

By email

31 May 2019

RE: Correspondence from the Climate Change, Environment and Rural Affairs Committee

Dear Mike,

Thank you for your letter dated 21 March 2019, following the meeting on 10 January 2019.

Please read below the information you requested.

Role and responsibilities of the Commissioner

We note that a significant part of your role to date has centred around supporting the cultural change necessary to embed the Act across public bodies. Your role has also led you to publicly challenge the way in which some of these bodies are applying the Act in practice. For example, in the case of Natural Resources Wales to decisions on environmental permitting, and the Welsh Government's decision-making process for the M4 relief road.

1. Can you explain how you approach balancing these different aspects of your role?

In the first two years of the implementation of the Act, my role has been more focused on advice and assistance, supporting public bodies and less on challenging them directly. Over the years, I foresee that this balance might change. As I have stressed many times before, I was not established with a case-work function unlike other commissioners.

I have established criteria to decide when I challenge systemic issues and behaviours which are relevant at the population level rather than at individual case level, which are raised with me in addition to the areas of change, I have proactively chosen to pursue, such as decarbonisation and budgeting for the future.

The criteria I ran to consider issues flagged to me include the following questions:

- Does it involve bodies covered by the Act?
- Can the process still be influenced?
- What is the scale of the project/decision?
- Does it affect more than one part of Wales or a significant section of the population?
- Is it a cross cutting issue?

- Are there precedents?
- Does it come within my areas of focus?
- Is there potential for transferable knowledge?
- Have we done work on this issue before?
- Can we resource action?

I have used such criteria to decide to act in relation to the M4, land use planning and environmental permitting. I have also provided advice and challenge to the Government on a number of topics, including the establishment of the Infrastructure Commission, the childcare offer, the Local Government Bill and the interaction between PSBs and RPBs, the criteria for the Housing Innovation Programme, the allocation of the Health Transformation Fund and 5G for example. I have also responded to calls for evidence from Assembly Committees and Government in relation to air pollution, decarbonisation of houses for example.

In addition to those, I have also responded to 183 requests for advice and assistance from public bodies and answered 251 letters from members of the public, their representative and community groups in the last year alone.

2. We would like you to explain:

- **In what circumstances you would consider exercising your power to review public bodies under section 20 of the Act:**

I am considering using my review powers in a similar way as described above and I believe my criteria is also relevant. In addition to this, I want to use this power as an extension of advice I have already given to public bodies, or when problems or issues clearly emerge through my monitoring and assessment of progress (or lack of progress) towards well-being objectives, or through issues raised with me directly while within the legal parameters of the power.

This year, I am minded to use my review powers for the first time in relation to procurement and in relation to the relationship between Welsh Government and the health sector, exploring the extent to which Welsh Government enable and incentivise health bodies to meet their well-being objectives and fully embed the five ways of working across their work. I am minded to use this course of action because having provided advice on procurement and to the Health Department in Government and subsequently undertaking the first round of monitoring and assessing of public bodies, I cannot see how sufficient progress is being made. Both these areas relate to my areas of focus, i.e procurement is a key driver of either positive or negative progress across the well-being goals and is directly related to a majority of my areas of focus. The extent to which the Government is driving or hindering health boards' application of the Act is key to making progress in my areas of focus relating to better ways to keep people well.



- **and whether, in your view this power could be used to challenge misapplication of the Act or non-compliance with duties under the Act:**

The provisions around me conducting a review are set out in section 20 the Act:

The Commissioner may conduct a review into the extent to which a public body is safeguarding the ability of future generations to meet their needs by taking account of the long term impact of things the body does under section 3.

In conducting a review, the Commissioner may review—

- (a) the steps the body has taken or proposes to take to meet its well-being objectives;*
- (b) the extent to which the body is meeting its well-being objectives;*
- (c) whether a body has set well-being objectives and taken steps to meet them in accordance with the sustainable development principle.*

I am minded to use this power when I would like to issue formal recommendations on systemic issues using the criteria above or when I think the sustainable development principle can particularly help or resolve blockages in the application of the Act.

I am intending to use this route when I see lack of progress, barriers to implementation and potentially wrong behaviours contrary to the application of the Act.

It is important to stress that this power would not allow me to change decisions already made and that my recommendations would apply for the future only. My role was not set up to be an Ombudsman or an extra level to appeal in the Act.

Welsh Ministers are not required to respond to recommendations you make in accordance with Section 21

3. Do you believe such requirement should be included in the Act?

Section 22 Duty to follow recommendations

- (1) A public body must take all reasonable steps to follow the course of action set out in a recommendation made to it by the Commissioner under section 20(4) unless—*
 - (a) the public body is satisfied that there is good reason for it not to follow the recommendation in particular categories of case or at all, or*
 - (b) it decides on an alternative course of action in respect of the subject matter of the recommendation.*
- (2) The Welsh Ministers may issue guidance to other public bodies about how to respond to a recommendation made by the Commissioner.*
- (3) In deciding how to respond to such a recommendation, a public body must take such guidance into account.*
- (4) A public body must publish its response to a recommendation made by the Commissioner and if the body does not follow a recommendation, the response must include the body's reasons for that and explain what alternative course of action, if any, it proposes to take.*

It makes clear that, as a public body, Welsh Government must publish a response to my recommendations issued under section 20 following a review but it does not mention the recommendations I can issue under section 21 in relation to my recommendations about the well-being goals or the national indicators. While I expect Welsh Government to respond to all my recommendations and correspondence, it could make sense for consistency if Welsh Ministers had to issue a statutory response to all the recommendations I make under section 20 or 21 or any recommendations I may issue. But I understand this is a matter for the Assembly and Government as this would require a change in the Act.

Welsh Government's budget process

In December 2018 you published a report 'Advice to Welsh Government on taking account of the Well-being of Future Generations Act in the budget process'.

4. Has the Welsh Government provided a response to your report? Has the response been published?

Welsh Government have not published a response to my advice, but I have had two meetings with the Minister for Finance and I am expecting to meet her again in July. I am focusing my monitoring of the budget in three areas:

- Developing a Journey Checker on the budget process, demonstrating what can change, starting with simple changes, then more adventurous change and finally transformational change. Welsh Government have been receptive to working with us on this so far.
- Prevention: Using the definition of prevention agreed by Welsh Government last year, focusing on how Welsh Government's budget process is prioritising investment in prevention; and monitoring this.
- Decarbonisation: Following the publication of 'Prosperity for All: A Low Carbon Wales' and the recent declaration of a Climate Emergency, assessing the level of investment needed to support the level of ambition; and monitoring this.

Monitoring and assessment of public bodies

In your annual report for 2017-18, you said that one of the areas on which you would be focusing during 2019 would be "the process of monitoring and assessing public bodies as they produce their first set of annual reports"

5. Can you describe how you will undertake this work and the timescales for its completion?

Building on my work from 2017 when I analysed the 345 well-being objectives set by public bodies, I drew out common themes emerging, which gave me a unique 'helicopter view' of how the Act was being implemented

particularly in my policy priorities. Overwhelmingly, objectives had the tone of improving the economic and social well-being of localities, with less emphasis on the environment or culture. My reflections on the purpose, progress and pace of this work and recommendations on what I would expect to see in annual reports were included in my report ['Well-being in Wales - the journey so far'](#) published in May 2018.

Between April 2018 and March 2019, public bodies produced their first annual reports following the setting of their well-being objectives. This enabled me to start monitoring and assessing progress.

I designed a methodology which fully embraced the Act and the five ways of working and which supported public bodies to keep trying, keep communicating and keep moving in (generally) the right direction. I also wanted to encourage them to share their successes and their shortcomings openly so that we can all learn together. I wanted to provide public bodies with a helpful assessment on areas which may require further focus and not be an overly burdensome process.

Given the extent of my resources, I chose to meet my duty by reviewing the first annual reports (2017/18) of each public body with the help of an external, independent research team. The monitoring was based on a self-reflection tool in 3 parts to map and assess organisational progress in the delivery on: their well-being objectives, the five ways of working and my areas for change. I also gave them an opportunity to flag any information beyond their annual reports which they wanted to flag to me or which showed their progress.

Public bodies were then grouped into collaborative communities of practice to share their findings with each other, which served as feedback and learning for each public body, as they go about drafting their corporate plans and annual reports in future. I will give individual feedback to each public body over the coming months and will produce an overall report in the summer containing the methodology, key findings and sector-specific observations.

Next year, I will provide more tailored advice on progressing towards well-being objectives. This will be based on common themes arising from objectives across Wales. This work will also inform the contents of my first Future Generations Report in 2020.

Extracts of feedback from public bodies:

The self-reflection tool has helped see alignment to their accounts and particularly the seven corporate areas for change

It helped look at strategic priorities and the goals, the five ways of working and seven corporate areas of change in a different way this year. *"The self-reflection tool has really helped us with this – with thinking differently."*

One body will put the questions from the 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"*

The tool was initially viewed as a “another thing to do” but has actually “*provided a really useful framework for looking at things*”.

One body felt that the value was in doing something like this again next year as it helped them to see where they were, and they can look back.

Another 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*”.

Decarbonisation

In your report ‘Advice to Welsh Government on taking account of the Well-being of Future Generations Act in the budget process’, you recommend that:

“Welsh Government clearly articulate how the actions set out in the Low Carbon Delivery Plan will be funded in order for us to meet our statutory emission reduction targets.”

6. What are your views on the Welsh Government’s first Decarbonisation Plan, that was published on 21 March 2019?

The Plan is comprehensive and covers a wide range of policies and proposals given the timescales for the plan as it is only to 2020. It sets a good foundation but we will need to see future plans being more ambitious if we are going to address the 11-year window of climate emergency.

In my response to their consultation last Summer, I highlighted areas I felt were not ambitious enough – eg transport sector. Welsh Government’s proposed actions did not include anything on public transport whereas the plan now includes:

- proposals to achieve a modal shift from car dependency to sustainable forms of transport,
- significantly increasing modal share of active travel for short journeys,
- using planning policy to promote sustainable travel and reduce the need to travel, and
- increasing travel by rail and bus.

I am also pleased to see a focus on equity and climate justice through the establishment of a ‘climate just’ advisory group, and also the announcement of £5million funding from the ESRC for a new Centre to focus on research into behaviour change on decarbonisation. It is positive to see a strong focus on people and behaviour change, however people also need to see that things are actually changing – for example if the majority of new

houses being built in Wales are not being built to zero carbon standards, and Welsh Government have the power to set better standards in Wales, why aren't they enforcing these? Again, it is positive to see actions in the plan around setting higher standards for new build, driving innovation through the Innovative Housing programme, and funding through the Sustainable Buildings Policy, but this is something that could and should have been done 10 years ago so we need to see radical change – e.g. all new homes to be zero carbon, and quickly.

These proposals are welcome, but we now need to see investment to support these actions and this has not been articulated in the Low Carbon Plan.

Since publishing the plan in March Welsh Government has declared a “climate emergency”, the UK Committee on climate change has also published its Net Zero report advising how UK should aim for net zero emissions by 2050 (95% for Wales). I am expecting future plans to be more ambitious and include stronger commitments such as restricting car use in urban centres to tackle climate change and air quality issues, further investment in decarbonising housing stock and a closer link between the steps that need to be taken to halt ecological decline especially in those areas such as peatland restoration and tree coverage which also have a positive impact on carbon reduction.

7. The first Decarbonisation Plan contains no detailed costs. Given that the Welsh Government has declined to take forward your recommendation, what action do you intend to take?

Their current plan – Low Carbon Wales – covers actions up to 2020. My budget monitoring work last year indicated that only around 1% of the total Welsh Government budget is spent supporting decarbonisation actions – this clearly isn't adequate given their declaration of a climate emergency.

Their Regulatory Impact Assessment for Low Carbon Wales that informed the Climate Change Regulations 2018 (http://www.assembly.wales/laid_documents/sub-ld11811-em/sub-ld11811-em-e.pdf) does include some information on costing the pathways, based on estimates provided by the UK CCC, but more detailed costing for these proposals whilst being a significant undertaking, is clearly necessary. I am concerned that without more detailed costing on specific actions another budget round will pass without the necessary resources being allocated to the climate emergency. With this in mind, my office have been drawing from a range of existing evidence and engaging with a range of stakeholders to produce a discussion paper which will outline the possible funding allocations which will be needed to deliver the low carbon plan and resource the climate emergency. This 10 point plan will be published shortly and will form the basis of further discussion with experts NGOs and Government which will in turn inform my approach to monitoring this year's budget.

8. Are you satisfied with the approach taken by the Welsh Government?

I am pleased to see considerable focus on the Well-being of Future Generations Act within the plan, which reflects the emphasis placed by the Decarbonisation team within Welsh Government on following the 5 Ways of working and reflecting the 7 well-being goals:

- There is a spotlight on the 7 well-being goals throughout the plan, and for each sector they set out the evidence from the well-being appraisal that they've followed, using their well-being matrix. They have also set out how the Ways of Working and considering the well-being goals have guided the development of the Plan – they have adopted the 5 Ways of Working to guide and shape their plan:
 - Prevention: establishing a Climate Justice Advisory group to ensure a transition that is equitable and avoids unintended consequences;
 - Integration and collaboration: Decarbonisation is now a cross-government priority so governance includes a Ministerial Task and Finish group, a cross-government Programme board, and also an internal and external cross-sector group to facilitate collaboration;
 - Involvement: they have involved range of stakeholders throughout process.
- They have developed a well-being policy development tool (matrix) to help explore the social, cultural, economic and environmental impact of potential decarbonisation actions. It prompts consideration of well-being goals and well-being objectives relating to a broad range of areas, including jobs, air quality, and community cohesion. It identifies expected impacts and suggests where policies can be strengthened in relation to one or more of the well-being goals.

I am encouraged by their approach, but I do feel that ambition, scale and pace of change, needs to accelerate over the next few years, focusing on what can be achieved urgently and over the coming decade to avoid the climate breakdown predicted by the IPCC. Although their proposals in some sectors (eg transport) have improved in the final plan, compared with the ideas proposed in the consultation, action and investment to support the significant change that's needed, such as modal shift, now needs to follow. There are other areas such as zero carbon new homes which have been discussed and considered for many years – Low Carbon Wales includes a policy to “Set higher energy efficiency standards for new builds through reviewing Building Regulations Part L (Conservation of Fuel and Power)” but we now need to see firm commitments being made urgently.

Environmental Permitting

9. We would like you to clarify whether you were involved in the development of the guidance, as suggested by NRW in its evidence to us.

We participated in several meetings and we commented on the initial draft. As I indicated in a letter to the Minister for Environment, Energy and Rural Affairs in December 2018, we were not given an opportunity to comment on the final draft. While I think that the guidance has achieved some clarification of what SMNR entails for NRW, I am not sure it

clarifies all the interactions between the Environment Act and the Well-being of Future Generations generally, and in particular in the context of environmental permitting.

10. What further action do you intend to take to ensure that your concerns about the robustness of the guidance are addressed?

The Minister indicated in a letter to me in October 2018. She said: she “agree[s] we should be looking to ensure better transparency of the application of regulatory processes, including how they interact with each other. At present many specific environmental legislation requirements are derived from EU law, and will be rolling over for Brexit. As you can appreciate, resources within Welsh Government are focused on Brexit. However, following the Brexit transition period we will have the opportunity to review all our environmental legislation to ensure it is fit for purpose, including testing alignment with both the Environment Act and the Well-being of Future Generations Act.”

11. We would like you to provide an update on discussions you have had with NRW and the Welsh Government on the suggested contradictions between the guidance and the matrix. In particular, are you satisfied that this issue has now been resolved?

I have written specifically to the Minister and NRW in December 2018 asking for an explanation of where such contradictions arise as they are not apparent to me. We have had two initial meetings with Welsh Government officials in January and February 2019 but are awaiting to hear from NRW and Welsh Government where they see contradictions exactly. My team have written to them again in May 2019 to this effect. I am clear that the SMNR duty of NRW does not supersede the Well-being of Future Generations Act duties and that the well-being duty like the equality duties and other duties have all to be met. I see that complementarity and integration are integral to our Act. While I am still awaiting a clear explanation of where they see contradictions, the letter referred to above suggested this is something Welsh Government will explore post-Brexit in the context of the wider environmental law context.

12. We would also like you to clarify whether work on the matrix has now resumed. If so, when is it likely to be completed?

We have had no discussions with NRW on the Matrix work since November 2018 when they decided to stop the work on the Matrix which they said ‘was no longer appropriate’ now the Welsh Government’s Guidance had been published.

While this work on the specific Matrix has not resumed, I will publish in the summer my report on monitoring and assessing which will include a similar document, a flowchart this time setting out my expectations as to the evidence which I advise the public body to produce to show how the Act is being applied in their decision-making process. It will provide advice on the different elements of the Act I think should be considered in line with the

Well-being of Future Generations Act and the 'Making Good Decision' Guidance from the Welsh Government. This will be equivalent to the contents of the proposed Matrix, presented differently and it will be relevant to all Public Bodies and anyone who want to use the Act. I will expect NRW to take account of my advice in their work as will every public body contributing to the achievement of the well-being goals.

M4 relief road

In your evidence to us, you made clear that you do not consider that the decision-making process of the proposed M4 relief road has "reflected the requirements of [the 2015 Act]." We are concerned about this. We are equally concerned that legal representatives in your Office and within the Welsh Government are interpreting the Act in considerably different ways. This does not bode well for the successful implementation of the Act.

13. We would like you to set out any action you intend to take to seek to ensure that these differences in interpretation are addressed.

My duties include to act as the guardian of the ability of future generations to meet their needs and therefore I believe it is my role to challenge the Welsh Government to lead by example, be ambitious and drive the change needed by current and future generations. I meet regularly with Welsh Government officials regarding a range of issues and work closely with them in providing joint advice support and guidance to public bodies. For example, we work closely with Welsh Government's 'Local Government Partnerships' team in providing advice, support and guidance to the 19 Public Service Boards in Wales. A recent example is our office leading a PSB thematic training event in Wrexham focused on skills, in conjunction with Cardiff Business School. Similarly, we have developed a joint work programme with Welsh Government's NHS Planning Team focused on ensuring health bodies are embedding the WFG Act into everything they do. One aspect of this relates to long-term planning and at the NHS long-term planning conference in March 2019 my team ran a workshop on long-term and futures thinking, using the '3 Horizons' model. The purpose was to demonstrate that whilst the focus of IMTPs is on the 'medium term', this should be in the context of the longer term. We received very positive feedback from delegates.

Since the establishment of a Future Generations Unit in Welsh Government we have met twice with officials to discuss interpretation questions and application of the Act. I have shared with them the decision-making flow chart I am working on, following taking legal advice from Queen's Counsel and others. I am conscious that the Government are unlikely to express a position different from that which they put forward during the public inquiry on the M4, whilst that decision is pending, and therefore I intend to meet with officials and lawyers again once the First Minister has made his decision on this matter.

14. Given the significance of this decision and your concerns that any misapplication of the Act could set an unhelpful precedent, we would also like you to clarify what action you intend to take if, in your view, the Welsh Government's decision on the M4 relief road is unfavourable.

I am currently considering a number of options but have not formally decided what I will do as it will depend on the Welsh Government's decision and justifications. I will consider very carefully my options when the decision is made and in light of any legal action that may be taken by other parties.

Transport

In reference to WelTAG 2017, you said in your annual report 2017-18 that you were:

“in the process of agreeing an approach with Welsh Government to monitor and assess the effectiveness of new guidance and have committed to supporting them to look at how it is being applied on a small number of projects, to assess its impact and record how it is leading to different decisions.”

15. Can you provide an update to the Committee on this matter?

In the past few months, I have reviewed and challenged two WelTAG reports – one for a scheme in Llandeilo and another for Haverfordwest and discussed other schemes with Welsh Government officials. I am concerned that generally those writing or commissioning the reports do not have adequate understanding of the Act and the new ways of working. At the end of April 2019, I wrote to all transport officers in Welsh Government, local authorities and main consultancies, asking for them to flag with me what is working well and not so well in their application of the new WelTAG guidance. I have pointed directly to them my recent 'Transport Fit for the Future' and stressed the importance of the role of the transport sector if we are to realise the ambition set out in the Welsh Government Decarbonisation Pathway. I will consider the responses I receive in deciding what would do next to be most useful and impactful.

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. I am also clear that WelTAG cannot be applied to proposed road schemes as such. The whole idea is to consider first if there are other solutions which can address the congestion first and for the longer-term. To address this, I have contributed at several events with engineers and professionals working at all levels of the transport planning system.

As part of the Welsh Government review of the application of WelTAG to date, I have also facilitated workshops with the Welsh Government for the different groups using WelTAG (consultants, Local authorities, planners etc.) to discuss the application of WelTAG and to restate the importance of using my Well-being Framework for projects included in the Welsh Government supplementary guidance to be used alongside the WelTAG guidance itself.

Consultants explained that their clients sometimes asked them to apply WelTAG to a bypass 'they already wanted'. This shows there is a clear need to raise awareness and train all those involved in the process at government, local authority and consultancy level. The Welsh Government committed to continue organising

such workshops to build a dialogue, to share findings and to promote good practice in the sector. We will continue to take part in those.

Whilst this is welcome, this highlights an issue that I have been raising continually with Government regarding the lack of investment for implementing the Wellbeing of Future Generations Act and supporting the significant cultural change that is required. I would welcome the committee raising this point with Cabinet Secretaries.

16. How will you measure the impact of your intervention?

See also my response at question 22. As with any of my work, I will use my strategic performance measures for my Office to assess the impact of this intervention. These are used and detailed in:

- 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

I am also working on an internal system to follow up in the longer-term which will integrate the different strands of my duties, powers and work programmes. I include a diagram which explains the approach I take :



Housing

17. Can you provide an update on the outcome of discussions with the Welsh Government in relation to your concerns about the current application criteria for the IHP?

Following an assessment of the criteria for the Housing Innovation Programme I became involved during the second year of the programme. I met with the Cabinet Secretary to express my concerns and followed up with officials to provide clarification regarding the Act. A member of my staff also attended a meeting with the project teams where the short-listed projects were discussed, as well as the feedback issued back to IHP in how they met the Well-being of Future Generations Act. Decisions had already been made as to which projects to choose and the clarification meetings did not change the outcome of these.

My main concern was that the application process stressed that each project should only contribute to one goal. This goes against the holistic concept of well-being where public bodies should seek to achieve all goals and the statutory guidance is clear that we cannot cherry pick goals.

I provided ongoing advice to the teams involved to improve both the Welsh Government and candidates' awareness and assessment of the projects in Year 3 and how best practice can be shared with other projects moving forward. This resulted in a commitment from Government that in Year 3 the Act would be given much more consideration and weight.

I have been pleased to see that my advice has been taken on board and the launch of year 3 IHP programme information now formally states that the aim of IHP is to:

Increase the supply of affordable housing as part of the 20,000 additional affordable homes target;

Do this in a way that aligns the design and delivery of affordable housing with the seven goals of the Well-being of Future Generations (Wales) Act (WFGA);

Address cost and value in new homes, and develop housing that meets specific current and future housing needs;

Publicly disseminate key findings and maximise learning.

The Technical Specification for the IHP was developed reflecting these aims. The guidance states that all schemes must demonstrate compliance with the Well-being of Future Generations (Wales) Act. The application will need to set out how the scheme will support meeting *all* of the well-being goals, and also demonstrate how the ways of working will be used to improve the scheme through its life. They have now mapped out the 7 Goals against the focus themes within the application form and looked at the short-term, medium-term and long-term benefits. Innovation must meet at least one but not more than three of the seven cross-cutting focus areas: CO2, capital, change, health, energy, space and place. There is no longer a requirement to only focus on one goal.

I will still advise them that they need to go even further and ensure that proposals should maximise their contribution to all of the goals. The guidance maps out the goals against the themes, but the 5 ways of working are not reflected. I will also enquire about plans for the future of this funding stream to understand how innovation will be supported beyond Year 3.

18. Can you set out how you intend to influence the development of future application criteria for the IHP?

Answered above.

19. In terms of the extent to which you have been able to influence the IHP, what do you believe would constitute a success?

I believe what would constitute success would be to have several projects completed, monitored and measured which constitute real sustainable innovation (fully contributing to the well-being goals), that can be scaled up and applied to most if not all future new housing developments and which will meet future needs.

The Innovative Housing Programme needs to provide demonstration of homes fit for the future, meet future needs, are low carbon, adaptable, reduce fuel poverty, and provide healthy and safe environments to live in that connect communities, for example in line with the Act.

It is important that the best practice developed in Years 1 to 3 relating to the design and built process are shared and adopted throughout the housing industry.

I would also like the Well-being of Future Generations Act (goals, objectives and five ways of working) to be embedded within all future housing funding application schemes.

Few projects have been completed yet but we can see examples of good practice emerging which I will follow with interest. In Swansea:

- The council built 18 units of new affordable housing in year 1 to Passivhaus Standard. Monitoring is being carried out to review the effectiveness of energy savings within the homes. In year 2, they secured funding for 34 units of homes as power stations which are currently being constructed. They will allow a comparison against the construction method of Passivhaus and fabric first to compare effectiveness of the projects.
- The Swansea-based housing association Coastal Housing Association in partnership with a social enterprise received funding to deliver three new innovative housing projects across South West Wales.
 - One of them is to build 12 homes at Killan Road in Dunvant to energy-positive standards i.e. they will produce more energy than they use. The homes will be built using the Homes as Power Stations (HAPS) model, with a focus on reducing energy consumption and addressing fuel poverty through reduced reliance on fossil fuels. This new street of innovative, energy positive homes will use solar PV, electric battery storage and borehole ground source heat

pumps (GSHP) to generate up to 80% of their energy required for heat and power. The remaining 20% will be provided by the electricity grid, of which a small percentage will come directly from a community owned local solar farm, administered by Gower Power. Coastal Housing will also provide an electric vehicles for communal use as part of the project.

- Another project they will deliver will comprise of 8 new homes in Neath Port Talbot, all constructed off-site, to showcase the best modular designs from Wales and Japan. As modular housing is still an emerging construction technique in Wales, Coastal hopes that the project will provide an opportunity to learn from other countries where it is more advanced.

Milestones under the Act

The Welsh Government is currently consulting on national milestones, required under the Act. The Government's intention is to identify a small set of the national indicators against which national milestones will be developed.

20. We would like your view on the extent to which this approach is in keeping with the Welsh Government's duties under the Act.

I welcome the approach officials have taken in engaging on the proposed criteria to set milestones and views on the existing indicators in an effort to model the five ways of working and improve involvement within the process. I understand they have provided a number of opportunities for interested parties to engage alongside the online consultation. I appreciate the work that has gone into identifying the original 46 indicators, and the current proposed selection of 15 indicators among those against which milestones could be developed. This is a difficult task.

In general, I agree with the proposed five essential criteria for selecting the national milestones as outlined within the consultation document and welcome how they are linked to the five ways of working, however, I have recommended additional criteria that the milestones should be easily communicable.

My office has liaised with the members of my Advisory Panel, alongside other interested parties, who have shared their views regarding setting milestones against specific indicators. These views are outlined within my response to the consultation, and I believe some of the concerns highlighted would be mitigated by my proposal to set headline milestones, which would apply to a suite of indicators. I have suggested that there is a case for aligning the milestones with my priority areas which were set following extensive consultation as well as engagement and involvement with a range of stakeholders and experts. These areas have been selected as areas which, if the right sort of progress is made, had the biggest potential to drive progress across all the well-being goals. These could then be used within the grouped themes of: Early Years; People's Health and Well-being; Good Jobs; Fairness and Living Standards; Involved and Responsible Communities; Language and Culture; Low Carbon Economy; Healthy Ecosystems, as proposed within my response to the consultation on the national indicators in 2015.

Whilst I appreciate that national data may currently be lacking in some of the suggested areas, I have invited further engagement on how the Government can be supporting measurement which is future focused.

In my 2015 response, I raised specific concerns regarding the disaggregation of data by protected groups and the inclusion of children. Whilst I understand some progress has been made, I am aware that the Children's Commissioner has raised her concerns regarding reporting arrangements for indicator 6 'measurement of the development of younger children'. I firmly believe that it is essential to understand and measure the views and experiences of children and young people. It is also vital that indicators are capable of disaggregation by all of the protected equality characteristics and by socio-economic group as we must be able to understand whether certain groups are being left behind. I have requested that I am updated by Welsh Government on the progress in this area.

Officials have committed to meeting further following the closing of the consultation to explore further my proposed approach and to model what the milestones could look like in practice, which I look forward to doing in due course.

Governance and transparency

21. Can you provide the Committee with further information about the operation of the advisory panel, in particular, how often the panel meets and where other relevant information, such as notes of meetings, are published?

I formally consult and meet with my advisory panel twice a year to discuss my strategic priorities, my work programmes, my annual reports and progress on my Future Generations report. Notes of meetings are not published.

I value the perspectives each member brings to meetings and over the last three years I have taken on board many of their suggestions.

I also seek advice from members regularly where their experience has a direct relevance to an issue. For example, I am currently working with the Children's Commissioner to ensure young people's voices are heard as part of the climate emergency. I have discussed my proposed intervention in respect of the health service with the Chief Medical Officer and will be sharing the findings from my monitoring and assessing work with the panel. My correspondence team has liaised with the team of the Public Services Ombudsman and I have also engaged the members of the panel (via their offices) in developing my work on providing guidance on the goals through my Art of the Possible Programme.

I reviewed this combination of formal and informal contact with my panel in May 2019 and we agreed this is a unique forum in which as well as advising me on my statutory matters we all learn about potential areas of overlap in our work programmes and value the opportunity to discuss integration and collaboration opportunities. We have agreed to continue with this format for the remainder of my term. I will also be asking Welsh Ministers to appoint a person to represent the Third sector to my advisory panel this year.

22. Can you explain the processes that are in place to assess your impact and that of your Office on the exercise of your functions?

As I mentioned in my 2017-18 Annual Report I have adopted performance measures which will help me demonstrate the impact of my office. These are focused on outcomes rather than outputs. I didn't want to measure things done, I wanted measures that would provide evidence of what difference my office is making and show how the work we do is supporting and challenging others to change towards a more sustainable way of working.

My five strategic performance measures are:

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

The measures are qualitative, and I set out the impact we have made on the transformational agenda for public bodies in Wales in my 2017-18 annual report. The report also highlights how this work contributes to the seven well-being goals and provides examples of where the five ways of working are being used to good effect. I will report on progress again in all my future annual reports.

Land use planning

23. Can you explain how the Act is successfully embedded into the revised PPW?

Firstly, the Act has been fully used to create the policy from day one. The officials clearly used the 5 ways of working themselves and sought to maximise the contribution of the policy to the goals. I would like to stress that this one of the best examples we have seen to date of the use of the Act to design national policy in Wales and of engagement with my office.

Secondly, the policy actively promotes the use of the 5 ways of working by the users of the policy throughout the document and in the different chapters of the policy. Its substance seeks to and will directly contribute to the achievement of the goals, helping for example with decarbonisation, tackling poverty, reducing inequalities through the transport, energy, housing sections for example. There are a multitude of examples to choose from which I am sure the Committee has noticed. This intent is clearly shown in the Annex B table showing how each element of the policy is designed to drive outcomes contributing to achievement of each of the well-being goals. The concept of place-making also places people at the heart of the policy and is designed to maximise contribution across all of the goals. The policy states in multiple places that proposed developments must be used to identify proposed developments that bring benefits to all four aspects of well-being.

24. Can you provide examples of revisions that have been made to PPW as a result of your work and that of your Office?

I have influenced the Government's processes in using the five ways of working and in particular the involvement principle and ensured a strong narrative on the Well-being of Future Generations Act was consistent and focused on the seven well-being goals.

I have advised early the team of officials that they needed to involve stakeholders and people much before any consultation stage on a draft policy. Following this advice, they organised workshops throughout Wales about their intentions and to ask what representatives of the four pillars of well-being would expect a new Planning Policy Wales to include or address. They said that the feedback they got at this very initial stage enabled them to be bolder in the policy approach they would take.

We also worked together on aligning the policy to the well-being goals which is visible throughout the document and is clearly set out in Annex B of the document. I have also insisted on the long-term vision the policy should provide and I required the inclusion of and the consideration of future trends each time it was possible.

I ensured that the aspirations contained correct references to the five ways of working, to the well-being goals in their holistic nature, including low carbon, equality and reduction in poverty.

I worked with officials and stakeholders to ensure the policy had the right focus in line with the goals as is reflected in the hierarchy of energy sources, transport hierarchy, mix of housing offer and placing people at the centre of planning among other things.

I insisted cultural well-being was included and facilitated contacts between officials and the sector.

I stressed the need to have clear evidence of the decision-making process, including how any proposed development would contribute to all aspects of well-being (building on the experience from environmental permitting). Such requirement is now included at paragraph 1.19 of PPW10.

I have also flagged that the implementation of the policy on the ground will be a key challenge, and learning from the experience with WeITAG to date, Welsh Government and the sector will need to invest significantly in training to ensure the aspirations of the policy truly come to life. This is because the Act and this Policy require a fundamental cultural change for all involved, from developers to councillors and because of the complexity of the system which includes governance arrangements for the production of plans at 3 levels (NDF, SDPs potentially and LDPs). This is an area I might revisit in the future once the new policy has had a chance to be embedded.

Yours sincerely,

Sophie Howe