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**Cenedlaethau'r  
Dyfodol**  
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**Future  
Generations**  
Commissioner  
for Wales

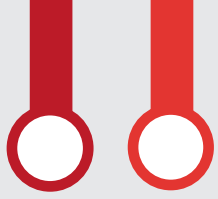


**A Journey to**

# 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.’

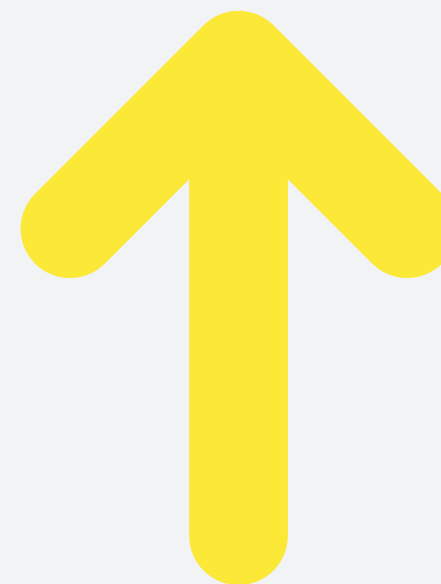


Some of the suggested steps and actions in this document complement the policies set out in legislation - specific steps and actions that adhere to these are highlighted in orange and with an ‘St’ symbol.

## 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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## 3: Local Economies

Supporting inclusive local economies and the foundational economy



## Defining the issue

Economic growth has become unbalanced and many communities across Wales are being left behind. Pursuing prosperity in terms of GVA alone does not result in inclusive local economies – certain sections of the public or certain geographical areas could benefit, but there could be little change for those in greatest need.

An approach focused on building inclusive local economies can help to address this while delivering well-being in its widest sense. This includes addressing long-term challenges such as persistent poverty, poor health and improving the life chances for everyone, particularly the most disadvantaged. The [foundational economy](#) plays a key role in this. Foundational businesses,

both large and small, are typically embedded or 'grounded' in the local economy, supporting core services such as housing and healthcare. They usually have ties which include local ownership and / or management, a regional supply chain and support services, local labour, and a local customer base. They help to retain and re-circulate wealth in an area, reducing leakage of surpluses and profits out of the area. Procurement will play a key role in supporting local economies.

### Synergies and connections to other journeys



#### Journey to a Wales of Cohesive Communities

**Topic 3:** Access to key well-being services



#### Journey to a Wales of Cohesive Communities

**Topic 4:** Community anchor organisations



#### Journey to a Wales of Vibrant Culture and Thriving Welsh

**Topic 4:** Culture enabling prosperity and resilience



HOME

## Making **Simple** Changes

**Use spend analysis data** to look at current supply base, seek opportunities to build local supply chains, and consider how you can increase the number of goods and services procured locally (see Topic 1: Fair and Local Procurement).

**Work with** your local County Voluntary Council to understand your local community organisations and how you work with them.

**Support and promote** alternative forms of finance for SMEs, micro-enterprises and freelancers, such as **Barry Town Council** have done with **Purple Shoots**.

**Promote local business** amongst your staff. For example, encouraging staff to hold meetings in local independent [coffee shops and cafes](#).

**Use local independent venues** for staff away days and meetings.

**Promote** membership of local organisations to staff, such as [local credit unions](#).

**Allow micro enterprises** (businesses operating on a very small scale) and community businesses to use your meeting rooms and facilities.

**Support and signpost** financial inclusion services to help ensure local people have access to [financial information](#) and affordable credit, allowing them to participate in the economy and build wealth locally.

**Enable staff** to work remotely, including in co-working hubs, such as IndyCube. This helps to retain spending and wealth in communities.

## Being More **Adventurous**

**Take a place-based approach** to your work, allowing for collaboration using a range of local assets across different organisations and enabling budgets to be pooled.

**Commit** to using local SMEs and social businesses (such as co-operatives and social enterprises) where possible.

**Share your policies**, such as environmental policies and safe working practices, as templates or examples of best practice.

**Dedicate staff time** to develop co-operative activity between different organisations.

**Foster local mentoring** to deliver person-centered community and economic development.

E.g. The **'Blaenau Gwent Effect'** uses the Sirolli Institute approach to deliver person-centred community and economic development.

**Support communities** to develop [community share offers](#) to develop assets and services.

**Provide** education and training to staff, especially those in economic development and procurement, housing and regeneration, asset-based approaches, foundational economy, and analysis and social innovation.

**Consider** how you can support people to develop skills in line with local business needs, growth sectors and foundational sectors. Ensure this includes creative jobs and skills and those in the local foundational economy.

E.g. **Rhondda Cynon Taf employment pathway**, which supports people to develop skills in line with growth sectors and the needs of local employers. It does by providing opportunities including apprenticeship and graduate schemes, work experience and placements at a variety of levels including university internships, to providing opportunities for young people leaving the Care of the Council through the 'Care2work' and 'Step in the Right Direction' programmes.

## Being More **Adventurous**

**Promote and support** adult community learning opportunities in your area.

**Support** keeping small and medium sized businesses in your community, recognising the potential in employee-owned businesses which often outperform firms with more restricted ownership structures. Ensure that your staff are aware of this [business model](#) too.

Eg

E.g. [Tregroes Waffles](#)

**Give external organisations** and internal teams a formal 'critical friend' role in the policymaking process, from signing off initiatives to evaluating outcomes.

HOME

**Using equality data** and future workforce trends to target skills programmes at groups who are under-represented in certain sectors and where there are skills gaps. For example targeting women to develop skills around STEM for growth areas such as renewables, cyber security etc.

**Bring forward sites** and buildings that can be used to enable start-ups/work space/green space improvement/community hubs.

**Deploy skills** to mentor/support community groups, partners and small businesses.

## Owning your **Ambition**

### National or collaborative actions

**Extend support** for the foundational economy further than the original four foundational sectors identified in 'Prosperity for All' from the Welsh Government, including learning from and scaling up successes from the FE Challenge Fund.

**Set up a support function** enabling project teams that combine civil servants, public body staff and outside experts on experimental policy development and delivery.

**Enable and encourage PSBs,** who bring together local anchor organisations, to support their local economy through proactively engaging with local community / social businesses, procuring jointly and buying locally, to drive progress on meeting Wales' well-being goals.

## Owning your **Ambition**

### Organisational actions

**Invest** portions of pension funds locally. For example in [community energy schemes](#).

Eg

E.g. This is currently being explored in [Enfield](#).

**Ensure** that business support is configured to provide holistic support across the lifecycle of small and medium sized firms to ensure they are sustainable and long-lasting, as well as grounded in the locality.

**Offer access** to low/interest-free loans of all sizes and specialist business support for third sector organisations and social businesses.

**Help** small co-operatives to develop through the provision of back office services such as payroll, accounting and bulk buying of materials.

**Provide funding** and investment to help the development of local small-scale co-operatives.

**Support** the development of, and where appropriate bank with, the community bank for Wales [Banc Cambria](#).

## Other examples and resources



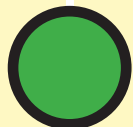
**Welsh Government's homepage on the foundational economy:**

<https://gov.wales/foundational-economy>



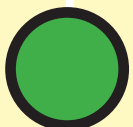
**Our local economies - communities building prosperity:**

<http://www.bct.wales/uploads/resources/2018-07-11-01-1-our-local-economies-manifesto.pdf>



**Foundational Economy network:**

<https://foundationaleconomy.com/introduction/>



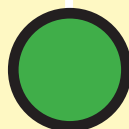
**What Wales can do:**

<https://foundationaleconomy.com.files.wordpress.com/2017/02/what-wales-can-do-22-june-2017-final-v2.pdf>



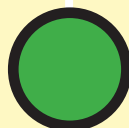
**What Wales could be:**

<https://foundationaleconomy.com.files.wordpress.com/2017/01/what-wales-could-be.pdf>



**Creating good city economies in the UK:**

<https://goodlocaleconomies.cles.org.uk/government/a-thriving-local-economy/build-a-foundational-economy/>



**Locality Keep it Local campaign:**

<https://locality.org.uk/policy-campaigns/keep-it-local/>



**Nesta's Playbook for innovation learning has been created for innovation practitioners who want to spread innovation skills, methods and tools:**

<https://www.nesta.org.uk/toolkit/playbook-for-innovation-learning/>