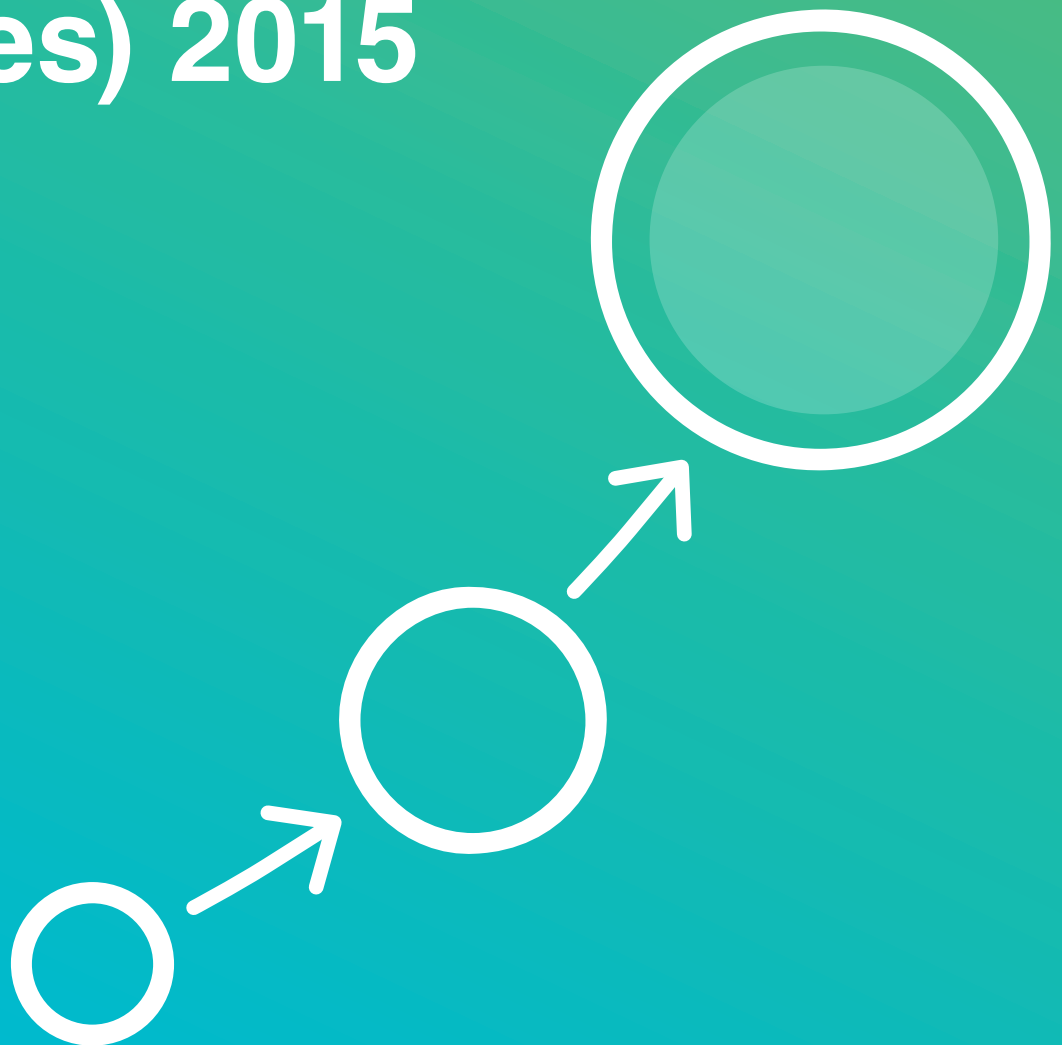


# Integrated reporting in the context of the Well-being of Future Generations Act (Wales) 2015



# Contents

Introduction	3
Well-being of Future Generations Act (Wales) 2015	4
Measuring progress against the well-being objectives	9
Integrated reporting	11
Recommendations for next steps	16
Conclusion	17

## Acknowledgements

The HFMA is grateful to those who assisted with this research:

**Cally Hamblyn, Velindre NHS Trust**

**Catryn Holzinger, Wales Audit Office**

**Clare James, Wales Audit Office**

**Dan Kent-Smith, Data-Driven Storytelling**

**David Bray, Grant Thornton**

**David Pencheon, Sustainable Development Unit, NHS England and Public Health England**

**HFMA Environmental and Sustainability Committee**

**HFMA Policy and Research Committee**

**HFMA Welsh Branch**

**Huw Thomas, Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board**

**Julie Masci, Grant Thornton**

**Kate Jeffries, Grant Thornton**

**Kim Jenkins, Welsh Government**

**Laura Leka, International Integrated reporting Council**

**Lesley Law, Welsh Government**

**Mandy Pady, Abertawe Bro Morgannwg University Local Health Board**

**Maria Waters, Abertawe Bro Morgannwg University Local Health Board**

**Mark Bowling, Aneurin Bevan University Health Board**

**Mike Palmer, Future Generations Commission**

**Nathan Jones, Public Health Wales**

**Nick Topazio, Chartered Institute of Management Accountants**

**Paul Buss, Aneurin Bevan University Health Board**

**Mitzi Wyman, Integrated reporting Council**

**Patricia Harper, Welsh Government**

**Rebecca McCaffry, Chartered Institute of Management Accountants**

**Richard Lewis, Public Health Wales**

**Sally Lewis, Aneurin Bevan University Health Board**

**Steve Elliot, Welsh Government**

**Sumina Azam, Public Health Wales**

The HFMA is committed to carrying out research for members working in Scotland, Wales and Northern Ireland. This topic was suggested by the Wales Branch and the Welsh Government. The author of this briefing was Lisa Robertson (research manager) under the direction of Emma Knowles (head of policy and research).

# Introduction

The *Well-being of Future Generations Act 2015* (2015 Act) is a key part of the drive to address the challenges facing the public sector in Wales. The 2015 Act ‘gives us the encouragement, the permission and the obligation to make the changes needed to deliver The Wales We Want’<sup>1</sup> and is about improving the social, economic, environmental and cultural well-being of Wales. The aim of the Act is to make public sector organisations think about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. The Act applies to the public bodies in Wales, including the NHS.

In Wales, as in the rest of the United Kingdom, there is widespread recognition that the current NHS is facing challenges to become wholly sustainable. The population in Wales is forecast to grow to 3.5 million in 2020, with the proportion of those over 75 years of age doubling.<sup>2</sup> The health system increasingly needs to support more people living with illness and look to ways to improve health as well as healthcare.

The 2015 Act recognises that no one organisation can address these challenges alone. An integrated long-term preventative approach is required. In responding to the 2015 Act, NHS organisations will need to ensure their planning processes are aligned to those of other public sector organisations and support the expectations of the 2015 Act. This will apply to a number of processes, including budget planning, communication and engagement, risk management, data gathering and monitoring, decision-making and reporting.

Integrated reporting (IR) is an approach gaining momentum globally, which aims to communicate a clear, concise integrated story based on how value is created in the short, medium and long term. Is this a potential tool for drawing together the system-wide strategies and reporting required to respond to the 2015 Act?

Organisations in Wales are at an early stage of implementing plans to meet the well-being objectives and this briefing aims to raise awareness of the 2015 Act and the possibilities of IR. It will explore the 2015 Act and the requirements it places on organisations individually and collectively; the links to value-based healthcare; and whether IR can support organisations in thinking about and demonstrating their contribution to the well-being goals. It draws on interviews and a desktop review of the well-being objectives, guidance and commentaries.

<sup>1</sup> [www.futuregenerations.wales/making-it-happen/](http://www.futuregenerations.wales/making-it-happen/)

<sup>2</sup> [www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablea25principalprojectionwalespopulationinagegroups](http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablea25principalprojectionwalespopulationinagegroups)

# Well-being of Future Generations Act (Wales) 2015

## Aims of the Act

The Act aims to improve social, economic, environmental and cultural well-being in Wales. The challenges faced by Wales now and in the future are not unique. However, using explicit legislation as a framework to address them is. Although some of the fundamentals are included in legislation in other parts of the United Kingdom, such as the *Public Services (Social Value) Act 2012*, there is no overarching legislation similar to the Welsh 2015 Act. Its intention is to make public bodies think about the long term, work better together and look to prevent problems. It recognises that 'to give our children and grandchildren a good quality of life we need to think about how the decisions we make now will impact them'.<sup>3</sup>

The 2015 Act establishes a legally binding common purpose in its well-being goals, to which organisations must individually and collectively contribute. It requires public bodies to apply the 'sustainable development principle' in what they do, how they do it and how they communicate it. Sustainable development is about ensuring the needs of the present are met without compromising the ability of future generations to meet their own needs. The principle is made up of the following five ways of working:

- Looking to the **long term** so that the ability of future generations to meet their own needs is not compromised
- Taking an **integrated** approach so that public bodies look at all the well-being goals in deciding on their well-being objectives
- **Involving** a diversity of the population in the decisions that affect them
- Working with others in a **collaborative** way to find shared sustainable solutions
- Understanding the root causes of issues to **prevent** them from occurring.<sup>4</sup>

**Diagram 1** summarises the well-being goals and the sustainable development principle to be used in delivering them.

The well-being goals provide all public bodies with a common purpose and the 2015 Act makes it clear that they must work to achieve all of the goals. Along with the goals, **Table 1** details the way NHS organisations can contribute to these, as set out in the *NHS planning framework 2017/20*.<sup>5</sup>

**Diagram 1: The seven well-being goals and the five ways of working**



## Connected legislation

Within Wales, the 2015 Act sits in the context of a number of recent connected pieces of legislation. During this research, there appeared to be some confusion about how these fit together, due to their overlaps in content and timing.

**Table 2** summarises the connections between key legislation. The 2015 Act provides an opportunity to bring together actions and commitments from other legislation and programmes.

On 1 January 2016 the United Nations' *2030 agenda for sustainable development*<sup>6</sup> came into effect to address urgent global challenges over the next 15 years. The initiative sets out 17 goals and 169 targets for action for people, planet, prosperity,

<sup>3</sup> [www.cynnalcyrmu.com/wp-content/uploads/2016/08/Guide-to-the-WFGAct.pdf](http://www.cynnalcyrmu.com/wp-content/uploads/2016/08/Guide-to-the-WFGAct.pdf)

<sup>4</sup> [www.gov.wales/docs/desh/publications/160915-spsf-1-core-guidance-en.PDF](http://www.gov.wales/docs/desh/publications/160915-spsf-1-core-guidance-en.PDF)

<sup>5</sup> [www.gov.wales/docs/dhss/publications/161013frameworken.pdf](http://www.gov.wales/docs/dhss/publications/161013frameworken.pdf)

<sup>6</sup> [www.un.org/ga/search/view\\_doc.asp?symbol=A/RES/70/1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E)

**Table 1: The well-being goals and the NHS contribution**

Well-being goal	Goal description	NHS contribution
A prosperous Wales	An innovative, productive and low-carbon society that 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 that generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	Ill-health is a limiting factor to social mobility and financial well-being. As people live longer, and work longer, addressing chronic conditions that limit this contribution becomes even more important. Focusing on, and preventing, conditions known to contribute to long-term ill-health and early retirement, including musculo-skeletal conditions, respiratory, diabetes and cardiovascular issues, will contribute to a more prosperous Wales.
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).	Good health is essential in developing resilient individuals and communities able to maximise their potential. Interventions supporting parenting, family and the wider environment are important influences in securing health and well-being for future generations.
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.	Improving the physical and mental health of the population through a life-course approach will contribute to a healthier Wales.
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic circumstances).	Wales has significant variations in health and well-being and the NHS has a responsibility, working jointly with partners, to focus on upstream effective interventions to reduce the social gradient and improve health outcomes for all.
A Wales of cohesive communities	Attractive, viable, safe and well-connected communities.	The NHS has a key role to play in developing cohesive communities, for example through community development activities, adopting a co-productive approach and involving a range of partners in planning and service delivery.
A Wales of vibrant culture and thriving language	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, sports and recreation.	The NHS works within a social context, and many people wish to access services through the medium of the Welsh language. The NHS should promote the Welsh language in the workplace and ensure that services embrace the culture of the communities they serve.
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.	The Welsh NHS operates in a global context. NHS organisations have both an opportunity and a responsibility to offer skills and expertise to other countries in line with the <i>Charter for International Health Partnerships in Wales</i> .

**Table 2: Connected legislation in Wales**

Legislation	Links to the <i>Well-being of Future Generations Act 2015</i>
<i>Social Services and Well-being Act 2014</i>	This Act also aims to develop a common understanding of what public services are required in an area, aims to develop joint working between public bodies and to align activity to national goals. The difference is that this Act is focused on social care rather than all public sector activity, and on individuals, families and carers instead of overall communities. The required regional population assessment, in relation to care and support needs, informs the wider well-being assessments. The assessment may be published in a local plan of a public service board (PSB) of which the body is a member.
<i>Environment (Wales) Act 2016</i>	The state of natural resources report (autumn 2016) provides evidence to feed into well-being assessments.
<i>Planning Wales Act 2015</i>	This aims to improve the planning process to ensure the right development is located in the right place.
<i>Wales procurement policy statement 2015</i>	This sets out the principle to look toward future generations and deliver more sustainable outcomes from procurements, so that procurement expenditure can help achieve the seven well-being goals.
<i>One Welsh public service value and behaviours 2015</i>	Launched at the public service summit in November 2015, the <i>One Welsh public service value and behaviours</i> were developed to support leadership.

peace and partnership. The 2015 Act supports Wales to develop and demonstrate its contribution to these global goals.

### Requirements of the 2015 Act

The 2015 Act places individual and collective requirements on public bodies to ensure that they are working towards the seven well-being goals and applying the sustainable development principle. In February 2016, the Welsh Government published *Shared purpose: shared future: statutory guidance*<sup>7</sup> to support public bodies in responding to the 2015 Act.

Under the 2015 Act, Public Services Boards (PSBs) are new statutory organisations, established on 1 April 2016, that have been created based on an area. The 2015 Act specifies that the

members of each PSB are the local authority, local health board, local fire and rescue authority and natural resources board for Wales. The membership sets an expectation of integrated planning based on population needs, going beyond traditional boundaries. Some bodies will need to meet both the distinct yet complementary requirements of the 2015 Act as individual bodies and members of the PSB.

The key requirements of the 2015 Act are summarised in **Table 3** below.

The 2015 Act does not intend to introduce additional onerous compliance requirements, expecting instead that the aims and requirements are embedded within existing corporate processes.

**Table 3: Key requirements of the Well-being of Future Generations Act (Wales) 2015**

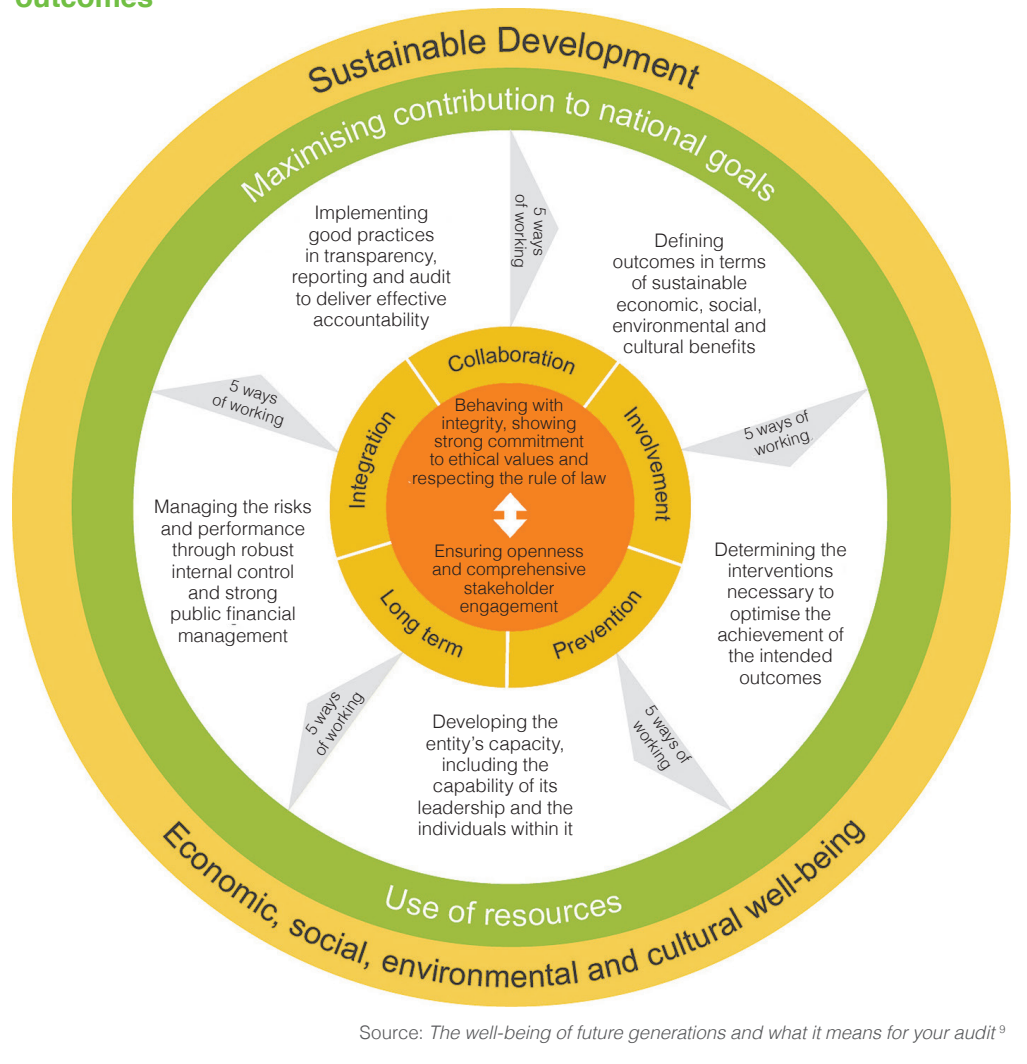
Who	What and when
Individual specified bodies, including local health boards and trusts	<p><b>By 31 March 2017: publish well-being statement and well-being objectives</b> This must include an explanation of how an organisation's objectives will contribute to the achievement of the well-being goals and when it expects to meet the objectives; why it considers that its objectives have been set in accordance with the sustainable development principle; the steps to be taken to meet the objectives and to keep them under review; and how it will govern itself and ensure resources are allocated to meet the objectives.</p> <p><b>By 31 March 2018: report progress against the well-being objectives</b> This should include an assessment of whether objectives remain appropriate; how objectives are contributing to the goals; whether they are taking all reasonable steps to meet their well-being objectives; and whether they remain consistent with the sustainable development principle.</p>
Public Service Board	<p><b>By May 2017: publish well-being assessment</b> The first major task of the PSB is to develop a picture of economic, social, environmental and cultural well-being for their communities now and what it might look like in the future. The assessment must list the communities within an area and make an assessment by community, groups of people and the whole area; include predictions of future likely trends; refer to the national indicators; and include any further relevant analysis or related data it has considered.</p> <p><b>By May 2018: publish a local well-being plan</b> This should set out the PSB's local objectives; steps it proposes to meet them in accordance with the sustainable development principle; timescales for meeting them; and why this contributes to achieving the goals. This should be reviewed by the local authority's scrutiny committee and sent to the Auditor General for Wales and the Future Generations Commissioner. An annual report, reviewing progress against the plan, should be produced no later than 14 months after the plan has been published. If the next plan is produced within 12 months which will include a progress update, as expected, no separate progress report is required</p>
Welsh ministers	<p><b>By November 2016: publish well-being objectives</b> Welsh ministers are listed as one of the public bodies required to produce well-being objectives.</p> <p><b>By May 2017: publish future trends report</b> Welsh Ministers must publish national indicators and milestones and a periodic future trends report to provide evidence of progress and future pressures to assist decision makers. The final set of 46 national indicators were published in March 2017<sup>8</sup> and ministers are required to report progress against these annually.</p>
Future generations commissioner	<p><b>By May 2020: future generations report containing assessment of the improvements public bodies should make to achieve the well-being goals</b> The Act establishes a statutory future generations commissioner. The general duty of the future generations commissioner for Wales is to promote the sustainable development principle (the five ways of working), in particular to act as a guardian of the ability of future generations to meet their needs, and encourage public bodies to take greater account of the long-term impact of the things that they do. To do this the commissioner can monitor and assess the extent to which well-being objectives set by public bodies are being met.</p>
Auditor general in Wales	<p><b>No later than May 2020: auditor general report on examinations</b> The 2015 Act places a new duty on the auditor general in Wales to assess the extent to which a body has acted in accordance with the sustainable development principle, when setting well-being objectives and taking steps to meet those objectives. The auditor general is required to report on their findings once every five years. In April 2016, the auditor general consulted on how he should reshape his approach to auditing public bodies in Wales. In recognising this as the latest step in the journey to embed sustainable development in the public sector in Wales, the auditor general highlighted the links between good governance and the five ways of working set out in the 2015 Act (<b>Diagram 2</b>) There is no statutory role to audit the PSBs, with the focus of accountabilities being on individual organisations. However, these partnership arrangements will provide an insight to an organisation's approach to collaboration.</p>

<sup>7</sup> [www.gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en](http://www.gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en)

<sup>8</sup> [www.gov.wales/docs/desh/publications/160915-spsf-5-key-dates-en.PDF](http://www.gov.wales/docs/desh/publications/160915-spsf-5-key-dates-en.PDF)



**Diagram 2: Good governance in the public sector for sustainable outcomes**



Publication and review of the well-being objectives should be aligned to the existing corporate planning and reporting mechanisms of each public body. Within the NHS, this is primarily the long-term strategy, integrated medium-term plan (IMTP) and annual report.

All NHS organisations should have a strategy, approved by their board, which clearly sets out their long-term vision for how they will meet the needs of the communities they serve. This is separate to the three-year rolling IMTP, which is used to demonstrate how actions taken in a three-year period help achieve the longer term vision set out in the strategy.

The NHS planning framework 2017/20<sup>5</sup> states that IMTPs should describe actions being taken to make progress towards each of the seven well-being goals. The final IMTPs were submitted in

March 2017 and therefore in many cases were used as a vehicle to publish the well-being statement and objectives.

The IFRS Wales *NHS Manual for Accounts – Chapter 3*<sup>10</sup> requires NHS bodies to publish their 2016/17 annual reports and accounts in July 2017. They must indicate where the published well-being objectives for their organisation can be found in the performance report section of their annual report.

The 2015 Act requires that progress is reported as soon as reasonable after the end of the financial year and the annual report in July is clearly an appropriate place to do this. Due to the short period of time since the objectives were set in March 2017, it is expected that reflections upon the objectives will be covered briefly in the 2016/17 performance report.

<sup>9</sup> [www.wao.gov.uk/sites/default/files/download\\_documents/wfg-consultation-english.pdf](http://www.wao.gov.uk/sites/default/files/download_documents/wfg-consultation-english.pdf) – *Good governance in the public sector for sustainable outcomes* includes adapted material from *International Framework: Good Governance in the Public Sector* of the PAIB Committee, July 2014 by IFAC and CIPFA, used with permission, Wales Audit Office 2015

<sup>10</sup> [www.wales.nhs.uk/governance-emanual/local-health-board-and-nhs-trust-annual-](http://www.wales.nhs.uk/governance-emanual/local-health-board-and-nhs-trust-annual-)

**Table 4: Review of well-being objectives, April 2017**

Well-being objectives published?	Three bodies well-being objectives' are clearly accessible from their website. Six are available in public Board papers.
Are well-being objectives approved by the Board?	Nine bodies took their well-being objectives to the March Board. For one of these, the March Board papers were not available at the time of publication, although officers confirmed these were presented to Board.
Are well-being objectives linked to well-being goals?	Nine bodies have linked their well-being objectives to the well-being goals.
Are well-being objectives linked to strategic goals?	Nine bodies have linked their well-being objectives to strategic goals. The number of well-being objectives ranges from three to ten.
Use of five ways of working set-out?	Eight bodies set out that their planned approach will use the five ways of working. Two of these bodies refer to a steering group being set-up with representation from across the organisation to manage this.
Performance metrics referred to?	Eight bodies set out monitoring proposals such as use of separate specified outcome measures, use of public health outcomes framework or linked to strategic objectives measures. One body also sets out their approach to assessing whether the five ways of working are applied.
Reference to Public Service Board?	Seven bodies make reference to PSB arrangements. Two of these explicitly refer to the consideration of emerging themes from the PSB well-being assessment.

In future years it is expected that the report on progress against objectives, as required by the 2015 Act, will be fully integrated into the annual report and include reference to the well-being plans set by PSBs in 2018.

### Progress so far and next steps

In November 2016, the Welsh Government published its 14 well-being objectives, and by 31 March 2017, so had the Welsh health bodies. Our review of the publicly available documents of the nine health bodies named in the 2015 Act is summarised in **Table 4**.

The health bodies have set a wide range of well-being objectives with the most common being those focusing on giving children the best start in life, addressing environmental challenges, reducing health inequalities, connecting communities and developing a highly skilled diverse workforce.

Positively, all have looked at aligning the objectives with existing strategies, with one example of the use of internal audit to report

on the extent to which the 2015 Act has been integrated into their on-going activities.

Bodies have made a good start in developing the well-being objectives. However, in some cases the objectives are lacking in supporting detail on how they will be implemented and measured. Further work is required to ensure that the bodies are clear on how they will be delivered, measured and how they will apply the five ways of working when achieving them.

Now that well-being objectives are set, organisations need to embed the well-being agenda within the day-to-day practices of the organisation and wider system. Sharing is a key element of the 2015 Act and there are a number of existing routes by which this can be done locally and nationally, including the Welsh Audit Office Good Practice Exchange<sup>11</sup> which aims to help public services improve by sharing knowledge and practices.

Now that well-being objectives are set, organisations need to embed the well-being agenda within the day-to-day practices of the organisation and wider system

<sup>11</sup> [www.audit.wales/good-practice-exchange](http://www.audit.wales/good-practice-exchange)



# Measuring progress against the well-being objectives

The 46 national indicators that form part of the 2015 Act requirements are designed to track the progress of Wales as a nation. Public bodies need to develop meaningful ways of measuring how well they are maximising their contribution to the well-being goals.

Existing performance indicators are largely activity based, measuring inputs or outputs within individual NHS services. In order to understand and assess progress against the 2015 Act, wider consideration of outcomes is essential. These need to be reviewed across the system over time, recognising that public health payback may not be seen for a number of years.

The focused use of data has a significant influence on behaviour and can support the mindset shift required to ensure delivery against the 2015 Act. Organisations need evidence to understand and be confident in what specific delivery elements, applied by both themselves and partners, will affect the longer term. Clinical outcomes, such as increased quality of life, are difficult to measure. Progress against objectives that will take a number of years to be realised, such as a reduction in childhood obesity, will need to be monitored against milestones and actions such as education campaigns, advice and guidance.

In 2016, the Organisation for Economic Co-operation and Development reported on healthcare quality in Wales, acknowledging progress is being made through its planned approach. It made the following recommendations for improvement:

- Secure accountability, drive standards up and promote innovation
- Put primary care front and centre as a force for dynamic system change
- Make Wales a data driven system
- Do more to promote the patient voice.

These elements will be essential in delivering the requirements of the 2015 Act and are reflected in the principles of value based healthcare.

## Value-based healthcare

The concept of 'value' in healthcare, both in terms of individual value and population value, has been increasingly explored in the recent years. It aligns well with the intentions of the 2015 Act and provides an opportunity to effectively monitor progress against well-being objectives.

Value-based healthcare is one approach that is particularly being explored in Wales. It is about maximising the outcomes which matter to people and doing this at the lowest possible cost. It applies the relationship between outcome and cost and measures these across the whole care cycle. The HFMA *Introduction and background to value in healthcare*<sup>12</sup> briefing provides further details on the principles of value-based healthcare.

In delivering the well-being goals, the effect of good health on the population and other public health expenditure needs to be measured and considered. The wider cost of healthcare can be explored at various levels. First, no matter how efficient the healthcare system is, if the conditions being treated are largely preventable, then the opportunity cost of such care needs to be acknowledged – diabetes, heart disease can be more efficiently managed, but a system-wide approach would look to prevent the preventable.

Second, financial cost is not the only cost that society has to bear. There is a very human cost in terms of lives that are shorter, less productive and less fulfilled than they need be. In addition, healthcare systems are responsible for significant levels of greenhouse gas emissions, pollution (for instance, dangerous levels of poor air quality) and toxic waste, as well as considerable pressure on many non-renewable resources, from water to precious, rare metals.

Conversely, as well as unmeasured costs of healthcare, there are also important social benefits where healthcare systems add considerable value to the health of individuals and communities. Healthcare systems are often the largest local employer, procurer and operator of infrastructure. This means they can add much value (over and above their direct healthcare benefit) to local communities and economies in the way they employ, procure, partner and normalise examples of socially and environmentally responsible behaviour. This can have a significant benefit on the social and economic causes of physical and mental ill-health and health inequalities throughout the local community, especially through meaningful and properly paid employment.

An understanding of these wider societal costs and benefits are in line with the sustainable development goals and the 2015 Act. A healthier population able to work and live; lives that people have reason to value (social); a reduction in benefit payments (financial); and the minimisation of environmental risks to health all show how

<sup>12</sup> [www.hfma.org.uk/our-networks/healthcare-costing-for-value-institute/resources/](http://www.hfma.org.uk/our-networks/healthcare-costing-for-value-institute/resources/)

these three dimensions of a future-proofed health system align. These fit well with the well-being goals and the intentions of IR and should be a focus for individual organisations and PSBs as they create their approach to value.

### Value in healthcare: the story so far

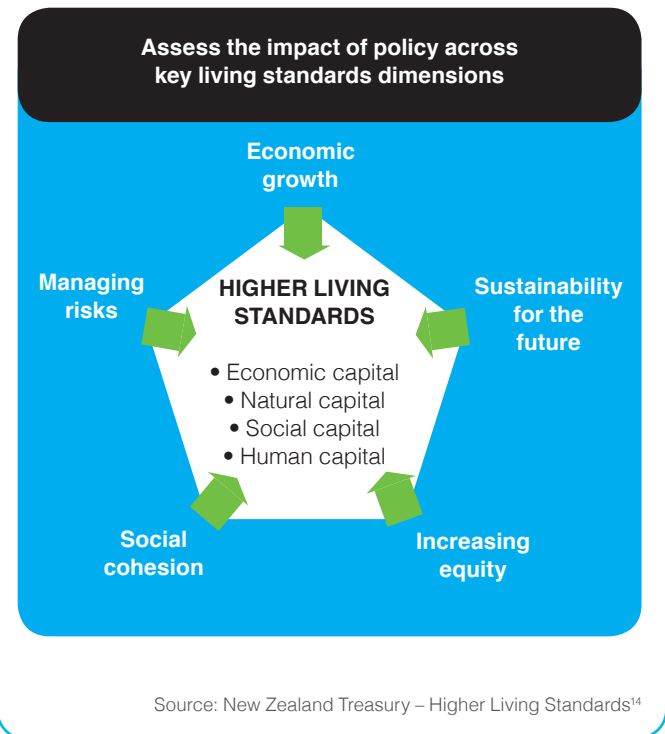
Globally the opportunity of using outcome-based measures to drive the required long-term changes for sustainable high-quality care is being explored. The HFMA's *International symposium on value in healthcare*<sup>13</sup> brought together clinicians and finance staff from seven countries to share practical examples on how the theory of delivering value-based healthcare can be achieved.

In New Zealand, the Treasury uses its Living Standards Framework<sup>14</sup> to review new policies. It emphasises consideration of levels (comparison with others and through time), distribution (among individuals and groups in society) and interactions (links between the short and long term and between values of 'stocks'). As set out in **Diagram 3**, the framework uses a broad range of factors, described as stocks, which are seen as important to improving living standards.

In Wales, work has already begun on exploring value in healthcare:

- In February 2016, the Welsh Government and NHS Wales jointly published *Prudent healthcare: securing health and well-being for future generations*<sup>15</sup> to support national action. It aims to create a patient centred system. One of its key principles is to reduce inappropriate variation using evidence-based practices. As an example, a review of patients with cataracts identified 17 different pathways across seven health boards with variation in costs of 40%.
- The national planned care programme in Wales supports the principles of prudent healthcare. Focusing on five speciality service areas, patient reported outcome measures are being used to assess the quality of care from a patient perspective.
- Aneurin Bevan Health University Health Board in Wales has established a strategic alliance with the International Consortium on Health Outcome Measurement (ICHOM), which defines and reports on standard sets of medical outcomes.
- Aneurin Bevan University Health Board has demonstrated what can be achieved using a value-based approach to healthcare. They are on track to know what is being spent and equally the outcomes they are achieving across a number of key condition pathways.
- In March 2016 the *Public health outcomes framework*<sup>16</sup> was launched by the Welsh Government to help understand the impact of individual behaviours, public services, programmes and policies on health and well-being in Wales. This framework underpins the national indicators required to be published by Welsh ministers.

**Diagram 3: New Zealand's living standards framework**



### Value-based healthcare: building blocks

Based on our interviews, it is still early days in applying the concept of value-based healthcare. Early indications suggest the following common themes can support its effective application:

- **Senior clinical and operational leadership commitment**  
Senior commitment and communication is required to give the whole organisation the confidence that it can be done, recognising this will be a longer term journey. Resources and the commitment to support those providing information is required to ensure that initiatives do not get dropped under pressure.
- **Effective engagement** An organisation and system-wide common view is needed, requiring an appropriate mix of people involved. Engagement early, rather than retrospectively, will support ownership, engagement and clarity. Clinical and finance joint working is essential, with regular meetings to manage emerging issues. The common language can often be time rather than money. Good engagement and clarity over the aims and processes can avoid duplication of effort.
- **Fit for purpose data** Data needs to be:
  - \* Clear and easily understandable: why data is being collected,

<sup>13</sup> [www.hfma.org.uk/publications/details/international-symposium-summary](http://www.hfma.org.uk/publications/details/international-symposium-summary)

<sup>14</sup> [www.treasury.govt.nz/abouttreasury/higherlivingstandards](http://www.treasury.govt.nz/abouttreasury/higherlivingstandards)

<sup>15</sup> [www.gov.wales/docs/dhss/publications/160211prudenten.pdf](http://www.gov.wales/docs/dhss/publications/160211prudenten.pdf)

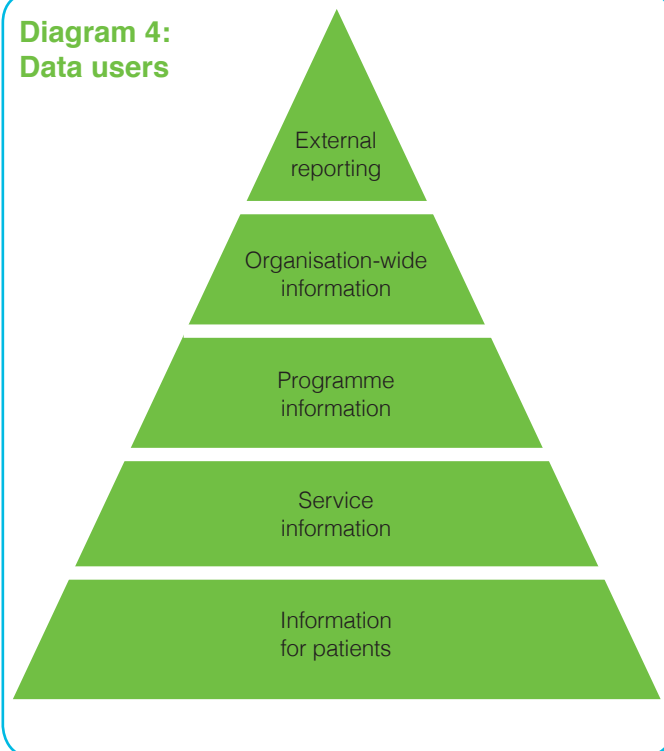
<sup>16</sup> [www.publichealthwalesobservatory.wales.nhs.uk/phof2016](http://www.publichealthwalesobservatory.wales.nhs.uk/phof2016)

what data, how it will be measured, who needs it, who can access it, how it will be presented and how often.

- \* Appropriate to produce: a review of what is considered essential, desirable and feasible is helpful.
- \* Robust: data accuracy should be ensured. It should avoid being a complex range of different information from different sources.
- \* Focused on outcomes: the use of information technology can be invaluable in analysing the data for different audiences (**Diagram 4**). As an example, detailed outcome data can inform patients in individual care decisions, yet wider trends may be more appropriate for measuring how good a service is or overall care outcomes in an area.
- **Shared business intelligence** Data needs to be turned into information that can be easily accessed and used by managers. Understanding the quality outcomes and the price at which it is delivered should be used to measure value and support decision-making, performance improvement and accountability. Sharing experiences, tools, templates and models will improve transparency, consistency and insights.

Some of the challenges in delivering value-based healthcare, particularly around data sharing and access to data, are explored in the HFMA's *Report on the value challenge pilot*.<sup>17</sup>

**Diagram 4:  
Data users**



# Integrated reporting

With a holistic approach and focus on outcomes and value, there are clear parallels between the intentions of IR, value-based healthcare and the 2015 Act. Could IR be the tool to support organisations in developing and demonstrating their overall approach?

## What is integrated reporting?

IR is about telling the story of how the component parts of an organisation come together to deliver outcomes. By developing an organisation-wide understanding, it can lead to more integrated strategies, with all components understanding and working towards common strategic aims.

IR has been developed and promoted by the International Integrated reporting Council (IIRC), a global coalition of stakeholders. It originated with the aim of developing a reporting mechanism that aligned financial decisions and corporate behaviour with the wider goals of economic stability and sustainable development. Following many examples of retrospective and lengthy annual reports – often requiring advisers

to help understand them – it aims to support concise prospective reporting to support decision-making. IR is a voluntary framework, with the exception of South Africa, where it is mandated for listed companies, which provides principles to be applied rather than specific compliance requirements. It takes a holistic view of strategy, governance, performance and prospects, in the context of the external environment and how this leads to the creation of value in the short, medium and long term.

Integrated thinking is vital to IR. It is what distinguishes it from other reporting. An integrated report is the physical output which demonstrates and reinforces integrated thinking. Disclosure can influence behaviour and IR drives the behavioural change required for effective integrated thinking. At the heart of integrated thinking is: the need for a clear understanding of the business model in the context of the external environment; a clear understanding of what value means to the organisation; and a clear understanding of the impact of decisions on wider value creation for others (stakeholders, society at large), not just in the short term. By identifying and describing outcomes of actions, both to the

<sup>17</sup> [www.hfma.org.uk/publications/details/report-on-the-value-challenge-pilot](http://www.hfma.org.uk/publications/details/report-on-the-value-challenge-pilot)

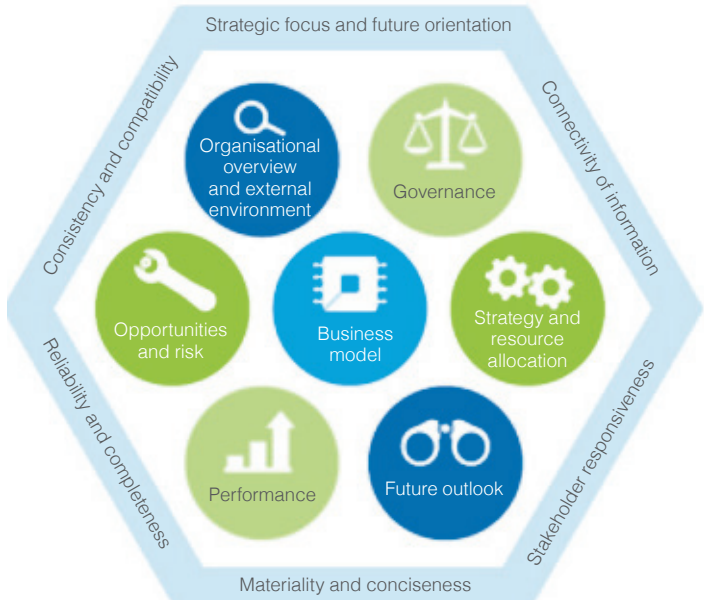
organisation and wider environment, informed decision-making can focus on achieving sustainable success.

As stated in *Creating value: the cyclical power of integrated thinking and reporting*: 'When integrated thinking is applied, the integrated report becomes more than the output of a process but, rather, a critical milestone in the continuous journey of improvement in decision-making, accountability and communication.'<sup>18</sup>

The *International integrated reporting framework*<sup>19</sup> supports the adoption of IR. It sets out the guiding principles that should be used to underpin integrated reporting and the interconnected content elements it would expect to see. As summarised in **Diagram 5**, the guiding principles drive a concise and connected insight based on value over time. The content elements push for an integrated report that does not solely summarise areas of information.

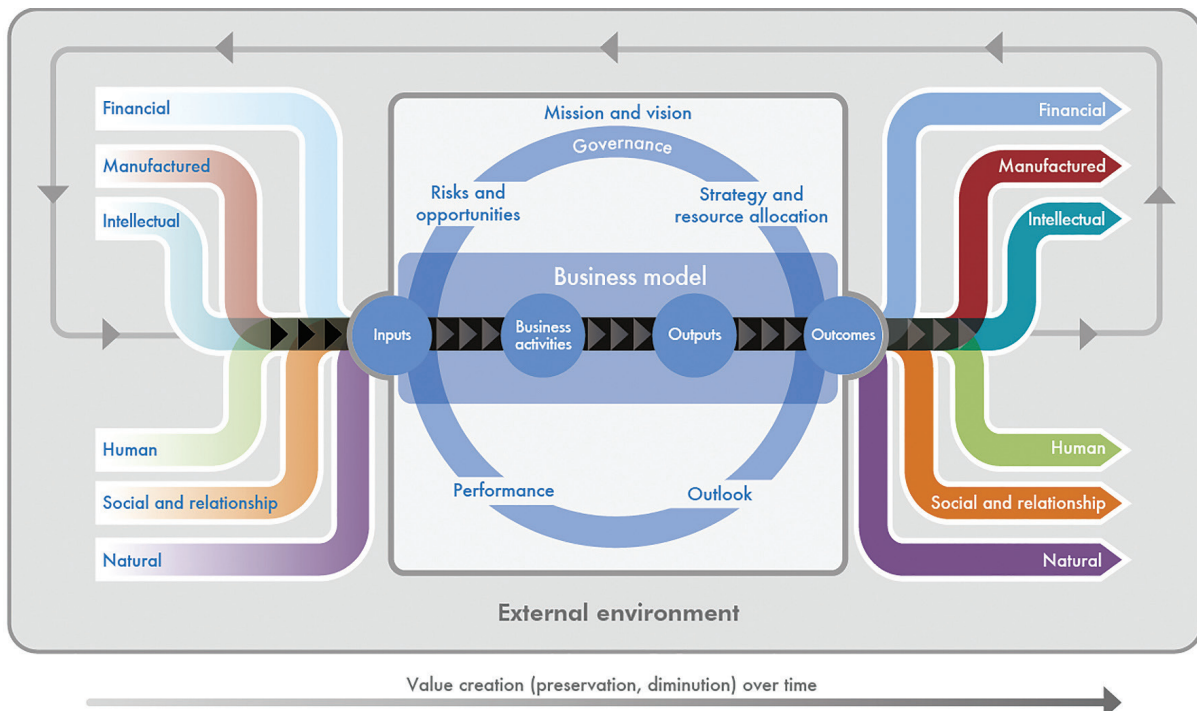
In thinking about how value is created over time, the framework provides six 'capitals' for consideration. It defines these as financial; manufactured; intellectual; human; social and relationship; and natural. These areas can be seen as reflected in the seven well-being goals. IR recognises that the definition of value depends on whose perspective it is viewed from.

**Diagram 5: Summary of IR guiding principles and content elements**



Source: *Integrated thinking and reporting – creating value in the public sector*<sup>20</sup>

**Diagram 6: The value creation process**



Source: *International Integrated reporting Framework*<sup>19</sup>

<sup>18</sup> [www.integratedreporting.org/wp-content/uploads/2016/11/CreatingValue\\_IntegratedThinking\\_.pdf](http://www.integratedreporting.org/wp-content/uploads/2016/11/CreatingValue_IntegratedThinking_.pdf)

<sup>19</sup> [www.integratedreporting.org/resource/international-ir-framework/](http://www.integratedreporting.org/resource/international-ir-framework/)

**Table 5: Examples of capitals in the public sector**

IR Framework capitals and public sector interpretations	Examples
Financial	The pool of funds available to an organisation for use in the production of goods or the provision of services, which are obtained through financing, such as debt, tax or grants, or generated through operations or investments.
Manufactures e.g. infrastructure	Physical objects (as distinct from natural physical objects) that are available to an organisation for use in the production of goods or the provision of services, including buildings (such as schools, hospitals and offices), equipment and infrastructure (such as roads, ports, bridges, and waste and water treatment plants).
Intellectual	Organisational, knowledge-based intangibles, including intellectual property, such as patents, copyrights, software, rights and licenses, and 'organisational capital' such as tacit knowledge, systems, procedures and protocols.
Human	People's competencies, capabilities and experience, and their motivations to innovate, including their alignment with and support for an organisation's governance framework, risk management approach, and ethical values along with the ability to understand, develop and implement an organisation's strategy and loyalties, and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate.
Social and relationship	The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. Social and relationship capital includes shared norms, and common values and behaviours, key stakeholder relationships, and the trust and willingness to engage that an organisation has developed and strives to build and protect external stakeholders. Also, intangibles associated with the brand and reputation that an organisation has developed. An organisation's social or regulatory license to operate.
Natural	All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation. It includes air, water, land, minerals and forests, along with biodiversity and eco-system health.

Source: Integrated thinking and reporting – creating value in the public sector<sup>20</sup>

Value creation can be seen through how each of these distinct, yet interrelated, areas feed into the process. They have an input value into the business model which actions impact on their output value and outcomes (**Diagram 6**). Outputs are the products created or services delivered (and also unintentional by-products or waste such as carbon emissions). Outcomes are the changes in the capitals – which depending on whether they've increased or decreased, creates or diminishes value.

The capitals provide a focus for discussion and push an organisation to understand the full range of areas that form part of its value creation story. Only those that are material should be included in an integrated report. These capitals are not intended to be prescriptive and it may be that different capitals or terminology are more appropriate for an organisation. **Table 5** provides a helpful interpretation of what these capitals may look like in the public sector.

Once an organisation identifies what is important to it, it can use the relevant capitals to frame discussions on how these can be measured, what information is needed and from where, whether this is already collected or whether systems are needed to produce accurate data for decision-making. There is often a trade-off between capitals - over time and

between organisations. Using this approach, decision-makers can consider factors affecting availability, quality and affordability of capitals across the organisation and wider.

IR and its approach to integrated thinking requires a change in the way organisations view their information and act upon it. Many will have existing information and processes in place, but IR could help them focus on what matters the most. It is important to recognise this is not an overnight process but one that uses continuous improvement to evolve. It could be 'an umbrella that can encompass other standards and frameworks to help provide a more complete and coherent picture of value creation by an organisation'.<sup>20</sup>

### Integrated reporting in the public sector

IR is gaining global momentum. The International Corporate Governance Network Global governance principles<sup>21</sup> recommend that 'the board should provide an integrated report that puts historical performance into context, and portrays the risks, opportunities and prospects for the company in the future, helping shareholders understand a company's strategic objectives and its progress towards meeting them.' The International Federation of Accountants recently released a paper setting out its strong support for IR, believing that the broad based information

<sup>20</sup> [www.integratedreporting.org/wp-content/uploads/2016/09/Focusing-on-value-creation-in-the-public-sector-\\_vFINAL.pdf](http://www.integratedreporting.org/wp-content/uploads/2016/09/Focusing-on-value-creation-in-the-public-sector-_vFINAL.pdf)

<sup>21</sup> [www.icgn.org/sites/default/files/Global%20Governance%20Principles.pdf](http://www.icgn.org/sites/default/files/Global%20Governance%20Principles.pdf)



required was important for transparency and accountability; to position performance and long term potential; and provide critical information for external stakeholders to make decisions.

Although initially developed in the commercial sector, the potential of IR to support public sector organisations is being increasingly realised. It aligns itself well with multiple services and outcomes, the need to understand messages from a mass of data and increased scrutiny. Public bodies can use it to demonstrate that their decision-making process has been in the best interest of the public and the wider economy. It provides a framework to explore what exactly value creation means for them. The IR Public Sector Pioneer Network has been established for organisations in the public sector to explore why and how the public sector should be adopting IR.<sup>22</sup>

Rob Whiteman, chief executive of the Chartered Institute of Public Finance and Accountancy, argues: 'Integrated reporting gives a much clearer view of how and where public resources are used. As more and more public sector organisations from across the world take up the transformational challenge of IR, the understanding and trust of citizens can only increase.'<sup>20</sup>

There is a significant synergy between the principles of IR and the five ways of working set out in the 2015 Act. IR provides a tool that can be used for individual organisations and PSBs alike to work through their value creation story. 'Transparent, responsive, and accountable institutions are a vital part of what it takes to improve people's lives and implement a sustainable development agenda' and IR is a key tool in developing such institutions.

## Benefits and challenges of integrated reporting

Examples of the use of IR throughout the world highlight the benefits and challenges in its implementation. These are explored below.

The key benefits of using IR in the public sector are:

- **Clearer understanding of strategy and risk** IR helps an organisation to clarify what it is seeking to achieve and broadens the lens through which risk is considered. Some 68% of early adopters see a better understanding of business risks and opportunities and 92% say it has improved understanding of value creation.<sup>23</sup> The chief financial officer of the Maritime and Port Authority of Singapore said: 'Through the process of preparing our report, we were able to identify areas for improvement to our strategy and achieve better alignment across divisions to reach the outcomes we were aiming for.'<sup>20</sup> Applying IR can lead to a deeper understanding of business processes, identification of gaps in processes and a more robust integrated strategy.

- **Collaboration** IR helps avoid silo working within and across organisations. Some 78% of early adopters see a benefit of more collaborative thinking about goals and targets<sup>23</sup>. The New Zealand Post recognised that IR and the establishment of a cross-functional steering group helped them to break down silos and move to develop plans around capitals rather than individual service lines<sup>24</sup>. The collaboration of IR allows decisions to be balanced across the needs of stakeholder groups. This mitigates against a focus by one part of an organisation on specific issues without being aware of potential impacts on another area or the wider public sector.
- **Long-term focus** IR helps decision-makers move away from short termism, based on an evidence-based approach to the impact of value over time. This sits particularly well with the intentions of the 2015 Act.
- **External engagement** IR supports an improved approach to stakeholder relations. Some 91% of early adopters see an impact on external engagement<sup>23</sup>. The NHS leadership team for London found the IR pilot programme highlighted the importance of engaging with all stakeholders to find out what they really want to see in a report. It can provide the opportunity to demonstrate thinking, rebuild trust and confidence.
- **Internal engagement** IR can drive a more inclusive culture where individuals can see how their role fits into the overall story. Some 96% of early adopters see an impact on internal engagement<sup>23</sup>. This can lead to empowered and more motivated staff, reduce turnover and attract future employees.
- **Informed decision-making** IR gives boards and executives the information they need to understand the range of impacts from a course of action. Some 79% of early adopters report improvements in decision-making and 65% see a current benefit of better long-term decision-making<sup>23</sup>. In South Africa, where IR is required by all listed companies, a 2015 survey<sup>25</sup> of directors found widespread belief that IR improved decision-making both at manager and board level. It supports decisions focused on what is important, not those that favour immediate rewards.
- **Improved data quality** IR requires the identification of appropriate information and how this is collated. Some 84% of early adopters have seen an improvement in data quality<sup>23</sup>. The Chartered Institute of Management Accountants comments that IR has helped them to align monthly management information with the business model<sup>26</sup>. The Crown Estate created key performance indicators to develop a total contribution using the six capitals<sup>27</sup>. A clearer understanding of how data will be used and captured by those both producing it and using it drives increased accuracy.

<sup>22</sup> [www.cipfa.org/policy-and-guidance/integrated-reporting-public-sector-pioneer-network](http://www.cipfa.org/policy-and-guidance/integrated-reporting-public-sector-pioneer-network)

<sup>23</sup> [www.integratedreporting.org/wp-content/uploads/2014/09/IIRC.Black\\_Sun\\_Research.IR\\_Impact.Single.pages.18.9.14.pdf](http://www.integratedreporting.org/wp-content/uploads/2014/09/IIRC.Black_Sun_Research.IR_Impact.Single.pages.18.9.14.pdf)

<sup>24</sup> [www.integratedreporting.org/profile/new-zealand-post-new-zealand-postal-services/](http://www.integratedreporting.org/profile/new-zealand-post-new-zealand-postal-services/)

<sup>25</sup> [www.saica.co.za/Portals/0/Technical/Sustainability/SAICAIntegratedThinkingLandscape.pdf](http://www.saica.co.za/Portals/0/Technical/Sustainability/SAICAIntegratedThinkingLandscape.pdf)

<sup>26</sup> [www.integratedreporting.org/wp-content/uploads/2014/10/Tomorrows-Business-Success\\_Integrated-Reporting-L-Oct-2014.pdf](http://www.integratedreporting.org/wp-content/uploads/2014/10/Tomorrows-Business-Success_Integrated-Reporting-L-Oct-2014.pdf)

<sup>27</sup> [www.thecrownestate.co.uk/our-business/total-contribution/](http://www.thecrownestate.co.uk/our-business/total-contribution/)



- **Transparency** In an environment of constant change, organisational complexity and financial constraints, there is a thirst for scrutiny and transparency. IR mitigates against reporting driven by compliance, supporting reports that are easy to understand, leading to a reduced burden in preparation and a better understanding for the reader. The Netherlands-based financial services company Aegon won the 2014 Towards integrated reporting award<sup>28</sup>, with judges considering the concise IR providing a simple and accessible depiction of the company's value chain.

IR clearly brings with it a number of benefits, supporting organisations to deliver sustainable outcomes. As part of a 2016 global survey conducted by the IIRC and partners, 79% of those surveyed agree that a longer term perspective on strategic planning would improve value creation and 83% believe adopting IR would help deliver success to their organisations. However, only 11% believe they are currently able to make strategic decisions based on broader factors<sup>29</sup>.

The main challenges recognised are:

- **Lead time** IR is a long-term process and will take two to three years to implement properly, requiring ongoing senior commitment and resource.
- **Understanding and articulating connections** Longer term planning is difficult, particularly in the context of political change, conflicting objectives in the public sector and the need to manage a diverse range of services within financial constraints. The challenge to understand and report what the perceived value to a range of stakeholders is over the short, medium and long term is not easy, requiring parties to work closely together in exploring what this exactly means for them.
- **Management information** New or adapted management information may be needed to interpret the impact of decisions on value, requiring an investment in understanding the source of information, collating and accurately presenting it. Engagement

of a range of users can bring helpful perspectives and challenge.

- **Short-term pressures** Managing operational performance and short-term pressures can easily impact on long-term decisions.
- **Partnership working** Aligning objectives and information between partners requires excellent working relationships, which may not pre-exist.
- **Maintaining conciseness** With a wealth of information and complex systems, it can be difficult to present IR in a concise and easy to understand manner. There is often much duplication in data and reporting within an organisation and an initial exercise to map the linkages can be helpful.
- **Tendency to shy away from negative or sensitive matters** It can be difficult to ensure a balanced view is portrayed and that negative and sensitive matters are recognised as part of the learning cycle.
- **Multiple stakeholders** The IR framework identifies the primary users of an integrated report as the providers of financial capital. In the public sector, the providers of financial capital are diverse, including governments and tax payers. Often a challenge is trying to cater to too many stakeholders with the same report – which also links to the conciseness challenge.
- **Avoiding duplication or overburdening resources** It is essential that IR is not seen as an additional reporting task, assigned to a small number of people within an organisation. The South African Blood Service recognises that by outsourcing their integrated report in year one, they were still seeing it as an output rather than a drive to improved planning. IR is a framework that should be applied to existing arrangements to drive behaviour and reporting.

In recognising these challenges, organisations can seek to ensure arrangements help overcome each barrier.

IR helps decision-makers move away from short termism, based on an evidence-based approach to the impact of value over time. This sits particularly well with the intentions of the 2015 Act

<sup>28</sup> [www.pwc.com/gx/en/services/audit-assurance/corporate-reporting/world-watch/aegon-integrated-reporting-interview.html](http://www.pwc.com/gx/en/services/audit-assurance/corporate-reporting/world-watch/aegon-integrated-reporting-interview.html)

<sup>29</sup> [www.integratedreporting.org/wp-content/uploads/2016/12/2016-Value-of-Value-Board-Level-Insights-1.pdf](http://www.integratedreporting.org/wp-content/uploads/2016/12/2016-Value-of-Value-Board-Level-Insights-1.pdf)

# Recommendations for next steps

In starting the IR journey, it is important to recognise that this is a system-wide approach. It will evolve over time, and pull together the many elements within an organisation. 'IR is seen not only as a tool to improve external reporting, but also to promote cohesive, streamlined and integrated thinking within the organisation'<sup>30</sup>.

It can seem a daunting task, particularly with time and resource constraints in the public sector. However, those that have taken this step, recognise that the key is to just start it and work with what you have. There is no one size fits all for IR. The best reports are those designed with stakeholder input to meet their specific needs as a result of embedded integrated thinking.

From our research we have set out seven recommended steps that can be used in implementing IR as a tool (**Diagram 7**). Each step and the elements within them are considered in more detail below.

## Planning

- Get board-level commitment to adopt integrated thinking and reporting
- Identify and communicate potential benefits of IR (consider use of training)
- Set a realistic timetable for introducing IR
- Identify what elements to support IR are already in place
- Identify the resources and support required
- Review examples of other integrated reports and listen to other experiences
- Consider actions to overcome any potential structural, cultural or resource barriers.

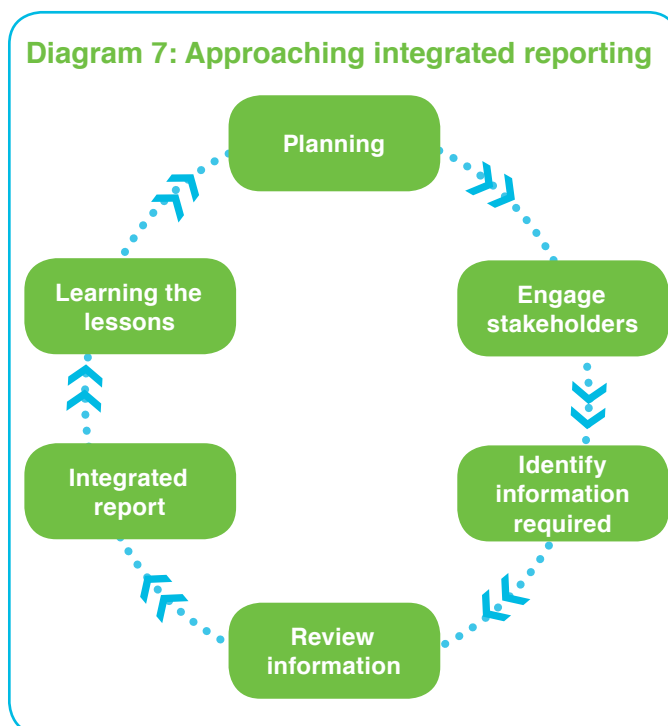
NHS organisations in Wales are well placed to adopt IR, given the current IMTP in place and introduced three years ago, which seeks to address areas of integrated planning, engagement and information need. In Wales, it would be particularly effective if individual NHS organisations and PSBs agreed a plan to implement IR simultaneously.

## Engage stakeholders

- Identify stakeholders within and outside the organisation
- Identify any potential skills and resources
- Identify IR champions from across the organisation
- Involve all parts of the organisation in defining and understanding:
  - \* The strategy, risks and opportunities
  - \* The relevant and material capitals
  - \* The inputs, outputs and outcomes
  - \* How actions impact on the value of capitals.

In Wales, the well-being objectives provide a vehicle for

**Diagram 7: Approaching integrated reporting**



organisations to engage stakeholders around the integrated reporting cycle and generate integrated thinking. Working with PSBs and existing community health councils in Wales brings with it the benefits of existing engagement with a wide range of stakeholders and the potential sharing of skills and resources efficiencies.

## Identify information required

- Identify what information is needed, aligned to strategic objectives
- Identify what information already exists and where there are gaps
- Determine how the information will be measured
- Align metrics in annual budgeting and monthly reporting
- Understand why key performance indicators identified are relevant to each of the capitals and the value story.

In Wales, the outcomes framework and exploration of value-based healthcare will support the review of information required, where there are gaps and how these might be filled. Different levels of information will be required for individual organisations and PSBs.

<sup>30</sup> [www.cimaglobal.com/Documents/Thought\\_leadership\\_docs/reporting/IR-Public-Sector.pdf](http://www.cimaglobal.com/Documents/Thought_leadership_docs/reporting/IR-Public-Sector.pdf)

## Review information

- Ensure internal control processes for data quality are in place
- Consider if connections identify any opportunities to simplify arrangements
- Use the information to link strategy, risk measurement and performance measures
- Use the capital approach to review the organisations strategy and business model

In the context of the 2015 Act, those reviewing the information need to ask themselves to what extent the organisation or PSB has achieved its well-being objectives for the period and what are the outcomes in terms of the effects on the capitals.

## Integrated report

- Consider what existing reporting is already in place and how this could be used as the basis for the integrated report
- Consider the requirements of regulators
- Determine the best communication format – consider case studies, stories, charts, web-based tools etc. In one example, a health trust is considering a web format, and each well-being objective can be drilled down into detailed information
- Ensure the report provides a concise summary, clarifies

information connections and tells the organisation's story of value creation over time

- Ensure it provides a balanced picture - disclosing negative aspects of performance as well as positive aspects, explaining how management will tackle challenges
- Use cross-referencing to additional information for those interested in a specific area.

In Wales, the existing long-term strategies and IMTPs could be used as a basis for the integrated report. Working in close partnership with the auditor general in Wales and future generations commissioner provides a helpful context for developing the report.

## Learning the lessons

- Allow time to reflect on year one of integrated thinking and reporting
- Consider what changes you will make in planning for year two of the cycle.

In Wales there are a number of existing forums where individuals can get together and share their experiences. Recognising that IR usually takes a number of years to fully develop, organisations, sector and Wales wide groups can be used to ensure that IR is improved year on year.

“What Wales is doing today we hope the world will do tomorrow...action more than words is the hope for our future generations”

# Conclusion

The introduction of the Welsh 2015 Act signalled a unique intent for the pace and purpose of sustainable development in Wales. 'Within Wales there is shared optimism for the *Well-being of Future Generations (Wales) Act 2015*, as an Act which will direct our efforts to tackle Wales' complex issues.'<sup>31</sup> With well-being objectives set, now comes the challenging task of embedding these within organisations and area plans to ensure delivery.

IR has the potential to support complex organisations and systems as they pull together their interrelated strategies and actions. It offers an opportunity for public bodies to demonstrate how they are creating long-term stability and demonstrating different sources of value spanning borders, cultures and generations. Value-based healthcare is just one mechanism already being explored in Wales which would support their assessment of value.

Nikhil Seth, United Nations head of sustainable development, comments, 'What Wales is doing today we hope the world will do tomorrow...action more than words is the hope for our future generations.'<sup>32</sup>

As others look on to see whether the window of opportunity provided by the 2015 Act to make a long-term difference is realised, IR has the potential to be an invaluable tool in driving and demonstrating sustainable development.

The HFMA would welcome any feedback on this briefing and would like to hear from people to share good practice as the arrangements develop.

<sup>31</sup> [www.wales.nhs.uk/sitesplus/documents/888/PHW%20H%26SH%20Well-being%20Statement%20%26%20Objectives%20PDF%28e%29.pdf](http://www.wales.nhs.uk/sitesplus/documents/888/PHW%20H%26SH%20Well-being%20Statement%20%26%20Objectives%20PDF%28e%29.pdf)

<sup>32</sup> [www.futuregenerations.wales/](http://www.futuregenerations.wales/)



## About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For more than 60 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has a particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

© Healthcare Financial Management Association 2017. All rights reserved.

## HFMA

1 Temple Way, Bristol BS2 0BU

**T** 0117 929 4789

**F** 0117 929 4844

**E** [info@hfma.org.uk](mailto:info@hfma.org.uk)

Healthcare Financial Management Association (HFMA) is a registered charity in England and Wales, no 1114463 and Scotland, no SCO41994. HFMA is also a limited company registered in England and Wales, no 5787972. Registered office: 110 Rochester Row, Victoria, London SW1P 1JP

HEA.FIN.067 03/17

[www.hfma.org.uk](http://www.hfma.org.uk)