



Llywodraeth Cymru
Welsh Government

Prosperity for All: economic action plan

Foreword

In pursuing prosperity for all, we intend building an economy on strong foundations, to supercharge our industries of the future and empower all our regions to become more productive.

And we wish to see growth with a purpose - inclusive growth - so that as our wealth and well-being improve, inequalities across our country narrow.

Wales is home to some of the most innovative, dynamic and exciting economic activity anywhere in the world from the world-class centres of aerospace engineering and nuclear energy in the north; cutting-edge metallics innovation, marine technology and automotive production in the south; to award-winning food producers in rural Wales. Our economy is a base for scores of internationally recognised firms and entrepreneurs doing things with skill, precision and quality that is of a world standard.

Supported by some of the UK's best colleges and high-quality universities doing ground breaking R&D, we know that there are huge strengths to our economy. Supporting a competitive Welsh economy and a competitive environment for businesses to expand helps to create jobs, fund vital services and provide a future for our young people.

We are immensely proud of the role the Welsh Government has played in strengthening the economy. Since 2011, Welsh Government funding has helped support more than 185,000 jobs across Wales, assisted 17,000 young people into work during the teeth of the global recession and pushed unemployment to its lowest level in modern times.

But huge structural challenges remain: deindustrialisation, economic inactivity, unstable and insecure employment, productivity that lags behind the rest of the UK, accelerating technological change, slow diffusion of innovation, costly sickness and in-work illness rates and the challenge of an ageing population.

There are external challenges too. Exiting the EU will fundamentally alter the shape of our trading relationship with the rest of the world. The transition to a low-carbon global economy is underway and we need to take advantage of this opportunity to increase our competitiveness, whilst also building resilience to the impacts of climate change. Meeting those challenges and turning them into new and exciting opportunities for inclusive, fair and sustainable economic growth is the defining political and economic challenge of our age.

Recently we published *Prosperity for All*, a new national strategy to map out how we can - working across traditional silos of government - turn those challenges into new opportunities. This Economic Action Plan sets out how we can pool the resources, expertise and knowledge we have in Wales to strengthen our economic foundations and future-proof the Welsh economy.

This Plan is grounded on the principle that places matter and seeks to make real our ambition of delivering better jobs closer to home. It sets out our aspiration to ensure the fruits of growth are felt fairly across all parts of Wales. It also provides an ambitious basis for regional economic development. It ensures the different players in our economy - from the emerging City Deals and local government reform structures, to the new Development Bank of Wales and Regional Skills Partnerships - work together on a clear footprint with businesses and other partners in a new, strategic and more collaborative partnership to support distinctive regional strengths.

To drive wider impacts from our interventions, we are proposing a new Economic Contract between business,

government and partners in Wales. A ‘something for something’ approach that increases the availability of fair - and rewarding - work, which creates more and better jobs closer to home, that meets our decarbonisation ambitions and which also ensures businesses are optimising the potential of new and emerging technologies.

The Plan also sets out a new approach to supporting key strategic areas of the economy. Since 2009, our approach has been to support individual sectors, many of which like creative industries and advanced manufacturing, have become huge success stories. However, forces such as decarbonisation, automation, artificial intelligence and other forms of digitalisation are already transforming industries and individual firms, breaking down the traditional boundaries between different sectors of the economy. The opportunities of the data revolution, for example, are increasingly driving new collaborations across sectors. This Plan sets out to re-cast our support in a way that can help build the industries of the future.

An important additional element of our approach will be in supporting new foundation sectors of the economy because sectors such

as care, tourism, food, and retail are the backbones of many local economies. By developing new models of support and partnerships in these areas, we can help small and often fragile enterprises embedded in local communities increase their productivity, encourage skills progression and develop more sustainable business models. All of this means challenging ourselves in government too.

We have already begun to develop stronger regional partnerships as well as re-shaping the advisory structures and business funding support processes to make them simpler to understand and more focused on delivering on our shared goals. It also means government stepping up to the plate and taking a lead in areas like decarbonisation and demonstrating our intent to create more sustainable economic infrastructure.

The challenges of the coming decade are significant but our size and scale give us the opportunity to be smart and to work together in turning them into new economic opportunities.

This Plan has principles and purpose at its heart: to deliver an economy in which the spirit levels beneath both our wealth and

well-being rise together, leading to Wales being internationally recognised as a great place in which to grow up and to grow old; and which has dynamic industries soaring from strong foundations.

This is a Plan to deliver prosperity for all by encouraging participation for all. To tackle the structural challenges we face and to turn threats into opportunities we call on all who have an interest in our future prosperity to be partners of the Welsh Government.

Ken Skates AM
Cabinet Secretary for
Economy and Transport

Introduction

Inclusive Growth

Growing our economy inclusively, spreading opportunity and promoting well-being are at the heart of this Plan, underpinning its contribution toward delivery of our National Strategy: *Prosperity for All*.

Our role as a government is to support an economy that increases both our wealth and our well-being through inclusive growth, by which we mean a fairer distribution of the benefits of economic growth both at an individual level and between different parts of Wales. We want a strong, resilient and diverse economy that delivers for the people of Wales - enabling individuals to realise their ambitions, businesses to prosper and communities to thrive.

We regard growth and fairness as mutually reinforcing, not mutually exclusive. We pursue growth because it can promote fairness and we should strive for a fairer Wales, because doing so will improve our growth potential. There is an economic as well as moral imperative to the pursuit of inclusive growth. Evidence tells us that inequalities reduce prospects for growth - affecting the likelihood of individuals investing in their education and training leading to poorer health outcomes that carry an economic cost and social dislocation that in turn influences economic outcomes.

Understanding the nature of the economic strengths and challenges we face helps us to frame our response. The actions we will take aim to ensure that we address the issues of today and provide strong foundations for the future, a positive legacy built on a set of clear principles.

Economic Context

The Welsh economy today has the right foundations upon which to build. Our labour market performance today is strong relative to our history - more people in work than ever before, a lower rate of unemployment than the UK average and falling rates of inactivity. We have a record number of active businesses in Wales and the number of new business births is the highest for over a decade.

Our exports and levels of Foreign Direct Investment (FDI) continue to impress - even set against the damaging backdrop of the threat of a 'no deal' European Union exit. Our export performance and levels of FDI demonstrate how much confidence the world has in the quality of Welsh business, products and services and how much they value our people and places as an ideal destination for business investment.

We are also performing relatively well in some measures of living standards. For example since

devolution Gross Disposable Household Income per person has increased at a faster rate in Wales than the UK average and in terms of average household wealth Wales is ahead of most parts of the UK and behind only the south east and south west of England.

Despite these positive developments, challenges of course remain - with growth scarred by an underlying individual and spatial inequality, significant uncertainty and global pressures like never before.

The process of exiting the European Union will frame the context against which we will implement this Plan and consider the wider opportunities and challenges we face. How the UK with its constituent nations and regions can retain unfettered access to European markets and improve trading relations with other parts of the world is perhaps the defining question of our times. It will be vital in determining our longer-term economic success.

The challenges and opportunities facing the Welsh economy are complex and overlapping but they fall within three broad categories:

1. Entrenched, long-term and structural: These have developed over generations and continue to shape economic outcomes. The persistent nature of these challenges and their magnitude make them the most stubborn to

address and the most in need of a whole government approach. These are at the root of our need to improve competitiveness - a productivity gap, economic inactivity and unsustainable spatial variations.

2. Strategic: These are not unique to Wales and are common across the world in the fourth industrial age. They include globalisation, automation and artificial intelligence, digitalisation, new working practices, demographic pressures, decarbonisation and skill shortages and mismatches.

3. Financial: Our work to develop a distinct agenda for Wales is set against continued pressures on our budgets and resources because of ongoing UK Government austerity measures.

The combined impact of the challenges and opportunities presented in the rapidly changing environment are hugely significant in growing the economy, improving competitiveness and responding to individual and spatial inequalities.

Our role as a government is to respond head on to these challenges and opportunities and gear our support and policies to those who need it.

Productivity Gap

Productivity is a measure of how well an economy combines resources to produce goods and services. Generally, the higher the productivity of a nation, the higher the material living standards that it can afford and at an individual level, higher productivity is associated with higher earnings.

Wales faces a productivity issue, with output per hour worked in Wales the lowest of all UK nations and regions. This lower productivity is the main driver of the Gross Value Added (GVA) gap between Wales and the UK. The reasons for this lagging productivity performance are complicated, with no simple or single solution. Investments in human capital, infrastructure and physical capital; innovation and science; enterprise and competition all have a part to play. Our Calls to Action are aimed at tackling this.

Economic Inactivity and Demographic Shift

Although employment has risen, we still have too many people who are economically inactive and whilst many more of us are living longer, the effect of this is a lower working-age to population ratio that contributes to our relatively lower levels GVA per head and productivity here. The approach set out in this Plan to tackling barriers to employment – not just

in terms of skills, but wider support to address personal barriers and its focus upon care as a foundation sector reflects the nature of this challenge, as well as acknowledging the economic opportunities that come from demographic shift.

Spatial Variations

Since 2011, we supported nearly 185,000 jobs across Wales. Whilst those jobs have been welcome and have brought opportunity, prosperity and security to many individuals, their families and communities, it is also clear that those benefits have not fallen evenly across Wales.

The differences in outcomes between our communities within and between the different regions of Wales are one of the most important structural problems in our economy – acting as a brake on our prosperity and increasing feelings of insecurity and isolation.

Automation, Artificial Intelligence, Digitalisation, Innovation and Skills

In the fourth industrial age, the world of work is now changing faster than it ever has before. More and more businesses and public bodies in Wales are delivering services and utilising new digital technologies in ways that are having a huge impact on the traditional divisions of industry

and presenting new and immediate challenges for workers and the skills they need to thrive.

We recognise successful businesses are already adapting to this change but we know we need to do more. This is requiring us to think hard about work, the skills we need and the balance between labour market flexibility and fairness at work – it is also placing new demands to innovate and future-proof against this changing environment.

Decarbonisation and Climate Change

Rising global temperatures and changing weather patterns are affecting our daily lives and compelling us to think creatively about the need to decarbonise the traditional models of business, public services and infrastructure. The shift towards a low-carbon future offers huge opportunities for our economy to diversify and grow – but it also challenges us to support business, people and places in transitioning toward that low carbon future.

Financial Challenges

The big challenges and opportunities that we face require new and more effective ways of working. These are not self-contained areas of activity and outcomes in one area have a direct consequence on outcomes in another. UK Government austerity and continued pressure on public finances demand that we do more to secure maximum and wider impact from every pound we spend. This means we need to approach issues and develop solutions in a different way, looking beyond individual ministerial portfolios.



The Plan sets out ambitious proposals and a shift in policy direction, supporting delivery of *Prosperity for All*. We will mobilise policy levers across every area of government to grow our economy inclusively, spread opportunity and promote well-being. We cannot do this alone and it requires others from outside government to play their part. That is why the new Economic Contract is the centrepiece of our approach.

The Plan is shaped by the principles of:

- public investment with a social purpose
- simplification
- a stronger regional voice and
- a focus on the long-term.

These principles are core to the key changes proposed by the Plan, for example:

Economic Contract: This will drive **public investment with a social purpose** through delivering added and wider value from the business support we offer.

Economy Futures Fund: This will deliver **simplification** of hitherto separate funding streams through the creation of a consolidated fund.

Regional Working: This will deliver **a stronger regional voice** through a regionally-focussed model of economic development, building upon and enhancing existing

cross-government work with the regions.

Calls to Action: To act as the prism through which financial support to business will be filtered to ensure we **focus on the long-term** and prepare business for the future.

Whilst the Plan focusses on our policy levers, we recognise the intrinsic integration of the Welsh and wider UK economy. We do not understate the significant impact that UK Government decisions have in Wales. For example, the UK Government's approach to exiting the EU, its role in major infrastructure projects and making good its promise in its recently published Industrial Strategy to rebalance the UK economy and ensure an economy that works for everyone are key influences.

UK Industrial Strategy

We believe there are clear overlaps between the Industrial Strategy's Grand Challenges and our Calls to Action, between the Industrial Strategy's five foundations and the objectives in our Plan and a shared understanding that lagging productivity is a core structural weakness of our economy.

These common threads provide business with confidence and certainty on our commitment to work with the UK Government and others to support existing businesses in adapting to change

and in promoting the industries and businesses of the future.

The changes set out in our Plan will support our ability to compete for funding announced in the UK Government's Industrial Strategy. This includes our invitation to groups of businesses to come together to develop proposals via our Calls to Action and the potential to use the best of these to compete for UK Government Sector Deals.

Well-being of Future Generations and the Economic Action Plan

In developing the Economic Action Plan, we have paid close attention to our obligations under the Well-being of Future Generations (Wales) Act. Embedding the principles of the Act within our strategic thinking and policy development has informed, influenced and shaped the Plan. In particular, we have carefully considered how the Plan reflects, aligns with and contributes to the well-being goals, objectives and ways of working.

Well-being Goals

We have taken the Act's overarching intention to create a Wales that we all want to live in now and in the future and used this to inform the Plan's focus on interventions to equip people, businesses and places with the tools they need to shape their own

Success story



Coaltown Coffee

Entrepreneurship in Wales can spring up in the most surprising of places – including the garage where Coaltown Coffee started its journey.

Scott James and his father Gordon set up their coffee roasting business in the garage of their family home in rural Carmarthenshire.

And the company, which owes its name to the mining heritage of their hometown of Ammanford, are planning for a bright future.

Two years from their first cup, Coaltown Coffee supplies 160 cafés, restaurants and shops across South Wales

and further afield, with big ideas for further expansion of their business.

The family team are also grabbing the attention of national retailers, selling their toasted Arabica beans in Selfridges, the upmarket London department store.

Scott has praised the helping hand offered by the Welsh Government, both for business support, financial help in buying equipment and even crediting Welsh Government's Food and Drink Wales events for an introduction to Selfridges.

Success story



Orangebox

Orangebox, a Welsh office furniture business is solid proof that high quality goods made in Wales have a global appeal.

The growing concern, which has received a total of £1.65m of support from Welsh Government, have invested £6m in their Treforest factory to meet the demands of their ever-growing export market.

The 2014 expansion in Treforest included a new design centre, took their total South Wales workforce to 250 at the time, and helped them reach their world wide clientele.

Orangebox now employs 420 people across sites in Treforest, Hengoed, Huddersfield, London, UAE and America.

A design-led furniture brand with a clear focus on helping clients create inspirational and diverse work environments, Orangebox prides itself on product development.

They employ more than 30 people in their Research and Development team, typically investing over £1m in new products each year.

futures. The Plan has a bold vision of facilitating an economy that delivers sustainable and inclusive growth, opportunities for all and which promotes individual and collective well-being. This vision underpins all seven well-being goals and is essential to the realisation of a prosperous Wales; a resilient Wales; a healthier Wales; and a more equal Wales.

Well-being Objectives

The Plan directly supports delivery of seven of the twelve well-being objectives (in addition to indirectly contributing to the other five). We have used the following seven well-being objectives as the framework around which the Plan and its actions are structured:

- Support people and businesses to drive prosperity.
- Tackle regional inequality and promote fair work.
- Drive sustainable growth and combat climate change.
- Build ambition and encourage learning for life.
- Equip everyone with the right skills for a changing world.
- Deliver modern and connected infrastructure.
- Promote and protect Wales' place in the world.

The prominence of these well-being objectives serve to ensure common purpose between the objectives of the Plan and the Act

and provides internal and external stakeholders with assurance that we are all working toward the same objectives.

In addition, consideration of the objectives has helped to join up the interventions set out in the Plan and helped us to better recognise the relationships and inter-dependencies between the objectives and the individual actions that flow from them.

This has influenced the development of key policy changes, such as the Economic Contract and its associated Calls to Action. These new interventions are not simply about a narrow approach to business support, but are about ensuring we secure wider impacts across a number of the objectives. The adoption of this broader, more joined up view is directly attributable to applying the principles in the Act.

Ways of Working

The Act sets out five ways of working, they are:

- Long-Term
- Prevention
- Integration
- Collaboration
- Involvement

We have demonstrated each of these in the development of the Plan. For example, in seeking to address entrenched, long-term and structural challenges like

productivity and spatial variations, the Plan is **long-term** in its approach, recognising these are generational issues and the need to take action now, to **prevent** these challenges continuing to shape economic outcomes in the future. This includes the Plan's focus on ensuring businesses are preparing themselves for the future and the focus on skills in supporting individuals to reach their potential.

The Plan is very clear that **how** we deliver is as important as **what** we deliver – and consideration of the Act has reinforced the need to work differently. The Plan recognises delivery of inclusive growth is beyond the scope of any single ministerial portfolio, neither can government achieve it by acting alone, it requires concerted action from all of government and between government and others. This need for **integration** and **collaboration** has influenced the development of the Plan and in particular shaped the new Economic Contract and the dynamic relationship between business and government that it will forge.

We have also taken steps to ensure **involvement** of others in the development of the Plan. This has included discussions held by the Cabinet Secretary for Economy and Transport with a range of businesses, representative bodies and others on the broader topic

of economic priorities. We also commit to involve others in the implementation of key aspects of the Plan, including the Economic Contract.

Prosperity for All and the Economic Action Plan

Prosperity for All identifies five priority areas for cross-government working which have the greatest potential contribution to long-term prosperity and well-being:

- Early Years
- Housing
- Social Care
- Mental Health
- Skills and Employability

The Plan contributes to each of the priority areas.

Supporting the economy to grow in an inclusive way will bring prosperity shared across generations. Investing in **early years** is an investment in the economy and workforce of the future. Our support for early years includes the implementation of the offer of 30 hours a week of government funded early education and childcare for three and four year olds, intended to support working families across Wales.

We will support quality **housing** in the right locations, ensuring that infrastructure is planned and developed to support communities and their needs. The National Infrastructure Commission for

Wales and Transport for Wales will have clear remits to ensure communities are properly connected.

The role of **care** is central to strong communities and we will make care one of the foundation sectors that attract government support.

We will work with the sector to better understand the barriers and challenges it faces, so that, in partnership, we can develop cross-government support.

We will introduce a new Economic Contract. We believe that businesses seeking Welsh Government support should demonstrate commitment to health, skills and learning in the workplace. **Mental health** is a priority and, as part of our Economic Contract, we will support employee assistance initiatives that address adverse factors affecting health and well-being.

In terms of **skills and employability**, we will publish a wide-reaching Employability Delivery Plan for Wales in 2018 which will reshape employability support both for people who are job-ready and those who are furthest from the labour market. Our aim is to give people the opportunity to get the skills and experience they need to access and keep decent jobs.

We will challenge our universities to achieve the small business charter award so that our institutions

are able to demonstrate an effective role in supporting small businesses, local economies, and student entrepreneurship.

We will bring together all Welsh Government controlled research funding and ensure funding decisions reflect Welsh priorities.

We will deliver a fair work agenda, including through our public supply chains. We have established a Fair Work Board which will shortly report and make recommendations as the basis for our new approach.



What are we seeking to achieve?

We want our people and businesses to compete with confidence in a fast-changing and global economic environment. This means support for businesses to start, grow and succeed and in which people have decent and secure employment. We have considered the important trends, future scenarios and opportunities highlighted in terms of the future of work in Wales to ensure our approach reflects current and future challenges.

Our new Economic Contract, with its Calls to Action, will help the businesses of today adapt and drive the **industries of the future**. We will simplify our approach

by focussing on national and foundation sectors in place of the multiple sectors approach of the past. We will prepare our economy to seize the opportunities to adapt to new realities and survive and thrive.

Why are we doing this?

The big structural and strategic challenges we face, from economic inactivity, to productivity and inequality, demand new ways of approaching those issues and new relationships that bind us to a common purpose. Increasing our wealth and well-being requires us to work effectively with people and business. Together, we can foster conditions that drive inclusive growth and a fairer distribution of opportunities. It is only by working

together that we will build a strong, resilient and diverse economy that delivers for the people of Wales.

As part of a modern and reciprocal relationship, people and business are beneficiaries of this approach and key agents in its delivery. That is why we want to support people and business in driving prosperity and it is why the Economic Contract is at the front and centre of the new way of working, helping us ensure public investment with a social purpose.

We see the Economic Contract as helping us to define the future relationship between the government and the business community as partners for inclusive growth.

How will this work?

We commit to a new **Economic Contract** between business and government to stimulate growth, increase productivity and make Wales fairer and more competitive.

Economic Contract

The Economic Contract is our commitment to continue to provide public investment to enable business growth alongside an expectation that business will make a contribution to our objectives in return for financial support.

It sets a new relationship between business and government. Business will have clarity on where government will provide support to prepare people and business for the future.

Through the new Economic Contract, we will change the way we operate with the private sector from co-existence to collaboration. The contract defines the roles of government and business:

- Government will foster the conditions for prosperity and security through policy interventions, to help people fulfil their potential and to promote Wales as a place to live,

visit, study, work, invest and do business.

- Business will create prosperity, generate profits and drive opportunities for employment and training. Growing businesses perform an important social role in generating wealth, attractive places to live and to the building of healthy and attractive communities.

As part of a reciprocal relationship, we will provide public investment to enable business growth, but we will challenge business – whether indigenous or inward investors – to demonstrate the contribution they will make to wider objectives in return for our support.

The Economic Contract will apply to our direct financial support to business. In the first instance, this will include only direct Welsh Government financial support, rather than that delivered through Business Wales or the Development Bank of Wales. However, we will look at the case for extending the coverage of the contract, alongside exploring the feasibility of other parts of the public sector in Wales adopting the same principles.

The Economic Contract will require businesses seeking investment from us to demonstrate all of the following as a minimum requirement:

- Growth potential (measured for example, by contribution to employment, productivity, or multiplier effects through the supply chain).
- Fair Work (as defined by the Fair Work Board).
- Promotion of health, including a special emphasis on mental health, skills and learning in the workplace.
- Progress in reducing carbon footprint.

These will be the first stage requirement for businesses to meet before we will consider their proposals for funding. The **Calls to Action** will form the second stage.

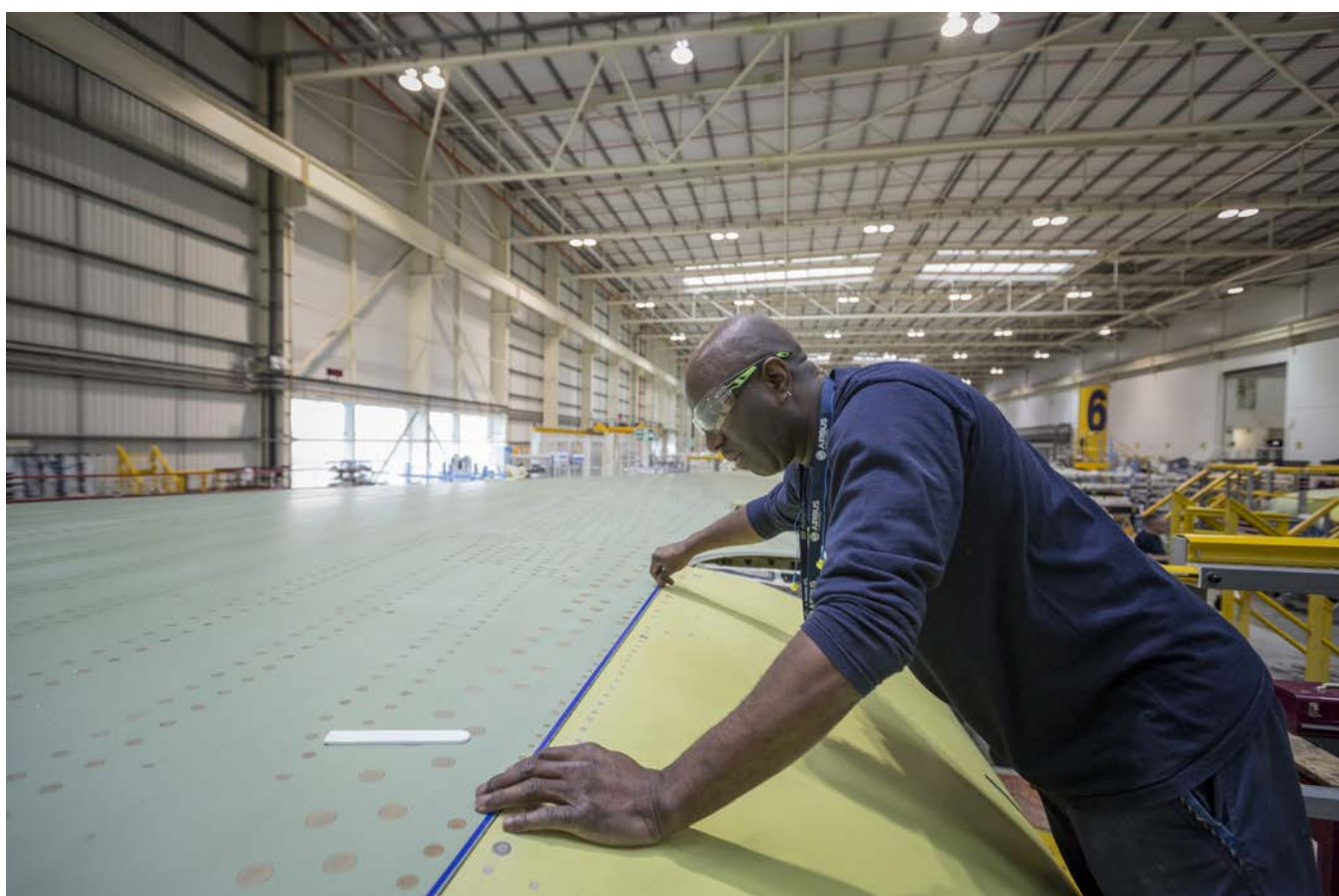
Calls to Action

Businesses seeking financial support from the Welsh Government will be expected to contribute to at least one of our five Calls to Action which are designed to support them to overcome the challenges of the future. Business will be able to see clearly where government will seek to provide support and people will be able to benefit from businesses that are preparing for future change.

We will help businesses overcome key challenges of the future, changing our primary support mechanisms to focus on these Calls to Action. Successful and profitable businesses are adapting to these challenges and the Calls to Action are the means by which we will help future-proof business and enable them to compete and profit.

In the future, any business asking for direct financial support will be required to develop proposals that respond and align to at least one of these Calls to Action:

- **Decarbonisation** - carbon intensive products will see their market shares significantly decline in the very near future; we need to enable more of our business base to become carbon light or free.
- **Innovation, Entrepreneurship and Headquarters** - product lifecycles are reducing and the marketplace has never been more competitive, we want to support businesses to innovate, introduce new products and services and succeed.
- **Exports and Trade** - there is significant untapped potential for trade with the rest of the UK and the rest of the world and we want to proactively support this.
- **High Quality Employment, Skills Development and Fair Work** - businesses need high quality skills to compete and businesses that employ people with high skills are able to pay higher wages that support communities to become more sustainable.
- **R&D, Automation and Digitalisation** - businesses will increasingly need to develop and introduce new products, automate and digitalise to remain competitive. Our universities will have an important supporting role in research and innovation as drivers for prosperity and growth.



We have a good example in the steel industry of how we have worked with the sector to respond to these very same challenges. We need to do more of this with other sectors, to help them prepare for the future. Acknowledging the potential benefits associated with open data, we will work with business and public sector bodies across Wales, advocating appropriate publication and use of data to maximise economic benefit.

We are keen to see the growth of strong indigenous businesses, but we remain open to both indigenous and inward investment so long as it responds to our Calls to Action. What matters most are not the origins of the investment but the type of outcomes and wider impact it will deliver. Our Calls to Action are the lens through which we will consider the type of investment we will support.

We will periodically review these Calls to Action with our partners to ensure they reflect contemporary and future economic trends and we will retain the flexibility to respond nimbly to changes in our economy.

We will actively seek views from our stakeholders on the detailed implementation of the Economic Contract and the Calls to Action. We value the fresh perspective others bring and want to build the sense of shared ownership required to underpin successful implementation.

Financial Support for Business

We are introducing a consolidated Economy Futures Fund, which in response to feedback from business, will simplify our financial support. We will align this to our Economic Contract and Calls to Action.

We will streamline and simplify our approach into a single, consolidated **Economy Futures Fund**. We are responding to the call from business for simplicity and their expectation that partnership with government will be efficient and effective. This consolidation will not include the commercial finance provided through the Development Bank of Wales nor Business Wales.

The Fund will align support to our five Calls to Action and the Economic Contract – supporting those businesses that wish to adapt to grow.

For the first time, we will actively encourage and work with groups of businesses to collaborate to develop **challenge proposals** that deliver against our Calls to Action. We will consider proposals that have a transformative effect on those businesses themselves as well as wider regional impacts on a case-by-case basis.

We will take the major step of aligning our appraisal of skills and business investment. Through this integration, we will maximise efficiency and effectiveness and produce an offer that is distinctive in the UK.

We will maintain a competitive offer to business, both within the UK and internationally. This means using a range of tools encompassing grants and repayable forms of finance, including loans. We expect the balance between these to reflect the economic cycle, with the balance shifting in favour of repayable forms of finance when times are good and in favour of traditional grants when the business environment is less favourable.

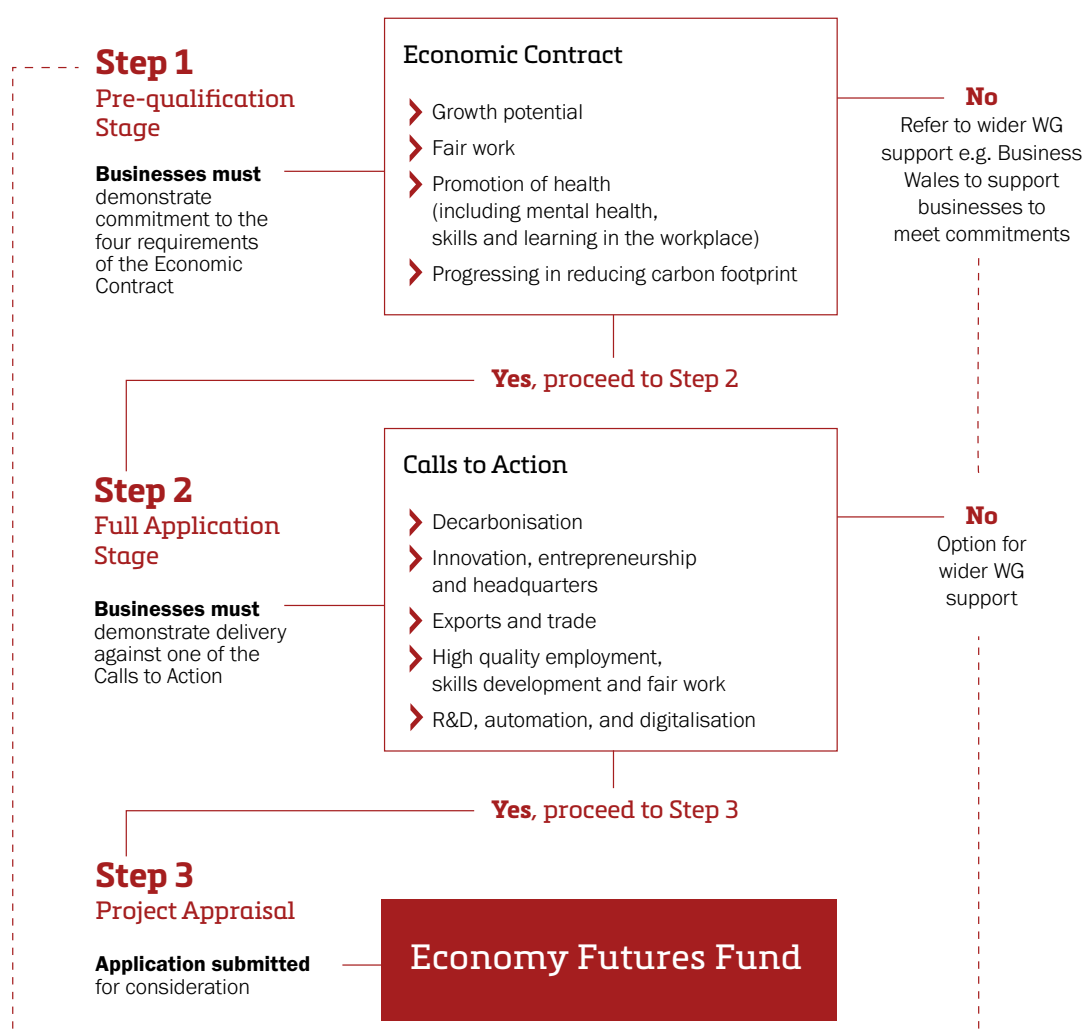
Changes in economic conditions for example during recessions, or significant local economic shocks may require an immediate response that departs from the norm. We will ensure our Economy Futures Fund has the flexibility to adapt to such changes, helping to stabilise our economy.

In addition to our direct financial support for business, we will build upon the improvements made in the delivery of business advice through the Business Wales service.

Our Business Wales service, Social Business Wales and the new **Development Bank of Wales** have a critical role to play in ensuring SMEs and micro businesses have access to finance that will

enable them to grow. Business finance is also open to innovative and thriving social businesses, including cooperatives, non-profit organisations and social enterprises.

Accessing direct financial support from Welsh Government



National Thematic Sectors

To have maximum impact, we need to focus our resources effectively. Our Economic Contract and Calls to Action will underpin how we support businesses financially. We are also setting out three thematic sectors that we will proactively work with across Wales.

These are:

- **Tradable Services.**
- **High Value Manufacturing.**
- **Enablers.**

Business can be clear about what parts of the economy the Welsh Government will proactively work with and see a new emphasis on emerging parts of the economy such as digital technologies.

A new approach to national thematic sectors

The pace of change in the world is getting ever faster and businesses will have to adapt and succeed or stagnate and fail. The impact we have is dependent upon how effectively we focus our resources.

A focus on specific priority sectors has been at the core of our approach for most of the last decade. Whilst this has delivered undoubted success, there were some weaknesses too and our approach has to change.

Our support for a particular sector too often became the purpose of activity. An end in itself, rather than a means to securing desired outcomes or objectives. We will channel our future support through the prism of our Calls to Action, rather than particular sectors in isolation. This changed focus will ensure our activity is outcome focussed, helping us achieve improved impact.

Even though we will use the Calls to Action as the driver through which we will deliver our support, we understand we cannot proactively work with every sector in the entire economy. To filter our work we are setting out the three national thematic sectors:

- **Tradable services:** Enterprises involved in providing services that can be exchanged between residents and non-residents of an economy, including services provided through foreign affiliates established abroad. For example, this will include Fintech services and online insurance.
- **High Value Manufacturing:** Enterprises applying leading-edge technical knowledge and expertise to the creation of products, production processes and associated services that have the strong potential to bring sustainable growth and high economic value.

For example, this will include compound semiconductors and new composites manufacturing.

- **Enablers:** Key enablers that drive competitiveness for successful businesses. For example, digital, energy efficiency and renewables.

This thematic approach to sector definitions recognises we are now operating in a changed world, where the boundaries between sectors are increasingly blurred. Technological change, new business practices, innovation and entrepreneurship are driving convergence of previously distinct sectors and we must respond to this change. This forward-looking approach offers agility and flexibility as sectors grow and change.

Our new approach is different from our previous sector approach. In the past, businesses in key sectors would have been eligible for support if they had a job creating or sustaining project. In the future, businesses in our new sectors will only be eligible if they satisfy the Economic Contract conditions and are proactively engaging with and dealing with future preparedness through our Calls to Action. Our approach will not prevent businesses in other sectors of the economy coming forward with proposals as long as they respond to the Calls to Action.

Foundation Sectors

The foundation economy provides essential goods and services. We will work to support four foundation sectors – tourism, food, retail and care – in a joined-up and consistent way across government. We will work with the sectors to understand the challenges they face and the opportunities for growth and innovation. We will develop cross-government enabling plans to maximise impact.

The foundation economy provides essential goods and services – from the provision of care to the old and young, to the food we consume and the retailers in our high streets. It is the backbone of our local communities across Wales. In parts of Wales, such as some of our rural communities, the foundation economy **is** the economy.

Strengthening these sectors and improving career prospects within them will help us to build resilient communities in all parts of Wales and support wider objectives, including our target of **one million Welsh speakers by 2050**.

Our foundation sectors will draw on opportunities that our unique historic and natural heritage provides and promote and protect

the precious assets. This includes the role of our National Parks that protect our landscape and environments and act as regional economic catalysts.

Our focus on foundation sectors is underpinned by:

- Numbers employed in the foundation economy.
- Provision of essential goods and services.
- Geographic distribution across Wales.
- Stability of goods and services locally produced and consumed.
- Strong links with *Prosperity for All*, the Better Jobs Closer to Home agenda and connected communities.

We will focus on four foundation sectors where working more effectively across government will maximise benefits:

- Tourism
- Food
- Retail
- Care

Tourism and food: we work directly with individual businesses and the sector more broadly on issues as diverse as marketing, skills, facilities, delivering major events and product quality. We will build on our work with the sectors.

Retail and Care: these sectors represent a new departure and significant shift in our approach. Our starting point

will be to establish constructive relationships, to understand the barriers and challenges as well as the significant opportunities for growth and innovation. For the first time, we will work with these sectors to develop enabling plans to inform the cross-government working required to maximise our impact.

The connection between the foundation sectors and quality of place has important economic impacts and we must do more to exploit these, including:

- The interrelationship between a strong retail offer and tourism.
- The link between retail and the quality of our town centres and the competitiveness of our cities.
- The impact that food production and processing has on the Wales brand.
- The links between community, place and the provision of care for the very young and older people.

We will align our approach to wider cross-government initiatives including the Valleys Taskforce Programme. We will review the Small Business Rate Relief consultation outcome for opportunities to support care providers. We will also work with Business Wales to create a social care provider business network by the end of July 2018 and develop bespoke business communications

aimed at care providers to raise awareness of opportunities, expertise and support available.

There are considerable opportunities to work with the third sector, social enterprises, co-operatives and mutuals in developing our approach to the foundation sectors. We will work with these sectors to ensure they play a full part in our economy, building upon the good work of the Welsh Co-operative and Mutuals Commission.

Regulation, Competitiveness & External Advice

All businesses operate within a legislative and regulatory framework. We are not sole authors of all of the legislation and regulation that affects business in Wales – local government, UK Government and the European Union are all sources of legislation and regulation. We will use our influence to **develop a modern regulatory framework** that supports responsible businesses practices, growth and competitiveness.

We will improve the economic impact analysis undertaken on new regulation and we will consult with the business community on existing regulation. We are clear that sound regulation provides important protections to consumers, workers and people generally. The Welsh Government will work to preserve and improve

such regulation. Good regulation supports competition, allows markets to function, protects our environment and safeguards rights in the workplace. We will work with business, trade unions and others to consider the impact of regulation now and in a future outside of the EU.

The Welsh Government has new fiscal responsibilities and in line with our Tax Policy Framework, we will use these to deliver our policy objectives. We will raise revenue to fund public services fairly and promote competitiveness.

Competitiveness demands a skilled workforce, connective infrastructure and attractive places. We will develop cross-government guidance on competitiveness, reflecting good practice elsewhere and the challenges of exiting the EU. In addition, we will enhance the Welsh Ministers' Business Scheme to support competitiveness and the right economic environment for growth.

Advisory Architecture

The Welsh Government actively seeks quality advice and expertise from business and others. We have reviewed the groups advising the government in line with our simplification agenda and will replace them with an overarching Ministerial Advisory Board. This will

provide advice on economic development.

Procurement

The Welsh public sector spends approximately £6bn per annum through procurement. We will work with public sector partners and business to maximise the value of Welsh public procurement to the Welsh economy and help Wales-based businesses compete with confidence for contracts.

We have made significant progress in recent years in increasing the level of public contracts won by Wales-based business, however we want to go further, including taking advantage of any new opportunities in the post EU era. We will explore new ways to drive local business growth through our procurement at all levels, balancing the opportunities of aggregating contracts into larger schemes against disaggregating contracts to appeal to a greater number of Wales-based business.

Public infrastructure and construction projects will offer major procurement opportunities during the years ahead. Through Transport for Wales, we will look at ways to procure infrastructure and services that lead to even greater local benefits, including importantly at prime contractor level. We will pilot ways of disaggregating projects so they can be delivered by smaller organisations with the twin aim of increasing the

Success story



Wealthify

FinTech startup Wealthify is a revolutionary online investment service designed for the mass market.

The new enterprise was backed by £143,000 business finance from Welsh Government, which helped accelerate development of its cutting-edge technology and create 39 jobs over its first four years, with potential for further growth.

Wealthify builds personal investment plans for customers, based on their attitude to risk, then invests, monitors and manages their money for them every day.

The service is designed for the digital age, allowing customers to check their investments via phone or tablet, 24 hours a day, seven days a week.

Wealthify joined a small crop of existing UK companies targeting the fast-growing robo-investment market, which is predicted to reach up to £1.8tn in assets under management globally within the next decade.

Success story



Moneyppenny

A £15m telephone company headquarters, claiming to be the happiest workplace in the UK, opened in Wrexham, thanks to funding from Welsh Government.

The 91,000-sq ft Moneyppenny development at Western Gateway includes a treehouse meeting room, its own village pub and a sun terrace. Outside there are nature trails, a duck pond and orchards.

Born in 2000, Moneyppenny lead the UK Telephone Answering Service and Outsourced Switchboard and

Live Chat market with respect to their size, quality of service and technology, looking after more calls and conversations for more businesses than any other company.

The telephone answering service plans to create 500 new jobs over the next few years and hopes to double its client base by 2018. The company, which has gone from a £10,000 start-up to the biggest business of its kind in the world, has recently opened its first US office.

proportion of work undertaken by Wales-based business and reducing the aggregate cost of schemes to the government.

We will strengthen our relationships with our public service delivery partners in order to identify, develop and implement solutions that maximise the value and contribution of procurement expenditure to Wales, such as the **Better Jobs Closer to Home** pilot.

The lessons we learn from this pilot, together with good practice from across the public sector in Wales and beyond will help shape the direction we take. At the heart of this will be the intent to align our procurement policy and delivery and deployment at national, regional and local levels and delivers against the goals of the Well-being of Future Generations Act. This will include:

- Delivering a national plan of future years' procurement spend in Wales to support sustainable jobs and growth; support fair work; promote investment in ethical employment practices and social value.
- Developing regional tools such as community benefits to help improve the resilience of local businesses and ensure the economic benefits from our public sector procurement spend remain in Wales.
- Working with businesses to strengthen local supply chains

and fill gaps to boost bids from Welsh businesses for Welsh public sector contracts.

We will drive through adoption of our **Code of Practice on Ethical Employment in Supply Chains**, fighting unfair and illegal employment practices. We will align infrastructure investment with regional development plans to maximise the impact of growth. Finally, against the backdrop of exiting the EU, ongoing austerity and a new approach to regional economic development we believe the time is also right to reposition and refocus the National Procurement Service and Value Wales. This will help us meet the challenges we face and realise new opportunities through development of innovative procurement and public spending.

Supporting people

People in Wales are a central focus of the interventions throughout this Plan. Whether in work or out of work, this Plan is about supporting our people to lead secure, healthy and rewarding lives. We support business not as an end in itself, but because of the wider benefits that productive, competitive and growing businesses bring to the people of Wales.

That is why our Economic Contract will drive change in areas like fair work and the promotion of health, skills and learning in the workplace, because doing these things does

not just make good business sense, they also directly support our people.

Our actions to support people are not just restricted to the Economic Contract:

- The regional model of economic development will help drive opportunities in every part of Wales, so we maximise opportunities wherever people live.
- The focus we place on skills in this Plan is centred on supporting people wherever they are on the employment ladder, helping them move closer to, gain, retain and progress in work.
- Our infrastructure interventions – from transport to broadband – are essential to supporting people to access places and services.
- Our prioritisation of foundation sectors targets those critical services that people produce and consume locally.

In this way, our support for inclusive growth becomes the greatest support of all, enabling our people to be prosperous and secure and confident about their future.

Childcare

In *Prosperity for All* we say **we will provide 30 hours of government funded education and childcare for three to four year olds** to

support working families across Wales and make it easier for people to take up and retain jobs.

Evidence shows the cost of childcare is a major concern for working parents, influencing household finances and the family's quality of life. We have listened to these concerns and to parents who say these costs are acting as a barrier, preventing them from returning to work or progressing in work.

The provision of affordable, accessible, quality early years provision, available at the times parents need it, plays an essential role in the expansion of our economy, helping parents, especially mothers, to return to work and creating further employment opportunities within childcare itself.

Our childcare offer will help families by providing them with options and support. It will ensure children have a safe and interesting place to thrive, learn and grow and that home life is better due to less financial pressure on families. In supporting working parents with the costs of childcare, we remove one of the potential barriers to employment, increase employability choices and influence disposable income. This dovetails with our focus on care as a foundation sector and the opportunity that provides to improve capacity, quality and accessibility.

The delivery of the offer should also act as catalyst for a wider transformation in the childcare sector. As part of this, we need to invest in building capacity and capability across the sector. To support providers to operate sustainably, we will prioritise support for the sector. In doing so, we will seek to identify ways of developing business and skills assistance which addresses the sector's needs. Our focus on care as a foundation sector will help to improve both capacity and quality in the sector.



What are we seeking to achieve?

We want all parts of Wales to benefit from economic growth and a fairer distribution of wealth and opportunity. We will encourage businesses to support fair work.

Why are we doing this?

Each of our regions has its own distinctive opportunities and challenges – and we believe embracing these through more

effective regional collaboration will lead to better outcomes.

We are proud of our record on jobs, but the benefits of growth have fallen unevenly across Wales. Evidence suggests inequalities reduce prospects for growth, so there is an economic as well as moral purpose to deliver better jobs closer to home.

The future of our Welsh-speaking communities and our regional economy are linked. Thriving local

economies will support our target of one million Welsh speakers by 2050. Good quality jobs and regions that are attractive places in which to live, work and invest, will provide people with a reason to remain or return to work and live in communities where the Welsh language thrives. A thriving Welsh language supports business growth and provides tangible opportunities for regional economic development.

Regional Economic Development

We want all parts of Wales to benefit from economic growth with wealth and opportunity spreading to all regions. We have appointed three Chief Regional Officers in North Wales, Mid and South West Wales and South East Wales and they are working with people and business across their regions to drive growth. This approach will bring economic development much closer to stakeholders and support thriving local economies.

How will this work?

In *Prosperity for All*, we commit to a **Regionally Focused Model of Economic Development**.

Our aim is to develop the distinctive strengths of each region in pursuit of growth, but to do this inclusively, recognising and addressing the regional disparities in wealth and opportunity between different parts of Wales.

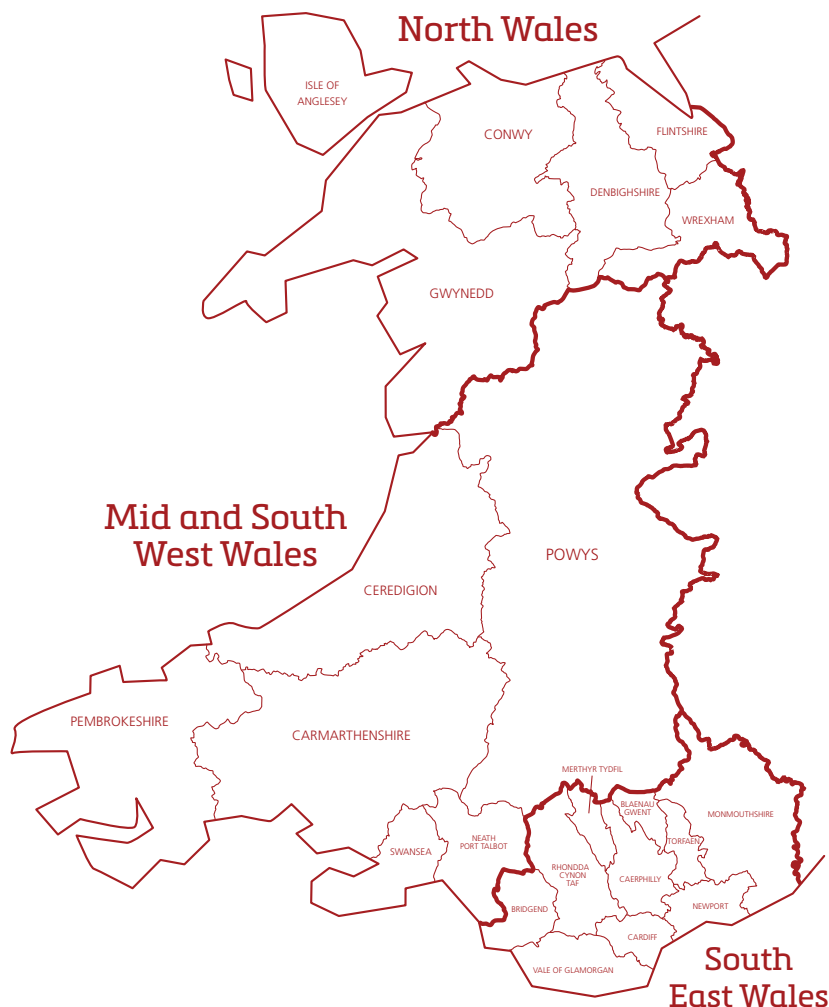
We recognise government does not have all of the answers and we want to build upon existing work at a regional level. We will add value by bringing partners together to

understand the issues in each region and the interventions needed from us.

As a first step, we will develop a robust and clear governance model in collaboration with our partners. Building on the principle of simplification, we will align our economic regions to those used for other footprints including Regional Skills Partnerships and those being used for local government collaboration:

- North Wales
- Mid and South West Wales
- South East Wales

Our Regions



This new, place-based approach to economic development will also enable us to respond more effectively to discrete challenges and opportunities faced by each of the regions. For example, in the South East region we will be able to utilise the regional approach as a glue to bring together and integrate the interventions of the Valleys Taskforce and City Deals.

In the North and in Mid and South West Wales we will be able to use the new approach to strengthen and evolve important arrangements for cross border economic development and transport planning.

We have appointed **Chief Regional Officers** to lead each of the three regions. They will be the regions in government, feeding back local intelligence to tailor our delivery. Critically, they will provide leadership, coordination, planning and alignment within the region. This will include bringing partners together to develop and deliver regional business plans that identify regional priorities and opportunities.

The Chief Regional Officers will work with others to harness the advantages of the emerging City and Growth Deals, the new Development Bank of Wales and Regional Skills Partnerships.

The evolution of this model will create influential networks of stakeholders in regions, linked

to government, delivering on our objectives and regional priorities. This transition to introduce a regionally focussed model of economic development will bring benefits including:

- Joined up economic development planning.
- Stronger local and regional supply chains.
- Better integrated transport.
- Strategic planning on a range of issues from land use to housing to skills.
- Stronger complementary economic and cross border collaboration.

Our approach will include working with the new Joint Governance Committees across local authority boundaries on issues such as economic development, strategic transport and infrastructure.

Strong regions require cross-border collaboration on UK strategically important projects. We are working to maximise the benefits of Wylfa Newydd and will do everything we can to achieve a lasting legacy for Wales and continue to press the UK Government for a positive decision on Swansea Bay Tidal Lagoon.

We will dovetail our approach to regions with wider initiatives like our £100 million Targeted Regeneration Investment (TRI) programme, which will have a key role in driving regeneration activity across the regions and

building places that create jobs, enhance skills and employability and provide an environment for businesses to grow and thrive. European Structural Investment Funds have played a major role in regional development in Wales. Our proposals for regional investment after EU exit will be set out in a forthcoming policy paper

Good quality, affordable housing has a major role to play in a place based approach to economic development in a number of ways. Investing in building new homes and improving our housing stock has a direct and positive impact on the economy, not just on the construction sector, but also through the wider supply chain. Moreover, a shortage of suitable housing can act as a barrier to attracting and retaining skills to support economic growth and secure housing is important to individual health and well-being, reducing the prospects of poor outcomes in these areas influencing economic development. In this context, our target of delivering 20,000 affordable homes during this term of government has an important contribution to make.

Rural Wales

We are committed **to helping rural businesses diversify and take advantage of supply chains.**

All three regions contain diverse rural communities. As part of our regional focus, we will recognise

the fundamental differences in our local economies, engage with delivery partners locally to address issues and tailor our approach to their needs.

We will engage with the WLGA, rural businesses and others to consider the most appropriate means of supporting economic development in Mid and West Wales, including encouraging regional collaboration to develop a growth deal proposal. This will tie in closely with work to prepare rural areas for the challenges and opportunities of exiting the EU and the planning of investment streams once the UK no longer participates in EU funding programmes. We are actively setting out the case for sustaining levels of structural funding after we leave the EU in our paper – Brexit and Regional Investment.

Fair Work

In *Prosperity for All* we say **we will take the steps needed to make Wales a fair work nation.**

The growing 'gig economy' means some individuals and families increasingly find themselves trapped in a cycle of low wage and casual work, locked out of the security, stability and opportunity that decent and fair work provides.

We want to change people's working lives for the better so more people have access to good work

and a secure, fair income where people can access better jobs closer to home, where people can develop their skills and careers and where we can all expect decent, life enhancing work without exploitation or poverty.

We have established a Fair Work Board whose first task is exploring a clear definition of fair work, as well as identifying the policy levers through which we can encourage more fair work outcomes from public spending and procurement practice in Wales, bringing positive benefits and security to employees and employers.

The output of the Fair Work Board is an important element of our Economic Contract that will provide the foundation for the new conditions we will place on those businesses seeking our financial support. By working together, this approach can benefit everyone - allowing good employers to protect themselves from being undercut by the poor employment practices of others and benefiting individuals, communities and our economy through the greater availability of fair work. The Fair Work Board will report and make recommendations in 2018.



What are we seeking to achieve?

We want Wales to benefit from the opportunities arising from the shift from a fossil fuel to a low carbon based economy and for this transition to support a transformation in our prosperity, health and well-being. We need to transform our economy to use fewer resources per unit output and keep products and material resources in high value use for as long as possible.

Why are we doing this?

Decarbonisation of the global economy is placing a demand upon us and we need to adapt. We want to position Wales to take advantage of rapidly growing, new and emerging markets.

How will this work?

We are setting a clear and consistent pathway for transition. We are implementing our internationally recognised legislation, putting in place interim targets and carbon budgets. We are helping

businesses through the transition to a low carbon economy and are coupling this with a move to a circular economy.

Wales' transition to a low carbon economy presents unique challenges as well as opportunities. The key is developing a coherent response that supports business to decarbonise, whilst retaining and building a competitive edge. This will involve planning, preparing and taking action to support a more energy efficient future, whilst ensuring sustainable outcomes for future and current generations.

We will take business with us on this journey. That is why decarbonisation and reducing carbon footprints has a prominent role within the Economic Contract and our Calls to Action. It also reflects the importance we place on energy as an enabling sector and the emphasis we place in this Plan on equipping our people with the skills our economy needs and decarbonising our public transport infrastructure.

Delivering growth that is sustainable and inclusive, whilst addressing the need to decarbonise, requires us to be clear about our expectations. In setting a **clear pathway for sustainable growth**, we will:

- **Provide clarity and certainty for investment.** Laying regulations before the National Assembly to set interim emissions targets for 2020, 2030 and 2040 and establish its first two carbon budgets by the end of 2018.
- **Publish our first Low Carbon Delivery Plan by April 2019.** Setting out the detailed actions we will take to deliver the first Carbon Budget, with the aim of maximising the benefits to Wales.
- **Publish our National Development Framework in 2020 and our Marine Plan in 2018.** These policies will help to drive our ambitions and will provide an important

long-term planning framework for developers.

- **Publish our National Climate Change Adaptation Plan in 2018**, which will set out how we will improve the resilience of our economy, communities and environment.
- **Publish our route map for a more resource efficient economy in 2018**, which will help us to realise the value of our resources in Wales. It will drive change through implementing the optimum a mix of interventions for achieving higher levels of circularity, innovation and resource efficiency for Wales. This will be underpinned by identifying:
 - areas with greatest potential to benefit from a more resource efficient, 'circular approach'
 - businesses with the greatest potential to use recycle as a raw material
 - routes for raising the capacity of circular economy innovation support in Wales, especially through the academic institutions.
- **Work with stakeholders in developing policies for the future of land management, marine, fisheries and sector preparedness**, in light of our departure from the European Union. Successor arrangements will have a strong focus on competitiveness, including;

improving resource efficiency; decreasing emissions and supporting businesses to diversify sustainably.

- **Take further action to improve air quality in Wales** through developing and consulting on a new Clean Air Plan for Wales, including a Clean Air Zone framework.

In addition to being clear about our expectations, we must support business through the transition, so that we manage the changes needed without damaging the prospects for jobs, investment and competitiveness.

In supporting business to transition, we will:

- Work with businesses that provide significant growth opportunities for Wales from the transition to a low carbon economy.
- Ensure Regional Skills Partnerships and our research and innovation support, identifies and plans for market opportunities and skills required from a low carbon economy.
- Work closely with partners in the National Parks, Local Authorities, the National Trust, Cadw and Natural Resources Wales to realise the economic and wider benefits of Wales' built and natural environments.
- Develop a support package for businesses to improve their

Success story



Daniel Huxtable

We want to develop an entrepreneurial culture in Wales that enables young people in all communities in Wales to contribute positively to economic and social success. Daniel Huxtable (20) an acclaimed young martial artist from Swansea has combined his passion for martial arts with his love of graphic design for the launch of his bespoke fightwear apparel business. Fightwear Store UK offers custom designed martial arts and boxing gear which feature Daniel's exclusive Points Fighter branding. Customers can choose from a large selection of unique clothing, kick boots and gloves, which feature

designs including Welsh flags, Japanese anime and camo prints. Diagnosed with severe dyslexia at the age of 6, he credits his success to the learning environment at Ffynone House School and the ability to develop his design and apply his creativity and enterprise skills at University of Wales Trinity Saint David (UWTSD). Participating in "Big Ideas Wales Celebrated", he stole the show and was inspired by our Entrepreneur Role Models to access specialist support for young entrepreneurs.

Success story



Principality Building Society

Taking care of over £9 billion of customers' assets, the Principality is Wales largest building society, the sixth largest in the UK and has a world-wide influence.

Defined as a mutual, which means it is owned by its members rather than shareholders, it serves clients through the internet and telephone as well as at high street branches.

The Society, which has over 150 years experience, currently employs 860 people, is performing well and has ambitions to grow by developing its core business.

Digital transformation is top of the list with plans to develop new systems for web and mobile-based access. This alongside broader investment in technology will require a very significant capital expenditure programme which the board has committed to over the next few years.

A socially responsible company, the Principality is also committed to responsible housing projects. These include Ely Mill where it worked closely with Welsh Government.

An ever growing mutual, the assets of the group increased from £4.4bn in 2005 to over £9BN currently.

energy and resource efficiency. We will do this through actions such as improving the energy efficiency of new buildings, by reviewing our building regulations and working with businesses to ensure the more resource efficient use of materials.

- Work with the forestry, construction and manufacturing sectors to take advantage of the need to replace higher carbon materials with lower carbon alternatives where appropriate. We will use the opportunities this brings to derive more economic benefit to Wales from the construction industry and support businesses to adapt and innovate to seize market opportunities.
- Use the Economic Contract to drive change by linking any direct financial support we provide to business to a reciprocal commitment from the business to make progress in reducing their carbon footprint.
- Provide a £6.5 million capital fund for 2019-20 to help Wales move towards a circular economy. We will work with the private sector to increase investment in reuse, recycling and reprocessing infrastructure.

We all have a part to play in reducing our carbon footprint through the choices we all make in our daily lives as individuals, communities, businesses and public services. We are in the unique position as government to set an example. To do this, we need to show the way by making best use of our policy levers to exemplify the approach.

We will:

- Work with developers, regulators and energy infrastructure providers to accelerate the deployment of low carbon energy generation, in line with our targets of 70 per cent of electricity consumed in Wales from Welsh renewable sources by 2030 and locally owned renewable energy capacity in Wales, reaching 1 GW by 2030.
 - Set out our approach to lowering emissions from buildings, including through our policy on new build standards and develop a long-term approach to improve the energy efficiency of our existing housing stock.
- Deliver on our ambition for the public sector to become carbon neutral by 2030 - using the significant purchasing power of the public sector in Wales to exemplify and drive action.
 - Embed resource efficiency within our programme of innovation support to SMEs by using public sector procurement to create new opportunities for resource efficient manufacturing in Wales.
 - Develop the regulations under Part 4 of the Environment (Wales) Act 2016 in order to increase recycling by businesses in Wales.



What are we seeking to achieve?

We want to help more people to gain as much as they can from learning and work. We believe that this is possible when people are supported to develop the resilience, skills, enthusiasm and creativity they will need to adapt to the changing world of work. This is a world where automation will create new jobs as we decarbonise our economy, increase exports and support a growing ageing population.

We want to develop a workforce and businesses with an

improved capacity for long-term planning and investment and a commitment to the Well-being of Future Generations Act, including promotion of the Welsh language and the ambition to reach one million Welsh speakers by 2050.

Why are we doing this?

We need to respond to the changing nature of work, business and society. Up to 10 percent of all the jobs in the Welsh economy are lost and created each year. We want the new jobs that are created to be more productive so that when people change

jobs, as they increasingly will in future they have more and better opportunities.

We know that improving the level of skills for people from all backgrounds and places in Wales and encouraging a better match between these skills and the needs of employers is the best way of creating better jobs, higher wages and improved health outcomes. These changes help to reduce the pay gap between men and women, between disabled people and their colleagues and between people from different ethnic and cultural backgrounds. Our ageing

population means that we need to use the talents of all our people for longer and we must ensure that we do not waste the abilities of our older workers.

How will this work?

The Welsh Government clearly has a key role in supporting the employability of people across Wales. We will develop a new **Employability Delivery Plan** for Wales which will simplify the support offered to those people who want a job as well as those who need help to get a better job. Working with employers as well as considering the needs of the self-employed will be critical to the success of this approach focused on the needs of the individual. We are reshaping employability

support via a new programme, Working Wales, from April 2019 which will be responsive to the needs of individuals, employers and the labour market. Individuals will access the right support to meet their specific needs via a new Employment Advice Gateway.

We will also work with partners across Wales to support those furthest from the jobs market particularly those with mental and physical health issues, to build confidence as well as remove barriers including transport, housing and care. We will support the economically inactive to find sustainable, good quality jobs. Through a strong cross-Welsh Government approach, we will demonstrate our commitment to helping everyone to see their value

in society while being valued by others.

We will work with school leaders, teachers, parents, school governors, universities, local authorities and regional education consortia to drive up standards and achievements in our schools and colleges.

The cornerstone of our education action plan – **Education in Wales: Our National Mission** is a commitment to develop a new curriculum which will provide young people in Wales with higher standards of literacy and numeracy, as well as better digital and bilingual competence, enabling them to develop into enterprising and creative thinkers.



In our drive to raise standards in the classroom, we will invest in developing a high quality education profession to raise attainment and help Wales to achieve high standards in international measures of pupil achievement.

We will also promote work experience opportunities as well as active engagement by employers in our schools and colleges so that pupils and students of all ages have the opportunity to experience real workplaces and are able to benefit by developing hands on expertise in their chosen subject and occupation.

We will endeavour to increase the representation of women in areas which were traditionally considered male preserves. We will also build specific programmes to encourage girls, before choosing their GCSE options, to focus on STEM subjects and do all we can to reduce the gender pay gap

We will work to provide the support needed to allow people with caring needs the opportunity to enter or re-enter the jobs market. Our free childcare offer for three and four year olds will help achieve this. We will also support wherever possible those who look after the older generation.

We will introduce a strategic planning system for education and skills delivery across post-16 education, working with the Regional Skills Partnerships to align this to our national and foundation sectors where this is possible and practicable. We will assess and match skills to the needs of the economy building on the commitment in *Prosperity for All* to work with the Regional Skills Partnerships to anticipate future skills needs. Post-16 education and skills planning and delivery will include strong links to local authorities and regional consortia to ensure all parts of the education system are focused on meeting the needs of learners, employers and wider communities.

By 2021, we will deliver 100,000 all-age apprenticeships aligned to the needs of our economy with a target of at least 20,000 apprenticeships per year.

Our apprenticeship provision will focus on national and foundation sectors and will prioritise the recruitment and training of young people and those new to their job role. There will also be an increasing focus on higher-level apprenticeships at levels 3 and above. In national and foundation sectors there will be

apprenticeship provision at lower levels, an expectation that people enrolled on these programmes will be provided with the opportunity to progress to higher levels and to better jobs with their employers. We will maintain commitment to skills provision through the medium of Welsh in support of the target of one million Welsh speakers by 2050.



What are we seeking to achieve?

We want to create a prosperous and fair society where businesses and public services are constantly looking to create new products, services and ways of helping people to get what they need and want. The engine of this economic growth and social progress is research, innovation and the development of the right skills for a changing world. To promote

and encourage these activities we need to invest in research and development and improve the links between our universities, companies, public services and community organisations.

Why are we doing this?

We need to exploit and commercialise new inventions, discoveries and innovations to improve the performance of the Welsh economy and to help

more people get the public and community services they want. By active experimentation, prototyping, trialling and where justified the widespread adoption of new products and ways of doing things we can create more and better businesses and public services.

How will this work?

We will bring together, through the new Tertiary Education and

Research Commission, all Welsh Government controlled research funding to reflect Welsh priorities, maintaining the benefits of national and institutional links between research, innovation, skills development and teaching. We will do this by focussing our investments in research and innovation in universities to recognise excellence, reward achievement and prioritise commercialisation and the later stages of the technology readiness scale.

We will seek to maximise the funds available for research and innovation activity from sources across the UK and beyond. We will work with the Tertiary Education and Research Commission for Wales (TERCfW), the NHS and businesses to increase the number and quality of bids to Welsh, UK, European and International bodies and foundations. We will also take steps to prepare further education colleges, universities and work-based learning providers for the opportunities of new sources of research and innovation funding after the UK leaves the European Union.

Beginning with the Compound Semi-Conductor Cluster in Newport and the Advanced Manufacturing Research Institute in Broughton and building on established strengths like the Institute of Biological, Environmental and Rural Science (IBERS) in Aberystwyth

and SPECIFIC at Swansea University, we will make selective investments in key research and innovation facilities to support new technologies and business development in all parts of Wales. Planned research investments for the future include an Automotive Technology Park in the South Wales Valleys and a Steel Research Centre in Port Talbot.

We will deliver the *Prosperity for All* commitment to develop engagement between universities, industry and the NHS and social care to drive economic growth through applied research and innovation. We are refocusing the Life Sciences Hub to accelerate change, creating value across the Welsh health and care system and make it easier for transformational partnerships to develop and thrive.

We will encourage and enable an entrepreneurial culture in Wales and establish targets for the numbers of school, college and university leavers starting companies. Innovation and entrepreneurship is one of our Calls to Action. We want to join entrepreneurial and innovation capacity to deliver more start-ups, a vibrant SME sector and innovation driven enterprises. Big Ideas, targeting youth entrepreneurship and the “Be the Spark” initiative will work with schools, corporates, academia, finance and entrepreneurs to build a culture conducive to

entrepreneurship. Together with Business Wales, this will provide the right access to support entrepreneurs to start, grow, and sustain their business ventures. We will continue to work with universities, colleges, and private companies to improve the business incubator and innovation centre support for new firms in Wales, building on strengths such as cyber security but also targeting developing areas such as the internet-of-things and data analytics. We will also challenge higher education providers to apply for the Small Business Charter and Changemaker campus status

We will deliver high quality advice and support to SMEs and entrepreneurs through Business Wales, ensuring links between Careers Wales, the private sector and the Development Bank to ensure a joined up approach and aligned “one stop shop” that improves efficiency and effectiveness.

As we prepare for a future shaped by innovation and high-tech industry, it is vital we promote part-time and post-graduate opportunities. We will therefore become the first country in Europe to introduce equivalent maintenance support across full-time, part-time undergraduates and post-graduates. We will look at the support available to further education and adult learners in order to encourage greater

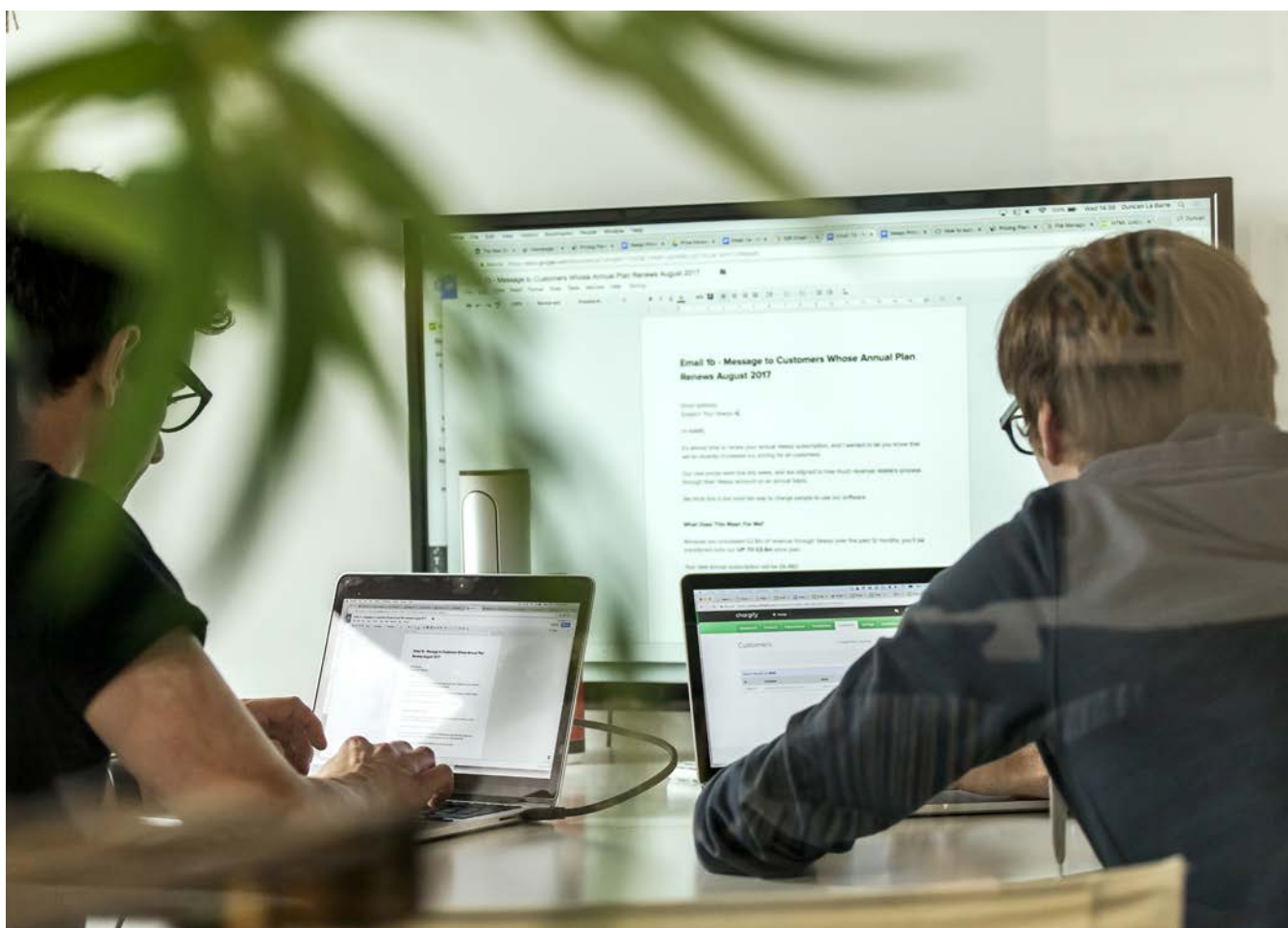
participation, completion and progression, especially for under-represented groups. We will review the way we fund support for lifelong learning in relation to technical skills for adult learners. We will also do more to encourage Welsh graduates to stay in Wales, through building conditionality into courses and bursaries where possible and appropriate.

We will adapt the national funding formula for Further Education Colleges to support the expansion of courses where there is higher employer and learner demand,

as evidenced by Regional Skills Partnerships and where the prospects for learners who complete these courses are good.

We will plan, with partners, investment in school, college and university buildings and other infrastructure. We will also encourage these organisations to open their facilities to businesses and community groups, building on our principle of public investment with a social purpose. New measures will be introduced to help learners and employers gain a better understanding of

the achievements of colleges, universities and apprenticeship providers as assessed by the qualifications achieved, the quality of employment obtained, including new business starts.





What are we seeking to achieve?

We will build a connected infrastructure that supports growth and investment. Our roads, railways, ports, airports, energy infrastructure and digital networks form the arteries that enable our economy to function. Fit for purpose and resilient energy networks will be essential for accommodating the future growth expected in take up of electric vehicles as well as respond to wider changes in the energy system. We will enable provision of modern sites and premises to allow businesses to grow as well as attract investment opportunities.

Why are we doing this?

The quality and capacity of our physical, energy and digital infrastructure is a key enabler to delivering inclusive growth and well-being. We play an essential role in investing in our infrastructure and doing this contributes to the agenda set out in this Plan in at least four ways:

- It is an important driver of productivity and growth. This is supported by evidence demonstrating how better connected people, businesses and places are generally more productive and successful in delivering growth.
- It is vital to inclusion and well-being. The quality of our infrastructure underpins cohesive and connected communities, enabling people to access the services they need to stay healthy, to learn and engage with others.
- It is essential to place building, maximising the economic impacts of place, acting as a catalyst for regeneration. Places with good infrastructure are capable of supporting a range of economic activities and are attractive places to live, learn, work and invest.

- It supports the economies of scale and network effects associated with agglomeration – quality infrastructure enables people to be closer to jobs and makes business to business contact easier, supporting the transfer of ideas, diffusion of innovation and the better matching of skills to jobs which all have a significant influence on productivity and growth.

How will this work?

Delivering on our agenda will require us to make best use of the assets that we have, but we have to go further to:

- Plan our investment to maximise benefits for people and the economy.
- Fund our infrastructure efficiently, where possible, using our resources to attract those of others.
- Maximise our purchasing power through collaborative planning, procurement and management of assets.
- Make best use of the regulatory levers available to us and continuing to press UK Government to ensure that policy at the UK scale delivers for Wales.
- Deliver our transport infrastructure projects detailed within the National Transport Finance Plan including M4, Metros in north and south

Wales, A494 north eastern gateway and the Third Menai Crossing, at the same time as focussing on delivering infrastructure to support Active Travel across Wales

We will focus our work around the following strategic aims:

Strong leadership in shaping Wales' future infrastructure

We will drive collaborative working at a regional level through Strategic Development Plans. These will provide direction for land use planning, transport and housing.

Through our Chief Regional Officers and Transport for Wales, we will work with local partners, including local authorities and regional transport authorities to ensure planning is of a high quality and is aligned with the needs of the future economy to:

- Maximise the efficiency of the existing transport network by addressing bottlenecks and pinch points; and,
- connect people and communities by ensuring new transport infrastructure is planned alongside other infrastructure including homes, employment land and public services.

We will work to maximise the amount of residential, business and leisure space within walking distance of public transport to improve connectivity and increase our contribution toward the lowering of carbon footprints.

We will require all providers of public services (including ourselves) to adopt the same approach to the integration and planning of service provision - sustainable, accessible for all, integrated and focused on the needs of people communities and business.

A strategic approach to development

We will plan our investment in line with the Well-being of Future Generations Act to inform our investments and deliver infrastructure projects which help us maximise the benefits for current and future generations. This will include co-locating services and delivering them digitally and where that is not possible, ensuring our infrastructure supports modal shift towards a lower carbon and more sustainable delivery mode. This will include the provision of better more integrated and reduced carbon public transport and walking and cycling.

The National Infrastructure Commission for Wales will inform our approach and will work in an open, transparent and collaborative way with organisations across the regions to identify Wales' future infrastructure needs for the next 5-30 years. This work will inform the future of the National Development Framework and our approach to infrastructure development and delivery.

We will deliver a new Wales Infrastructure Investment Plan setting out our strategic investment priorities and provide a detailed account of regional and sectoral investment across Wales through to 2021.

We will deliver fast reliable broadband across Wales, building on the success of Superfast Cymru and we will continue to invest in the public sector network to ensure Welsh public sector organisations have access to the broadband infrastructure they need to deliver excellent public services.

We will enable the market roll out of fifth generation (5G) mobile networks and take steps to boost mobile connectivity, striking the right balance between local economic benefits of improved mobile coverage and the need to safeguard our landscape. We will work with mobile operators and Ofcom to bring about innovative solutions to rural areas in

particular – where our topography presents a major challenge. Whilst telecommunications policy is not devolved to Wales, we have published an action plan that focuses on nine areas where we can use our powers to improve mobile connectivity and capacity.

We will set out a strategic plan for transport to connect people to jobs, communities to services and facilities and businesses to growth and markets. We recognise the importance of connectivity within Wales, the rest of the UK and the world, to businesses and people and we will prioritise investment on the connectivity and the gateways that enable it.

Transport for Wales will work with our new regional teams, the emerging regional transport authorities and partners to create an integrated public transport network, covering the rail and bus networks. This will be increasingly directly owned or operated by Transport for Wales, following the successful model of acquisition of Cardiff Airport. We will focus the network on the needs of passengers and it will be safe, reliable, affordable and low carbon.

We will develop detailed transport models across Wales for each region and will use these to underpin decision making for land use and transport planning.

We will establish a partnership between the public and private sector to ensure users, developers and manufacturers of automated and electric vehicles are able to realise benefits from these transformative technologies, reducing carbon emissions and securing an economic dividend for Wales in the automotive revolution. We will create the right conditions for suppliers, developers and users to support a private sector led comprehensive vehicle charging infrastructure across Wales.

We will decarbonise our transport networks and improve the air quality of the communities they serve. To support this, we will introduce a range of measures whose aim is that all taxis and buses in Wales will have a zero carbon footprint within 10 years.

Streamlined planning and consenting

We will publish the final National Development Framework by autumn 2020. This will set out where nationally important growth and infrastructure is required and how the planning system can help to deliver it. It will provide direction for Strategic and Local Development Plans and support the determination of Developments of National Significance.

We will encourage and support an institutional culture within local planning authorities that promotes and nurtures businesses. This will include reducing the number of consents that need to be obtained before a development can take place. Business will be encouraged to take up statutory-pre application services to deliver a shared aim of achieving appropriate development that meets the needs for sustainable economic development for both current and future generations.

As part of local government reform we will ensure that planning services are sustainable and have access to the specialist expertise necessary to support timely and effective decision making.

We will consult on the arrangements for a new streamlined infrastructure consenting process during 2018. This will significantly reduce the number of consents required before a development can proceed.

Getting more for our money

While we have made real progress over the last decade in procuring and delivering new transport schemes and maintaining existing provision, we believe we can go further with clearer, longer term budget planning and through streamlining the way we procure, manage and maintain our assets. This will provide greater certainty for suppliers to invest.

Wales and Borders



For the first time, we will commit to a five-year programme of transport capital funding through Transport for Wales, for both transport maintenance and new projects. This will ensure we can deliver these projects in the most efficient and effective way and with a headline target of driving 15-20% efficiencies across the five-year investment portfolio for new projects. This is an ambitious target and one that may take time to achieve, however the impact of such a target would equate to many hundreds of millions of pounds over a 10 year period. This will also enable the construction supply chain to invest with confidence in the future in terms of both capital and skills.

Furthermore, wherever an acceptable business case can be made, we will seek to consolidate current supply arrangements directly into Transport for Wales. We will also maximise the wider impact of our infrastructure spend through balancing the opportunities of aggregating contracts into larger schemes, with the opportunities to disaggregate contracts to allow greater opportunities through local supply chains.

Provision of employment sites and premises to house growing indigenous business and attract investment

Wales needs modern sites and premises to allow businesses to expand and grow, so we will proactively intervene where there is market failure. We will do this either by incentivising investment from developers and investors, by creating development consortia to allow us to maximise and capture the benefits of our Metros, or by being committed to direct delivery of sites and premises in parts of Wales where the private sector is not prepared to invest.

We will set out a delivery schedule that focuses on regional priority projects for North, Mid and South West Wales and South East Wales. It will include provision for the emerging requirements from policy priorities such as the Valleys Task Force Programme and Wylfa Newydd for the physical delivery of new sites and premises.

What are we seeking to achieve?

Globalisation presents challenges and opportunities for Wales and we must prepare the Welsh economy to meet these. The decision to leave the European Union has created an uncertain future and we will work with business and others to respond to any changes in how we trade.

Wales is firmly open for business and we will remain open and competitive for inward investors from around the world. Our priorities are to help businesses retain their trade in Europe while also looking to build new export opportunities in other global markets. Our objectives are to:

- Enhance the profile, reputation and influence of Wales.
- Develop and maintain relationships around the world to

help promote Wales and support business growth.

- Co-operate in the sharing of information and best practice.
- Strengthen the Welsh economy.

Achieving these objectives will help us to meet the commitment we set out in *Prosperity for All to build on the successful Wales brand*.

Why are we doing this?

Wales is outward-facing and forward-looking with a first class environment in which to invest, work, live, visit and study. Our culture, heritage and language make Wales distinctive in the world.

The Welsh economy is closely integrated into the EU Single Market and some 60 per cent of Welsh exports and around half of our imports are to and from the EU. In addition, many Welsh components are incorporated in

goods and services exported to the EU from other parts of the UK. Wales' success in attracting foreign direct investment over many decades is significantly based on access to the EU market of more than 500 million customers.

We advocate that the UK should negotiate to retain full and unfettered access to the Single Market and we believe the UK should remain in the Customs Union. In any event, Wales will not turn its back on our trading partners in Europe or across the rest of the world. Wales has a dynamic economy, with great opportunities for trade and investment. We have world-leading technology companies, excellent research and development facilities and a skilled workforce. We will work with business to promote Welsh products around the world and assist exports, investment and partnerships.

How will this work?

Brand and Marketing

We will promote Wales through:

- Building on the unified brand for Wales as a place in which to invest, work, live, visit and study.
- Developing a strong digital led brand through the Wales Digital Gateway project, with a specific emphasis on wales.com as the unifying website.
- Deploying tourism campaigns as the main flag carrier for our promotion of Wales in the UK and internationally.
- Competing to host major sporting and cultural events to build Wales' profile through the global events industry.
- Deploying our cultural offer in support of the promotion of Wales' economic and commercial interests and building our image abroad.

Trade and Investment

We have prioritised exports and trade. We know that exporters become more flexible as they respond to market challenges and that adapting services or products to serve new markets drives creativity and innovation. We will:

- Promote exporting through a new marketing campaign, using our successful exporters as exemplars.

- Work with businesses to overcome the challenges of EU exit.
- Work with groups of companies, nationally and regionally, to share best practice and exploit thematic strengths.
- Provide access to key export information.

We will work with partners including the Department for International Trade and the Foreign and Commonwealth Office to support our exporters to find new markets globally. We will:

- Provide tailored support for market entry, including identifying and making introductions to potential customers.
- Promote opportunities in their target markets.
- Support businesses to visit their target markets individually or as a group.
- Promote Wales and Welsh exporters at international trade fairs overseas.

We will ensure Welsh industries have a strong voice in future trade policy and we will listen to views and concerns from business and take them into account.

We are also examining new market developments such as around the low carbon economy to ensure we maximise the investment opportunities that could be presented to Wales. Our approach to inward investment activity will be based on four elements:

- Understanding the market, company drivers and opportunities for Wales
- Developing the 'go to market' proposition for Wales
- Providing access to support for businesses, including the Department for International Trade, foreign trade organisations, professional services providers and property agents.
- Delivering the proposition to companies directly through events, seminars and direct relationships

Expansion of International Offices

We will expand our international footprint, **based on assessment of economic opportunity to promote Welsh businesses.**

We maintain a presence in the world's major investing regions: North America, Europe, the Middle East and Asia. Our presence in these key markets allows us to pursue trade and investment opportunities, build relationships and networks and to promote Wales.

In 2018 we will open offices in Canada, Germany, France and Qatar. We will further review existing and new markets and allocate new resources where we see good opportunities.

Working Collaboratively

Welsh Ministers have a direct and crucial role in supporting business and diplomatic relationships at the highest levels. Acting across government, we will:

- Publish an annual overseas events programme to enable companies to meet customers or engage through exhibitions and trade shows.
- Selectively link trade promotion with cultural or other activity which can promote Wales in-market, such as Welsh membership of the Massachusetts Institute of Technology (MIT) Liaison Programme or a Welsh National Opera tour, to maximise the opportunities. We will deploy a programme of global events around St David's Day to raise our profile in strategic overseas markets.
- Use overseas visits by Welsh Ministers to raise Wales' profile with business, international organisations, foreign governments and key decision makers.
- Exploit the commercial developments at Cardiff Airport including the new scheduled service between Cardiff and Doha which is due to start in May 2018 and will open up new and dynamic direct international links.
- Stimulate and support a programme of inward visits - both

diplomatic and commercial - to promote a clearer understanding of what Wales offers.

- Build stronger and more formal arrangements with neighbouring English regions to exploit post-Brexit supply chain opportunities in manufacturing and to ensure Welsh businesses benefit from multi-regional trade initiatives, such as those conducted under the banner of the Northern Powerhouse or Great Campaign.
- Recognise the international role played by our universities and the economic importance of the beneficial links they provide to the wider world through students, research and business relationships.

The Impact of EU Exit

The UK's decision to leave the EU means change for our relationships with the EU and the rest of the world. Wales must remain an open and outward facing economy and our White Paper, '*Securing Wales' Future*,' outlines our key interests.

Some 60 per cent of identifiable Welsh exports go to the EU market. We need to **retain full and unfettered access to the Single Market** and we want the UK to remain part of a Customs Union with the EU. The uncertainty surrounding the UK's position is damaging and the Welsh Government is committed to doing all we can to build investor and business confidence in Wales.

We are engaged with the UK Government in vigorous defence of Wales' best interests. We seek effective consultation by the UK Government on negotiations around new international Free Trade Agreements to reflect and protect Wales' interests. We demand a strong voice for Wales in trade governance arrangements managed by the UK Government.

European Relationships

We commit to build and maintain European partnerships.

The Welsh Government values its relationships with friends and neighbours in Europe and EU exit will not change this essential fact. Outside the EU, we will commit to maintaining co-operative relationships with European countries and regions around our common interests including areas like trade and investment, economic development, innovation, education, environment, climate change, maritime and culture.

We will prioritise our relationships with our nearest neighbours Ireland and Brittany, while looking to forge and sustain other relationships and networks. Wales benefits from a cross-border and international context in many areas of our devolved responsibilities, developed through our years of EU membership. Outside the EU, we will work even harder and with great commitment, to ensure Wales does not retreat to an insular and isolated position.

Next Steps

Our Plan sets out our vision of inclusive growth, built on strong foundations, supercharged industries of the future and productive regions.

We live in an age of unprecedented change alongside huge opportunity - a fourth industrial age with implications for us all, for every business and every community. Equipping our people, places and businesses to face the future with confidence is a huge responsibility. We cannot do this alone.

Through this Plan, we provide leadership in setting the direction we need to take and we call upon others to join us on this journey. As we chart this new course we want everyone in business, in our learning institutions, in trade unions and wider civic society to play their part in changing our future from today.

We know that a Plan in isolation will not transform Wales for the better. Real change demands effective implementation and delivery. We commit to working with social partners and others in the implementation of key pillars of this Plan.

That is why, following the publication of this Plan, we will undertake a programme of engagement to inform the implementation and delivery of our new approach. This includes engaging on the implementation of the Economic Contract and Regional Economic Development.

The scale of our ambition is huge and this Plan delivers a clear shift in approach. This change is not limited to individual policies, but also strikes at the heart of how we approach issues and how we develop solutions. It supports a major cultural and behavioural shift in the way we work inside and outside government.

We need to understand the progress we are making, recognising of course that economic outcomes are influenced by a range of issues that are outside the control of Welsh Government. UK Government policy, EU exit negotiations and the state of the global economy are all hugely influential.

The national well-being indicators provide a clear and consistent framework for measuring outcomes we want to see as a nation. In line with the *Prosperity for All* strategy, we will use these to track progress over the longer term.

This Plan is an agenda for the long-term and whilst we are confident in its actions, we will continue to evaluate our policies, programmes and interventions to ensure they remain relevant to a changing world.

