

One Wales: One Planet

The Sustainable Development Annual Report
2011-12

Laid before the National Assembly for Wales
November 2012

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under section 79(6)(a) of the Government of Wales Act 2006.

Minister's Foreword



I am pleased to present our Sustainable Development Annual Report; the fourth since *One Wales: One Planet*, our Sustainable Development Scheme, was launched in 2009. This report covers the period April 2011-March 2012, and outlines how the proposals we set out have been implemented.

This is my second Sustainable Development Annual Report since becoming Minister for Environment and Sustainable Development, and this year's report demonstrates a growing body of evidence underlining how in the Welsh Government we are using sustainable development as the central organising principle for our work across Wales. It is clear to me that considering the economic, social and environmental impacts of everything we do and the decisions we make are already having a positive impact on people and communities in Wales.

We recognise that in order to reflect the pace of change and progress on sustainable development, we must constantly drive for improvement.

In January this year I commissioned an external review of the effectiveness of the Sustainable Development Scheme as part of the statutory reviewing process that is required under law. It identified a number of 'next steps', which suggest how we can tackle some of the issues we still need to address to deliver the Scheme's outcomes for Wales, and we have provided an update to our actions in response to this report.

Significantly, we are making progress on our proposals for a groundbreaking Sustainable Development Bill, which will place a duty on us and other public service organisations, to strengthen the framework for sustainable development in Wales. I will shortly publish a White Paper on our proposals.

This year's annual report is positive evidence for the progress that is being made in Wales.

A handwritten signature in blue ink that reads "John Griffiths". The signature is written in a cursive style.

John Griffiths, AM
Minister for Environment and Sustainable Development

Commentary by Commissioner for Sustainable Futures and Cynnal Cymru



The Sustainable Development Scheme *One Wales: One Planet* aims to embed sustainable development as the central organising principle of Government. This commentary provides an independent perspective on the annual progress report and is based on my role as Commissioner for Sustainable Futures supported by Cynnal Cymru–Sustain Wales. I have found some great things in the report, some gaps, and some areas that I would like to see developed in future reports.

This year has been important in making progress to embed sustainable development as the central organising principle of the Welsh public sector, with the Welsh Government committing to bringing forward a Sustainable Development Bill. The statutory Effectiveness Review of the Sustainable Development Scheme, required after each National Assembly for Wales election, was also completed during this year. The recommendations made in the Effectiveness Review are important to support the development of the SD Bill, and it is good to see the Welsh Government reporting in detail on what work is being undertaken to address the recommendations made.

Last year I recommended changes in the structure of the annual report to provide a clearer picture of the sustainability performance of Welsh Government as an organisation. This report does now provide a more detailed picture of Welsh Government's own impact in discharging its functions, with an improved range of data included in the Annex. It will be important that the Government follows international standards being set for integrated reporting to continue to improve the quality of this element of the report.

I continue to have concerns over aspects of the structure and content of the report. There needs to be a much stronger *materiality test* applied to content as the tendency noted last year to cherry pick content still applies. I am concerned, in considering a materiality test, that a number of important areas receive insufficient attention in this report: critical sectors such as food, tourism and agriculture receive little attention, and there is a general weakness of the economy section. This is surprising as I know there are a number of great examples of progress to a low carbon economy that are not highlighted. I would hope to see much stronger focus on progress in the low carbon goods and services sector in next year's report.

In some parts, the report seems to be championing money allocated and spent on initiatives, rather than championing the sustainable outcomes and benefits derived from those initiatives. The success of the Wales for Africa programme demonstrates that a small budget can be used to mobilise significant impacts enabling a country the size of Wales to make a real contribution to international sustainable development.

We also need to understand how the narrative reports about policies and programmes are making a material difference on progress on the high level indicator set of the Sustainable Development Scheme. In parts, this report continues to feel

like two separate reports, with little connection between the factual reports of progress against the indicators and the narrative report about delivery actions undertaken.

The annual report provides an important opportunity to make an assessment of progress that is measured by the Sustainable Development Indicators for Wales, and the impact of Welsh Government policy on these measures. Many of the sources of data included in the SD Indicators have a time lag due to the processes of gathering them to National Statistics standards, and many will also show small movements on an annual basis. However the opportunity exists to make reference to recent data or trends in the annual report for vital signs such as renewable energy and levels of youth unemployment. I would like to see a much more detailed annual analysis on progress on renewable energy as a critical element in our progress to a low carbon economy. Long periods of unemployment for young people are known to have significant impacts on long term wellbeing, with associated social and economic costs, and so under a materiality test should be addressed in the report.

In future reports, I recommend that the Welsh Government explores ways to show better the connections between the narrative around delivery and the measures of progress. Where progress in the indicators is inconclusive, or the reasons behind progress are unlikely to continue the trends (for example, recession reducing greenhouse gas emission rates due to lower industrial output), a materiality test would ensure that a detailed analysis forms part of the report.

During this year, stakeholders have raised concerns around a number of policy areas such as planning and procurement, which have since been subject to separate independent reviews. In education, there is a concern about a loss of focus on the Education for Sustainable Development and Global Citizenship (ESDGC) element of the curriculum. The Government's commitment to improving education standards is critical to a sustainable future, and the growing focus on green economy sectors continues to emphasise the importance of key skills. I recommend that Welsh Government asks Estyn to carry out an updated remit study on ESDGC, to update the last study from 2006, with a view to ensuring that it is making a direct contribution to the overall performance of schools and provides the platform for the knowledge, attitudes and skills needed for a green economy.

This year a number of stakeholders have raised concerns with me about the Sustainable Development Charter, which was introduced by Welsh Government in 2010. This is widely seen as a valuable tool to encourage and enable organisations to make a voluntary commitment, share practice and improve standards to make sustainability real. However many signatories view it as being under-resourced, under-developed and under-valued. There is a credibility gap which needs to be closed if the Charter concept is to fulfil its potential role as a voluntary option alongside the statutory requirements proposed for the SD Bill. I also hope in future reports that more emphasis can be given to partnerships with Charter signatories in delivering policy.

Procurement practices continue to be raised as an issue, although I have been impressed by the leadership shown by Value Wales. In particular the excellent Community Benefits tool is a highlight of good practice. Specific issues have been

raised over the issue of food procurement in the public sector and I recommend wider adoption of the “Food for Life” Catering Mark as a benchmark standard across public sector food procurement.

This annual report is an important statutory tool in ensuring accountability for the delivery of the Sustainable Development Scheme. I hope the planned Sustainable Development Bill will include a statutory duty for the public sector to incorporate best practice in integrated reporting. This principle should also apply to Welsh Government reports, to establish an integrated and coherent reporting process that demonstrates how both the Programme of Government is contributing to our long term measures of progress, as reflected in the sustainable development indicators for Wales and how Welsh Government’s own operations are an exemplar of sustainability practice.

A handwritten signature in black ink, appearing to read 'Peter Davies', with a long horizontal flourish extending to the right.

Peter Davies
Sustainable Futures Commissioner

Chapter 1: Sustainable Development – Central Organising Principle

In the Sustainable Development Scheme - *One Wales: One Planet* (2009), the Welsh Government set out that sustainable development (SD) would be the central organising principle for the Welsh Government, and encourage and enable others in the wider public sector in Wales, to embrace sustainable development as the central organising principle. This will provide the strong sense of purpose and framework necessary to deliver real and lasting changes to transform people's lives all over Wales. Sustainable development is the process that helps us define the best long term development path for Wales.

Our policies and programmes will reflect our commitment to sustainability and fairness, and the Programme for Government (2011) reinforces the importance of sustainable development's place as the central organising principle in defining the best development path for Wales. Our Welsh account of sustainable development, is

“an emphasis on social, economic and environmental wellbeing for people and communities, embodying our values of fairness and social justice. We must also look to the longer term in the decisions we make now, to the lives of our children's children as well as current generations”.

The programme sets out

- long-term outcomes the Government is working to achieve;
- the high-level indicators we will use to gauge progress towards those outcomes;
- actions being taken to achieve those outcomes; and
- output or process indicators that we will use to check that those actions are on track.

The programme also sets out a commitment to legislate to make sustainable development the central organising principle of the Welsh Government and public bodies in Wales, and create an independent sustainable development body for Wales.

Our reporting process

This is the fourth report, under section 79(6)(a) of the Government of Wales Act 2006, against the current SD scheme and the progress we have made to embed SD as the central organising principle of the Welsh Government. Previous reports have considered how we have met the 18 high level actions set out in our SD scheme. The 2010-11 Sustainable Development Annual Report reported on the progress made against each of these actions which are all well in hand. We are keen to report on how our commitment to sustainable development has underpinned our policies and programmes. This report therefore features those actions that demonstrate our emphasis on social, economic and environmental well-being for people and communities.

Chapters 2 – 6 set out the actions taken against the five areas in the Sustainable Development Scheme featuring the relevant vision and indicators for:

- Sustainable Resource Use
- Sustaining the Environment
- A Sustainable Economy
- A Sustainable Society; and
- The Wellbeing of Wales.

As part of the statutory review process, required under section 79(7)(a) of the Government of Wales Act 2006, measuring the effectiveness of our SD Scheme, a number of actions or “next steps” were identified by the independent consultants that carried out the review in January 2012. We committed to report back on progress against these actions in the next Annual Report. This can be seen in chapter 7 of the report.

Chapter 8 sets out the range of activities taking place within the Welsh Government that support relevant activities such as equalities, health, volunteering, the Welsh language, charity fundraising, environmental performance and resource efficiency of the Welsh Government’s own estate. This can be read in more detail in chapter 8 of the report.

Indicators

Progress on sustainable development in Wales is measured through our Sustainable Development Indicators. The latest sustainable development figures were published in August 2012, and show that Wales has increased its economic output, driven up its renewable energy production, recycled and composted more of its waste and improved the way in which it manages water. These indicators are drawn out in each of the following chapters in the report to show the progress being made.

In addition, we also measure progress in delivering the Programme for Government (PfG) commitments. While the PfG indicator set is more extensive the majority of the indicators are drawn from the current SD indicator set. The PfG sets the context for the Welsh Government's decision-making during this Assembly term, and provide transparency as to whether actions are being implemented and are having the intended effects. Reports on progress with the Programme will be published annually; the first report was published in May 2012. Part of the ongoing process of reviewing Programme for Government is to look at appropriate sets of indicators. This will be reflected in the next annual report on the Programme for Government when it is published in 2013.

We have committed to reviewing our current set of SD indicators as part of the wider work supporting the Sustainable Development Bill. The consultation will cover:

- Whether the current indicators remain fit for purpose.
- If the current presentation of information is meeting the needs of users.
- How change in the indicators should be measured or reported; and
- How organisations and other stakeholders are using the information to inform their approach to sustainable development in Wales.

The progress against a large number of the indicators is often unchanged and where there have been changes these are often slight. This is reflective of the nature of indicators where movements occur gradually and over a prolonged period. The indicators should therefore be taken in their entirety, providing an overall sense of direction.

Chapter 2: Sustainable Resource Use

VISION

Within the lifetime of a generation, we want to see Wales using only its fair share of the earth's resources, and where our ecological footprint is reduced to the global average availability of resources - 1.88 global hectares per person. By the lifetime of a generation, we mean that we wish to see these changes brought about by the time our children are grown up. To achieve this goal over a generation, we will need to reduce by at least two thirds the total resources we currently use to sustain our lifestyles.

OUR ACTIONS

The following sections highlight areas where progress has been made in making better use of resources across Wales.

Energy Efficiency and Fuel Poverty

The Energy Efficiency & Fuel Poverty Division are striving to increase the energy efficiency of Welsh homes and reduce fuel poverty, and to support small scale renewables and community renewable energy.

NEST provided advice and support to over 15,000 Welsh households with over 3,600 receiving home energy improvement packages. Additional funding was committed to Arbed enabling an additional 1,500 homes to receive energy efficiency support.

During the first phase of its award-winning *arbed* scheme, we provided £30m of funding and leveraged a further £30m to improve the energy performance of 25,000 Welsh homes in some of the most deprived parts of Wales, which also provided a boost to jobs, skills and regeneration in these areas. With the second phase of *arbed*, £45m will be invested over the next 3 years to improve the energy efficiency measures and renewable energy technologies in existing homes in Wales.

We have been working with DECC, local authorities and partners to prepare for the introduction of the Green Deal and ECO. Carbon Trust, sponsored by Welsh Government, delivered 560,000 tonnes of CO² savings through its work in Wales. Energy Saving Trust, sponsored by Welsh Government, provided advice on energy efficiency, small scale renewables such as solar panels and more efficient transport.

There is an ongoing delivery of key programmes including NEST, Arbed phase 2, Ynni'r Fro. Work continues to prepare for Green Deal and ECO. Review and scoping of future energy efficiency advice and support is currently delivered by Carbon Trust and Energy Saving Trust.

Planning

In 2011/12 we have continued to update and issue new policy and guidance to further strengthen the role that planning plays in delivering our vision of a sustainable Wales.

Research on establishing a Strategic Monitoring Framework for the Planning System was published in 2011. The aims of this research were to identify a framework with which to effectively monitor the sustainable development outcomes of the planning system; to identify a means of using the Ecological Footprint as a composite indicator to measure the sustainable development outcomes of the planning system; and to explore and understand the ways in which the Ecological Footprint can be used in the planning system. In January 2012 we consulted on proposed changes to national planning policy to strengthen the presumption in favour of sustainable development within the planning system in Wales. These changes were published in an updated version of Planning Policy Wales, which sets out our policy on the presumption in favour of sustainable development, within the context of the development plan system. We have also extended Permitted Development Rights for both domestic and non-domestic micro generation equipment, which obviates the need to secure planning consent before installing a wide range of renewable energy generating equipment.

21st Century Schools

A key aspect of the 21st Century Schools programme has been to develop a school standard, which focuses on sustainable schools. This will provide practical guidance on making schools more environmentally sustainable, by reducing energy use, CO₂ emissions, and improving the school environment.

As a pre-cursor to the 21st Century Schools Programme, transitional school and Further Education (FE) investment projects have been running.

Through these projects, we have worked with Local Authorities and FE Institutions to ensure that all new school buildings capital projects meet the BREEAM 'excellent' standard. 35 transitional projects will achieve this by 2014-15.

Caerphilly Local Authority has completed and opened a new state of the art primary school in Greenhill. This is an excellent example of sustainability, being the first school in England and Wales to achieve an Energy Performance Certificate (EPC) rating of A+, and achieved the 'Low/Zero Carbon Award' at the annual 'Constructing Excellence in Wales 2011' awards.

In the coming year we will continue to strengthen our working relationships with the Sustainable Futures group within Welsh Government to ensure that the conditions of capital grant funding support the Sustainability agenda. All guidance and toolkits to support Local Authorities and FE Institutions will be updated where necessary to ensure Sustainable Development occurs when capital investment in education from Welsh Government is made.

Health Estates

The NHS has continued to focus on reducing energy consumption and emissions. The Welsh Government has been working with NHS -Shared Services Partnership – Facilities Services and the Stockholm Environment Institute to identify how the NHS can move towards a low carbon NHS. A key component of this is the requirement for all NHS bodies in Wales to establish an Environment Management System (EMS) that will be certified to the international standard ISO 14001. NHS organisations will be required to maintain their ISO 14001 certification and to increase its update. The targets are as follows:-

- All major hospital sites by December 2012.
- 50% of the estate in each LHB and trust by December 2013.
- 100% of the estate by December 2014.

In addition, a tool has been developed to enable NHS bodies to calculate their emissions on an annual basis. Future progress will be monitored against the 2010/11 baseline.

Energy Wales Programme

The First Minister launched *Energy Wales: A Low Carbon Transition*, in March 2012, which sets out our ambition to harness our energy potential in a way that enables us to transition to a sustainable, low carbon economy. It goes on to state that "We want a genuinely sustainable approach to transition in line with our commitment to sustainable development as our central organising principle".

To facilitate this approach, the Energy Wales Programme has been mobilised to align, prioritise and coordinate Welsh Government effort and deliver 'Energy Wales'.

The Energy Wales Programme is developing our plans and delivery approaches to ensure they optimise the key groupings of economic, social and environmental benefit for Wales.

The Programme has the intent of clearly identifying and communicating how each element of our effort is leading to Welsh benefit and how that benefit will develop over time. The Programme works across organisational boundaries and with key public, private and third sector partners to achieve this aim

Waste

In June 2010 we published *Towards Zero Waste*, the overarching waste strategy for reducing Wales' ecological footprint through waste prevention, preparation for re-use, recycling and energy recovery of waste. It confirmed the key milestones of reducing waste by 1.5% each year, maximising recycling to at least 70% across all waste streams by 2025, and minimising the production of residual waste by 2025; and, by 2050, we aim to phase out residual waste through actions on sustainable consumption and production and to achieve a 75% overall reduction in waste arisings.

Between 1998-99 and 2004-05, the total amount of municipal waste produced in Wales per year increased by almost 400 thousand tonnes. Since 2004-05 however, the total amount of municipal waste produced in Wales annually has been decreasing year on year. By 2011-12 it had decreased by over 361,116 tonnes since the high point in 2004-05. The proportion of household waste recycled or composted has continually increased since 1996-97. In 2011-12, 49.2% of household waste was recycled or composted.

The Sustainable Waste Management Grant provided by the Welsh Government to help support increases in local authority recycling was £71 million in 2011-12. By March 2012 around 92% of households in Wales were provided by their local councils with a separate collection service for food waste.

We have provided support for businesses and public bodies to meet waste prevention and recycling targets through Welsh Government funded programmes delivered by the Waste and Resources Action Programme (WRAP), Constructing Excellence in Wales, the Eco Design Centre for Wales, and the Anaerobic Digestion Centre of Excellence for Wales. Support for the social enterprise sector was provided through our core funding of Cylch, the Wales Community Recycling Network. Other support to the social enterprise sector was provided through a range of Welsh Government funded grants.

Building Regulations

On 31 December 2011, Building Regulations functions were transferred to Welsh Ministers, providing amongst other things the opportunity to improve the sustainability of buildings and building work. In January 2012 the Building Regulations Advisory Committee for Wales was established, and one of its first tasks has been to assist in the development of proposed changes to the energy performance of new buildings for public consultation later in the year. This included work to deliver the Programme for Government commitment to improve new housing energy standards by 55%.

European legislation is going to mean a significant step in energy performance by 2020. In 2015 we intend to introduce changes to Part L of the Building Regulations as a step towards meeting that requirement. The phased introduction which will allow the construction industry to plan ahead and we believe that our preferred option, the 40% on-site improvement in carbon emissions for new housing, should be set for the foreseeable future. This is an approach which will continue to have benefits over the long term, and will have important social and economic benefits as well as contributing to reducing Wales' CO₂ emissions, enhancing the wellbeing of people and communities.

Indicators

Headline indicator of sustainable development: Wales' Ecological Footprint

Progress:

The most recent figure available for Wales' ecological footprint is 4.4 global hectares per person (2006), still more than double the average earthshare and slightly below the UK average (4.6). This figure, which hasn't been updated since 2006, predates the publication of the One Wales: One Planet Scheme.

- **Greenhouse Gas Emissions**

The overall trend has been an estimated decrease of 15 per cent in emissions of the basket of greenhouse gases from Wales in 2010 since the base year (1990/1995). More recently, greenhouse gas emissions have been increasing. 2010 emissions were up by 8 per cent compared to the previous year.

- **Waste Arisings**

Between 1998-99 and 2004-05, the total amount of municipal waste produced in Wales per year increased by almost 400 thousand tonnes. Since 2004-05 however, the total amount of local authority municipal waste produced in Wales annually has been decreasing year on year. By 2010-11 it had decreased by more than 300 thousand tonnes since the high point in 2004-05.

- **Household Waste**

The total amount of household waste produced in Wales has generally decreased since 2004-05 to 466kg per person in 2010-11. Prior to this, the amount per person had generally been increasing. The proportion of household waste recycled or composted has continually increased since 1996-97. In 2010-11, 45 per cent of household waste was recycled or composted.

- **Mobility**

The number of trips made per person per year by walking and cycling decreased between 1995/01 to 2002/03. Recently trips per person per year increased slightly but were still below those in 1995/01. In terms of travelling to work, in 2011, 81 per cent of people travelled to work by car, van, minibus or works van, a slight increase compared to the previous year. Walking or cycling saw a slight decrease to 12 per cent, and other modes of transport remained at 8 per cent

Chapter 3: Sustaining the Environment

VISION

The natural environment is the ultimate source of the primary resources we use to develop our economy. It is a source of enjoyment and inspiration, contributes to physical and mental wellbeing, underpins our culture, and contributes to our own sense of place and our identity. A sustainably managed natural environment is also critical to underpin Wales' tourism businesses. In addition, the variety of life on earth has its own intrinsic value and worth. We need to better manage our land and seas so they can sustain a wide variety of ecosystem services.

OUR ACTIONS

The following sections highlights areas where progress towards our vision for sustaining the environment.

Climate Change Strategy

The Climate Change Strategy Delivery Plan for Emission Reduction was published along side the Strategy and sets out the policies and programmes that we expect to help meet Wales' target to reduce greenhouse gas emissions by 3% per year in areas of devolved competence, against a baseline of average emissions over the 2006-2010 period. There is also a separate commitment within the Climate Change Strategy for Wales to reduce all Welsh emissions by 40% from 1990 levels by 2020.

The 3% target includes all 'direct' greenhouse gas emissions in Wales except those from heavy industry and power generation, which are being broadly defined as those installations covered by the EU Emissions Trading System (EU ETS) although emissions from electricity generation have been allocated by end-user.

The UK Committee on Climate Change's Fourth progress report concluded that, for Wales, the most recent data on economy-wide emissions (currently for 2010), was showing a fall of 15%.

Flood and Coastal Management

Flood and Coastal Erosion Risk Management demonstrates our sustainable development approach in how it has made significant contributions to the economy, employment, and housing quality by ensuring that flood risk alleviation projects are created and maintained. We have provided funding which has enabled the economy to benefit from less transport infrastructure disruption during severe weather, to ensure that communities and business are reassured that the risk of flooding to their homes is reduced and raise awareness of the risks that remain.

In 2011-2012 Local Authorities and the Environment Agency received £24m from the Welsh Government for capital flood alleviation works, supported by £2.6m of European Funding. A further £17m was given to the Environment Agency to maintain Welsh Main Rivers. European funding was used to boost the funding available and build expensive coast protection works that might otherwise have not have been built and coastal communities exposed to the risk of tidal flooding.

An additional £15m is being sought from the Welsh Infrastructure Investment Plan to offset a decline of capital budgets and ensure that the flood risks to some of the 220 schools and nurseries on the flood plains are reduced, as well as safeguarding the economy by reducing the risks to 800 electricity generating stations on floodplains.

The proposals will create around 360 jobs in the construction industry and help to safeguard schools and hospitals that were historically located on the floodplain. The schemes will also help to protect 22kms of motorways and 400kms of railways in Wales as well as 2,300kms of 'A' class roads.

Natural Resource Planning

We are taking forward a fresh approach to the management and regulation of Wales' environment and natural resources. This aims to ensure that Wales has increasingly resilient and diverse ecosystems that deliver economic, environmental and social benefits now and in the future. The central proposal is to move towards an ecosystem approach to regulation and management of the environment. To secure Wales' long term environmental wellbeing, the health of the ecosystems that make up our environment is crucial. Taking an ecosystems approach recognises this and looks at the ecosystems coherently to most effectively manage our natural resources.

Building on the '*Living Wales – a new framework for our environment, our countryside and our seas*' consultation in Autumn 2010, we consulted on '*Sustaining a Living Wales: A Welsh Government Green Paper on a new approach to natural resource management in Wales.*' The consultation ran from 30 January 2012 to 31 May 2012, and a detailed analysis of the responses to the '*Sustaining a Living Wales*' Green Paper consultation was published.

The consultation sought views on a wide range of proposals, including in particular:

- What changes to current policies and systems might be needed in order to implement an approach to managing the environment and natural resources based on the ecosystems approach?
- What scope and opportunities there are for streamlining or simplifying how we manage and regulate the environment and natural resources?
- Whether the development of new market instruments could provide opportunities to improve our management of natural resources?
- The development of natural resource management planning at local and national levels to provide a new strategic framework for decision-making affecting the environment and natural resources

- The preparation of an Environment Bill for Wales, to be introduced in 2014/15, informed by the responses to the proposals in the paper.

Tidy Towns Initiative

The Tidy Towns is an initiative between Keep Wales Tidy and Welsh local authorities and is funded by the Welsh Government. It supports people in making their communities clean, safe and nicer places to live, empowering people to take responsibility for their local environment. It improves awareness of the impact of litter and waste on community safety and wellbeing, and the use of green volunteers raises understanding and engagement on wider environmental and social issues.

A wide range of projects received funding through this scheme in 2011-2012 including litter picks and clean ups, path maintenance, creating and regenerating allotments and community gardens, habitat management and projects to protect endangered species. Keep Wales Tidy delivers the community engagement element across Wales and empowers the people of Wales to take responsibility for their local environment. 88 projects were carried out aimed at protecting specific protected species. Around 1,600 projects have been completed to improve habitats for biodiversity across Wales, including the removal of Japanese Knotweed, Himalayan Balsam and rhododendron. Over 11,800 clean ups and litter picks have taken place across Wales, resulting in nearly 2,000 tonnes of waste being removed from the Welsh landscape. Over 11,500 volunteers have benefitted from training through Tidy Towns projects, enabling them to enhance their skills.

The Tidy Towns initiative began in April 2008 and is continuing to fund community and local authority projects in 2012-2013. Future projects from the Tidy Towns scheme will have a greater emphasis on improving urban communities in deprived areas in line with Welsh Government priorities.

Air quality

Air quality continues to have the potential to affect health and the environment in parts of Wales, and the Welsh Government will continue to work with partners and stakeholders to seek improvements in air quality. We are acting in the long term interest of the people and environment of Wales.

The Air Quality Pollutant Inventories for England, Scotland, Wales and Northern Ireland– 1990 to 2010 was published on 13 September 2011. Key findings in the report show how air quality is now better than at any time since the industrial revolution. Overall emissions of the seven priority pollutants have reduced substantially since the introduction of the air pollution inventory in 1990. Specifically:

- Carbon monoxide – 72% reduction.
- Non-methane volatile organic compounds – 69% reduction.
- Nitrogen oxides reported as nitrogen dioxide – 54% reduction.
- Sulphur dioxide – 82% reduction.
- Ammonia – 16% reduction.

- Sub-10 micron particulate matter (PM₁₀) – 54% reduction.
- Lead – 90% reduction.

We will continue to work with industry, local authorities and other government departments to help ensure that air quality in Wales continues to improve.

Fochriw Allotments Society, Caerphilly

Fochriw is a small and remote village at the head of the Darran Valley on the northwestern edge of the Rhymney Valley. It's a typical South Wales coal mining village and the legacy of its industrial past and geographic isolation are major contributors to the severe level of deprivation present today in Fochriw. Social deprivation is manifested in the problematic fly-tipping and littering behaviours.

The Fochriw allotment site is 3.5 acres and provides an opportunity to local residents to participate in a leisure pursuit whilst helping to improve the quality of their local environment.

Tidy Towns funding of £25,477.50 provided through the Local Environmental Quality Branch of the Welsh Government has enabled a range of work to be undertaken for the allotments society by Groundwork's Caerphilly and other local groups. This work has:

- increased the capacity of allotment spaces by providing a further 10 standard allotment sized plots
- developed communal allotment facilities
- installed over 300 metres of accessible pathways
- installed disabled ramp with handrails and raised beds for easier gardening for disabled users
- the refurbishment of an existing pond to improve biodiversity
- the replacement of the main gates at the top and bottom of the site for additional security
- provided a hard standing for a delivery area
- funded three action days for local residents and local groups volunteering their time and energies in transforming derelict land into growing areas, providing them with relevant allotment education in growing produce and provided training in carpentry and construction .
- improved community cohesion.

The Fochriw Allotments Society has the responsibility for maintaining this site and ensuring that these improvements bring benefits to the Fochriw community for many years.

Indicators

Headline indicator of sustainable development: % of Biodiversity Action Plan habitats and species recorded as stable or increasing.

Progress: The total number of priority species in Wales has increased by 21 since 2002, to 195 in 2008. Of the priority species for which sufficient information was available, 52 per cent were classed as stable or increasing in 2008, compared with 40 per cent in 2002. Of the priority species with sufficient information available, the percentage of species classed as lost or declining has decreased since 2002.

- **Biodiversity Conservation**

The total number of priority habitats in Wales fell slightly to 38 in 2008. Of the priority habitats with sufficient information available, the percentage of habitats classed as stable or increasing has increased slightly to 39 per cent in 2008. Of the priority habitats with sufficient information available, the percentage of habitats classed as declining increased from 57 per cent in 2002 to 62 per cent in 2005. However, this has since fallen to 53 per cent in 2008.

- **Ecological Impacts of Air Pollution**

There was little change in the percentage of sensitive habitats in Wales exceeding critical loads for acid deposition from 1998-2000 to 2004-2006. In 2006-2008 there was a decrease of two percentage points. The percentage of sensitive habitats in Wales where eutrophying pollutants exceeded critical loads for nutrient nitrogen has been fairly stable since 2001-03.

- **Rural Air Quality**

The number of days where air pollution has been moderate or worse than the National Air Quality Standards has fluctuated year on year, and varies depending on location. On average across the two rural sites in Wales, 2010 saw the lowest recorded number of days of moderate or higher than average air pollution, at 15 days. This figure has increased 28 days in 2011, which is still low compared to recent trends.

- **River Quality**

The percentage of river lengths in Wales of good chemical quality has been consistently above 90 per cent since 1994, and has remained at around 95 per cent over the last 6 years. The percentage of river lengths in Wales of good biological quality has steadily increased since 2000, peaking at 88 per cent in 2008 but then decreasing over the next two years.

- **Soil Quality**

The Countryside Survey assesses the tonnes of carbon per hectare in the top 0-15cm of soil in Welsh broad habitats. The results showed that the mean soil carbon stock in 2007 was highest under dwarf shrub heath habitat, and lowest in arable soils.

- **Sustainable Water Resource Management**

The percentage of resource zones in Wales with target headroom deficits has varied since 2001-02. The lowest level was reached in 2009-10 but this has since risen to 12 per cent in 2010-11. A target headroom deficit occurs when the actual amount of available water supply is less than the sum of the forecast demand and the additional “target headroom” amount.

Chapter 4: A Sustainable Economy

VISION

A resilient and sustainable economy for Wales that is able to develop whilst stabilising, the reducing, its use of natural resources and reducing its contribution to climate change. The aim is to create a strong economy based on full employment and high-quality jobs. The recent economic downturn has presented significant challenges for the individuals, businesses and communities across Wales. The immediate challenge for the Welsh Government has been how to help viable businesses in Wales to keep trading during the economic downturn and assist them to become more competitive, taking advantage of the opportunities as the economy recovers.

OUR ACTIONS

The following sections highlights areas where progress towards our vision for a sustainable economy.

Public procurement (Value Wales)

The focus for procurement policy has been on working with the wider public sector to deliver programme for Government commitments to improve access for smaller organisations such as SMEs and Third Sector organisations to public sector contracts and ensuring Wales gets maximum economic, social and environmental outcomes from procurement activity.

Application of the Community Benefits policy has increased and Value Wales is now aware of nearly 80 projects worth over £4 billion. A tool has been developed based on the Local Multiplier Effect (benefitting the local economy) and has been used on 13 of the projects so far with the outcomes indicating that 78% of the business is being won by Welsh SMEs with 211 disadvantaged persons being helped into employment and 10,800 training weeks being provided.

Initiatives to improve accessibility to public sector opportunities such as simplifying pre-qualification processes and increasing advertising of contracts, has contributed to suppliers in Wales winning an estimated 52% of public sector business currently, rising from 35% in 2003.

The Xchangewales programme has helped the public sector automate processes and has reduced carbon and paper used, with transactions in 2011/12 saving nearly 7m sheets of paper and 45 tonnes of carbon.

All the Value Wales programmes provide training and support to the wider public sector and, through a European funded project, 22 trainees have been recruited to a 3 year programme. They receive professional training, which embeds sustainable procurement practice, and are seconded out to the public sector where they can spread best practice.

ICT and Broadband development

Wales needs a modern, sustainable infrastructure to underpin sustainable economic growth and the wellbeing of our people. Our people, businesses and communities need to be well-connected within and beyond Wales, and to have access to the right facilities and services where they live and work. An independent advisory group has been set up to consider and report on the potential role of City Regions in future sustainable economic development in Wales.

In Autumn 2011, a Business Rates Task and Finish Group was established. Their report 'Incentivising Growth' will be published in June 2012. As part of their terms of reference, the Group was asked to consider support for renewable energy businesses.

Valleys Regional Park

The Valleys Regional Park Programme is utilising the natural environment and heritage of the Valleys as a driver for economic and social regeneration through cross sector and cross boundary collaboration involving over 40 organisations.

Activity in 2011-2012:

- The preparation of a draft Valleys Regional Park Delivery Framework in consultation with partners, which adopts an ecosystems approach to deliver sustainable development.
- Creation of 71km of off road cycle route in the Valleys to stimulate sustainable mobility and accessibility, and reduce health inequality.
- 9 additional country parks have secured Green Flag status reflecting their sustainable approach to management delivering multiple agendas.
- 150 local community ambassadors achieving NVQ tourism qualifications.
- The development of opportunities to secure private sector investment for environmental facilities and activities through the WECAN project.

To secure funding from the programme, all funded projects are required to complete the WG sustainable development integration tool and follow the approach through to completion. This includes having a site waste management plan and at least 10% of construction material being from recycled sources.

The programme is now working towards the publication of an updated delivery framework which adopts an ecosystems approach and provides a platform for the integrated planning and delivery of environment, heritage and tourism activities across the Valleys.

The activities will result in positive outcomes for areas in including economic, biodiversity, health, mobility, accessibility and education.

Regeneration

We support an integrated set of activities to reverse economic, social and physical decline to achieve lasting improvement in areas where market forces alone will not realise this. Our *Creating Sustainable Places Together* internal guidance is used as a sustainable development desk top manual, to support the development of sustainable policies, activities, projects and programmes for all of our work. It helps and guides all managers within the division on how to mainstream sustainable development as the central organising principle.

Creating Sustainable Places Together supports the integrated approach to planning and project implementation that regeneration facilitates through its work with a wide range of sectors within and outside Welsh Government. During 2011/12, the Regeneration Team has updated its grant awarding procedures to reflect this. Regeneration policy and frameworks have been developed to reflect Welsh Government commitments to SD as a central organising principle and providing a platform for integrated planning and delivery through cross government working and regional stakeholder partnerships across Wales. This involves a wide range of technical disciplines, to deliver economic, social and environmental outcomes. We are currently consulting on a new regeneration framework for Wales to support our vision that everybody on Wales should live in a vibrant, viable and sustainable community with a strong local economy.

Research, Development, Innovation and Science

Research and development play an important role in stimulating innovation, and innovation is a key driver of economic growth and long-term wellbeing. Wales must move towards a more R&D intensive and knowledge-based economy where the right conditions exist for innovation to flourish. We place a particular emphasis upon increasing collaboration for research and development with academia, leading to innovation and commercialisation, working closely with the office of the Chief Scientific Officer.

An Innovation Strategy for Wales is being developed as it is vital that organisations in Wales invest in and are supported to:

- Carry out Research and Development (R&D).
- Adopt new technologies.
- Develop new products and processes.
- Protect and commercialise intellectual property.
- Embrace innovative business models.

European Structural Funds

The Welsh European Funding Office (WEFO) manages the European Structural Funds. The two cross cutting themes of the 2007-2013 Convergence Programme, environmental sustainability and equal opportunities will help to support sustainable

development in Wales. The aim of WEFO is to improve the quality and legacy from each project and to add value to the European Union as a whole.

The Structural Funds Programmes in Wales support a wide range of projects which contribute to sustainable development as the central organising principle. The Skills for Industry project is a collaboration of the South Wales Further Education Colleges led by Gower College Swansea which aims to use a 'sector-based' approach to delivering vocational and generic training, including specialist training in sustainable development.

Delta Stream is a collaborative research project between the private sector and academia.

- It aims to ensure that innovation, resulting from the development of a tidal generation device during phase one, is properly researched, understood and applied to the technology.
- Led by Tidal Energy Ltd, a full scale prototype is being designed and built, and will be installed in Ramsey Sound, Pembrokeshire.
- Once installed, the device will operate for one year during which time it will provide renewable energy to the local community.

SBED (Sustainable Building Envelope Demonstration), led by Cardiff University, will design, model, test, prototype and monitor low carbon building systems.

- It will use solar thermal and photovoltaic technologies (both stand-alone and integrated) on a variety of private sector 'buildings in use'.
- It aims to accelerate, through demonstration, the development of innovative energy generating building façades for low carbon design solutions.
- This could transform the role of the building envelope from passive energy conservation to one of generation, storage, distribution and intelligent management for optimal performance.

WEFO have focused a significant amount of effort and resource on supporting project sponsors in the delivery of real and practical actions that directly improve the environmental, equality and economic situation 'on the ground'. Several projects have developed a tool to improve the environmental, equality and ultimately economic business performance of supported organisations and enterprises. These include: Cardiff University's SEREN project, Welsh Government and Wales Cooperative Centre, Communities 2.0 project and Swansea University's ASTUTE project.

The Physical Regeneration of Pontypridd project aims to deliver an integrated programme of investment to improve the economic, social and environmental conditions in the town centre, including public realm, infrastructure and access improvements. Like similar projects in Newbridge, Aberdare, Bargoed, Ferndale, Cardiff and Haven Town, the project sponsors have made a considerable effort to integrate equal opportunities, particularly through community and local access group engagement.

The Sustainable Development Charter

The Charter is our principal tool to engage organisations from all sectors across Wales with more sustainable practices. The SD Charter challenges organisations to identify and share their best practice on sustainable development with other organisations, through which we hope to develop an innovative community of practice in Wales. This will play an important role in taking forward the proposals in the Sustainable Development Bill.

Signatories set themselves an annual challenge setting out what they will do differently as a result of making sustainable development their central organising principle. They are asked to report at the end of the year to evidence the change the Charter has promoted, and to evaluate its continued validity.

The network has grown steadily since its launch in 2010. It currently has more than 130 signatories, ranging from public and third sector bodies, to large global companies, SMEs and small private sector companies. The Charter is being grown gradually to ensure that it can develop effectively and members can be supported appropriately.

This year we are working with signatories to evolve mechanisms by which the network is supported, to enable members to share expertise and work together more effectively. This should enable significant expansion of the Charter. This work is being supported by a delivery contract with Cynnal Cymru.

By being a Charter signatory organisations play an important role in helping to build a resilient and sustainable economy, including by fostering local economies and suppliers, supporting innovation, achieving the transition to a low carbon, low waste economy, and ensuring that Wales is the best location for business to locate, start up, grow and prosper;

This contributes directly to the emission reduction target set out in the Climate Change Strategy, and in adaptation contributes to the long term wellbeing of communities.

Low Carbon Skills

The Sector Priorities Fund Pilot is providing training for new low carbon industries. Working with the Sector Skills Councils, and supported by the European Social Fund, we have invested in training for businesses from the installation of energy efficiency measures on properties to maintenance of wind turbines.

At its conclusion in July 2012, the Project supported 700 participants and 200 businesses across a range of disciplines, including:

- establishing a new Apprenticeship Framework for the operations and maintenance of wind turbines;
- delivery of new vocational qualifications for those professionals providing advice services prior to the installation of energy efficiency measures on properties;

- providing training for solid wall insulation linked to its widening use as an energy efficiency measure under the Arbed Programme and similar schemes;
- supporting the establishment of a new suite of up-skilling training for the construction workforce covering the appropriateness and sensitivities associated with retrofitting pre-1919 properties;
- launched a new training pathway as part of the Pathways to Apprenticeship Programme aimed at providing a progression route for young people into the emerging solid wall insulation market.

Our investment in skills will continue to focus on ensuring the right training is available to help deliver our transition to a low carbon Wales. We will align programmes e.g. Skills Growth Wales and Jobs Growth Wales, to support the opportunities for skills development and job creation as part of the emerging green economy.

Indicators

Headline indicator of sustainable development: Gross Value Added (GVA) and GVA/head

Progress: Both GVA and GVA per head in Wales have increased continually between 1997 and 2008 with a fall in 2009 followed by an increase in 2010. Wales' GVA per head as a proportion of the UK's GVA per head has fallen from 78 per cent in 1997 to 74 per cent in 2010.

- **Employment**

The percentage of all people aged 16-64 in work in Wales has increased between 1992 and 2011. However, the rate fell during 2009 and 2010 with it increasing slightly in 2011. The percentage of both men and women aged 16-64 in work increased overall between 1992 and 2011; although the increase in the percentage of women aged 16-64 in work was much larger than that for men. The difference between the percentage of men compared to the percentage of women aged 16-64 in work has decreased from 13 percentage points in 1992 to 8 percentage points in 2011.

- **Resource Efficiency**

The ratio of carbon dioxide emissions to GVA in Wales has decreased by 12 per cent between 2005 and 2007.

- **Electricity from Renewable Sources**

The percentage of electricity generated in Wales from renewable sources has more than doubled since 2002, reaching 5.1 per cent in 2010. This increase has been driven by increases in the proportion of wave, wind and solar power used.

Chapter 5: A Sustainable Society

Sustainable development scheme vision

A strong, healthy, inclusive and just society, while living within environmental limits, is key to sustainable development. Decent housing for all is vital. Ineffective education constrains the rich potential contained within our population, and it is a priority that our education system continues to strengthen. A real commitment to good education for all is the basis for a strong, prosperous and aspiring community. We want to inspire and educate people to develop their knowledge, values and skills so they can participate in decisions about what affects them, and live more sustainably.

OUR ACTIONS

The following sections highlights areas where progress towards our vision for a sustainable society.

Foundation Phase/School Curriculum

The school curriculum for Wales which was introduced in September 2008 aims to:

- be relevant to the 21st century
- support Government policy including Education for Sustainable Development and Global Citizenship (ESDGC).

Sustainable Development is embedded within the school curriculum for Wales for 3 to 19 year olds through ESDGC.

ESDGC is an integral component of the Foundation Phase Framework for Children's Learning for 3 to 7 year olds in Wales. Children should be given opportunities to develop their skills, knowledge and understanding through being involved in a range of experiences across the areas of learning including activities that allow them to begin to understand how they can protect the environment and become environmentally friendly in their everyday lives.

This provides opportunities to develop the values and attitudes, understanding and skills to prepare them for life as global citizens in the 21st century. These opportunities are identified in a range of subjects and specifically Sustainable Development and Global Citizenship is a theme within the PSE framework for 7 to 19 year olds in Wales.

Higher education

Progression of sustainable development in and by the HE sector in Wales. Higher Education Funding Council for Wales (HEFCW), through its funding and management of the HE sector, continues to ensure that institutions work on the Welsh Government's behalf to progress sustainable development.

HE institutions continue to develop and share best practice through the Higher Education Academy's ESDGC Group. This links to the continuing work undertaken by University of Wales Newport, and Swansea University, on the UN Regional Centre of Expertise. Two significant pieces of work have been completed in relation to ESDGC:

1. The Development of a Common Understanding of ESDGC - which presents a snapshot of the current position in the HE sector in Wales.
2. The development of Sustainability Base-lining Tool - which provides a numeric way of measuring current performance and progress in embedding ESDGC within the HE sector.

HEFCW will continue to work in partnership with the HEA ESDGC Group, Carbon Trust Wales, and the Environmental Association of Universities and Colleges to embed and deliver improved sustainability within the HE sector. HEFCW will ensure sustainability and well-being are appropriately reflected within our new corporate strategy and are developing metrics with the ESDGC group against which we can better measure progress.

International Education Programme

The principle aim of the International Education Programme is to support learner understanding of sustainable development issues, assisting them to reflect on their place in the world and their impact on it. They also try to gain knowledge, skills and values necessary to participate in decisions about improving their wellbeing and that of their communities, promoting a more equitable and sustainable world.

Areas of focus include a curricula/system reform for improved education outcomes and attainment levels and productive and lasting partnerships. These will assist the ESDGC agenda for developing young people and the Welsh Language.

Further grants have been agreed with the British Council (BC), CILT and the Holocaust Educational Trust for 2012/2013 and work will continue to raise engagement and youth promotion in ESDGC by offering workshops, network/consortium meetings, connecting classrooms and Global Schools Partnerships Programmes, Exchanges and long-term visits.

Local Service Boards

Local authorities and their community planning partners, through LSBs, have continued to drive forward the sustainable development agenda, addressing the needs of our most vulnerable people and disadvantaged communities with a particular focus on integration, collaboration, prevention and equity. This was set on a more formal footing during 2012 with the publication of guidance on integrated planning, *Shared Purpose – Shared Delivery*, building on best practice already emerging in a number of local areas.

Each local area will have in place a single integrated plan by April 2013, showing how partners will work together to effect real improvements to outcomes. A number of areas – Carmarthenshire, Cardiff, Conwy, Denbighshire, Powys and the Vale of Glamorgan – already have their plans in place. These integrate their statutory plans for children and young people, health social care and well-being, community safety and the community strategy, as well as local environmental and economic outcomes. As strategic planning tools they cover the full range of social, economic and environmental outcomes for an area. The Welsh Government intends to consult on further strengthening the statutory framework for single integrated plans to ensure they will be the main vehicle for showing that local partners' decisions about priorities and solutions are founded on sustainable development principles of integration and joined-up working.

We have a Wales European Funded Office (WEFO) approved £17 million European Social Fund (ESF) project to develop Local Service Boards and deliver priority projects. One of the 5 generic themes running through this is sustainable development. This aims to provide the collective leadership capacity and the ability to pool expertise locally, and join up with national leadership and capacity, linked to, and taking account of, the work under the single integrated plans.

In the future, this will include network events, promoted through the local LSB development officers, to bring together representatives from public service organisations, target those that are not experts on sustainability and deliver appropriate training

Sustainable Travel

We will work to develop a series of Sustainable Travel Towns in each region. To take this forward we will initially develop a pathfinder scheme in a large urban area. We will subsequently identify and develop a series of towns linked to other key settlement identified in the Wales Spatial Plan.

Sustainable travel is not a one model fits all approach. It is about understanding the needs of the local area and delivering a package of measures to provide travel alternatives through walking, cycling, public transport and sustainable car use. These measures need to be accompanied by behavioural changes and effective branding to ensure success.

Cardiff was the first initiative with other schemes in Môn a Menai, Aberystwyth, Haverfordwest and Carmarthen. During the year the programme delivered further bus priority measures and cycling improvement schemes and an enhanced passenger information scheme.

The grant continues in 2012-13 and is currently under review. This will inform future programmes and establish how Sustainable Travel Centres can contribute to the Active Travel Bill.

Communities First

Following extensive consultation, in November 2011 the Minister for Local Government and Communities announced that from April 2012 the Communities First (CF) Programme would be re-launched as a Community Focussed Tackling Programme with the three strategic outcomes of Healthy Communities, Learning Communities and Prosperous Communities.

Going forward there will be fewer larger CF areas than previously, now known as Clusters. Successful applications must be able to demonstrate a contribution towards tackling poverty in a sustainable way, must focus on the needs of each specific community and demonstrate clearly how local people will contribute to the work of the Cluster and improving outcomes. The proposed projects within the Clusters must demonstrate how they will contribute towards tackling economic inactivity, alleviating family and child poverty and improve the lives of individuals and communities by addressing the short term impacts and long term causes of poverty.

The reduction in the number of CF Clusters areas compared to CF Partnerships will allow administrative functions to be rationalised and more cohesively developed. It is intended that the Clusters will have the flexibility to develop informal structures that best suit the local circumstances. While there will still be strong support in each local community, the move to fewer, larger areas will mean that some resources can be shared between communities.

The Minister for Local Government and Communities has agreed to extend the existing CF funding arrangements in areas which submitted Clusters applications by until 31 January 2013 to allow for an orderly transition to the new programme arrangements. It is expected that once funding for the new Clusters has been approved, they should become established as quickly as possible and at the latest by 31 January 2013.

Access to the Arts

The Welsh Government and the Arts Council of Wales (ACW) have continued to implement the recommendations of the National Assembly Inquiry Report into 'the Accessibility of Arts and Culture' (Feb 2011).

Through the annual Remit Letter, the Minister has required ACW to encourage more people from all backgrounds to enjoy and take part in arts events or activities, and to promote greater access to these activities in areas where people have limited access at present. This was a key recommendation in the SD Scheme. Actions ACW has taken in response include:

- targeted projects in partnership with agencies such as Disability Arts Cymru, Voluntary Arts Wales and BVSN Wales
- increased investment in touring, including an extension of the successful 'Night Out' initiative.
- work to improve digital interconnectivity, to encourage virtual shared programming.

- the development of 'Young Creators' a new strategy for children, young people and the arts, which has accessibility to the arts for children and young people at its heart.

In the coming year there will be further work to complete the implementation of the recommendations from the National Assembly Inquiry Report into 'the Accessibility of Arts and Culture' (Feb 2011).

Housing

The National Housing Strategy "Improving Lives and Communities" underpins the extensive programme of work to help meet people's housing needs and is the foundation for the housing White Paper that was published in 2012. There are three strategic priorities, namely increasing the number of homes; improving the quality of existing homes, and improving housing services. All three are relevant to sustainable development but the first one particularly so.

We have funded a programme that has resulted in 400 new homes being built using social housing grant by Registered Social Landlords (RSLs) at level 4 and 5 of the Code for Sustainable Homes.

A substantial number of the new homes were completed in 2011-12 and an Interim progress Report (Code for Sustainable Homes Interim Report) was published that provided initial feedback on the way the project was developing and outlined some of the initial findings. The report also provided guidance for those RSLs still developing schemes and gave an insight into the emerging issues for all those in the house building industry involved in building to higher sustainability standards. The projects have also helped inform the development of proposals for new energy standards to be included in Welsh Building Regulations.

The Welsh Housing Quality Standard (WHQS) has driven a powerful agenda to improve social housing and support community regeneration. In addition to ensuring all homes provided by local authorities and housing associations have modern amenities and achieve a minimum standard of energy efficiency it has supported many other community benefits including new jobs and training opportunities, support to local groups and environmental improvements.

A monitoring statistical return published by Welsh Government on 15 October 2012, indicates that almost three-quarters of social housing has now achieved the energy efficiency target within the WHQS. The release is available at the following link: <http://wales.gov.uk/topics/statistics/headlines/housing2012/121015/?lang=en>

Indicators

Headline Indicator of Sustainable Development: % of the population in low income households

Progress: There has been little change in the percentage of the population in relative low-income households before housing costs since 1994/97. The percentage of the population in relative low-income households after housing costs has decreased since 1994/97. However, in recent years the percentage has been similar to the level seen in 2003/06.

- **Health Inequality**

The infant mortality rate per 1,000 has decreased from 4.8 in 2009 to 4.0 in 2010, however these numbers are based on small numbers so have tended to fluctuate over recent years. There has been a sustained increase in life expectancy for both males and females since 1991-93.

- **Benefit Dependency**

The percentage of people aged 16-64 on key benefits decreased each year from 2000 to 2008. However, there was an increase of 1.6 percentage points in 2009 to 16.4 per cent, which fell in both 2010 and 2011 to stand at 15.5 per cent in 2011.

- **Housing**

The average SAP energy efficiency rating for dwellings in Wales was 50.3 in 2008, an increase of four points since 2004 and comparable with the average for England in 2008 (51.4). The Standard Assessment Procedure (SAP) for energy rating of dwellings is a calculation of a building's energy efficiency. SAP ratings are scored on a scale from 1 to 100 where 1 is the worst and 100 is the most energy efficient.

- **Accessibility**

The percentage of households where the time taken to reach the GP surgery on foot or by public transport is 15 minutes or less has remained unchanged between 2005/07 and 2008/10. Over the same period, there has been a small increase in the percentage of households reaching the grocer or shopping centre by foot or by public transport in 15 minutes or less.

- **Crime**

The total number of police recorded serious acquisitive crimes in Wales has fallen by a half to 30,000 since 2003-04. This decrease has been driven by large decreases in thefts from a vehicle and theft or unauthorised taking of a motor vehicle. The number of all household crimes in Wales per 10,000 households (as recorded by the British Crime Survey) increased between 2004-05 and 2006-07, before decreasing steadily to its lowest level in 2010-11.

Chapter 6: The Wellbeing of Wales

VISION

Wales' approach to sustainable development is based on the contribution of its people and rooted in its rich and diverse culture, supporting and sustaining our traditions, languages and heritage. The pursuit of equality of opportunity is a continuing challenge to achieve a sustainable Wales - where every individual has equal rights, respects each other, and plays a role in which they can fulfil their potential within an inclusive society.

OUR ACTIONS

The following sections highlights areas where progress towards our vision for the wellbeing of Wales.

Health

A crucial element in creating a Wales based on sustainable development principles involves protecting and improving health and wellbeing. The aim must be to reduce as far as possible health problems that require costly interventions and provide fast, effective rapid responses where these are required.

In November 2011 the Welsh Government issued *Together for Health*, setting out its aims for health and health services through to 2016 and beyond. This recognised the relationship between health and sustainable development, across the social, economic and environmental dimensions. In tackling health issues, it looks to increasing its impact in terms of –

- a. protecting and improving well-being as much as possible across the life course
- b. ensuring any services provided are as safe and effective as possible, and sustainable over the longer term, using scarce resources to maximum effect
- c. minimising any environmental damage from the activities undertaken
- d. Identifying areas where activity can support regeneration, innovation and prosperity.

This approach is being taken forward both with in the health field and in creating links with other government policies. Where possible, indicators are being developed to calibrate the impact of policies.

Maternity Services

The Strategic Vision for Maternity Services in Wales was launched in September 2011. The Welsh Government's vision for maternity services is one that promotes pregnancy and childbirth as an event of social and emotional significance where women and their families are treated with dignity and respect.

An all Wales Implementation Group has been set up and is responsible for ensuring that key actions implemented. Five outcome indicators and five performance measures have been developed and these will be used to monitor how well the maternity services are doing in developing world class services for women, their babies and their families.

The Implementation Group will complete its work by April 2013. All Health Boards have been asked to report to Welsh Government their baseline measures, against the five outcome indicators and five performance measures, by July 2013.

Health Working Wales

Health Working Wales (HWW) works to improve the health and well being of the population through utilising the workplace as a setting for health improvement. HWW contributes to a sustainable economy by supporting employers to develop and implement a range of policies and programmes, including Green Travel Plans, and to consider the principles of sustainable development throughout the organisation.

A total of 96 employers have achieved the Small Workplace Health Award and 67 have achieved the Corporate Health Standards. 56 Corporate Health Standard and 6 Small Workplace Health Award holders have achieved levels requiring a Green Travel Plan to be implemented.

There are 4 Platinum award holders; Carmarthenshire County Council, Wylfa Power Station, Coleg Morgannwg, Powys County Council. Employers achieving Platinum awards are exemplar and demonstrate business excellence, taking full account of their corporate social responsibility.

Welsh Language – Publication of a new Welsh Language Strategy

The Government's vision is to see the Welsh language thriving in Wales. To achieve that, the strategy aims to see an increase in the number of people who both speak and use the language. The new Welsh Language Strategy was published on 1 March 2012, and an Action Plan for 2012/13 was published on 31 March 2012.

There are two core elements to the Welsh Government's policy for achieving our vision. Firstly, via measures to enable and encourage children and other people to acquire the language, such as encouraging language transmission at home and ensuring further growth in Welsh-medium education. Secondly, via measures to enable and encourage people to use the language on a daily basis, such as providing opportunities for people to use Welsh socially, at work, when receiving services, and when enjoying entertainment and recreation.

Also, a Task and Finish Group has been established to plan to increase the number of Welsh speaking communities. This was established in direct concern regarding the sustainability of Welsh language communities

Over the next five years we would want to see:

- an increase in the number of people who both speak and use the language
- more opportunities for people to use Welsh
- an increase in people's awareness of the value of Welsh, both as part of our national heritage and as a useful skill in modern life and throughout digital media
- the strengthening of the position of the Welsh language in our communities.

Cadw – Historic Buildings and Monuments

Cadw promotes sustainable travel in all of its visitor information. To encourage the use of sustainable transport to its sites, public transport details are published for each monument so that rail, bus and cycling networks are easy to identify. Cadw has also invested in cycle racks at 25 monuments. An initiative is already in place with Arriva trains, where visitors who travel by train to Criccieth and Harlech can claim two for one admission at the castles. During 2011-12, 500 visitors have taken advantage of this offer

During 2011-12, Cadw researched and developed a policy for volunteering. This adheres to the principles of volunteering and has been prepared in line with best practice guidance. Cadw intends to have its new volunteer policy operational by March 2013 and will develop further pilot schemes for volunteer room stewards at properties in its care such as Castell Coch and Tretower Court. Over 50 volunteers now work at Plas Mawr as room stewards assisting with the interpretation of the house and its contents and engaging with visitors.

Cadw will continue to implement a programme of action outlined in the Historic Environment Strategic Statement including conservation of a range of iconic Welsh cultural heritage sites, promoting sustainable techniques and traditional skills, as well as achieving improved physical and intellectual access for the public.

Work began in February 2012 on a programme of Stakeholder engagement for the proposed Heritage Protection Bill. Following 7 workshops with stakeholder groups and a Conference, there will be a series of roadshows in autumn 2012 to seek the views of the third sector and communities on the future protection of the historic environment. Formal consultation begins in spring 2013.

CyMAL: Museums, Archives and Libraries Wales

Through CyMAL division's programmes, and the work of our sponsored bodies, we have been working to:

- Promote green behaviour and increase energy efficiency, reduce waste and reduce carbon footprint.
- Mainstream sustainable development into activities and planning eg, building strategies.
- Achieve relevant environmental standards (Green Dragon/BS8555).

A new bus route for National Library users will be launched in September 2012, following a local regeneration partnership. The National Library has increased use of low-energy lighting, and more efficient server cooling systems in its building.

In 2011-12 the National Museum reduced its annual CO₂ usage by 5.6% from 2010-11. The National Museum has established a Sustainable Development Procurement Policy and Action Plan to address the whole life costs and impact of procurement and evaluate the environmental performance of suppliers and contractors.

Engagement with young people on Sustainable Development and Climate Change

We have asked Funky Dragon (Children and Young People's Assembly for Wales) & Eco-Schools, to integrate engagement with young people on sustainable development and climate change issues into their core work.

Our successful Eco-Schools programme helps schools think about their impact on the environment through considering a range of issues. Over 90% of schools in Wales are registered through the programme with over 700 schools achieving Green Flag status. Sustainable development is covered within the remit of each school's Eco-Committee and pupil understanding of SD is one of the key principles required to achieve Green Flag status.

Young people are educated about sustainable development, however; they are encouraged to develop their own understanding so that they can implement it into their everyday lives. SD has formed a key part of projects run through Funky Dragon; so that when members leave the organisation, projects can be continued by others who take their place. Working with Funky Dragon also allows us to educate young people on SD whom may not be in education or training.

Climate Change Engagement Strategy

The Climate Change Engagement Strategy sets out how public behavioural change will play a crucial role in meeting our climate change targets to reduce greenhouse gas emissions and prepare for the impacts of climate change. The approach aims to catalyse action and to help people, communities and organisations.

The strategy has an associated delivery plan, which currently includes the following key projects:

- Understanding more about the people we hope to influence. The development of an audience model which breaks down the Welsh population down into different audiences on the basis of their values, attitudes and behaviours in relation to climate change and sustainable development.
- Developing effective language to engage and inspire. Our sustainable development narratives project is developing a way of talking about a low carbon, sustainable Wales in a way that engages and excites people.
- Making action on climate change normal and everyday. Our climate change PR campaign communicates the simple things all of us can do every day to reduce our carbon footprint.

The Delivery Plan contains 17 actions; 5 have been completed and a further 9 are on schedule

- Implementation of the sustainable development narratives into working practice
- Dissemination of the sustainable development narratives to other Welsh Government departments and external stakeholders
- Using the segmentation research to tailor communications effectively for targeted audiences
- Development of the national climate change campaign to influence audiences to reduce their carbon footprint.

DVD and Business cases for Action

We aim to increase the number of Local Service Boards (LSBs) tackling climate change through a DVD highlighting how some LSBs have already benefited from doing so. The bilingual DVD features pioneering work carried out on building resilience to deal with the impacts of a changing climate.

The completed DVD has been distributed to all LSBs in Wales and is also available to view via a YouTube link. The DVD and the recently completed guidance on drawing up business cases for action on climate change in the public sector will be used to encourage those LSBs not currently taking action to reduce carbon emissions to put appropriate plans into place.

Welsh Local Government Sustainable Development Framework

The Welsh Local Government Association (WLGA) Sustainable Development Framework works to enable local authorities to embed sustainable development as their central organising principle through:

- offering specific advice above and beyond the guidance that is already available;
- identifying areas that all local authority services can act upon straight away, as well as being challenging and present new ideas;
- providing practical ideas on how to do things differently; and
- helping to identify and surmount barriers to implementing sustainable development.

In the current year WLGA have worked with four local authority projects, developing new practice on different issues. This has involved council leaders and chief executives in discussions about how to take a sustainable development approach within their organisation, and has helped secure high level buy-in and ownership of the work in each of the councils. Each council is sharing their thinking and lessons learnt with other councils as the projects develop, to help ensure a wider dissemination of learning.

The Framework proposals will continue to:

- maintain its role as an awareness-raising and capacity-building mechanism for local government in Wales generally;
- focus on specific elements of and issues for sustainable development in order to embed an sustainable development approach to local authority strategic planning and service delivery;
- offer support to specific Local Authorities and their Partner Organisations to build a base of best practice;
- focus on the sharing of best practice and the promotion of specific practical action in local government and its strategic partnerships;
- work in partnership with relevant organisations and professional bodies to ensure the best use of limited resources to embed sustainable development in local government.

Wales for Africa

The Wales for Africa programme seeks to support Welsh efforts to help deliver the UN Millennium Development Goals to halve global poverty by 2015. It reflects our recognition that people and organisations have impacts that extend beyond the borders of Wales and our continued desire for Wales to be an outward facing nation that confidently recognises the contribution we can make to the world as active and responsible global citizens.

Wales Africa Community Links

By the end of 2011-12 the Wales Africa Community Links project had supported 10 community linking organisations with 230 community-based projects tackling poverty in Africa and providing benefits to those involved in Wales. The UN Development Programme endorsed the initiative as leading the world by example.

Wales for Africa Health Links Network

In 2011–12 the Wales for Africa Health Links Network continued to improve their impact through regular sharing learning events, consortium meetings and engagement with the Tropical Health and Education Trust. Projects included training of midwives in Sierra Leone, motorbike ambulances in Uganda and Kenya, and distance learning from Swansea to Ghana.

Fair Trade Wales

Wales continues to be the world's only Fair Trade Nation. In 2011-12:

- 50% welsh towns have Fairtrade status.
- 50% welsh schools are registered on the Fairtrade school award scheme.
- A national programme of school support across 22 counties has been delivered.
- 42 individuals have been trained to live link with international producers across 21 counties.

International Learning Opportunities

In 2011-12, 15 Welsh professionals completed 8 week placements to support public service organisations in Uganda, Zambia, Lesotho and Cameroon.

International Development Hub

In 2011 the Wales International Development Hub was set up to support international development networks in Wales. It aims to enhance Wales' vibrant contribution to international issues, which is driven by the efforts of civil society and volunteers alongside the nation's legal duty to sustainable development.

International Sustainable Development

Network of Regional Governments for Sustainable Development (nrg4SD)

The Network of Regional Governments for Sustainable Development (nrg4SD) is made up of 50 sub-national governments from 30 countries. Altogether, nrg4SD represents around 600 territories in the World.

In 2011-12 the Minister for Environment and Sustainable Development attended the 2011 General Assembly of nrg4SD. The Minister's attendance at the meeting demonstrated Wales' commitment to international sustainable development and allowed Wales to act as an exemplar to other smaller states and regions. The Assembly was also used to plan for regional government involvement in Rio+20.

Territorial Approach to Climate Change

The Territorial Approach to Climate Change is a partnership of individuals, community organisations, private sector and Government working together to increase resilience to climate change and to promote low carbon, sustainable development in Mbale, Bududa and Manafwa Districts, Uganda. It is a UNDP project with financial support provided by the Danish Embassy, DFID and UNDP, and Technical and Development Support provided by the Welsh Government. In 2011 Welsh experts engaged in the programme in a number of technical roles contributing to the Integrated Territorial Climate Plan.

Size of Wales Million Trees Project

Funded by the Waterloo Foundation and managed by Wales for Africa, the project counts as a contribution towards the Size of Wales campaign. The project is being implemented in three highly deforested districts that make up the Mbale region: Mbale, Manafwa and Bududa. Such is the impact of the project that in Dec 2011 it was chosen to be one of ten 'Lighthouse' projects showcased by the UN at a special event with Ban Ki-moon at the Climate Change Summit. At the end of the second year the project is well on target to meet the goal of planting 1,000,000 trees. Currently over 900,000 trees have been planted, awareness of the problems of climate change have been raised and voiceless groups, especially women, people with disabilities and youth have been empowered and are managing their own tree nursery beds.

Indicators

Headline indicator of Sustainable Development: Wellbeing in Wales

Progress: There has been little change in the physical component and mental component scores since 2003/04. The mean physical component and mental component scores for women are lower than those for men, indicating poorer health and wellbeing for women. In 2009, the pilot of the National Survey for Wales found that 85 per cent of adults were satisfied with their life overall, whilst 4 per cent were dissatisfied.

- Education

The percentage of all pupils at Key Stage 2 achieving the core subject indicator has increased from 61 per cent in 1999 to 80 per cent in 2011. The percentage of female pupils achieving the core subject indicator has been between 7 and 10 percentage points higher than for male pupils throughout this period.

- Childhood Poverty

The percentage of children in Wales in relative low-income households after housing costs has decreased since 1994/97, but after a rise in recent years the level has fallen to that of 2002/05. Relative low-income households before housing costs have followed a slightly downward trend.

- **Pensioner Poverty**

There has been a decrease in the percentage of pensioners in relative low-income households before housing costs. The percentage of pensioners in Wales in relative low-income households after housing costs has nearly halved since 1994/97. This has resulted in a big increase in the difference between before and after housing costs since 2000.

- **Workless Households**

From 1997 to 2001, there was an increase in the percentage of people aged 16-64 living in workless households. This fell from 2001 to 2008, before increasing in 2009 and 2010 and then falling in the latest year. From 1997 to 2001 there was an increase in the percentage of children living in workless households. Between 2001 and 2008 the percentage fell, before increasing in 2009 and 2010 and then falling in the latest year.

- **Active Community Participation**

From 2001 the percentage of people volunteering on a formal or informal basis at least once a month in the 12 months have fluctuated year on year. These changes were not statistically significant.

- **Welsh Language**

The percentage of pupils assessed in Welsh First Language at the end of Key Stages 1, 2 and 3 have all increased since 2000. The percentage of pupils assessed in Welsh First Language decreases as children get older and progress through the key stages.

Chapter 7: Effectiveness Review – Next Steps

After each National Assembly for Wales election Welsh Ministers must carry out a review of the effectiveness of their Sustainable Development Scheme. Ministers have a duty to do this under section 79 of the Government of Wales Act 2006. PricewaterhouseCoopers (PwC) were commissioned in August 2011 to carry out the independent review. The report was published in January 2011 and highlighted the progress made in embedding sustainable development across Wales and our readiness to address the challenges ahead. The report highlighted a number of next steps to be considered by Welsh Government in embedding sustainable development further as the central organising principle.

While this Annual Report covers the period March 2010 to April 2012 we have provided an update on how we are taking forward the 19 next steps identified by the report. This work does underpin our programme to make the Welsh Government an exemplar organisation in embedding sustainable development as the central organising principle.

Leadership

1. The proposed SD Bill provides Wales with an opportunity to formalise structures and processes to help it achieve its sustainability ambitions. The consultation phase and policy development process for the Bill should be designed to maximise public, civil society organisation and commercial participation and awareness.

The SD Bill consultation has provided an opportunity to explain to members of the public and key stakeholders the Welsh Government's approach to SD. A total of 21 engagement and consultation events were held during the 10 week consultation period, and the 3927 written responses and feedback from events fed into the policy development of the White Paper. A Bill Reference Group, consisting of stakeholders from all sectors, has been convened to assist in developing and testing the proposals in the White Paper.

2. Encourage more consistency between senior civil servants, and their respective Departments, in agreeing how SD principles are applied to operational delivery. One mechanism for building this consistency is by ensuring that SD as the Central Organising Principle is fully embedded within its mandatory induction training for all new staff, and within the Senior Management Leadership Programme CULTIVAR. Whilst building SD capability should ideally be implemented across the whole organisation, as a priority this should be focused on those staff that are a key part of the decision making process, typically Grade 5 and above. The Welsh Government's management, leadership, training and development body, Public Services Management Wales, has a key role to play in delivering this step.

As shown in the answer to question 3, we have been working to ensure our internal processes and governance support SD and drive that consistency. In terms of

training a number of learning and development interventions are being refreshed and designed in order to support delivery of this next step to place Welsh Government as the exemplar in relation to SD and the future SD Bill. This includes:

- 'Sustainable Development – The Central Organising Principle for Welsh Government' – this programme has been reviewed with expert owners and is being refreshed to reflect current practice and incorporate requirements of the future SD Bill.
- 'Communication, Climate Change and Behaviour Change.....The Sustainable Leadership Challenge' – this expert seminar continues to be offered across the organisation as a knowledge build session for sustainable leadership.
- 'eLearning' – four fifteen minute e-learning modules have been designed to outline the what, why and who of sustainable leadership and will include research based best practice models and case studies.
- 'Cultivar' – the newly produced leadership programme will incorporate the sustainable leadership challenge and what this means for Government as an exemplar organisation.
- 'Reception/Induction' – the reception/induction courses for all employees will include the organisations driving principles in relation to Government and will include signpostin. to best practice models and case studies

3. Ensure that internal governance arrangements, within and across Welsh Government, fully support the embedding of SD as the Central Organising Principle. Welsh Government should consider how the roles of its Strategic Delivery and Performance Board and its other boards ensure that SD as the Central Organising Principle is reflected their Terms of Reference. The new First Ministers Delivery Unit (FMDU) could provide a central point for the internal challenge, with external independent scrutiny from the Sustainable Futures Commissioner.

The Welsh Government has set out five principles for staff to follow as they approach their work. The Delivering Results Principles are not a new way of working but are based on existing requirements, best practice and evidence from the organisation. These principles based around their:

- Fit with the Government's programme and Ministerial priorities.
- Impact on the people of Wales and the supporting evidence.
- Cost of our investment.
- Mechanisms available to incentivise change.
- Management of the work.

The principles strongly recognise SD as the Central Organising Principle of the Welsh Government and are meant to be applied proportionately in the work of staff.

4. Ensure that there is clarity around the political governance arrangements for SD as the Central Organising Principle within and across Government, and that they remain fit for purpose.

The Welsh Government's Programme for Government and legislative programme has recognised the role and importance of SD and features strongly in both. SD principles underpin all Welsh Government portfolios and programmes and will be promoted throughout the current government cycle. As part of the Welsh Government's wider work on exemplifying SD behaviours we will strengthen our approach to ensure that we can deliver against the proposed SD Bill.

5. Ensure that the personal objectives and core competencies of civil servants of all grades include responsibility for delivery against the SD Scheme. This could be evaluated as part of the Welsh Government's Performance Management Review Process.

It is for each directorate to set standards and identify the objectives needed to deliver results and outcomes within the Programme for Government which are specific to their directorate and the ministerial portfolio they serve.

The objectives may be set individually because individuals or teams may have a particular skill or area of expertise that would enable delivery. Alternatively if an objective is identified that can be delivered by everyone whatever their grade or role the new electronic performance system, planned for introduction from April 2014, will enable Director General's to cascade that objective to everyone in Welsh Government from Director General to Team Support. Objectives should be specific, measurable, and designed to ensure the delivery of Welsh Government SD goals. These objectives can then be cascaded throughout Directorates. WG is introducing a new civil service competency framework from April 2013, although having an explicit competency heading has some benefits, it was agreed that sustainable principles should be embedded throughout the framework as this recognises that they should not be separate to, but integral to everything we do.

Embedding SD in government

6. The policy detail within the current SD scheme reflects the previous administration's One Wales Programme for Government. There is a need to consider how the Scheme can be better aligned with the new Programme for Government (PfG). Whilst it is clear that the new PfG has built upon the existing SD scheme, the language and emphasis have evolved, and there is a risk of the current SD scheme becoming decoupled from government delivery if they are not properly and clearly aligned

The PfG refresh, which is currently underway, is redrafting the PfG with full engagement with policy officials leading on SD ensuring consistency of language and measures between the scheme and the Programme.

The proposed SD Bill provides an opportunity to strengthen the promotion of SD in the work of the Welsh Government. The separate publication of the SD Scheme and the Programme for Government meant that it was difficult to align both as

consistently as would have been wished. The nature of the SD Bill will make SD relevant to all future governmental programmes and policies. It will be this mechanism that will ensure that any separation is limited.

7. Continue to explore the opportunities to clarify and encourage a consistent understanding of SD as the Central Organising Principle, in particular this should focus on practical examples that demonstrate what SD looks like at the “Coal face”.

In order to improve communication and understanding of the complex concepts around SD, we have funded research that analyses the ways SD is currently talked about within and outside Government, and have tested these narratives with the general public. The results have been used to develop a toolkit which will be published this autumn.

We have worked with a range of organisations to highlight a number of case studies that show the practical application of SD as the core principle, and these are being used to bring the consultation process around the proposed Bill to life. This work will also be used to reflect wider efforts to engage effectively on sustainable development. We are continuing to develop further examples, and will be using a range of media and means of dissemination to make sure they are widely seen.

8. Develop a more systematic way of aligning policy with SD principles, and ensure that this is implemented consistently and at an early stage in policy development. This could be through an improved Policy Gateway process incorporating a formal SD assessment, bringing a cross section of policy areas together – at the right level of seniority – to identify and resolve conflicts and synergies.

In 2011-12, we designed and put in place a new process for developing and delivering policies, based on the Delivering Results Principles (Fit, Impact, Cost, Mechanisms, Management), replacing the former Policy Gateway.

New guidance for staff was rolled out in February 2012, stating that a business case has to be established for any new policy, based on an overall assessment of short-and long-term costs and benefits - economic, environmental and social.

This assessment is informed by whatever specific impact assessments are required; we have been endeavouring to signpost these requirements more clearly over the past year.

Our policy development and delivery guidance reinforces SD as the central organising principle. An Early Thinking Framework has been produced, to help policy makers to scope at an early stage how their policy can contribute to long-term well-being. Delivering Results Principles checkpoints then test policies in development for impact and fit with wider policy.

A new internal group – the Delivering Results Group – has been established to oversee the use of the Delivering Results Principles, maintains a log of policies under development, and when required convenes high-level cross-departmental workshops to test strategic policy and inform the design of new initiatives.

9. For cross departmental working to be effective it will need to be supported by the budget allocation process, providing a framework that encourages opportunities for pooled and shared budgets, and a more flexible approach to staffing. Softer approaches can also help underpin formal mechanisms, such as greater opportunities for peer group networking.

There are many ways in which to facilitate cross departmental working, pooled or shared budgeting is one option for facilitating this aim, but is unlikely on its own to achieve this goal.

We are committed to working across boundaries to deliver the best outcomes for Wales. Our Programme of Government sets out a number of cross-cutting themes whereby departments provide a joined up and co-ordinated response to some of the most challenging issues that we face.

For example, our Tackling Poverty Action Plan brings together programmes from portfolios across the Welsh Government through a sustainable development approach, including Flying Start – our early years intervention programme; Nest – our energy efficiency programme to reduce fuel poverty, Communities First – supporting our most deprived communities; and Jobs Growth Wales – creating job opportunities for unemployed young people.

Ensuring that spending plans support our key delivery aims is a critical part of good financial management and in preparing our Budget proposals we review our spending plans to ensure that our resources are aligned to deliver the commitments in the Programme for Government. Most recently as part of the Draft Budget 2013-14, funding was realigned in several areas to better deliver the cross-cutting outcomes of the Programme for Government.

There is always flexibility to respond to policy decisions. Ministers can and do work together in areas of cross-cutting importance and our budget process enables Ministers to transfer funding between portfolios when this will facilitate that process.

10. To facilitate wider understanding of the SD journey, any new Scheme which may be linked to the SD Bill should clearly articulate the journey. It should set out key milestones and responsibilities within proposed time frames, building on the time line to a One Planet Society contained within the current SD scheme.

Sustainable development is the framework through which we define the long term development path for Wales. The articulation of this journey will play an important role in communicating the SD Bill. We have drawn on our current scheme to inform the approach to the proposals for the Sustainable Development Bill. One planet living, as represented by the Ecological Footprint indicator, is likely to remain an important measure of progress of SD. Key Welsh Government strategies such as those for Waste and Food have recognised the relevance of One Planet Society in the use of the ecological footprint and it will be our intention for this indicator to remain relevant to future developments.

11. Ensure that mechanisms are mainstreamed across the government, and become business as usual. This will require targeted and ongoing communication, for example reference to SD as Central Organising Principle could provide the context for communicating the Managing with Less programme, building capacity through training and a balance between incentives and mandated processes. Communication needs to be positive, so that officers see the benefits of doing things differently, and individuals are positively engaged in internal change. The SD Advocates could be used to support the delivery of a number of these aspects.

We have established a cross cutting SD Action Group to communicate SD expectations and behaviours positively across the organisation. SD as our core principle, and the implications of the proposed SD duty, was a headline topic for the internal Fit for the Future core staff leadership and engagement programme. The existing SD training module is being revised to take account of the forthcoming Bill, and four stand-alone e-modules are being developed. These will be available for the wider public and third sector as well as staff. SD as our core principle will also be included in induction, and in the main leadership development programme. A further communications programme will be developed to explain the proposals set out through the SD Bill and its White Paper.

12. There is a need for clearer identification of SD measures and targets and more regular monitoring to evaluate progress. Ideally this would complement the existing quarterly internal performance reporting and the annual external reporting on the PfG. This work should look to build on international research around defining the right SD measures and the work currently being undertaken by PwC to help identify a range of internal SD measures.

There is a close correlation between the SD indicators and those that exist for the Programme for Government, with many reported upon in both sets of updates. The current set of SD indicators will be examined as part of a consultation exercise at the end of 2012. This will present an opportunity to consider the best possible evidence around long term measures of progress. Similarly the Programme for Government is kept under continual review to ensure that the actions and indicators are appropriate.

Consideration will be given through the SD Bill White Paper into how organisations can clearly set out the outcomes they are working towards and appropriate measures of progress.

13. Ensuring that the messages around SD as the Central Organising Principle is a key aspect of all Welsh Government communications. This should include all policy and legislative development announcements.

The Welsh Government's core messages have been informed by the work on communicating SD, and include references to making the best long term decisions for Wales. The messaging research has been shared with the lead communicators for all departments, and is viewed as a positive development to show how the work of the Government is delivering on the aims set out in Programme for Government and the SD Scheme.

14. The role of the SD Advocates Network has been maturing and there is an opportunity for this network to become more formalised. This could include setting out clearer roles and responsibilities and lines of reporting.

Advocates agreed that the representation needed revision, and that a more formal role within the organisation would help the group's effectiveness. They have been asked for suggestions on how their role could be more proactive in helping to embed SD as the central organising principle and this, together with proposals for new Terms of Reference for the network will be discussed at the next meeting (20 November 2012).

Enabling Others

15. Further strengthen the engagement and collaboration with broader civil society through the formal role of the Sustainable Futures Commissioner and the proposed new SD body.

The Commissioner for Sustainable Futures has continued to provide leadership and authority to support the delivery of the Welsh Government's vision for a sustainable Wales. This has included a key role in the development of the proposed SD Bill, particularly around an external Bill Reference Group, as well as a variety of broader engagement activities on SD. We envisage that the new SD Body will have a crucial role in providing advice, guidance and support to civil society in how they demonstrate SD in their work.

16. Ensure that enhanced engagement with external stakeholders, and in particular delivery partners, is built into the development of policy and the implementation of initiatives to ensure that options are practical and realistic and deliver against the objectives of the SD scheme.

The Sustainable Behaviours and Engagement Team now sits on the Public Engagement Wales group, which is supported by Participation Cymru, and is working to increase the standards and extent of public engagement by public services in both policy development and service delivery. We have worked with this group to maximise the opportunities the proposed duty will bring to show how substantive and early engagement can improve both policy development and service delivery.

17. The Welsh Government, and the wider public sector, needs to maximise the leverage opportunities provided by public spending. Supplier engagement will be a key part of any sustainable procurement strategy, and the capability of officials to have those conversations with suppliers should be strengthened.

Value Wales uses the leverage of the Welsh public sector spend of approximately £4.3 billion on external goods and services to produce better long-term decision making and delivering economic, environmental and social benefits.

“Opening Doors – the Charter for SME Friendly Procurement” was launched in 2006 and all major Public Sector organisations in Wales have signed up to the Charter.

A Charter commitment is to advertise contracts on www.Sell2Wales.co.uk. By registering free of charge, companies can indicate the product and service areas they are interested in supplying and when a public sector organisation advertises an opportunity, automatic e-mail alerts are sent to interested parties. Two thirds of companies on sell2wales are Wales based.

These initiatives have helped make public sector contracts more accessible. The percentage of spend by the public sector with companies based in Wales has increased from 35% in 2003 to 49% in 2006. Latest figures suggest that this has now exceeded 50%.

It is however recognised that some barriers for smaller companies still exist. The “Barriers to Procurement Opportunity” report (2009) found that a large proportion of information sought during the selection (or pre-qualification) stage of a procurement process is identical, and yet is asked for time and again in different formats. The report also concluded that more lower-value opportunities should be advertised and that buyers should make the assessment process clearer and give better feedback to unsuccessful bidders.

A common question set and risk based approach has been developed. The Supplier Qualification Information Database (SQuID) is being increasingly used and during 2013 will be hosted on the new sell2wales website allowing suppliers to store responses.

Mainstreaming the use of Community Benefits clauses is a Programme for Government commitment.

The Welsh Government’s Community Benefit policy promotes the inclusion of social clauses in public sector contracts. The policy has succeeded in helping procurers deliver training and employment opportunities through public sector contracts. This approach has been welcomed by the procuring authorities and the supplier community alike. A range of training and employment opportunities are being delivered, including Apprenticeships and Pathways to Apprenticeships as well as work placements for disadvantaged individuals.

The xchangewales programme has driven an increased use of electronic procurement for transactions ranging from sourcing suppliers, issuing/receiving tenders, evaluating bids through to ordering and payment. For the financial year 2012/13 it is estimated that the programme has help to save 3 million sheets of A4 sheets of paper, equivalent to 322 trees and 19 tonnes of CO₂.

The Community Benefits measurement tool which helps public sector organisations to measure the social, economic and environmental impacts of major contracts (see above) includes sections on waste diverted to landfill, reduction in the production of climate change gases and the use of renewable energy.

The guidance and tools developed by Value Wales have been produced in consultation with stakeholders across the public, private and Third sectors along with representatives from the TUC, Academia and the legal profession and these include

- A Sustainable Procurement Training course called "Making it Happen", which provides guidance and practical tools to ensure that sustainability is a key issue. The course promotes use of the Sustainable Risk Assessment template (SRA), which requires consideration of the social, economic and environmental impacts of purchasing decisions. The SRA is used routinely for all purchases over £25,000 within WG and the NHS and is increasingly being used by the wider public sector.
- This is underpinned by the Sustainable Procurement Assessment Framework (SPAF), which enables all Welsh Public Sector organisations to self assess their sustainable procurement performance, benchmark their performance against other organisations and produce action plans to improve year on year performance.
- Training and awareness sessions have also been provided to over 600 individuals from the public sector on Community Benefits and making use of the SQuID.

Information on all of the above plus general guidance on good procurement practice can be found on the Procurement Route Planner, hosted on www.buy4wales.co.uk

Value Wales runs the European funded "Home Grown Talent" which has recruited and is training and qualifying 22 young people over 3 years in best practice procurement. A competency framework for all procurement staff across Wales is being developed and a training contract to help deliver professional skills. Sustainable Development principles underpin all this work.

18. The SD Charter network and the 'Anchor' companies should be used more effectively to engage more widely with private and civil society sector organisations across Wales. However it is recognised that this engagement will need to be matched by the private sector if it is to be meaningful.

The network has grown steadily since its launch in 2010. It currently has more than 130 signatories, ranging from public and third sector bodies, to large global companies, SMEs and small private sector companies. The Charter is being grown gradually to ensure that it can develop effectively and members can be supported appropriately.

In May the Charter members met at their annual event in Cardiff, where they shared their successes from their challenges, discuss the direction they want the Charter network to take, and were be the first group to input their views into the Bill consultation process.

Management of the Charter Network has been contracted to Cynnal Cymru, and will form an integrated part of the wider engagement they will be delivering on behalf of the Welsh Government. We have commissioned a review of the Charter to identify options to maximise its impact.

19. Where Welsh Government has less ability to influence its delivery agents such as with Local Government, it should look to enable other bodies and organisations to help deliver by targeted support and resources. A good example of this is the enabling work undertaken by the WLGA and its Sustainable Development Framework.

The SD Framework continues to be funded by the Welsh Government at an increased level this year. Funding has been focused on a small number of committed authorities in order to deliver significant change: this learning is being shared with other authorities as it develops. We have asked Cynnal Cymru to work with WLGA to share learning across sectors, and to maximise the benefit of this work. We are looking at the models offered by both Cynnal Cymru and the SD Framework to inform a broader engagement approach to enabling action, building on our learning from the Climate Change Engagement Strategy.

Chapter 8: Reporting on the State of the Estate

In this section of the report we have looked at a range of activities across the Welsh Government that support SD. These include work on the promotion of equalities objectives, support for staff, volunteering, the Welsh language, fundraising and the energy performance of the Welsh Government's administrative estate.

	Type of Activity	Key Achievements	Targets and Narrative
Staff Wellbeing	Equality	<p>An initial evidence base was developed by Welsh Government Social Researchers to help inform the development of Equality Objectives and identify areas where we can have the most impact. A programme of engagement has helped shape the objectives and confirmed our prioritisation of the areas of inequality on which we should focus.</p> <p>The considerable public engagement has strongly supported the Welsh Government's equality objectives, reinforcing that they reflect the priorities of those with protected characteristics in Wales.</p>	<p>The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 were laid before the National Assembly for Wales on 8 March and debated in Plenary on 29 March. The regulations were approved by the National Assembly for Wales and came into force on 6 April 2011.</p> <p>Following the production of the Welsh Government Strategic Equality Plan and objectives, we will continue to engage and monitor and review these to ensure that our equality objectives are bringing about real change.</p>
	Occupational Health	<p>In July 2012, WG achieved Corporate Health Standard Silver award</p> <p>WG have also committed to be reaccredited with "Investors in People".</p> <p>In the calendar year 2011 the EAP service assisted 1033 staff or their relatives (either via their website or counselling/telephone support). The annual usage figure (19.11%) far exceeds the industry average (4.8%) which is a very good indicator that our staff are well informed of EAP service.</p>	<p>Each year the Board agrees a Health, Safety and Wellbeing statement, which is then signed off by the most senior person on the Board, usually the Permanent Secretary. This statement re-affirms top level commitment to the health, safety and wellbeing of all WG staff. Throughout our estate, staff have been encouraged to attend the following events:</p> <ol style="list-style-type: none"> 1. Blood donation sessions 2. Stroke association sessions (measuring blood pressure)

			<p>3. Sessions encouraging staff to use their push bike for work</p> <p>4. No smoking day (in March)</p> <p>5. Various "national awareness days" such as stroke, cancer, prostate cancer, Alzheimer's etc.</p>
	Volunteering	<p>Number of individual volunteering days for period was 272.50 days participating in 12 different types of projects/charities including Welsh Government Charities of the Year, Alzheimers Society and Tools for Self Reliance</p>	<ul style="list-style-type: none"> - All Welsh Government employees can take advantage of special leave for volunteering and also for volunteering to form part of their performance management review process as part of their development opportunities. - The Welsh Government ILO (International Learning Opportunities) Development Programme provides the opportunity for individuals to undertake a longer term placement and keep in contact through the ILO Alumni - Welsh Government Leadership Programme includes a module dedicated to a volunteer activity. - Welsh Government individuals on the Fast Streamers Programme will participate in volunteer activities as part of their programme of learning. - Volunteer Awards celebrating successes and good work of volunteers as nominated by fellow colleagues - Introduce accredited volunteering qualifications. - Make available developmental opportunities for specific pieces of work. - Make improvements to be made to reporting volunteering activity.

	Welsh Language	<p>Revised Welsh Language Scheme published in March 2011, which for the first time, included an action plan and key performance indicators to help us further implement Scheme commitments, including:</p> <ul style="list-style-type: none"> - Reports prepared on the number and percentage of staff able to speak Welsh by Department (based on self-assessment of staff) - Reports prepared on the number of staff following Welsh for Adults course arranged by PSMW - All mandatory training courses provided by the Welsh Government's core training provided are available in Welsh - New Welsh Language Award created as part of the Welsh Government Awards 2012 	
	Charity Challenge	<p>Number of Charity Champions across WG for 2011 - 45 charity champions across 14 Welsh Government offices around Wales</p> <ul style="list-style-type: none"> - New charities of the year appointed - Life for African mothers and Marie Curie - Lots of new events organised which inspired colleagues to raise money - including: cycling across Wales, sponsored marathons, art auctions, big quiz competition, to a Welsh Government X factor, Christmas party and Christmas markets held in various offices. - Raised over £20,000 for the charities in the 12 month period (Jan - Dec) 	<ul style="list-style-type: none"> - Created a network for colleagues to work across departments outside of their work responsibilities, and to develop skills in various areas. Being a part of this network encouraged and inspired the Charity Champions to raise as much money as possible for our charities' of the year - Both charities were delighted and very appreciative of the support received and the awareness raised
	Mind Matters	<p>Mind Matters has been shortlisted in the Civil Service Diversity and Equality Awards, in the category Innovation in Employment Practices.</p> <ul style="list-style-type: none"> - This voluntary group has worked selflessly to support colleagues across our estate. 	<p>Since being established in October 2009 Mind Matters has helped more than 100 colleagues. Its informal meetings, which are attended by an average of 15 members, are about getting together, exchanging useful information, having fun, sharing experiences and finding ways</p>

		<ul style="list-style-type: none"> - Reaching the short-list for a national award is a true testament to their hard work and dedication. - Representatives of the group hope to attend the awards ceremony in October where they will compete with HM Revenue and Customs and the Crown Prosecution service for the coveted award. 	<p>of coping with them. Peer support is based on the idea that, often, the best people to help us through difficult times are those that have been there too. The group is going from strength to strength and will start a new support group in the Merthyr Office this autumn. Around 150 staff have taken part in offices at Cathays Park, Aberystwyth, Llandudno Junction and QED Centre.</p>
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	Type of Activity	Key Achievements	Targets and Narrative
Estate Management & Environmental Impacts	Size of the Estate	A 5.58% reduction in the overall size of the Welsh Government estate	The total area of the Welsh Government administrative estate fell from 97,960 sq m to 92,497 sq m (5.58%); which was the largest annual percentage fall since 2008. The percentage of vacant space remains below the private sector average and below the mandated civil estate.
		A reduction in the number of Welsh Government office location across Wales, from 49 to 41	On 31 March 2012 the estate comprised 41 core administrative offices, 8 less than 2011 reflecting a 16% reduction. This is in line with the 2010-15 Location Strategy which aims to create fewer and larger and more efficient offices.
		82% of the leasehold estate can be vacated within the next 3 years	The Welsh Government leasehold estate is held on very flexible terms. This has been achieved through careful negotiation over a number of years. In the next three years 82% of the leasehold estate can be vacated either by exercising breaks or by not renewing leases at lease termination.
	Cost	A reduction in the annual occupancy cost of £974,524 (5.3%)	The year saw a significant reduction in the overall running costs of the estate. The total occupancy cost as at 31 March 2012 was £17,518, 663, which is a reduction of £974,524 (5.3%) from 31 March 2011 and a reduction of £2,500,000 (12.5%) since 31 March 2008.
	Efficiency	The cost FTE has reduced from £3,497 to £3,418 (2.5% saving)	Both rent and rates costs are less than last year and despite other costs increasing by £8.83 per sq m, overall cost efficiency has marginally improved.

			Space efficiency has also been improved resulting in a total cost per FTE (Full Time Equivalent) for 2011/12 of £3,418 compared to £3,497 for 2010/11.
		The corresponding figure for the Central Government Estate is £4,608/FTE	The most recent corresponding figure for the Central Government Estate (2010/11) is £4,608/FTE. The Scottish Civil Estate – Efficiency and Sustainability Report (2010/11) reported a figure of £3,447/FTE.
		Space efficiency improved across the estate by 2.7%. Significant improvement was achieved in both SE and SW Wales.	From 2008 to 2010 there had been a steady trend towards improved space usage across the Welsh Government estate as a result of the implementation of new working practices and wider rationalisation. Space efficiency as at 31 March 2012 was 18 sq m/FTE, but nevertheless this is well above the benchmark figure of 11.7 sq m/FTE and is also well above both the Central Government estate of 13.2 sq m/FTE and the Scottish Civil Estate of 14.4 sq m/FTE.
	Environmental Performance	Development of a five-year Carbon Management Strategy with associated action plan	Completion of an internal restructuring exercise in April 2011 achieved the incorporation of the Welsh Government (WG) Environmental Management (EM) team into the main property and facilities management function. Development of a bespoke five-year Carbon Management Strategy with associated Action Plan outlining WGs strategy for achieving a 25% reduction in CO ₂ emissions by 2020.
		Exceeded targets for carbon reduction, cutting CO ₂ by 15% (equivalent to 1770 tonnes of CO ₂)	The 15% reduction in CO ₂ emissions in 2011/12 is a result of the following actions: - Improvements in the accuracy of carbon management data whilst actively managing building performance using accurate diagnostic techniques; - Implementation of smarter building services and ITC technology; - Use of smart meter data to identify wasteful energy

			<p>practices;</p> <ul style="list-style-type: none"> - The estate rationalisation programme
		Reduction in energy kilowatt hour (Kwh) consumption by 15%	At the beginning of 2011/12, the average annual unit cost of electricity increased by over 22% and the unit cost of gas increased by circa 29%. During 2011/12, the actual kWh energy consumption was reduced by 15% which despite the increase in the cost of these utilities, equates to a financial saving of £281,722
		66% of all waste recycled in main WG offices	The administrative estate has a target to recycle 80% of its waste. In 2011/12, 66% of processed waste* was recycled, a reduction of 1% since 2010/11. Encouragingly, there was a reduction in the overall waste production at key sites including Cathays Park, whilst a total of 89% of all waste was recycled at our Llandudno Junction office
		Paper purchased by WG decreased by 70 tonnes from 2010/11, and 41% less used	A significant reduction in paper usage has been the result of a number of initiatives within the Welsh Government over the past few years; the key of which has been the installation of a new electronic records and document management system. This has drastically reduced our need to use physical files and to print hard copy documents. The formal roll-out of this project was completed in May 2011 and we expect further reductions in paper usage over the next 12 months.