



Monmouthshire County Council

The Well-being of Future Generations Act: a commentary on preparedness

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Detailed report

Introduction

1. Monmouthshire County Council requested that the Auditor General undertake a review of the Council's preparedness for the proposed Well-being of Future Generations Act (the Act), as part of the support being provided under the WLGA's Early Adopters' Programme. The WAO is engaging with the Early Adopters' programme to support improvement and inform the WAO's response to the Act.
2. In response to the request from the Council, the Auditor General took the opportunity presented by the planned Corporate Assessment to undertake a light touch review of the Council's preparedness for the requirements of the Act. The review took place alongside, but separate from, the Corporate Assessment. This approach had the advantage of:
 - maintaining the integrity of the Corporate Assessment methodology and approach;
 - minimising the impact on the Council by using the Corporate Assessment arrangements to undertake the review activities; and
 - enabling the review of preparedness to be informed by the Corporate Assessment.
3. The output is a short commentary, which will be followed by a shared learning round table event with participants from the Council, the WLGA and WAO. This will provide an opportunity to identify key learning points and agree how the learning should be shared more widely with the public service in Wales.

The Well-being of Future Generations Act

4. The Well-being of Future Generations Act will require the Council to carry out sustainable development. The Act sets out in law what sustainable development means in Wales. It also places a well-being duty on public bodies. This requires each public body to carry out sustainable development by:
 - setting and publishing well-being objectives designed to maximise its contribution to achieving each of the seven national well-being goals; and
 - taking all reasonable steps to meet those objectives.
5. Public bodies are required to apply the sustainable development principle to the setting of objectives, and the steps taken to achieve them. This will require applying the five principles of: long term, integration, prevention, collaboration and engagement. The national well-being goals are: a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales¹. Each public body will be required to apply all of the principles to maximising its contribution to all seven of the national goals. This will have a major impact on governance and strategic decision making. It will be a significant challenge to business as usual.

¹ See appendix 1 for a full description of the goals.

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6. The Act also requires the Auditor General to carry out examinations of 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.
 7. It is proposed that the exercise should be light touch and focus on the degree to which the Council is equipped to deal with the implications of the Act. The review will not therefore seek to replicate the examinations of the sustainable development principle which the Act proposes that the Auditor General should undertake.
 8. The Act states that, “sustainable development” means 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 wellbeing goals’.
 9. Forum for the Future² sets out a spectrum of leadership. It describes some of the characteristics of an organisation that is applying a systemic approach to leadership for sustainable development.
‘Sustainability thinking is hardwired into the culture of the organisation, and the values implicit in sustainable development are reflected in everything from staff mindsets to resource planning. Sustainability principles are at the heart of the business model for delivering public services. Tensions still exist – between short and long-term priorities, and between the scale of the challenge and the resources to tackle it. But systems thinking ensures the organisation avoids perverse or contradictory action in different service areas, and looks upstream to tackle problems more efficiently at source.’
 10. Sustainable development requires decision making to be informed by:
 - an understanding of the long term implications of decisions;
 - by a recognition of environmental limits; and
 - an integrated approach to economic, social, environmental and cultural well-being.
 11. These are the defining features which distinguish sustainable development from business as usual.

Summary of Findings

The Council has a clearly stated ambition to implement the Well-being of Future Generations (Wales) Act. The Council also has some building blocks in place, which should provide a foundation on which to build a more embedded and systematic approach to sustainable development. However, at this early stage, there is a lack of consistency in message, understanding and approach, and key business processes are not being utilised to embed sustainable development. This is contributing to a disconnection between the Council’s ambition and practice.

² Stepping up: a framework for public sector leadership on sustainability, Forum for the Future, 2010

“Governance, strategy, and sustainability are becoming more and more inseparable because the long-term survival of organizations is no longer only affected by economic factors, but also by social and environmental ones”

Professor Mervyn King, former South African Supreme Court Judge, Chair International Integrated Reporting Council.

Building Blocks

Ambition

12. The Council's Improvement Plan for 2014-17, 'Shaping our future', is commendably clear in stating the Council's ambition to implement the Welsh Government's Well-being of Future Generations Act and 'place sustainable development as our central organising principle'. This is supported by the Plan's section on values which refers to sustainable development as being 'central to how we operate as a council'. The section also explains that sustainable development 'means giving equal consideration to social, economic, environmental and ecological issues and thinking about...impact on the earth in the long term'. Reference is also made to the Council's Strategic Equality Plan and its commitment to the Welsh language.
13. The 2014-17 Improvement Plan places the Council's priorities in the context of sustainable resilient communities, which is stated as being the cornerstone of the County's Single Integrated Plan (2013-17). The vision set out in the Council's Improvement Plan 'Shaping our Future' explains that 'the sustainability of a community depends on creating and maintaining its economic and environmental health, promoting social equity and increasing citizen engagement'.
14. Monmouthshire's Single Integrated Plan (2013-17) also has a vision and three strategic themes that contain key elements of sustainable development, in terms of the economy, people and the environment.
15. The Conservative and Liberal Democrat Partnership Administration Continuance Agreement confirms the Council's commitment to sustainable development (set out in the Improvement Plan, 2014 – 2017). The agreement commits the Council to being an early adopter of 'the Future Generations Act that places sustainability at the heart of Public Services in Wales'. The agreement states that the Act's focus on long term thinking, integration, collaboration, involvement and prevention sits well with the Council's approach to community involvement. The agreement restates the commitment to the single integrated plan and adds an additional priority of, 'maintaining locally accessible services' to the Council's three core priorities.

Understanding

16. Some individuals within the political and managerial leadership have a clear understanding of the challenges facing the Council, and the central role of sustainable development in helping the Council and its citizens respond. There are also pockets of expertise within the Council's staff, which have been able to focus the Council's activities to make progress in some key areas. These individuals also have a good understanding of the Well-being of Future Generations Act, and of the opportunities and challenges it presents.
17. The Portfolio Holder for Sustainability notes that much of the Council's response to sustainable development has been focused on the resilience agenda as a way of addressing the strategic risks and challenges the Council faces, for instance, an ageing population and climate change.
18. The Council's stakeholders, who we spoke to, were clear that the knowledge and understanding of key individuals at both officer and member level has been, and continues to be an important building block. The recent relocation of the Council's sustainability function into a corporate policy role was seen by stakeholders as a positive development.

Enabling

19. A Council priority is to protect services in the face of reducing financial support, by focusing on enabling rather than providing. The Council's political and managerial leadership also views this as a way of building upon the high level of social capital available to the Council in the communities of Monmouthshire. A key aspect of this approach has involved engaging with communities and residents to work collaboratively on these agendas. The engagement takes place with communities, service users and county-wide. The Portfolio Holder for sustainability is actively participating in this engagement which is also seen as important for securing improvement. As such it is an important feature of the Council's preparedness for the Well-being of Future Generations Act.
20. The Monmouthshire Green Web is a community run website which provides a useful explanation of sustainable development. It makes reference to Fair Trade Town Groups but, due to the nature of the website, does not provide information on the way in which the Council addresses sustainable development and makes no mention of the Council as a major purchaser of goods and services. The website does take the opportunity to showcase the Council's collaborative and enabling approach by describing a number of community projects, including 'Eco Open Doors' and 'Climate Champions'.
21. The 'Your County, Your Way initiative and the social network 'Monmouthshire Made Open' are examples of the Council's commitment to building social capital and engagement. These building blocks clearly have the potential to contribute to the Council's preparedness for the Act.

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22. Stakeholders considered the Local Development Plan was an example of a key policy document in which the Council's sustainable development policies were embedded. They also noted that the local transport plan promotes active travel. The stakeholder group also considered the Council's response to the Wye Valley Area of Outstanding Natural Beauty compared favourably to the other authorities, with territory covered by the designation.

Sustainable Development Projects

23. The Council pointed to projects and parts of its service delivery which it considers have demonstrated aspects of sustainable development. Councillors, officers and stakeholders identified a number of areas where they considered significant progress had been made including: renewable energy, community engagement, developing social capital, waste and recycling services and the pollinator policy. An external focus group, which we met, noted that in recent times the Council's Sustainability Officer has been located in corporate estate function and therefore has been focused on a number of well document projects. Reference was also made to 'Incredible edibles' and 'Whole Place Plans'.
24. Both officers and managers identified a number of areas which they considered contributed to the Council's preparedness for the Act. These included:
- the one-stop-shop approach and teams working together within the Council and with outside agencies;
 - joined-up thinking and awareness of impact on other services;
 - 21st century schools;
 - community engagement;
 - alternative fuels and electric vehicles;
 - BREEAM rated buildings;
 - inspection of food premises and exercise referral; and
 - the 'Intrapreneurship Initiative' raising awareness of the concept of the triple bottom line.

The Council could usefully explore these areas further with staff to gain a fuller understanding of how it can improve its preparedness for the Act.

Procurement

25. The Council's approach to procurement received an independent Procurement Fitness Health Check in 2014. The health check undertaken by KPMG, noted that:
- the Council is a relatively small authority and that the strategic procurement team has limited capacity;
 - the strategic procurement team have completed a spend analysis;
 - the Council participates in a purchasing consortia but has limited influence; and
 - there is also a 'buyer's guide' which is intended to support staff from across the Council who are involved in procurement activities.

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26. This is a helpful building block with recommendations which have informed the Council's Draft Procurement Strategy (2015-19). The Draft Procurement Strategy also references the Wales Procurement Policy Statement 'Maximising the Impact of Welsh Public Procurement Policy'. The Council's 'vision for procurement' highlights the strategic role of procurement in contributing to the implementation of the Single Integrated Plan, and the delivery of the Council's 'community and improvement priorities'.
 27. The vision defines value for money in terms of cost and quality and emphasises the contribution of procurement to shaping services 'to meet the needs of residents, customers and communities'. The reference to securing wider social, economic and environmental benefits is also a key feature of the vision.
 28. The Council cites its participation in a shared apprentice scheme, social and community benefit clauses and a proactive approach to small medium enterprises as examples of a sustainable approach to procurement. A nationwide analysis³ of spending with small businesses, by local government was published in 2014. It reported that Monmouthshire County Council was top of its index local authorities, spending 26.5 per cent of its total direct spend on small or medium enterprises.
 29. The Council is engaged with a range of Welsh Government procurement initiatives and their corporate procurement advisers utilise recognised frameworks. In support of the Council's approach to delegated procurement, the function is in the process of establishing a procurement Hub. This will involve training between eight to 10 non- procurement professionals to act as procurement disciples located in the big spending directorates.

Well Being of Future Generations Act: Early Adopters Programme

30. The Council's decision to volunteer to join the WLGA Early Adopter programme is seen by senior councillors and senior management as an important commitment. It is also an important building block. It is an indication that the Council understands the need for further development and a willingness to collaborate and engage in shared learning.
31. Along with other Council's participating in the Early Adopter's programme, the Council completed an online diagnostic assessment. This was designed to help local authorities assess their current position and identify priority areas to address in the context of responding to the Act. The diagnostic identified 'Service co-design with community and partners' as a clear area of strength. Relative to other local authorities, the Council's approach to physical development also scores well in the self-assessment. The diagnostic also identifies business processes as a priority area for action.

³ <http://spendsmall.org/assets/Procurement%20Report%20WEB.pdf>

Areas for further development

- 32.** Many of the areas for further development identified in this light touch review of Monmouthshire County Council and set out in the following paragraphs, could be expected to feature in similar exercises in other local authorities. The Early Adopters Programme provides an opportunity for local authorities to work collaboratively to move further, faster in addressing key areas which are likely to have most impact.

Communications

- 33.** The Council has not established a clear and consistent understanding that sustainable development is the means by which competing priorities can be managed, rather than one of those competing priorities. Sustainable development forms part of the staff induction, however discussions with Councillors, staff and document reviews show a wide range in the levels of understanding in terms of sustainable development. There is also a similar range of awareness of the Well-being of Future Generations Act although, given that it was still a Bill subject to change at the time, this would be the situation in many public bodies. We also note that the political and managerial leadership have been briefed and that a seminar for members had been scheduled to take place shortly after the Act received Royal Assent.
- 34.** In terms of high level statements, the Council can show that its Improvement Plan (2014-2017) mirrors many of the themes of the Act. However, Council documents reveal differences of focus and emphasis, in relation to sustainable development, depending on the area of activity or function. This is common to the public sector's approach to sustainable development. It is often characterised by focusing on an aspect of sustainable development which fits best with the organisation's or service area's priorities and approach. Within an organisation it can also be interpreted in different ways. For instance, the term sustainable will be used in a financial context when what is meant is financially viable; it will be used in a service context when what is meant is long term viability; and in an environmental context when what is meant is environmental stewardship.
- 35.** Following an Audit Commission Improvement Study review in 2004, the Council adopted a Sustainable Development Policy in 2006. This policy has had a limited impact on challenging business as usual. The service improvement planning documents and key corporate documents reviewed, such as the draft procurement strategy and the draft people strategy, make no reference to the sustainable development policy. However, we acknowledge that the Council's improvement planning challenge process is being amended to include the sustainable development principles.
- 36.** The presentation of sustainable development on the Council's web page does not help in this regard. The 'Sustainable Development' section on the website is not easily accessible. The term has to be searched for and is located in 'businesses, advice and legislation', which does not convey the idea of 'the central organising principle'. The website refers to the policy but provides no link. The references to recycling and the Green Dragon environmental management system serve to reinforce the perception

that sustainable development is about environmental initiatives and green housekeeping. These issues, combined with its inaccessibility, make the web page a missed opportunity to contribute to the Council's preparedness for the Act. The page was last updated in 2013 and does not mention the 'Well-being of Future Generations Act.

37. This lack of clarity can contribute to the Council, its services and functions taking the view that if it is undertaking activity in terms of the economy, society and the environment, then that equates to sustainable development. Others will view sustainable development in terms of green housekeeping measures or environmental initiatives.
38. A clear and consistent understanding, which is communicated effectively, is the keystone for embedding sustainable development. This is a core activity for connecting the ambition to the delivery. However, communications emerged from focus groups, organised by WAO, as a key area for improvement. Combined with concerns about whether senior management were living the Council's values (which include openness) as identified in the Council's staff event, this means that a core function is not well-placed to support the Council's preparations for the Act.
39. The Council's extensive engagement with partners and its communities is noted as an important building block and clearly references the National Principles of Public Engagement. The principles are overarching and aimed at public service organisations across all sectors in Wales. They aim to offer a consistent approach and the opportunity to apply the 10 principles, to underpin the quality and effectiveness of public engagement⁴. There is also a toolkit which sets out a four stage participatory process to evaluate engagement activities in relation to the National Principles for Public Engagement.

Business Processes

40. Many aspects of translating the Council's ambition of sustainable development into practice will rely on working with and influencing others. This adds to the difficulty in making decisions to improve long-term outcomes for future populations, which is an inherently uncertain area of practice. This is a key reason for ensuring that those levers which are controlled by the Council are being used effectively to support its ambition to embed sustainable development. Doing so will also create momentum, improve the skills and confidence of members and staff, and provide visible leadership for the wider community. This in turn will facilitate the process of working with and influencing others to consider money, people and planet when making decisions, and to take account of the long term. Ensuring that all the Council's business processes are re-engineered, to support and deliver sustainable development is a key pre-requisite for successful embedding.

⁴ <http://www.participationcymru.org.uk/national-principles/who-has-endorsed-them>

Priority setting and service planning

41. Although all decisions taken by members are supported by a sustainability impact assessment, it is uncertain whether the Council Priorities, as currently expressed and communicated through the service improvement planning process, will effectively support sustainable development. Embedding the sustainable development principle more clearly in the way priorities are considered and agreed, and the steps that will be taken to achieve them, would help the service improvement planning service to more effectively support sustainable development. It is also unclear whether the Council's priorities will maximise the Council's contribution to the seven national well-being goals. The national goal of 'a prosperous Wales' is defined in the Act as:
An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.
42. The Council has secured a significant increase in renewable energy and associated reductions in CO2 emissions. The 2014 Chief Officer's report for Enterprise shows that the amount of energy generated from renewable sources increased from 169,924 KWH in 2011/12 to 509,649 KWH in 2013/14. The 2014-15 Service Improvement Plan sets out a vision 'to develop and promote an enterprise culture which builds resilience and creates excellent outcomes for our communities'. The mission is stated as being: 'Build the enterprise capacity and reinvent our future'. At a high level this dynamic and responsive approach has potential to support the Council's preparedness for the Act. However, there is no mention of the Act nor of the Council's Sustainable Development Policy. Neither is there any reference to 'low carbon', 'environmental limits' or 'climate change'. Similar issues can be identified in terms of the other goals and service improvement plans.
43. The Portfolio Holder for Sustainability emphasised the importance of balancing the three aspects of sustainable development, economy, environment and social. However, it is not clear how the Council will know how much progress it is making in achieving this balance. For instance, service improvement plans and performance reports generally do not reflect this balance, either individually or collectively.
44. The Council's Conservative and Liberal Democrat Partnership Administration Continuance Agreement confirms the Council's commitment to sustainable development. But the Agreement does not take the opportunity to balance its references to the challenge of living within financial constraints, by highlighting a similar imperative to live within environmental limits. However, to put this in context, the output from a WAO stakeholder group noted that councils are not generally aware of environmental limits and that 'Monmouthshire is probably further along than others'.
45. The Council has produced an 'Integrated Equality Impact Assessment Screening Form and Sustainable Development Checklist'. It cites this as an example of how it is seeking to embed sustainable development. The framework was last updated in 2014

and this is the version found on the Hub for staff to use. The format uses the outcome headings: People, Planet and Profit.

People Strategy

46. The Council's People Strategy has elements which have the potential to be helpful in support of the Council's response to the Act. References to the 'opportunities for all to work across boundaries and organisations for periods of time; 'citizen demand', and applying systems thinking are all examples. The green (critical) path also sets out a number of helpful actions and processes which could support the Council's commitment to sustainable development in the 2014-17 Improvement Plan. However, these are currently missed opportunities, due to the lack of reference to either sustainable development or the Act. Nor is there any analysis of the implications of embedding sustainable development for training and development or recruitment. The sections, 'Publish and Communicate revised statement on: values, behaviours, expectations, context;' and 'Clarify what is expected of employees...' provide opportunities to clarify and explain what making sustainable development central to the way the Council operates means. However, this opportunity is not taken.
47. In 2004 the Audit Commission noted that 'the link between the performance management framework and sustainable development has yet to be made'. Embedding sustainable development in an organisation's performance management framework has been widely recognised as a key to translating rhetoric in to reality, for over a decade. The Council is in the process of introducing a new employee appraisal system, which has not embedded sustainable development. This is a missed opportunity. The Council does not have a Workforce Plan and so has not undertaken an analysis of the implication for the workforce of the skills and competences that will be required to respond effectively to the Act.

Procurement

48. Procurement is a key area for embedding sustainable development and is, therefore, a good litmus test of whether sustainable development is central to the way the Council operates. Many aspects of sustainable development will be beyond the direct control of a council and will require it to focus on influencing and persuading. Procurement is a lever which is within the control of the Council (within the limits of EU directives). It can also be used to influence partners and shape the market.
49. In 2006 the Chair of the UK Procurement Task Force set out, clearly and unequivocally, the core role of procurement in supporting sustainable development policy ambitions:
'Bringing together the business and the policy arms of government is what sustainable procurement is about. It is about how the government's immense buying power can be used to make rapid progress toward its own goals on sustainable development. It is something the best of the private sector is already doing – whether as a result of enlightened leadership or shareholder pressure. It is something the private sector

expects of the public sector. It is also, increasingly, something the public themselves expect. And it is something that really matters.

Sustainable procurement – in short using procurement to support wider social, economic and environmental objectives, in ways that offer real long-term benefits, is how the public sector should be spending taxpayers' money. Anything less means that today's taxpayer and the future citizen are both being short-changed⁵.

50. The 'Suppliers' Guide' states that Monmouthshire County Council 'spends in excess of £80 million annually on buying goods, works and services...' This highlights the potential for this spend to be directed towards implementing the Council's ambitions regarding sustainable development. It is not helpful, therefore, that the Suppliers' guide refers to benefits for communities, the local economy and the environment as 'additional' and 'where possible'. The guide also refers to 'value for money' without providing any clarification of what this means in practice. Nor does the guide signpost readers to any further guidance and tools, which could help them tackle the very real practical challenges of seeking to implement responsible procurement.
51. At the time of this review, the Council's did not have a current procurement strategy and therefore a means of connecting ambition to delivery is not being fully utilised. At the time of the review, the first procurement strategy (2008 – 2013) had not yet been replaced by the second procurement strategy (2015-2019), which is still in draft. Both procurement strategies refer to sustainability and the role of procurement in securing wider social, economic and environmental benefits. However, they do not explain what sustainable or responsible procurement means in practice. For instance, they do not explore the potential for both synergy and conflict between 'maximising value for money efficiency savings' and 'collaborative opportunities' and sustainable procurement.
52. Providing an agreed, Council wide understanding of what sustainable or responsible procurement means in practice, is particularly important where 'the management of budgets, control of spending and purchasing is devolved to individual budget holders'. This lack of clarity is illustrated by the Council citing that their high proportion of Small Medium Enterprise spend as an example of how procurement is actively supporting sustainable development. This does not reflect a balanced and integrated consideration of economic, social, environmental and cultural factors.
53. In this respect the Council has not made the most effective use of available expertise and resources, both internal and external. In 2004 the Audit Commission found that: *'The Council has developed a new draft procurement strategy, which includes some general guidance on sustainability. However, the Environmental Co-ordinating Officer, whose task it is to ensure sustainable development is incorporated across the Council's services, was not involved in the group working on the Strategy'*.
54. A decade later the current Sustainability Officer has not been involved in the development of the 2015-19 draft procurement strategy.

⁵ Sir Neville Simms, Procuring the Future: sustainable procurement national action plan, DEFRA 2006

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- 55.** Having current, fit-for-purpose business processes in place is an important prerequisite for effectively embedding sustainable development. It is not helpful, therefore, that the Procurement Fitness Check found the Council's level of procurement maturity is relatively low compared with the average for Welsh councils. In addition, the importance of this function, for delivering the Council's ambition, is not reflected in the message conveyed by the Procurement Strategy still being in draft, 18 months after the expiry of the previous strategy. However, this does mean that there is an opportunity to revise the draft strategy and ensure that it puts in place a framework, supported by guidance and tools, which ensures that all the Council's procurement is sustainable procurement.

Improvement Planning and Reporting

- 56.** Despite the prominence given in the Council's Improvement Plan to the Future Generations Bill, and other corporate initiatives to strengthen the Council's desire to embed sustainability issues, its improvement planning and reporting is not yet effectively supporting its ambition to make sustainable development central to the way the Council operates.
- 57.** The Portfolio Holder for Sustainability also referred to the commitment in the 2014-17 Improvement Plan and to the 'Integrated Equality Impact Assessment Screening Form and Sustainable Development Checklist', as examples of how the Council is seeking to embed sustainable development.
- 58.** Some service improvement plans reflect elements of sustainable development, such as the 2014-2015 Estates and Sustainability Service Improvement Plan, which sets out a plan for increasing the production of renewable energy. However, this plan provides no route map for embedding sustainable development in all that the Council does, and the way that it does it. Nor does it refer to the Well-being of Future Generations Act and the need to prepare for its commencement. The same is the case for other service improvement plans which do not set out how the ambition, set out in the Council's Improvement Plan 2014-17, will be translated in to action in its services and functions.
- 59.** Reporting that is honest, balanced and focused on what matters most is a key factor in making progress towards sustainable development. In its 2014-17 Improvement Plan under 'Improvement Objective 3, the Council notes how it will contribute to the delivery of the County's Single Integrated Plan. One of four contributions to enable business and enterprise to prosper in Monmouthshire is: 'retain more of the spend of visitors, citizens and businesses within Monmouthshire.' Reference was made to a report published in 2014 which placed Monmouthshire at the top of an index, with 25.6 per cent of direct spend being awarded to small businesses. However, the Western Mail has recently reported that Monmouthshire was unable to provide information on how many goods or services they buy locally, or buy in Wales. Without routine access to this information members and officers will not be able to track progress, and take timely remedial action if necessary.

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60. The Suppliers' Guide refers to the Council's commitment to 'Responsible Procurement'. However, no information is routinely reported which would enable officers and members to assess how well the Council is performing, against that commitment.
61. Of the Council's Chief Officers' reports which we reviewed, none referenced the Council's sustainable development policy nor the commitment made in the 2014-17 Improvement Plan. Neither did the sections which were looking forward note the need to prepare for the Act.
62. In 2004 the Audit Commission published a Sustainable Development Improvement Study of the Monmouthshire County Council. Its findings included:
- "a lack of a clear structure for sustainable development in council policy formation;
 - the link between the performance management framework and sustainable development has yet to be made; and
 - the officer, whose task it is to ensure sustainable development is incorporated across the Council's services, was not involved in the group working on the procurement strategy".

We acknowledge that the Council has made progress since 2004 in a number of ways including: the development of the assessment tool, reference to Sustainable Development in all council and cabinet reports and the creation of a policy and performance team including a sustainability policy officer.

63. That these issues are reflected in this commentary does not reflect well on the progress made during the last decade. This suggests that the Council is not well prepared for the Act in terms of core business processes.

The Next Steps

"You all have heard of 'the tone at the top.' I talk about 'the tone at the top, the tune in the middle, and the beat of the feet at the bottom.' The board and top management have to make sure that the whole company has bought into the new strategy and is facing in the same direction".

Professor Mervyn King, former South African Supreme Court Judge, Chair International Integrated Reporting Council.

64. **Establish a clear and consistent understanding.** Provide a clear explanation of sustainable development in the context of the Act. Securing a clear and consistent understanding, across the Council, is a key foundation which needs to be put in place. Without this any further work is likely to be ineffective and of limited value. The Council's membership of the Early Adopter's programme should assist it in accessing the materials and organisations, which are readily available and offer a wide range of tools and techniques. This should ensure that Council members and staff at all levels have a clear and consistent understanding of:
- sustainable development and the Well-being of Future Generations Act;

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- the benefits and challenges the Act will bring for the citizens of Monmouthshire; and
 - the implications for the Council and its partners.
- 65. Develop and enhance leadership for sustainable development.** Work with the WLGA Early Adopters' Programme to develop and broaden the capacity and understanding of sustainable development amongst the Council leadership. 'Stepping up: a framework for public sector leadership on sustainability' by Forum for the Future provides a useful resource to start this process. This work should be linked to the work of embedding sustainable development in people management and should inform workforce planning and development.
- 66. Better equip the Council to respond to the Well-being of Future Generations Act by targeting key business processes.** The results of the Early Adopters' Diagnostic Self-Assessment undertaken in 2014, although limited in reach and by the variable degrees of understanding across the Council, identified business processes as an area for improvement. This commentary confirms business processes as one of a number of areas where the Council's response needs to be more coherent and consistent. It also provides further insight on some of the issue which need addressing. This provides a basis for better equipping the Council to respond to the Act, by targeting work on key functions such as: communications; business planning, procurement and people management services. The results of the Early Adopters Diagnostic, The Procurement Fitness Health Check and this commentary identify procurement and people management as two priority areas.
- 67. Ensure that business planning is fit for the future.** Undertake a gap analysis of the current approach to corporate planning and the requirements of the Act. Put in place actions to ensure that the Council's corporate and service planning is equipped to embed sustainable development and respond to the requirements of the Act.
- 68. Establish mechanisms to provide regular feedback on preparedness and the progress the Council is making on embedding sustainable development.** Ensure reporting streams enable members and officers to understand whether:
- the Council is acting in accordance with the sustainable development principle when setting objectives and taking steps to meet those objectives; and
 - whether the Council is maximising its contribution to the seven national well-being goals.
- 69. Use the Diagnostic Tool for on-going assessment of the Council's response to the Act and to track progress in embedding sustainable development.** The Early Adopter's Programme notes that in addition to providing an initial assessment of the Council's current position the diagnostic provides a tool for on-going assessment and to track performance. The Council should use this as an opportunity to extend both the reach of the self-assessment and its depth. This will also be a useful way of developing a more rigorous and self-aware approach to self-assessment, which is likely to feature in proposals for reforming local government.

70. Explore the potential of Integrated Reporting to enable all personnel to:

- articulate how the Council creates value; and
- understand the Council's impact, both positive and negative, on the financial, human, cultural and natural resources upon which it is dependent.

Appendix 1

The Well-being Goals

Goal	Description of the goal
A prosperous Wales.	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.
A resilient Wales.	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
A healthier Wales.	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
A more equal Wales.	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).
A Wales of cohesive communities.	Attractive, viable, safe and well-connected communities.
A Wales of vibrant culture and thriving Welsh language.	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.
A globally responsible Wales.	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

Appendix 2

Resources

Leadership for sustainable development

Forum for the Future also sets out steps for adopting a systemic approach to sustainable development:

- Make the case
- Build networks
- Link policy and delivery
- Share the learning
- Create a learning culture
- Run demonstration projects
- Skill up for public engagement
- Hardwire sustainability into your financial processes
- Innovate

<https://www.forumforthefuture.org/project/stepping-framework-public-sector-leadership/overview>

People management and sustainable development

<http://www.scdc.org.uk/media/resources/what-we-do/building-comm-cap/CASS/CASS%20People.pdf>

<http://www.cisl.cam.ac.uk/publications/human-resources-and-sustainable-development>

Accounting for Sustainability have a range of resources to support sustainable development decision making tool and strengthened by training.

Although many organizations now have sustainability policies, relatively few have robust systems and procedures to embed these consistently and effectively into the “DNA” of their businesses.

A4S has identified the 10 main elements required to embed sustainability successfully in an organization. These are:

- board and senior management commitment;
- understanding and analysing the key sustainability drivers for the organization;
- integrating the key sustainability drivers into the organization’s strategy;
- ensuring that sustainability is the responsibility of everyone in the organization and not just of a specific department;
- breaking-down sustainability targets and objectives for the organization as a whole into targets and objectives which are meaningful for individual subsidiaries, divisions and departments;
- processes that enable sustainability issues to be taken into account clearly and consistently in day-to-day decision-making;

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- extensive and effective sustainability training;
 - including sustainability targets and objectives in performance appraisal;
 - champions to promote sustainability and celebrate success; and
 - monitoring and reporting sustainability performance in an integrated way.

<http://www.accountingforsustainability.org/embedding-sustainability/10-main-elements-to-embed-sustainability>

<http://www.accountingforsustainability.org/wp-content/uploads/2011/10/Decision-Making-Tutorial.pdf>

Procurement

Buying a Better World & the Sustainable Procurement Toolkit

<https://www.forumforthefuture.org/project/buying-better-world-sustainable-procurement-toolkit/overview>

[https://www.cips.org/Documents/Products/Sustainable Procurement Review %20new 10go.pdf](https://www.cips.org/Documents/Products/Sustainable_Procurement_Review_%20new_10go.pdf)

Public Engagement

National Principles for Public Engagement:

http://www.participationcymru.org.uk/media/288784/national_principles_for_public_engagement_aug1_.pdf

National Principles for Public Engagement – evaluation toolkit:

<http://www.participationcymru.org.uk/national-principles/evaluation-toolkit>

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