



Comisiynydd
**Cenedlaethau'r
Dyfodol**
Cymru

**Future
Generations**
Commissioner
for Wales

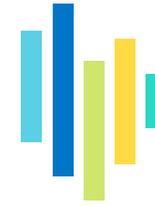


A Journey to

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.’

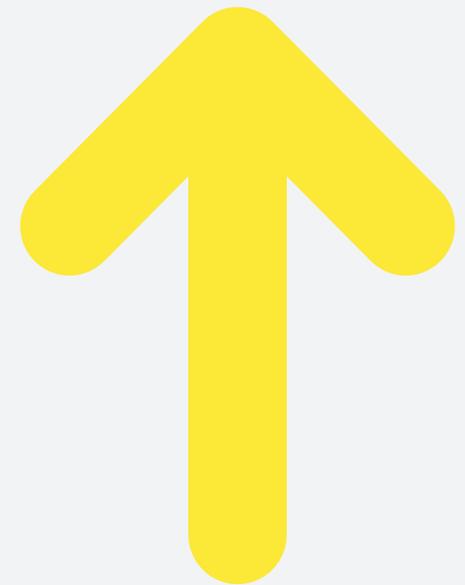


Some of the suggested steps and actions in this document complement the policies set out in legislation - specific steps and actions that adhere to these are highlighted in orange and with an ‘St’ symbol.

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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4: Community energy and a low carbon society

Enabling organisations and communities to reduce emissions and use low carbon energy

Defining the issue

Climate change is one of the biggest challenges facing future generations, requiring urgent, ambitious action and leadership. In 2016, the Environment (Wales) Act set targets in Wales for reducing emissions by at least 80% in 2050, against the 1990 baseline.

In April 2019, the Minister for Environment, Energy and Rural Affairs, Lesley Griffiths AM [declared a climate emergency in Wales](#). This announcement aimed to highlight the significance of climate change protests and evidence from the Intergovernmental Panel on Climate Change (IPCC) [Special Report](#) on the impacts of global warming.

The UK Committee on Climate Change have since suggested that the targets set out in the Environment (Wales) Act need to be more ambitious with Wales aiming for 95% emissions reduction by 2050. In June 2019, Lesley Griffiths AM announced that Welsh Government were declaring their ambition to bring forward a target for Wales to achieve net zero emissions no later than 2050, and that she will bring forward regulations to the Assembly to amend the current 80% target. [A Low Carbon Wales](#) sets out a number of policy areas of change and we have also committed to being a carbon neutral public sector by 2030.

Community and local energy initiatives have environmental, social and economic benefits. The National Trust's report on the social and economic benefits of community energy highlighted 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 are kept within the community and are often invested into further renewable energy initiatives, fuel efficiency and tackling fuel poverty. Increasing spend with local SMEs working in the energy generation and retro-fitting fields also prevents money leaking out of a local area.

Fuel efficiency and energy generation can help tackle fuel poverty while reducing emissions. Fuel poverty has adverse impacts on well-being and is associated with poor health outcomes. For example, the [Marmot Review into health inequalities](#) found that children living in cold homes are far more likely to suffer from respiratory and mental health problems than those living in warm homes.

Synergies and connections to other journeys



Journey to Globally Responsible Wales

Topic 4: Efficient use of resources



Journey to a Globally Responsible Wales

Topic 5: Fair & ethical investment and divestment



HOME

Making **Simple** Changes

Calculate, understand and publish your carbon footprint and set targets to reduce it over the next decade to support Welsh Government's ambition for a carbon neutral public sector by 2030. The [Carbon Trust](#) can help organisations measure their emissions, and identify opportunities.

Eg

E.g. **Natural Resources Wales' [Carbon Positive Project](#)** is an ambitious approach to understanding their carbon impact and identifying opportunities to address it. An exemplar for others to follow, it suggests a focus on 4 areas: buildings, transport, procurement and land use.

Identify opportunities for reducing your emissions from your buildings or estate, transport, procurement and land-use, and establish pilot projects to support action on these.

Review your policy on carbon emissions with a view to offset the carbon you produce by supporting positive initiatives elsewhere, **through accredited schemes.**

Eg

E.g. [Carbon neutral](#) is a helpful tool to support this.

Ensure new developments, and retro-fitting of existing facilities, consider renewable energy sources and recycled materials using local suppliers where possible.

Eg

E.g. In delivering Arbed 2, **Melin Homes** engaged SME suppliers. The Arbed 2 ERDF tender focused heavily on community benefits which would be measured by Welsh Government's Community Benefits Measurement Tool.

Making **Simple** Changes

Promote [active travel](#) throughout your organisation.

Eg

E.g. **Cardiff and Vale University Health Board** [Cycle to Work scheme](#), and sign up to the [Cycle Workplace Challenge](#) to encourage and promote active travel to staff.

Scope the provision of electric vehicle [charging points](#) in your premises, workplaces, commercial developments and residential areas.

Eg

E.g. [Monmouthshire County Council](#)

HOME

Source reused or recycled items across your estate (furniture, stationery, electronics) using local social enterprises and SME suppliers where possible.

Eg

E.g. [Public Health Wales](#) and [Swansea Council](#) refurbished their offices using reused and recycled materials.

Help increase local ownership of energy generation by exploring ways of supporting community groups (including funding) to develop renewable energy projects on public land.

Being More **Adventurous**

Declare a climate emergency and ensure this commitment is supported with a clear plan of action on how you will reduce emissions across your buildings or estate, transport, procurement and land-use. [Prosperity for all: A low carbon Wales](#) sets out the policies and proposals for helping deliver Wales' commitment to climate change.

Identify how procurement and your budget cycle can support carbon reduction across everything you do as an organisation.

E.g. Cardiff Council voted to divest its [Pension Fund](#) from fossil fuel companies.

Ensure at least 75% of your electricity is from renewable sources.

E.g. The Office of The Future Generations Commissioner has switched its office electricity to a 100% renewable tariff.

Source your energy from low carbon sources such as renewable energy providers, on-site renewable generation or community renewable energy schemes, and provide support for community renewable energy generation schemes.

E.g. [Awel Aman Tawe's](#) pioneering community energy trust. [Swansea Community Energy](#) is a flagship example of how you can use the sustainable development principle to achieve economic, environmental, social and cultural outcomes. Caerphilly CBC has advanced its pilot scheme to install [Solar Power to 100% of their schools](#) and use electric vehicles such as meals on wheels and [public transport](#).

Consider and implement low carbon energy generation on your buildings and facilities (retro-fitting and new build).

Being More **Adventurous**

Support and incentivise staff and visitors using active travel, public transport, agile working options, and the use of ultra-low emission vehicles (via charging point infrastructure and fleet/procurement arrangements) at your facilities.

E.g. In April 2019, a number of major public sector organisations in Cardiff committed to support and encourage their staff and visitors to their sites to use healthy modes of transport, by signing up to the [Healthy Travel Charter](#).

Identify and map areas for future tree planting (target 20% tree cover in urban areas), with a diverse range of species, suitable for the climate, soil and giving a 'value to nature'.

Eg

E.g. **Denbighshire County Borough Council** are seeking to increase tree canopy in Rhyl (five year ambition of 18,000 trees planted), and are working with NRW and the community on this with planting days etc.

Support rates relief for community energy schemes.

E.g. **Neath Port Talbot County Borough Council** provided [100% rates relief](#) to Awel Co-op.

Set up a community energy company and use the profits to fund local enterprise development.

Eg

E.g. **Swansea Council** established [Swansea Community Energy](#) and Enterprise Scheme as an independent social enterprise to develop the scheme and provided officer support throughout the project development. Whilst the needs of the community are likely to change over time, these funds are likely to be spent on new renewable projects, energy efficiency, low carbon transport, tariff switching, energy awareness, community spaces, enterprise development, business start-up costs, skills development, training and tutoring.

Being More **Adventurous**



Collaborate with community groups on how they could use your buildings, roof space and land (which is publicly owned) for renewable energy projects. Work with the groups to develop ways of making this straightforward, such as developing easy-to-use lease templates.



Work with community climate change [champions](#).



Eg

E.g. In Monmouth the community is better able to work constructively together with the Council and vice versa, with Community Climate Champions forming a valuable and unique network for sharing information on projects, grants, opportunities etc.



HOME

Owning your **Ambition**

National or collaborative actions

Support the public sector to baseline, monitor and report progress towards being carbon neutral by 2030, supported by a programme to train a carbon literate public sector.

Investment to support the climate emergency. The Office of the Future Generations Commissioner's [10 point plan](#) to fund Wales' climate emergency suggests investment in public transport, active travel, housing and buildings, renewable energy, land use and other levers such as procurement and pension fund investments.

Implement Wales' three priorities set out in the Natural Resource Policy: delivering nature-based solutions; increasing renewable energy and resource efficiency; and, taking a place-based approach.

Fund the future through an immediate [low carbon economic stimulus for Wales](#) to accelerate investment and action on renewable energy (as well as energy efficiency).

Increase investment for active travel and public transport. A minimum of 10% of transport budget (and 20% of the capital budget) in Wales allocated towards active travel, and at least 50% of Wales' national transport capital budget allocated to improving public transport.

Ensure decarbonisation is a key principle and driver for decision making within planning, public sector procurement contracts and pension fund investments.

Support the recommendations and actions set out in the '[Better Homes, Better Wales, Better World](#)' report (July 2019) calling for an ambitious programme of action to decarbonise Wales' homes.

Support adoption of low carbon agricultural practices and land-use practice, meeting the industry target of carbon neutrality by 2040.

Radically increase tree cover and restore degraded peatland in Wales over the next two decades.

Owning your **Ambition**

Encourage all organisations to develop a future energy strategy that identifies sites and supports renewable energy and low carbon development by 2020.

Encourage planning authorities to look favourably and give material weight to the social and environmental impact of renewable energy generation to communities and the economy, in accordance with [Planning Policy Wales Edition 10](#).

All new renewable energy projects in Wales above 5 MW to have between 5% and 33% community and local ownership by 2020.

National policy requires local authorities to offer 50% business rate relief on the community percentage of shared ownership projects, and a sliding scale of business rate relief for the developer proportionate to the community share.

There is municipal involvement in energy supply, including ownership of wind turbines and solar farms, helping create jobs, tackle fuel poverty, inequality, and facilitate the switch to low-carbon.

E.g. IWA recommend Wales looks at the viability, cost and timescales involved in setting up a local energy company for Wales: [‘Energy for Wales’](#).

Eg

E.g. **Bristol Council** launched its own energy company, [Bristol Energy](#). It supplies gas and electricity while reinvesting profit back into local community energy projects. For example, profits have been invested into the Feel Good Fund to help households in fuel poverty.

Provide enhanced support to community organisations developing shared ownership projects. This should include covering legal costs, accessible bridging finance, commercial negotiation support, and low interest rates on loans from the Development Bank of Wales.

Owning your **Ambition**

Welsh Government's Energy Service

is resourced to support local authorities to make planning decisions that enable more community and local energy in Wales.

Enable public bodies

that support local and community energy projects to count carbon savings from these projects towards their targets.

National policy

on community asset transfer includes a policy for community organisations to have the right to have first option, or a right to bid on public land, to develop renewable projects by 2020.

National support for Welsh organisations to partner with District Network Operators on network innovation projects that enable greater deployment of renewable energy within existing infrastructure.

Owning your **Ambition**

Organisational actions

Promote nature-based solutions and green infrastructure in all developments. More information on how to do this can be found in the [Journey to a Resilient Wales](#) and [Wildlife Trusts Wales Green Infrastructure report](#).

Support local energy generation through asset transfer of land to community energy groups, reduced business rates, business support and investment of pension funds in community energy.

Eg

E.g. **Bristol City Council** both leased their land and invested in Bristol Energy Coop's 4.2MW ground mounted solar photovoltaic site at Lawrence Weston, which was completed in 2016. Profits are used to fund social projects across the city.

Ensure new social housing includes [energy saving measures and energy generation](#), helping tackle fuel poverty.

Eg

E.g. 'Homes as Power Stations' **Pobl Group** are working with Neath Port Talbot Council and Swansea University to integrate innovative technology developed by the University into homes, building beyond the concept of carbon neutral homes towards overproduction of energy.

You have dedicated resources and staff members to support effective community involvement.

Other examples and resources

The Paris Agreement:

https://ec.europa.eu/clima/policies/international/negotiations/paris_en

The Welsh Government's Prosperity for All: [A Low Carbon Wales](#)

is a helpful tool to support your journey of becoming zero carbon. See pages 53-55 for public sector leadership which includes Policy 20 on carbon neutrality, Policy 21 on district heat systems, Policy 23 on Procurement which makes specific recommendations on Fleet Vehicles and Buildings.

The Welsh Government's State of the Estate Reports

over the years include helpful and inspiring case studies on [Carbon Reduction](#) (page 30), [Efficiencies and Renewables](#) (page 30) and [Biodiversity](#) (page 31).

Natural Resources Wales Carbon Positive project – reports & resources:

<https://naturalresources.wales/about-us/corporate-information/carbon-positive-project/?lang=en>

IWA's Re-energising Wales 'How to protect, promote and achieve scale in community and local ownership of renewable energy in Wales':

https://www.iwa.wales/wp-content/uploads/2018/11/IWA_Energy_WP4.1-1-1-1.pdf

Office of the Future Generations Commissioner's 10 point plan to fund Wales' climate emergency:

<https://futuregenerations.wales/wp-content/uploads/2019/06/10-Point-Plan-Summary.pdf>

The Carbon Trust has a whole host of helpful resources:

www.carbontrust.com/clientservices/advice/public-sectoradvice

www.carbontrust.com/clientservices/wales/

How can Wales grow local ownership of renewable energy:

<http://senedd.assembly.wales/documents/s69697/Paper%20-%20Regen%20South%20West.pdf>

Other examples and resources



The importance of locally generated energy:

<https://www.goodenergy.co.uk/blog/2018/01/02/the-importance-of-local-energy/>



Welcome to our Woods and their micro-hydropower project (Treherbert):

<http://welcometoourwoods.ac4.amitywebsolutions.co.uk/>