



## Wellbeing of Future Generations Bill [HL] HL Bill 8 of 2019–21

### Summary

The [Wellbeing of Future Generations Bill \[HL\]](#) is a private member's bill introduced by Lord Bird (Crossbench). It aims to ensure UK policymaking takes into account the interests of future generations. It sets out a series of steps to achieve this, including:

- **Defining the concepts** of “sustainable development”, a “future generations principle” and “wellbeing goals”.
- **Requiring the Government to devise, publish and report** on a set of indicators on progress towards the wellbeing goals.
- That any proposed change in public expenditure, taxation or policy should be accompanied by a “**future generations impact assessment**”.
- **Establishing a “future generations commissioner”** for the UK to act as a guardian of the interests of future generations.
- **Setting up a parliamentary joint committee on future generations.**
- **Requiring certain companies** to include in their directors' reports a statement of the impact of their activities on the wellbeing goals.
- **Requiring public bodies** to consider the wellbeing goals in their procurement exercises.

In January 2020, the Government re-introduced the Environment Bill. It would require ministers to consider future generations when making a policy statement on environmental principles. Reports have also suggested that the Government may change the criteria by which public investment decisions are made. However, the reports indicated that these might be aimed at reducing regional inequalities, rather than altering the balance between generations.

On 13 March 2020, the House of Lords is scheduled to consider the second reading of the Wellbeing of Future Generations Bill [HL]. The bill had its first reading in the House of Lords on 8 January 2020. The House of Lords [debated](#) the interests of future generations in June 2019. The Library prepared a [briefing](#) for the debate. In addition, the House of Lords Intergenerational Fairness and Provision Committee published its final [report](#) in April 2019. The Government published its [response](#) in July 2019. The House is yet to debate the report.

Chris Smith | 3 March 2020

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## 1. What Does the Bill Propose?

The bill's overall aim is to ensure policymaking considers the interests of future generations throughout the UK. Speaking to the purpose of his bill, Lord Bird said:

There is a growing consensus that it is time to shift to a longer-term, preventative approach to policymaking. This involves adopting new ways of thinking, planning, and budgeting to ensure that the needs of future generations are respected and taken into account at all levels of government.

Inspired by the Wellbeing of Future Generations (Wales) Act 2015, my bill is focused on how—by working together—citizens, government, public bodies and business can improve the UK's environmental, social, economic and cultural wellbeing. The bill aims to embed sustainability and prevention at the heart of Britain's democratic process as part of transforming how persistent problems—including poverty, inequality, and the climate crisis—are approached and tackled.

It includes new duties on public bodies, government and (certain) companies to work towards the realisation of a series of national wellbeing goals, in addition to creating the post of a UK future generations commissioner and a joint committee on future generations, in an effort to centralise the needs of current and future generations at the centre of public, parliamentary and governmental decision making.<sup>1</sup>

## 2. Key Provisions

The bill consists of 44 clauses and 3 schedules, in 7 parts. **Part 1** (clause 1) summarises each of the other parts.

**Part 2** (clauses 1 to 16 and schedule 1) introduces the following concepts:

- **“Sustainable development”**, defined as “the process of improving the economic, social, environmental and cultural wellbeing of the United Kingdom by taking action, in accordance with the future generations principle, aimed at achieving the wellbeing goals”.
- The **“future generations principle”**, defined 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”.
- The **“wellbeing goals”**, to be determined by a public consultation. This process would involve a citizens' assembly.

The bill would require all public bodies to publish wellbeing objectives and an annual report on progress towards them. They would also need to act in a way that supports sustainable development in accordance with the above definitions. The secretary of state would be required to publish a set of indicators to measure progress towards the achievement of wellbeing goals and publish an annual report on these. At the beginning of each parliament, the secretary of state would also have to publish a longer-term assessment of risks to wellbeing.

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<sup>1</sup> Lord Bird supplied this text at the House of Lords Library's request.

Clause 16 would empower the Comptroller and Auditor General, head of the National Audit Office, to carry out examinations of public bodies, assessing their actions against the wellbeing goals and the future generations principle.

Clause 17 would require a public body to publish a “future generations impact assessment” for any proposed change in public expenditure, taxation or policy, or a statement as to why such an assessment is not required.

Clause 18 would require public bodies to report on their “preventative spending”, defined as expenditure which reduces risks to future generations.

**Part 3** (clauses 19 to 34 and schedules 2 and 3) would establish a future generations commissioner for the UK. The commissioner’s duty would be to act as a guardian of the interests of future generations. They should engage with public bodies and the public and monitor and assess the actions of public bodies. The commissioner would also be able to carry out reviews of public bodies and would have the right to apply for court orders to compel specified remedial actions. The commissioner would also be required to publish reports on progress towards the wellbeing goals. The commissioner would be advised by a “citizens panel” and an “expert panel”.

**Part 4** (clauses 35 to 37) would establish a parliamentary joint committee on future generations. The committee would examine all bills “with a long-term perspective” to assess their impact on future generations. It could also undertake inquiries as it saw fit and would participate in the appointment of the future generations commissioner.

**Part 5** (clause 38) would require quoted and certain other companies to include a statement in their directors’ reports covering the impact of their activities on the wellbeing goals.

**Part 6** (clauses 39 and 40) would require public bodies to consider social value and the wellbeing goals in any procurement exercises they undertake.

**Part 7** (clauses 41 to 44) provides for consequential provisions and includes other information such as the bill’s territorial extent and how the legislation would be commenced.

### 3. Background

#### 3.1 Theory

University of York professors Hilary Graham and Piran White have suggested that “how future generations are represented in policymaking is one of the biggest questions of our time”.<sup>2</sup> They said that the “standard approach” to policymaking prioritises the interests of current citizens, particularly in democracies, because existing citizens can vote. In addition, Harvard academic Dennis Thompson

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<sup>2</sup> Hilary Graham and Piran White, ‘[Society Actually Does Want Policies that Benefit Future Generations](#)’, The Conversation, 19 January 2017. For further details on the points summarised in this section, see the Library’s briefing for the House’s June 2019 debate on future generations: House of Lords Library, [Protecting and Representing Future Generations in Policymaking](#), 13 June 2019.

has argued that future generations should be explicitly considered in policymaking, for example because current policies can have large and irreversible effects in the future.<sup>3</sup>

Thompson also cited theories suggesting that future generations should not be explicitly represented.<sup>4</sup> One stems from their implicit representation through family and institutional ties with the current generation. Another is uncertainty about what future generations' interests will be. However, Thompson put counterarguments to these ideas.<sup>5</sup>

### 3.2 UK and International Examples

Lord Bird cites the Wellbeing of Future Generations (Wales) Act 2015 as an inspiration for the bill.<sup>6</sup> The Act requires public bodies to consider the long-term implications of their actions. The Welsh Assembly described the aims of the Act as:

To put sustainable development at the centre of decision making, and [...] to ensure actions meet the needs of the present, without compromising the ability of future generations to meet their own needs.<sup>7</sup>

Amongst other provisions, the Act requires public bodies to set and publish objectives and a 'well-being statement', which demonstrate how they are applying this 'sustainable development principle'.<sup>8</sup> The Act also establishes a commissioner for future generations in Wales. Sophie Howe was appointed as the first commissioner in 2016. She described her role as being:

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.<sup>9</sup>

There is also a 'futures forum' in Scotland, established as a Scottish Parliament thinktank working on a non-party basis.<sup>10</sup> There is no UK-wide equivalent, although future generations have been mentioned in several government policies and plans.<sup>11</sup>

Worldwide, countries including Finland, Hungary, Singapore, and Israel have introduced formal representation of future generations into policymaking.<sup>12</sup>

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<sup>3</sup> Dennis Thompson, '[Representing Future Generations: Political Presentism and Democratic Trusteeship](#)', *Critical Review of International and Political Philosophy*, 2010, vol 13 no 1.

<sup>4</sup> *ibid.*

<sup>5</sup> *ibid.*

<sup>6</sup> See section 1 of this briefing.

<sup>7</sup> National Assembly for Wales, '[Research Briefing: The Well-being of Future Generations Act](#)', May 2018, p 1.

<sup>8</sup> *ibid.*, pp 4–5.

<sup>9</sup> Future Generations Commissioner for Wales, '[Strategic Plan 2017–2023](#)', accessed 6 June 2019, p 4.

<sup>10</sup> Scotland's Futures Forum, '[Homepage](#)', accessed 26 February 2020.

<sup>11</sup> House of Lords Library, '[Protecting and Representing Future Generations in Policymaking](#)', 13 June 2019, pp 6–7.

<sup>12</sup> Natalie Jones et al, '[Rights and Representation of Future Generations in United Kingdom Policymaking](#)', University of Cambridge Centre for the Study of Existential Risk, May 2017.

#### 4. House of Lords Debate on Future Generations: June 2019

Lord Bird introduced a House of Lords debate on the “case for better protecting and representing the interests of future generations in policymaking” last year.<sup>13</sup> The Library prepared a briefing for the debate, which took place on 20 June 2019.<sup>14</sup>

Introducing the debate, Lord Bird set out his view that consideration of future generations would be a means to prevent a range of problems, such as homelessness, rather than having to cope with their consequences.<sup>15</sup> Several Members commented on the Wellbeing of Future Generations (Wales) Act 2015 and the future generations commissioner for Wales. For example, Lord Wigley (Plaid Cymru) argued that although it was “early days”, the Welsh Government’s “financial priorities” appeared to have changed as a result.<sup>16</sup> Many Members, including the Bishop of Oxford, commented on the need to strengthen the future generations’ voice in climate debates.<sup>17</sup>

Responding, Baroness Stedman-Scott, Parliamentary Under Secretary for Work and Pensions, said that the Government, then led by Prime Minister Theresa May, was “looking very carefully” at the Welsh system. On the environment, she stated that the UK was the first country to legislate for long-term climate targets.<sup>18</sup> Turning to public spending, Baroness Stedman-Scott said that the Government was reducing public debt as a share of gross domestic product (GDP), thereby reducing the debt burden on future generations.<sup>19</sup> She also defended HM Treasury’s approach to assessing future projects, contained in and known as the *Green Book*, saying that it is now used by other countries including Wales and New Zealand.<sup>20</sup>

Since the debate, there have been reports that the Government is considering changing the *Green Book* methodology. Further details are provided in section 6.2 below.

#### 5. House of Lords Committee

The House of Lords Intergenerational Fairness and Provision Committee published its final report in April 2019. The Government published its response in July 2019.<sup>21</sup>

The committee’s report discussed several aspects of intergenerational fairness, some of which concerned fairness between generations alive today.

<sup>13</sup> [HL Hansard, 20 June 2019, cols 900–34.](#)

<sup>14</sup> House of Lords Library, [Protecting and Representing Future Generations in Policymaking](#), 13 June 2019, pp 6–7.

<sup>15</sup> [HL Hansard, 20 June 2019, cols 900–3.](#)

<sup>16</sup> *ibid*, col 909.

<sup>17</sup> *ibid*, col 912.

<sup>18</sup> *ibid*, col 929. The legislation referred to is the requirement to reduce UK net greenhouse emissions to zero by 2050, as contained in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, SI 2019/1056.

<sup>19</sup> *ibid*, col 930.

<sup>20</sup> *ibid*.

<sup>21</sup> House of Lords Intergenerational Fairness and Provision Committee, [Tackling Intergenerational Unfairness](#), 25 April 2019, HL Paper 329 of session 2017–19; and [Government Response](#), 22 July 2019, CP 125.

The conclusions it reached concerning future generations included:<sup>22</sup>

- **Long-term planning:** successive governments have failed to plan for the long-term and “think on a generational scale”. There should be better modelling of generational effects of policies and improved data.
- **Spending reviews:** should be less short-term and more transparent.
- **Fiscal rules:** there should be a new fiscal rule on the whole government balance sheet, including consideration of “the Government’s generational balance of debt and assets”.
- **Impact assessments:** the Government should produce intergenerational impact assessments for all draft legislation. These, the committee said, might help the Government to assess whether proposed policies were “unjustly passing on debt to future generations who will not benefit from its spending”.<sup>23</sup>

The Government’s response agreed that “fully considering the long-term implications of our policies is important”.<sup>24</sup> It continued that it was “committed to strengthening its management and understanding of the public sector balance sheet as part of its duty to manage the public sector’s assets and liabilities to the benefit of current and future generations”. In response to the recommendation for intergenerational impact assessments, the Government said that the *Green Book* methodology already ensured that “where relevant, the costs and benefits of an intervention to future generations are fully captured”.<sup>25</sup>

## 6. Government Policy in the New Parliament

### 6.1 Environment Bill

The [Environment Bill](#) is a government bill that contains various provisions aimed at improving the environment. Clause 16 would require the Government to make a policy statement on environmental principles. This, the bill says, should contribute to “sustainable development”. This is described in the explanatory notes as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.<sup>26</sup> Therefore, the notes state, “the secretary of state must be satisfied that, when using the policy statement, ministers [...] will consider the needs of future generations”.<sup>27</sup>

The second reading of the bill took place in the House of Commons on 26 February 2020.<sup>28</sup>

<sup>22</sup> House of Lords Intergenerational Fairness and Provision Committee, [Tackling Intergenerational Unfairness](#), 25 April 2019, HL Paper 329 of session 2017–19, pp 3 and 12–20.

<sup>23</sup> *ibid*, p 20.

<sup>24</sup> HM Treasury, [House of Lords Select Committee on Intergenerational Fairness and Provision Report on Tackling Intergenerational Unfairness: Government’s Response to Recommendations](#), 22 July 2019, CP 125, p 2.

<sup>25</sup> *ibid*, p 4.

<sup>26</sup> [Explanatory Notes](#), p 32.

<sup>27</sup> *ibid*, p 33.

<sup>28</sup> HC *Hansard*, 26 February 2020, [cols 341–68](#) and [369–428](#). An earlier version of the bill was introduced in the 2019 session. It received its second reading on 28 October 2019 but fell on prorogation: UK Parliament, [‘Environment Bill 2019’](#), accessed 20 February 2020.

Several MPs spoke about the importance of protecting the environment for the benefit of future generations.<sup>29</sup>

## 6.2 Potential Changes to the Green Book

The *Green Book* is HM Treasury's guidance on how to conduct public sector appraisal and evaluation in the UK.<sup>30</sup> It describes the discounting process, whereby the cost and benefits of policies in future years are converted to a value in today's money. In the calculation, a 'discount rate' is applied to benefits and costs arising in the future. This means that they are worth less, in today's terms, than benefits and costs arising now. Academics, such as Hilary Graham (Professor of Health Sciences, University of York), argued that this process "builds intergenerational inequity into the policy appraisal process".<sup>31</sup>

The *Financial Times* reported that the Government is considering changing the *Green Book* criteria in advance of its first budget on 11 March 2020.<sup>32</sup> The article said that these changes would allow ministers to allocate investment funding on criteria other than overall economic growth. However, the report suggested that the changes might be intended to reduce regional inequalities, rather than to alter the balance between generations.<sup>33</sup>

## 7. Further Information

- House of Lords Library, [Protecting and Representing Future Generations in Policymaking](#), 13 June 2019, pp 6–7
- Iñigo González-Ricoy and Axel Gosseries (eds), *Institutions for Future Generations*, 2016 (held by the Library)
- National Assembly for Wales, [Research Briefing: The Well-being of Future Generations Act](#), May 2018, p 1
- Liam Geraghty, [Lord John Bird's Future Generations Bill is "the Start of a Movement"](#), *Big Issue*, 12 February 2020

<sup>29</sup> For example, [HC Hansard, 26 February 2020, cols 371, 382–3, 395, 412 and 418](#).

<sup>30</sup> HM Treasury, [The Green Book: Central Government Guidance on Appraisal and Evaluation](#), 2018.

<sup>31</sup> Hilary Graham et al, [Do People Favour Policies that Protect Future Generations? Evidence from a British Survey of Adults](#), *Journal of Social Policy*, July 2017, vol 46 no 3, pp 423–45.

<sup>32</sup> Jim Pickard et al, [Johnson to Overhaul Public Spending Rules to Boost UK Regions](#), *Financial Times* (£), 27 December 2019. The date of the budget was confirmed by the new Chancellor of the Exchequer: Rishi Sunak, [Personal Twitter Account](#), 18 February 2020.

<sup>33</sup> Jim Pickard et al, [Johnson to Overhaul Public Spending Rules to Boost UK Regions](#), *Financial Times* (£), 27 December 2019.