



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

The Future Generations Report 2020



Let's create the future together

A cluster of overlapping triangles in shades of teal, light green, and orange in the top right corner.

Chapter 3

Progress against the well-being goals

Future Generations Report 2020

Progress against the well-being goals: A Prosperous Wales

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A Prosperous Wales

Our economic system is broken. We have seen widening economic inequalities, especially as the very rich get richer, along with increasing levels of insecurity, homelessness, in-work poverty, mental health conditions and loneliness. As trust in institutions declines, people turn inwards or against each other; deepening divisions within our society.

Our planet is also on the brink of the sixth mass extinction, as catastrophic climate and ecological breakdown get closer and closer. In the last 40 years, humanity has gone from using one planet's worth of natural resources each year, to using one and a half. We are on course to be consuming three planet's worth by 2050.

Underpinning these issues is the way our current economic model prioritises profit over the well-being of people and planet.

The aspirations of the Well-being of Future Generations Act aim to redefine our approach to the economy. In the Act, this goal is defined as:

An innovative, productive and low carbon society which 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 which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

Prosperous

An innovative, productive and low carbon society which 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 which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

Resilient

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).



LLES GENEDLAETHAU'R
DYFODOL
WELL-BEING OF
FUTURE GENERATIONS

Healthier

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.

More Equal

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

Globally Responsible

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.

Vibrant Culture and Thriving Welsh Language

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

Cohesive Communities

Attractive, viable, safe and well-connected communities.

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





A Prosperous Wales

One of the most progressive aspects of the Act, is that nowhere in the Welsh definition of prosperity will you find a mention of Gross Domestic Product or Gross Value Added – the measures by which the strength of an economy and often government and society are often defined. Our vision of prosperity looks to support people to develop skills and secure decent work, procure goods and services fairly and locally, where the foundational economy generates local wealth and employment, and where we move towards a low carbon society.

“If the planet doesn’t survive, capitalism doesn’t do too well either.”

Rose Marcario, CEO Patagonia



The Vision – A Prosperous Wales in 2050

People in Wales will be supported to develop skills and secure decent work, while we move towards a low carbon society. We will sustainably manage our natural resources, and procure goods and services fairly and locally, with the foundational economy generating local wealth and employment.

Economic and business practices will realign to what an economy should deliver: an equitable distribution of wealth and health and well-being, while at the same time, protecting the planet's resources for future generation and other species. ([A Resilient Wales](#), [A More Equal Wales](#), [A Healthier Wales](#), [A Wales of Cohesive Communities](#), [A Globally Responsible Wales](#))

Public bodies and businesses will be 'Fair Work Wales' employers, incorporating 'fair work' into their well-being objectives. Public money will only be rewarded to those fulfilling the definition and characteristics of fair, decent work that embodies inclusivity and equality. ([A More Equal Wales](#) and [A Wales of Cohesive Communities](#))

An increase in place-based working means people will be working flexibly and more locally. Supported by a universal basic income, people will have more time to pursue their interests, hobbies and personal well-being. People will be able to spend more time in their local community, helping to improve their own physical and mental health, while also supporting local businesses. ([A Healthier Wales](#), [A Wales of Cohesive Communities](#), [A More Equal Wales](#))

Working towards the principles of a '[well-being economy](#)', Wales will ensure everyone has enough to live in comfort, safety and happiness. Justice will be at the heart of economic systems and the gap between the richest and poorest greatly reduced.



A restored and safe natural world will meet the needs of all, within the means of the planet, and citizens will be actively engaged in their communities and locally rooted economies. ([A Resilient Wales](#), [A More Equal Wales](#), [A Healthier Wales](#), [A Wales of Cohesive Communities](#))

Increased climate ambition and sustainably managing our natural resources will reshape our economy, driven by increased policy action at home, and as markets are reshaped by the leadership of others. Industries will be innovative and low carbon, with a growing 'green economy' in renewable energy, and green technologies and environmental sustainability. ([A Resilient Wales](#) and [A Globally Responsible Wales](#))

[Sweden](#) gives employees time off to be entrepreneurs under the 'Right to Leave to Conduct a Business Operation' Act; one of a series of rights afforded to employees. Sweden has become the 'start-up capital' of Europe and success stories include Spotify, Skype and Mojang, the company behind Minecraft.

The [New Zealand Government](#) published its first [Well-being Budget](#) in May 2019. It takes a different approach to measuring success, based on a broader range of indicators than just Gross Domestic Product and puts well-being at the heart of decision-making.



Job losses in some sectors will be offset by job creation in others, such as energy, meaning a just transition for people and places. This is a central demand of trade unions and a core commitment under the Paris Agreement on Climate Change. ([A More Equal Wales](#))

The principles of the circular economy will keep products and materials in use, designing waste out of the system and gradually decoupling economic activity from the consumption of finite resources and environmental damage. It will also mean technologies will create communal wealth rather than concentrating wealth and ownership. ([A Resilient Wales](#) and [A Globally Responsible Wales](#))

In practice, this will mean the way we value, assess and resource skills will change. The economy will no longer be the sole driver of gaining skills and learning. As more organisations question their purpose beyond making money and emerging generations demand jobs with purpose and better work-life balance, more jobs and skills demand will be focused on social, cultural and environmental aspects of life. ([A Resilient Wales](#), [A More Equal Wales](#), [A Wales of Cohesive Communities](#) and [A Wales of Vibrant Culture and Thriving Welsh Language](#))

My contribution to this vision is outlined through my work on my areas of focus, and set out in detail in [Chapter 6](#).

[Copenhagen](#) has pledged to become the world's first [carbon-neutral capital by 2025](#). It is well on the way to reaching its goal and is one of the most bike-friendly cities in the world, with 375km of cycle tracks and several pedestrian/bike bridges over the harbour.

[Finland](#) is considering a [four day working week](#) to boost productivity and cut carbon emissions. One study found that if we spent 10% less time working, our carbon footprint would reduce by 14.6%, and if we cut the hours we work by 25%, our carbon footprint would decline by 36.6%.



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Our education and skills system will place creativity, problem-solving, equality and diversity, communication and an ability to adapt to change at its centre, drawing on businesses, charities and others to support the delivery of this within schools. ([A More Equal Wales](#) and [A Wales of Cohesive Communities](#))

Everyone will have access to high-quality and reliable digital connectivity. In rural areas, the rise in digital technologies will generate new employment opportunities. ‘Smart villages’, which focus on revitalising rural communities and services through digital and social innovation, will be empowering local communities and helping address challenges such as local employment, sustainable business activity, local services, broadband connectivity and skills. For example, community carpooling initiatives using web platforms, managed by a local community cooperative. ([A More Equal Wales](#), [A Wales of Cohesive Communities](#), [A Wales of Vibrant Culture and Thriving Welsh Language](#))

Through fair and local procurement, public bodies will be actively demonstrating how they are delivering value and long-term benefits to Wales, and helping address local economic, social, environmental and cultural challenges. More small and medium-sized enterprises (SMEs) and social enterprises will be working with the public sector, benefitting the local economy and ensuring investment stays in local communities. ([A Resilient Wales](#), [A More Equal Wales](#), [A Wales of Cohesive Communities](#))

There will be an approach based on building inclusive local economies, helping address long-term challenges such as poverty, poor health, and improving the life chances for everyone, particularly the most disadvantaged. ([A More Equal Wales](#) and [A Wales of Cohesive Communities](#)).

We will be supporting and growing our foundational economy, spreading good practice across Wales.

Wales will establish a firm base of medium-sized firms rooted in their communities, but also capable of selling outside Wales.

The city of [Rotterdam](#) is striving to become a [circular economy](#), by factoring circularity into its tendering and procurement processes and has entrepreneurs making innovative products out of rubbish.

Pobl Group are working with [Neath Port Talbot Council](#) and [Swansea University](#) to integrate innovative technology to develop ‘[Homes as Power Stations](#)’, going beyond the concept of carbon-neutral homes towards overproduction of energy.

Climate education has been added to the national curriculum in [Italy](#), making it the first country to [introduce mandatory climate education](#) in state schools.

In the [Basque region](#), the [Mondragon Co-operative Corporation](#) has focussed on innovation, competitiveness, social entrepreneurship and cooperative behaviours, helping create a successful economy, resilient communities and reduced demand on public services.

In [Sardinia](#), the [Sardex](#) (established in 2008) allows small and medium-sized enterprises within a local membership network to participate in trading goods and services needed to operate, instead of using cash, bank transfer, or credit cards, thereby benefitting the local economy. Backed by the Welsh Government’s Foundational Economy scheme, Circular Economy Wales is to create a ‘mutual credit system’, called the CELYN, to help small and medium-sized enterprises in Wales become more resilient and interconnected.



People's perception of progress towards this goal

I would like to thank the Wales Co-operative Centre, who were a partner in the Art of the Possible programme, especially Ceri-Anne Fidler, who was seconded to my office to support this work and for her continued insight during the preparation of the guidance on this goal; which forms the basis of this chapter.

Listening to what people think and believe is an important part of involvement. That is why, in this section, I wanted to give a flavour of what people have told me, since the beginning of my term and in relation to this report. People's views included:

- Some people face employer discrimination and barriers to mobility.
- Economic change shouldn't just be about growth and jobs.
- The threat of climate change is real, but we are still very attached to our way of life, and not everyone will give that up lightly.
- Major changes are needed in energy production, efficiency and use, and attitudes towards waste and sustainable packaging.
- People are alarmed at the effects of plastic on the environment and marine life and cite the important role of regulation and retailers reducing/removing their use of it.
- Young people in Wales should be better prepared with skills for a high-tech, green economy.
- We're not making the most of skills in migrant populations.
- There is a recognition that jobs are changing and a need to focus on different skills and jobs.

- Procurement is important and we need more support for local business to make the most of local services and goods.
- There is a need to do more to protect and support local businesses, particularly with Brexit.
- Small businesses are a large and vital contributor to the economy.

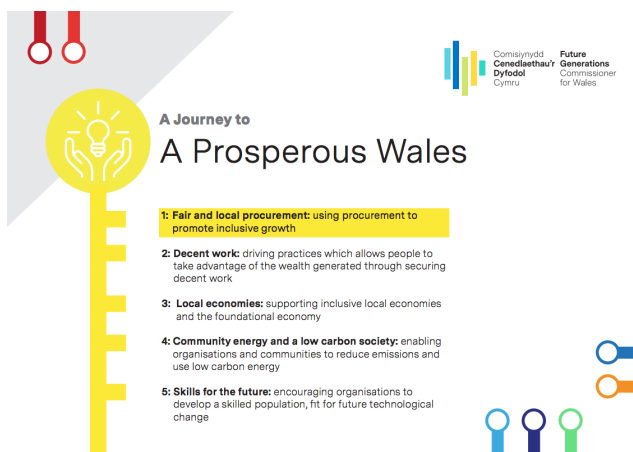
I would like to say thank you to the following for their contribution to my work on this goal

Thank-you in particular to [Dr. Gaynor Lloyd-Davies](#), [Business in the Community Cymru](#), [Bluestone National Park Resort](#), [Castell Howell](#), [Acorn Recruitment](#), [Wales TUC](#) and [Menter Mon/M-Sparc](#), who hosted engagement events that helped me reach the private sector. The discussions were enjoyable and provided considerable insight. In addition, we held a number of telephone interviews with some of Wales' innovative, small companies working in the areas of life sciences, technology, tourism and service-related industries. More information is contained in the Involvement Annexe.





Ceri-Anne Fidler
Goal Convenor for 'A Prosperous Wales' on
secondment from
Wales Co-operative
Centre



Some of the feedback I received during these discussions includes:

- “Calendar-based funding and spend (that is, large amounts of money which has to be spent by March) continues. And it means people are spending their money on short-term thinking - instead of longer-term investments - because of the pressure to spend by year end. It goes against the principles of the Well-being of Future Generations Act, and we need more agility and common sense.”
- “Community benefits are not scored effectively, so there is no value to being a Welsh company operating in Wales.”
- “The Welsh public sector still sees lowest price as driving decision-making on procurement.”
- “There are a lot of policies which work against each other in farming. There is no integrated implementation. It is policy-making in isolation.”
- “Public bodies need to 'inform' the private sector about the Well-being of Future Generations Act.”
- “Business needs the building blocks for sustainability in place, and public bodies can help, for example, through planning and infrastructure.”
- “The current focus on hitting targets is not connecting with the local community.”

While we have only scratched the surface of finding and connecting with those who are making sustainability a core business purpose, we have started with those who have responded to our requests for input. Going forward, we will renew our efforts to involve and engage with businesses in Wales and use the networks and influence of our vanguard responsible businesses, networks and organisations to help us drive the movement for change. Spreading the word, that:



“The future holds unparalleled opportunities... for companies that heal rather than damage society.”

Joseph Holt, [Forbes Magazine](#)

In addition to this involvement, I also have carried out my statutory duty to monitor and assess progress by public bodies in meeting their well-being objectives and the requirements of the Act in general. As a result of these activities, I have identified the following challenges and opportunities as set out in this chapter.

Challenges and opportunities for change

Ensure people can secure decent, fair work

What future generations need

Decent work helps achieve a stronger, modernised, more inclusive economy, and it needs to become systematic across Wales. Decent work contributes to national prosperity, promotes well-being, and helps address inequality and poverty.

Where we are now

Work is no longer a guaranteed route out of poverty. The unemployment rate in Wales remains at historically low levels, and yet, over half the people living in poverty in Wales today are in work.

Everyone who works needs to be able to have an adequate standard of living, safe and healthy working conditions, fair wages, time to rest, and the opportunity to take part in public life.

In comparison with the rest of the UK, Wales has more people in low-paid work, with evidence suggesting this share is increasing, with 26% of employees in Wales earning less than the real Living Wage in 2017; [a rise from 23.5% in 2012.](#)

Figures from the Office for National Statistics show that at least 50,000 people across Wales are now on a zero-hours contract - up from 37,000 in 2018 and representing 3.4% of employees in Wales – the highest rate on record. This has resulted in more people receiving low pay, limited legal protection, high insecurity, limited social security access, limited pension entitlement and limited collective representation. [Women are more likely to be in insecure, poorly paid employment that offers little opportunity to progress.](#)

Forecasts show that forms of insecure work are anticipated to grow, with employee rights also potentially under threat by leaving the European Union.

In order to prepare for the future of work and meet a number of national well-being goals, Welsh Government should explore opportunities to pilot a four day working week, aligned with a universal basic income, building on evidence gathered from pilots in other countries.

“I think there’ll be less working hours in the future and more from the home...It’ll hopefully make people more focused on their health, and the climate. There’ll always be people who want to make money in the world, but we now have to put less reliance on the economy and making money, and more reliance on people’s quality of life.”

People's Platform



Public bodies are focussing on employment and economic growth, but are not making the links to ‘fair work’ in their objectives and steps

In March 2019, the [Fair Work Commission](#) published ‘Fair Work Wales’, which defines fair work, identifies levers for promoting it and includes recommendations to help deliver it in Wales. Subsequently, Welsh Government advised public bodies to become ‘Fair Work Wales’ employers and to incorporate ‘fair work’ into their well-being objectives. They also advised that public money should only be rewarded to those fulfilling their definition and characteristics of fair, decent work that promotes inclusivity and equality.

One of the most striking findings from my analysis of public body well-being objectives on economic well-being, is that it suggests Welsh Government, with its objective to ‘tackle regional inequality and promote fair work’, is the only public body in Wales with a well-being objective or step that explicitly makes reference to fair/decent work.

There are some examples, such as [Cardiff Council](#), who are acting as an advocate for the real Living Wage initiative. However, much more common, are well-being objectives focussed primarily on growth and employment. For example, [Wrexham Council](#)’s well-being objective on ‘Supporting business to locate and grow here’, supported by a series of steps including ‘Help businesses increase their turnover, profit and sustainability, by encouraging ‘supply chain’ opportunities and links between businesses’.

It’s a similar story with Public Services Boards, except for Cardiff. They have a step to ‘Seek to increase the impact of public services as anchor employers on tackling poverty and promoting ‘fair work’ practices by developing cross-public service approaches to ‘Social Responsibility’, ‘Community Benefits’ and ‘Ethical Employment’.

While employment legislation remains non-devolved, Welsh Government should be using the policy levers it has to require these changes to employment practices and to develop a shared mission between the public and private sector to deliver ALL of Wales’ well-being goals.

The Economic Contract and the establishment of a Ministerial Advisory Board, with a focus on developing social businesses, are positive steps forward. However, Welsh Government should now put in place arrangements to provide practical support to businesses across Wales, working closely with the public sector and my office, to jointly work towards meeting Wales’ well-being goals.

Public bodies should be taking steps to become ‘Fair Work Wales’ employers, showing how they’re incorporating ‘fair work’ through their well-being objectives and in practice. They should be spending public money with organisations that fulfil their definition and characteristics of fair, decent work, and that promote inclusivity and equality.



The Social Partnership Bill and Socio-Economic Duty in Wales are both positive steps forward. However, they should align, in principle and practical terms, with the Well-being of Future Generations Act

In line with the recommendations of the [Fair Work Commission](#), Welsh Government's white paper '[A More Equal Wales: Strengthening Social Partnership](#)' (published in 2019), provides an opportunity to strengthen social partnership arrangements, aiming for legislation to put Wales' social partnership approach in statute.

A social partnership is described by Welsh Government as a bringing together of "government, employers and trade unions in areas of mutual interest, to design and implement better solutions."

This means that workers, through their unions, are at the table when policy decisions are being made that will affect them. They have proven to facilitate the delivery of fairer work, tackling inequality in the countries where they are an established way of working.

The socio-economic duty in Wales also provides an opportunity to help safeguard equality and human rights in Wales, and ensure public bodies put tackling inequality at the heart of strategic decision-making. It will require specified public bodies, when making strategic decisions such as 'deciding priorities and setting objectives', to consider how their decisions might help reduce the inequalities associated with socio-economic disadvantage.

Welsh Government should ensure it provides clarity to public bodies on how the social partnership bill and the socio-economic duty aligns to the Well-being of Future Generations Act.

In setting well-being objectives that address socio-economic disadvantage, my advice to public bodies and Public Services Boards is to both meet the socio-economic duty and ensure contribution to the wider set of Wales' well-being goals.

I would also urge Public Services Boards to appoint business and workforce representatives onto their boards to help make better links between the challenges and opportunities faced by the communities they serve, and the links to fair work, employee health and skills.

"Inequality, which is obviously a very high-level issue with many smaller issues within it (unaffordable housing, fuel and food poverty, workless households and intergenerational poverty, lack of opportunities etc.) This is also why it is most important because if we can start to reduce the gap between particular populations and geographies, this will start to have a domino effect on other issues."

People's Platform

Digital connectivity has the potential to transform the rural economy, helping people and communities in rural areas address some of the key challenges they face

Farmers in Wales make an important contribution to the economy, rural communities and the natural environment. For example, the National Farmers Union highlight that over 240,000 people in Wales are employed in the agri-food sectors, making up 18% of the workforce; Wales's biggest employer.



In my section on [Skills for the future in Chapter 5](#), I highlight that the green economy is expected to grow, with roles in agriculture, manufacturing, construction, energy and transport. Across rural Wales, it has the potential to generate new employment opportunities, particularly with the rise in digital connectivity, enabling people to work from anywhere.

Digital information and communications technologies offer businesses in rural areas the means by which to address some of the key challenges they face and to harness important opportunities. It is already being used in a range of ways within the agriculture sector to improve productivity and decision-making. For example, intelligent agricultural machines and remote sensors are enabling farmers to make more intensive and data-driven decisions.

Digital technology is also playing an increasingly important role in the tourism sector, for example, enabling businesses to become more competitive, attract more tourists and provide them with a better experience during their stay. E-commerce has created new opportunities for businesses to reach out to and connect directly with visitors.

Virtual reality videos enable tourists to experience the tourist attraction before booking.

Visit Wales use [“Epic virtual reality videos that will give you a taste of Wales”](#) as part of their “Immerse yourself in Welsh adventures”.



[Blaenavon World Heritage Site](#) use the virtual reality videos as part of their [“Time Traveller”](#) programme for visitors.

“Without the internet we’d have been dead within 12 weeks. The internet has changed everything. The internet allows us to sell direct and keep the [profit] margin... it enables us to compete...”

David Hieatt, Co-owner of Hiut Denim, based in Cardigan (interview with the BBC, December 2017)



© Lily Rhoads

Rural parts of Wales face several challenges, one of which is an out-migration of young people, who feel that they need to leave to find the work and services that they want. Between 2010 and 2017, the proportion of farmers under the age of 45 in [Wales fell from 14% to under 10%](#). The changes that will happen as a result of Brexit could also have a significant impact.

It is important that rural communities, where the Welsh language thrives, are attractive places for people to live, work and learn – otherwise inequalities between parts of Wales could increase.

“There needs to be a greater understanding of the long-term impacts of farming regulation; such as the impact on future farm business viability and the mental health of farmers.”

Dr Hazel Wright, Senior Policy Advisor, Farmers' Union of Wales



Business diversification provides opportunities for farmers to turn innovative alternative business ideas into reality. I heard from one such business start-up in our Castell Howell business event. Mike George, a young farmer from a generational farming family, shared the story of his biltong production “[From our Farm](#)”. The [Welsh Government Business Wales Farming Connect](#) programme provides funding and support for encouraging and stimulating farming business entrepreneurship. I note the Agri-Environment schemes seek to provide a more holistic approach to supporting rural communities.

The innovative “[Agri Academy](#)” is entering its 8th year, with 200 alumni, helping inspire and create the next generation of future farming entrepreneurs and businesses.



“The pandemic is going to force the digital transformation that could have happened years ago. There won’t be any going back and hopefully everyone will see how effective remote working can be for business, the economy and the environment.”

Alwen Williams, Programme Director, North Wales Economic Ambition Board

Welsh Government should work to ensure everyone in Wales has access to reliable digital and internet connectivity, and work with businesses, voluntary organisations and communities to help achieve this.



Transition urgently to a low carbon society that works within its environmental limits

What future generations need

The climate and ecological crises are significant challenges facing current and future generations, requiring urgent action and leadership.

Where we are now

Without healthy, resilient ecosystems – our life support systems - we cannot prosper as a country

As I highlight below in the [Resilient Wales section of this chapter](#), the indicators of the health of our natural world are trending in the wrong direction. For example, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) [found in 2019](#) that nature is declining globally at unprecedented rates in human history, and the rate of species extinctions is accelerating. [The State of Natural Resources Report \(SoNaRR\)](#), produced by Natural Resources Wales, shows that no ecosystem in Wales is currently showing all the attributes of resilience.

The evidence is clear: our current economic and financial model has been achieved as a result of natural resource exploitation and environmental damage, along with increasing levels of income inequality, which will have increasingly negative consequences for younger and future generations. As a result, we are already starting to hit environmental limits to economic growth, causing significant social and economic costs. It is unsustainable, inequitable, and if left unchecked, will continue to drive humanitarian crises across the globe.



There is now an urgent need to deliver the vision set out in Wales' well-being goals, to ensure we are delivering prosperity and well-being in a way that does not compromise the health and resilience of our natural resources that sustain us.

This means the value and contribution of the natural environment should be incorporated into all economic and political decision-making, through appropriate policies, regulation and business decision-making processes. Particular focus is needed on areas relating to land use, infrastructure development, identifying how to incentivise public and private sector investment in natural capital, and accelerating the shift to the circular and regenerative economy.

Wales has the legislation and policies in place to bring about a low carbon society, but we're not acting quickly enough to reduce greenhouse gas emissions

(See the section on Decarbonisation in Chapter 5 for more information, including how COVID-19 has affected greenhouse gas emissions and air pollution)

The Well-being of Future Generations (Wales) Act 2015, the Environment (Wales) Act 2016 (including the [State of Natural Resources Report](#), [Natural Resources Policy \(NRP\)](#), and Natural Resources Wales' [Area Statements](#)), and key policies such as [Planning Policy Wales](#) and [Transport Appraisal Guidance](#) (WelTAG) are all parts of the jigsaw that will move us towards a low carbon society where our natural resources are sustainably managed.

[The Environment \(Wales\) Act 2016](#) set out the 'sustainable management of natural resources', an integrated way of managing our natural resources, and set targets for reducing emissions by at least 80% in 2050, against the 1990 baseline, which Welsh Government subsequently increased to 95% following advice from the UK Committee on Climate Change in 2019.

In 2019, Welsh Government declared a climate emergency and published '[Prosperity for All: A Low Carbon Wales](#)', containing 100 policies and proposals to support action to reduce our emissions. It highlights that the transition to a low carbon economy brings opportunities around clean growth, low carbon jobs and global market advantages, as well as wider benefits, such as better places to live and work, clean air and water, and better health.

"I welcome your approach to monitoring the budget process and, in particular, your recommendations in relation to prevention and decarbonisation. I am strongly committed to delivering preventative measures and my budget aims to strengthen the conditions that will enable business to create jobs and provide sustainable economic growth in the long term."

Ken Skates AM, Our Future Wales response

Achieving the target of a 95% reduction by 2050 will require significant further action by public bodies in Wales than we've seen to date.

Decarbonisation is reflected in the well-being objectives and steps set by 20 of the 44 public bodies, and 13 of the 19 Public Services Boards. This means, for example, less than half of public bodies have an objective or step on reducing their emissions, despite Welsh Government's ambition of a carbon-neutral public sector by 2030.

Some public bodies, however, are taking action:



Natural Resources Wales' Carbon Positive Project evaluated their net carbon status and calculated emissions across the full range of their activities and operations, including buildings, transport, land, assets, and the procurement of goods and services. The findings of the project suggest that while buildings are significant, other areas are far more important. For example, Natural Resources Wales estimated that nearly 60% of their emissions were a result of the procurement of goods and services.

Torfaen Public Services Board has a focus on climate change and will be using the approach championed by Natural Resources Wales, through their Carbon Positive project, to work out their carbon footprint and steps to reduce this.

Mid and West Wales Fire and Rescue Service introduced hydrogen-powered vehicles and electric bikes in the Neath Port Talbot and Swansea areas and installed LED lighting in all fire stations, and solar thermal panels and photovoltaic panels in five stations across the service.

Public Health Wales has 16 actions about contributing to a low carbon, environmentally resilient Wales.

Bridgend County Borough Council undertook a successful Low Carbon Schools project at seven schools, identifying nil-cost measures pupils and staff could take, reducing carbon emissions, resulting in estimated annual savings of £41,914.

The reality is that progress is inadequate, and little is changing in terms of the practical implementation of low carbon solutions.



Greenhouse gas emissions in Wales have only fallen by 25% since the 1990 base year. Transport, for example, is a major contributor, and yet, over 80% of journeys in Wales are still by car, and car use has been on the rise since 1955.

The consequences of a 'do nothing' mindset will be dire in the long-term for Wales.

Given the scale of the challenge, we need a whole government approach and to work collectively with businesses, the voluntary sector, communities and people across Wales, to bring about a low carbon society for current and future generations that leaves no one behind.

As part of my monitoring and assessing work, I have provided specific advice to the 44 public bodies on reducing their emissions, tackling climate change and nature recovery. I am also encouraging them to consider the links to planning and placemaking, transport, nature, and green infrastructure.

As well as having objectives focussed on decarbonisation, public bodies will need to ensure that all well-being objectives, including those relating to jobs, skills and health, are reducing emissions and considering the impacts of climate change.



Public bodies should accelerate their action on reducing emissions, helping meet Wales' target of a carbon-neutral public sector by 2030. This means mapping the areas over which they have control, and which have the biggest emissions, and having a plan in place to reduce them. Immediate areas of focus should include carbon reduction through procurement, ultra-low emissions vehicles (fleet), buildings, fossil fuel divestment, decarbonising heat, transport and tourism.

With regard to planning and development, Planning Policy Wales will play a significant role. A key feature is the introduction of hierarchies for transport, energy and waste, which public bodies should follow in the making of their Strategic and Local Development Plans, along with the management of developments.

I have expressed concerns about the draft National Development Framework, as it must not weaken the work set out in Planning Policy Wales. In particular, the proposed framework currently favours the expansion of airports and ports, which is not in line with the Welsh Government's decarbonisation targets or the goals of a Prosperous and Resilient Wales. (See the section on Planning in Chapter 5, for more information).

Wales has a major opportunity to make renewable energy part of its identity: a cleaner, greener chapter in our industrial story

Currently, Wales has a target of generating 70% of its electricity consumption from renewable energy by 2030, and increasingly be community/locally owned.

Since 2010, renewable electricity generation in Wales has trebled, and in 2018, renewable generators in Wales produced electricity equating to 50% of Wales' use. Through Green Growth Wales, there is [funding](#) available (repayable and interest-free) for public sector projects that support the Welsh Government's energy efficiency strategy.

The Institute for Welsh Affairs work '[Re-energising Wales: A plan for Wales 100% renewable energy future](#)', highlights how moving to 100% renewables in Wales can increase energy security, reduce fuel poverty and tackle climate change.

Their [report](#) highlighted ten priority areas for action. The plan is evidence-based, ambitious, requires shared public and political ambition and is a way to achieve the long-term targets we have in Wales.

The Centre for Alternative Technology's latest report, '[Zero Carbon Britain: Rising to the Climate Emergency](#)', published in December 2019, models the changes to energy, buildings, transport, industry, diets and land use that could reduce energy demand by 60%. Furthermore, it shows what is required to provide 100% renewable energy, and cut emissions from agriculture and industry while creating natural carbon capture through reforestation and peatland restoration. It sets out how the UK can reach net-zero greenhouse gas emissions without relying on, as yet unproven technologies, such as carbon capture and storage or direct air capture.

While reports like these are challenging, and more ambitious than current Welsh Government targets, the areas for action highlighted are at the scale required to meet Wales' and the UK's overall ambition to transition to a low carbon economy.

We also need challengers and innovators to spot opportunities in renewable energy, and take the initiative, collaborating across sectors to make it happen:

“Could we build a hydrogen hub in Holyhead? Could we use tidal energy (and other sources) to produce fuel for HGVs, trains and fleet vehicles?...”

[Dafydd Gruffydd](#), M.D. , Menter Mon

We can re-write the narrative on climate change

Wales’ low carbon economy is currently estimated to consist of 9,000 businesses, employing 13,000 people and generating [£2.4 billion turnover in 2016](#). To build on this, Wales will need to create an environment where all the Welsh economy can contribute to clean growth. Doing so has the potential to prepare the Welsh economy for the markets of the future as the demand for low carbon goods and services grows.

The Economic Contract, which forms part of the Welsh Government’s Economic Action plan, requires businesses tendering for government contracts to demonstrate their commitment to decarbonisation, fair work, employee health and skills. In its first year, [over 200 businesses signed up](#).

While this is a positive step, given that there were an estimated 267,000 enterprises [active in Wales in 2019](#), it also highlights the scale of the challenge of working with businesses across Wales to deliver the vision of prosperity as set out in the Well-being of Future Generations Act. I expect reassurance from Welsh Government on the ambition and effectiveness of these commitments, and how they are being monitored.



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Rapid decarbonisation will not be possible without a radical transformation of economic and financial systems. Government-led investment will be vital, and I want to see Wales follow Scotland’s lead, in re-writing the narrative on climate change, by framing it as a [wider well-being and economic opportunity](#).

Scotland’s climate strategy has two key drivers: creating better economic opportunities for communities impacted by closures in “brown” sectors and using nature as an economic asset. This includes using former coal and gas sites as facilities for renewable power and using landfills as sites for solar generation. The strategy also identifies ways to bring green jobs to communities that have been affected by closures in “brown” sectors and creating carbon offset schemes where companies invest in global environmental projects to balance their carbon footprint.

While the potential for job creation from clean industries and new business models is well established, job creation in some sectors (such as energy), could be offset by job losses elsewhere, meaning a just transition for people and places is essential. This is also a central demand of trade unions and a core commitment under the Paris Agreement on Climate Change.



Within [Prosperity for All: A Low Carbon Wales](#), Welsh Government has committed to establishing a Climate Justice Advisory Group, to ensure a transition that is equitable and avoids unintended consequences.

The intention is positive, but it isn't clear whether this has been progressed since the plan was launched in March 2019.



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Agriculture has a significant role to play in reducing Wales' emissions

In 2016, agriculture accounted for 12% of Welsh greenhouse gas emissions. Total emissions from the agriculture sector in Wales declined by [12% between the base year \(1990\) and 2016](#).

Wales needs a resilient and prosperous agriculture industry, which reduces its carbon emissions through a range of approaches. Given the uncertainty Wales' food and farming industry already faces as a result of leaving the European Union, it is encouraging to see the National Farmers' Union [announce their ambition](#) to achieve net-zero for agriculture by 2040.

The National Farmers' Union report ["Achieving net-zero: farming's 2040 goal"](#) sets out how improving farming's productive efficiency, improving land management/use to capture more carbon, and boosting renewable energy and the wider bio-economy can help the industry to reach this goal.

College and university collaborations can stimulate ideas and solutions around long-standing, well-known land management and animal husbandry issues. For example:

Coleg Sir Gâr's Gelli Aur Farm, a Farming Connect Innovation Site, is [trialling technology that de-waters and purifies slurry](#), and converts it into two reusable farm products: fertiliser and recovered water.

Researchers at [Aberystwyth University](#) have ["paved the way in a breakthrough in the worldwide fight against bovine TB"](#).

[Bangor University](#) has been leading research to assist the growing honey production business, [conducting research into bee genetics and breeding](#) which is hoped will lead to a "more robust" and more resilient British bee.

Given the scale of the challenge, regional growth deals, businesses and others must demonstrate how their investments are reducing emissions

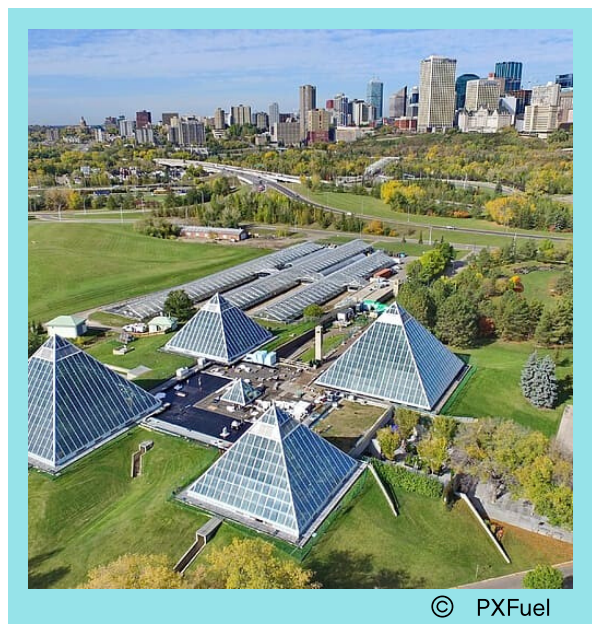
Looking at Wales' regional growth deals, I am encouraged by the focus on low carbon energy, public transport and nurturing skills.

For example, [Swansea Bay City Deal](#)'s portfolio of major projects, totalling £58.7 million, is aimed at tackling climate change and building regional excellence in renewable energy.

I expect to see Wales' regional growth and city deals demonstrate how their investments are reducing carbon emissions overall, not just in selected projects, and contributing towards the well-being objectives for their area. For example, investing in skills and business opportunities that contribute towards a low carbon economy, and ensuring transport infrastructure is low carbon and reduces the environmental costs of travel.

Similarly, businesses are increasingly recognising that their bottom line will be affected if they do not embrace sustainability. There is an opportunity to bring responsible and social businesses in Wales together on a shared mission to meet our national well-being goals.

There are many opportunities for businesses to get targeted help to start their journey towards being more responsible and contributing to a more sustainable and inclusive economy.



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For example, [BITC Cymru](#) and [Cynnal Cymru](#) both run membership support programmes for businesses and organisations in Wales.

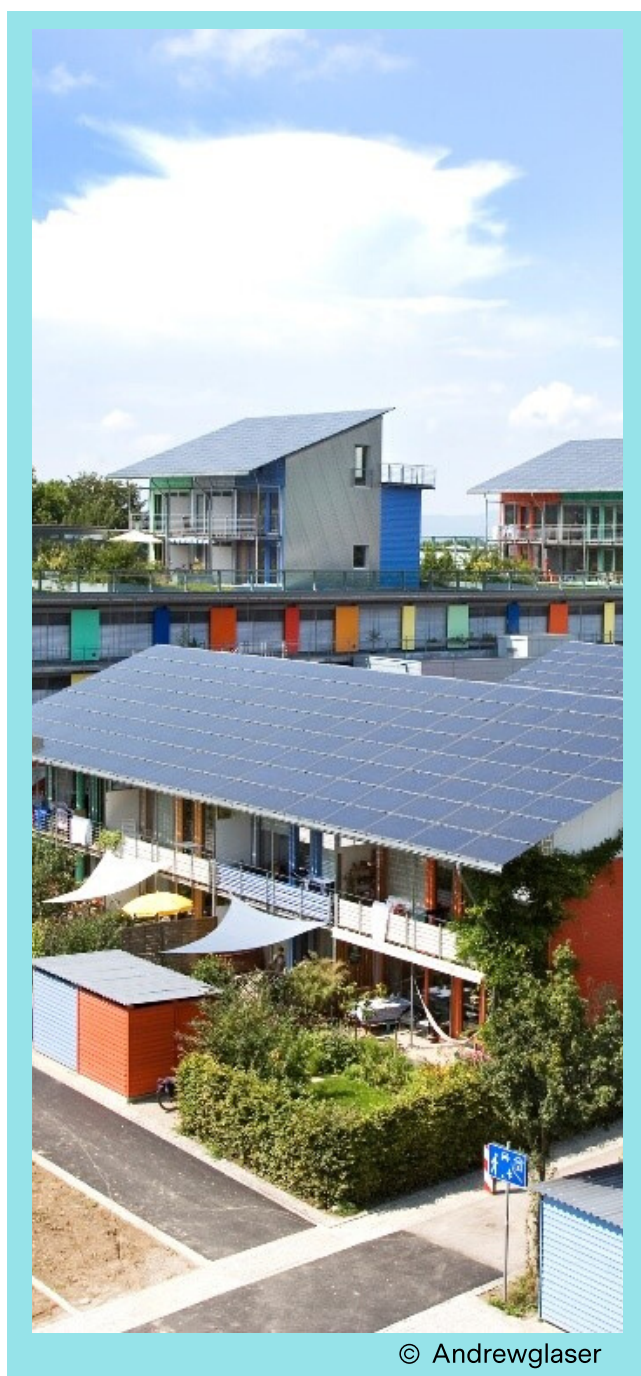
[B Corps](#) are also an interesting alternative business model. Becoming a certified B Corp requires firms to demonstrate a commitment to people and planet, as well as profit. The certification requires companies to be assessed to check they make the grade. Applicants must show credible performance on issues such as community investment, worker rights, environmental practices and customer relations. A stand-out feature is that prospective members have to re-write (if necessary) their articles of association to balance purpose and profit, bringing legal accountability to their commitment. Local examples of B Corp in Wales are Iceland Foods, TYF and Sweetman and Partners and Urban Foundry.

“Cutting edge technology – Innovation is never quick. Challenge is that people are used to doing things certain ways.”

Toby Townrow, [Co-Founder & Comms Director, Drone Evolution, Caerphilly](#)



Innovation plays a crucial role in the decarbonisation of Wales' built environment. It is encouraging to see the work of [SPECIFIC](#) Innovation and Knowledge Centre, led by Swansea University, who are working with industry to develop new technologies, whereby a building can generate, store and release its own energy. The centre recently worked with POBL in Neath Port Talbot, to design 18 active homes, resulting in a successful application to the Welsh Government's Innovative Housing Programme (See the section on Housing in Chapter 5).



Public bodies are not demonstrating a clear understanding of the full definition of 'A prosperous Wales' well-being goal

The '[All Together! Pointers for action from the Well-being of Future Generations](#)' report, published in 2018 by Welsh Government and WWF Cymru, highlighted that the 'Resilient Wales' and 'Globally Responsible Wales' well-being goals are the least understood and/or considered by public bodies.

However, while many public bodies have a clear focus on economic well-being relating to growth, education, employment, links to growth/city deals and economic prosperity, less evident are public bodies demonstrating clear and credible accounts of their positive contribution across the full definition of the 'A Prosperous Wales' well-being goal.

For example, the term "prosperous" is referenced 15 times in public body well-being objectives and six times in Public Service Board objectives. These all refer to economic well-being relating to education, employment, poverty or Gross Domestic Product.

The topics highlighted in the '[Journey to a Prosperous Wales](#)' are derived from the full definition of the well-being goal. They include: decent work, a low carbon society, fair and local procurement, local economies, skills for the future and using resources efficiently (circular economy).

In setting well-being objectives and steps, public bodies and Public Services Boards should be demonstrating how they are understanding the full definition of this well-being goal, as well as making clear connections and links across Wales' other well-being goals.



Objectives and steps set by public bodies and Public Services Boards should match the public's increasing awareness and expectation around the nature and climate crises

Due to growing public awareness and pressure, public bodies in Wales increasingly recognise the urgency of climate and environmental issues. We have also seen a considerable shift in awareness and commitment, particularly as many local authorities have declared a climate emergency. Across the world, campaigns such as the School Strike for Climate, and Extinction Rebellion are demanding urgent action against the threat of climate change and destruction of our natural environment. Public awareness of climate change is at an all-time high, and it is positive to see the pressure this is being put on our global leaders. The role of citizens assemblies and Climate Assembly UK could be important in involving people in discussing solutions.

With this growing recognition, it is important Wales' public bodies increase their awareness and understanding of the value of the natural environment and thereby transition to a low carbon society across all areas of work.

There are promising initiatives emerging, but public bodies can go further in supporting community and local energy initiatives

The National Trust [reported](#) that benefits of community energy include increased autonomy, empowerment and resilience, by providing a long-term income and local control over finances, often in areas where there are few options for generating wealth. Profits generated from local energy initiatives are kept within the community and are often invested in further renewable energy initiatives and tackling fuel poverty.

[Project Skyline](#) is an initiative in Wales connecting people to their landscape. It is based on the premise that public bodies in Wales (including Welsh Government) “need to recognise that community stewardship of land offers a significant opportunity to deliver on the promise of green – [to enhance social, environmental, and economic well-being](#).”

In the responses that public bodies sent to me in 2019 on progress against my published [‘Simple Changes’](#), only 14 of 33 public bodies were exploring funding or supporting community groups to develop renewable energy projects on public land. Some public bodies highlighted the cost of connecting to the National Grid and cuts to feed-in tariff subsidies from the UK Government as barriers to progress.

Despite this, it is encouraging to hear examples such as [Pembrokeshire Council](#) accessing Welsh Government interest-free loans to fund energy efficiency and renewable energy projects on their estate, and that they're working to develop a number of projects as part of the Local Energy Action Force (LEAF), supporting energy efficiency and renewable energy in the community. ([See the section on Decarbonisation in Chapter 5 for more information](#)).

Welsh Government, public bodies and Public Services Boards should do all they can to support local initiatives on stewardship of land and renewable energy, to help Wales' transition to a low carbon society and bring a wide range of benefits to local communities.



Ensure we use natural resources efficiently, recognising the limits of the global environment

What future generations need

Restoring and managing our natural resources sustainably means decoupling our economies from environmental degradation and climate change. Innovation can be at the forefront in helping Wales become a zero-waste, net-zero carbon country, with a resilient natural environment and workforce at the forefront of the 'green economy'.

Where we are now

We are using our natural resources faster than can be replenished, but Wales is demonstrating its ambition to become a zero-waste, net-zero carbon country

If everyone on the planet consumed the same as the Welsh average, we'd need 2.5 planets to provide the necessary resources and absorb the waste. Wales's ecological footprint, at [10.05 million global hectares](#), is roughly five times the size of Wales.

Following the £6.5m Circular Economy Fund launched in 2019 and recent '[Beyond recycling: A strategy to make the circular economy a reality in Wales](#)' consultation, Welsh Government set out its [ambition](#) in March 2020, to becoming a circular economy and achieving 100% recycling and zero waste by 2050 by:

- Becoming a circular economy.

- Banning single-use plastics - Welsh Government has proposed restrictions on the use of unnecessary single-use, hard to recycle and commonly littered plastics, as part of wider efforts to tackle the problem of plastic pollution.
- Embedding recycling in the culture of 21st Century Wales.

The interim [State of Natural Resources report](#) published at the end of 2019, identifies the role of the circular economy in the transformative changes necessary to the current economic model.

Welsh Government should continue to lead the way on recycling, and implement its ambition to become a zero-waste, net-zero carbon country.

“Moving towards a more circular economy provides Wales with a strategic opportunity. Supported by education and skills development, it provides the opportunity for new jobs and innovation, cost savings for businesses and the ability to strengthen our supply chains.”

Lesley Griffiths AM,
Our Future Wales response

Wales is leading the way on recycling, but all public bodies now need to find innovative solutions to reduce and reuse waste, to reach the ambition of becoming a zero-waste country

There are numerous public body and Public Services Board well-being objectives on waste management and recycling rates, and some good examples where public bodies are seeking to reduce their use of resources.



For example:

- As part of 'Home-Grown Homes', all new council homes in [Powys](#) will seek to maximise the use of locally grown and home-grown timber.
- [Monmouthshire County Council](#) committed to becoming plastic free in 2018. School milk is now in glass bottles, there are no disposable cups in council meetings and they are moving from single-use recycling bags to reusable ones (see [Plastic Free Monmouthshire](#)).
- [Sport Wales](#) introduced bio-degradable consumables in the cafeteria (cups/cutlery/etc), a free water machine, provision of vending machines offering healthier products only, removal of individual sachets for sugar/sauces and high sugar content drinks from the cafeteria and secured a Nextbike point in Sophia Gardens.
- [Caerphilly County Borough Council's](#) head office (Penallta House) was awarded a 'Surfers against Sewage' Plastic Free Champions status and gained 'Plastic Free Approved Status'.
- In [Merthyr Tydfil](#), furniture previously sent for Energy from Waste is being re-used or recycled to provide lower cost furniture to householders and a more sustainable use of raw materials.

There are also some examples of public bodies demonstrating a good understanding of the long-term action needed to reduce and reuse, rather than just recycle waste, such as:

[Monmouthshire County Borough Council's](#) step to 'Reduce waste by committing to the principles of a 'circular economy'', and [Natural Resources Wales](#)' step to 'Put steps in place to work towards a circular economy and zero waste in Wales.'

However, we need a system where waste and resource use are minimised, and when a product reaches the end of its life, it is able to be used again to create further value.

Public bodies should now explore and demonstrate how they are seeking to move to a system where products can be used again to create further value (the principles of the circular economy), and how this relates to other areas such as the development of skills, innovation, the natural environment, local materials and saving money.

"Society's priorities are all wrong: our consumption in Wales (and the modern world) is pushing the degradation of the natural environment, the exploitation of workers and the rapid consumption of the world's limited resources. Our supply chains are so complicated and exploitative that our consumption is undermining the ability of the planet to meet and sustain Wales' population in the decades ahead."

People's Platform

Skills fit for the future

Our education and skills system must adapt to the fast changes in the job and labour market. We need to face the challenges and grasp the opportunities these global trends present.

(See the section on Skills for the Future in Chapter 5 for more information).



Procure goods and services in ways that support economic, social, environmental and cultural well-being

The Well-being of Future Generations Act provides an opportunity for Wales to ensure public money is spent in a way that improves economic, social, environmental and cultural well-being.

However, concerns have been raised with me from businesses that value for money (lowest price), is still seen as the key driver of procurement rather than wider value and outcomes. This is supported by research by the [Wales Audit Office](#).

(See the section on Procurement in Chapter 2 for more information).

“We need to tune in to local ingredients.”

[Jim Taylour](#), Head of Design & Well-being, Orangebox

Support inclusive local economies

What future generations need

Wales needs an approach to economic development that delivers well-being in its widest sense and helps address long-term challenges such as persistent poverty, poor health, and improving life chances for everyone. The foundational economy has a vital role to play in supporting this.

Where we are now

Economic growth has become unbalanced, and many communities across Wales are being left behind

The foundational economy is about the basic goods and services on which every citizen relies and which keep us safe. For example, health and care services, food, housing, energy, construction, tourism and retailers on the high street.

Foundational businesses, both large and small, are typically embedded or ‘grounded’ in the local economy. They usually have ties which include local ownership or management, a regional supply chain and support services, local labour, and a local customer base. They help retain and re-circulate wealth in an area, reducing leakage of surpluses and profits out of the area.

Research by the Federation of Small Businesses found that when local authorities spend money with small firms, the local economy benefits by an average of 58%. As social businesses are anchored in their communities, investment in them stays in the community; recycled for wider economic and social benefits.

My analysis of public body and Public Services Boards well-being objectives suggests some connections are being made between supporting local economies and prosperity.



For example:

- [Monmouthshire Public Services Board's](#) step acknowledges: 'The public sector in Wales has huge potential to use its collective purchasing power to support the local economy by specifying and buying food, energy, goods and services locally.'
- [Aneurin Bevan University Health Board](#) includes 'undertaking procurement on a whole life cycle cost basis and support local sourcing' as a component of their objective to reduce their environmental impact.
- [Cardiff City Council's](#) step to: 'Support the foundational economy by implementing the Socially Responsible Procurement Policy, helping ensure that local people and local communities benefit from the money the Council spends on goods and services.'
- [Torfaen Public Services Board's](#) step to: 'Identify opportunities to develop and support the local foundational economy.'

Small to medium-sized businesses also have an important role to play in reducing their impact on the environment. The Federation of Small Businesses have published [a guide on an environmental approach](#), with five suggested actions they can take to start their journey towards a greener business model.

I want to see public bodies and Public Services Boards go further in making the connections between supporting local economies and prosperity, and how this also connects to supporting fair and local procurement, skills, local materials, and resource efficiency, for example.

“It is possible to envisage a nation of low income but high well-being communities which own and profit from their own energy supply, provide their own social care and supplement food supply with communally owned local produce farms.”

People's Platform



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This is an area Welsh Government have prioritised for investment with their £4.5million [Foundation Economy Challenge Fund](#), supporting businesses and organisations operating within the foundational economy. I am encouraged to see the number and variety of projects that have been funded across Wales.



For example:

- £100,000 to [Flintshire County Council](#) for a project to provide micro-care enterprises to deliver direct care services.
- £100,000 to [Carmarthenshire County Council](#) to increase the number of local or regional food businesses supplying the public sector in the area.
- £100,000 to [Caerphilly County Council](#) to connect opportunities for developing construction, restoration and conservation skills with safeguarding 'at risk' cultural, tourism and heritage community assets.

I welcome Welsh Government's recent focus on the foundational economy and the challenge fund to support businesses and organisations operating within it. I expect to see it aligned with the proposed 'social partnership bill' that is seeking to strengthen social partnership arrangements.

In understanding the impact of Welsh Government's work on the foundational economy, I note Keith Edwards stating smarter measures are needed to demonstrate positive outcomes, in the National Assembly for Wales' Economy, Infrastructure and Skills Committee report on ["Procurement in the Foundational Economy – February 2020"](#).

The foundational economy presents a number of opportunities for meeting Wales well-being goals but must be taken forward in that context rather than being seen as 'another' policy initiative.

"In the area that I work in— community benefits — the standard model is the Value Wales community benefit measurement toolkit. I'm not a great fan of it. I think it's over-complex and, certainly, my colleagues, Richard Macfarlane and Mark Cook, in their written submission pointed out that Audit Wales, when it looked at procurement between 2014 and 2017, showed that it had only been applied (despite it being mandatory) to £310 million-worth of contracts out of a potential £12 billion.

So, my view about measurement is, if we need to demonstrate outcomes, I would go back to the Future Generations Act. There's a framework there where, if we get smart measures, you should be able to, across Government, across departments, clearly understand what the impact of the work we're doing in the foundational economy is."

Keith Edwards, Procurement in the Foundational Economy (February, 2020)



Finally, I'd like to shine a light on some of the individuals and organisations my team and I have got to know during our initial engagement and research into sustainable and responsible business practice in Wales.

I hope that they will continue leading and being the change for others to follow. Showing the practices on the map towards defining a prosperous Wales fit for people, place and purpose.

We had a number of other interesting conversation pieces planned. However the COVID-19 pandemic has pressed pause on these. We look forward to sharing those with you in our continuing dialogue and engagement with private and voluntary sector organisations on their journey towards a Prosperous Wales.



Martin Lewis, Head of Corporate Responsibility , Bluestone National Park Resort, [Pembrokeshire](#)



Barry John, VC Gallery, [Pembrokeshire](#)



Dafydd Gruffydd, Managing Director of Menter Mon, [Isle of Anglesey](#) (in conversation with our own Jacob Ellis)



Pryderi ap Rhisiart, Managing Director MSparc in conversation with James Sheridan, MD Straits Line Ltd, [Isle of Anglesey](#)



Alwen Williams, Programme Director [North Wales](#) Economic Ambition Board in conversation with Sue Husband, Director BITC Cymru



Tim Powell, PR Director, Orchard Media & Events, [Cardiff](#)



Lee Cole, MD, [Paint 360](#), [Birmingham](#)



Anna Burke & Tom Burke, Animated Technologies Ltd, MSparc, [Isle of Anglesey](#)





A Prosperous Wales

Recommendations for Welsh Government

Key Recommendation

In line with the Well-being of Future Generations (Wales) Act (2015), Welsh Government should demonstrate how they are applying well-being economics in all of their policy, funding arrangements and interactions with the public, private and voluntary sector. Welsh Government should ensure they are meeting the Act's aspirations of equitable distribution of wealth, health and well-being, while protecting the planet's resources for future generations and other species.

(For more information please see Chapter 2)

Policy Recommendations

Welsh Government should:

- Ensure it provides clarity to public bodies on how the Social Partnership (Wales) Bill and the socio-economic duty align with The Well-being of Future Generations (Wales) Act 2015.
- Ensure everyone in Wales has access to reliable digital and internet connectivity; and work with businesses, voluntary organisations and communities to help achieve this.
- Use all policy levers in its relationship with the private sector to develop a shared mission to deliver all of Wales' well-being goals.
- Put in place arrangements to provide practical support to businesses across Wales, working closely with the public sector and the Office of the Future Generations Commissioner, to jointly work towards meeting Wales' well-being goals.
- Adopt a whole government approach and work collectively with businesses, trade unions, the voluntary sector, communities and people across Wales to implement a low carbon society for current and future generations that leaves no one behind.
- Demonstrate how the natural environment is incorporated into all economic and political decision-making.
- Continue to lead the way on recycling, and implement its ambition to become a zero-waste, net-zero carbon country.
- Align the Foundational Economy Challenge Fund with the proposed Social Partnership (Wales) Bill that is seeking to strengthen social partnership arrangements.
- Explore opportunities to pilot a four day working week, aligned with universal basic income, building on evidence gathered from pilots in other countries.



A Prosperous Wales

Recommendations for Welsh Government

Process Recommendations

In their day to day actions Welsh Government should **stop**:

- Perceiving economic growth as being solely about Gross Domestic Product or Gross Value Added.
- Working in silos and reducing opportunities for joined up approaches and innovative thinking.
- Commercialising and selling off natural resources, regardless of the social, environmental and cultural impacts.
- Seeing low carbon technology as expensive and high risk.

In their day to day actions Welsh Government should **start**:

- Incentivising businesses to report on wider well-being, rather than just outputs and numerical outcomes.
- Implementing the actions as set out in 'Prosperity for All: A Low Carbon Wales', and supporting public bodies and others to follow their lead.
- Framing the narrative on climate change as a wider well-being and economic activity.
- Support local initiatives on stewardship of land and renewable energy, to help Wales' transition to a low carbon society and bring a wide range of benefits to local communities.
- Developing a skilled and multi-disciplinary civil service workforce as a priority, building on the work of Academi Wales.
- Continuing and embedding the supportive policy environment for the foundational economy.
- To involve the Office of the Future Generations Commissioner for Wales in identifying appropriate measures on Welsh Government's work on the foundational economy to ensure alignment with The Well-being of Future Generations (Wales) Act (2015).



A Prosperous Wales

Advice on setting well-being objectives for all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government)

Policy Recommendations

Please refer to the chapter on Setting Good Well-being Objectives, but in setting their objectives specifically in relation this goal all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government) should:

- Demonstrate the connections between their well-being objectives and steps on prosperity, and other areas such as the natural environment, fair work, procurement, health and well-being and skills in a meaningful way.
- Clearly set out how they understand the definition of the goal: 'A Prosperous Wales'.
- Align their action and reporting on this goal with their commitment under the socio-economic duty, to ensure their well-being objectives are addressing socio-economic disadvantages.
- Accelerate their action on reducing emissions, helping meet Wales' target of a carbon-neutral public sector by 2030. This means mapping the areas over which they have control and which have the biggest emissions - ensuring they have a plan in place to reduce them. Immediate areas of focus should include carbon reduction through procurement, ultra-low emissions vehicles (fleet), buildings, fossil fuel divestment, decarbonising heat, transport and tourism. (Also a recommendation in the section on Decarbonisation in Chapter 5).

In setting their steps, public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government) should focus in the following areas and should:

- Implement fair work practices through employment and services.
- Enable a low carbon society through reducing emissions and supporting community energy.
- Work with others to support the development of skills for the future.
- Procure goods and services in ways that support long-term economic, social, environmental and cultural well-being.
- Support the foundational economy through generating wealth and providing employment.
- Use resources efficiently, recognising the limits of the global environment.



A Prosperous Wales

Recommendations for all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government)

Process Recommendations

In their day to day actions they should **stop**:

- Working in silos and reducing opportunities for joined up approaches and innovative thinking.
- Procuring plastic products and packaging that are not reusable or recyclable and do not incorporate recycled content, wherever possible.
- Refer to sections on Skills, Procurement and Decarbonisation for further 'stops'.

In their day to day actions they should **start**:

- Taking steps to become 'Fair Work Wales' employers, showing how they are incorporating 'fair work' through their well-being objectives and in practice, and spending money with organisations that fulfill the definition and characteristics of fair, decent work, and that promote inclusivity and equality.
- Making the connections between supporting local economies and prosperity, and how this also connects to supporting fair and local procurement, skills, local materials, and resource efficiency.
- Accelerating their action on reducing emissions, helping meet Wales' target of a carbon-neutral public sector by 2030. This means mapping the areas over which you have control and which have the biggest emissions - ensuring they have a plan in place to reduce them.
- Adopting repair and re-use targets to incentivise circular economy over recycling.
- Supporting and investing in skills and repair cafes, including allowing people to borrow household items and equipment.
- Monitoring social and environmental clauses in contracts, for example, community benefits.
- Ensuring that Wales' regional growth and city deals demonstrate how their investments are reducing carbon emissions overall, not just in selected projects, and contributing towards the well-being objectives for their area.



Process Recommendations (continued)

In their day to day actions they should start:

- To do all they can to support local initiatives on stewardship of land and renewable energy, to help Wales' transition to a low carbon society and bring a wide range of benefits to local communities.
- To explore and demonstrate how they are seeking to move to a system where products can be used again to create further value (the principles of the circular economy), and how this relates to other areas such as the development of skills, innovation, the natural environment, local materials and saving money.
- Supporting local businesses and providers where possible.
- Undertaking meaningful involvement with local businesses in the development of local economic plans.
- Leading by example by becoming 'Fair Work Wales' employers, incorporating 'fair work' through their well-being objectives and in practice, and addressing inequalities, pay gaps and zero hours contracts.



Resources / Useful Information

Future Generations Commissioner for Wales

- [Journey Towards a Prosperous Wales](#)
- [Future Generations Framework](#)
- [Future Generations Framework for Scrutiny](#)
- [Future Generations Framework for service design](#)

Welsh Government

- [WG Future Trends Report](#)
- [Well-being of Wales 2019](#)
- [Diversification and resilience of Welsh farming: prospects after Brexit](#)
- [Prosperity for all: A Low Carbon Wales](#)
- [Welsh Government Annual Report 2019](#)

Other

- [Reducing UK emissions – 2019 Progress Report to Parliament](#)
- [ONS UK Environmental Accounts: Low Carbon and Renewable Energy Economy Survey](#)
- [Public Procurement in Wales](#)





Comisiynydd
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Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

