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Auditor General for Wales

# Well-being of Future Generations: An examination of 'Promote Anglesey to Encourage Major Developers to Invest in the Island' – **Isle of Anglesey County Council**

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This document is also available in Welsh.

The team who delivered the work comprised Jeremy Evans, Alan Hughes and Euros Lake under the direction of Huw Rees.

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# Summary report

## Summary

### Why we undertook the Examination

- 1 In accordance with the Well-being of Future Generations (Wales) Act 2015 (the Act) the Auditor General for Wales (the Auditor General) is statutorily required to examine public bodies to assess the extent to which they have acted in accordance with the sustainable development principle when:
  - a. setting their well-being objectives; and
  - b. taking steps to meet them.

The Act defines the sustainable development principle as acting in a manner: '...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'

- 2 The Auditor General must provide a report on his examinations to the National Assembly for Wales at least a year before each Assembly election. The first such report must be published by 2020, before the 2021 Assembly election.
- 3 During 2018-19 the Auditor General is undertaking examinations across the 44 bodies covered by the Act to inform his report to the National Assembly.
- 4 In May 2018, the Auditor General published his report, 'Reflecting on Year One – How have public bodies responded to the Well-being of Future Generations Act (2015)'. He concluded that, public bodies support the principles of the Act and are taking steps to change how they work.
- 5 In developing our approach to undertaking the examinations during 2018-19 we engaged with a range of stakeholders including through our pilot work during 2017-18. We also worked closely with the Future Generations Commissioner.
- 6 As the preliminary work in year one included a consideration of how public bodies had set their well-being objectives the principal focus of this work is the way in which public bodies are taking steps to meet their well-being objectives.
- 7 The findings in this report are based on fieldwork that we undertook during the period November 2018 to January 2019.
- 8 This report sets out our findings from our examination of a step the Council is taking to meet its well-being objectives, namely to: Promote Anglesey to encourage major developers to invest in the Island and use this as a catalyst for business development and jobs on the Island.
- 9 It also sets out the Council's initial response to our findings.

## What we examined

- 10 In order to act in accordance with the sustainable development principle public bodies must take account of the following ‘ways of working’:

### Exhibit 1: the ‘five ways of working’

The table below sets out the ‘five ways of working’ as defined in the Welsh Government’s ‘Well-being of Future Generations (Wales) Act 2015 The Essentials<sup>1</sup>’ document.

The Five Ways of Working
<b>Long-term</b> The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.
<b>Prevention</b> How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.
<b>Integration</b> Considering how the public body’s well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.
<b>Collaboration</b> Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.
<b>Involvement</b> The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

- 11 Our examination found that: **The Council has acted in accordance with the sustainable development principle in developing the step, but there are opportunities to further embed the five ways of working.**

<sup>1</sup> Well-being of Future Generations (Wales) Act 2015 The Essentials, Welsh Government (2015)

# Detailed report

## Part 1 – Examination findings

The Council has acted in accordance with the sustainable development principle in developing the step, but there are opportunities to further embed the five ways of working

The Council has a thorough understanding of current and long term needs of communities and the associated challenges and opportunities presented by major developments on the island

### What we looked for

- 12 We looked for evidence of:
- a thorough understanding of current and long-term needs and the associated challenges and opportunities;
  - planning over an appropriate timescale;
  - resources allocated to ensure long-term benefits; and
  - appropriate monitoring and review.
- 13 Our examination was also informed by the positive indicators for the ‘long-term’ that we have identified and used as part of this examination.<sup>2</sup>

### What we found

- 14 We identified the following strengths:
- the Council has sought to balance the long term benefits with potential short term impacts. Examples include actively working to upskill the local workforce so that they can benefit from opportunities, which in turn will contribute to mitigating the detrimental impact on the Welsh Language.
  - the Council is gathering a wide range of data that it will use to monitor the impact of the major development in the longer term.
  - the availability of data has the potential to help the Council to secure positive benefits to the communities of Anglesey, for example through its Community Benefit Contributions Strategy.

<sup>2</sup> See Appendix 1

- the Council defines long term differently in different contexts – for example, for protecting the Welsh language it viewed the ten-year construction period for Wylfa Newydd to be very long term, whilst for dealing with nuclear waste ten years is very short term.
- the Council has worked with other public sector bodies including BCU and Public Health Wales to map how Anglesey would look with and without the investment.
- the Council has invested resources to ensure major developments are sustainable to the communities of the whole of Anglesey in the long term. Key examples include producing the supplementary planning guidance and establishing and applying a legacy framework, which outline the expectations of the Council and its partners that all major projects will deliver a positive legacy for Anglesey.
- the Council has measures in place to monitor its effectiveness with regards to dealing with major developments on the island. Many relate to the impact of the Supplementary Planning Guidance (SPG) but it is also looking to establish baseline data to monitor the long term impact of Wylfa on the county's young people.
- the Council is working with local education and skills providers to help develop a skilled workforce locally that can maximise the benefits of job opportunities, thus preventing the loss of opportunity to the regional workforce.

15 We identified the following opportunity for improvement:

- as part of the Energy Island Programme, the Council has modelled the impact of various scenarios on aspects of well-being across the island. Following the announcement of the project's suspension, the Council should review impacts on its modelled scenarios.

**The Council has sought to obtain a thorough understanding of the adverse effects of a large scale project, and understands the importance of gathering data to inform its preventative activities**

**What we looked for**

16 We looked for evidence of:

- a thorough understanding of the nature and type of problem the step could help prevent from occurring or getting worse;
- resources allocated to ensure preventative benefits will be delivered; and

- monitoring and review of how effectively the step is preventing problems from occurring or getting worse.
- 17 Our examination was also informed by the positive indicators for 'prevention' that we have identified and used as part of this examination.<sup>3</sup>

### What we found

- 18 We identified the following strengths:
- the Council has an understanding of the nature and type of problem the step could help prevent from occurring or getting worse. The Council is seeking to make Anglesey an attractive destination for inward investment that will create jobs, and promote well skilled and well paid jobs within the local industry, thus preventing the decline of communities on the island.
  - the Council understands the importance of gathering data to inform its preventative activities and is doing so widely, from things like tourism, impact on the Welsh language, to parking and increased pressures on roads from south to north of Anglesey.
  - resources are being allocated to ensure understanding of issues so that the Council can intervene/prevent appropriately – there are some examples of resources being allocated to prevent problems from arising e.g. creating harbour on-site, new road infrastructure to minimise effects on communities, building car parks and apps to car share to work.
  - given the project's timescales, monitoring the impact of prevention is difficult at present as many of the benefits of preventative interventions may not be felt until when (if) Wylfa goes ahead. However, there are examples of baseline data currently being put in place and reviewed by the Council. Modelling future trends as part of the Energy Island Programme also informs its approach.
- 19 We identified the following opportunity for improvement:
- following the suspension of the Wylfa Newydd project, the Council will need to continue to promote Anglesey as an investment destination for new major developers. The suspension period presents an opportunity to reflect on its approaches.

<sup>3</sup> See Appendix 1



## The Council considers how its step could contribute to the seven national well-being goals and its other well-being objectives, but it has not formally considered how the development will impact other public bodies' well-being objectives

### What we looked for

- 20 We looked for evidence of consideration of:
- how this step could contribute to the seven national well-being goals;
  - how delivery of this step will impact on the Council's well-being objectives and wider priorities; and
  - how delivery of this step will impact on other public bodies' well-being objectives.
- 21 Our examination was also informed by the positive indicators for 'integration' that we have identified and used as part of this examination.<sup>4</sup>

### What we found

- 22 We identified the following strengths:
- the Council considers how its step could contribute to the seven national well-being goals. For example its legacy framework links with the seven national well-being goals.
  - we heard that the scale of the project has encouraged the Council to make links between its various departments, such is the wide scale impact of the development.
  - officers articulated a good understanding of how the large scale development impacted on all of the Councils activities and across a range of wellbeing objectives.
- 23 We identified the following opportunity for improvement:
- the Council has not formally considered how the development will impact other public bodies' well-being objectives.

<sup>4</sup> See Appendix 1

## The Council has taken steps to collaborate with partners and reflect the needs and wishes of local communities, but could improve how it reviews the effectiveness of collaboration

### What we looked for

- 24 We looked for evidence that the Council:
- has considered how it could work with others to deliver the step (to meet its well-being objectives, or assist another body to meet its well-being objectives);
  - is collaborating effectively to deliver the step; and
  - is monitoring and reviewing whether the collaboration is helping it, or its stakeholders meet well-being objectives.
- 25 Our examination was also informed by the positive indicators for ‘collaboration’ that we have identified and used as part of this examination.<sup>5</sup>

### What we found

- 26 We identified the following strengths:
- the Council perceives its role as a conduit between the large developers and the communities of Anglesey, and has actively promoted the island as a destination for major investment.
  - the Council has mapped its governance structures to those of the nuclear industry’s standard arrangements and mapped collaboration arrangements with Welsh Government. The Council believes that the mapping exercise has had a positive impact on collaboration.
- 27 We identified the following opportunity for improvement:
- there is little evidence to suggest the Council is reviewing the effectiveness of partnership working and learning lessons from its approach.

## The Council has involved stakeholders in the Wylfa Newydd project, but needs to develop its approach to involving the full diversity of the community

### What we looked for

- 28 We looked for evidence that the Council has:
- identified who it needs to involve in designing and delivering the step;

<sup>5</sup> See Appendix 1

- effectively involved key stakeholders in designing and delivering the step;
  - used the results of involvement to shape the development and delivery of the step; and
  - sought to learn lessons and improve its approach to involvement.
- 29 Our Examination was also informed by the positive indicators for 'involvement' that we have identified and used as part of this examination.<sup>6</sup>

### What we found

- 30 We identified the following strengths:
- the Council acknowledges the importance of understanding citizens' views as well as other stakeholders.
  - the Council consulted widely on the development of its supplementary planning guidance in relation to major developments.
  - the Council has undertaken engagement exercises in order to understand citizens' views on the developments and provided examples of engaging with hard to reach communities across the island, including by using its 'Fforwm Ieuenctid' for young people via third sector body Medrwn Môn.
  - the Council values the role of councillors in engaging with communities and citizens, and briefs Members on a timely basis to inform discussions they may have with their communities.
  - the North Anglesey Partnership is a vehicle for town and community councils to be effectively involved in delivering the step.
  - the Council has established a corporate engagement and consultation board to coordinate and improve its engagement activity across all service areas.
- 31 We identified the following opportunities for improvement:
- the Council has identified the need to avoid technical jargon in future to better communicate and engage citizens and community leaders in consultations.
  - the Council needs to develop its approach to involving with the full diversity of the community.

<sup>6</sup> See Appendix 1

## Part Two: Council's response

32 Following the conclusion of our fieldwork we presented our findings to officers of the Council at a workshop in March 2019. At this workshop the Council began to consider its response to our findings and as a result of discussions at the workshop, and further reflection on our findings, the Council has developed the following actions under specific themes.

Long-term – Opportunity	Council Action
<p>As part of the Energy Island Programme, the Council has modelled the impact of various scenarios on aspects of well-being across the island. Following the announcement of the project's suspension, the Council should review impacts on its modelled scenarios.</p>	<p>Hitachi's announcement to delay the Wylfa Newydd project was quickly followed by the announcement that the Rehau factory in Amlwch would close. These announcements, in addition to the reduction in the number of jobs due to the decommissioning of the Magnox power station at Wylfa, are a huge blow to the economy and communities of North Anglesey.</p> <p>These effects have been assessed and taken into account in the draft Regeneration Plan for North Anglesey which is currently out to public consultation. The draft Scheme has been shared with the Welsh Government who are committed to providing additional funding. It will also form the basis for a bid to the Nuclear Decommissioning Authority, which the Council is used to working in partnership on employment and regeneration projects.</p>
Prevention – Opportunity	Council Actions
<p>Following the suspension of the Wylfa Newydd project, the Council will need to continue to promote Anglesey as an investment destination for new major developers. The suspension period presents an opportunity to reflect on its approaches.</p>	<p>The Council is committed to helping to ensure that Wylfa Newydd and other energy generation projects including the proposed Minesto and Morlais marine tidal schemes, the nuclear SMR development at Trawsfynydd in Gwynedd and the Rhiannon offshore wind farm scheme will be developed through to commercial operation.</p>

Prevention – Opportunity	Council Actions
	<p>To this end, the Council has submitted oral evidence, including evidence on behalf of the North Wales Economic Ambition Board, to the UK Government's Welsh Affairs Committee Inquiry into Wylfa Newydd Nuclear Power Station. The Council also prepared a detailed written submission in response to the Treasury's consultation on the funding of major energy infrastructure projects.</p> <p>The Leader and senior officers of the Council regularly liaise with Horizon Nuclear Power Ltd managers and with Ministers and senior officials in the UK and Welsh Governments.</p> <p>Following the postponement, the Council is undertaking a comprehensive 'Lessons Learned' exercise.</p>
Integration – Opportunity	Council Action
<p>The Council has not formally considered how the development will impact other public bodies' well-being objectives.</p>	<p>The Council will engage fully with the Welsh Government in preparing its North Wales 'Prosperity for All' Plan, relying heavily on the North Wales Economic Ambition Board Growth Plan, the Well-being Plan for the Region. This will ensure a hierarchy of inter-related Well-being Plans from community level to the whole of Anglesey level through the Aims adopted by the Council and the National 'Prosperity for All' Strategy.</p> <p>As the host Local Planning Authority during the Development Consent Order process the Council has worked closely with public and third sector bodies, including the Welsh Government to draft a comprehensive Section 106 Agreement established with Horizon Nuclear Power Ltd. This Agreement, which is incomparable in scale and complexity in Wales and is worth tens of millions of pounds, has been shaped by working on the principles of sustainable development, Well-being goals and objectives and associated ways of working. The detailed mitigation measures and commitments aimed to reflect the well-being priorities and objectives of the parties communicated through a series of bilateral meetings and sessions of a Team Wales Forum of public bodies in Wales convened jointly by the Council and the Welsh Government.</p>

<b>Integration – Opportunity</b>	<b>Council Action</b>
	<p>As part of the 'Lessons Learned' exercise referred to above, the Council is preparing a detailed Engagement Plan. The Section 106 Agreement has been prepared on a thematic basis and also includes a substantial Community Fund. The Plan will include monitoring the effects of mitigation measures under the relevant thematic headings that are generally equivalent to the corresponding public bodies, e.g. health and safety services, transport, leisure; and at community levels where the Well-being objectives combine at a spatial level.</p>
<b>Collaboration – Opportunity</b>	<b>Council Action</b>
<p>There is little evidence to suggest the Council is reviewing the effectiveness of partnership working and learning lessons from its approach</p>	<p>Working in partnership is not a result in itself but a 'method' of achieving an 'outcome'. In the case of the Council, the results of this are to successfully implement the actions to ensure the outputs in order to realise the aims and objectives of its Corporate Plan. These are the drivers for the annual Service Plans which include a number of actions devised for delivery through partnership working across services and in partnership with public, private and third sector bodies.</p> <p>The effectiveness of such partnership working will be assessed through annual monitoring and evaluation of these actions against outputs / outcomes at Service and Corporate level, with Lessons Learned brought together and evaluated. They are shared as good practice for adoption across the Council.</p>
<b>Involvement – Opportunity</b>	<b>Council Action</b>
<p>The Council has identified the need to avoid technical jargon in future to better communicate and engage citizens and community leaders in consultations</p>	<p>A number of statutory consultations are held in a statutory context which means that there is a considerable amount of legal and technical terminology and jargon. The Council recognizes the need to communicate in a language that is 'fit for purpose' and relevant to the target audience. This approach will be adopted in future consultations. The Council is also aware that people are overwhelmed by consultations and wherever possible, it tries to avoid duplication and ensure that consultations are not carried out at the same time.</p>

Involvement – Opportunity	Council Action
The Council needs to develop its approach to involving with the full diversity of the community	The Council will continue to develop its approach to ensuring inclusion and fully engage with a range of relevant parties. This will include regular updating of its register of 'Minority Groups and Difficult to Engage Groups' and the implementation of Lessons Learned on how best to engage with these groups through the experiences of the Community Engagement Officers employed by the Council and Horizon Nuclear Power Ltd in the formal and informal consultations undertaken throughout the Wylfa Newydd DCO process.

- 33 We will continue to monitor the Council's progress in implementing these actions, and the extent to which they address the issues we have identified in our findings.

# Appendix 1

## Positive Indicators of the Five Ways of Working

The table below sets out 'positive indicators' for each of the five ways of working that we have identified and will use to help inform our assessments of the extent to which bodies may be applying the sustainable development principle (SDP). We do not intend to use the indicators as a 'checklist'. They should be viewed as 'indicators' that will help us to form conclusions, rather than 'determinants' of the extent to which a body is acting in accordance with the SDP in taking steps to meet its wellbeing objectives.

### Exhibit 2: Positive indicators of the five ways of working

<b>What would show a body is fully applying the long-term way of working?</b>
<ul style="list-style-type: none"><li>• There is a clear understanding of what 'long-term' means in the context of the Act.</li><li>• They have designed the step to deliver the well-being objective(s) and contribute to their long-term vision.</li><li>• They have designed the step to deliver short or medium-term benefits, which are balanced with the impact over the long-term (within the project context).</li><li>• They have designed the step based on a sophisticated understanding of current and future need and pressures, including analysis of future trends.</li><li>• Consequently, there is a comprehensive understanding of current and future risks and opportunities.</li><li>• Resources have been allocated to ensure long-term as well as short-term benefits are delivered.</li><li>• There is a focus on delivering outcomes, with milestones/progression steps identified where outcomes will be delivered over the long-term.</li><li>• They are open to new ways of doing things which could help deliver benefits over the longer term.</li><li>• They value intelligence and pursue evidence-based approaches.</li></ul>
<b>What would show a body is fully applying the preventative way of working?</b>
<ul style="list-style-type: none"><li>• The body seeks to understand the root causes of problems so that negative cycles and intergenerational challenges can be tackled.</li><li>• The body sees challenges from a system-wide perspective, recognising and valuing the long-term benefits that they can deliver for people and places.</li><li>• The body allocates resources to preventative action that is likely to contribute to better outcomes and use of resources over the longer-term, even where this may limit the ability to meet some short-term needs.</li><li>• There are decision-making and accountability arrangements that recognise the value of preventative action and accept short-term reductions in performance and resources in the pursuit of anticipated improvements in outcomes and use of resources.</li></ul>



#### **What would show a body is taking an 'integrated' approach?**

- Individuals at all levels understand their contribution to the delivery of the vision and well-being objectives.
- Individuals at all levels understand what different parts of the organisation do and proactively seek opportunities to work across organisational boundaries. This is replicated in their work with other public bodies.
- Individuals at all levels recognise the cross-organisation dependencies of achieving the ambition and objectives.
- There is an open culture where information is shared.
- There is a well-developed understanding of how the well-being objectives and steps to meet them impact on other public sector bodies.
- Individuals proactively work across organisational boundaries to maximise their contribution across the well-being goals and minimise negative impacts.
- Governance, structures and processes support this, as do behaviours.

#### **What would show a body is collaborating effectively?**

- The body is focused on place, community and outcomes rather than organisational boundaries.
- The body has a good understanding of partners' objectives and their responsibilities, which helps to drive collaborative activity.
- The body has positive and mature relationships with stakeholders, where information is shared in an open and transparent way.
- The body recognises and values the contributions that all partners can make.
- The body seeks to establish shared processes and ways of working, where appropriate.

#### **What would show a body is involving people effectively?**

- Having an understanding of who needs to be involved and why.
- Reflecting on how well the needs and challenges facing those people are currently understood.
- Working co-productively, working with stakeholders to design and deliver.
- Seeing the views of stakeholders as a vital source of information that will help deliver better outcomes.
- Ensuring that the full diversity of stakeholders is represented and they are able to take part.
- Having mature and trusting relationships with its stakeholders where there is ongoing dialogue and information is shared in an open and transparent way.
- Ensure stakeholders understand the impact of their contribution.
- Seek feedback from key stakeholders which is used to help learn and improve.

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