

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to</b>	Governance and Audit Committee
<b>Date</b>	27 June 2024
<b>Subject</b>	Audit Wales Report on setting of well-being objectives
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<b>Nature and Reason for Reporting</b>	
<p>The Governance and Audit Committee's Terms of Reference require it to consider external audit's relevant reports (3.4.8.11.2) and monitor their recommendations (3.4.8.11.3). The Committee is required to review the report and take assurance that the Council will address the Audit Wales recommendations.</p>	

## 1.0 INTRODUCTION

1.1 The aim of the Audit Wales examination was to:

- explain how Isle of Anglesey County Council (the Council) applied the sustainable development principle throughout the process of setting its well-being objectives;
- provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
- identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.

## 2.0 RECOMMENDATION

2.1 That the Governance and Audit Committee:

- Reviews the audit report and the two recommendations.
- Takes assurance from the organisation response form of the steps taken by the Council to address the recommendations.

## Setting of well-being objectives – Isle of Anglesey County Council

Audit year: 2022-23

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

# Contents

## Contents

Background: our examinations of the setting of well-being objectives	4
Carrying out our examination at Isle of Anglesey County Council	5
How and when Isle of Anglesey County Council set its well-being objectives	5
What we found: the Council has applied the sustainable development principle in the process of setting its new well-being objectives, however there are opportunities to strengthen the use of data and identify the required funding	6
Recommendations	10
Appendices	
Appendix 1: Key questions and what we looked for	11

## Background: our examinations of the setting of well-being objectives

- 1 The Well-being of Future Generations (Wales) Act 2015 (the Act) places a 'well-being duty' on 48 public bodies. The duty requires those bodies to set and publish 'well-being objectives' that are designed to maximise their contribution to achieving each of the Act's seven national well-being goals.<sup>1</sup> They must also take all reasonable steps, in exercising their functions, to meet those objectives.
- 2 The Auditor General must carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.<sup>2</sup> We are carrying out a rolling programme of these examinations, up to early 2025.<sup>3</sup>
- 3 To do something in accordance with the sustainable development principle means 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.'<sup>4</sup> To achieve this, a public body must take account of the five ways of working: long term, integration, involvement, collaboration, and prevention.<sup>4</sup>
- 4 We designed an assessment framework to enable us to assess the extent to which public bodies have applied the sustainable development principle when setting their well-being objectives. **Appendix 1** sets out further information on our approach, including a set of 'positive indicators' that illustrate what good could look like.
- 5 In designing our approach, we considered what we could reasonably expect from public bodies at this point in time. Public bodies should now be familiar with the sustainable development principle and ways of working and be seeking to apply them in a meaningful way. At the same time, we appreciate that public bodies are still developing their experience in applying the sustainable development principle when setting well-being objectives. Therefore, the examinations include consideration of how public bodies are applying their learning and how they can improve in future.

<sup>1</sup> The seven 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 Wales.

<sup>2</sup> Section 15 (1) (a) Well-being of Future Generations (Wales) Act 2015

<sup>3</sup> The Auditor General must carry out examinations over the period set out in the Act, which begins one year before a Senedd election and ends one year and one day before the following Senedd election.

<sup>4</sup> Section 5 Well-being of Future Generations (Wales) Act 2015

## Carrying out our examination at Isle of Anglesey County Council

- 6 The aim of this examination was to:
  - explain how Isle of Anglesey County Council (the Council) applied the sustainable development principle throughout in the process of setting its well-being objectives;
  - provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
  - identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.
- 7 We set out to answer the question ‘to what extent has the Council acted in accordance with the sustainable development principle when setting its new well-being objectives.’ We did this by exploring the following questions:
  - Was the process the Council put in place to set its well-being objectives underpinned by the sustainable development principle?
  - Has the Council considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?
  - Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?
- 8 We discussed the timing of the examination with the Council and tailored the delivery to reflect its specific circumstances.
- 9 We gathered our evidence in the following ways:
  - reviewing key documents;
  - observed key meetings discussing well-being objectives;
  - interviewed key staff involved with setting the well-being objectives.

## How and when the Council set its well-being objectives

- 10 The Council commenced work on setting new well-being objectives at the beginning of 2022 and approved its new objectives in March 2023. **Exhibit 1** sets out those well-being objectives.
- 11 The Council published its well-being objectives as part of its 2023-28 Council Plan, which also includes six strategic objectives. The Council Plan 2023-28 can be viewed on the [Council website](#).

## Exhibit 1: Isle of Anglesey Council well-being objectives 2023-28

The people of Anglesey are educated to reach and fulfil their long-term potential.

The people of Anglesey are safe, healthy and as independent as possible.

The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations.

## What we found

The Council has applied the sustainable development principle in the process of setting its new well-being objectives, however there are opportunities to strengthen the use of data and identify the required funding

### Planning process for setting the well-being objectives and evidence base

- 12 The Council has drawn on some key information to help set its well-being objectives. Specifically, the Council has drawn on its Annual Performance report for 2021-22 and monitoring of its Annual Delivery Plans to assess how well it performed against the previous well-being objectives and whether they remain appropriate. The Council has used information from the census but has not made use of a range of local and national sources (see Appendix 1 Positive Indicators from a range of local and national sources).
- 13 The Council has considered local risks and opportunities, but it is unclear how it has considered future trends in general. The Council Plan refers to financial and demand pressures, and the approved Freeport status and possibility of a new nuclear power station are critical issues for the Council. However, broader consideration of future trends will help the Council ensure the objectives, and importantly, steps to meet them, are designed to respond to emerging risks and opportunities.
- 14 The Council has identified some data gaps and the need to improve its understanding of differences between areas in the county. It has also identified the need to build intelligence to support the development of key projects to deliver the well-being objectives. Addressing the gaps could provide useful information for the

Council to draw on as part of its annual reviews of the well-being objectives. Such information will be helpful when reviewing and setting future well-being objectives.

## Consultation and involvement

- 15 The Council conducted an extensive consultation exercise both internally and externally to inform its well-being objectives. The Council organised two consultation exercises; an initial programme of engagement to inform the well-being objectives and a subsequent consultation to seek further views on the draft objectives.
- 16 The Council sought to encourage broad participation across the two consultation exercises. This included:
  - publicising the consultation widely,
  - designing the materials to be accessible and engaging, and
  - holding face-to-face sessions in addition to the online consultation.
- 17 The Council also sought to involve under-represented groups. This included working with partners to effectively reach protected characteristic groups. In addition to the activities set out above, it held:
  - focus groups with Medrwn Môn,
  - 11 focus groups in partnership with Age Cymru, and
  - approached 22 school councils consisting of pupil representatives.
- 18 The Council demonstrated good practice in providing easy read consultation materials making them more accessible to a broader range of people and
  - distributed leaflets and posters,
  - produced a radio advertisement,
  - held face-to-face sessions at seven locations, and
  - provided direct links to the online questionnaire on the written publicity to publicise the opportunity to influence the well-being objectives.
- 19 The Council consulted its staff at the initial engagement stage asking people what the Council Plan should include over the next five years. The Council also invited staff to respond to the draft well-being objectives, the strategic objectives and workstreams and their input led to changes in preparation for the public consultation.
- 20 The Council received a high number of responses, at over 2,500. We can see how the Council has used the results of involvement with the public and that residents' priorities have been reflected within the final well-being objectives. However, the Council's identified that 16-24 year-olds were under-represented in the consultation exercises. The Council has begun to address this by considering how it could improve securing feedback from this group specifically, on an ongoing basis, within its next participation strategy. Members raised concerns that the proportion of responses submitted through the medium of Welsh was lower than expected and there was an agreement to investigate further.



## **Planning to improve well-being**

- 21 The Council designed its well-being objectives to achieve outcomes beyond the period of the plan. The Council has designed many of its strategic aims beneath the well-being objectives to come into fruition over several years, such as improvements to climate change and the Welsh language. The Council has a Preventative Strategy, currently under review to align with the 2023-28 Council Plan, which seeks to address how early intervention by the Council and partners can help people at key stages in their lives. The Strategy's projects seek to address root causes of problems and achieve longer-term positive outcomes for people.
- 22 The Council's Plan shows some consideration of how its well-being objectives relate to the seven national well-being goals, its partners objectives and its own corporate strategies.
- 23 The Council uses an integrated impact assessment to develop policy and aid decision-making. The assessment is a tool to help the Council understand a range of well-being of future generations, equalities, socio-economic and Welsh language impacts under the various legislative requirements. However, the cover report presenting the 2023-28 Council Plan stated that it would conduct equalities, socio-economic and Welsh language impact assessments on the Council Plan's individual projects, rather than for the Plan itself. The Council should ensure that its arrangements to comply with its Welsh-specific socio-economic duties under the Equality Act 2010 and the Welsh Language (Wales) Measure 2011 also include conducting such impact assessments on any strategic decisions, like its Council Plan.

## **Planning to deliver the well-being objectives**

- 24 The Council has set objectives that seek to drive activity across the different departments. The Council's well-being objectives are supported by its Annual Delivery Plans and Transformation Programme Boards. These Boards have been set up for each strategic aim (under the well-being objectives) to enable strategic discussions. Internal integration is well-supported, with officers from different services sitting on each other's Boards. This format provides members and senior officers with assurance that it delivers anticipated benefits to the Council and its communities.
- 25 The Council has highlighted to senior leaders which of the Council Plan's 57 workstreams are preventative in nature. However, as only the first year (2023-24) of the Council Plan's activities under the well-being objectives have been fully costed, uncertainty remains over medium-term resources and how it can resource longer-term objectives.
- 26 For example, the current Medium Term Financial Plan (MTFP) for the period of this examination (covering the 2022-23 to 2024-25 period) does not refer to the projects under the Council Plan. Resourcing the Plan is also heavily dependent on grant funding. The Council reported that grant funding supports or funds 79% (45

out of 57) of the 2023-28 Plan's projects. Grant funding is inherently changeable and presents a risk to the delivery of the Council's priorities. The Council acknowledges that a degree of flexibility is required, and some projects might need to be tailored because of financial pressures.

- 27 Unless the Council assesses the impact of not allocating funding for projects that have already been approved, it will be difficult to prioritise. As a result, it will be at risk of not achieving the expected outcomes of its well-being objectives, including preventive benefits.

### **Monitoring the well-being objectives and lessons learned**

- 28 The Council has established a communications plan and monitoring arrangements for its well-being objectives. The Council also sets out the milestones and measures, most of which are SMART (specific, measurable, achievable, relevant and time-bound) within its Annual Delivery Document for 2023-24. Interim measures are also designed to enable senior leaders to track progress for achieving the strategic aim. Some of the Council's performance measures focus on long term, preventative outcomes. For example, under the well-being objective of 'The people of Anglesey are safe, healthy and as independent as possible,' there is a measure for senior leaders to see the percentage of households with children successfully prevented from becoming homeless.
- 29 The Corporate Scorecard reporting method allows senior leaders to see a 'snapshot' of quarterly progress on projects beneath each well-being objective. A narrative section introduces the scorecard and explaining trends and any areas of concern for progress against the well-being objectives.
- 30 Although the Council has reflected on how effective its consultation was, it has not yet considered how it could improve the process for setting its well-being objectives in the future. The Council has an opportunity to reflect how it has applied the sustainable development principle on the wider process and identify what went well and any improvements it plans to make when it next sets its well-being objectives.

## Recommendations

### Impact of financial constraints

- R1** To deliver its well-being objectives in line with the sustainable development principle, the Council should ensure the future iterations of its Medium Term Financial Plan clearly show
- how the Council's resources will be prioritised to deliver its well-being objectives; and
  - how current and future savings targets or known future financial risks might impact the delivery of its well-being objectives.

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### Consideration of future trends

- R2** The Council should give more detailed consideration to relevant future trends, needs, risks and opportunities in order to build on the progress it has made in applying the sustainable development principle when setting future well-being objectives.

# Appendix 1

## Key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this examination, along with some sub-questions to guide our evidence gathering. It also includes some 'positive indicators' that have been tailored to this examination, adapted from those we have previously used to inform our sustainable development principle examinations. This list is not a checklist, but rather an illustrative set of characteristics that describe what good could look like.

<b>To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?</b>	
<b>Planning: Was the process the body put in place to set its well-being objectives underpinned by the sustainable development principle?</b>	
<b>Has the body used data and other intelligence to understand need, risks and opportunities and how they might change over time?</b>	<b>Positive indicators</b> <ul style="list-style-type: none"><li>• The Council has a clear and balanced assessment of progress against previous well-being objectives that has been used to inform the body's understanding of the 'as is/' short-term need.</li><li>• The Council has set well-being objectives based on a good understanding of current and future need, risk and opportunities, including analysis of future trends. This is likely to be drawn from a range of local and national sources, such as:<ul style="list-style-type: none"><li>– Public Services Boards' well-being assessments</li><li>– Regional Partnership Boards' population assessments</li><li>– The results of local involvement/ consultation exercises</li><li>– Service monitoring and complaints</li></ul></li></ul>

**To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?**

	<ul style="list-style-type: none"> <li>– Future Trends report</li> <li>– Natural Resources Wales’ State of Natural Resources Report (SoNaRR) for Wales and Area Based Assessments</li> <li>• The Council has sought to understand the root causes of problems so that it can address negative cycles and intergenerational challenges through its well-being objectives.</li> </ul>
<p><b>Has the Council involved others in developing its well-being objectives?</b></p>	<ul style="list-style-type: none"> <li>• The Council uses the results of involvement to help select its well-being objectives. That involvement – whether primary, secondary or a combination – reflects the full diversity of the population.</li> <li>• Involvement reflects good practice and advice from the Future Generations Commissioner.</li> </ul>
<p><b>Has the Council considered how the objectives can improve well-being and have a broad impact?</b></p>	<ul style="list-style-type: none"> <li>• The well-being objectives have been designed to improve well-being in the broadest sense and make a contribution across the seven national well-being goals.</li> <li>• The well-being objectives have been designed to reflect and capitalise on the connections between different areas of work.</li> <li>• There is a well-developed understanding of how the well-being objectives impact on/ relate to what other public bodies are trying to achieve and opportunities to work together.</li> </ul>
<p><b>Has the Council designed the objectives to deliver longer-term benefits, balanced with meeting short-term needs?</b></p>	<ul style="list-style-type: none"> <li>• The Council has set objectives that are sufficiently ambitious and have been designed to drive activity across the organisation.</li> <li>• The objectives are designed to meet short and longer-term need. Where objectives are set over a short to medium timeframe, they are set in the context of longer-term considerations or ambitions.</li> </ul>
<p><b>Resourcing and delivery: Has the Council considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?</b></p>	
<p><b>Has the Council considered how it can resource the well-being objectives?</b></p>	<ul style="list-style-type: none"> <li>• Resources have been allocated to ensure the objectives can be delivered over the short and medium-term, but the Council has also considered longer-term resources, risks and/or how it can resource longer-term objectives.</li> </ul>

<b>To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?</b>	
	<ul style="list-style-type: none"> <li>The Council has allocated resources to deliver preventative benefits, where these are described in its well-being objectives.</li> </ul>
<b>Has the Council considered how it can work with others to deliver their objectives?</b>	<ul style="list-style-type: none"> <li>The Council is drawing on its knowledge of partners objectives/ activity, its relationships and collaborative arrangements to make sure it can deliver on cross-cutting ambitions.</li> </ul>
<b>Monitor and review: Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?</b>	
<b>Has the Council developed appropriate measures and monitoring arrangements?</b>	<ul style="list-style-type: none"> <li>Performance measures are designed to reflect the sustainable development principle, e.g., by focusing on outcomes that cut across departmental/ organisational boundaries and deliver multiple (including preventative) benefits over the longer term.</li> <li>There is a 'golden thread' that will allow the Council to clearly and transparently report on progress to meeting the objectives.</li> </ul>
<b>Is the Council seeking to learn from and improve how it has applied the sustainable development principle to setting its well-being objectives?</b>	<ul style="list-style-type: none"> <li>The Council shows self-awareness and a commitment to improving how it applies the sustainable development principle so that it can do so in a meaningful and impactful way.</li> <li>The Council has learnt from setting previous well-being objectives and from applying the sustainable development principle more generally and has improved the process for setting its new well-being objectives.</li> <li>The Council has or plans to reflect on how it has applied the sustainable development principle in this round of setting well-being objectives.</li> </ul>



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## Organisational response

**Report title:** Setting of well-being objectives – Isle of Anglesey County Council

**Completion date:**



Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<p><b>Impact of financial constraints</b></p> <p>To deliver its well-being objectives in line with the sustainable development principle, the Council should ensure the future iterations of its Medium Term Financial Plan clearly show</p> <ul style="list-style-type: none"> <li>• how the Council’s resources will be prioritised to deliver its well-being objectives; and</li> <li>• how current and future savings targets or known future financial risks might impact the delivery of its well-being objectives.</li> </ul>	<p>In developing our Medium Term Financial Plan in 23/24 we took into account our well-being objectives. The PG agreed to put extra money into the Adult and Child budget. Also some cuts to school budget have been reduced by the PG in setting the budget. This in line with our Well-being objectives:</p> <ol style="list-style-type: none"> <li>1. The people of Anglesey are being taught to reach and fulfil their long-term potential.</li> <li>2. The people of Anglesey are safe, healthy and as independent as possible.</li> </ol> <p>The Council will gather the information to try to assess the true cost of implementing everything in the Council's Plan. Work with each Service Head to do this by gathering information on whether:</p> <ul style="list-style-type: none"> <li>• Our strategic objective</li> <li>• Our commitment</li> <li>• Targets to meet the above</li> <li>• Budget and the origin of the budget to realize the above</li> <li>• Additional budget needed</li> </ul> <p>The above information will then feed into the Financial Medium Term Plan Model and go to the Executive Committee in September. This assessment will be regularly discussed with</p>	March 2025	Head of Profession / Officer 151

		<p>the Executive Committee before then as part of the 25/26 budget preparation process.</p> <p>It is important to note that it is very difficult for the Council to make MTFP effective while our annual budget is only ratified by WG a few months before the start of the financial year.</p>		
<p><b>R2</b></p>	<p><b>Consideration of future trends</b></p> <p>The Council should give more detailed consideration to relevant future trends, needs, risks and opportunities in order to build on the progress it has made in applying the sustainable development principle when setting future well-being objectives.</p>	<p>In developing our Council Plan 2023-2028 we used a number of demographic data from the census; includes population and population trends to provide knowledge and understanding of changes within the demographic of our population. This information has been used in formulating our strategic objectives that set the direction for our annual delivery document.</p> <p>CSYM has published a Digital Strategic Plan in February 2024 which will support us to make the Council's Plan a reality, it sets our commitments to develop our way of working to use Digital to work more effectively and efficiently.</p> <p>As a result, we have developed a data dashboard around the area of poverty and cost of living related to our well-being objectives.</p> <p>The purpose of this dashboard is to provide data on trends related to poverty; It contains data over time about:</p> <ol style="list-style-type: none"> <li>1. People unemployed</li> <li>2. Number of people on benefits</li> <li>3. Use of food banks on the Island</li> </ol>	<p><b>Mawrth 2025</b></p>	<p><b>Corporate Planning, Performance and Programme Manager</b></p>

We have published a Tackling Poverty Strategic Plan. The data dashboard will be used to measure impact against strategic objectives within the plan.

We are in the process of developing a net zero dashboard, which provides valuable information regarding the sustainable development principle, including overview and trend data on:

1. Energy use within Council buildings
2. Fuel consumption of fleet vehicles

This information allows us to understand our baseline and measure the impact of any environmental plans that greet our well-being objectives.

We have an intention to develop our use of data and trends in the development of further dashboards.

A more integrated process is being developed to consider future budgets that will include baseline and demographic and socio-economic trends. This will hopefully provide greater assurance that fiscal decisions fully consider the well-being of Island residents in the short, medium, and long term.