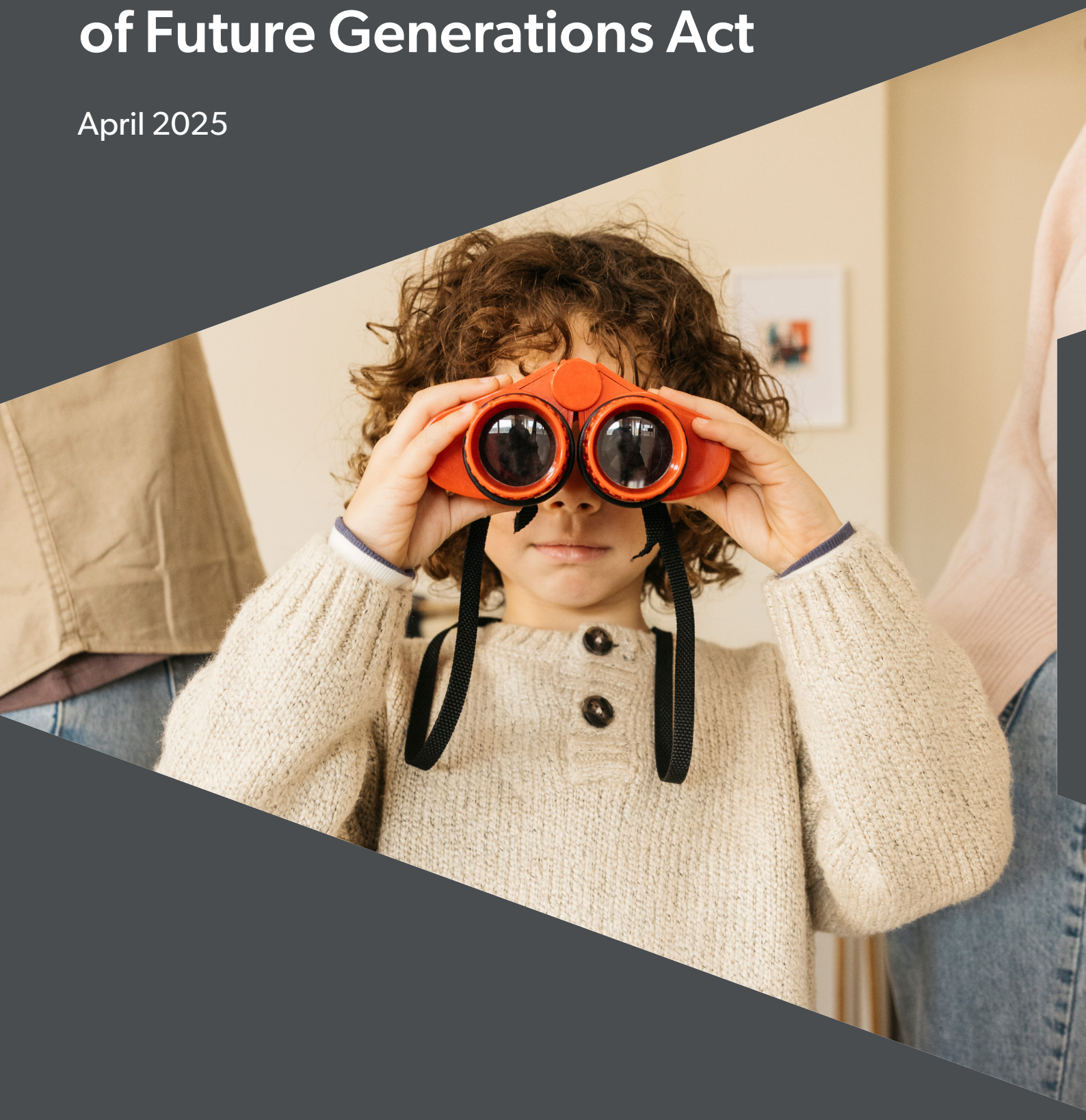


No time to lose: Lessons from our work under the Well-being of Future Generations Act

April 2025



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Foreword

Public services in Wales have been facing unprecedented pressures. This will come as no surprise to any public servants who open this report and who deal with the effects every day.

The COVID-19 pandemic put public bodies in emergency response mode for an extended period. Inflationary pressures have followed, made worse by other global events, and contributing to a cost-of-living crisis impacting people and organisations across the country. All this amid other demands including the response to the climate and nature emergency, and an ageing population.

The long-term sustainability and affordability of services and government policy commitments are being tested. And while the Welsh Government's budget for 2025-26 provides some respite, the outlook remains extremely challenging. Making the shift from short-term firefighting to future proofing our public services will not be easy, but it needs to happen. If implemented effectively, the Well-being of Future Generations Act should help drive that change.

This report considers that very issue, because I must examine how public bodies are applying the Act in practice. The report should be read alongside the Future Generations Commissioner's report, which is published at the same time.

While I cannot look at everything public bodies do, the breadth of my work gives me a unique view. Ten years on from its inception, I see energy and enthusiasm for the Act in various quarters; and I see public bodies having different conversations, making decisions informed by the Act, and changes in practice. But for all the good examples, there are those that are not so good. The Act is not driving the system-wide change that was intended.

Of course, driving change across often large, complex organisations is hard. But I urge public bodies to see the sustainable development principle as a value for money issue. We cannot afford to design solutions that do not meet people's needs, burden future generations with avoidable higher costs, or miss opportunities to deliver more with the same or less.

Public bodies also need strong foundations from which to plan for the future, and they need to maintain the trust and confidence of the people they serve. This involves doing the basics well in how they govern themselves, and in how they manage their finances, workforce, and assets.

The Welsh Government has a key leadership role to help create the right environment. There needs to be a sustained focus on ensuring wider systems of legislation, governance, funding, and culture enable the Act to take hold and thrive.

In 2020, I called for a review of the Act to explore how barriers to its implementation could be overcome and how Wales could remain at the forefront of actions to improve well-being. Five years on, that recommendation has not been acted on in the way I would have hoped. Many of the same barriers still exist, so I find myself re-stating the need for a review today.

I hope my report can contribute to a wider conversation about how public bodies apply the Act to make a real and lasting impact on the big issues Wales faces. Audit Wales will continue to provide insight, support improvement, and promote accountability. And I urge all those in positions of scrutiny to play their part in recognising good practice and calling out where bodies are falling short.



Adrian Crompton

Auditor General for Wales

Report snapshot

What the report is about

- 1 This report is about how Welsh public bodies are thinking and acting for the long term. Specifically, it is about how public bodies are doing what the Well-being of Future Generations (Wales) Act 2015 (the Act) requires them to do.
- 2 Under the Act, certain public bodies must set 'well-being objectives' to create a better Wales, both now and in the future. They must also take all reasonable steps to meet those objectives.
- 3 They must do these things in a certain way. They must focus on stopping problems from happening in the first place. They must make the connections between different parts of their work and join up with other public bodies. They must listen to and work with their communities. Ultimately, public bodies must take a longer-term view, so they can meet the needs of the present without compromising the ability of future generations to meet their own needs.
- 4 Over the past five years, we have looked at how public bodies did this when setting their objectives and taking steps to meet them. This report sets out what we have learned. It also reflects on progress since our first such report in May 2020.

Why this is important

- 5 The Act should touch all aspects of public bodies' work. It is about driving a change in what public bodies do and how they do it so they can meet pressing and future challenges.
- 6 Our audit work on the steps public bodies have taken to meet their objectives has been wide and varied. It has taken us into areas that are important to people and that draw on significant public money. For example, housing, health and social care, and the climate and nature emergency. We have also looked at functions that are critical to a well-run organisation, such as financial and workforce planning.
- 7 The Act is now 10 years old. The pressure on public services and the public finances has grown in that time. If the Act is Wales's answer to meeting the big challenges, it needs to be implemented well. It is important to learn lessons as we look ahead to the next 10 years and beyond.

What we have found

- 8 We see that, 10 years in, the Act has increased prominence. It is changing conversations, influencing longer-term planning, and impacting day-to-day decision-making and working practices across Welsh public services.
- 9 Disappointingly, we also see instances where public bodies have given little or no explicit consideration to the Act. From what we see, the Act is not driving the system-wide change that was intended. Notably, there is still much to do to apply the Act to functions such as workforce planning, asset management, and financial planning. These functions are essential in driving wider change and translating strategic intentions into operational reality.
- 10 We find variation in practice within organisations, and within and between sectors. In our view, the health system in particular has some way to go in applying future generations thinking across its planning and delivery.
- 11 Accelerating progress under the Act starts with prioritising prevention. Without a more systematic shift towards prevention, budgets will be exhausted, and outcomes will likely be worse. The longer it takes the worse things are likely to get.
- 12 Public bodies also need to improve the information they use to inform planning and decision-making, get a better grip on resource implications, and make sure they can understand impact. These are key to achieving and demonstrating value for money, and to applying the sustainable development principle.
- 13 Delivering change will require action from all public bodies individually. But that will not be enough. They are working in an environment that does not always promote that change. There is action that government could take to create the conditions for progress. Several of the barriers to implementation we identified in 2020 remain issues today, and the Act itself still merits detailed post-legislative review.

What we recommend

- 14 We have made recommendations to individual public bodies through the audit work that this report builds on. They have frequently related to the application of the expected ways of working. They have also been about making sure bodies are getting value for money.
- 15 This report makes four further recommendations. They are strategic recommendations to the Welsh Government, designed with the wider conditions for progress in mind. They call on the government to minimise funding uncertainty to help bodies plan effectively and to encourage investment in prevention. They also call on government to take a fresh look at the assessment of performance and impact under the Act and to clearly set out a scope and timetable for its own evaluation of the Act in the context of wider scrutiny.

Key facts and figures

- 16 We identify financial and demand pressures facing public services across our work. **Exhibit 1** sets out some examples, covering the last decade. They are a sample but give a sense of the scale and escalation of challenges since the Act was introduced. They pose questions about what can be done to stop further escalation over the next decade.
- 17 Looking ahead, the Welsh Government's [Future Trends Report](#) from December 2021 sets out information on factors that are likely to affect Wales's achievement of the seven well-being goals. The next such report is due by May 2027.

Exhibit 1: examples of growing financial and demand pressures for public services over the last 10 years



Health revenue funding increased from £6.29 billion in 2014-15 to £10.64 billion in 2023-24, which is a **real terms increase of 30%**.



Local authorities' core revenue funding increased from £4.26 billion in 2014-15 to £5.52 billion in 2023-24. However, this is a **real terms decrease of 0.55%**.



The **combined annual revenue deficit for health bodies with a deficit increased by 235%** from -£55 million in 2014-15 to -£183 million in 2023-24.



There was a **17% real terms reduction in Welsh Government revenue funding for culture and sport** between 2014-15 and 2024-25.



Spending on NHS secondary care services increased from £4.28 billion in 2014-15 to £7.32 billion in 2022-23, which is a **real terms increase of 39%**.



Spending on cancer services increased from £409 million in 2014-15 to £719 million in 2022-23, which is a **real terms increase of 43%**.



Spending on diabetes services increased from £98 million in 2014-15 to £167 million in 2022-23, which is a **real terms increase of 38%**.



NHS spending on mental health provision increased from £663 million in 2014-15 to £1.02 billion in 2022-23, which is a **real terms increase of 25%**.



Budgeted expenditure on Special Educational Needs/Additional Learning Needs provision increased from £357 million in 2014-15 to £549 million in 2023-24, which is a **real terms increase of 18%**.



Spending on home to school transport increased from £117 million in 2014-15 to £191 million in 2023-24, which is a **real terms increase of 25%**.



Spending on children looked after increased from £254 million in 2014-15 to £575 million in 2023-24, which is a **real terms increase of 74%**.



Number of children looked after increased from 5,610 in 2015 to 7,200 in 2024 which is an **increase of 28%**.



Around **1 in 6 Welsh species** were at risk of extinction in 2023.



Number of homeless individuals in temporary accommodation rose from 3,577 in August 2020 to 11,203 in January 2025 which is an **increase of 213%**.

Source: See **Appendix 1** for sources and some further explanations.

Note: Spending figures (£s) are gross spending, including from any income generated. Spending and funding figures (£s) are in cash terms. Percentage changes in spending and funding are based on real terms figures, adjusted to take account of inflation. We used HM Treasury GDP deflators at market prices for 2023-24, December 2024. These were the latest available at the time of drafting this report.

Our findings

- 18 This part of our report summarises key themes from our work. We refer to some specific examples, but our wider audit coverage has informed our overall findings.
- 19 **Appendix 1** provides more detail about our audit work and lists audit reports that we have referred to explicitly in this report. **Appendix 2** provides an overview of the framework of the Act, including the sustainable development principle and the five ways of working.

Setting the direction: Public bodies' well-being objectives



What public bodies must do

Set well-being objectives that maximise their contribution to achieving the national well-being goals.



What we must do

Assess the extent to which public bodies have applied the sustainable development principle when setting their well-being objectives.



What we did

Carried out these examinations at individual public bodies between 2020 and 2025. Where public bodies did not set new well-being objectives during that time, we looked at how they were reviewing them.

- 20 We have summarised our findings on how public bodies set their well-being objectives under five themes (see **Exhibit 2**). We looked at how public bodies were applying the sustainable development principle, but also how they were incorporating them into their planning and delivery frameworks. This was important in helping us understand how public bodies intended to make their ambitions 'real'.

Exhibit 2: key themes from our work on well-being objective setting



Source: Audit Wales

Most public bodies appreciate that their well-being objectives should sit at the heart of the organisation and define their long-term ambitions, but a few have not fully grasped what is expected of them

- 21 Setting well-being objectives is intended to be a new approach to setting the organisation's main objectives. The aim is to put sustainable development at the heart of the organisation's thinking, shaping choices and action.
- 22 So, while not a requirement, it is best practice for public bodies to make their well-being objectives and corporate priorities one and the same. Setting well-being objectives that sit separate from the main corporate planning framework is likely to limit their impact and add bureaucracy and complexity.
- 23 In 2020, we noted that the timetable and need to fit with existing plans posed some difficulties for bodies when setting their first well-being objectives. They took different approaches, but most published by the deadline of April 2017 and either added to or replaced their previous corporate objectives.

- 24 Most public bodies have now incorporated their well-being objectives into their main corporate strategy. However, others have not taken this step. Certain bodies have set well-being objectives that do not appear connected to wider corporate planning and day-to-day delivery. In some cases, bodies had not reviewed or monitored their objectives for some time. This raises questions about their prominence and whether they have ‘sat on the shelf’, rather than providing meaningful direction.
- 25 This is the case for some health bodies, in particular. It is important that they do not miss the opportunity to put their well-being objectives at the centre of their thinking as they re-develop long-term strategies and respond to the effects of the COVID-19 pandemic. The Welsh Government has updated its NHS planning guidance 2025-2028 to state that the well-being objectives should ideally be the same as an organisation’s ‘overarching strategic objectives’ and align with other organisational strategies and plans.
- 26 Also, during our initial work at the four newly created regional Corporate Joint Committees in 2022, some of those we spoke to seemed unaware of their duties under the Act. When we undertook further work in 2023, we found only two of the four had published well-being objectives by the statutory deadline. We reminded them of the need to do this and emphasised the importance of applying the sustainable development principle as they were taking forward their plans and decision-making. We will explore this through future work.
- 27 Medr – the Commission for Tertiary Education and Research – is the most recently created body that is subject to the Act. Positively, we found that it had embraced the sustainable development principle to help develop its first strategy and well-being objectives. Our early engagement with the eight bodies that became subject to the Act in June 2024 (see **Appendix 1**) suggests a keenness to do the same.

Overall, we have seen public bodies applying the sustainable development principle when setting their well-being objectives; but they can go further, particularly in involving the diversity of their communities

- 28 If public bodies are going to set well-being objectives that deliver real value over the long term, they need to go beyond a compliance mindset and actively apply the ways of working.
- 29 In 2020, we reported that most bodies had gone about setting their objectives differently because of the Act. However, they often failed to provide us with a detailed explanation of ‘how’ they had used all five ways of working. Where they gave examples, these tended to relate to collaboration, involvement, or integration.
- 30 We found many public bodies sought to strengthen the process for setting their well-being objectives in this period. We recognised where bodies had set out to purposefully apply the sustainable development principle to provide a clear, long-term direction for the organisation.
- 31 Public bodies have generally framed their objectives for the long term. Corporate strategies are often set for the medium term, but the objectives tend to be more open-ended and focused on delivering longer-term outcomes. For example, Bannau Brycheiniog National Park Authority’s statutory Management Plan covers 2023 to 2028, but its vision extends 25 years to 2048. Some bodies have included their objectives in long-term strategies. For example, Mid and West Wales Fire and Rescue Service published its well-being objectives as part of its Community Risk Management Plan 2040.

Understanding the relationship between people and planet in the Bannau Brycheiniog National Park

Bannau Brycheiniog National Park Authority has adapted the ‘doughnut economics’ model to help it to understand the biggest changes needed to make the National Park a sustainable place where people and nature thrive. The analysis drew on a wide range of evidence and insights and showed the huge scale of change needed from cutting carbon emissions to restoring the health of the water system, to affordable housing. The Authority prioritised five missions in the National Park Management Plan, based on this analysis, focusing on climate, water, nature, people and place.

- 32 Public bodies have used a range of evidence to help them understand key challenges and shape their objectives. This tended to include available performance information, internal and external research, and future trend analysis, including from the Future Trends Report. Councils have used Public Services Boards' (PSBs') well-being assessments as a key source of evidence¹. In a few instances, we recommended bodies could give more consideration to future trends.

'Let's Talk' in Neath Port Talbot

Neath Port Talbot Council gathered extensive views through focus groups, in-depth interviews with citizens, and a survey. The survey received 1,694 responses from a wide spectrum of groups, which included young people and children. The Council fed back the results to citizens effectively. In early 2022, it sought further views on its draft well-being objectives.

The Council also undertook extensive internal engagement. It held detailed workshops for each objective to challenge the data and consider the steps that it needed to take over the short, medium, and longer term.

- 33 Setting the objectives appears to have been more of a joint endeavour within organisations than in the past. We have seen examples of senior leaders coming together to develop and consider the objectives and steps to achieve them. We have also seen staff being involved in the process.
- 34 However, we saw big variation in how public bodies involved the public and external stakeholders. We saw examples where bodies sought a cross-section of views, using different methods and engaging representative organisations to help them. The strongest examples included multiple phases, where bodies sought views to inform the draft objectives and then consulted on them. We also saw some public bodies using creative ways of involving the public and adapting during the pandemic.

1 Under the Act, specified public bodies must work together through PSBs to prepare an assessment of the state of economic, social, environmental and cultural well-being in their area and improve it. The Commissioner's office provided feedback on PSBs' draft assessments in 2022. They found the assessments used a wide range of data sources. They also found that, overall, PSBs had demonstrated they were considering future trends information, which was a clear improvement on the first round of assessments.

- 35 We also often recommended that bodies make sure they draw on the views of people across the communities they serve. This means being clear about who they need to reach and how, assessing whether they are being successful, and adapting accordingly. Involvement may take time and capacity, as well as the right skills, but can be seen as an investment given objectives are being set for the medium to longer term.

Seeking views to help shape

'Working Together for a Healthier Wales (2023-2035)'

Public Health Wales NHS Trust undertook extensive engagement with stakeholders, the public and staff to update its long-term strategy and objectives to new and exacerbated public health challenges following the pandemic. This included 'How are we doing in Wales' surveys, which received 3,521 responses.

It followed up by surveying an additional 1,072 people recruited via its 'Time to Talk Public Health Panel'. This is a nationally representative panel to inform public health policy and practice. The Trust also gained feedback from 480 of its staff through workshops and a survey.

- 36 Some bodies could also have done more to understand how their objectives relate to their partners' objectives. We appreciate this can be difficult, particularly for national bodies with many partners to consider. However, it could identify inter-dependencies and opportunities to collaborate. The Commissioner has collated public bodies' objectives to help with this.
- 37 We have seen examples of bodies thinking about how they can go beyond their core purpose. We found notable examples of this in our reports to Welsh Government arms-length bodies. Amgueddfa Cymru's objectives are clearly designed to contribute to different well-being goals, with activities relating to health and education, for example, aimed at delivering outcomes beyond 2030. The Arts Council for Wales has identified actions that relate to the climate and nature emergency, health and mental health, education, equality, and poverty.
- 38 However, it is not always clear whether the Act is driving a different focus in bodies' objectives in the context of the national well-being goals. The Commissioner has included an analysis of the objectives themselves in his report. He has concluded that public bodies' objectives are not fully contributing to all well-being goals².

2 The Commissioner has found that many public bodies could do more to 'define and implement' cultural well-being and consider global impacts of their work.

- 39 Our examination at the Welsh Government also raised interesting questions about how a new government applies the sustainable development principle to set well-being objectives while building a programme for government based on a political mandate. The Welsh Government did not provide clear supporting evidence to show how it had done that. This meant that it was not practically possible for us to make an overall assessment. This is regrettable as other bodies covered by the Act will look to the Welsh Government to demonstrate best practice.

Bodies have pitched their objectives in a variety of ways, which has implications for how they deliver and report on them

- 40 While we have not assessed their appropriateness, we have seen variation in how bodies pitch their objectives. Objectives are often framed as high-level ambitions, such as ‘give children and young people the best start in life’. We also see objectives that are principle-based, such as ‘climate justice’.
- 41 Public bodies have freedom to frame their objectives as they see fit. In doing so, they need to think about how they best build the objectives into their planning frameworks. They also need to think about their wider remit, governance, and culture. The framing of the objectives should help guide actions and choices across the organisation. If the objectives are too high-level and broad, there is a risk that they will not provide that direction.
- 42 Public bodies also take different approaches to setting out the steps they will take to meet their objectives. In some cases, there is limited detail to accompany the well-being objectives, with information on steps instead set out in other plans.
- 43 The framing of the objectives also has implications for how measurable they are. Public bodies will need to consider how they can assess impact over the short and longer term when deciding how to pitch their objectives and steps. The Commissioner has encouraged public bodies to set objectives and steps that are ‘SMART’³. His report includes a revised process to help public bodies ‘set good well-being objectives and steps’.
- 44 More consistency of approach could also help public bodies make connections between each other’s objectives. It may also make it easier for the Commissioner to monitor and assess the progress public bodies are making.

3 ‘SMART’ stands for Specific, Measurable, Achievable, Relevant, Time-bound.

If public bodies are going to make sure that setting well-being objectives is more than an exercise in strategic thinking, they need to ensure they can fund and deliver them

- 45 Public bodies will need to align their objectives to their operational delivery and financial planning if they are going to turn their ambitions into reality. This is particularly important given the funding pressures and uncertainties they face.
- 46 Public bodies' corporate strategies are typically underpinned by shorter-term business or service plans. These set out the more detailed actions that public bodies will take in pursuit of their objectives.
- 47 Where this was not the case, we recommended public bodies align their plans to ensure the well-being objectives shape action on the ground. We also recommended certain public bodies provide more information on how and when they would collaborate with partners to deliver their objectives.
- 48 We often found that public bodies had not considered the resource implications of their well-being objectives over the medium and longer term. While it is not possible to plan this in detail, we would expect public bodies to consider how they will align funding to their objectives and how financial risks, including any necessary savings, might affect delivery (see also **paragraphs 116 to 120**).
- 49 We have recommended that bodies use their medium-term financial plans to do this. Though, these were not always in place, sometimes needed updating, or could be further developed. However, we found some examples of councils making the connections. Such as the Vale of Glamorgan Council, which updated its financial strategy alongside its Corporate Plan, is aligning its transformation programme and has set aside some reserves to support its objectives.
- 50 For health bodies, their Integrated Medium-Term Plans (IMTPs)⁴ are the principal operational plan. However, six of the seven health boards in Wales have not been able to produce a Welsh Government approved IMTP for 2024-2027 due to their financial deficits. They are, instead, working towards annual plans. This limits their planning horizons and creates uncertainty over how they will take the necessary steps to achieve their long-term ambitions.

4 Health boards and NHS trusts are required to produce IMTPs annually. IMTPs set out how bodies will use their resources over a three-year period to deliver high quality healthcare services, which address population needs and improve health outcomes. Special Health Authorities and other national bodies are not formally covered by the same requirements but do develop and publish IMTPs.

Public bodies need to develop the right performance measures if they are to understand their impact against their objectives over the long term

- 51 Public bodies need to understand the difference they are making, particularly when they are acting for the long term. The right performance information can help public bodies review, adapt and improve. It can drive accountability and ensure transparency for delivering the well-being objectives. Performance information will also be of interest to funders, partners, and communities.
- 52 We found that public bodies often did not have the right performance measures in place to help them understand progress and impact against their objectives. Measures were typically more focused on activities and outputs than outcomes. We also found some public bodies had not set out specific measures to accompany the objectives.
- 53 At the time of our examinations, some public bodies were revising, or planned to develop, their performance arrangements to support their new objectives. We have made various recommendations that address these issues. Our wider work has also continued to stress the need for public bodies to improve how they manage their performance (see also **paragraphs 121 to 130**).

What do we mean by **outcomes?**

An outcome is the end result – the difference made from the action or service. The intended outcome is what the organisation is looking to achieve – the why or the ‘so what?’

Outcomes may be shorter, medium, or longer term.

Outcomes may not be within the complete control of one body, but dependent on others too. Outcomes differ from outputs. Outputs are the ‘what’ – the services and goods delivered to help achieve the desired outcome.

Making it happen: Taking steps to meet well-being objectives



What public bodies must do

Take all reasonable steps to meet their well-being objectives.



What we must do

Assess the extent to which public bodies have applied the sustainable development principle when taking steps to meet their well-being objectives.



What we did

Carried out these examinations at individual public bodies between 2020 and 2025.

In general, we did this while also looking at how public bodies were going about achieving value for money. This allowed us to gain a more complete understanding of whether public bodies were delivering on their ambitions in practice.

- 54 Our findings on how public bodies are taking steps to meet their objectives boil down to seven themes, and with some read across to our findings on objective setting (see **Exhibit 3**). The themes reflect where we think public bodies can focus to better apply the Act and make sure they are getting value for money.
- 55 The themes are connected. Getting one right will help with another. Public bodies should keep these in mind through the stages of planning, doing, and reviewing policy, service, and project delivery. Most fundamental in our view, given the pressures public bodies face, is prioritising prevention.

Exhibit 3: key themes to help public bodies strengthen how they apply the Act and make sure they are getting value for money



Prioritising prevention



The right information to understand pressing and complex problems



Aligning resources to make it happen



Collaborating to unlock system challenges



Working for and with the public



Integrated thinking



Measuring and being held to account for the right things

Source: Audit Wales

56 Delivering change will require action from all public bodies individually. But that will not be enough. They are working in an environment that does not always promote that change. We describe some of these factors in the sections that follow.

Public bodies are struggling to make a more systematic shift towards prevention, but without it budgets will be exhausted, and outcomes will likely be worse

- 57 Public bodies will not build sustainable public services without getting ahead of the tide of demand. The case for prevention is continually made and widely appreciated. There is a range of evidence that quantifies the impacts for individuals, on public sector budgets and the economy. **Exhibit 4** sets out some examples based on other research.

Exhibit 4: examples of estimated impacts from investing in prevention



Public health in general offers a **£14 return for every £1** invested



Programmes promoting breastfeeding can **save the NHS around £50 million annually** by improving mental health and reducing hospital admissions



Homelessness prevention programmes can yield **savings of around £9,266 per person** when compared to allowing homelessness to persist for 12 months



Parenting programmes offered a **return of £15.80 for every £1** invested



Data sharing between emergency departments and the police can provide **returns of £82 for every £1** invested and substantially reduce the costs associated with violence



Targeted group sport activities aimed at increasing physical activity across different age groups offers **social returns of between £1.91 to £22.37 per £1** invested

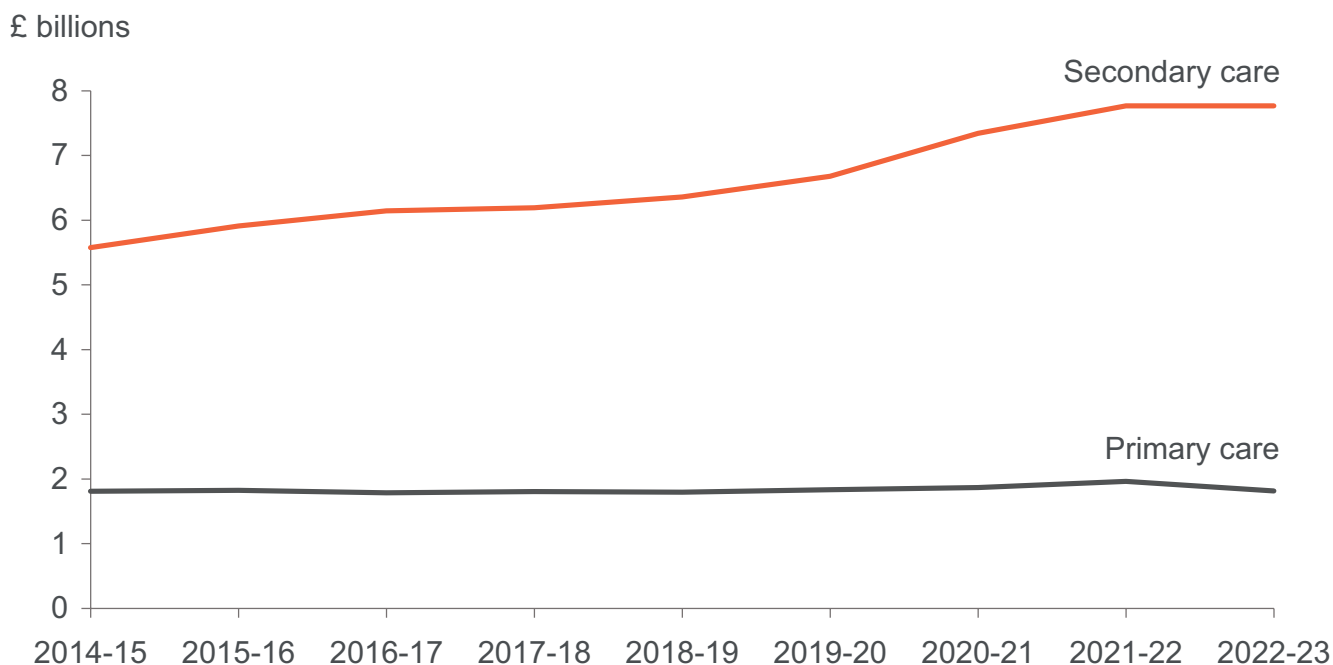
Source: Masters R, Jones A, Davies J, Stielke A, Kadel R, Jenkins L, Dardur A, and Azam S. [Investing in a Healthier Wales: prioritising prevention](#). Cardiff: Public Health Wales NHS Trust, January 2025

Note: These are selective examples that show some of the most significant returns on investment set out in this source. The report contains further examples.

- 58 We see that the need to invest to meet immediate financial and demand pressures can make it especially challenging for public bodies to invest in prevention. Choices are made harder by the fact that it takes time to see returns on investment. Also, those returns may be accrued by bodies other than the one making the investment. Public bodies must also consider public expectations, which may be more focused on access to, or the quality of, services in the here and now.
- 59 Nevertheless, public bodies have a duty to balance immediate pressures with longer-term impacts. The longer it takes to make the shift to prevention, the worse things are likely to get. There is no perfect solution, but we have continued to emphasise the importance of tackling fraud, inefficiency, and waste in the short term, so that public bodies can make use of their limited resources to best effect.
- 60 In 2020, we found public bodies recognised the need to work preventatively but were sometimes missing opportunities to deliver on that in practice. We noted they were finding it difficult to redirect core resources to deliver new, preventative delivery models. Shortly after our May 2020 report, we reported on how money was being wasted because public bodies continue to react rather than prevent rough sleeping.
- 61 In 2025, we see that prevention is under pressure. This is evident in certain spending choices. The Welsh Government acknowledged its 2024-25 budget could ‘impact the capacity of prevention services such as smoking cessation, weight management and exercise support’. It also included significant cuts to culture bodies’ funding⁵. The Commissioner’s assessment of the Welsh Government’s draft 2025-26 budget found ‘it does not yet prioritise prevention’.
- 62 The NHS faces enormous immediate pressure. The growth in the numbers of people waiting for planned care following the pandemic will require continued focus and resources. Health funding reflects this, with overall revenue funding increasing by 30% in real terms when comparing 2014-15 and 2023-24.
- 63 Increases in health spending have been directed to secondary care. It grew by 39% in real terms, when comparing 2014-15 and 2022-23. However, real terms spending on primary care remained relatively stable over the period (see **Exhibit 5**). This is in the context of primary care having a key role to play in preventative healthcare through routine health checks, immunisations, patient education and lifestyle advice. Primary care also plays a key role in the effective management of chronic conditions – such as diabetes, asthma and hypertension – by helping prevent complications and unplanned hospital admissions.

5 In January 2025, the Senedd’s Culture, Communications, Welsh Language, Sport, and International Relations Committee published [A decade of cuts: Impact of funding reductions](#).

Exhibit 5: all Wales Local Health Board real terms expenditure on primary and secondary care services, 2014-15 to 2022-23



Source: Programme budgeting submission from NHS Wales Executive based on returns from Local Health Boards, published by the Welsh Government on [StatsWales](#)

Notes:

- 1 Local health boards fund services provided by primary care practitioners such as GPs and dentists, and secondary care services such as hospital treatment. Local Health Board expenditure includes a small amount of other expenditure which cannot be classified to primary or secondary care.
 - 2 The equivalent data for 2023-24 was not published at the time of drafting this report.
 - 3 Real terms figures are adjusted to take account of inflation. We used HM Treasury GDP deflators at market prices for 2023-24, December 2024. These were the latest available at the time of drafting this report.
- 64 However, the picture is complicated by the fact that expenditure by health boards on primary care is not consistently categorised. We have found that health boards often lack a baseline understanding of the true cost of primary care. Having such a baseline is essential if health boards are to understand progress in shifting resources from secondary to primary care.
- 65 We have also highlighted challenges in the primary care workforce and that capacity in central Primary Care Services Teams in some health boards is stretched. More generally, we found certain health boards could strengthen Board and committee oversight of primary care. This is important in ensuring it has visibility and focus in decision-making and scrutiny.

- 66 The contribution of the NHS to population health outcomes is only estimated to be somewhere between 10% and 20%⁶. Many of the levers sit with councils. However, their core revenue funding fell by 0.55% in real terms when comparing 2014-15 and 2023-24.
- 67 Councils also face rising demand, making it difficult to invest in prevention. For example, our work on tackling poverty found councils were typically focused on responding to people in crisis rather than preventing them from getting into poverty in the first place. This was largely due to the high numbers of people who needed services because they were struggling day-to-day.
- 68 More generally, we have seen how pressure to meet short-term needs in statutory services such as social care has impacted spending on other regulatory services, such as trading standards, or preventative services such as community safety. **Exhibit 6** shows examples of this.

Exhibit 6: percentage changes in real terms gross (and net) spending by councils on a sample of services, 2014-15 to 2023-24



Source: Audit Wales analysis of [Welsh Government data](#) collected via local authorities' revenue outturn annual returns

Notes:

- 1 We have selected a sample of high spend services that have seen significant increases. We also selected a sample of services that have seen large percentage decreases that are of interest because they relate to regulatory services or services with preventative benefits.
- 2 Real terms figures are adjusted to take account of inflation. We used HM Treasury GDP deflators at market prices for 2023-24, December 2024. These were the latest available at the time of drafting this report.
- 3 Net expenditure figures in brackets comprise the gross expenditure less any income the service area receives.

6 Centre for Progressive Policy, Core Cities and Metro Dynamics, [Preventative Public Services: Policy Working Paper for Core Cities](#), October 2024

- 69 Decisions to reduce preventative spending by one department or organisation affect demand for other services. Our current work on temporary accommodation is highlighting the challenge councils are facing in making a shift to a more preventative approach in the face of reductions to services that could help reduce demand. This must be seen in the context of the lasting impact that living in temporary accommodation can have on people's well-being, not least children.
- 70 In the case of health and social care, there is a dedicated funding stream designed to promote prevention. The Regional Integration Fund (RIF) goes to Regional Partnership Boards (RPBs) across Wales. We found the funding is helping RPBs take forward evidence-based, preventative initiatives.

Reablement in Swansea

Reablement is intensive support for people to get back to independence after illness or a hospital stay. The West Glamorgan RPB has funded a community reablement service for patients over 65 in Swansea. The service is made up of domiciliary care workers, residential care staff, physiotherapists, occupational therapists and nurses. Between 2023 and 2024, Swansea Council noted a significant reduction in need for long-term care when people had reablement support. This was the case for 80% of people who had reablement packages in a residential home and 60% of people who had a reablement package in the community.

- 71 However, we do not see enough evidence that health and social care partners are reshaping their core services and budgets to deliver these initiatives for the long term. RIF funding is designed to be short term. Health and social care partners are expected to provide match funding and then 'mainstream' the initiatives, taking on the long-term funding. In practice, they struggle to do this. This means partners may face difficult decisions about reducing or stopping valuable projects and limits the number of projects they can support. Ultimately, there is a risk the RIF does not deliver the system-wide impact that is intended⁷.

7 We reported on this same risk when we looked at a predecessor programme, the Integrated Care Fund, in 2019. We will be looking in more detail at how lessons have been applied as part of ongoing audit work.

- 72 Our recent cancer services review found that there is no coherent strategic approach to prevention of cancer and other major conditions. We reported that the Welsh Government has not set out a clear, over-arching strategic approach to shifting the balance of care towards prevention across the many public sector bodies whose priorities, choices and behaviours would need to change. This is even though 38% of all cancers each year in Wales are preventable and that doing so could save lives and reduce demand for NHS services.
- 73 One purpose of the Act must surely be to ensure a joined-up, sustainable approach to tackling critical and preventable health issues such as cancer. Our findings raise significant wider questions about the implementation of the Act and its impact to date across our NHS.
- 74 It will be important for the Welsh Government to consider how it can incentivise and support other bodies to deliver prevention. For example, through funding (see **paragraphs 114 to 115**) and performance and oversight (see **paragraphs 123 to 130**). Public bodies will also need to understand how much they are currently investing and the returns they are getting. This is not easy; public bodies will require advice and support to help them do this.

Exploring preventative investment in local government

CIPFA is working with the Health Foundation to explore the extent to which council spending on prevention can be quantified. Working with partner councils in England, one in Wales, and wider stakeholders, this work will seek to build consensus on a definition and scope for preventative action against which services and programmes could be mapped, and levels of spending identified.

The aim is to increase transparency on the levels of investment to inform decision-making and make the case for prevention.

Public bodies often lack the right information to manage the here and now, and to address complex problems for the long term

- 75 Public bodies need the right information to help them take evidence-based decisions and learn from the past to inform the future. They also need to be able to look ahead and understand the changing picture of demand, risk, and opportunity. This will help them balance present-day choices with their pursuit of longer-term ambitions. It will also help them find shared solutions to deep-rooted problems.
- 76 In 2020, we saw many examples of public bodies thinking about the long-term, informed by a reasonable understanding of demand pressures. However, we highlighted the need for more sophisticated planning for the future, informed by a broader understanding of demand and trends.
- 77 In 2025, we see some positive practice. For example, our work on councils' digital strategies found they were often drawing on future trends and broad evidence to inform their thinking, though many could go further.

Powys County Council: Understanding the long-term factors that may impact the digital strategy

The Council has used the PSB's well-being assessment to identify the future needs of the population and led on the development of the PSB's 'Well-being Information Bank which provides automated insight and intelligence'. Its digital strategy business cases then identify possible future trends and comment on possible future risks and opportunities. The Council's Digital Services Team works closely with services to understand their future direction, needs, and challenges. They regularly horizon scan and investigate how the Council could use digital technology and data to improve the customer experience.

- 78 We have commonly identified opportunities for public bodies to expand their information base and use it to inform decisions. For example:
- our work on rough sleeping at the start of this reporting period identified opportunities for councils and their partners to make better use of data to understand both the current situation and predict future demand to prevent homelessness; and
 - our recent affordable housing review found the Welsh Government lacked a long-term assessment of need and recommended it develop its understanding of underlying demand.

- 79 Sharing and analysing data, which is likely to be held by different bodies, is necessary to improve services and understand demand. Our work on urgent and emergency care found that available data does not go far enough in looking across the whole health and social care system to support strategic decision making. Better and more joined-up data could help promote preventative and collaborative responses to longstanding challenges.
- 80 Public bodies also need to understand the current situation and trends to help manage their resources. Workforce planning is an important example of this. Without such information, public bodies will not be able to match skills and capacity with demand and deliver on their objectives:
- at the Welsh Government, we found workforce information did not meet the needs of effective workforce planning and management. Though, we recognised it was developing plans to improve it.
 - we found NHS Wales was taking some positive steps to improve its workforce data. However, there is still work to do to fill gaps in specific areas. Better forecasting data is also needed to bring a longer-term outlook to an NHS that is often drawn to tackling the immediate short-term challenges.
 - we have identified similar opportunities to strengthen workforce data in councils.
- 81 Our financial sustainability reviews across councils identified that, while most had not, a few had analysed the scale and nature of long-term predicted demand for services using internal and external data. We noted that expanding such practice could help councils develop a detailed understanding of budget pressures in areas including adult social care.
- 82 We appreciate there are practical challenges to improve the quality, breadth, and sharing of data. For example, skills and capacity, difficulties collecting data, and concerns about data protection. However, getting the data right in the here and now will pay dividends in the future.
- 83 A good example of where this is important is carbon reduction. Our report on public sector readiness for net zero identified the need to improve data quality and monitoring, particularly for supply chain emissions, and to develop systems to capture the data. In separate audit work on decarbonisation at certain bodies, we found they were at various stages of developing their data and emphasised the importance of establishing a baseline.

Public bodies can find it challenging to deliver on wider benefits but need to find ways of driving them through if they are going to solve the complex, interconnected issues they face

- 84 The Act promotes joined-up thinking that can lead to joined-up solutions. Thinking in an ‘integrated’ way should help public bodies make the connections across their own work. It should also shine a light on where they can help partners achieve their objectives. The aim is to deliver more for people and the planet and get the most from public money.
- 85 In 2020, we found that public bodies could often describe connections between their objectives, their partners’ objectives, and the national well-being goals. However, there was more they could be doing to apply the thinking to help deliver wider benefits. We noted the risk of integration being approached as a bureaucratic exercise, focused on showing the links on paper.
- 86 In 2025, we see public bodies making connections and thinking more about the wider benefits they can deliver. We saw examples of this when we look at councils’ strategic approaches to asset management. Some were considering how they could make progress towards net zero targets by reducing office accommodation and journeys to and from work. Some were considering how they could meet economic objectives, including disposing of main office buildings as part of wider regeneration plans. We made recommendations to encourage other councils to apply similar thinking.
- 87 Where the focus on wider benefits is evident in bodies’ thinking and key strategies and plans, they still need to develop their processes to drive them through. For example, it is good to see that the Welsh Government’s [Wales Infrastructure Investment Strategy](#), published in December 2021, is rooted in the Act. It provides a long-term, outcome-focused direction. It directs projects and programmes to deliver strategic outcomes that go beyond the core benefits of creating or maintaining an asset. However, the Welsh Government needs to do more to ensure departments maximise and report on their contributions to those outcomes.
- 88 Similarly, investment in active travel seeks to achieve multiple benefits for health, the economy, and environment. Positively, active travel is referenced in a range of policy and legislation, including Planning Policy Wales and the Sustainable Communities for Learning Programme. However, we heard that planning decisions on new schools and housing developments are often taken without enough consideration of active travel. And although [Welsh Transport Appraisal Guidance \(WeTAG\)](#) says new transport projects, including road or rail, should integrate active travel at the outset, we heard of cases where this has not happened.

- 89 These examples underline the importance of public bodies adapting their processes – such as business cases – to help turn aspirations into real benefits. They then need to drive this through and continue the focus as part of monitoring and evaluation.
- 90 Delivering on different policy priorities often depends on the actions of others. Our work on sustainable tourism at the three National Park Authorities (NPAs) showed the practical challenge of balancing conserving the natural environment and cultural heritage with promoting public enjoyment⁸. Many of the strategic levers for sustainable tourism rest with bodies who do not always share the same vision or have the same responsibilities for protecting the environment of the national parks. We noted that our findings also had implications for how the Welsh Government develops and sets priorities for the NPAs.
- 91 Financial pressures mean difficult decisions are inevitable. Public bodies cannot do everything. We have seen, for example, how financial realities have meant tough choices on affordable housing. While it may be easy to see wider benefits as a ‘nice to have’, delivering on them can help public money stretch further and keep bodies on track towards their long-term ambitions.

Affordable Housing: Tough choices on the 20,000 homes target

The Welsh Government is aiming to build 20,000 new low carbon social homes for rent by 2026. It also wants to achieve wider benefits, such as reducing carbon emissions.

Inflation has driven up the costs of building. Without additional funding, we estimated that the Welsh Government and partners would fall some way short of the target.

In the short term, the Welsh Government’s choices boil down to build or buy. Acquisitions of existing homes are relatively quick to secure, and they are cheaper. Shifting to acquisitions could also help to reduce the high numbers of people living in temporary accommodation more swiftly.

But acquisitions do not offer the same carbon reduction benefits or meet the same space standards. Unless it involves bringing empty homes back into use, acquisitions do not add to the total housing stock. This shows the challenge of balancing different short and longer-term considerations when money is tight.

8 The NPAs’ two statutory purposes are: to conserve and enhance the natural beauty, wildlife, and cultural heritage of the National Park; and to promote opportunities for public enjoyment and understanding of the special qualities of the National Park.

Public bodies have shown they can come together to respond to a crisis, but are not always working together effectively to address complex challenges

- 92 Public bodies need to work together to respond to complex challenges and achieve value for money. Collaboration can realise economies of scale or avoid duplication. It can mobilise partners to manage demand and stop problems from getting worse. Collaboration can also help deliver wider benefits. It is not just about working together to address short-term problems.
- 93 In 2020, we found many positive examples of collaboration, but opportunities for public bodies to work with a broader range of partners to increase impact. We also found they could strengthen how they go about collaboration, placing greater emphasis on assessing impact and reviewing effectiveness.
- 94 Our work during the pandemic highlighted key lessons, but we commented in generally positive terms on how public bodies had put in place collaborative systems and flexible governance in other areas of the response. This included the Test Trace Protect programme, the procurement and supply of protective personal equipment, and the vaccinations programme.
- 95 On rough sleeping, we observed how public bodies had responded together to provide support during the early stages of the pandemic. This was against a backdrop of historic weaknesses in partnership working. We emphasised the opportunity to build on this to support longer-term change.
- 96 Since then, we have reported on other positive examples. We found that the Welsh Government and education consortia had worked well with the education profession in an area of significant policy change to co-design the new Curriculum for Wales. And we have recognised how public bodies came together with their partners to accommodate and support people arriving from Ukraine, building on learning from the pandemic response.

- 97 Overall though, the picture on collaboration remains mixed. We have identified missed opportunities or cases where bodies could go further. Examples from our work in local government include:
- digital transformation – we found some councils were delivering on their digital strategies with a broad range of partners, but most could go further;
 - social enterprise – we said that most councils had adopted a passive leadership role and were missing out on the potential for social enterprises to help deliver services that can improve people’s quality of life; and
 - building safety – we highlighted opportunities to improve services through greater collaboration and regional working but found little progress had been made to drive this forward.
- 98 PSBs exist to drive local collaborative responses to the big challenges. Their membership and remit mean they are ideally placed to respond to various cross-cutting issues. However, PSBs operate in a crowded landscape. This means public bodies have to work out how PSBs relate to other partnerships with related remits, often covering different geographies. This is not straightforward.
- 99 RPBs also exist to drive collaborative responses to system-wide challenges but focused on health and social care. They operate on health board boundaries. Our work on urgent and emergency care has highlighted where funding is helping to drive collaboration and deliver preventative initiatives but raises questions about the effectiveness of the partnerships in driving sustainable change (see **paragraphs 70 and 71**).
- 100 Any partnership working requires an investment of time and capacity. This is especially the case when there are multiple boards and working groups to service. But time and capacity are at a premium in all public bodies. It can be especially difficult for bodies that cover a large geography to engage at a local level.
- 101 The partnership landscape will continue to develop as Corporate Joint Committees deliver on their statutory remits and changes to the regional education consortia take effect. The Commissioner has commented on the Welsh Government’s ‘seemingly ad hoc’ introduction of partnerships and that ‘many PSBs are not operating effectively due to a lack of resources and support for implementation’. He has recommended that the Welsh Government assess and streamline partnership structures. His report also highlights some of the characteristics of effective PSBs.
- 102 We also urge public bodies to make sure their partnership working is effective and having the desired impact. Otherwise, they could be wasting time and money and missing opportunities to deliver better outcomes.

Corporate Joint Committees

CJCs came into effect in April 2021 and took on their core functions and duties from June 2022. In November 2023, we reported that they were still in their infancy. Although they were building on city/growth deal arrangements, they had not all determined how they were going to work with other partnerships and bodies to make the most of resources and expertise. This is crucial given the main rationale for the CJCs' establishment was to strengthen regional collaboration.

Our active travel report noted that CJCs were now part of a crowded delivery landscape. CJCs' regional transport planning functions mean they will have an increasing role in determining priorities, including in respect of strategic cross-boundary active travel routes.

Public bodies are missing opportunities to put people at the heart of their services

- 103 Involvement must not be seen as a 'nice to have'. Understanding what people want and need is an essential ingredient for achieving value for money. It can help public bodies get service design right first time. It can help them understand what is really going on and stop things getting worse. It can give insight into what kind of future people want.
- 104 The idea of involvement challenges public bodies to go beyond traditional consultation. It suggests that public bodies should speak to people early, opening up the possibility of them being a direct part of service design and delivery, through to evaluation. In 2020, we reported that public bodies were often not creating opportunities for the public to be involved in this manner; and they needed to do more to involve the full diversity of the population.
- 105 In 2025, we still see a wide spectrum of involvement, and it is difficult to identify an overall trend in practice. There are notable examples. These include involvement on the development of services, as well as large-scale engagement exercises designed to promote a conversation with the public.
- 106 But we also find cases where public bodies are not involving people; or they do not hear from the breadth of their communities. This may mean they design solutions that do not meet people's needs or exclude some groups.

Natural Resources Wales: 'Nature and Us'.

Nature and Us was a national conversation with over 3,000 people about the natural environment in Wales. NRW then convened a citizens' assembly to turn that intelligence into a shared vision for the year 2050 and consider the changes we need to make leading up to 2030 and 2050, as individuals and as a country.

- 107 The challenges public bodies face mean they need to change what they do. People across Wales have a stake in these changes. On decarbonisation, we saw some positive thinking and examples of councils engaging their communities, as well as opportunities for some to go further. We stressed to Fire and Rescue Authorities the value of involving staff in shaping, and taking, action to help achieve environmental goals. On sustainable tourism, we recommended that NPAs work with tourists and businesses to influence their behaviour.
- 108 Our 2021 report on discretionary services in local government found councils were neither effectively nor consistently involving people in decisions about the future of those services. This is despite people's apparent willingness to get involved in helping shape and run services. We have also found that councils have a mixed track record in helping to build community resilience and strengthen self-reliance. Our work suggests they have found it difficult to empower people and to shift to being an 'enabler' rather than 'direct provider'.

Our findings on impact assessment

'Impact assessments' are one way that public bodies can draw on what they learn from people to shape their decisions. Our 2022 report on tackling poverty found the information in assessments is often out of date or insufficient. That same year, our report on equality impact assessment found qualitative information was patchy. It highlighted concerns that diverse groups were not being involved often enough.

- 109 Effective involvement takes time, but public bodies are often working to tight timescales with limited capacity. Our work in councils shows there is a continued reliance on annual savings rounds to meet budget pressures, rather than longer-term transformation plans. There is a risk that planning savings in this way means there is little time to fully engage with communities and explore new ways of working together. In the NHS, we highlighted a similar short-term focus (see **paragraph 119**) and found that while bodies draw on some stakeholder ideas to help them develop and assess cost savings, the picture varied.
- 110 Through our work on active travel, we heard concerns about skills and resources in local authorities to engage effectively. We also heard about limited resources within organisations representing people with protected characteristics to enable them to input effectively with lived experiences.
- 111 We recognise that involvement must reflect the realities of resources and capacity. Public bodies will need to balance these limitations with their statutory duties and the benefits that effective involvement can bring. This starts with prioritising and valuing involvement within the decision-making process. There is no 'one-size-fits-all'. Public bodies will instead need to consider how they can make best use of their involvement exercises and look for opportunities to join up activities with partners.
- 112 Public bodies also need to know what people think to properly understand the impact they are having. This is especially important because, for many services, people do not have a choice as to who provides them. It is also a way for public bodies to demonstrate that they value what people think. We looked at this across councils and found they included very little performance information to help senior leaders understand the perspective of service users (see **paragraph 122**).

Public bodies need to take a longer-term view of how they achieve financial sustainability, as well as getting a better grip on the resources required to deliver various plans and activities

- 113 By 2025, we should be seeing public bodies using the Act to help them plan their finances and achieve financial sustainability over the medium and longer term. We should also be seeing a clear understanding of the funding required to deliver on the plans and activities that are critical to them meeting their well-being objectives.
- 114 We understand there are barriers to financial planning for the medium and longer term. For example, we have commented in other reports on:
- short-term, often annual, funding cycles that can create uncertainty – although, in practice, the Welsh Government also faces constraints in setting longer-term budgets due to UK budget and political cycles.
 - the Welsh Government’s timetable for announcing the local government settlement – which has moved back, squeezing councils’ budget setting processes. Other bodies also describe the impact of late funding notifications.
 - in-year allocations of specific grants – that can complicate bodies’ financial planning and delivery, even more so where these come late in the year and must be spent at short-notice.
 - capital funding that is not backed up by additional revenue funding – for example, to support ongoing maintenance for an asset or behaviour change.
- 115 These issues can result in funding not being used in a planned way to secure value for money and better outcomes for the long term, aligned to bodies’ objectives. It is also reasonable to assume these factors can make it more difficult for public bodies to invest in prevention, which is likely to require a sustained funding commitment. For example, through our work on tackling poverty across councils, we heard that the annual cycle of bidding does not support them to tackle the more difficult and longer standing problems.
- 116 How external funding works is largely out of public bodies’ control. Nevertheless, it is important they put themselves in the best position to respond by carrying out effective financial planning. This involves taking a longer-term view of trends in funding and cost pressures, as well as factors such as demand pressures, risks, and any income generation opportunities. Financial plans should set out any projected funding gaps, supported by further detail on how they will be bridged. This should all be considered in the context of how bodies deliver their well-being objectives.

- 117 We found that Welsh Government arm's length bodies in the culture sector did not all have medium-term financial plans in place. Where they did, we recommended expanding them to cover wider factors, such as those listed above.
- 118 Our work across councils found that few had a comprehensive understanding of how they would close their projected budget gaps beyond the next two years. We emphasised the importance of looking towards the longer term. This would give them more insight into the challenges they face and help them develop longer-term solutions that cannot be implemented in an annual cycle.
- 119 We have also undertaken work on cost savings at health boards that found they often rely on annual, non-recurrent savings to meet immediate financial pressures. They recognise the need to transform services to achieve financial sustainability, but their plans are not sufficiently developed. There is a need to accelerate the pace of this work, given the scale of financial pressure these organisations are under.
- 120 We also found public bodies are often unclear on, or find it difficult to get to grips with, the resources needed to deliver various plans and actions. **Exhibit 7** lists some examples.

Exhibit 7: examples where we have found public bodies need a clearer understanding of the resources required to deliver plans and priorities



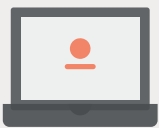
Workforce strategy

We found workforce strategies within health bodies were typically high-level and often lacked underpinning costed implementation plans.



Asset management

We found some councils needed a better understanding of the cost of maintaining and transforming their assets. We also emphasised the importance of having costed delivery plans.



Digital transformation

We found councils' digital strategies were not, in many cases, underpinned by resourcing information. Where financial information was available, it was often incomplete, or its basis was unclear.



Decarbonisation

We found most public bodies had not fully assessed the financial implications of reaching net zero by 2030. We undertook further work at councils that found they needed to fully cost their plans and align them to their medium-term financial plans.



Biodiversity

We found many bodies do not consider that they understand the financial implications of complying with their duties under the [Environment \(Wales\) Act 2016](#). And while some welcomed available external funding, others said it was too little to enable everything that was required. As such, they were having to find funding from existing budgets and take difficult decisions on service priorities.

Public bodies are often not able to demonstrate the impact of various plans and activities, or the value for money they are achieving

- 121 Public bodies should be held to account for delivering on well-being. This means they need to show the difference they are making and whether they are spending public money well. It means they need the right processes to monitor and challenge progress so they can learn and improve. The Act requires that public bodies report on their progress, and it is important they do so clearly and transparently in a way that is accessible to the public.
- 122 Our work across councils found a lack of focus on measuring outcomes. Instead, their performance reports tended to focus on outputs, the ‘what’, with little evaluation of the ‘so what’. We expected to find a more positive picture than we did, as the importance of understanding outcomes and the perspective of service users has been emphasised for years. The Act should be helping to encourage this focus.
- 123 Our work on Welsh Government capital infrastructure investment has found that it has developed tools to help departments evaluate progress towards strategic outcomes linked to social, cultural, economic, and environmental well-being. However, departments are not using them consistently or comprehensively. The Welsh Government could provide more direction to departments, particularly where projects are seeking to achieve similar or related impacts.
- 124 Our work on active travel found government does not have robust, long-term data on how and why people travel and on wider outcomes from active travel. We also found that statutory reporting requirements for active travel are not being met consistently, with the quality of information reported by local authorities varying considerably. The Welsh Government and Transport for Wales have been developing an overall monitoring and evaluation framework for active travel, but it has been a long time coming.
- 125 Gaps in data also risk holding back progress on the climate emergency (see **paragraph 83**). The same is also true for the nature emergency. There are currently no specific domestic targets for biodiversity in Wales, which has been seen as a major barrier to progress by some. Our work also indicates that some public bodies are not clear on how the Welsh Government’s commitment to the international target to protect at least 30% of land, freshwater, and sea for nature by 2030⁹ should be measured or achieved. The Welsh Government has been reviewing the actions it is taking to prioritise delivery of the target. It acknowledges there are areas where more progress could be made.

9 The Welsh Government carried out a ‘deep dive review’ in 2022 to consider how action to support nature recovery could be sped up. The review group chose this ‘30x30 target’ as its strategic focus.

- 126 Our cancer services report highlights that the Welsh Government's NHS Performance Framework (2024-25) does not include measures on cancer incidence, mortality, and survival rates. The focus is largely on delivery of the 62-day cancer performance target, rather than broader system change and wider delivery of the vision in the Quality Statement for Cancer. There is also very limited information to understand how equitable cancer services are.
- 127 The Commissioner reports that, based on the views of health boards, 'the Welsh Government's wider performance and assurance demands reinforce a short-term focus'. The Commissioner notes that, despite a greater focus on prevention in the 2025-2028 planning framework, the 'metrics' and 'enabling actions' it sets out need to align better to prevention.
- 128 We have also commented on targets that are not always helpful in promoting long-term planning. For example, in the case of affordable housing, there is no formal long-term strategy and the Welsh Government's 20,000 homes commitment centres on a five-year target. The five-year target period approach risks embedding an unsustainable delivery pattern, where delivery is lower early in the period and then ramped up later. This pattern complicates financial planning and management and creates the risk of underspending early in the cycle and a shortfall later.
- 129 We recognise that measuring outcomes – particularly where they relate to broader and indirect benefits – can be a challenge, and potentially resource-intensive. However, where bodies have set ambitions in line with the Act, it is important they measure them.
- 130 Proportionality is important, but the Auditor General has previously raised concerns that financial and capacity constraints will lead public bodies to cut corners in work to monitor and evaluate the impact of spending. That would be a clear false economy, for both the short and longer term.
- 131 More generally, we think there is scope for the Welsh Government to take a fresh look at the assessment of performance and impact under the Act. As it stands, the Act's national indicators and milestones form the basis of reporting on the well-being of Wales. Public bodies are not required to take account of these in monitoring their own progress and impact. We are not recommending common national performance measures. However, the issue of how public bodies assess progress and show their respective contributions to the well-being of Wales requires further consideration.

132 The performance landscape has changed since the introduction of the Act. There is a different performance regime for councils and the Welsh Government no longer requires them to collect and report on a common set of measures. There are also other possible forthcoming changes that could influence how Wales assesses progress towards a more sustainable future (see **Exhibit 8**).

Exhibit 8: developments that could influence reporting on sustainability



Welsh environmental law

Welsh Government proposals to change environmental law that would potentially introduce targets and statutory duties for the protection and restoration of biodiversity in Wales, including requirements for monitoring, reporting and scrutiny.



Sustainability reporting

UK government plans to consult during 2025 on the adoption of international sustainability reporting standards for the private sector. Subject to that consultation the UK and Welsh Governments will determine the extent to which these standards should be applied across the public sector.



Sustainable Development Goals

Preparations for updates to the United Nations Sustainable Development Goals in 2030 – member states adopted 17 goals in 2015 with 169 associated targets.

What's next for the Act and our work

- 133 The Senedd Cymru (Members and Elections) Act 2024 will increase the number of members from 60 to 96 at the May 2026 election. It also means future elections will take place every four years, rather than five as has been the case since 2011.
- 134 The expansion in Members should support additional scrutiny. It provides a fresh opportunity to ensure the Act is at the heart of that scrutiny, including in the work of Senedd committees. To achieve this, new Members will need to be familiar with the Act and learning from the past 10 years. We will play our part in that as we communicate about our own work.
- 135 However, a shorter electoral cycle could also result in a shorter-term focus. All those involved in the scrutiny of public services will need to be alert to that risk and ready to challenge decisions and actions that are not in keeping with the Act. For wider public services, much will depend on how the next Welsh Government frames its own programme and manages delivery against it; but much remains within public bodies' own control.
- 136 The shorter electoral cycle also impacts on our audit work under the Act, which is tied to that cycle. We will need to complete our audit work in a shorter period and more frequently over time. Meanwhile:
- the duties on the Auditor General now cover more bodies than they did in 2015 – up from 44 to 56¹⁰; and
 - there is the prospect of other new bodies being created that are subject to the Act.
- 137 We have sought to integrate our examinations under the Act within existing programmes of work, as far as possible, but these developments are driving extra costs. They also have an impact on our scope to choose to examine matters that may present greater risks to value for money. In our view, changes to the Act and other relevant audit legislation would enable a more proportionate, economic, and impactful approach. In the meantime, we intend to continue with the same overall audit approach as in this reporting period.

10 This increase reflects the creation of four Corporate Joint Committees and the addition of eight other bodies from June 2024 (see **Appendix 1**). The Welsh Government consulted on the addition of the eight bodies during 2022, partly in response to a recommendation in our May 2020 report.

- 138 We made a recommendation about post-legislative scrutiny of the Act in our May 2020 report. In response, the Welsh Government has commissioned an evaluation of the Act. This remains at an early stage and what it will lead to is unclear. The Senedd's Equality and Social Justice Committee has also very recently launched an inquiry on post-legislative scrutiny of the Act.
- 139 There are still issues to consider around the Act itself and its accountability framework in the current public service delivery landscape. There are also issues to consider around how certain requirements interact with wider legislation.



Recommendations

- 140 We are not making recommendations across the bodies covered by the Act having already made recommendations through our earlier examinations.
- 141 The Commissioner's report has a different scope and backdrop. It includes recommendations to the Welsh Government and public bodies on a range of wider matters. We recognise the Welsh Government is also taking forward action through its [Continuous Learning and Improvement Plan \(CLIP\) for 2023 to 2025](#), which brings together actions to strengthen its implementation of the Act. The Welsh Government developed the CLIP in response to a [report by the Commissioner](#) in December 2022.
- 142 We have chosen to make four recommendations of our own to the Welsh Government. These are strategic in nature. They relate to the Act itself and what the Welsh Government can do to accelerate progress.

Recommendations

Post-legislative evaluation and scrutiny

R1 In the context of:

- our recommendation in 2020;
- the Commissioner's latest recommendation on post-legislative review in 2025; and
- the Senedd Equality and Social Justice Committee's planned inquiry into post-legislative scrutiny of the Act;

the Welsh Government should now clearly set out a scope and timetable for its own post-legislative evaluation and any changes to the Act.

(See **paragraphs 133 to 139**)

Work undertaken by the Welsh Government in relation to recommendations 2 to 4, and the wider issues raised by this report, should also feed into evaluation and scrutiny.

Minimising uncertainty in funding

R2 The Welsh Government faces its own constraints in setting longer-term budgets due to UK budget and political cycles. However, public bodies continue to describe the negative impact of annual settlements, late funding notifications, and in-year allocations. The Welsh Government should work with public bodies to explore and agree what can reasonably be done to minimise funding uncertainties and aid their medium and longer-term planning where possible¹¹.

(See **paragraphs 114 to 115**)

11 Our forthcoming report on the [Wales Infrastructure Investment Strategy](#) will make a related recommendation on longer-term financial planning within infrastructure programmes, building on a similar recommendation in our September 2024 report on affordable housing.

Promoting prevention

R3 The Commissioner has recommended that the Welsh Government ringfences funding for prevention, which increases over time. This reflects calls from several organisations at a UK level. The Welsh Government should also explore other, complementary, ways of encouraging investment in prevention. This should include working with public bodies to:

- strengthen the understanding of the levels of investment in prevention and its impact;
- build on work to embed prevention in the budget process, considering, for example, opportunities to bring funding together across different parts of the system to support prevention;
- incentivise and protect preventative spend at a local level; and
- learn from others beyond Wales, for example, taking account of work that CIPFA is undertaking on understanding preventative spend.

(See **paragraphs 57 to 74** and **114 to 115**)

Understanding impact

R4 The Welsh Government should work with public bodies to take a fresh look at the assessment of performance and impact under the Act. This work should consider:

- how best to measure the impact public bodies are having and their contribution towards the well-being of Wales; and
- how assessment of performance and impact can promote the aims of the Act and reinforce the need to work preventatively and collaborate.

(See **paragraphs 131 to 132**)



Appendices

- 1 About our work
- 2 Language and concepts used in this report

1 About our work

Scope

Under the Act, the Auditor General may carry out examinations of named public bodies for the purposes of assessing the extent to which a body has acted in accordance with the sustainable development principle when:

- setting well-being objectives, and
- taking steps to meet those objectives.

The Auditor General must carry out such an examination at each public body at least once during a specific reporting period. The current reporting period began in early May 2020 and ends in early May 2025.

The Act links the reporting period to the timing of Senedd elections. Before the end of the reporting period, one year ahead of the election, the Auditor General must report on the results of these examinations. This report discharges that duty. It is based on evidence and conclusions from a wide body of audit work. For context, it also refers to findings from our May 2020 report.

Our work has covered the 44 bodies named originally in the Act and the four Corporate Joint Committees established under the Local Government and Elections (Wales) Act 2021¹². In June 2024, eight further public bodies became named bodies under the Act¹³. Examinations at these bodies will inform the Auditor General's next statutory report.

Throughout the reporting period, we have maintained regular dialogue with the Commissioner's office to share information about our work and take account of theirs.

The specific examples we refer to in this report reflect the position that we found at a point in time. They refer to noteworthy elements of work undertaken, but do not necessarily reflect an overall conclusion.

12 The CJs are regional bodies responsible for strategic development planning, regional transport planning and promoting the economic well-being of their area. The four CJs in Wales are South East Wales CJC; South West Wales CJC; North Wales CJC and Mid Wales CJC.

13 Transport for Wales, Centre for Digital Public Services, Digital Health and Care Wales, Health Education and Improvement Wales, Welsh Ambulance Services University NHS Trust, Social Care Wales, Welsh Revenue Authority, and Qualifications Wales.

Method

Examining the setting of well-being objectives

We developed a core audit framework to support our work on the setting of well-being objectives. We used the 'positive indicators' that we developed during the previous reporting period to inform our audit criteria.

Our core framework considered:

- Planning – and how the body:
 - had used data and other intelligence to understand need, risks, and opportunities and how they might change over time;
 - involved others in developing its well-being objectives;
 - considered how the objectives can improve well-being and have a broad impact; and
 - designed the objectives to deliver longer-term benefits, balanced with meeting short-term needs.
- Resourcing and delivery – and whether the body had considered how:
 - it can resource the well-being objectives; and
 - it can work with others to deliver their objectives.
- Monitoring and review – and whether the body had:
 - developed appropriate measures and monitoring arrangements; and
 - sought to learn from and improve how it has applied the sustainable development principle to setting its well-being objectives.

However, we tailored our approach at individual bodies to reflect local factors. This included cases where bodies had not set new well-being objectives during the reporting period, so we instead focused on how they reviewed them.

Where practical, we completed the examinations in 'real time'. This allowed us to share interim findings before the body's well-being objective setting process finished. A good example of this was our work at Natural Resources Wales.

These were typically high-level examinations involving review of key documents and interviews with officers at the bodies. When public bodies set new well-being objectives, they must publish a well-being statement setting out how they have applied the sustainable development principle in doing so. We reviewed supporting evidence relevant to those statements. We reported our findings and recommendations to each body.

Examining steps to meet well-being objectives

Following consultation with the Welsh Government and other public bodies, our approach to these examinations duties has evolved over time. In this reporting period, we integrated the examinations within existing programmes of work, as far as possible. Again, audit teams have used the 'positive indicators' that we developed in the previous reporting period to inform their audit criteria.

Benefits from this integrated approach include:

- a broader coverage of examinations;
- reduced cost and burden to public bodies; and
- a more rounded view of performance, which makes the connections between the sustainable development principle and value for money so that we can provide greater insight.

Much of the evidence informing this report comes from work where we have considered the five ways of working as part of work with a broader scope. This has been the case for our work at local government bodies, NHS bodies, and the Welsh Government. However, we have conducted certain examinations for the specific purpose of looking at the application of the sustainable development principle, notably for smaller central government bodies.

Findings from around 200 separate audit reports directly inform this report. These include various local audit reports that we have brought together in previous national summaries. Many other local reports have contributed to our understanding of how bodies are applying the Act. This is a substantial body of evidence and, alongside what we see day-to-day in our engagement with public bodies, it tells its own story.

However, our audit work only covers a small fraction of what public bodies do and that the Act should influence. This includes the services they provide or programmes they lead. It also includes the way bodies are run, or what the statutory guidance refers to as areas 'where the change needs to happen'. For example, how bodies manage their workforce, finances, and assets; or how they procure goods and services.

Other Audit Wales reports mentioned in this report

The list below covers most of the areas of work mentioned in the main body of this report. However, we have also referred to some work that was finalised, or close to being finalised, but had not yet been published on our website at the time of drafting this report.

- [So, what's different? Findings from the Auditor General's Sustainable Development Principle Examinations](#), May 2020
- [Rough Sleeping in Wales – Everyone's Problem, No One's Responsibility](#), July 2020
- [Test, Trace, Protect in Wales: An Overview of Progress to Date](#), March 2021
- [Procuring and Supplying PPE for the COVID-19 Pandemic](#), April 2021
- [At your Discretion – Local Government Discretionary Services](#), April 2021
- [Rollout of the COVID-19 vaccination programme in Wales](#), June 2021
- [North Wales Fire and Rescue Authority – Carbon Emissions Reduction](#), March 2022
- [South Wales Fire and Rescue Authority – Carbon Emissions Reduction](#), April 2022
- [Mid and West Wales Fire and Rescue Authority – Carbon Emissions Reduction](#), April 2022
- [Tackling the Planned Care Backlog in Wales](#), May 2022
- [The New Curriculum for Wales](#), May 2022
- [Sustainable Tourism in Wales National Parks](#), July 2022
- [Public Sector Readiness for Net Zero Carbon by 2030](#), July 2022
- [Equality Impact Assessment: more than a tick box exercise?](#), September 2022
- [Setting of well-being objectives – Welsh Government](#), September 2022
- [Welsh Government workforce planning and management](#), September 2022
- [Time for Change – Poverty in Wales](#), November 2022
- ['A Missed opportunity' – Social Enterprises](#), December 2022
- Local audit work on carbon reduction plans across councils, including:
 - [Isle of Anglesey County Council – Decarbonisation Progress Update](#), November 2022
 - [Gwynedd Council – Decarbonisation Progress](#), January 2023
 - [Wrexham County Borough Council – Decarbonisation Progress Update](#), February 2023

- ['Together we can' – Community resilience and self-reliance](#), January 2023
- ['Cracks in the Foundations' – Building Safety in Wales](#), August 2023
- [Setting of well-being objectives – Natural Resources Wales](#), September 2023
- [Neath Port-Talbot Council – Setting of Well-being Objectives](#), September 2023
- [Springing Forward: Lessons from our work on workforce and assets](#), September 2023
- [Corporate Joint Committees – commentary on their progress](#), November 2023
- [Powys County Council – Digital Strategy Review](#), December 2023
- [Supporting Ukrainians in Wales](#), March 2024
- [Aneurin Bevan University Health Board – Primary Care Follow-up Review](#), March 2024
- [Cardiff and Vale University Health Board – Primary Care Follow-up Review](#), June 2024
- [Primary Care Follow-up Review – Swansea Bay University Health Board](#), June 2024
- [Hywel Dda University Health Board – Primary Care Follow-up Review](#), July 2024
- [Powys Teaching Health Board – Primary Care Follow-up Review](#), July 2024
- [Digital by design? Lessons from our digital strategy review across councils in Wales](#), August 2024
- [Affordable Housing](#), September 2024
- [Active Travel](#), September 2024
- [North Wales Region – Urgent and Emergency Care: Flow out of Hospital](#), September 2024
- [Financial Sustainability in Local Government](#), December 2024
- [Cwm Taf Morgannwg University Health Board – Primary Care Follow-up Review](#), January 2025
- [Cancer Services in Wales](#), January 2025
- [Addressing Workforce Challenges in NHS Wales](#), February 2025
- [Cardiff and Vale Region – Urgent and Emergency Care: Flow out of Hospital](#), February 2025
- [Mid and West Wales Fire and Rescue Authority – Setting of Well-being Objectives](#), February 2025

- [The Biodiversity and Resilience of Ecosystems Duty](#), March 2025
- [Setting of Well-being Objectives – Bannau Brycheiniog National Park Authority](#), March 2025
- Urgent and Emergency Care: Flow out of Hospital – West Glamorgan Region (awaiting publication)
- Public Health Wales NHS Trust – Setting of Well-being Objectives (awaiting publication)

Key facts and figures – sources and notes

Exhibit 9 lists sources used to inform the ‘Key facts and figures’ section of this report. Sources for information in the ‘Our findings’ section are set out as they occur.

Exhibit 9: sources for the key facts and figures on page 9 of this report

Subject	Data source
Health revenue funding	<u>The Welsh Government’s second supplementary budget for each financial year</u> . For these calculations, we have deducted the social services lines from the health and social services main expenditure group.
Local authorities’ core revenue funding	Revenue outturn data collection from local authorities, Welsh Government, on <u>StatsWales</u> . By core revenue funding we mean the total revenue support grant figure and the total share of re-distributed non-domestic rates figure.
Health bodies’ annual revenue deficit	Health bodies’ annual accounts, data summarised in our <u>NHS finances data tool</u> .
Culture and sport funding	<u>Senedd Committee report: A decade of cuts: Impact of funding reductions for culture and sport</u> .
NHS secondary care services spending	Programme budgeting submission from NHS Wales Executive based on returns from Local Health Boards, on <u>StatsWales</u> .
Cancer services spending	Programme budgeting submission from NHS Wales Executive based on returns from Local Health Boards, on <u>StatsWales</u> . The Welsh Government confirmed that this data is based on NHS Wales patient activity costs including staff, consumables, medicines, and overhead costs such as estates, catering, HR and finance costs.

Subject	Data source
Diabetes care services spending	Programme budgeting submission from NHS Wales Executive based on returns from Local Health Boards, on StatsWales .
Mental health problems spending	Programme budgeting submission from NHS Wales Executive based on returns from Local Health Boards, on StatsWales .
Special Educational Needs (SEN) / Additional Learning Needs (ALN)	Welsh Government statistical releases analysing budgeted expenditure data supplied by local authorities. SEN / ALN refers to children who have learning difficulties or disabilities that make it harder for them to learn or access education than most children of the same age.
Home to school transport services spending	Welsh Government, collected via annual returns from local authorities, on StatsWales .
Children looked after spending	Welsh Government, collected via annual returns from local authorities, on StatsWales .
Children looked after numbers	Looked After Children Census, Children looked after data collection, Welsh Government, on StatsWales .
Risk of species loss	State of Nature Wales 2023 report , figure based on a list of 663 species from 3,897 assessed.
Homeless individuals in temporary accommodation	Homelessness data collection, Welsh Government, on StatsWales . For the August 2020 figure, a small number of local authorities did not provide full data, therefore 3,577 is an undercount. See the StatsWales link for more details.

2 Language and concepts used in this report

The **Well-being Duty** requires public bodies to carry out sustainable development. As part of this, they must set well-being objectives and take all reasonable steps to meet them.

Sustainable development is ‘the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.’

Well-being goals

- More equal
- Healthier
- Resilient
- Prosperous
- Globally responsible
- Vibrant culture and thriving Welsh language
- Cohesive communities

The **sustainable development principle** is defined 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.’

To do this, they must take account of the ‘**five ways of working**’.



Long-term



Prevention



Integration



Collaboration



Involvement

The **Auditor General** must examine public bodies and assess the extent to which they have acted in accordance with the sustainable development principle when a) setting well-being objectives, and b) taking steps to meet those objectives.

The **Future Generations Commissioner** must promote the sustainable development principle. This includes monitoring and assessing the extent to which public bodies are meeting their well-being objectives.



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.