

By email

Comisiynydd Cenedlaethau'r Dyfodol Cymru / Future Generations
Commissioner for Wales

Wednesday 25th November 2020

Dear Llyr,

I am writing in response to your call for information to inform the Committee's scrutiny of the Welsh Government's 2021-22 draft budget proposals.

Due to the pandemic I have reframed my office's priorities to focus on key opportunities for recovery, which has in turn provided a different focus for my work on the Welsh Government budget and budget process. My work has included:

1. Providing advice to Government on priorities for a green and just recovery:

- In May I published a [statement](#) on how the first Supplementary Budget must signal a change in direction to reset our economy.
- In October I provided detailed advice to the Minister for Finance and the Counsel General (in his capacity as Cabinet Lead for Recovery at the time) about priorities for investment in a green and just recovery. I understand that this advice has informed Cabinet discussions about priorities. A copy of this advice is attached at **Annex 1**.
- In November I provided further detail on priorities for capital funding, in response to a request from officials. A copy of this advice is attached at **Annex 2**.

2. Research into requirements for investment in two high priority areas for a green and just recovery, in partnership with the New Economics Foundation:

a) Briefing: skills and training for a green recovery in Wales.

This briefing, due to be published in the coming weeks, highlights the poor state of adult skills development in Wales prior to the pandemic, including the lack of any planned pipelines for green skills development, and identifies key sectors such as construction, heating, electrical installation, areas of manufacturing and engineering, and nature restoration that are likely to have significant job creation potential for a green recovery.

b) Report: financing Wales' net zero housing transition.

This report will focus on the challenges and solutions for financing low carbon retrofit of the existing Welsh housing stock. This will include evaluation of funding options across tenures with an explicit focus on social housing. This work will be finalised in January 2021.

In addition to these areas of work, my team have engaged with Welsh Government officials regularly, including on the future of the Budget Advisory Group on Equalities and the progress of the Budget Improvement Plan.

I would like to respond to some of the questions set out in your 'call for information' letter.

What, in your opinion, has been the impact of the Welsh Government's 2020-21 budget including recent funding related to COVID-19?

I recognise that the Government have been in a challenging position in terms of responding to the pandemic and identifying the areas of greatest need, and that they have had to make some very difficult decisions. Understandably they have been in 'crisis response' mode and therefore taking a very short-term view, and this has been evident in the first and second Supplementary budgets.

However now I believe they should be shifting to considering opportunities for recovery. The eight priorities outlined in the ['Covid-19 reconstruction: challenges and priorities'](#) document are encouraging and I understand the £320million funding commitments to support these priorities will be set out in the third Supplementary Budget.

How do you think Welsh Government priorities for 2021-22 should change to respond to COVID-19?

I believe that Government priorities for 2021-22 onwards should change as a result of the pandemic and that now is the time to make bold decisions that provide the basis for a green and just recovery.

I have outlined the key ideas for investment in my advice to Government (attached at **Annex 1**) in the following areas:

1. Invest in skills and training to support the transition to a better future, creating new greener jobs.
2. Invest in the large-scale decarbonisation of homes as a key opportunity to create jobs and stimulate the foundational economy.
3. Invest in town centres and local hubs to enable greater remote working and a better work-life balance.
4. Invest in better ways to connect and move people through improving digital connectivity, active travel and public transport.
5. Invest in cultural and creative industries, involving them in building back better and enabling them to become a core part of communities and public services.
6. Invest in nature to help achieve a biodiverse natural environment and ensure people have access to a wildlife rich natural world.

Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits to current Welsh Government borrowing within this Framework.

I do not consider that the Fiscal Framework adequately reflects the impact of the public health emergency in Wales and I support increasing the limits to current Welsh Government borrowing within this Framework. It is clear that Government needs greater fiscal flexibility to be able to invest in tackling long term challenges such as intergenerational poverty, health inequalities and climate change. I hope that my work on solutions for financing the decarbonisation of housing will be helpful in illustrating what is currently possible and where greater fiscal flexibility would be helpful.

On a broader point, I believe that the pandemic has shown that the levels of investment in prevention of illness and keeping people well, that I have called for in the past, are now

needed more than ever. The proportion of our population in ill health has meant that Covid-19 has had a significant impact in particular communities. We need to invest in keeping people well in order to build resilience against future pandemics, particularly through tackling the high levels of obesity. An epidemic of mental ill health, loneliness and isolation existed before the pandemic so we were starting from a low base in terms of supporting people experiencing these issues.

The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2021-22 budget?

- **What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)**

As set out above, these are outlined in my advice to Government at **Annex 1**.

- **How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.**

As set out above, these are outlined in my advice to Government at **Annex 1**.

- **To what extent alleviating climate change should be prioritised in supporting economic recovery.**

As set out in my advice to Government, the urgency of the climate crisis hasn't slowed during the pandemic and investment in decarbonisation should be the key priority in supporting economic recovery.

- **Welsh Government policies to reduce poverty and gender inequality.**

In my advice to Government, I have prioritised ideas which I think will deliver a green and just recovery, reducing poverty and inequalities.

- **Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)**

As you are aware, this is an area that I have focused work on in the past and I will look to do so again in future. Several recommendations in my Future Generations Report related directly to prevention, including:

- Welsh Government should appoint a Minister for Prevention with responsibility for taking a whole government, coherent and evidence-based approach to investment in prevention.

- Welsh Government should top-slice budgets for specific spending on prevention, starting with the cross-cutting priorities set by Welsh Government that reinforce their well-being objectives, overseen by the Minister for Prevention.

Kind regards,

A handwritten signature in black ink, appearing to read 'Sophie Howe', enclosed in a thin black rectangular border.

Sophie Howe, Future Generations Commissioner for Wales

By email

23/10/2020

Dear Rebecca and Jeremy,

I welcome the recent publication of *'COVID-19 Reconstruction: Challenges and Priorities'*, which sets out a clear set of reconstruction priorities for the remainder of the Government's term.

It was positive to see, for example, the links being made between embedding home/remote working together with the new Wales Transport Strategy, putting a strong emphasis on minimising the need to travel, and spreading the demand for public transport and enabling active travel as an investment in public health. I was also encouraged to see the support from your 'Our Future Wales' consultation for placing the Well-being of Future Generations Act principles at the heart of the recovery.

The broad scope of the Act has given me a unique insight into Covid-19 recovery work across several Ministerial portfolios, and on various themes. And my office and I have been working to better understand and help facilitate join-up between the various groups and networks focused on response and recovery.

While we await more detail on exactly how Wales will invest and deliver against the 8 priorities set out in the report, the purpose of this letter is two-fold:

- To outline what I believe are key opportunities for investment and delivery, as discussed with your Strategic Budgeting department.
- To share my insight (to date) of the Covid-19 recovery work across Government and beyond, and potential solutions to how we can help address the short-term recovery and longer-term challenges of Covid-19 through the way in which we work.

The details around potential investments are outlined in part 1 below, but the headline areas for these focused policy and investment interventions are:

1. Urgent, targeted investment to increase the digital expertise and teaching in schools, Further Education and Higher Education, including a 'workplace digital fund' to support targeted reskilling in digital.
2. Support for FE and HE courses related to key industries for the future – such as through funding for a Construction Wales Innovation Centre.
3. Establish a Conservation Corp/National Nature Service.
4. Greater support for apprenticeships in trades that will help us to meet opportunities of the green transition, with targeted interventions towards women in STEM, BAME communities, disabled people and those furthest from the labour market.
5. Invest in digital infrastructure in communities hardest hit and with poorest digital capabilities.

6. Expanding the offer for schools in our most deprived communities to provide a digital device for every child.
7. Pilot remote working hubs and support the development of a 'working local allowance' to enable public sector workers to work whilst supporting the foundational economy.
8. Further investment to expand the Optimised Retrofit Programme including additional incentives to include green infrastructure and approaches which support nature recovery as part of the retrofit scheme.
9. Further support for reallocating road space to create more room for walking and cycling, including a targeted approach to school streets and revenue support for local authorities to recruit the necessary staff to undertake this work.
10. Increase investment in the National Forest and provide further investment to connect active travel routes to the coastal path and historic sites.

With regards to your request for advice on the areas where Government should stop spending, I have outlined in my Future Generations Report areas where spending should be re-profiled, e.g. reduce spending on road infrastructure and increase spending on active travel.

However, it is difficult for me to provide advice on what Welsh Government should stop without access to a more detailed understanding of budget lines for particular policies and proposals. I would be very willing to have conversations with you and/or your officials and other Ministers to provide feedback on areas of spend which you are particularly interested in reviewing, if this is appropriate.

I would welcome your views on this, together with the information enclosed, and hope we can continue to work together and make the most positive impact for Wales.

Yours Sincerely,



Sophie Howe

Future Generations Commissioner for Wales

Covid-19 Reconstruction: Opportunities for investment and ways of working to address the short-term recovery and longer-term challenges

Part 1: Key opportunities for investment and delivery

Following discussions at the Shadow Social Partnership Council and between our teams, I have considered key areas for recovery where modest levels of investment could make a big difference in moving towards a recovery focused on well-being and pave the way for more significant investment in due course.

The following ideas build on the priorities I outlined in my statement about investment in resetting our economy in May 2020, the eight priorities for reconstruction you have recently outlined in 'COVID-19 Reconstruction: Challenges and Priorities', and are in the areas I consider will have the greatest impact across all seven well-being goals.

1: Invest in skills and training to support the transition to a better future, creating new greener jobs

What we know/where are the opportunities

It is clear we are only at the start of seeing how the pandemic will change our economy and that the risks of unemployment that are being felt across our communities are likely to worsen. Some estimates are that around 120,000 people in Wales may be unemployed by the end of this year. There are particular concerns about the impacts felt in the arts, hospitality, recreation and entertainment sectors.

Wales TUC estimates almost 60,000 jobs could be created in Wales in the next two years through Government investment in infrastructure and green industries. In some cases, there is a significant mismatch between the skillset of the population and the skillsets required to drive a green transition. Key opportunities include:

- Upgrading broadband infrastructure and rolling out fibre broadband across Wales (1,014 direct jobs)
- Reforestation and land management (2,895 direct jobs)
- Increasing demand for digital skills and innovation, accelerated by the changes to life and work brought on by the pandemic.

What we don't know and where are the challenges

While we know broadly the potential number of jobs, we need more sophisticated mapping of exactly what these may be in the short term (0-5 years), medium term (5-10), long term (10 years plus) and to understand how current skills planning is supporting these pathways.

We need to better understand how we want society to be in a post-pandemic world and the key sectors or industries that need to be developed or supported, and therefore need skilled workers. For example:

- Decarbonisation of industry and construction (homes, schools and other buildings)
- Digital infrastructure and broadband rollout

- Scaling up renewable energy generation
- Remote working hubs and town centre regeneration

I am doing a piece of work with New Economics Foundation and the Wales TUC exploring the skills gaps that exist in relation to key green transition sectors.

The emerging evidence from this work is showing a mismatch between the skills pipeline and the labour and capital required to meet the key opportunities above.

- There were between 360 and 490 apprenticeship starts per year since 2012-13 in the category of 'electrotechnical frameworks.' To meet the opportunities of upgrading broadband infrastructure and rolling out fibre broadband across Wales, there needs to be a rapid scaling up of these numbers of entrants in order to meet the needs of a digitally connected nation. The scale of this skills shortage is even greater when viewed alongside other elements of a green recovery. For example, electric installation jobs would also be needed for rural electric vehicle charging points, solar panel retrofit of social housing and retrofit of public buildings.
- Meeting the opportunities for reforestation and land management would also require a major influx of trainees into the forestry sector. There were only 675 jobs in Wales in sectors associated with forestry and currently, the apprenticeship system does not seem to be producing trainees in this sector. Since 2012-13, there have been between 20 and 65 starts per year in work-based training under on relevant category and between 30 and 50 starts per year under the Horticulture category.
- The same applies to digital skills and innovation. Comparing the four-year periods of 2011-2015 and 2015-2019, there were only an additional 57 apprenticeship starts in ICT. Within Further Education, there has been a 62% drop since 2013-14 in learning activities in ICT – 21,000 less learning activities in 2018-19 than there were six years ago.

The skills shortage is evident in Further Education too. There has been an overall decline in people enrolled in Further Education courses. The skills pipeline relevant to a green transition (subjects such as construction, planning and the built environment) have all been affected - in 2012-13 some 21,380 people were enrolled on such further education courses but by 2018-19, this had fallen to 14,355.

Longer term, policy and investment should focus on

- **Working with schools, businesses, FE and HE to ensure that young people have the skills needed for the industries and sectors of the future.**
- **Increased funding for learning and skills to prepare workers for the transition and provide a clear pathway to new jobs.** Wales TUC suggest the establishment of a targeted 'skills for transition' fund, which should be free to workers and aimed at preparing workers for the transition to net-zero.

Opportunities for immediate modest investment include

- a) **A reskilling fund** for those on part time furlough – individual support to retrain in future focused industries. The Older People's Commissioner has highlighted the particular challenges for those over 50

re-entering into the labour market following a job loss. Retraining will be essential if we are to avoid older people falling into a poverty trap.

- b) ***Urgent targeted investment to increase digital expertise and teaching*** in schools, Further Education and Higher Education, including through a 'workplace digital fund' to support targeted reskilling in these areas.
- c) ***A 'Conservation Corp'*** enabling workers of all ages to access opportunities in the public, private and third sector related to the natural environment. This was suggested by Ffenics in their second interim report recently submitted to the Minister for Economy, Transport and North Wales. This programme could provide 18 month training opportunities to young people in low carbon industries and nature based jobs with three six month placements in the public, private and voluntary sectors, with the aim of giving young people experiences of practical policy and community work. This concept is also anticipated to be submitted to the Minister for Environment, Energy and Rural Affairs by the Green Recovery Group, chaired by Natural Resources Wales, as a 'National Nature Service' (referenced below in section 6: Invest in nature').
- d) Support for FE and HE courses related to key industries for the future.
Construction Wales Innovation Centre (CWIC) has submitted a proposal to WG (SHELL Department) to establish a Low Carbon Retrofit Academy for Wales. In collaboration with the Construction Industry Training Board (CITB) they propose to establish a two-tier network of skills training centres across Wales in location that best serve the needs of the industry and the wider community to design, install and manage the planned low carbon retrofit for buildings in Wales. Indicative costings for establishing three Centres of Excellence, along with capital equipment and delivery of training for 3 years is just under £10 million.
- e) ***Greater support for apprenticeships in trades that will help us to meet opportunities of the green transition.*** 75% of apprenticeship starts are dominated by five sectors: Healthcare and Public Services; Business Administration; Management and Professional; Construction and Retailing and Customer Service. With the exception of 'Construction', based on the identified skills for a green recovery, it could be argued that these sectors are not providing Wales with the skills pipeline for a green, fair and equal economy of the future. Wales TUC suggest that schemes to support supply-chain shared apprenticeships will be particularly vital in recovery. For example, ensuring that infrastructure projects have training for apprenticeships and local employment opportunities built into procurement frameworks at every stage – sharing training needs across the supply chain.
- f) ***Targeted investment to ensure the diversity gap is prevented*** and/or closed in future focused training opportunities, including interventions towards women in STEM, BAME communities, disabled people and those furthest from the labour market.

Examples of investment elsewhere

- **Colombia:** its second largest city Medellin plans to train 25,000 residents in new skills to access green jobs as the city tries to become a software and technology hub.

- **Pakistan:** economic stimulus is focusing on job creation and restoration of natural ecosystems, including the creation of a National Parks Service which will initially create up to 5,000 new jobs, mainly for young people who will work as park guards and custodians, and boost eco-tourism in the country.

2: Invest in the large-scale decarbonisation of homes as a key opportunity to create jobs and stimulate the foundational economy

What we know

Decarbonising our existing housing stock, and building new low carbon homes, is critical to achieve our long-term carbon reduction targets. It also provides benefits across all seven national well-being goals including health and employment. I welcome a focus within your 'COVID 19 Reconstruction: Challenges and Priorities' plan to *'step up construction of council and social housing to increase access to high quality housing across Wales, in particular investing in low carbon housing at scale and upgrading housing stock particularly social housing, to make it more energy efficient and to reduce fuel poverty.'*

I welcome the funding of £9.5 million for the Optimised Retrofit Programme (ORP) to install energy efficiency measures in up to 1,000 homes, particularly as I understand three Departments have contributed to this funding which shows positive join-up across Government.

A recent New Economics Foundation report shows that a green stimulus for housing would produce massive benefits to the wider UK economy, including an average of 294,527 new jobs between 2020-2023/24, a 22% increase in total construction employment and a 162% increase in the renovation, maintenance and improvement sector, rising to an average of 515,157 when factoring in indirect jobs.

What we don't know and where are the challenges

Whilst the ORP funding provides an opportunity to test different solutions, a recent report for Community Housing Cymru claims that £4.2 billion is needed to retrofit social housing in Wales over the next ten years. Welsh Government need to explore innovative finance opportunities to plug this funding gap, working with others to identify the potential to use a combination of Treasury loans, Government and local authority borrowing, city region investment, green bonds and re-orientation of Welsh pension funds.

There is also a perceived challenge among the housing sector between using the finance available to build affordable new homes that are needed versus using this investment to improve existing stock.

Longer term, policy and investment should focus on

- **An urgent and high-profile 10-year programme to prioritise the retrofit of social housing and homes in fuel poverty** (as recommended by the 2019 'Better Homes, Better Wales, Better World: Decarbonising existing homes in Wales' Report). The Older People's Commissioner has also highlighted this as a priority.
- **Building on the excellent research and delivery capacity we have in Wales (on low carbon energy and homes/buildings)**, working with the housing sector to facilitate and support a collaborative Team Wales approach to achieving this ambitious programme.

- **Use this opportunity to work with others to put in place a skills pathway** (as highlighted above) to ensure that Wales has the skills needed to deliver this work.
- **Developing incentives such as zero-interest loans and boiler scrappage schemes**, for private 'able to pay' homeowners to become early adopters and retrofit their homes to a target of EPC Band A.
- **Supporting a long-term Area-Based Delivery approach**, with local authorities and social landlords playing a core role in tackling fuel poverty, creating demand, growing local supply chains and supporting the foundational economy.

Opportunities for modest investment include:

- a) **Further investment to expand the Optimised Retrofit Programme** with longer-term funding security. A small amount of funding would enable my office to increase the pace of work we are conducting with the New Economics Foundation on innovative financing options and facilitate constructive dialogue between Government, the Housing Sector and organisations with financial expertise.
- b) **Scale up financial support (incentives or loans) for homeowners who want to improve the energy efficiency of their homes** as has recently been done in Canada (example below) and Building on the energy efficiency support that has been provided over the last 10 years.
- c) **Increase funding to, and support for, energy advice programmes** that support homeowners to invest in energy efficiency measures, and support supply chain development to create new businesses and opportunities to enable large scale retrofitting.
- d) **Incentivise social landlords to use nature-based solutions and improvements to green infrastructure** as part of their retrofit programme through targeted additional funding through the ORP funding package.

Examples of investment elsewhere

- **Rotterdam:** The Mayor has pledged to set up a 9.5 million euro fund to help businesses and residents retrofit homes and offices with solar or wind power, and plant-covered green roofs to absorb carbon emissions and improve air quality.
- **Cape Town:** The city is investing in retrofitting houses in low-income neighbourhoods and is training and hiring people from poor communities to carry out the work. A pilot project has improved the living conditions in more than 2,000 homes, cut emissions and created more than 2,300 jobs.
- **Canada:** The government has promised interest-free loans of up to \$40,000 for homeowners to install cleaner energy solutions and efficiencies like solar panels and better windows.

3: Invest in town centres and local hubs to enable greater remote working and a better work-life balance

What we know

Many of our town and city centres were struggling before the pandemic due to the shift of big retailers to edge of town locations and the pace of digital change leading to new consumer behaviours. This has caused economic

stagnation in many communities which has had many knock-on effects for well-being. The shifts we are seeing to new, locally based remote working and a focus on 'hyper local' communities are a positive effect of the pandemic, and sustaining these changes offers us many opportunities to support the evolution of city and town centres, improving community resilience and well-being and contributing to all seven well-being goals.

It is positive that you recognise this in your 'COVID-19 Reconstruction: Challenges and Priorities' report, and you have set out plans for initiatives that will support regeneration and well-being. I welcome the target you have set for remote working, your focus on 'town centre first' approaches as well as funding for local authorities to implement social distancing through pavement widening and active travel.

What we don't know and where are the challenges

Over recent decades, manufacturing and retail opportunities have leaked out of our city and town centres, particularly in communities that relied on heavy industry in the past. Many of the new patterns of working and living that we have become accustomed to in recent months, such as remote working and local shopping, are likely to be here to stay. This will create challenges for places that have a high volume of offices and therefore businesses that rely on commuters, but in turn will create different opportunities for new hubs, businesses and approaches to using space to improve well-being.

Many town centres will be focused on 'returning to normal' as quickly as possible. But we know from long-term trends that the pandemic will have served to accelerate already embedded trends, and we need to find new ways to attract people to centres to keep them thriving. It will be vital to find new ways of creating attractive and viable town centres and culture must be considered as a key element of this. Research shows that following the 2008 financial crash, previously strong regional creative sector growth trends fell away, and growth coalesced around fewer clusters once more.

Longer term, policy and investment should focus on

- **Supporting collaborative projects for the reallocation of space, giving priority to accessible multi-functional spaces that encourage active travel, physical activity and/or creativity and support access to nature.** There is scope for directing small amounts of funding towards a proposal being developed by the Welsh Sports Association to repurpose unused space (or space which could be used for different purposes including physical activity).
- **Playing a more proactive role in enabling town centre development, including through pooling publicly owned land.** Repurposing buildings in village, town and city centres to support cross-sector shared working spaces, housing and other uses that benefit people, communities and well-being.
- **Working with the creative and cultural sector to support the regeneration of towns and cities.** Cultural professionals can help with designing and regenerating communities by breathing new life into unused spaces, derelict and desolate industrial zones, to turn them into places people can enjoy.
- **Ongoing policy and financial support for local authorities to redesign footways and active travel routes in their areas.** Data from Living Streets suggests where the pedestrian experience has been improved, footfall has increased between 20-35%, against a 22% decline in footfall across the UK between 2007 and 2017.

Opportunities for modest investment include

- a) **Pilot remote working hubs** based in communities hit hard by the pandemic. This could involve repurposing buildings as cross-sector shared working spaces and incentivising workers from certain sectors to lead the way in using them. My Future Generations Leadership Academy have also repeated similar calls for Skills Hubs to be developed in unused spaces to help with preparing people with skills for the future.
- b) **Offer a fund for businesses, local authorities and other organisations to apply to undertake town centre regeneration** (similar to the Cultural Recovery Fund) with a commitment to co-create solutions with the local community and creative practitioners, working in collaboration and improving health and well-being. This could build on the £15 million Transforming Towns Fund you provided in June. There are further opportunities to link this across Government by building on the Freelancers pledge and fund. A relatively modest investment here could fund freelancers and creative professionals to work with public bodies on culture focused regeneration. See section 5 below for more information on investing in culture and creative industries.
- c) **Build on the increase in remote working and incentivise organisations in Wales** to redirect potential savings on rent, lease and estate costs to their staff to spend in working hubs, supporting the foundational economy. **Consideration should be given to encouraging the public sector to develop a 'Working Local Allowance'** which could address challenges encountered by some people in working from home whilst also supporting the foundational economy.

Examples of investment elsewhere

- **Ireland:** The Government of Ireland has invested €12 million in community enterprise centres and remote working hubs, allowing them to grow their capacity to accommodate increasing numbers of remote workers.
- **Hamburg:** Publicly owned assets have been pooled into an 'Urban Wealth Fund' that partners with the private sector to deliver projects, enabling the streamlining of infrastructure development, planning and land-use regulations.
- **Cornwall:** In partnership with the ERDF and Arts Council England, the Council has co-funded a bespoke creative skills and business support programme (Cultivator), led by Creative Kernow. It has supported more than 6,000 businesses and uses industry specialists as advisors and offers mentoring, employment bursaries, funding advice and networking events. It is entering its second phase with a focus on enabling innovative interventions.

4: Invest in better ways to connect and move people through improving digital connectivity, active travel and public transport

What we know

The pandemic has changed the way that people live, work and learn overnight and, although challenging for many, has shown how quickly we can adapt to these different conditions. Digital technology and connectivity have become critical and we've also seen positive environmental benefits.

I'm pleased to see a focus in your strategy on maximising opportunities from these changes to 'build on trials of demand responsive public transport', with a strong focus on 'minimising the need to travel' and 'enabling active travel as an investment in public health'. I'm also pleased to see a focus on these in the forthcoming Wales Transport Strategy, although the proposed actions could go much further to tackling the short and long-term challenges we face.

I welcome Welsh Government's commitment of £25 million to improve active travel, and would like to see this continue to ensure that towns and cities across Wales can be better places for citizens, making it safer for people to walk and cycle to access employment, shops and basic services, linked to the town centre/local hubs priority above.

What we don't know and where are the challenges

Pre-pandemic we knew that in Wales over 80% of daily journeys to work were by car; people had limited access to alternative options (public transport or active travel) and this needs to be addressed. However public transport use during the crisis has become a huge challenge with rates at around 95% less at the end of May 2020 compared with the same period last year. While I welcome Welsh Government's aspiration for 30% of workers to work from home in the long-term, providing affordable and accessible alternatives to driving for those who still need to travel to work will be an ongoing challenge.

On digital capability I support the suggestions set out in the second interim report from Ffenics. It is clear there is a need for a fully coordinated approach to improve digital capacity and capability, including improved digital infrastructure, resilient networks and advanced digital skills to maximise the opportunities afforded by this new way of working.

Longer term, policy and investment should focus on

- **Following the transport hierarchy with a focus on reducing the need to travel** where possible, and providing sustainable, affordable, low carbon, healthy alternatives when people do need to travel to work, schools or to access other services.
- **Infrastructure investment should focus on improving walking and cycling opportunities** locally to support the town centre/local hubs priority above.
- **Taking a holistic and multi-sectoral approach to expanding digital connectivity**, recognising the key role that digital technologies play in relation to work, health, education and other areas of public services.

- **Investing in a universal basic digital infrastructure**, giving every community access to high-quality broadband (as suggested by Ffenics).

Opportunities for modest investment could include

- a) **Further support for reallocating road space to create more room for walking and cycling**, and prioritising active travel in local neighbourhoods, linked to the 'Town Centre first' approach. This must include revenue costs for local authorities to recruit staff to implement this work in order to avoid an ongoing implementation gap in active travel policy. See also opportunity (d) in section 6 below, anticipated to be a suggestion to the Minister for Environment, Energy and Rural Affairs.
- b) **Prioritise 'School streets' through closing school streets to traffic**, as has been done successfully in Cardiff. Infrastructure requirements are minimal and therefore changes can be made relatively quickly and at low cost. This promotes wider and long-term benefits to young people and parents developing healthy habits, reduced air pollution and better community cohesion. There is a particular opportunity to seize this moment as wide scale working from home means that parents are likely to be willing and able to adopt new behaviours.
- c) **Target funding for broadband** in communities which have been hit hardest by the pandemic and currently have the poorest connectivity.
- d) Build on existing work by **expanding the offer for schools in our most deprived communities to provide a digital device for every child** as well as to each child in receipt of free school meals, to encourage and enable online learning.

Examples of investment elsewhere

- **Lisbon:** In response to Covid-19, and to allow for social distancing on public transport as well as to promote the use of green energy, Lisbon is building new, dedicated bus lanes and buying more trams and electric buses than previously planned.
- **France:** The Government will invest £17 million (€20 million) into a cycle repair scheme, where all citizens will be eligible for bike repairs (up to €50) at registered mechanics. This funding will also help pay for cycle training and temporary parking spaces. Since the pandemic Paris has installed an extra 50 km of bike lines as a public health measure and has seen a surge in cycling.
- **New Zealand:** The Government has invested \$15 million to improve rural broadband capacity, which has been welcomed by farming groups.

5: Invest in cultural and creative industries, involving them in building back better and enabling them to become a core part of communities and public services

What we know

Culture is part of how we live and is important for our mental well-being, especially in moments of stress and isolation. Fortunately, through technological advancement, culture can now be consumed and experienced at home. This has been a lifeline for many during the pandemic.

The cultural sector is, sadly, one of the most vulnerable to the potential economic consequences of the pandemic, and many countries have pledged financial help to assist cultural professionals and businesses. Many freelancers who cannot count on commissions have lost their livelihood as they cannot rely on the safety nets of regular employment.

I welcome the £53 million support you have provided to a range of arts organisations in Wales and your commitment to the Freelancer Pledge. This funding has undoubtedly helped cultural professionals reduce the impact of the pandemic. But for our cultural sector to fully recover, we will need to do more and start seeing culture as a vital cog of well-being rather than something that sits separately in a silo.

What we don't know and where are the challenges

The Freelancers Fund has been over-subscribed and despite a second phase being released, it is unlikely it will meet the overall need which could result in a loss of creative practitioners in Wales. There is a particular concern about impact on Welsh medium creative professionals and their art forms. The Urdd have had to make staff redundant and major Welsh medium festivals have been cancelled - which the Welsh Language Commissioner has said will have a major impact on our ability to meet our 2050 target.

Without support for culture as a core part of recovery we risk losing creative practitioners forever, many of whom also support our national commitment to a thriving Welsh Language. We also know that creativity is an essential skill for the future, and culture forms a key part of the liveability issues which attract inward investment. Therefore a loss of these skills would impact on the ability of Wales' economic prospects.

Longer term, policy and investment should focus on

- **Providing long-term funding and policy commitments to the cultural sector and creative industries across Wales**, positioning them as a core part of public service delivery.
- **Recognising the importance of culture for the improvement of health and well-being**, particularly as part of recovery from the pandemic.
- Ensuring that **cultural agencies including Cadw, Visit Wales, Creative Wales and national bodies like Arts Council of Wales, National Museum Wales and the National Library are working together** to better make the connections between how culture and language are addressing key issues such as the climate and nature emergencies.

Opportunities for modest investment could include

- a) **Greater investment in the Cultural Recovery Fund**, providing additional support for all freelancers.
- b) **A Creative Solutions fund** for public bodies / Public Services Boards to pay freelancers to support the requirements of the freelancers' pledge.
- c) Establish a fund to facilitate and **support creative agents to work with schools online to enable the creative learning** that has been limited during lockdown.

Examples of investment elsewhere

- **Belgium:** A stimulus package including a €300 gift cheque to be used for meals or cultural activities (such as theatre and museums) has been launched.
- **New Zealand:** The Government has identified that without intervention the cultural sector will be hit roughly twice as hard as the rest of the economy, and has put in place a \$175 million stimulus package that aims to save thousands of jobs.

6: Invest in nature to help achieve a biodiverse natural environment and ensure people have access to a wildlife rich natural world

What we know

While our attention has been largely distracted by responding to the pandemic, the climate and nature emergencies have not gone away. We have seen more record-breaking weather events this year, and historical 'hundred-year' floods are now predicted to occur every one to thirty years. Alongside flooding, global temperatures rising and plants and wildlife going extinct will create an insurmountable crisis that society will not be able to overcome.

There is a clear role for Nature Based Solutions to be a core part of recovery and I welcome the investment you have already made in relation to the nature and climate crises. I also note the focus in this area in one of your priorities set out in the 'COVID-19 Reconstruction: Challenges and Priorities' report.

What we don't know and where are the challenges

In their recently published manifesto, Wales Environment Link have called for a green and blue recovery of our land and seas, highlighting that this can only happen as a cross-government and cross-societal change.

As set out in the section of this paper on skills and retraining (section 1 above), jobs in nature conservation (both marine and terrestrial) represent a sector with the potential and need to grow. As Wales Environment Link set out, more easily accessible training opportunities and paid real Living Wage internships will be crucial to encouraging and enabling more people to take up green/blue job opportunities. There is also a need to invest in green apprenticeships in truly sustainable industries to enable skill development and entry into what have been highly competitive work areas. Wales TUC suggest that an investment package for 13% increase in forest cover

through reforestation at an investment of £390m would create 3,613 direct and in-direct jobs over the next two years in Wales.

Longer term, policy and investment should focus on

- **Large-scale habitat restoration, creation and connectivity throughout Wales**, including setting statutory targets for nature recovery and specific species recovery measures to help prevent extinction.
- **Support increased green space and green infrastructure in our towns and cities** to ensure people can access green space within 300 metres of their home.
- **Supporting resilient, locally based food systems** that guarantee healthy diets and provide a fair deal for farmers.
- **Embedding eco literacy in education and workplace learning.**

Opportunities for modest investment could include

- a) **Establish a Conservation Corp/National Nature Service** as recommended by Ffenics' advice to Ken Skates and NRW's Green Recovery Group advice to Lesley Griffiths. Such an approach would establish a country-wide movement for action to restore nature whilst building the regenerative economy and creating jobs. I also anticipate other relevant proposals around skills, placements for young people, food, community stewardship of land etc in the recommendations that follow from Natural Resources Wales' Green Recovery work (see also section 1 on skills above)
- b) **Increase investment in the National Forest** in order to radically increase tree cover. I have previously estimated this requires investment of approximately £16 million per year over the next decade and would require a focus on training in this area
- c) **Incentivise city and town centre regeneration to incorporate biodiverse green infrastructure and nature-based solutions**, enabling more people to access high quality green and blue space and supporting nature recovery. This should include working with local organisations to deliver 20% tree canopy cover in every town and city in Wales by 2030. This opportunity is in line with the town centre recommendation in your recent report.
- d) **Invest in new walking and cycling routes to connect nature reserves, historic sites and the Wales coastal path**, to improve opportunities for local people to access these sites as well as providing new tourism opportunities (as I anticipate will be suggested by the NRW Green Recovery group's advice to Lesley Griffiths).

Examples of investment elsewhere

- **Paris:** Hosts the world's largest urban farm, which will soon produce around 1,000kg of organic produce every day, part of an urban food revolution in the French capital.
- **Canada:** Ontario has a 50 Million Trees programme supported by the Government of Canada as well as corporate sponsors, increasing forest cover by making tree planting easier and more affordable.

Part 2: How we can help address the short-term recovery and longer-term challenges of Covid-19 through the way in which we work

The broad scope of the Act has given me a unique insight into Covid-19 recovery work across several Ministerial portfolios, and on various themes. Over the summer, it became apparent to me there were a plethora of groups and networks working to inform Welsh Government on Covid recovery. While understandable, my concern is these groups are potentially working in isolation.

To better understand how these groups are integrating with each other, or not, I convened a roundtable event on 14th September with group chairs and leads. This included representatives from NRW's Green Recovery group, the BAME Covid-19 Advisory Group, the new Construction Forum, Ffenics, local government, the voluntary sector, the South East Wales Transport Commission and others. The meeting also meant we could collectively identify key overlaps and gaps and explore how the Well-being of Future Generations Act was being used by the groups to develop their work.

My office followed this up with a series of interviews with many of those who attended the meeting, seeking further information and clarity on some of the issues discussed. Putting all of this together, several areas stand out to me which I'd like to highlight below:

1: The need for implementation

There is one overarching message I take from all the conversations I've had over the past few months: the urgent need for implementation and collective agency in Wales, addressing the gap between the aspiration set out by Welsh Government in policy and legislation and the commitment to delivery on the ground. This echoes my recommendations in [Chapter 2](#) of the Future Generations Report.

Within the 8 priorities your new report sets out, I believe there is consensus about the 'what' in relation to Covid recovery (at a strategic level). And I expect further detail in the coming weeks to follow from the various groups informing ministers, providing a fuller picture of ideas and actions to deliver.

That is the 'what'. However, our collective attention must now turn to the 'how', i.e. how we turn policy and priorities into reality. This will go a long way to determining how successful we are. And to quote a representative from the WLGA at the roundtable event, *'we need to plot a way forward, but we only have a short bit of time to get this right.'*

It is therefore important we find ways to enable organisations across sectors and communities to work together and share capability and motivation to make the most of the investment and opportunities we have in Wales. This was a clear message from the roundtable event I held.

Potential solutions

- Building on the model of the team leading the Social Partnerships Bill, support and establish teams of secondees from a range of public, private and voluntary sector organisations to design and deliver key strands of your recovery plans.
- Incentivise local authorities and Public Services Boards through the capital and revenue funding programmes provided to them to work collaboratively, innovate and deliver the longer-term reconstruction opportunities through the lens of the Act.
- Empower Public Services Board members to become 'agents of change', engaging with wider groups in their areas and working with Government to resolve issues. Welsh Government should ensure the civil service representative on each Board is gathering this intelligence on local delivery, playing a more active role in working across Government to resolve issues and concerns. These representatives should be reporting challenges and opportunities to full Cabinet regularly.

2: Diversity in decision making

We have seen that people's chances of dying, becoming critically ill, losing jobs or falling behind in education during the pandemic, have been in part determined by our age, race, gender, disability, income and where we live. However, we also know these effects are often the result of long-term, entrenched inequalities.

I am aware of activity on equality and diversity in relation to the response to Covid-19. For example, the Senedd's Equality, Local Government and Communities Committee's report on the impact of the pandemic on inequality, Welsh Government's response, and a Senedd debate held on 7th October.

However, I am concerned there may be a lack of alignment between this, and the ministerial groups (and others) focussed on recovery. It is not apparent if or how the information and intelligence being gathered is informing the work (and investment decisions) of the groups focussing on recovery, and I seek reassurance that this is the case.

It is also concerning that in the recent evidence session held by the Economy, Infrastructure and Skills Committee on Covid-19 recovery on 14th October, Ruth Coombs (Equality and Human Rights Commission) said there was little reference to equality and no reference to the Equality Act 2010 in Welsh Government's Covid-19 recovery documents.

It is vital investment in Wales helps address gaps in employment, particularly in relation to race, age, disability and gender, whilst also delivering flexible approaches to employment. Sharing this information would help inform better planning and delivery, challenge short-term decisions and provide clarity on what is needed.

I must also share my concern about a lack of visibility (in terms of diversity and equality) in many of the groups shaping the recovery. 'We need more diversity in our decision making' is not only a message shared frequently with me, but also something quite apparent when I have contributed to many of the groups informing Welsh Government's response to the pandemic.

Potential solutions

- Ensure each Ministerial Advisory Board and work programme has received an up to date briefing on the work of the First Minister's BAME Covid-19 Advisory Group, and has diverse representation.
- Require specific reference to how equality implications have been considered as part of the advice provided.
- Monitor the diversity of advisory boards and take action to address under representation.
- Encourage the groups to take up the offer of support from the Equality and Human Rights Commission (and other organisations such as EYST), to work together, improve diversity and be visibly represented by people with diverse characteristics. This offer was shared with representatives from my office in September.

3: The role of culture and creativity

A creative society is a thriving society. And Wales' creatives will be vital in getting the country back on its feet.

There are two important points I wish to raise on culture. Firstly, the need to support the sector itself. This is why I welcomed your announcements of £53 million to support cultural organisations in Wales hit hard by the effects of Covid-19 and the Cultural Recovery Fund where Freelancers working in the cultural and creative sectors in Wales can apply for a £2,500 grant (from a £7 million fund). The Freelancer Pledge also presents an opportunity for creative freelancers and public services to forge a partnership, enabling freelancers to use their skills to bring creativity and imagination to all areas of public life.

Secondly, the crucial role the cultural sector can play in 'how' we shape and deliver recovery in Wales. While I am disappointed with the absence of culture in many of the discussions both myself and my office have been involved in, I believe there is still time to involve this hugely important sector and make a marked difference to how we do things in Wales.

To give one example, David Anderson, National Museum Wales has been open in his message that they are an 'underused resource'. They have a team of environmental scientists and work with approximately 200,000 school children every year. They want to be better connected to the other groups and networks working on Covid-19 recovery, particularly groups focussed on the environment, skills and health and well-being.

In section 5 of part 1 above, I have set out what I believe are opportunities for investment in the cultural and creative industries. Below are potential solutions to help involve and position creative industries to be a core part of public service delivery in Wales.

Potential solutions

- Each group informing government on Covid-19 recovery has cultural representation.
- Groups and networks encouraged to proactively use a cultural lens in considering some of the big systemic challenges facing Wales to help Wales identify innovative solutions.

- Utilise the freelancers pledge to bring creative input into policy development and implementation.

4: Integration and join-up

Your report has set out a high-level framework for recovery from the pandemic in Wales. It is now critical the ongoing work of the groups informing Welsh Government on some of the detail around recovery is connected, joined-up and collaborative.

My office and I have worked hard over the summer to help facilitate this join-up. For example, connecting the team working on your Economic Reconstruction Strategy with Natural Resources Wales' Green Recovery team, ensuring the join-up is made between the strategy and proposals the group will likely put forward, e.g. a school leaver's training/job offer. And going further, ensuring these connections are also made with other key groups and networks who can add their value and expertise. For example, the Wales Construction Forum told me they need apprenticeship schemes to tap into and could do a lot more to deliver on social value.

The ongoing work is a reminder of how important it is to be clear in our understanding of how the various strands of work are connecting. For example, how the Economic Reconstruction Strategy is joining up with the proposals of the Green Recovery Group, the advice from Ffenics and the 'refresh' of Welsh Government's Economic Contract. And how this comes together with the BAME Covid-19 Advisory Group, the work of the South East Wales Transport Commission, the Third Sector Partnership Council and 'Better Future Wales' group, the 'Building back better' work of the new Construction Forum in Wales, as well as other groups and networks.

To give a recent example where integration was not apparent, the [National Development Framework](#) and Welsh Government's [written statement](#) on remote working were both published at a similar time but appeared to be in isolation of each other.

Working together and collaborating to understand the connections between what's being proposed is key. If we're really smart in how we do this, we have the best chance of ensuring multiple benefits for our communities and the most effective use of public (and private) investment. The connections to public body and Public Services Boards own well-being objectives will also be important, as key deliverers of many of the policy ideas and interventions. This point was also reinforced in the recent OECD report: '[The Future of Regional Development and Public Investment in Wales, United Kingdom](#)'.

Potential solutions

- A requirement on board/working group secretariat to advise on other relevant work across Government and facilitate dialogue between advisory groups.
- Show how your requirements will support the delivery of Welsh Government and local well-being objectives.
- Show where the connections are across different policies and how they interact.

- Simple mapping of boards across Government and a requirement in Terms of Reference to consider other work and the Well-being of Future Generations Act.

5: Using foresight and futures approaches to inform decision making

As Peter Drucker observed 'The greatest danger in times of turbulence is not the turbulence itself, but to act with yesterday's logic'.

In the foreword of your new report, the First Minister highlights 'Our future in Wales will look different as a consequence of Coronavirus, but the future is not fixed and we must try to shape it.' And part 4 ('Longer term change') states that the pandemic has 'highlighted that this is a moment for real change in the longer term' and shows how Wales will look also to the future.

While I welcome these statements, less clear is how futures and foresight has/is being applied to help shape Welsh Government's response to the pandemic. For example, to test how Wales is considering how it can respond to future trends in ways that will reduce inequalities rather than perpetuate them. And how policy decisions will ensure children and young people today, together with Wales' future generations, are not hit "catastrophically" by the collateral damage wrought by the crisis, as indicated in this recent [article](#).

I'm aware the Scottish Government and Scottish Enterprise ran a series of scenario thinking exercises in the summer, designed to test policies and plans for their COVID renewal strategy. Using four scenarios, tailored from Deloitte's global scenarios ('A World Remade') to the Scottish context, they sought to apply deeper insight, map future risks, identify better outcomes and deliver more resilient strategic options.

Welsh Government and advisory boards should demonstrate how they have applied future trends research and futures techniques to apply deeper insight to Wales' Covid recovery. If this has not been undertaken, I would be interested to hear your views on how this could be implemented soon, with support from my office if this is helpful.

Potential solutions

- Ensure all emerging policy and advice from advisory boards can demonstrate how they are considering long-term and future scenarios in their planning and delivery, beyond the traditional areas of future trends.
- Training and development on using futures and foresight approaches for key officials.

6: Enabling community action

The pandemic has highlighted the value of community groups and opportunities for cross-sector collaboration. It has also drawn attention to an interesting paradox. While highlighting the increasing interconnectedness of our world, it has simultaneously shrunk our daily lives down to smaller circles – families, neighbourhoods, and communities. These two aspects – the very global and the very local – are both crucial to 'building back better'.

Despite examples of cross-sector collaboration, the disconnect between Government, public bodies and communities is still a barrier to community action. My involvement in the Green Recovery Group, Chaired by Natural Resources Wales, and seeing the range of proposals submitted, has once again highlighted the importance of community-led local development and the factors needed to enable success of such an approach, e.g. improving understanding and collaboration between communities and public bodies.

My discussions with the voluntary sector, and in particular the work of the Third Sector Partnership Council (TSPC) and Better Future Wales, have also highlighted to me two clear areas that are emerging for them: the importance of the community led response and action, and how people (particularly young people) can be supported through volunteering to help give them a sense of purpose and well-being.

I also note in the most recent paper shared by Ffenics, that they have highlighted the opportunity for Welsh Government to create paid support schemes for the unemployed, where they're trained and encouraged to support the voluntary sector which is being hit hard right now, given that many of the organisations are central to the foundational economy and green recovery work.

Potential solutions

- Test groups and networks focused on COVID recovery on how 'top down-bottom up' their proposals are, and how their proposals will actively support local ownership and action, helping deliver your report's priority on the 'everyday'/foundational economy to build the resilience of the Welsh economy.
- Each group informing government on Covid-19 recovery has voluntary sector (or community) representation.

7: Language and consistency

As a final point on language, I would be grateful for clarification on the relationship between the 8 priorities outlined in your report, and the 4 themes Welsh Government had previously framed their recovery work around: Place, People, Green and Just Recovery, and Digital.

These 4 themes are not referred to in your recent report, but had become a key focus point for many of the groups working on recovery. The new report also continues to use the language of 'A More Prosperous Wales', 'A More Equal Wales' and 'A Greener Wales', as set out in Welsh Government's 2019 Annual Report. I reiterate the point I set out in the Future Generations Report, that one of the most common barriers reported to me, and the Auditor General for Wales, is that differences in language within policy, legislation and guidance coming from government serves to distract from the Act.

With very little reference to the legal definition of Wales' seven well-being goals, it is perhaps no surprise that consideration of areas such as culture, global responsibility, the Welsh language, community cohesion and other elements of our vision for national well-being can potentially be overlooked.

By email

18/11/2020

Dear Rebecca,

I am writing in relation to our recent dialogue about policy and investment priorities for a green and just recovery. I am pleased that you found my recent letter detailing key opportunities for investment and delivery and my insight into the Covid-19 recovery work, across Government and beyond, helpful.

Our teams continue to work together effectively, and your officials have requested further detail on my ideas, in the first instance prioritising areas for capital spend and suggesting associated costs where possible.

Building on the areas outlined in my letter of 23rd October, below I set out where I think the greatest opportunities are for capital investment. These are the interventions that I consider will contribute to the most well-being goals as well as addressing inequalities.

1. Further investment in the decarbonisation of homes, incentivising consideration of green infrastructure.

A priority is to provide further investment to expand the Optimised Retrofit Programme with longer-term funding security, ideally set out in a ten-year funding plan.

Even though it is positive that Government has doubled the amount of funding provided for ORP this year (to £19.5million), numerous studies have indicated that a much greater level funding is needed – between £0.5 and £1 billion per year suggested in the Jofeh report, and £4.2 billion for social housing over 10 years in the recent Community Housing Cymru report. In the 10-point plan I published in 2019 and my letter to you last year I suggested an **annual allocation of between £200-£300 million for housing retrofit** so there remains a significant funding gap.

I have commissioned the New Economics Foundation to explore innovative finance opportunities to address this funding gap, working with others to identify potential solutions which could include a combination of Treasury loans, Government and local authority borrowing, city region investment, green bonds and re-orientation of Welsh pension funds in addition to grants.

The schemes that are receiving funding from the current ORP need to be scaled up at pace, and additional in-year funding could support this.

In addition to this I believe Government should incentivise social landlords to use nature-based solutions and improvements to green infrastructure as part of their retrofit programme to ensure our homes are also resilient to the impacts of climate change.

2. Further investment to reallocate road space to create more room for walking and cycling.

Active travel should continue to be a priority for Government, and I welcome the increased investment that we've seen over the last few years to support active travel infrastructure. The current 3 year allocation of £60 million is coming to an end this year and I would urge Government to commit to another 3, preferably 5, year Active Travel Fund to give Local Authorities greater long-term certainty of the funding available and also longer to plan and develop appropriate infrastructure with full engagement and involvement from the communities in their local areas (which isn't always the case). In addition to capital investment, this must also include revenue costs for local authorities to recruit staff to deliver the work in order to avoid an ongoing implementation gap in active travel policy.

I welcomed the additional £55 million capital spend on 'sustainable travel' in this year's budget, but as my 10 point plan suggested a minimum of 10% of the transport budget (20% of the capital budget) should be allocated for funding walking and cycling infrastructure which is approximately a **£60 million allocation** in the next budget, or close to **£300 million over 5 years**.

You will be aware that I have challenged Government to demonstrate the carbon impact of spending proposals/allocations and whilst there is still work to do in this area it is clear that additional investment in modal shift would both support Government's climate change targets and the newly published draft National Transport Strategy.

3. Investment to prioritise 'school streets' through closing school streets to traffic.

School Street schemes offer a proactive solution for school communities to tackle air pollution, poor health and road danger reduction. It will encourage a healthier lifestyle and active travel to school for families and lead to a better environment for everyone.

It is particularly timely to reduce the use of cars on streets near schools, as many parents are working remotely so have more time to travel actively on the school run (i.e. walking or cycling) – this is an opportunity to embed active travel in daily patterns.

Indicative figures from Cardiff Council who have been trialling this approach suggest that each scheme costs between £30-60k so an allocation of **£6.6 million** (minimum) would provide for approximately 5 schools in each local authority area to take this approach forward.

Cardiff Council have been able to implement 14 School Streets to date using a range of funding sources including the Safe Routes in Communities grant, Civil Parking Enforcement

fund and the recent schools Covid grant. However, they are currently bidding for a further £1 million to deliver additional schemes with at least 45 schools wanting to become school streets demonstrating considerable demand and support for this approach.

Needless to say effective consultation is critical to ensure success of any scheme; the work Sustrans are currently doing at [Fairfield School](#) in Penarth is an example of the sort of process that will lead to a successful scheme, at an additional cost of around £50k (for engagement only).

I'm sure it would be helpful for the funding streams to be coordinated and rationalised so that there is a clearer mechanism to support implementation of school streets across Wales, and an integrated approach across transport, education and health would be helpful. This would result in:

- Supporting the wider benefits of school streets which include benefits to the health of children but also educational performance (as shown in a study by [Swansea University](#))
- A more holistic approach to implementing effective school streets schemes linked to the wider Active Travel network activity in that area, alongside what happens with school streets provision on the school grounds, as these are too often not connected to each other.
- Securing longer-term funding across a wide range of portfolios for various but connected activities would signal long-term commitment and support.

4. Investment in improving digital connectivity, particularly in communities hit hardest by the pandemic.

Target funding for broadband infrastructure improvements to the communities which have been hit hardest by the pandemic and currently have the poorest connectivity.

In July, I noted the investment of £30million (from Government, the European Union and Openreach) to extend superfast broadband coverage to a further 13,000 premises. You could continue to expand on these infrastructure improvements with a specific focus on communities that have been particularly hard hit by the pandemic or are likely to face high levels of unemployment in the coming months and years.

This digital infrastructure is important to enable continued remote working, to meet your target of 30% of the population working remotely and to ensure that there is equality between those employees who work remotely and those who are present in offices.

There are other innovative examples that can be developed further, with sufficient financial support, such as Carmarthenshire Council's investment of £50 million to boost digital connectivity in the region, to deploy more full fibre fixed broadband connectivity, as well as 4G, 5G, and the Internet of Things – a network of physical objects that are embedded with technologies to connect and exchange data.

5. Investment in green infrastructure in towns and cities.

Investment should be used to incentivise city and town centre regeneration to incorporate biodiverse green infrastructure and nature-based solutions, such as city nature trails and urban green corridors.

I welcome the commitment you've set out in the 'Covid-19 reconstruction: challenges and priorities' document, to develop community outdoor spaces through the Local Places for Nature programme. I suggest funding is scaled up and targeted at areas where communities cannot access green space within 300 metres of their home. This could be an extension of the £90 million Transforming Towns package, specifically focused on improving green infrastructure in communities that need it the most with a longer term aim to connect people to nature within 300m of their homes., improve air quality and enhance and restore biodiversity.

Many projects that would benefit from capital funding are highlighted in NRW's Green Recovery report, including a proposal from Fields in Trust which focuses on the creation of three new parks within deprived areas of Neath Port-Talbot, Newport and Cardiff, and proposals to restore neglected spaces on communities' doorsteps to transform them into food growing areas, pollinator gardens and community orchards and woodlands.

6. Investment in the infrastructure needed to pilot remote working hubs.

I note in your document 'Covid-19 reconstruction: challenges and priorities' document you intend to launch a Strategic Sites Acquisition Fund to enable local authorities to acquire land and high street premises in order to revitalise town centres.

As part of this priority should be to support the piloting of remote working hubs, through acquiring buildings or supporting other organisations to acquire buildings and seeking to establish multi-functional hubs which could provide working, reskilling, well-being and community facilities/services. Pilots should be focused in areas that have been hit hardest by the pandemic, and Government should take account of socio-economic disadvantage and levels of home broadband coverage. Government could also prioritise the creation of remote working hubs in buildings which have multiple uses – for example community centres, childcare settings or places that promote regeneration.

You could allocate a small capital grant programme for businesses who want to invest in setting up remote working hubs in their premises, and in return they could be expected to allocate a certain number of free working spaces per day to people from their local community. This could also be aligned to the Economic Resilience Fund working on the basis that it should be seeking to achieve "something for something".

I hope that these suggestions are helpful, and I look forward to further dialogue.

Kind regards,



Sophie Howe

Future Generations Commissioner for Wales