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Well-being of Future Generations: An examination of the design of ‘co-produced Area Statements’ – **Natural Resources Wales**

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The team who delivered the work comprised Ron Price, Jeff Brown and Catryn Holzinger under the direction of Mike Usher.

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Summary report

Summary

Why we undertook the examination

- 1 In accordance with the Well-being of Future Generations (Wales) Act 2015 (the Act) the Auditor General for Wales (the Auditor General) is statutorily required to examine public bodies to assess the extent to which they have acted in accordance with the sustainable development principle when:
 - a setting their well-being objectives; and
 - b taking steps to meet them.
- 2 The Act defines the sustainable development principle as acting in a manner: ‘...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs’.
- 3 The Auditor General must provide a report on his examinations to the National Assembly for Wales at least a year before each Assembly election. The first such report must be published by 2020, before the 2021 Assembly election.
- 4 The Auditor General has undertaken examinations across the 44 bodies covered by the Act to inform his report to the National Assembly during 2018-19 and 2019-20.
- 5 This report sets out our findings from our examination of the design of Area Statements, a step Natural Resources Wales (NRW) is taking to meet its well-being objectives.
- 6 The findings in this report are based on fieldwork that we undertook during the period July 2019 to September 2019.
- 7 The report also sets out NRW’s initial response to our findings.

What we examined

- 8 We examined the extent to which the NRW is acting in accordance with the sustainable development principle when:

‘Working with our partners to co-produce seven Area Statements, which will enable the Natural Resources Policy to be implemented locally demonstrating the benefits of the sustainable management of natural resources. The first set will be published by 2020, and be under regular review. Activities will be targeted where there is most benefit to be gained for both people and the natural environment’

Further information on Area Statements is included in [Part 1](#).
- 9 This examination has considered the overall process for developing Areas Statements, in combination with a more detailed consideration of work being

undertaken by the South Central area team. This has informed our understanding of how the process is working in practice, though the findings focus on the Area Statement process as a whole.

- 10 NRW commenced planning in March 2019, with the intention of publishing Area Statements in March 2020. Our fieldwork took place from July 2019 to October 2019. Carrying out the examination while NRW is in the process of developing its Area Statements has meant there is an opportunity to ensure the findings inform the next phases of NRW's work.
- 11 In order to act in accordance with the sustainable development principle, public bodies must take account of the following 'ways of working':

Exhibit 1: the 'five ways of working'

The table below sets out the 'five ways of working' as defined in the Welsh Government's **Well-being of Future Generations (Wales) Act 2015 The Essentials**¹ document.

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

- 12 NRW must also apply Sustainable Management of Natural Resources (SMNR) principles.² Welsh Government issued guidance to NRW that states the following:

¹ Welsh Government, **Well-being of Future Generations (Wales) Act 2015 The Essentials**, 2015.

² Part 1 s5 (1) Environment Act (Wales) 2016

'The proper application of the principles of sustainable management of natural resources deliver against the five ways of working set out in the WFG Act in relation to the sustainable management of natural resources and ecosystems.'

NRW see the sustainable development principle and SMNR principles as synonymous. Throughout this examination, we have sought to ensure that our work recognises the inter-relationship.

- 13 This examination has not considered the programme management or governance arrangements that are in place to deliver Area Statements. However, NRW's Internal Audit team undertook a review of Area Statements around the time of our examination, which focused on these areas.
- 14 This examination found that: NRW is consciously embedding the sustainable development principle in the design of the Area Statements. It is taking a long term, preventative approach but will need to work closely with key senior partners and communities to define the priorities and develop responses.

Detailed report

Part One: Area Statements: Purpose and implications for NRW

- 15 NRW has a duty to prepare Area Statements under the Environment (Wales) Act 2016. Their main purpose is to help facilitate the implementation of the Natural Resources Policy (NRP). In doing so, Area Statements will:
 - deliver on the national challenges, opportunities and priorities, which focus on delivering outcomes of most benefit for Wales;
 - identify the location and scale (where relevant) to address the national challenges, opportunities and priorities in the Natural Resources Policy;
 - provide an integrated local-level evidence base; and
 - monitor and measure SMNR outcomes, and how the NRP has been implemented, at a local level.³
- 16 Area Statements should, therefore, set out local action to deliver on the NRP priorities across all of NRW's functions. They should also provide a local evidence base that can inform action to be taken with and by partner organisations.
- 17 Area Statements are of critical importance to NRW because they are a key means by which it can deliver on its 'general purpose' and the seven well-being objectives set out in its Corporate Plan to 2022, 'Managing today's Natural Resources for Tomorrow's Generations'.⁴ The Corporate Plan identifies 'Co-producing seven Areas Statements' as one of the steps NRW will take to meet its well-being objective to 'Champion the Welsh environment and the sustainable management of natural resources'.
- 18 The Corporate Plan also describes how NRW will 'Develop a detailed shared vision for the natural environment of Wales and what the sustainable management of natural resources will be like by 2050' in order to meet that well-being objective. Area Statements will help deliver that vision, as well as informing its development.
- 19 NRW recognises that delivering on the ambition and opportunity provided by Area Statements will require a different way of working. Specifically, NRW is taking forward a large-scale transformation programme that has included reorganising delivery around defined geographical areas. NRW's new 'operational areas' are designed to link functions and expertise to the delivery of the place-based solutions that will be identified through Areas Statements.
- 20 NRW also recognises that business planning and resource allocation will need to develop to reflect the priorities and actions in the Area Statements.

³ Environment (Wales) Act 2016: **Guidance on Natural Resources Wales' General Purpose**, Welsh Government

⁴ NRW's general purpose is set out under Part 1 s5 of the Environment (Wales) Act 2016

- 21 NRW has also rolled out a two day training course for all staff, which is designed to improve their understanding of the SMNR principles and how they can be applied. The training covers the sustainable development principle and the relationship with Area Statements. NRW informed us that over 1400 staff have been trained so far. NRW plan to integrate future training with the wider programme of work aimed at embedding SMNR across its functions and processes.

Part Two: Examination Findings

NRW has a good understanding of long-term trends, risk and impacts and is developing a 2050 shared vision for the environment in Wales. NRW will need to be clear about how it measures long-term outcomes and can best hold itself and others to account for their delivery

What we looked for

- 22 We looked for evidence of:
- a thorough understanding of current and long-term needs and the associated challenges and opportunities;
 - planning over an appropriate timescale
 - resources allocated to ensure long-term benefits; and
 - appropriate monitoring and review.
- 23 Our examination was also informed by the positive indicators for the 'long term' that we have identified and used as part of this examination.⁵

What we found

- 24 We identified the following strengths:
- NRW has a clear understanding of long-term natural resource priorities and opportunities across Wales. There is also a clear understanding of key long-term risks. This understanding is informed by the NRP and State of National Resources Report (SoNaRR) 2016.
 - the evidence underpinning the Area Statements is informed by NRW's robust long term retrospective and future environmental trend data. This draws on SoNaRR, as well as a range of operational information.

⁵ See Appendix 1

- while it is good practice to plan at least ten years ahead, 'long term' is contextual and planning time horizons will need to reflect that.⁶ NRW will aim to set appropriate time horizons for the priorities and actions in the Area Statements, recognising that they will need to vary.
- area Statement intelligence will inform the development of the 2050 long-term vision for the natural environment of Wales. They will also be will be the key means of delivering it.
- NRW is developing a business planning process that aims to ensure its resources are directed towards delivery of the priorities in the Area Statement, though the timing of these processes is not yet aligned.
- the development of Area Statements has been reviewed and monitored through 'Programme Review Point' meetings. These are designed to help ensure that the priorities are the right ones and are focused on long-term outcomes.

25 We identified the following areas for improvement:

- while NRW has extensive evidence relating to the environment, we found there are opportunities to further consider the connections between environmental trends and social, economic and cultural trends for the area we reviewed; South Central. The connection between the environment and risks and opportunities for well-being, in the broadest sense, will need to be a key consideration throughout the development of Area Statements.
- the delivery of Area Statements will need to be supported by appropriate accountability arrangements. Area Statements will need to identify long-term outcomes and shorter-term milestones, as well as setting out where work is to be undertaken with or by partners (see also 'collaboration').
- NRW will need to consider how and when it reports on the delivery of shared outcomes. Its own annual report will present one opportunity.

Area Statements are designed to improve ecosystem resilience and deliver wider preventative benefits. NRW has a good understanding of the reasons for this but needs to ensure it has a clear rationale for selecting between competing preventative priorities

What we looked for

26 We looked for evidence of:

⁶ **Shared Purpose: Shared Future Statutory guidance on the Well-being of Future Generations (Wales) Act 2015**, Welsh Government

- thorough understanding of the nature and type of problem the step could help prevent from occurring or getting worse;
 - resources allocated to ensure preventative benefits will be delivered; and
 - monitoring and review of how effectively the step is preventing problems from occurring or getting worse.
- 27 Our examination was also informed by the positive indicators for 'prevention' that we have identified and used as part of this examination.⁷

What we found

- 28 We identified the following strengths:
- prevention is central to Welsh Government's NRP. Area Statements are a key means of delivery the policy and therefore have a clear focus on preventing ecosystem decline and building resilience.
 - furthermore, Area Statements are being designed to interpret and deliver the NRP priorities through a place-based approach, which should facilitate a system-wide response to ecosystem decline. This will be necessary in order to address the root causes of ecosystem decline and to contribute to the prevention of wider issues, such as ill health.
 - NRW has designed a process for developing Area Statements that involves considering evidence and exploring options and tools for delivery. The process is intended to guide planning across each area and seeks to balance national NRP priorities with local needs. As part of this, area teams will use NRW's 'five step method for applying SMNR', which encourages consideration of known threats to SMNR and opportunities to increase ecosystem resilience and wider well-being. The process therefore places an emphasis on gaining an understanding of the local context and identifying suitable place-based solutions. However, it is important to note that at the time of the review, NRW's internal audit report on Area Statements found that there are no quality assurance arrangements to support the approach to assessing evidence.
 - NRW has a detailed understanding of the causes of ecosystem decline which is, ultimately, based on SoNaRR. Area Statements will also draw on information from the UK National Ecosystem Assessment and the Office for National Statistics. NRW's own area profiles will be an important source of information.
 - NRW acknowledges that understanding how relevant factors impact at a very local level can be a challenge. NRW has stated its commitment to seeking the views of stakeholders and valuing local knowledge, which will be

⁷ See Appendix 1

important for developing tailored, local responses (see also 'collaboration' and 'involvement').

29 We identified the following areas for improvement:

- There will be a wide range of preventative actions that could be included in the Area Statements. These could be actions taken by NRW or with or by other stakeholders. Given the inevitable constraints on resources, it will be necessary for NRW to consider how it works with its partners to select between competing priorities. This is especially the case, given that preventative benefits are likely to relate to the environment and/ or other aspects of well-being to varying degrees.
- In order to fully engage partners and achieve the intention of delivering place-based solutions, stakeholders will need to understand how improving environmental resilience can have a positive impact on citizen well-being. NRW could do more to ensure that key stakeholders are aware of ecosystem benefits and the opportunities afforded by Area Statements.

Area Statements are being explicitly designed to contribute to the delivery of NRW's well-being objectives and to deliver a broad range of benefits

What we looked for

30 We looked for evidence of consideration of:

- how this step could contribute to the seven national well-being goals;
- how delivery of this step will impact on the body's well-being objectives and wider priorities; and
- how delivery of this step will impact on other public bodies' well-being objectives.

What we found

31 We identified the following strengths:

- Welsh Government's NRP priorities have been designed to deliver wider benefits across the national well-being goals. Depending on relevance, it is intended that each Area Statement will set out how ecosystem and wider benefits can be identified and delivered in each area.
- one of the principles of SMNR is multiple benefits and the need to 'take account of the benefits and intrinsic value of natural resources and ecosystems'. This requires NRW to identify and consider the benefits that are provided by Wales' natural resources and ecosystems, as well as valuing them for their own sake. NRW's five step method builds in

identification of well-being benefits, including whether and how ecosystems can contribute to well-being. There are references to economic and social well-being, but NRW should also consider cultural well-being alongside those other aspects of well-being, as described in the Well-being of Future Generations Act. We found that the South Central team has begun to consider the wider benefits that could be delivered.

- NRW's pan-organisation training programme on embedding SMNR and the five ways of working should help to ensure that staff understand how they can deliver multiple benefits.
- NRW's well-being objectives are supported by a clear description of how they contribute to the delivery of the national goals. NRW has agreed a shared well-being objective 'Help people live healthier and more fulfilled lives' with Public Health Wales. NRW will need to ensure it takes the opportunity to deliver on this through the Area Statements.
- NRW recognises the importance of its role in influencing the work of other public bodies and sees the Area Statements as helping to ensure appropriate environmental priorities are reflected in their well-being objectives (However, see also points under 'prevention').
- Area Statements are likely to provide a good quality evidence base for public bodies and other stakeholders. They should provide a valuable resource for Public Services Boards (PSBs) as they develop the next round of Well-being Assessments and Well-being Plans, as well as for local authorities' Local Development Plans and National Park and Area of Outstanding Natural Beauty Plans.⁸
- NRW's new delivery model, based on operational areas that are aligned to Area Statements, is designed to ensure an integrated approach to delivering NRW's various functions and priorities. Furthermore, both Welsh Government guidance and NRW's five step method reference the need for Area Statements to relate to existing priorities and plans. The five step method encourages each area to consider the activities already in place and potential opportunities to rationalise plans internally or to align Area Statements with others externally.

32 We identified the following areas for improvement:

- some of the Area Statements priorities will inevitably relate to individuals' health and well-being, though at the time we undertook our fieldwork health boards had had limited involvement in analysing the evidence base for the South Central Area Statement.

⁸ Welsh Government's Guidance on Natural Resources Wales' General Purpose, states that Well-being Assessments, local Development Plans, National Park and Area of Outstanding Natural Beauty Plans must have regard to the evidence in Area Statements.

- NRW will need to consider the value and prominence of wider benefits as it refines its priorities (see also area for improvement under ‘prevention’).
- as the evidence from Area Statements develops, it will be important that NRW revisits its own well-being objectives to ensure that these are still fit for purpose.

NRW has put collaboration at the forefront of the Area Statement process. It will need to work with key senior partners promptly to ensure they are co-produced and co-owned

What we looked for

- 33 We looked for evidence that NRW:
- has considered how it could work with others to deliver the step (to meet its well-being objectives, or assist another body to meet its well-being objectives);
 - is collaborating effectively to deliver the step; and
 - is monitoring and reviewing whether the collaboration is helping it or its stakeholders meet wellbeing objectives.
- 34 Our examination was also informed by the positive indicators for ‘collaboration’ that we have identified and used as part of this examination.⁹

What we found

- 35 We identified the following strengths:
- while the purpose of Area Statements and associated guidance direct NRW towards a collaborative approach, NRW has made a conscious decision to put collaboration at the forefront of the development of the Area Statements. Staff told us that this represents a new way of working for NRW and that they have responded positively to the challenge. NRW hopes that, by taking a co-productive approach to developing the Area Statements, it will build relationships that will be as valuable as the final products.
 - NRW’s process for developing Area Statements identifies opportunities to work with relevant stakeholders when considering evidence, defining problems and identifying options for place-based solutions, through to implementing and monitoring. However, NRW’s internal audit report on Area Statements stated that the programme had been ‘disadvantaged by the lack of an NRW Stakeholder Strategy’. This meant that stakeholder mapping had

⁹ See Appendix 1

to be done specifically for the Area Statement programme (see also page 15).

- NRW sees PSBs as crucial partners in developing and delivering the Area Statements. It intends to draw on PSB's existing evidence bases, contribute to their future evidence bases (see 'integration') and work through them to agree commitment on relevant actions coming out of the final Area Statements..
- we found that the South Central team had identified which partners it needed to work with through a mapping exercise and had considered the need to engage with them differently, through the different phases of work.
- the South Central team been engaging with biodiversity experts in partner organisations to help develop more detailed understanding of issues that relate to their emerging themes. The team has also been connecting with partners through the PSB.

We identified the following areas for improvement:

- there are divergent views in NRW on what the Area Statements are intended to achieve and what the final output should include. Some people we spoke to saw them primarily as a means of bringing together an evidence base, whereas others saw them as setting out priorities and allocating actions and associated outcome measures.
- NRW acknowledge that stakeholders have mixed views on the value and potential impact of the Area Statements. Staff recognise that more needs to be done to change some of these perspectives.
- NRW has set the publication date for Area Statements as March 2020, leaving a short amount of time to complete the remaining work. There is, therefore, a recognition that detailed work will need to continue beyond the publication date, given NRW's ambition to genuinely coproduce the Area Statements. NRW will need to plan for and manage this, ensuring the expectations are clear to staff and stakeholders.
- at the time of our fieldwork, we found that the South Central team had engaged with technical experts in partner organisations (see also involvement). However, it will be important for NRW to quickly identify and engage with key senior people in partner organisations to ensure that there is shared ownership for the Area Statements.
- NRW should consider the mechanisms it can use to influence the activity undertaken by its delivery partners. For example, NRW will seek to allocate its grants to the delivery of Area Statement priorities, but this will only enable it to hold certain organisations to account for delivery.
- NRW could consider how it can capitalise on the additional momentum the declaration of a climate emergency might present.

NRW has closely involved some stakeholders in the development of Area Statements. As specific Area Statement priorities emerge, NRW should consider how it can directly involve citizens

What we looked for

- 36 We looked for evidence that NRW has:
- identified who it needs to involve in designing and delivering the step;
 - effectively involved key stakeholders in designing and delivering the step;
 - used the results of involvement to shape the development and delivery of the step; and
 - sought to learn lessons and improve its approach to involvement.

What we found

- 37 We identified the following strengths:
- NRW's methodology emphasises developing a shared understanding and valuing local knowledge alongside empirical data. However, NRW reflected that there will be some challenges to effective involvement, including ensuring that national stakeholder bodies can engage and having local conversations focused on place. Internal Audit identified the lack of an organisation-wide stakeholder strategy as resulting in national stakeholder engagement on Area Statements not being well-coordinated.
 - the South Central team held workshops in 2016, involving 100 NRW staff and 40 external organisations to establish key themes and priorities at the start of the Area Statement process. Many of the ideas generated were also incorporated into NRW's well-being objectives. More recently, South Central, along with other Area Statement teams, has been involving key external stakeholders in further workshops.
 - NRW recognises it needs to use a range of methods to help stakeholders engage with issues and evidence. NRW's internal documentation describes how different techniques of involvement and engagement in the Area Statement process may be required, such as expert judgement, citizen's panels and is exploring ways to 'ground truth or galvanise' issues where there are diverse opinions.
- 38 We identified the following areas for improvement:
- NRW considers the need to undertake involvement in the Area Statements has so far been discharged by work undertaken by its stakeholders, in particular the PSBs. However, as the more detailed priorities and actions emerge there will be opportunities for NRW to directly involve citizens and

communities in developing responses. This could include helping to interpret priorities in a local context.

Part Three: Natural Resources Wales' response

- 39 Following the conclusion of our fieldwork we presented our findings to NRW at a workshop in October 2019. The workshop was attended by staff who have a role in designing and implementing Area Statements, including staff from the South Central team. During the session NRW began to consider its response to our findings. As a result of discussions at the workshop and further reflection on our findings NRW has developed the actions in the table below.
- 40 We will continue to monitor NRW's progress in implementing these actions, and the extent to which they address the issues we have identified in our findings.

Exhibit 2: NRW's actions

Areas for improvement	Need for action?	Action	How and action owner
Long term			
<p>While NRW has extensive evidence relating to the environment, we found there are opportunities to further consider the connections between environmental trends and social, economic and cultural trends for the area we reviewed; South Central. The connection between the environment and risks and opportunities for well-being, in the broadest sense, will need to be a key consideration throughout the development of Area Statements.</p>	Yes	<p>NRW will ensure that:</p> <ul style="list-style-type: none"> • each area statement reflects on which partners need to be involved in the next phase of work so that they can make the connections between the environment/natural resources and wider well-being. • the priorities/themes are written in a way that takes account of well-being in the broadest sense • the connections between the environment/natural resources and wider well-being are documented in the final Area Statements 	<p>The web template addresses this, and Heads of Place will be asked to check as part of the sign off process.</p> <p>There is a learning opportunity here for the NR&WB Team to work with Evidence Department.</p>
		<p>NRW will work with WG to explore the implications of changing markets resulting from Brexit, the likely impact on different sectors (e.g. agriculture), how that might impact spatially and the impact it will have on well-being, including culture. This could help to inform Area Statements.</p>	<p>The Head of NRM Policy is accountable for this action, with managers across the NRM Policy department contributing.</p>
		<p>NRW will consider how it can ensure national issues relating to relevant policy changes and Brexit inform the development of the Area Statements.</p>	<p>NRM Business Board and Brexit Programme Team to consider</p>

Areas for improvement	Need for action?	Action	How and action owner
		NRW will consider how it can use learning from the first round of the Area Statement process to update SoNaRR	Holding paragraph included in the SoNaR Interim Report. NR&WB Team to manage project to draw out learning for Area Statements to inform SONARR2 and to create a national learning agenda for Area Statements.
The delivery of Area Statements will need to be supported by appropriate accountability arrangements. Area Statements will need to identify long-term outcomes and shorter-term milestones, as well as setting out where work is to be undertaken with or by partners (see also 'collaboration').	Yes	NRW will develop accountability arrangements to support the delivery of Area Statements, including: <ul style="list-style-type: none"> continuing to work with WG on developing a reporting framework for Area Statements and ensuring that information feeds back into national policy. 	NRM BB to review outcome of first Area Statements process in relation to how action and resourcing decisions have been made NR&WB Team working jointly with NRM Policy Department and Evidence Department to set joint frameworks for reporting
		<ul style="list-style-type: none"> continuing to develop its corporate reporting and business planning processes to ensure Area Statement reporting is a core process. As part of this, they will ensure that area statements and place plans are part of the same process. 	Corporate Planning Team

Areas for improvement	Need for action?	Action	How and action owner
<p>NRW will need to consider how and when it reports on the delivery of shared outcomes. Its own annual reports will present one opportunity.</p>	<p>Yes</p>	<p>Consider how we can regularly update and report on our progress in developing and implementing area statements using online tools</p>	<p>The web template will ensure our initial Area Statements are presented online. We will continue to look at ways of presenting data in different ways.</p>
		<p>Developing key qualitative and quantitative measures that represent 'what success looks' like in each area.</p>	<p>Qualitative and Quantitative measures will be owned jointly between Heads of Place and Head of Business. NR&WB Team to pull together a national learning agenda / framework for Area Statements</p>
		<p>Encouraging other organisations to report on changes they are making and how they are contributing to shared outcomes set out in the Area Statements – this could be in part done through their responsibilities under Section 6 of the Environment Act.</p>	<p>Heads of Place as part of their role on PSBs, and other named relationship managers, to encourage and facilitate shared outcomes reporting. This should be revisited and evaluated over time.</p>
		<p>Exploring how relevant aspects of delivery can be reported through Public Services Boards.</p>	<p>NR & WB Team will jointly own this with People and Places teams</p>
		<p>Ensuring reporting on Area Statements in the Annual Report</p>	<p>Corporate Planning Team manage the process to collate information for the Annual Report. People and Places team to provide content.</p>

Areas for improvement	Need for action?	Action	How and action owner
Prevention			
<p>There will be a wide range of preventative actions that could be included in the Area Statements. These could be actions taken by NRW or with or by other stakeholders. Given the inevitable constraints on resources, it will be necessary for NRW to consider how it works with its partners to select between competing priorities. This is especially the case, given that preventative benefits are likely to relate to the environment and/ or other aspects of well-being to varying degrees.</p>	Yes	<p>NRW will acknowledge the potential synergies and trade offs that might exist between options for action identified through Area Statements. Where decisions are needed these will be made at the appropriate level of Governance (including through Public Services Boards).</p> <p>See also above point re: Developing its corporate reporting and business planning processes to ensure Area Statement reporting is a core process. As part of this, they will need to ensure that area statements and place plans are one and the same.</p>	<p>Heads of Place will need to ensure that this has been openly addressed through the consideration of options and opportunities.</p>
<p>In order to fully engage partners and achieve the intention of delivering place-based solutions, stakeholders will need to understand how improving environmental resilience can have a positive impact on citizen well-being. NRW could do more work to do to ensure that key stakeholders</p>	Yes	<p>NRW sees Area Statements as a key communication tool. It will seek to continually improve its communications and consider how it uses storytelling to demonstrate the links between ecosystems and citizen well-being.</p>	<p>Area Statements Steering Group currently delegate this to the Comms and Engagement sub-group. This action will be co-owned by Head of Comms the Head of Service and Business Lead for Area Statements.</p>

Areas for improvement	Need for action?	Action	How and action owner
are aware of ecosystem benefits and the opportunities afforded by Area Statements.			
Integration			
Some of the Area Statements priorities will inevitably relate to individuals' health and well-being, though at the time we undertook our fieldwork health boards had had limited involvement in analysing the evidence base for the South Central Area Statements.	No new action needed	NRW will continue to work through existing networks to share our findings and invite others to bring their evidence forward, so that we can test our assumptions. We are conscious of tools such as HIA that can be used to help scope health impacts of proposals coming forward and over time will need to develop guidelines on their use.	Note that South Central has since had conversations with all local health partners. Considering the appropriate and proportionate application of Impact Assessments is on the Risk Register. Area Statements Steering Group to advise on guidance for HIA working with NR & WB team.
NRW will need to consider the value and prominence of wider benefits as it refines its priorities (see also area for improvement under 'prevention').	Yes	NRW will continue to work with others such as Natural Capital Committee and ONS, to develop tools that can help evaluate wider benefits. In the meantime, NRW will be clear about how the benefits have been identified and assessed working at the place level.	NR & WB Team working with Evidence Department to better understand how valuation tools can be adopted and applied and provide support to Heads of Place. Heads of Place will need to ensure that the evaluation of ecosystems services / benefits has been undertaken as part of the process.

Areas for improvement	Need for action?	Action	How and action owner
As the evidence from Area Statements develops, it will be important that NRW revisit its own well-being objectives to ensure that these are still fit for purpose.	Yes	NRW will use the learning and evidence from the Area Statements process to help review its well-being objectives.	NR & WB Team working with Corporate Planning Team.
Collaboration			
There are divergent views in NRW on what the Area Statements are intended to achieve and what the final output should include. Some people we spoke to saw them primarily as a means of bringing together an evidence base, whereas others saw them as setting out priorities and allocating actions and associated outcome measures.	Yes	NRW will increase both internal and external communications about “what is an Area Statement” in order to manage expectations and build anticipation. A communications plan for December 2019 – July 2020 has been developed and is being executed.	NR & WB Team with support of HoS (Martyn Evans) and Comms Team (James Pearson)
NRW acknowledge that stakeholders have mixed views on the value and potential impact of the Area Statements. Staff recognise that more needs to be done to change some of these perspectives.	Yes	See above	As above

Areas for improvement	Need for action?	Action	How and action owner
<p>NRW has set the publication date for Area Statements as March 2020, leaving a short amount of time to complete the remaining work. There is, therefore, a recognition that detailed work will need to continue beyond the publication date, given NRW's ambition to genuinely coproduce the Area Statements. NRW will need to plan for and manage this, ensuring the expectations are clear to staff and stakeholders.</p>	<p>No new action</p>	<p>This is widely accepted within NRW and will be managed through both resource allocation and communication channels.</p>	
<p>At the time of our fieldwork, we found that the South Central team had engaged with technical experts in partner organisations (see also involvement). However, it will be important for NRW to quickly identify and engage with key senior people in partner organisations to ensure that there is shared ownership for the Area Statements.</p>	<p>Yes</p>	<p>NRW hosted Senedd event in January a key opportunity. Leadership team conversation scheduled for early December on how to build momentum and buy in with partner organisations.</p>	<p>HoS (Martyn Evans) facilitating discussions with other Heads of Place so that PSB senior leaders engaged. Write around to Policy leads / relationship managers to request that conversations take place with Senior Leads in other bodies. Work has already been taken forward through Marine stakeholders networks.</p>

Areas for improvement	Need for action?	Action	How and action owner
NRW should consider the mechanisms it can use to influence the activity undertaken by its delivery partners. For example, NRW will seek to allocate its grants to the delivery of Area Statement priorities, but this will only enable it to hold certain organisations to account for delivery.	Yes	NRW will consider how to frame its expectations from others and look to review other mechanisms as well as grants (such as procurement, MOUs and permits). Seek to work with other national organisations such as FGC office to ensure Area Statements are factored into Well-being planning. We are consciously assessing our role in the delivery of the sustainable farming scheme.	NR & WB Team Leader to ensure joined up working with Strategic Approaches and Programmes. NR & WB Team to establish a joint project with FGC Office to develop guidance on the use of Area Statements for the development of the next round of Well-being Plans.
NRW could consider how it can capitalise on the additional momentum the declaration of a climate emergency might present.	Yes	Through networks such as SDCC+ these conversations are already beginning to happen. NRW will consider how to frame the collective Area Statements outputs as a commitment towards the climate emergency.	NRW Board currently considering climate and biodiversity emergency declaration. NR & WB working with Energy Planning and Decarb team to consider implications for framing of Area Statements. Steering Group to work with Heads of Place to ensure appropriate framing, consistent with Place-based discussions.
Involvement			
NRW considers the need to undertake involvement in the Area Statements has so far been discharged by work undertaken by its	Yes	Once Area Statements are published NRW will begin working with PSB networks to understand what joint working opportunities for citizen participation might be.	NR & WB Team to work with Evidence Department to consider how local place-based working can inform and be informed by national survey, and

Areas for improvement	Need for action?	Action	How and action owner
<p>stakeholders, in particular the PSBs. However, as the more detailed priorities and actions emerge there will be opportunities for NRW to directly involve citizens and communities in developing responses. This could include helping to interpret priorities in a local context</p>			<p>other public polls. People and Places teams to recognise opportunities for public involvement and where necessary, seek advice on tools and techniques, and ensure collective organisational learning occurs.</p>

Appendix 1

Positive Indicators of the Five Ways of Working

Exhibit 3: positive indicators of the five ways of working

The table below sets out 'positive indicators' for each of the five ways of working that we have identified. We have not used the indicators as a checklist. They should be viewed as indicators. They helped us to form conclusions about the extent to which a body is acting in accordance with the sustainable development principle in taking steps to meet its Wellbeing Objectives.

What would show a body is fully applying the long-term way of working?

- There is a clear understanding of what 'long term' means in the context of the Act.
- They have designed the step to deliver the well-being objective/s and contribute to the their long-term vision.
- They have designed the step to deliver short or medium-term benefits, which are balanced with the impact over the long term (within the project context).
- They have designed the step based on a sophisticated understanding of current and future need and pressures, including analysis of future trends.
- Consequently, there is a comprehensive understanding of current and future risks and opportunities.
- Resources have been allocated to ensure long-term as well as short-term benefits are delivered.
- There is a focus on delivering outcomes, with milestones/progression steps identified where outcomes will be delivered over the long term.
- They are open to new ways of doing things which could help deliver benefits over the longer term.
- They value intelligence and pursue evidence-based approaches.

What would show a body is fully applying the preventative way of working?

- The body seeks to understand the root causes of problems so that negative cycles and intergenerational challenges can be tackled.
- The body sees challenges from a system-wide perspective, recognising and valuing the long-term benefits that they can deliver for people and places.
- The body allocates resources to preventative action that is likely to contribute to better outcomes and use of resources over the longer term, even where this may limit the ability to meet some short-term needs.
- There are decision-making and accountability arrangements that recognise the value of preventative action and accept short-term reductions in performance and resources in the pursuit of anticipated improvements in outcomes and use of resources.

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

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

What would show a body is collaborating effectively?

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

What would show a body is involving people effectively?

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

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru