



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

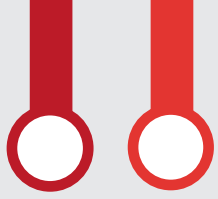


A Journey to

A Prosperous Wales

- 1: Fair and local procurement:** using procurement to promote inclusive growth
- 2: Decent work:** driving practices which allows people to take advantage of the wealth generated through securing decent work
- 3: Local economies:** supporting inclusive local economies and the foundational economy
- 4: Community energy and a low carbon society:** enabling organisations and communities to reduce emissions and use low carbon energy
- 5: Skills for the future:** encouraging organisations to develop a skilled population, fit for future technological change





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In the Well-being of Future Generations 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.”



Defining the goal

It's been over 50 years since Robert Kennedy's historic speech, in which he claimed Gross Domestic Product (GDP) measured 'everything except that which makes life worthwhile'.

Despite that, GDP has continued to take centre stage in the minds of the public and policy makers as the critical measure of progress. Whilst this traditional focus on economic growth has shaped the world we recognise today, it has left many people behind. The world's richest 1% own 45% of the world's wealth, whilst here in Wales almost a quarter of people are living in poverty. As the economy expands, so does the resource demand needed to accommodate it. Future generations risk living in a world of stark inequality and an empty bank of natural resources.

What makes Wales unique, is that nowhere in the Welsh definition of prosperity will you find a mention of GVA or GDP; our vision of prosperity looks to measure what matters. Within the Well-being of Future Generations Act, economic well-being is not prioritised over environmental, social or cultural well-being. Our goal of a prosperous Wales is one where people are supported to develop skills and secure decent work, where we procure goods and services in a fair and local way, where the foundational economy generates local wealth and employment, and where we move towards a low carbon society.



Case studies

Throughout the document you will find a number of reports relating to the topic subject. Please read the link if you see this symbol.



Defining the goal

Where to focus action in contributing to this goal

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

[\(See prosperous Wales journey topic 1: Fair and Local Procurement\)](#)

Support fair work practices through employment and services

[\(See prosperous Wales journey topic 2: Decent work\)](#)

Support the foundational economy through generating wealth and providing employment

[\(See prosperous Wales journey topic 3: Local Economies\)](#)

Enable a low carbon society through supporting community energy and reducing emissions

[\(See prosperous Wales journey topic 4: Community energy and a low carbon society\)](#)

Work with others to support the development of skills for the future

[\(See prosperous Wales journey topic 5: Skills for the Future\)](#)

Support innovation to develop an economy fit for the future

[\(Journey topic on innovation to be explored in next phase\)](#)

Use resources efficiently, recognising the limits of the global environment

[\(Journey topic on circular economy to be explored in next phase\)](#)



Other statutory requirements in relation to this goal

Public sector procurement is subject to the legal framework set out by the Public Contracts Regulations 2015. The regulations allow contracting authorities to consider incorporating social, ethical and environmental aspects into specifications, contract conditions and award criteria. This includes the protection of the environment, energy efficiency, combating climate change, promoting innovation, and employment and social inclusion.

Further information is available at:

- [The Public Contracts Regulations 2015.](#)
- [Guidance on social and environmental aspects.](#)

The following public contracts regulations are particularly relevant to the topic of fair and local procurement:

- **Light Touch Regime (regulations 74 to 77):** offers commissioners who want to maximise the local benefit of procurement to tailor how they implement the procurement process for certain services, in order to accommodate the needs of local providers.
- **Reserved contracts (Regulation 77):** designed to help third sector organisations to establish themselves and compete to deliver services that have a health, social, educational or cultural dimension.
- **Reserved contracts 20.**—(1) Contracting authorities may— (a) reserve the right to participate in public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons, or (b) provide for such contracts to be performed in the context of sheltered employment programmes, provided that at least 30% of the employees of those workshops, economic operators or programmes are disabled or disadvantaged workers.

- **Regulation 40 (1):** Before commencing a procurement procedure, contracting authorities may conduct market consultations with a view to preparing the procurement and informing economic operators of their procurement plans and requirements.
- **Regulation 40 (3):** ‘Such advice may be used in the planning and conduct of the procurement procedure...’.
- **Involving service users:** Regulation 76 (8): ‘... contracting authorities may take into account any relevant considerations, including... the specific needs of different categories of users; [and] the involvement and empowerment of users.’



Some of the suggested steps and actions in this document complement the policies set out in legislation - specific steps and actions that adhere to these are highlighted in orange and with an ‘St’ symbol.

Enablers

Achieving this goal is **more likely to happen** when...

- **There is monitoring of social and environmental clauses in contracts – for example community benefits.**
- **Businesses are asked to report on wider impacts, rather than just outputs and numerical outcomes.**
- **There is meaningful engagement with local businesses in the development of local economic plans.**
- **There is a supportive policy environment for foundational economy and low carbon approaches to become mainstreamed.**
- **The development of skilled, multi-disciplinary workforces is a priority across organisations.**



Disablers

Achieving this goal is **less likely to happen** when...

- **There is the perception that economic growth is solely about GDP (Gross Domestic Product) or GVA (Gross Value Added).**
- **Organisations work in siloes, reducing opportunities for joined up approaches and innovative thinking.**
- **Natural resources are commercialised and sold off, regardless of the social, environmental and cultural impacts.**
- **Low carbon technology is seen as being expensive and high risk.**
- **Organisations do not encourage a culture of decent work, for example, through addressing gender pay gaps or zero hours contracts.**





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2: Decent Work

Driving practices which allows people to take advantage of the wealth generated through securing decent work

Defining the issue

A recent report from Co-operatives UK found that zero-hour contract work over the past decade has increased ten-fold to over 800,000 in the UK. Self-employed forms of work have increased by 1 million to over 4.8 million and, at 15% of the workforce, they are at the highest level in forty years. People who are self-employed earn £3.80 less than the average employee. Newer self-employed workers and those on zero hour contracts tend to have low pay, limited legal

protection, high insecurity, limited social security access, limited pension entitlement and limited collective representation.

The UK Living Wage rate is currently £9 per hour. New research finds that £809m in extra wages has gone to low-paid workers because of the Living Wage movement. Recent research by the Smith Institute found that when employers commit to pay their staff a real Living Wage, it not

only benefits low paid workers, but can also help increase local productivity and drive inclusive growth.

Decent work can help achieve a stronger, modernised, more inclusive economy. It contributes to national growth and prosperity and assists in addressing inequality, reducing poverty and promoting well-being. 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.

Synergies and connections to other journeys



Journey to a More Equal Wales
Topic 1: Fair work



Making **Simple** Changes

Consider how you can adopt the definition and characteristics of fair work outlined in '[Fair Work Wales](#)' (March 2019) by the Fair Work Commission.

Consider how you will promote fair and decent work when setting your corporate objectives. If you're a public body, these will be your well-being objectives.

Pay the Living Wage.

E.g. <https://youtu.be/ohanydjbkT4>

Eg

E.g. **Rhondda Cynon Taf County** Borough Council worked with trade unions to gradually introduce the living wage for their employees. They are now considering how they can build upon this to become Living Wage accredited.

Support membership of trade unions and involve unions in the ways that you consult with staff.

Ensure individuals seeking access to work are not disadvantaged by reason of gender, race, disability, sexuality or other protected characteristics.

Offer fair contracts and stable employment to staff across your organisation. For example, through addressing gender pay gaps or zero hours contracts.

Provide all workers, on day one and annually, with an easy-to-understand statement of their contractual status, terms and conditions of appointment and employment rights, and information on how to seek advice and redress if necessary (including how to contact a trade union).

Ensure you're monitoring employment standards.

Adhere to Welsh Government's code of practice on ethical employment in the supply chain.

Ensure any use of insecure employment contracts adequately protect the rights of workers.

Making **Simple** Changes

Review recruitment practices to ensure fairness and transparency in pay, terms and conditions and equality of outcome. Particular focus should be given to any differences between internal and external recruitment, and reviewing recruitment processes through an intersectional lens so that the diversity of the workforce is improved.

Ensure all jobs are available on a part time or job share basis.

Use available data to understand future workforce trends and ensure your staff are supported to develop skills fit for the future (see also topic 5: skills for the future).

Ensure there is fair opportunity for staff through provision of workplace policies for progression, training and development.

Enable low-paid employees to access training and development opportunities, working with them to overcome barriers to progression, such as shift patterns.

Participate in and promote awareness days and campaigns that reflect commitment to fair work such as [Living Wage Week](#).

Being More **Adventurous**

Raise awareness amongst your staff of rights relating to fair work.

Empower staff to enforce their rights by making information readily available. For example, through funding support for advisory and support services.

Put in place arrangements to ensure staff feel confident and able to 'whistleblow' (i.e. reporting poor practice) if they feel it's necessary.

Initiate and support Fair Work Forums. These can be local, regional or sector based, and help identify and agree universal characteristics of fair work, facilitate collaboration and shared learning, develop standards, assess how these standards are met, tailor specific interventions to promote fair work, and promote awareness and ownership of the fair work agenda.

Embed the Living Wage by becoming an accredited [Living Wage](#) employer.

Encourage good practice in supply chains by promoting and adhering to good practice of providing decent work within your own organisation.

Consider your own use of workers in the gig economy within your supply chains and day-to-day practices, particularly where there is no specific justification for the use of zero-hour contracts, or where they are used to avoid protections afforded by employment law.

Eg

E.g. [The characteristics of those in the gig economy](#)

Being More **Adventurous**

Consider how you can support [freelancers](#) and those in the gig economy to come together and form [co-operatives](#) that help to address the challenges and insecurities that these workers face.

Eg

E.g. [Denbighshire Music Co-operative](#) formed when the local authority was considering cutting music tuition in schools.

Eg

E.g. [IndyCube](#) are also working with Community Union to provide support for freelancers.

Target apprenticeship and other employment programmes at under-represented groups. For example, disabled people (currently only around 1% of apprenticeships in Wales were filled by disabled people). See tools and cases studies in the Inclusive [Apprenticeships Action Plan](#)

Owning your **Ambition**

National or collaborative actions

Encourage fair work and help foster a culture of fair work within and beyond Wales.

Ensure there's a mechanism for independent experts to provide additional capacity and expertise to make progress on fair work.

Put in place financial arrangements to take forward specific, time-limited initiatives which clearly contribute to fair work.

Incentivise public bodies to lead the way on fair work and pro-actively communicate their progress.

Infrastructure projects and large capital investments should be fair work projects, contributing to local and regional well-being objectives, as well as achieving broader economic and social objectives.

The focus and priorities of public sector contracts shift towards social value, including fair work.

Support Welsh Government's code of practice on ethical employment in the supply chain by legislation, and ensure it becomes mandatory for public bodies.

Signing up to the code of practice on ethical employment is a requirement for organisations in receipt of public funding.

National policy enables social partnerships to be on a firmer, statutory basis.

Information about organisations that have not made progress towards a fair work culture is available to the public.

Owning your **Ambition**

Organisational actions

Think strategically about low pay and addressing low wages in corporate documents and strategies.

Embed the Living Wage by becoming a Living Wage place.

Eg

E.g. **Cardiff** is currently exploring becoming a Living Wage City.

Eg

Establish Social responsibility

charters setting out guiding principles, including fair work, which public bodies expect contractors to sign.

E.g. The Birmingham Business Charter for Social Responsibility aims to boost the local economy through support to the local supply chain, creation of job opportunities and ensuring employees are paid a fair wage. Organisations that bid for higher value contracts with the Council must sign up to the Charter.

Other examples and resources



Living Wage:

<https://www.livingwage.org.uk/become-a-living-wage-employer>



Co-operatives for freelancers:

<https://www.uk.coop/resources/working-together-trade-union-and-co-operative-innovations-precarious-work>



Local employment charters - case studies from the UK:

<http://hummedia.manchester.ac.uk/institutes/mui/igau/briefings/IGAU-Employment-Case-studies.pdf>



Living Wage and the role of local government:

<https://cles.org.uk/wp-content/uploads/2016/11/Living-wage-and-the-role-of-local-government.pdf>



Gender equality and inclusive growth - economic policies to achieve sustainable development:

<https://www.unwomen.org/en/digital-library/publications/2019/01/gender-equality-and-inclusive-growth>