00 |
| Constructing Excellence in Wales | Policy | 0.50 | 0.10 |
| Wales Co-operative Centre | Policy | 0.50 | 0.09 |
| Children's Commissioner for Wales | Business Support and Policy | 0.40 | 0.65 |
| South Wales Police and Crime Commissioner | Policy | 0.33 | 0.00 |
| Mid & West Wales FRS | Policy | 0.30 | 0.83 |
| BT | Project Management | 0.21 | 0.08 |
| Academi Wales | Policy | 0.15 | 0.00 |
| PHW NHS Trust | Policy | 0.10 | 0 |
| Welsh Government | Business Support and Policy | 0.00 | 0.75 |
| RCT Council | Policy | 0.00 | 0.75 |
| National Offender Management Service | Policy | 0.00 | 0.18 |
| Total | | 7.76 | 4.92 |

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 2018-19 the following payments were made:

| | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|----------------------------|-------------------|-------------------|
| | (£) | (£) |
| Alan Morris (Chair) | 1,800 | 2,400 |
| John Dwight | 1,250 | 1,500 |
| Gareth Madge | 1,000 | 1,375 |
| Jocelyn Davies | 1,000 | 2,000 |
| Jonathan Morgan | 750 | 1,250 |
| Total | 5,800 | 8,525 |





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 personal data.

Workforce gender and pay statistics

(not subject to audit)

This table shows the configuration of our total workforce by gender, pay band, contract type and working pattern on 31st March 2019: (temp includes staff employed on fixed term contracts and secondees from partner organisations)

| Pay band/ arrangement | 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 | 1 | | 5 |
| Grade 2 £23 - 27k pa | | | | | 3 | | | | 3 |
| Grade 3 £30 - 35k pa | 2 | | | | 2 | | | | 4 |
| Grade 4 £38 - 43k pa | 1 | | | | 2 | 1 | 1 | 1 | 6 |
| Grade 5 £49 - 53k pa | | | | | 1 | 1 | 1 | | 3 |
| Grade 6 £58 - £62 pa | | | | | 1 | | 2 | | 3 |
| FGCW £90 -95k pa | | | | | | 1 | | | 1 |
| Partnership workers | | | | 2 | | 2 | | 6 | 10 |
| Total | 3 | 0 | 0 | 3 | 10 | 7 | 5 | 7 | 35 |

Our workforce gender statistics

(not subject to audit)

This table shows 35 employees on 31st March 2019 by gender along with comparison against the previous years and Census Population date 2011: Wales (3,063,456)

| Gender | FGCW 31/03/2019 | | FGCW 31/3/2018 | 2018 | WALES 2014 | |
|--------|--------------------|------|-------------------|------|---------------|----|
| | Total No. | % | Total No. | % | No. | % |
| Male | 6 | 17.1 | 4 | 12.5 | 1,504,228 | 49 |
| Female | 29 | 82.9 | 28 | 87.5 | 1,559,228 | 51 |

Workforce age statistics

(not subject to audit)

| 16-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65 & Over | Undisclosed |
|-------|-------|-------|-------|-------|-----------|-------------|
| 4 | 8 | 6 | 9 | 0 | 1 | 7 |

Headcount by Age on 31st March 2018

Workforce leavers statistics

(not subject to audit)

There have been 7 leavers in the financial year 1 April 2018 to 31 March 2019.

- 3 secondments/partnerships came to an end
- 2 fixed term contracts came to an end
- 2 people resigned to take up other employment





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) | 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 |
| Grade 4 £39 - 43k pa | | | | | | | 1 | 1 | 2 |
| Grade 5 £47 - 51k pa | | | | | 1 | | | 1 | 2 |
| Grade 6 £58 - £62 pa | | | | | 1 | | 2 | | 3 |
| Commissioner £91k | | | | | | 1 | | | 1 |
| Non remunerated secondee | | | | | | | | | |
| Total | 1 | | | | 3 | 2 | 1 | 2 | 9 |

Eleven 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

- Mental Health First Aid 2-day accredited course (Training in MIND)
- A Team Day with the Fire and Rescue Service.
- A Team Day visiting places of worship.
- A Team Day on strategic planning
- Management team day to review work priorities for the year ahead.

Sickness absence data

(not subject to audit)

Sickness absence figures are collected, monitored and recorded for directly employed team members. Between April 2018 and March 2019 there was an average of 21 people directly employed and the sickness absence rate was reported at 1.68% of the available hours (0.4 per cent 2017-18). This equates to a total of 82 days of short-term sickness absence affecting 9 team members. There were no cases of long-term absence in this financial year (absence lasting longer than 4 weeks).

Expenditure on consultancy

(not subject to audit)

Consultancy costs of £5,268 to inform development of our Information Governance Framework and business continuity plan (£7,025, 2017-18).

Off-payroll payments

(not subject to audit)

There were no off-payroll payments in the financial year 1 April 2018 to 31 March 2019 (nil 2017-18).

Sophie Howe

Future Generations Commissioner for Wales
9 July 2019





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 Future Generations Commissioner for Wales for the year ended 31 March 2019 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 Future Generations Commissioner for Wales' affairs as at 31 March 2019 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 financial statements. 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 the 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 there under, 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.

Adrian Crompton

Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ
12 July 2019

Financial statements

Statement of Comprehensive Net Expenditure for the period 1 April 2018 to 31 March 2019

| | Note | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|---------------------------------------|------|----------------------|----------------------|
| | | £000 | £000 |
| Expenditure: | | | |
| Administration costs: | | | |
| Staff costs | 2 | 1,292 | 1,070 |
| Depreciation | - | 14 | 11 |
| Other administration costs | 3 | 412 | 352 |
| | | 1,718 | 1,433 |
| Income: | | | |
| Other income | 8 | 28 | - |
| | | | |
| Net expenditure | | 1,690 | 1,433 |
| Interest payable/receivable | | - | - |
| Net expenditure after interest | | 1,690 | 1,433 |

Other comprehensive expenditure

| | Note | 1.4.18 to 31.3.19 | 1.2.17 to 31.3.18 |
|--|------|----------------------|----------------------|
| | | £000 | £000 |
| Net gain/(loss) on revaluation of plant and equipment | | - | - |
| Total comprehensive expenditure for the year period | | 1,690 | 1,433 |

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 107-114 form part of these accounts





Statement of Financial Position as at 31 March 2019

| | | | 2019 | | 2018 |
|--|------|-----|-------|-----|-------|
| | Note | | £000 | | £000 |
| Non-current assets: | | | | | |
| Property, plant and equipment | 4 | | 10 | | 15 |
| | | | | | |
| Current assets: | | | | | |
| Trade and other receivables | 5 | 27 | | 2 | |
| Cash and cash equivalents | 6 | 421 | | 601 | |
| | | | 448 | | 603 |
| | | | | | |
| Total assets | | | 458 | | 618 |
| | | | | | |
| Current liabilities: | | | | | |
| Trade and other payables | 7 | | (162) | | (112) |
| | | | | | |
| Total assets less current liabilities | | | 296 | | 506 |
| | | | | | |
| Long-term liabilities: | | | | | |
| Provision for dilapidation | | | (5) | | (5) |
| | | | | | |
| Total assets less total liabilities | | | 291 | | 501 |
| | | | | | |
| Taxpayer's equity: | | | | | |
| General fund | | | 291 | | 501 |

Sophie Howe,
Future Generations Commissioner for Wales and
Accounting Officer
9 July 2019

The notes on pages 107-114
form part of these accounts

Statement of Cash Flows for the period 1 April 2018 to 31 March 2019

| | | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|---|-------------|------------------------------|------------------------------|
| | Note | £000 | £000 |
| Cash flows from operating activities | | | |
| Net Expenditure | | (1,690) | (1,433) |
| Adjustment for non-cash transactions | 3.2 | 14 | 11 |
| (Increase)/decrease in trade and other receivables | 5 | (25) | 21 |
| Increase/(decrease) in trade payables | 7 | 50 | (75) |
| Increase/(decrease) in provision | | - | 5 |
| Net cash outflow from operating activities | | (1,651) | (1,471) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 4 | (9) | (15) |
| Net cash outflow from investing activities | | (9) | (15) |
| Net cash outflow | | (1,660) | (1,486) |
| Cash flows from financing activities | | | |
| Net Financing | | 1,480 | 1,480 |
| Net increase/(decrease) in cash and cash equivalents | 6 | (180) | (6) |
| Cash and cash equivalents at beginning of period | | 601 | 607 |
| Cash and cash equivalents at end of period | | 421 | 601 |

The notes on pages 107-114
form part of these accounts





Statement of Changes in Taxpayers' Equity for the period 1 April 2018 to 31 March 2019

| | | 1.4.18 to 31.3.19 | 1.4.17 to 31.3.18 |
|---|-------------|------------------------------|------------------------------|
| | Note | £000 | £000 |
| Balance as at 1st April 2018 | | 501 | 454 |
| | | | |
| Changes in Taxpayers' Equity 2018-2019 | | | |
| Funding from Welsh Government | | 1,480 | 1,480 |
| Comprehensive net expenditure for the year | | (1,690) | (1,433) |
| | | | |
| Balance at 31st March 2019 | | 291 | 501 |

The notes on pages 107-114
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 2019.

The accounting policies contained in the FRoM apply International Accounting Standards (IFRS) as adopted or interpreted for the public sector context. These financial statements reflect two new standards introduced and effective for this reporting period: IFRS 9 Financial Instruments; IFRS 15 Revenue from contracts with customers. 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 2020-2021, 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 main 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. Monies are also collected from fees for support, advice and assistance provided by me and my team under Commissioner's functions Section 19 a) d) of the Act.

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 accounts provide for short term compensated absences such as annual leave that was not taken at the year-end in line with IAS19.

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. Staff costs

For the year staff costs consist of:

| | 01.4.2018 to 31.3.2019 | 01.4.2017 to 31.3.2018 |
|-------------------------------------|------------------------------|------------------------------|
| | £000 | £000 |
| Wages and Salaries | 778 | 641 |
| Social Security Costs | 81 | 68 |
| Pension Costs | 160 | 136 |
| Sub Total | 1,019 | 845 |
| Inward secondments and agency staff | 273 | 225 |
| Total Costs | 1,292 | 1,070 |

3. Other administration costs

| | 01.4.2018 to 31.3.2019 | | 01.4.2017 to 31.3.2018 | |
|--|------------------------|------|------------------------|------|
| | £000 | £000 | £000 | £000 |
| 3.1 Administration costs: | | | | |
| Premises | 43 | | 45 | |
| Offices | 134 | | 102 | |
| Training and recruitment | 23 | | 6 | |
| Travel and Subsistence | 28 | | 30 | |
| External auditor's remuneration | 16 | | 16 | |
| Internal auditor's remuneration | 12 | | 12 | |
| ICT equipment | 43 | | 34 | |
| Project work | 113 | | 102 | |
| | | 412 | | 347 |
| 3.2 Non-cash items: | | | | |
| Depreciation charge on ordinary assets | 14 | | 11 | |
| Loss on disposal of fixed assets | - | | - | |
| Provision for Dilapidations | - | | 5 | |
| | | 14 | | 16 |
| | | 426 | | 363 |





4. Property, plant and equipment

| | ICT Equipment | Office Furniture and Equipment | Total |
|--|---------------|--------------------------------|-------|
| | £000 | £000 | £000 |
| Cost | | | |
| At 1st April 2018 | 30 | 2 | 32 |
| Additions | 9 | - | 9 |
| Disposals | - | - | - |
| At 31st March 2019 | 39 | 2 | 41 |
| | | | |
| Depreciation | | | |
| At 1st April 2018 | 16 | 1 | 17 |
| Charged in year | 13 | 1 | 14 |
| Disposals | - | - | - |
| At 31st March 2019 | 29 | 2 | 31 |
| | | | |
| Net book value at 1st April 2018 | 14 | 1 | 15 |
| Net book value at 31st March 2019 | 10 | - | 10 |

5. Trade receivables and other current assets

| | 31.03.19 | 31.03.18 |
|---|----------|----------|
| | £000 | £000 |
| Amounts falling due within one year: | | |
| Trade and other receivables | 10 | - |
| Prepayments and accrued income | 4 | 2 |
| Contract asset | 13 | - |
| | 27 | 2 |

Note 8 has information on the contract asset.

6. Cash and cash equivalents

| | 31.03.19 | 31.03.18 |
|---|----------|----------|
| | £000 | £000 |
| Balance at 1st April 2018 | 601 | 607 |
| Net change in cash and cash equivalent balances | (180) | (6) |
| Balance at 31st March 2019 | 421 | 601 |
| All balances as at 31st March 2019 were held in an account within the Government Banking Service. | | |

7. Trade payables and other current liabilities

| | 31.03.19 | 31.03.18 |
|--|----------|----------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Trade payables | 83 | 36 |
| Accruals | 76 | 76 |
| Contract liability | 3 | - |
| | 162 | 112 |

Note 8 has information on the contract liability.





8. Other income, contract assets and liabilities

A small amount of other income was generated from provision of advice, support and assistance and has been disclosed in accordance with the requirements of IFRS 15 for the first time in 2018-19. My office had no ongoing contracts which were in scope of IFRS 15 as at the date of initial application (01 April 2018). All contracts will be completed within the next financial year.

Other income

| Other income from | Details | Amount |
|----------------------------------|-------------------------------|--------|
| | | £000 |
| Welsh Government | Outward secondments | 18 |
| Welsh Government | Contribution to joint project | 4 |
| Business in the Community | Contribution to joint project | 4 |
| Constructing Excellence in Wales | Office co-location | 2 |
| Total | | 28 |

Contract assets

| | Description of contract | Revenue recognised in the accounting period | Revenue expected to be recognised within the next financial year 2019-2020 |
|------------------|--|---|--|
| | | £000 | £000 |
| Welsh Government | Outward secondment | 13 | 45 |
| Literature Wales | Contribution to Poet in Residence post | - | 1 |
| Total | | 13 | 46 |

As of 31 March 2019, the aggregate amount of the transaction price allocated for satisfying the performance obligations is £13k, which is raised as contract asset in order to recognise it as revenue for the accounting period.

As of 31 March 2019, the aggregate amount of the transaction price allocated to the remaining performance obligation is £46k and the recognition of it as revenue will occur within the next financial year.

Contract liabilities

| | Description of contract | Revenue recognised in the accounting period | Revenue expected to be recognised within the next financial year 2019-2020 |
|--|---------------------------------|---|--|
| | | £000 | £000 |
| Welsh Government and Business in the Community | Contribution to a joint project | 8 | 3 |
| Total | | 8 | 3 |

£3k contract liability is recognised due to the related performance obligation is not satisfied as at 31 March 2019.

9. Commitments under leases

| | 2017-18 | | 2016-17 | |
|---|------------------|-------|------------------|-------|
| | £000 | | £000 | |
| | Land & Buildings | Other | Land & Buildings | Other |
| Obligations under operating leases: | | | | |
| Not later than one year | 59 | 1 | 38 | 1 |
| Later than one year and not later than five years | 102 | 1 | - | 1 |
| Later than five years | - | - | - | - |
| Total | 161 | 2 | 38 | 2 |

The amount of the lease payments recognised for this accounting period is £45,013.



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 2019.

11. Capital commitments

There were no capital commitments as at 31st March 2019 (31st March 2018 – nil).

12. Contingent liabilities

There were no contingent liabilities as at 31st March 2019 (31st March 2018 – nil).

13. Related party transactions

The Welsh Government is a related party, my office received its main source of funding from the Welsh Government (£1.480 million for this year and £1.480 million in the previous accounting period). My office also received other income of £22k together with expenditure of £1k with the Welsh Government in the financial year (no other transactions 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 9 July 2019 by Sophie Howe

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