
Senedd Cymru | Welsh Parliament

Y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol | Equality and Social Justice Committee

Ymateb gan: Cwmpas | Evidence from: Cwmpas

Well-being of Future Generations (Wales) Act 2015: Post-legislative scrutiny



Ten years on from the introduction of the Well-being of Future Generations Act, the need to embed sustainable development and wellbeing economics within our communities is clearer than ever.

At Cwmpas, we work within communities across Wales to help build a fairer, greener economy and a more equal society. We tackle poverty and inequality by promoting social enterprise and co-operative solutions and supporting communities, businesses and public services to improve and innovate through our expert advice and consultancy services. We want to empower communities across Wales to shape a better future for all, putting people and planet first.

The Impact of the Act

The Act is a valuable asset in achieving our mission and sets a powerful framework for all organisations to shape their work for the benefit of future generations. Over the past ten years, we have seen several examples of culture change within Welsh public bodies, the wider economy and public sphere, showcasing that things can be done differently with a long-term approach.

However, we strongly agree with the widely-held belief that this approach needs to be even further embedded. While there are positive examples, we have not seen the fundamental changes to processes, structures and underpinning perceptions that are needed in order to do things differently and effectively in a consistent and fundamental way.

Improving the effectiveness of the Act

We are passionate about the role of the social economy and wider third sector in achieving the ambitions of the Act, and that they must play a central role in improving its effectiveness. They should be valued as a key asset in this mission.

One limitation of the Act is that it does not cover the private sector. Clearly, the ambitious wellbeing goals within the legislation will not be achieved without ensuring the private sector plays a fundamental role in the shared mission. We have seen some evidence of a growing culture shift within Wales, with private sector organisations seeking to embed social value in the period since the legislation. However, there is much more to be done in ensuring this is happening consistently and comprehensively across different communities and sectors.

However, the ultimate way to see this being done is by growing the proportion of the economy with a social enterprise or co-operative model, which are proven to create social value and support the achievement of the wellbeing goals, embedding these principles within their business model. As part of the Social Enterprise Stakeholder Group, we published Transforming Wales through Social Enterprise, a ten year vision and action plan which has the ambitious objective to make social enterprise the business model of choice in Wales. Achieving this would be transformative, and be pivotal to achieving the Wales we want to see, as set out in the Wellbeing of Future Generations legislation.

It is clear that the growth of these sectors must be a vital milestone in assessing the impact of the Act. We were encouraged to see these models and sectors at the heart of the 2025 Future Generations Report, with specific recommendations to aim to double the size of the social enterprise sector through continued investment in Social Business Wales, and investment in a Co-operative Development Hub. We are working with the Future Generations Commissioner's Office to proactively support this and their work on the foundational economy and community wealth building. We have engaged with some PSBs across Wales, supporting them to consider the role of local social business sectors and their role in proactively supporting them. This needs to be done comprehensively and consistently across Wales.

The role of the wider third/social enterprise/not-for-profit sectors will be essential in delivering the ambitions of the act. However, as the sector is not legally bound by the Act, the role of organisations within it as a key delivery partner is not strongly enough entrenched. That plays out in two ways; firstly, in relation to the wellbeing goals, organisations within the sector don't have to consider their role or shape their work under the framework to ensure that they are contributing to the goals and overall objective. Of course, many naturally are doing so, and contributing by virtue of the Act's alignment with the values and aims of the sector. Secondly, in relation to the ways of working, the sector is not consistently meaningfully involved in shaping cross-sector plans to deliver against the goals – representation mechanisms are not working well everywhere, and are not the answer to true engagement of the sector and people themselves in shaping wellbeing plans and delivery locally. For effective engagement and empowerment of the sector, we need to consider how the Act can support the third/not-for-profit/social enterprise sector to be an equal partner at all strategic and delivery levels needed to deliver against the goals.

Enforcing the Act

Accountability mechanisms need to be strengthened so that bodies bound by the Act are held accountable and penalised for non-compliance. We would suggest that this could be

done along similar lines to the Information Commissioner model – where organisations are fined for not complying.

Value for Money

A key element of this legislation, and the wider objectives of a wellbeing economy and public service delivery that focuses on wellbeing, is that value for money should mean how investment can most positively impact wellbeing, rather than finding the lowest-cost option. In order to do this effectively, it is essential that budgets move towards preventative investment. We will not see communities that meet the legislation's wellbeing goals, and that are not in a state of perma-crisis, without addressing the underlying causes of poverty, inequality, poor public health and other societal challenges. To achieve this ambition we need sustainable prosperity, with an inclusive and equitable economy providing the social safety net and opportunities that allow people to lead healthy, happy lives.

Social enterprises and co-operatives offer a powerful means for government to achieve value for money in a preventative way by rethinking how public spending supports communities. These models inherently prioritise social outcomes alongside financial sustainability, delivering services that address root causes of challenges such as poverty, social exclusion, and poor health. By reinvesting profits back into communities, social enterprises and co-operatives foster a virtuous cycle of impact that reduces reliance on costly reactive interventions.

For example, social care co-operatives create stable, good-quality jobs and prioritise delivering the highest quality of care. Social enterprises focused on youth engagement provide tailored, locally-led programmes that tackle unemployment and reduce crime. These interventions go beyond the immediate transaction of a government contract, generating wider social value that benefits public finances.

Moreover, co-operatives and social enterprises excel in partnership working and co-design, empowering citizens to shape services that truly meet local needs. This reduces duplication by ensuring government-funded programmes are responsive and effective.

By investing in these models, governments move from short-term crisis management to sustainable, community-driven prevention. The result is not only better outcomes for individuals but also more efficient use of public resources, as money spent today builds future capacity and reduces future demand for expensive interventions. In this way, social enterprises and co-operatives are essential partners in delivering true value for money in preventative public services.

The Wellbeing of Future Generations Act creates a framework that incentivises preventative spending, driving value for money by ensuring that public funds are directed toward long-term solutions. By aligning investments with future needs and collective wellbeing, the Act promotes sustainable social, economic, environmental, and cultural outcomes, reducing future government expenditure. To ensure the Act delivers this, public sector bodies must embed long-term, preventative thinking in decision-making and budgeting processes. Clear accountability, robust measurement, and active collaboration with social enterprises and co-

operatives are essential to fully realise the Act's potential in delivering value for money and transformative outcomes.