

20 years as a devolved nation - how has Wales changed?

Devolution 20

May 2019









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-  **Senedd Research**
National Assembly for Wales
Cardiff Bay
CF99 1NA
-  0300 200 6565
-  Research.Service@Assembly.Wales
-  www.assembly.wales/research
-  SeneddResearch.blog
-  [SeneddResearch](https://twitter.com/SeneddResearch)

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National Assembly for Wales
Senedd Research

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May 2019

Contributors:

Andrew Minnis, Amy Clifton, Phil Boshier, Michael Dauncey, Lorna Scurlock, Chloe Corbyn, Ben Stokes, Alys Thomas, Joe Wilkes, Sam Jones, Lucy Morgan and Tom Douch

Editors:

Graham Winter, Philippa Watkins, Robin Wilkinson, Megan Jones and Elfyn Henderson



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Contents

Foreword 1

How has the ‘size of Wales’ changed?..... 2

Travel in Wales: Is there a revolution still to come? 10

Are we a healthier nation?.....19

Education: How far is it ‘made in Wales’?25

How has the Welsh environment changed?..... 33

The economy in Wales: time to focus on the foundations?..... 42

From Assembly to Senedd?49

Foreword

Much has changed in Wales in the twenty years that have passed since the first National Assembly for Wales was elected in May 1999. This series of articles, prepared by Senedd Research as part of the Assembly’s activity to mark 20 years of devolution, describes some of that change.



There have been five Assemblies elected since 1999. From the very start, Assembly Members have had the support of a group of parliamentary research staff whose job it is to help them with their work by providing impartial information and research.

What started life in the first Assembly as a small, traditional Library, whose staff also answered enquiries from Members, has evolved into today’s Senedd Research. Our subject and information specialists provide evidence-based, impartial briefing and research support to individual Members and Assembly committees as well as publishing a wide range of topical briefings open to all.

The articles presented together in this publication have already been published individually on our [In Brief blog](#) which has been providing analysis and information about the business of the Assembly since 2013. You can find more information about all our work on our [website](#).

One of our articles tells the story of how the Assembly as an institution has evolved from one with very limited powers into the full legislature it is today. Another looks at how the characteristics of people living in Wales have changed since 1999. The remaining articles explore change in some of the major areas of devolved public policy such as health, education, the environment and transport and each one highlights the Assembly’s role in that change.

Together, these articles tell some of the story of the first twenty years of devolution and also attempt to point the way to what might happen in the coming years.

Kathryn Potter
Head of Senedd Research

How has the 'size of Wales' changed?

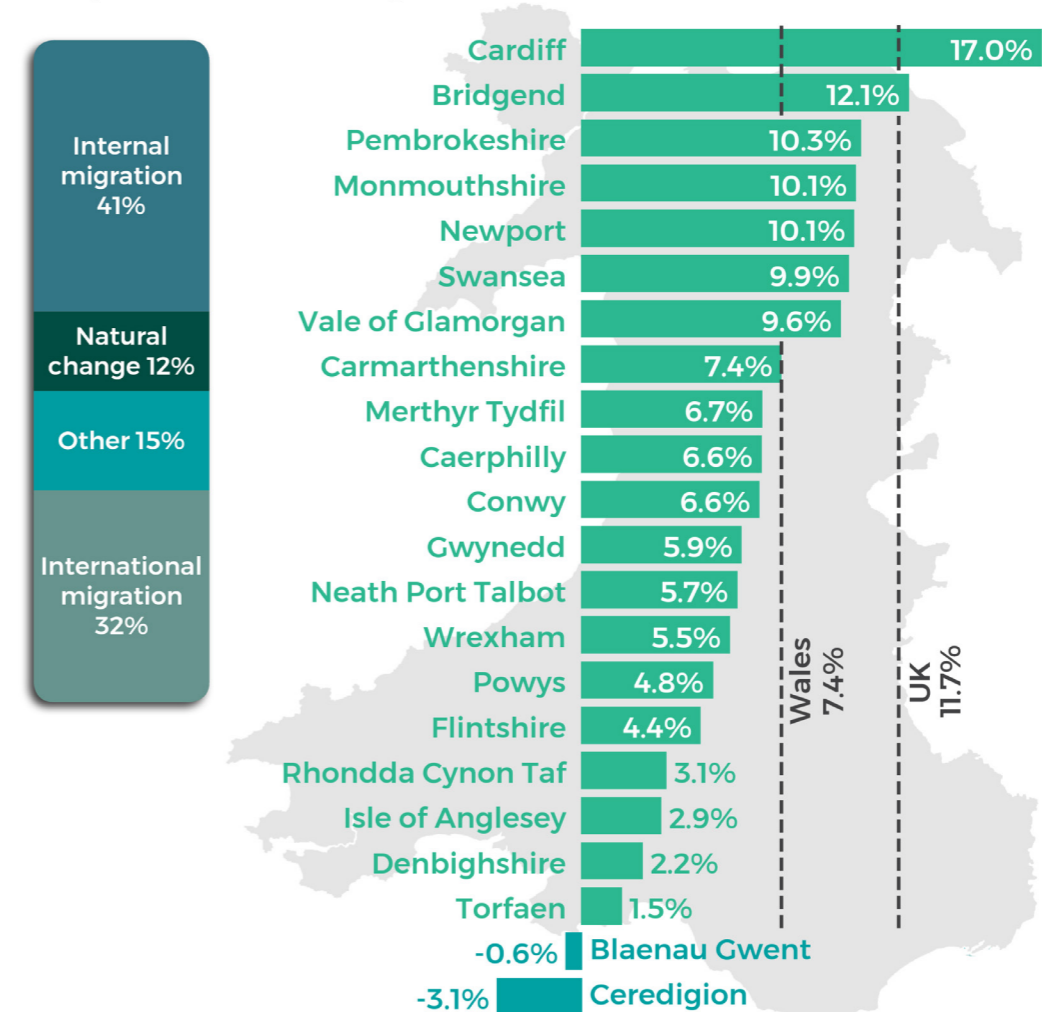
- In 2017, an estimated 3.125 million people lived in Wales an increase of 225,000 people (or 7.7 %) from 1999
- The biggest contributor to population growth in the last 20 years was moves within the UK, mainly from England to Wales.
- Between 2001 and 2011, the percentage of the Welsh population describing their ethnic group as White British fell from 96.0% to 93.2%, whilst the percentage describing themselves as non-White (including mixed) ethnic groups increased from 2.1% to 4.0%.
- The average age of the population is expected to increase by 2.5 years in the next 20 years, and the population of people aged 65 and over is expected to grow by 30%.
- The number of Welsh speakers in Wales is increasing and was about one in five people at the time of the last census in 2011.

Population

The population of Wales grew by 225,000 (or 7.7 %) between 1999 and 2017, according to the latest mid-year population estimates produced by the Office for National Statistics (ONS). Data on migration flows is only available from 2001 to 2017 so the following analysis focuses on this period.

How is population changing in your area? The chart below shows the percentage change in population of each local authority from 2001 to 2017.

Population change 2001-2017



Source: Mid-year population estimates, Office for National Statistics

The local authority with the biggest population increase was Cardiff (17.0%) where growth was above both the Wales average (7.4%) and the UK average (11.7%). A population decrease was observed in Blaenau Gwent and Ceredigion.

The drivers of growth in the population of Wales were:

- **Internal migration** between UK countries: 85,000 (41%).
- **International migration** between Wales and non-UK countries: 66,000 (32%).
- **Natural change** (births minus deaths): 24,000 (12%).
- **Other changes** such as armed forces, prison populations and inaccuracies in the estimation: 32,000 (15%).

The largest contributor to internal migration was moves from England to Wales. ONS internal migration statistics estimate that since 1999, there were 59,000 moves from England per year on average. In contrast, there were 53,000 per year in the opposite direction.

Ethnicity, religion and national identity

Between the **2001 and 2011 censuses**, the percentage of the Welsh population describing their ethnic group as White British fell from 96.0% to 93.2% whilst the percentage describing themselves as non-White (including mixed) ethnic groups increased from 2.1 to 4.0%. Wales remains markedly less diverse than England and Wales taken together, where 80.5% of people identified as White British in 2011.

Those describing their ethnic group as Asian are the second largest ethnic group in Wales. Between 2001 and 2011 the percentage of the Welsh population describing their ethnic group as Asian increased from 1.1% (32,000) to 2.3% (71,000).

The population of non-White ethnic groups is centred on the southern cities. The local authorities in Wales with the lowest proportion of the population describing their ethnic group as White in 2011 were Cardiff (84.8%), Newport (89.9%) and Swansea (94.1%).

Between 2001 and 2011 the percentage of the Welsh population giving their religion as Christian fell from 71.9% to 57.6%. whilst the percentage of the population saying they had no religion increased by 445,000 (from 18.5% to 32.1%). The second largest religious group was Muslims with 46,000 people (1.5% of the population), up from 22,000 (0.7%) in 2001.

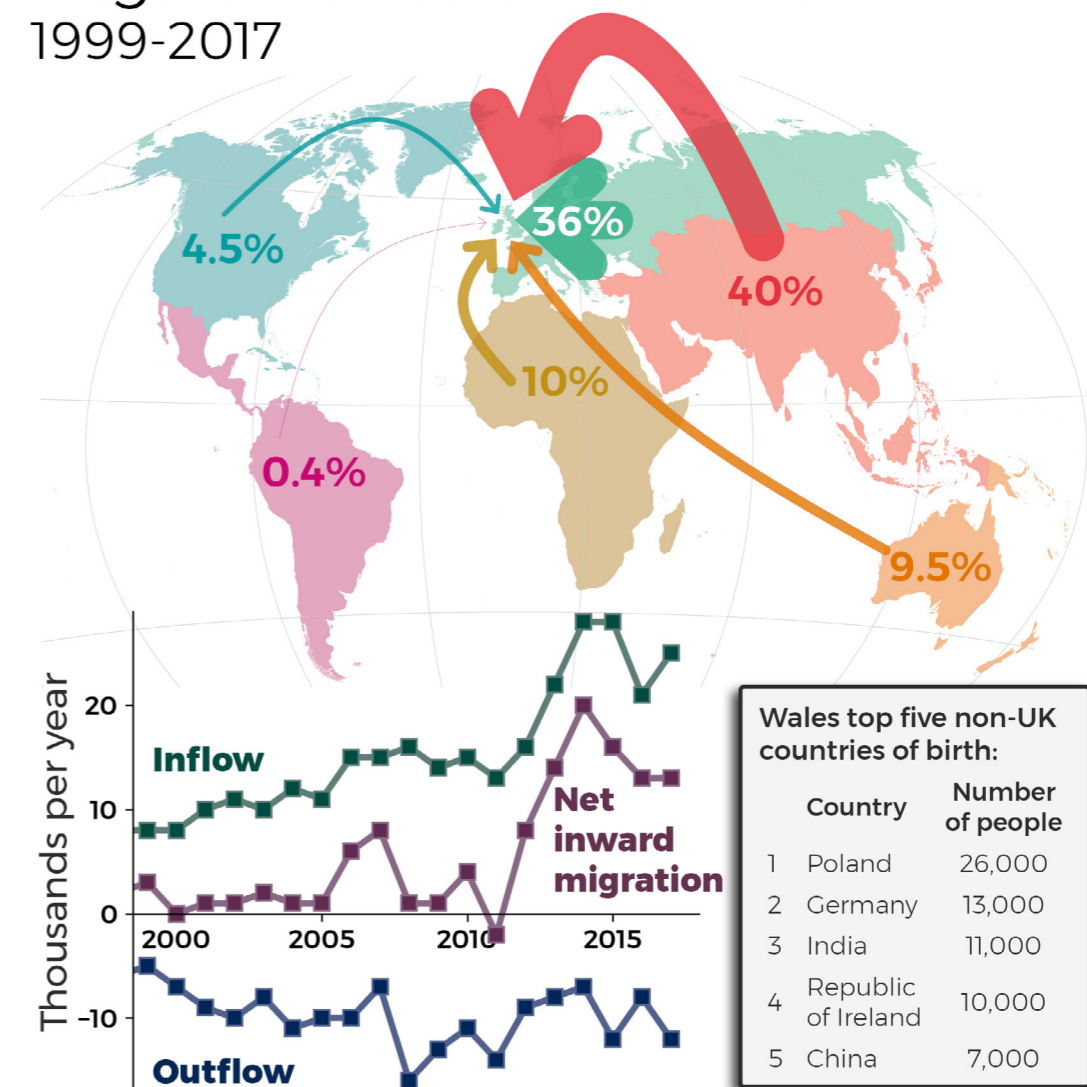
2011 was the first year the census asked a question about national identity. Nearly two-thirds (66%. 2.0 million) of Welsh residents expressed their national identity as Welsh: of these, 218,000 (7.1% of the total population) also reported that they considered themselves to be British.

International migration

In 2017, the number of people resident in Wales with a non-UK country of birth was 196,000 (6.4% of the population), up from 75,000 (2.6% of the population) in 2001. For the UK as a whole, this rose from 8.3% to 14% in the same period.

Where do people move to Wales from? Inward migration has increased since 1999. On the atlas below, the arrow widths are scaled to represent the proportion of moves to Wales from each continent during the period 1999-2017.

Migration flows to Wales 1999-2017



Source: Long-term international migration, Office for National Statistics

The most rapid increase occurred from 2011 to 2014 and peaked at 28,000 migrants per year. Outward migration was slightly steadier and largely balanced inward migration until about 2012. From 2013-2017 inflow exceeded outflow by more than 10,000 people per year.

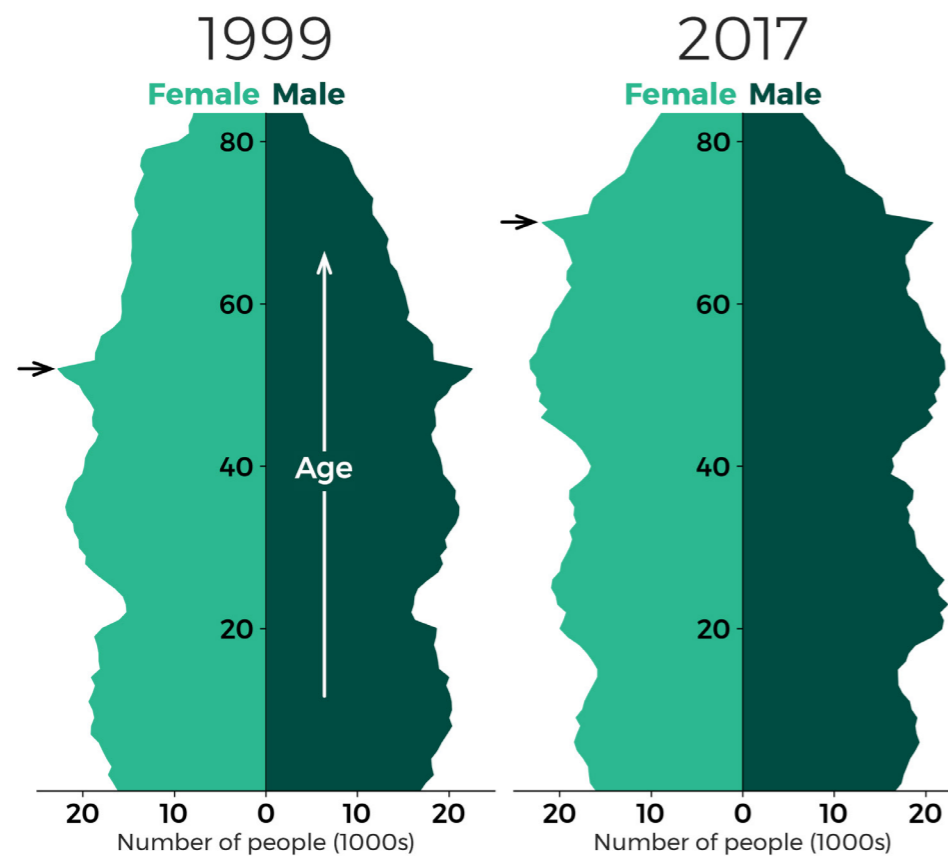
Factors that influence migration, such as the UK's relationship with the EU, are unpredictable. Combined with the volatility in the data, this makes it difficult to produce a future projection of migration.

Births and deaths

People are having fewer children. Between 1999 and 2017, the number of births per year peaked in 2010 at 2.3 live births per 100 women. Since then, it has steadily decreased to 2.0 live births per 100 women. The age at which women give birth is increasing. The proportion of births by women under 25 years of age dropped from 32% to 23% from 2004 to 2017.

People are living longer: Between 1999 and 2014, life expectancies steadily increased by 3.7 years for males and 2.6 years for females. For the period 2012-2014, male and female life expectancies were 78.5 and 82.3, respectively.

Age-gender profiles



Source: Mid-year population estimates, Office for National Statistics
For ease of comparison, data is shown up to age 84 only as single year of age data is only available to 84 for 1999

Age distribution

The population pyramids below show the number of males and females of each single year of age. Ripples in the distribution's width reflect differences in birth and death rates between generations. For example, the spikes in the number of people aged 52 in 1999 and aged 70 in 2017 (indicated by arrows) are due to the post-war baby boom.

The age distributions of males largely reflects that of females. One exception is that in 1999, there were substantially fewer men than women in the over 60 age group.

Ageing population: The share of the population under 16 years of age decreased from 20% in 1999 to 18% in 2017. In contrast, the share of the population aged 65 and over increased from 17% in 1999 to 21% in 2017. The share of the population at working age (16-64) increased from 62% to 64% between 1999 and 2008 but returned to 62% by 2017.

Although the differences in the age distributions were small, they are expected to change dramatically in the future, as discussed below.

Population projections

Looking to the next 20 years, the 2016-based population projections produced by ONS provide some insight as to how Wales' demography may change:

- The population is projected to grow by 3.3% from 2019 to 2039. A projected increase of 103,000 is substantially smaller than the previous 20 years.
- The average age of the population is expected to increase by 2.5 years by 2039, from 42.2 in 2019 to 44.7 in 2039.
- The population of people aged 65 and over is expected to grow by over 30%.
- The working age (16-64) and under-16 populations are expected to decrease by 4.6% and 2.6%, respectively.

The big story in these projections is an expected increase of people aged 65 and over by 30%. An ageing population puts increasing demand on the provision of health and social care, as well as other services, such as home adaptations. As the Assembly's Finance Committee notes in its inquiry report 'The cost of caring for an ageing population', the increase in the proportion of older people is significant since a longer lifespan means that there are many more people with care and support needs arising from chronic conditions, including dementia and frailty in older age. These extra services will be required at a time when public finances are impacted upon by a reduction in the working age population.

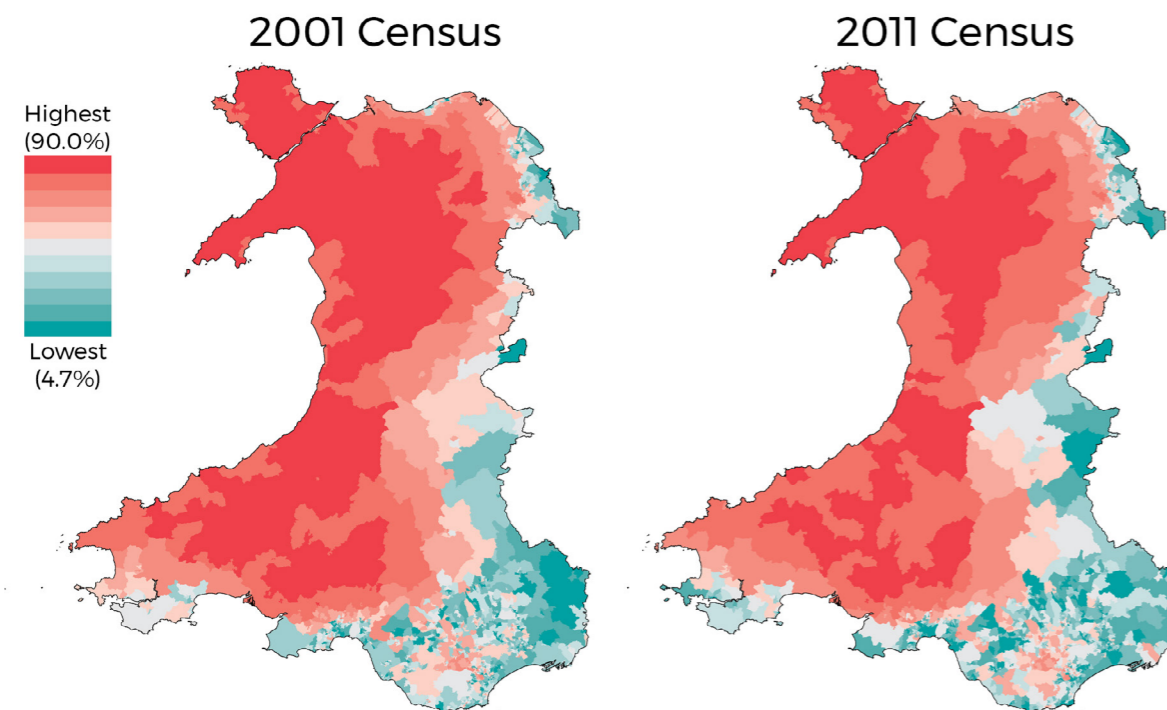
A growing population increases the demand for new homes. It is currently estimated that between 6,700 and 9,700 additional housing units will be required each year between 2018-19 and 2022-23. New homes will need more schools as well as transport services and infrastructure to connect them. There are also implications for natural resources and the environment.

The detail of these claims should be treated carefully as projections only indicate how the population will change if current trends continue. They do not make allowances for a changing economy, new government policies, international relations, housing availability, diseases or epidemics, technological advances or any other societal factors. Projections are increasingly uncertain and increasingly sensitive to the underlying assumptions and input data the further they are carried forwards.

Welsh language

The heat map below shows the percentage of people who said that they can speak Welsh in the 2001 and 2011 Censuses, by area. The data shows that the percentage of people who consider themselves to be Welsh speakers is higher in north and west Wales compared to south east of Wales.

Welsh speakers (aged 3+)



Source: 2001 Census and 2011 Census, Office for National Statistics
Areas are lower layer super output areas (LSOAs)
There are an equal number of LSOAs in each colour band

The Census shows a decrease in the percentage of Welsh speakers from 21% (582,000) in 2001 to 19% (562,000) in 2011. The ONS Annual Population Survey (APS) which asks a similar question to a sample of households on Welsh language ability suggests that the number of people reporting they can speak Welsh has risen steadily since 2010, with the latest data in 2018 reporting that over 875,000 people aged 3 and over can speak Welsh.

The Welsh Government has set itself an ambitious target to grow the number of Welsh speakers to one million by 2050 (based on Census results). Its Welsh language strategy, Cymraeg 2050, sets out the key interventions, support and investment required to achieve this goal. These include such things as expanding Welsh-medium early years provision, increasing the proportion of children receiving Welsh-medium education and developing opportunities and promoting its use socially and in the digital sphere.

Key sources

- Office for National Statistics, [Mid-year population estimates](#) (2018)
- Office for National Statistics, [Long-term international migration](#) (2018)
- Office for National Statistics, [2001 and 2011 Censuses](#) (2013)
- Office for National Statistics, [Annual Population Survey](#) (2019)
- Office for National Statistics, [2016-based national population projections](#) (2018)
- Office for National Statistics, [Life expectancy](#) (2013)
- Welsh Government, [Census of population: 2011](#) (2015)

Travel in Wales: Is there a revolution still to come?

Against a backdrop of increasing devolution – culminating in the *Wales Act 2017* and devolution of rail franchising – our travel choices have changed since 1999. We drive and travel more by rail, use the bus less with walking and cycling rates remaining pretty static.

Yet future technology, social trends and policy changes will profoundly affect not only travel, but our health, economy and environment.

Changes in commuting mode in Wales, 2003-2017

Mode	2017 Mode share	2003-2017 Percentage change in use of each mode and change in average journey time	
Car	81%	↑ +9%	↑ +4 mins
Walk	8%	↓ -18%	↑ +5 mins
Bus	4%	↓ -7%	↑ +7 mins
Train	4%	↑ +212%	↑ +7 mins
Cycle	2%	↑ +46%	↑ +4 mins
Car share Percentage change in numbers of car drivers and car passengers from 2003 to 2017		Driver ↑ +24%	Passenger ↓ -51%
		Sometimes driver, sometimes passenger ↓ -21%	

Source: Commuting Statistics, Department for Transport

This article looks at how and why some of our choices in travelling around Wales by road, rail, bike and foot have changed, highlighting some key future issues.

Commuting

Our journeys to work illustrate wider trends in how we travel.

Commuters take longer, consistent with longer journeys and traffic congestion. Despite environmental, health and congestion concerns, the car increasingly dominates, and more of us travel alone.

Bus travel declined – though it remains more popular than rail despite rocketing rail journeys.

While walking has declined, cycling has grown – however only 2% of us commuted by bike in 2017.

Active travel

Active travel is often seen as key to addressing some major **public health, environmental and transport challenges** – for example addressing **increasing levels of excess weight and obesity** in Wales.

While comparable walking and cycling data over the period are limited, commuting data suggest static active travel rates. Wider sources support this.

The most recent **Welsh Government data** show the **Active Travel (Wales) Act 2013** has had limited impact on active travel rates.

Active travel is defined as walking and cycling as a means of transport, i.e. to reach a particular destination rather than for pleasure, health or exercise.

Using this definition, the Welsh Government data show numbers cycling at least 5 to 10 minutes weekly hovered around 6% between 2013-14 and 2017-18. While 58% walked weekly in 2017-18, this was down from over 65% in 2013-14. Although a change in data collection methodology in 2017-18 means direct comparisons can't be drawn with previous years, it's pretty clear there hasn't been a significant change.

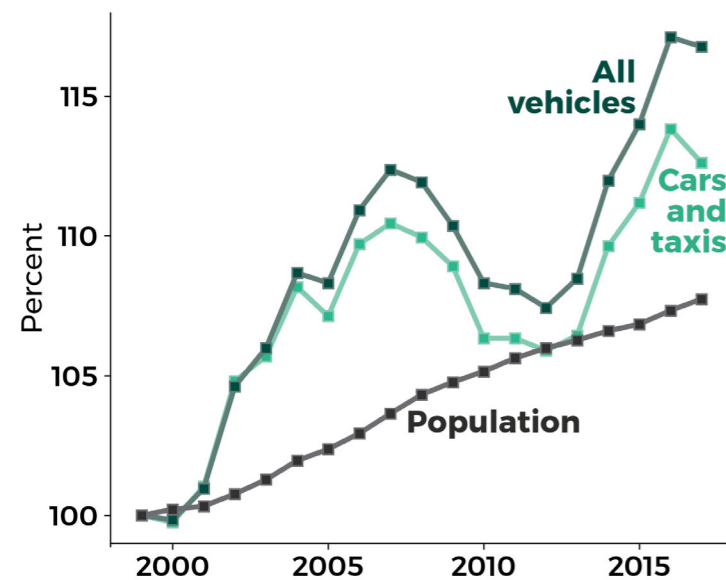
The 2013 Act, which originated from a petition submitted to the Assembly's Petitions Committee in 2007, was **described as a "game changer" at the time** by Ministers. It aims to promote active travel and improve infrastructure, replacing a previous non-statutory approach.

Yet following **post-legislative scrutiny of the Act by the Economy, Infrastructure and Skills (EIS) Committee in 2018**, the Chair concluded that "a lack of leadership, funding and ambition have contributed to the poor outcome to date".

The Committee found evidence (PDF 784) that barriers to behaviour change are complex, including concerns about road and personal safety, cost and the quality of infrastructure.

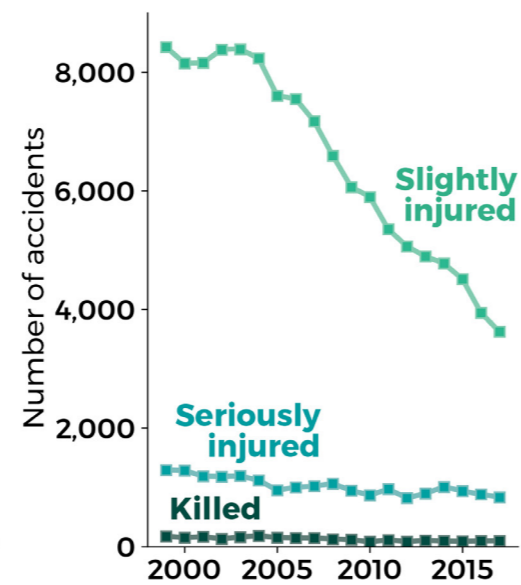
While calls for action have **led to increased Welsh Government funding**, it's not yet proven that Welsh active travel policy is effective.

Percentage change in vehicle mileage and population in Wales, 1999-2017 (Index:1999 = 100)



Sources: Road Traffic Statistics, Department for Transport
Reported road accidents system, Welsh Government

Road accidents in Wales by severity and year, 1999-2017

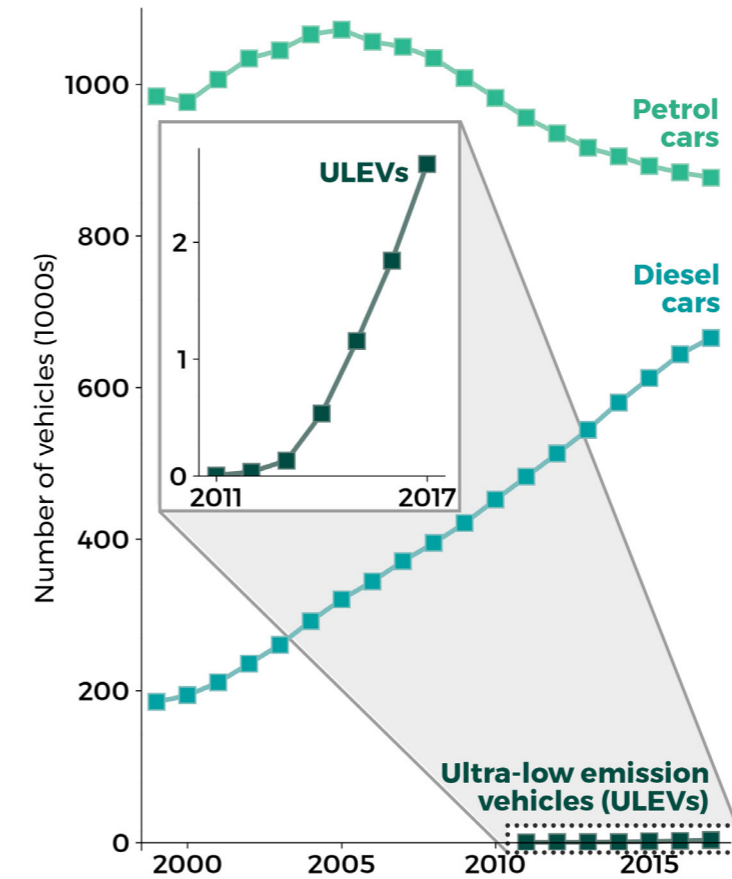


Car ownership and road traffic

Despite a downturn during the recession – total road traffic has increased by nearly 17% since 1999 and car traffic by about 12%. Both have significantly outstripped population growth.

Despite traffic growth, accident data show our roads are safer. Accidents resulting in death or serious injury decreased by about 44% and 35% respectively between 1999 and 2017. An even more substantial decrease in slight injuries (57%) means total “injury accidents” are down around 54%. This **mirrors a post 1960s UK-wide trend** reflecting action on drink driving and vehicle and road safety.

Number of licensed cars in Wales by engine type, 1999-2017



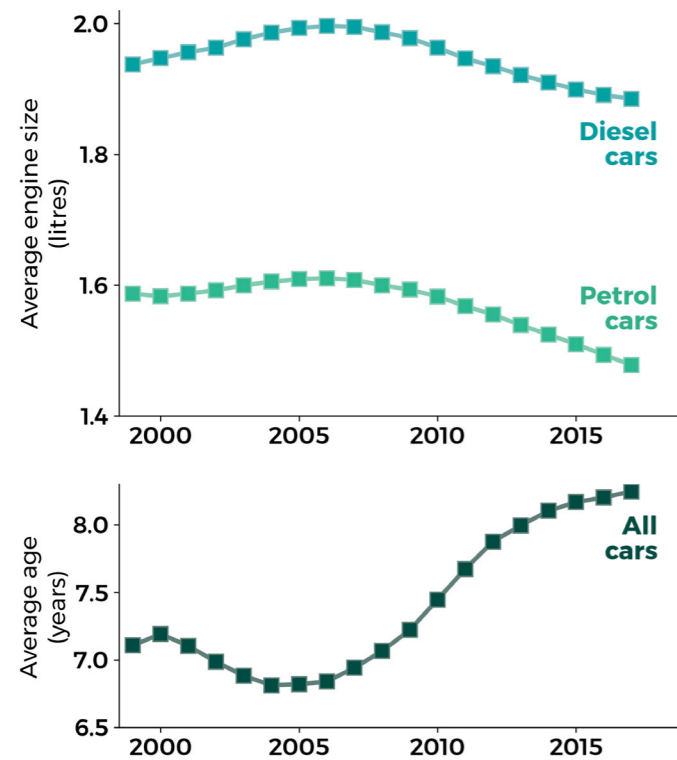
Source: Vehicle Licensing Statistics, Department for Transport

The number and type of cars we drive has changed. Since 1999 **total Welsh car ownership** is up 24% to about 1.5m cars, similar to the rate across Great Britain (23%).

Wales has seen strong diesel growth – **reflecting the so called “dash for diesel.”** From the early 2000s Vehicle Excise Duty (VED) incentivised the purchase of lower CO₂ emitting engines, including diesel despite their greater air quality / health impacts (**though manufacturers highlight** that new diesels compare favourably to petrol).

More recently, focus on air quality, fall-out from **the 2015 “Dieselgate” emissions scandal** and VED changes have seen **new diesel registrations across Great Britain** fall.

Wales average car engine size and age, 2003-2017



Source: Vehicle Licensing Statistics, Department for Transport

Wales has **some of the worst UK air quality** – including **the most polluted road in Britain outside London**. With most local air pollution **caused by road vehicle emissions**, and **legal action** leading the **Welsh Government to set out plans to address air quality** this will be an area to watch.

On climate change, the **Environment (Wales) Act 2016** committed Wales to major carbon emission reductions. **UK Committee on Climate Change (UKCCC)** data show that transport makes up a lower proportion (13%) of total Welsh emissions compared to the UK as a whole (28%), partly due to the prevalence of large energy and industrial emitters in Wales.

However, **the UKCCC proposes** significantly greater reductions in emissions from transport compared to, for example, industry to achieve Welsh emissions targets. While action is also needed on bus, rail and freight, cars are by some way the **biggest source of Welsh transport CO₂ emissions**.

The UKCCC proposes significant Welsh uptake of **ultra-low emission vehicles (ULEVs)**, along with shifts to public transport use and active travel. Although Welsh ULEV ownership has grown steeply (see above), only **760 new plug-in vehicles were registered** in 2017 – 1.6% of the UK total.

Our car engines are smaller – consistent with VED changes and improved engine technology. It's also clear that, **as in the UK as a whole**, we drive older cars, partly **reflecting the impact of the recession**.

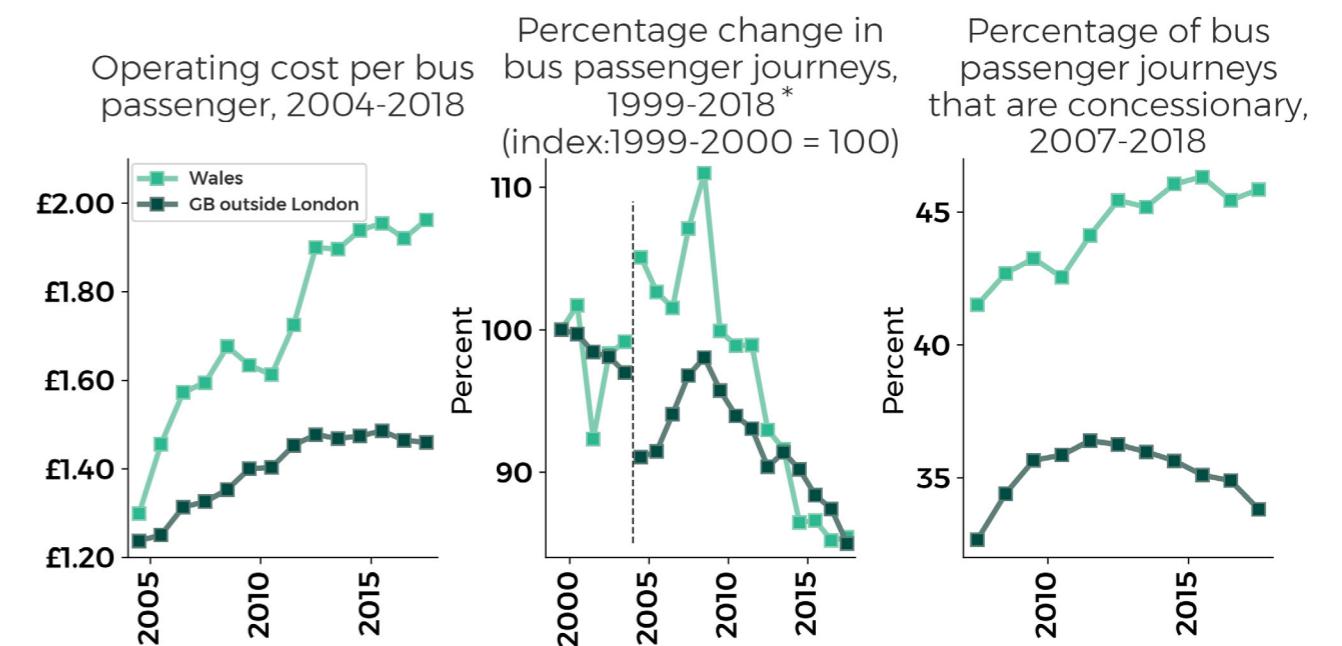
The debate on whether new road construction is sustainable is long running reflecting the apparent tension between economic and environmental priorities.

The **decision on the M4 relief road** is a test case for many. And removal of the Severn Bridge Tolls last December following a long campaign **already seems to have increased traffic**.

Currently **Wales has just 3.1% of UK charging connectors**. Clearly action beyond the Welsh Government's **£2m investment in trunk road charging infrastructure** will be needed to support ULEV uptake.

Development of "Connected and Autonomous Vehicles", including self-driving cars, will be another area to watch. **Despite technical challenges** and plenty of sceptics, advocates predict a public and private transport revolution. **The UK Government wants** fully autonomous cars on UK roads by 2021. While the main policy drivers are non-devolved, the **EIS Committee recently identified (PDF 1MB)** opportunities and challenges for Wales – and proposed a role for the Welsh Government as an "enabler, facilitator and co-ordinator" for the technology.

Bus travel



Source: Bus Statistics, Department for Transport

*The dashed line indicates a change in estimation methodology.

Trends in bus passenger numbers show how the Welsh Government's introduction of the UK's first nationwide concessionary bus pass from 2002 helped reverse the post-1980s decline in bus patronage. The policy has had a huge impact on the lives of older and disabled people – with **46 million Welsh concessionary journeys (ODS, 47.2KB)** made in 2017-18.

However, the decline in passengers since 2008-09 has been steep – a concern given **the socio-economic importance** of bus travel. While this reflects the trend across Great Britain (outside London), the Welsh slump has been significant in the last decade.

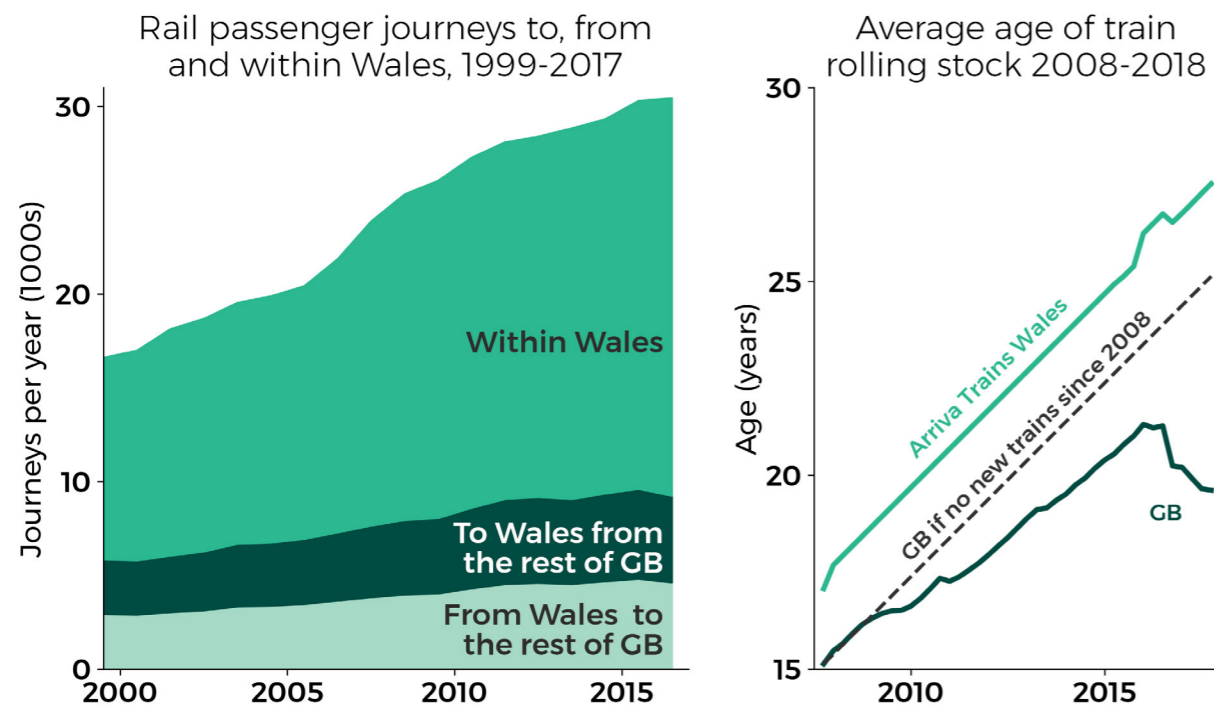
Although tempting to look for simple explanations – austerity or bus industry deregulation – **the causes of decline** are a complex mix of socio-economic factors, including alternatives to bus and public attitudes.

As the chart above illustrates, bus operating costs per passenger have increased more quickly in Wales since 2004-05 than elsewhere in Great Britain (outside London). **While data also show** higher revenue per passenger, this too has declined since 2011-12. Meanwhile, **traffic congestion affects industry costs**, and cash-strapped local government **can't plug gaps with subsidised services**.

Concessionary journeys have comprised a higher proportion of total Welsh journeys than elsewhere. While these provide revenue, operators are not reimbursed a full fare. **The Welsh Government concluded** this “contributed to bus fare inflation in Wales”.

The Welsh Government has published White Paper proposals for **statutory “tools” for local authorities planning bus services** using newly devolved powers, and to increase the eligibility age for concessionary passes. Having **withdrawn funding for local government Regional Transport Consortia** in 2014, the Government also proposes **new national/regional statutory local government structures** – to plan services more effectively. Yet reversing the decline is a significant challenge.

Rail travel



Source: *Regional Rail Usage Statistics, Office of Rail and Road*
Rail Infrastructure Assets and Environmental Statistics, Office of Rail and Road

Unlike bus patronage, Welsh rail travel has grown, with most growth within Wales. While four franchises currently have Welsh services, most Welsh rail travel in the period has been via the **much maligned Arriva Trains Wales (ATW) franchise**.

Prior to ATW, Welsh services were fractured. The ATW franchise, **awarded by the Strategic Rail Authority (SRA) in 2003**, comprised elements of three former franchises.

The SRA assumed zero passenger growth and required minimal investment by ATW. With hindsight this was a misjudgement given subsequent passenger growth and overcrowded rolling stock which, as the franchise ended, had an average age of 28 years – nearly 8 years higher than the average for Great Britain by 2018.

Criticism grew despite additional investment by ATW, and **substantial Welsh Government investment** in rail after it took over franchise management in 2006.

Yet the **Auditor General for Wales noted** that since 2006 ATW’s performance improved – albeit unevenly. In **2017 the Welsh Affairs Select Committee (WASC)** found that ATW exceeded contractual **Public Performance Measure (PPM)** targets for punctuality and reliability and official data show ATW **near the top of PPM league tables**.

However this apparent success disguised growing overcrowding and dissatisfaction. ATW told WASC that limited capacity, poor rolling stock and engineering works affected **National Rail Passenger Survey** results and impacted on customer and staff feedback.

Given this dissatisfaction, rail has been a key focus in the Assembly. Major Committee inquiries were undertaken into **the rail franchise** and **rail infrastructure** in the Fourth Assembly, and **further work done on preparations for the new rail franchise** in this Assembly.

However, hopes are high for the new **TfWRail franchise**, procured and managed by **Transport for Wales (TfW)**, the Welsh Government’s new transport delivery company, using franchise powers devolved in 2018.

Despite a rocky start (PDF 534KB) from October 2018, the contract will see significant public investment over 15 years in what is the highest value contract awarded by the Welsh Government to date. **Exciting changes are planned** including new rolling stock, electrification of the Core Valleys Lines, increased service frequencies and smart ticketing.

The contract is innovative – not least as the Welsh Government takes ownership of the Core Valleys Lines to develop electric South Wales Metro services.

The travelling public will hope for similar action on Swansea and North Wales Metros, as well as results from the Welsh Government “**case for investment**” in rail infrastructure, published in 2018, which sets out proposals for major investment in Welsh rail.

The Welsh Government remains frustrated by the limits to rail devolution – particularly that rail infrastructure remains reserved. **Cancellation of Cardiff to Swansea electrification** in 2017, primarily due to cost overruns, is now a symbol of perceived UK Government neglect of Welsh rail. The “root and branch” **Williams Review of rail** in Great Britain may offer hope that on-going frustrations may be eased.

The next 20 years promise even greater transformation in how we travel in Wales. In 2039 we might ask how successfully we embraced the challenge of revolutionary technology, supported and integrated public transport, reduced environmental impact and ensured transport sustainably underpinned our society and economy. The Assembly will be watching the Welsh Government closely to make sure Wales is moving in the right direction.

Key sources

- Campaign for Better Transport, **Buses in crisis** (2018)
- Economy Infrastructure and Skills Committee, **Active Travel (Wales) Act 2013 - Post-Legislative Scrutiny** (2018)
- Economy Infrastructure and Skills Committee, **On the right track? The Rail Franchise and South Wales Metro** (2017)
- Greener Journeys, **A study of the value of local bus services to society** (2016)
- Urban Transport Group, **What’s driving bus patronage change? An analysis of the evidence base** (2019)
- Welsh Affairs Select Committee, **Wales and Borders Rail Franchise Inquiry** (2017)
- Welsh Government, **White Paper – improving public transport** (2018)

Are we a healthier nation?

Sustainability of health and care services is a critical issue in Wales. Costs for delivering NHS services have continued to increase, and now account for over half (52.3%) of the Welsh Government’s total resource budget, compared with 39.8% in 2010-11. This increasing domination of the budget clearly impacts upon other services such as social care, while conversely, it is widely agreed that an under-resourced social care system puts further pressures on the NHS.

Experts have predicted that pressures on social care due to demography, chronic conditions and rising costs would require the social services budget to almost double by 2030/31 to match demand.

Wales has the largest proportion of older people per population in the UK, and many are living in rural communities and areas with high levels of deprivation.

Controversial comparisons are often made about the performance of the NHS in Wales versus England, but **recent reviews** have concluded that there is no significant difference in performance between the UK nations.

Since devolution, approaches to providing NHS services in the UK have become increasingly divergent. Wales has moved away from using an internal market to manage services; the role of the private sector in healthcare has diminished; and integrated Local Health Boards have been established. The **Welsh Government’s ambition** is to bring health and social care services together, so that seamless services are designed and delivered around the person, but there is a long way to go before this becomes a reality.

Ageing well?

Our ageing population is well documented. When the Assembly was first established in 1999, **17% of the population was over 65**; this rose to 21% in 2017, and is **projected to reach 28%** in the next 20 years.

Between 2015 and 2035, the proportion of all adults living with a limiting long term condition is projected to **increase by 22%**. The greatest increases are **predicted** to be in stroke (33%), heart conditions (31%) and neurological conditions including dementia (72%).

Average life expectancy today is 78 years for men and 82 years for women. However, men and women are likely to spend on average 17 and 20 years respectively living in poor health. The Welsh Government **estimated** back in 2006 that by 2020, life expectancy would be 84 years for men and 87 years for women.

There are stark differences in life expectancy and healthy life expectancy across Wales which have not shifted in the past decade. Men and women in the most deprived areas spend about 19 and 18 fewer years in good health respectively, and die on average nine and seven years earlier, than those in the least deprived areas.

Average life expectancy has risen steadily since 1999, but progress has slowed considerably since 2011, with life expectancy increasing at a far slower rate than the preceding 20 years. This trend can be seen across much of western Europe, but in Wales the effect occurred earlier and now only Scotland has lower life expectancy (Wales has slipped from a rank of 16th to 24th in **25 western European countries**).

The continuous decline in the mortality rate (number of deaths) in Wales has also faltered since around 2011. Mortality rates rose significantly in 2015, attributed at least in part to increases in deaths from flu, pneumonia, and dementia among those aged 75+. **Public Health Wales Observatory** has noted that current trends may mean that increases in mortality (like in 2015) could be more likely in the future.

Lifestyles

Smoking, being overweight or obese, poor diet and physical inactivity are significant risk factors for numerous health conditions.

Smoking

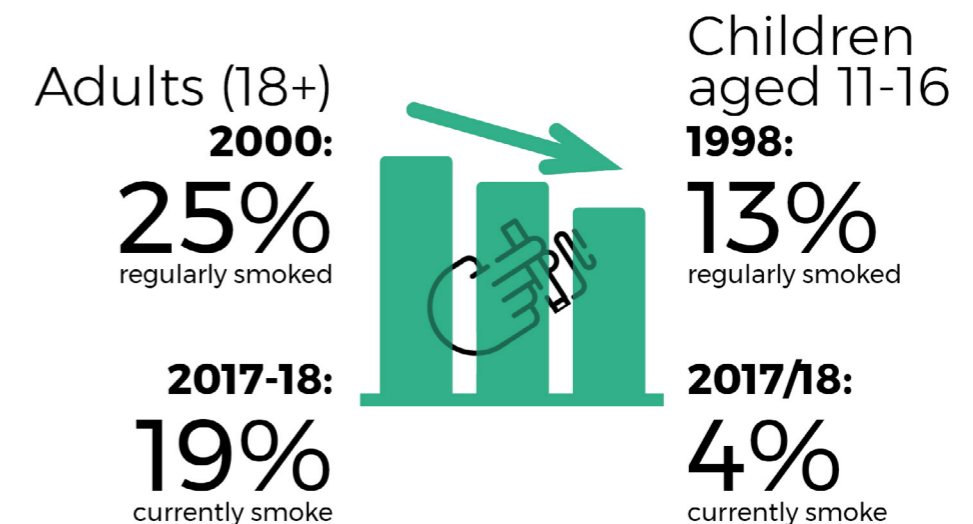
Smoking rates have fallen since legislation to ban smoking in enclosed public places was passed in 2007. Subsequent legislation (**the Public Health (Wales) Act 2017**) will introduce further restrictions on smoking in school grounds, playgrounds, and hospital grounds.

At the beginning of the first Assembly, smoking prevalence was **25% for adults aged 16+**. **Latest statistics** show 19% of adults currently smoke.

Rates of smoking have also declined for 11 to 16 year olds; **from 13% in 1998 to around 4% in 2017/18**. Whilst adult smoking rates have fallen consistently over the past decade, they have remained static for the past few years. A clear deprivation gap is also evident, with smoking rates in the most deprived areas (28%) **over double those in the least deprived areas** (13%). If current trends persist, the Welsh Government's target of a reduction to 16% prevalence by 2020 will be missed by at least five years.

More mothers smoke during pregnancy here than in any other UK nation. A **Public Health Wales project** made recommendations for action on this issue in 2015 (but it is not clear whether they are being taken forward).

Smoking



Sources: *Smoking in Wales: current facts*, Welsh Assembly Government, 2007
National Survey for Wales 2017-18, Welsh Government

Alcohol

Adults are reportedly drinking less; the **latest figures** show that 18% of adults report drinking more than the recommended guidelines. While this represents a declining trend in self-reported drinking levels, there has been an **increase in the burden of disease due to alcohol** (by over a third) since 1990. No explanation has been given for this disparity as yet.

The Assembly recently passed the **Public Health (Minimum Price for Alcohol) (Wales) Act 2018** which aims to reduce harmful levels of drinking by introducing a minimum price for the sale/supply of alcohol and making it an offence for alcohol to be sold below the minimum price. Time will tell what impact the legislation will have on alcohol consumption and the associated harms.

Weight and physical activity

Trends show that fruit and vegetable consumption has declined over time, while the prevalence of being overweight or obese has increased.

The **latest figures** show that 60% of adults are overweight or obese; 22% are obese. This has increased over time from **54% and 18% respectively in 2003/04**. According to **public health predictions**, the continuation of current trends would result in two thirds of the adult population being overweight or obese by 2025.

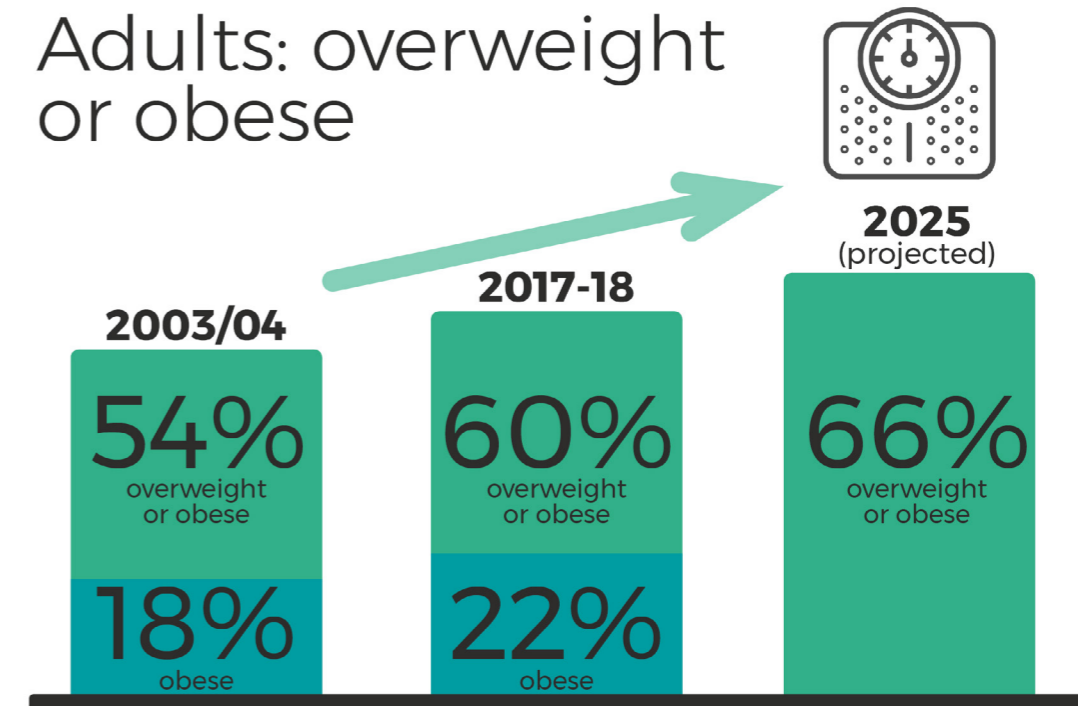
A higher proportion of children are overweight or obese, and report unhealthy lifestyle behaviours, compared to other UK nations. The latest **Child Measurement Programme** shows that 26.4% of children aged four and five are overweight or obese compared to 22.4% in England and Scotland. The local authority area with the highest prevalence of childhood obesity (Merthyr Tydfil) is more than double that of the local authority area with the lowest prevalence (the Vale of Glamorgan).

The Public Health (Wales) Act 2017 was amended during scrutiny by the Assembly to include provisions on obesity. The Welsh Government is now required to publish a national strategy on preventing obesity and reducing obesity levels, and publish progress reports following reviews. The Welsh Government has since published a draft strategy, **Healthy Weight, Healthy Wales** for consultation. The draft strategy notes that habits relating to food consumption and physical inactivity have built up over decades, and says 'societal changes have gradually designed physical activity out of our daily lives'.

Around half of adults get enough physical activity, and a third undertake no physical activity at all. One in six 11-16 year olds are achieving the Chief Medical Officer's guidelines of 60 minutes of activity every day. A clear deprivation gap (17%) is also evident.

The Health, Social Care and Sport (HSCS) Committee recently published a **report on physical activity of children and young people** (which will soon be debated in Plenary). The Committee heard evidence that levels of physical activity and sedentariness among children in Wales are some of the poorest globally. Members concluded that 'if we don't start taking urgent action now to change attitudes towards physical activity, we are storing up problems for generations to come'.

Adults: overweight or obese



Sources: Welsh Health Survey 2003/04, Welsh Assembly Government National Survey for Wales 2017-18, Welsh Government Health and its determinants in Wales, Public Health Wales Observatory, 2018

Mental health and wellbeing

Recent years have seen a new emphasis being placed on wellbeing. The Assembly has passed two landmark pieces of legislation; the **Social Services and Well-being (Wales) Act 2014**, to reform and integrate social services law, and the **Well-being of Future Generations (Wales) Act 2015**, which identifies well-being goals for public authorities, aiming to improve the well-being of Wales both now and in the future.

The **latest Office for National Statistics (ONS) report** on wellbeing shows that while average levels of personal wellbeing did not differ much compared with the UK, a larger proportion of people reported 'poor' personal wellbeing ratings.

In 2018, a larger proportion of people (for the first time since 2012) reported low scores for all three positive measures of personal wellbeing **compared with the rest of the UK**.

There has been an increased focus on mental health within the Assembly over the past decade. Unique in the UK, the 2010 **Mental Health (Wales) Measure** (initiated by a backbench AM), aimed to facilitate earlier access to mental health services and improve care and treatment planning for patients.

Assembly committees have recently been shining a spotlight over mental health, putting increasing pressure on the Welsh Government to improve services. The Children, Young People and Education (CYPE) Committee is continuing to drive the agenda forward, following the publication of its 2018 **Mind Over Matter report** into the emotional and mental health of young people. The HSCS Committee's subsequent **report on suicide prevention** endorsed CYPE's recommendations and called on the Welsh Government to ensure mental health is given parity with physical health.

There are significant health and care challenges ahead for Wales. Clear gains can be seen over time in areas such as smoking, but causes for concern include the rising overweight and obesity levels, increases in chronic conditions, and mental ill health. The impact of health inequality gaps in key risk factors such as diet, physical inactivity and obesity could also be expected to increase in the future if they are not tackled with urgency.

Key Sources

- Office for National Statistics, **Personal Well-being in the UK** (2018)
- Public Health Wales, **Child Measurement Programme 2017/18** (2019)
- Public Health Wales Observatory, **Health and its determinants in Wales** (2018)
- Public Health Wales Observatory, **Mortality in Wales 2012 to 2016** (2018)
- Welsh Government, **Healthy Weight, Healthy Wales consultation** (2019)
- Welsh Government, **National Survey for Wales: population health** (2019)
- Welsh Government, **Welsh Health Survey 2003/04** (2015)

Education: How far is it 'made in Wales'?

Devolution has given policymakers the opportunity to develop a distinctly Welsh approach to education. In the early years of the Assembly, **The Learning Country (2001)** strategy was described as a "landmark document for those who hoped that the Welsh Assembly would not just nibble at the edges of educational policy-making but would also conjure up a wider vision of an education system to serve the Welsh nation" (Gareth Elwyn Jones & Gordon Wynne Roderick's **A History of Education in Wales (2003)**, cited in Philip Dixon's *Testing Times*, 2016).

Pre-16 education

A 'made in Wales' approach?

As part of former First Minister Rhodri Morgan's 2002 declaration of "**clear red water**", between Wales and England, the then Welsh Government ended Standard Attainment Tests (SATs) at Key Stages 1, 2 and 3. The publication of school-level pupil performance (often used to generate 'school league tables') also ended.

The **Foundation Phase**, which was introduced between 2004 and 2009, brought a new approach to young children's learning, based on an experiential and 'learning through play' approach. It remains a flagship policy and the principles on which it is based are now shaping the approach to the **new age 3-16 curriculum**.

At the other end of the school-age spectrum, the **Welsh Baccalaureate**, introduced between 2003 and 2007, and revised in 2015, has sought to equip young people with a broader skills base to better prepare them for higher education and the workplace. An Assembly Committee has recently undertaken an **inquiry into the Welsh Baccalaureate**, publishing a report recognising its centrality to young people's learning and development and recommending how its status can be enhanced.

Another example is the Free Breakfast Scheme in primary schools. Introduced in 2004, it is intended to improve the concentration and in turn the attainment of pupils.

More recently, this ‘made in Wales’ approach to education has led to a **Welsh qualifications system**, a lengthy and wide-ranging **reform of the Special Education Needs system**, and the far-reaching work underway to introduce a new **Curriculum for Wales**. The SEN reforms have undergone considerable scrutiny over many years, with Assembly Committees most recently scrutinising the **Additional Learning Needs and Education Tribunal (Wales) Act 2018** and the **draft ALN Code**.

Leaning towards PISA?

Wales’ approach to school improvement has also been influenced by international movements, most notably the OECD and its Programme for International Student Assessment (PISA).

Just over a decade into devolution, the publication of the PISA 2009 results in 2010 delivered what the then Minister for Education, **Leighton Andrews**, called a “wake up call to a complacent system” and “evidence of a systemic failure”. Wales’ **disappointing PISA results precipitated** a renewed and changed focus on school accountability, a return to the basics of literacy and numeracy and a new regional approach to school improvement, all set out in the then Minister’s **twenty point plan**. Following on from this was Huw Lewis’ time as Minister which focused on a drive to tackle the link between deprivation and low attainment. Over time, there has also been a **recognition that Wales needs to improve support for more able and talented learners** if a greater number are to achieve the highest grades.

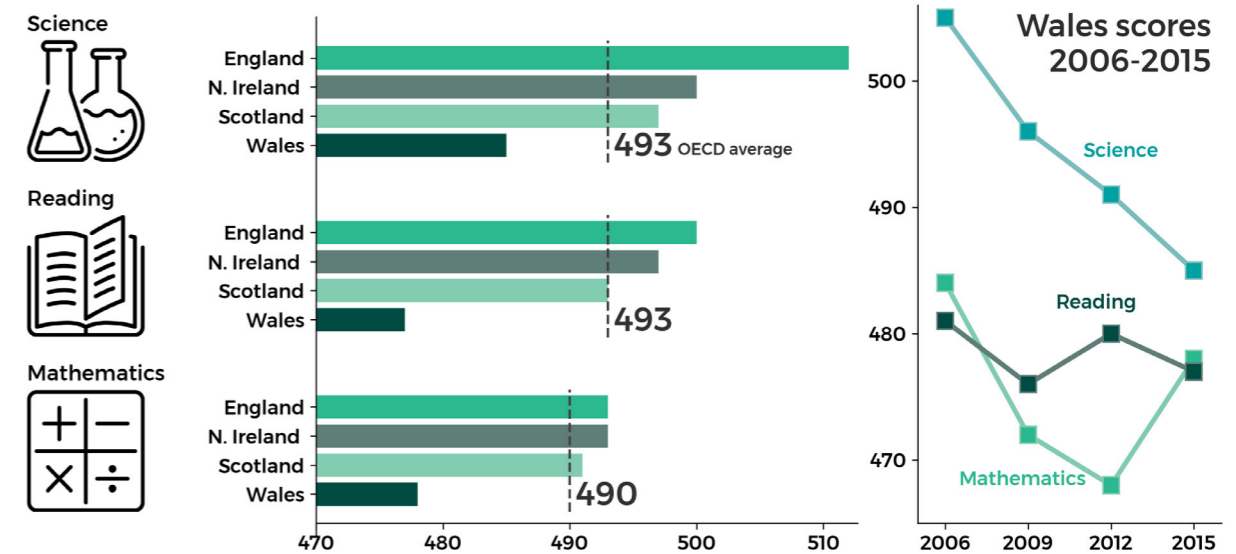
The OECD was called in to help identify solutions. Its reports in **2014** and **2017** informed the Welsh Government’s education action plans, *Qualified for Life* and **Education in Wales: Our National Mission 2017-2021** respectively.

Since her appointment as Minister in June 2016, Kirsty Williams has continued to take forward the education reforms already in train such as developing a new curriculum, reforming teachers’ professional development, enhancing educational leadership and tackling the deprivation attainment gap. However, following her **agreement in June 2016 with the then First Minister, Carwyn Jones** (updated in December 2018 in her **agreement with the new First Minister, Mark Drakeford**), Kirsty Williams has also brought her own priorities to the fore.

These include supporting the viability of small and rural schools and reducing infant class sizes. The latter links back to the **earliest days of devolution** when the existing statutory limit of 30 pupils was introduced in 2001. With Kirsty Williams as Minister, the Welsh Government has reinvigorated this policy and is seeking to **reduce the size of classes with 29 or more pupils** in underperforming schools and where there are high levels of pupils eligible for free school meals and pupils with Additional Learning Needs.

Returning to PISA, the publication of the 2018 results in December 2019 will shine a further spotlight on the Welsh Government’s progress in raising school standards, particularly given its **target of achieving 500 points** in each of the three domains by 2021. Since the **‘shock to the system’** delivered by PISA 2009, subsequent results have not significantly improved in Wales as the infographic below shows.

PISA 2015: Mean scores across the UK



Sources: UCL, *Achievement of 15 Year Olds in Wales: PISA 2015 National Report (2016)*
 OECD UK country note (2016)

Higher education

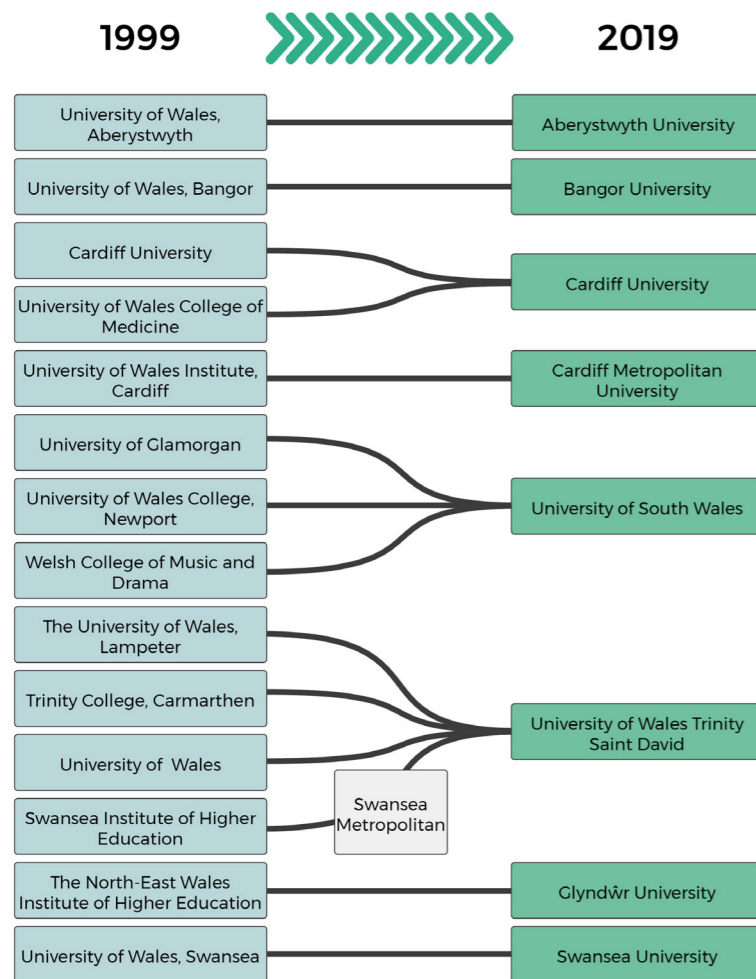
Higher education institutions (HEIs) are autonomous organisations, therefore policymakers’ capacity to directly affect a ‘made in Wales’ approach is more limited than with schools. However devolution has seen significant changes in the HE sector and legislation expected in the next year or so could see the Welsh Government substantially reform the strategic planning and funding of the broader post compulsory education and training sector.

One of the more visible examples of the divergence between Wales and England has been student financial support. For example, from 2012 a larger Tuition Fee Grant (TFG) provided students from Wales with a non-means tested grant to cover the cost of increased tuition fees. However, this system diverged further following the Welsh **Diamond Review** which has seen the TFG being withdrawn for new students from September 2018 as part of a shift toward funding living cost support.

The number and size of HEIs

Since 1999, the Welsh Government has sought to actively shape the size and structure of the Welsh HE sector. The extent of this change is illustrated below.

HEI and university mergers and name changes, 1999-2019



So how did this level of change happen?

In 2002 the Welsh Assembly Government published its **Reaching Higher** HE strategy in which it explained that: “re-configuration and collaboration must be at the heart of the strategy for HE in Wales”.

After a number of mergers and collaborations under Reaching Higher, and the Welsh Government’s new HE strategy, **For our Future** (2010), the Higher Education Funding Council for Wales (HEFCW) was tasked with developing a “regional dimension to planning and delivery”. Its **2010 Corporate Strategy** said that:

too many of our universities are too small by UK standards, and that we have too many institutions, raising challenges over competitiveness and sustainability.

In 2010, after the then Education Minister Leighton Andrews had warned universities must “**adapt or die**”, HEFCW published its recommendations on the **future shape of higher education in Wales**. These suggested radical change, consolidating the sector into no more than six HE institutions. These plans led to the merger of the University of Wales, Newport and the University of Glamorgan into the University of South Wales.

This **proposal to create what was to become USW originally included the University of Wales Institute, Cardiff (UWIC)**, now Cardiff Metropolitan University. However its governing body **resisted the Welsh Government’s attempt** to dissolve the institution in what became a demonstration of the autonomy of universities.

In contrast to the deliberate national policy of planned change, some institutions have instigated change themselves.

Some exercised their independence by withdrawing from the University of Wales federal umbrella and applying for their own Degree Awarding Powers and the right to use “university” in their title.

Some initiated their own mergers. For example, the University of Wales, Lampeter, the University of Wales itself, Swansea Metropolitan University and Trinity College, Carmarthen merged together in stages to form the current University of Wales Trinity St David.

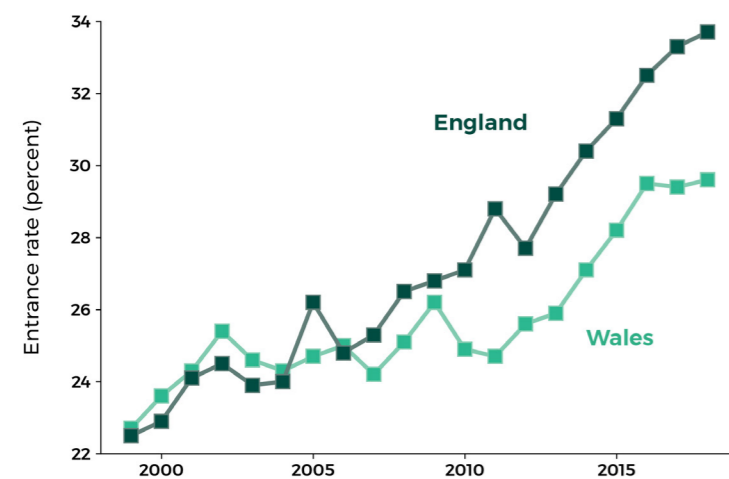
The table below demonstrates the effect of the sector’s consolidation into fewer, larger institutions and offers a broad comparison (where data is available) with the further education (FEIs) sector. As the number of institutions has dropped since devolution and all have gained university title, enrolments and incomes have broadly increased.

	1999/2000	2017/2018
Number of HEIs	13	8
Number of FEIs (for comparison)	28	14
Average No. of Full-Time Undergraduates (FTUG) per Welsh university	4,510	10,086
Average No of Students per FEI (1 Dec Snapshot, excluding training & those in HEIs)	4,045	5,537 (2015)
Largest number FTUG	Cardiff University: 12,140	Cardiff University: 19,735
Smallest number FTUG (excluding Royal Welsh College of Music & Drama)	Trinity College: 1,100	Glyndwr University: 2,665
Average total income per HEI (£000s Real Terms 2017-18 prices)	£65,728	£195,940

Source: HESA data archive and Stats Wales

The number of people participating in higher education

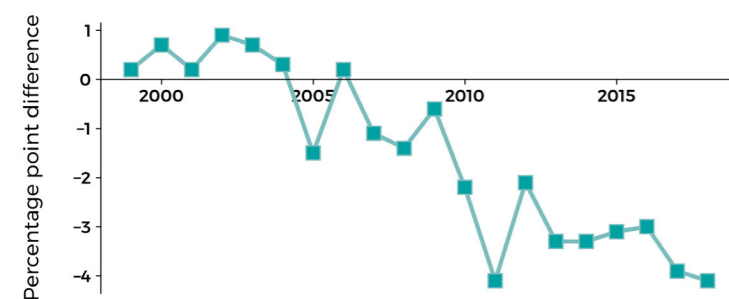
UCAS entry rates for 18 year olds in Wales and England 1999-2018



Over the past twenty years, there has been a consistent trend for a higher proportion of 18 year olds in the UK to attend higher education each year.

The graphic below shows this trend since 2000 for both Wales and England. This higher participation **rate** has helped to broadly maintain recruitment **numbers** during the last few years when the 18 year old population in the UK has been temporarily falling.

Wales-England difference



Source: UCAS Data Services

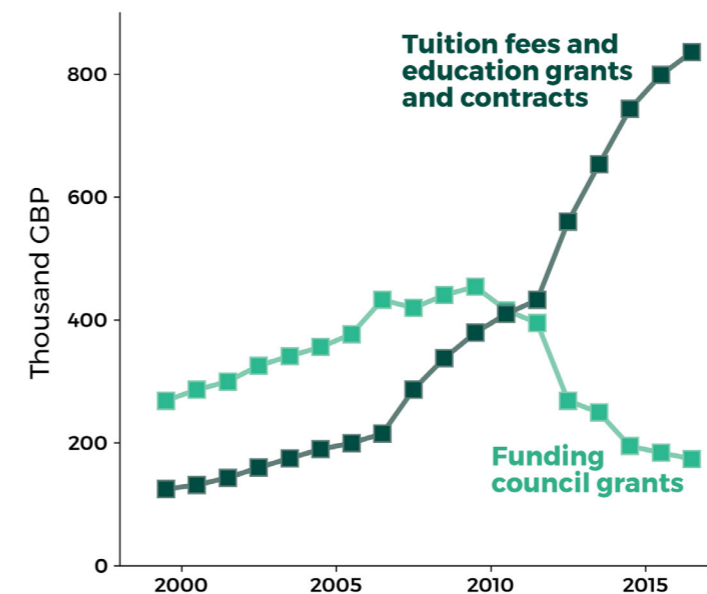
Changes in how HEIs receive their income

Throughout the last twenty years, institutions have received more of their income from student fees and less from central HEFCW grants.

The removal of student number controls in both England and Wales from 2015/16, has allowed HEIs to increase student numbers, thereby generating increased income through the greater volume of tuition fees.

The graphic below shows the shift from central grant funding toward student tuition fee funding, a shift that accelerated from 2012/13 with the introduction of £9,000 fees.

Tuition Fees and Funding Council Grants - Welsh HEIs, 1999-2017



Source: Higher Education Statistics Agency archive

HESA Data Archive (note that figures from 2014/15 onwards may not be comparable to those prior due to accounting changes)

The future is likely to bring further reform with the Welsh Government proposing, through legislation in the Assembly, to bring further education, higher education, work-based learning and adult community learning together under a single arms-length strategic planning and funding Commission.

This would result in the dissolution of HEFCW and the Welsh Government relinquishing funding and regulation of further education to the proposed Commission for Tertiary Education, Training and Research. The aim of such reform is to bring about a post-16 education sector that is characterised by clear and seamless progression routes for learners across all types of institution.

Key Sources

- UCL Institute of Education, **Achievement of 15-Year-Olds in Wales: PISA 2015 National Report** (2016)
- Higher Education Funding Council Wales, **2010 Corporate Strategy** (2010)
- Welsh Government, **Education in Wales: Our National Mission** (2017)
- Welsh Government, **For Our Future The 21st Century Higher Education Strategy and Plan for Wales** (2009)
- Welsh Government, **Reaching Higher A Strategy for the higher education sector in Wales** (2002)
- Welsh Government, **Review of higher education funding and student finance arrangements: final report** (2015)

How has the Welsh environment changed?

Wales' environment is made up of a plethora of rich habitats. It is characterised by its upland and mountainous landscape, and is subject to a wetter climate than much of the rest of the UK. Its position on the **boundary of three oceanic and climatic zones**, and having one of the world's largest tidal ranges, combine to provide Wales with a **myriad of wildlife**. It has 1,702 miles of coastline, **award winning** beaches, and is the first country in the world to have a **dedicated and complete 870 mile coastal footpath**.

Looking back on what has changed in Wales' environment in twenty years of the Assembly is difficult; short term environmental action will have long term consequences, so we will often not see the impact of an action, positive or negative, for decades.

The story of the last twenty years has been focused on learning about the current status of the environment, and the longer term trends that have brought about this status. We do know that biodiversity continues to decline, yet renewable energy generation has increased. Carbon emissions have fallen more slowly in Wales than the rest of the UK and actually increased in 2016 (the latest year for which figures are available).

Wales has put legislative tools in place to sustainably manage and protect the environment. The Assembly passed the world-leading **Wellbeing of Future Generations (Wales) Act (WFG) 2015** which places a legal duty on the Welsh Government and other public bodies to act in accordance with the **sustainable development principle** – ensuring that the needs of the present are met without compromising the ability of future generations to meet their own needs. The Act contains **seven well-being goals**– with goal 2, a resilient Wales, calling for:

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

Complementing this, the Assembly also passed the **Environment (Wales) Act 2016** which introduced tools to plan and manage natural resources, aimed at **'positioning Wales as a low carbon, green economy, ready to adapt to the impacts of climate change'**.

Since 1999 the Assembly's Committees have been active in scrutinising the Welsh Government on its approach to the environment.

Land cover and agriculture

Figure 1 below displays Wales' land cover; it's mostly agricultural, forestry and semi natural areas, with less than 6% of Wales is classified as an artificial surface.

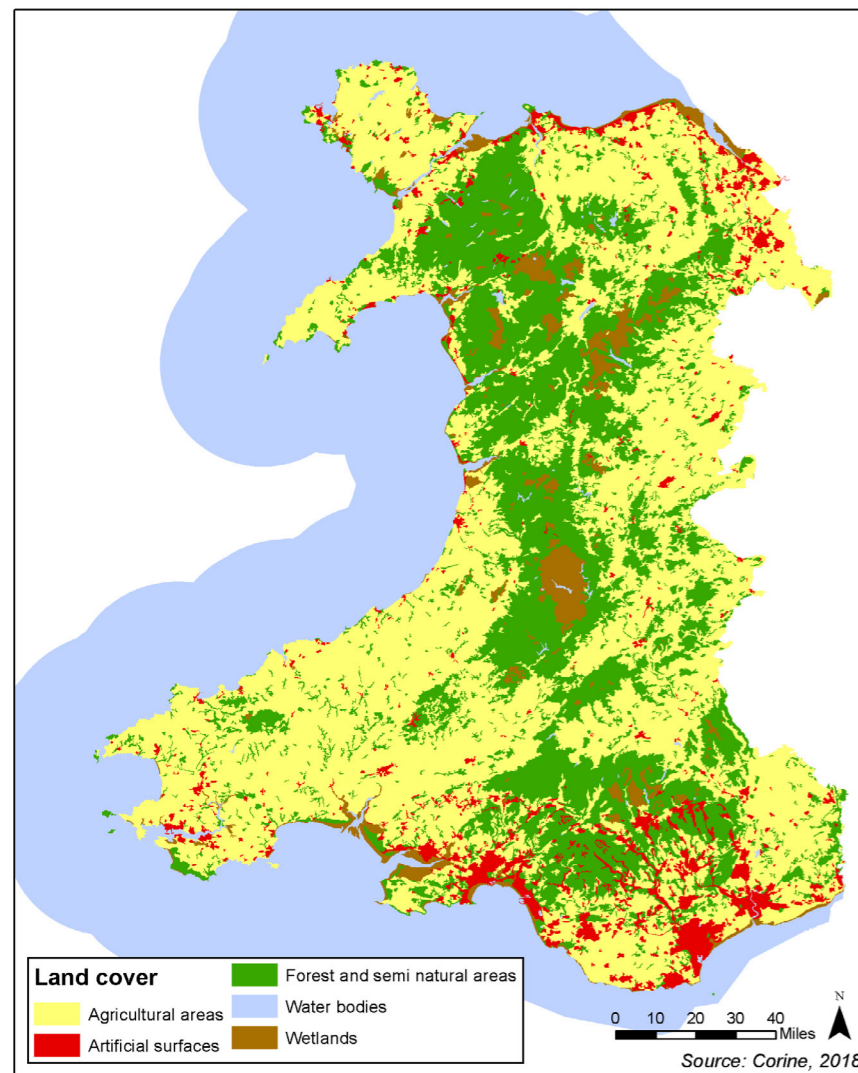


Figure 1: Map showing land cover in 2018.
Source: Corine Land Cover datasets.

Wales is one of the **least wooded countries in Europe** with only about 15% of the country's land area covered by woodland, compared to the EU average of 37%. The Welsh Government's **current strategy** and **five-year action plan (2015-2020)** aims to increase this with a target of 2,000 hectares of new planting per annum.

Land used for agricultural purposes accounts for **90 per cent of the total land area** of Wales. The landscape, soil quality and climate of Wales means that the **majority of the land is restricted to the grazing of sheep and cattle**, illustrated by the split of land by usage in figure 2:

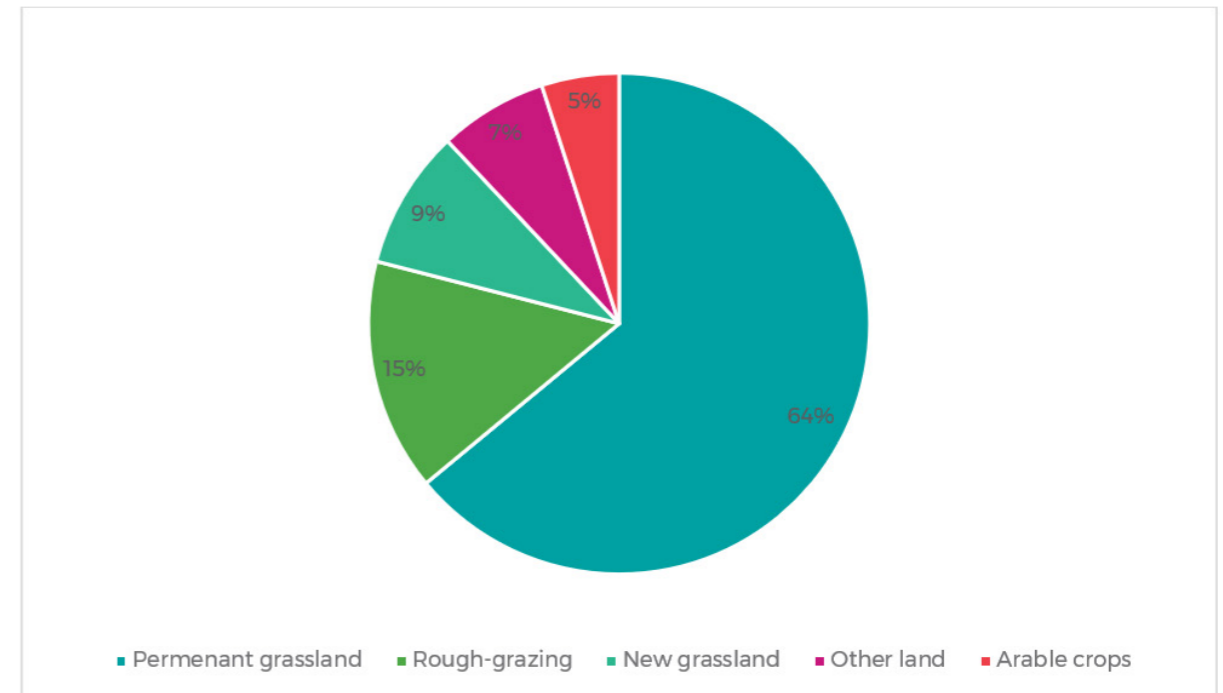


Figure 2: Split of land on agricultural holdings by usage, 2018
Source: Statistics for Wales 2018

In 2017, Welsh agriculture accounted for **3.62% of regional employment in Wales** and a **total gross value added of 0.59% in 2016**. While the average **Welsh farm business income in 2017-18 was £34,600**, farm income in Wales remains heavily dependent on subsidy. However, **agricultural policy across the UK is changing** as it departs from the current subsidy system of the **EU's Common Agricultural Policy (CAP)** that has underpinned UK farming for several decades.

Nationally important landscapes in Wales are designated as National Parks or Areas of Outstanding Natural Beauty (AONB). **Together these Designated Landscapes cover around 25% of Wales**, and contribute to a suite of **protected areas and special sites** chosen for their wildlife, their scenic beauty or value as geological sites. These include **more than 1000 Sites of Special Scientific Interest (SSSIs)** as the most important sites for Wales' natural heritage, covering about 12% of the country's surface area.

Given the importance of agriculture and the natural environment, the Assembly's committees have shown a strong interest in the subject during the past 20 years. Enabling farmers to receive payments for farming in environmentally beneficial ways was a topic looked at by the First Assembly's **Agriculture and Rural Development Committee**, and continues to be explored by the current **Climate Change, Environment and Rural Affairs (CCERA)** Committee.

Marine and fisheries

Over 60% of the population of Wales lives and works around the coast. Welsh seas support thousands of jobs across a range of sectors and provide us with many resources.

The Welsh fishing sector is **different in size and nature to that elsewhere in the UK.** In 2017 there were **450 boats registered at Welsh ports and 756 fishers employed** in the sector. Two-thirds of landings by Welsh vessels by value are shellfish, of which **90% are exported to the EU and to Asia** via the EU's extended trade agreements.

The sector has been shaped by the UK's membership of the **EU's Common Fisheries Policy (CFP)**. However, as the UK leaves the EU, it will leave the CFP too, bringing with it the need to **introduce legislation to manage its own waters**, and the potential for significant changes in fisheries policy in Wales. Fisheries is a devolved matter, and as such Assembly Committees have been **active in preparing for this change**.

Wales has **133 marine protected areas (MPAs)**, the equivalent of 69% of Welsh seas. These aim **to safeguard our seas** and make them more resilient to change.

The **CCERA Committee** has explored **the effectiveness of MPA** management, recommending that the Welsh Government provides greater priority and leadership 'as a matter of urgency'. In response, in 2018, the MPA Network Management **Framework** and **Action Plan** was published.

Biodiversity

The **First Assembly's Environment, Planning and Transport Committee** **recommended** that the then:

Welsh Assembly Government demonstrates its leadership in the field by mainstreaming biodiversity considerations into its policies and priorities, and those of sponsored bodies

Biodiversity inquiries have subsequently been undertaken by **third** and **fourth** Assembly Committees, and the biodiversity of Wales has steadily risen up the political agenda, culminating in the **Environment (Wales) Act 2016 being passed by the Fourth Assembly**.

Nature conservation groups produced the '**State of Nature Report**' in 2013 and again in 2016. The overall headline for Wales is stark in that **one in 14 species is heading for extinction**.

The **2016 report** examined a number of terrestrial species and placed Wales in the lowest fifth of the 218 countries analysed, indicating that 'ecosystems may have fallen below the point at which they can reliably meet society's needs'.

Trends in the abundance and distribution of certain species are shown below. The values show the percentage of species assessed that have increased, decreased or showed little change. For example, of the 30 butterfly species assessed, 50% have shown a strong or moderate increase between 2002-2013.

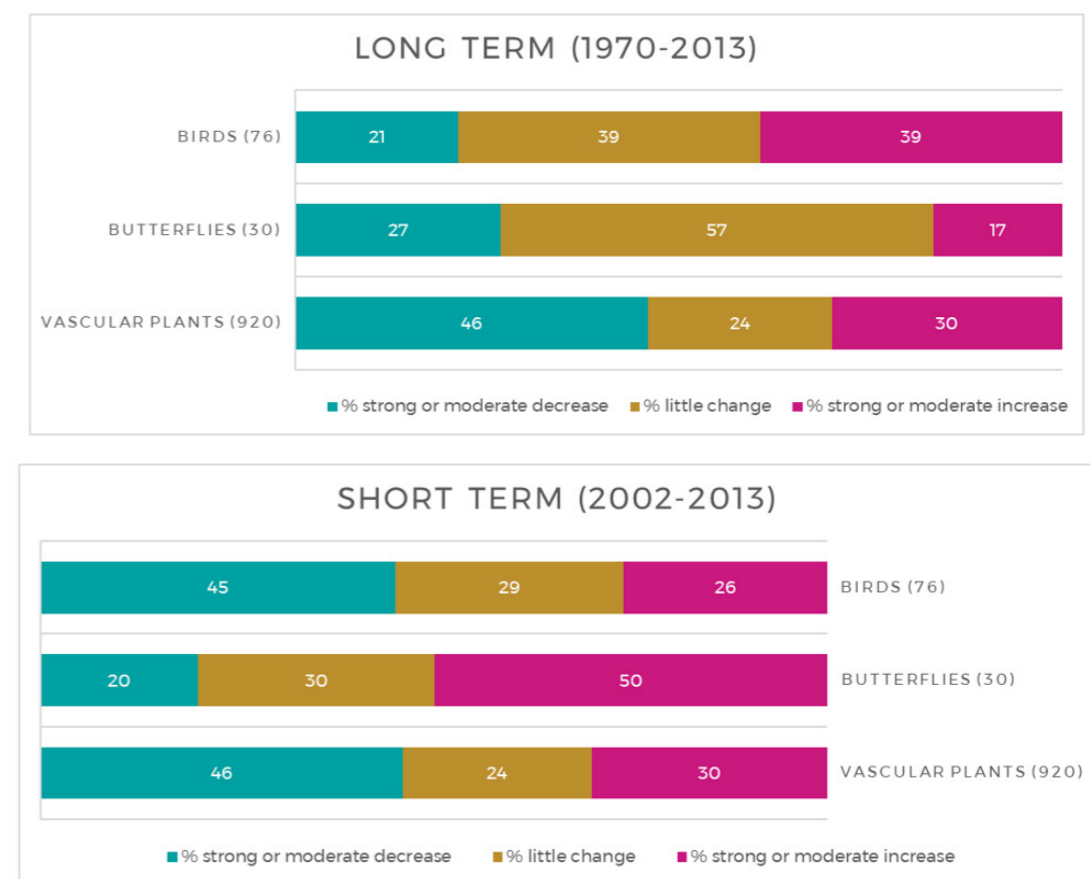


Figure 3: The percentage of species in each trend category over the long term and the short term. The values in brackets show the number of species assessed. Source: State of Nature 2016 Wales report.

Climate Change

Continued rises in global temperatures are likely to have profound effects on the Earth's climate system. In line with global temperatures, the annual mean temperature of Wales has continued to increase since 1999:

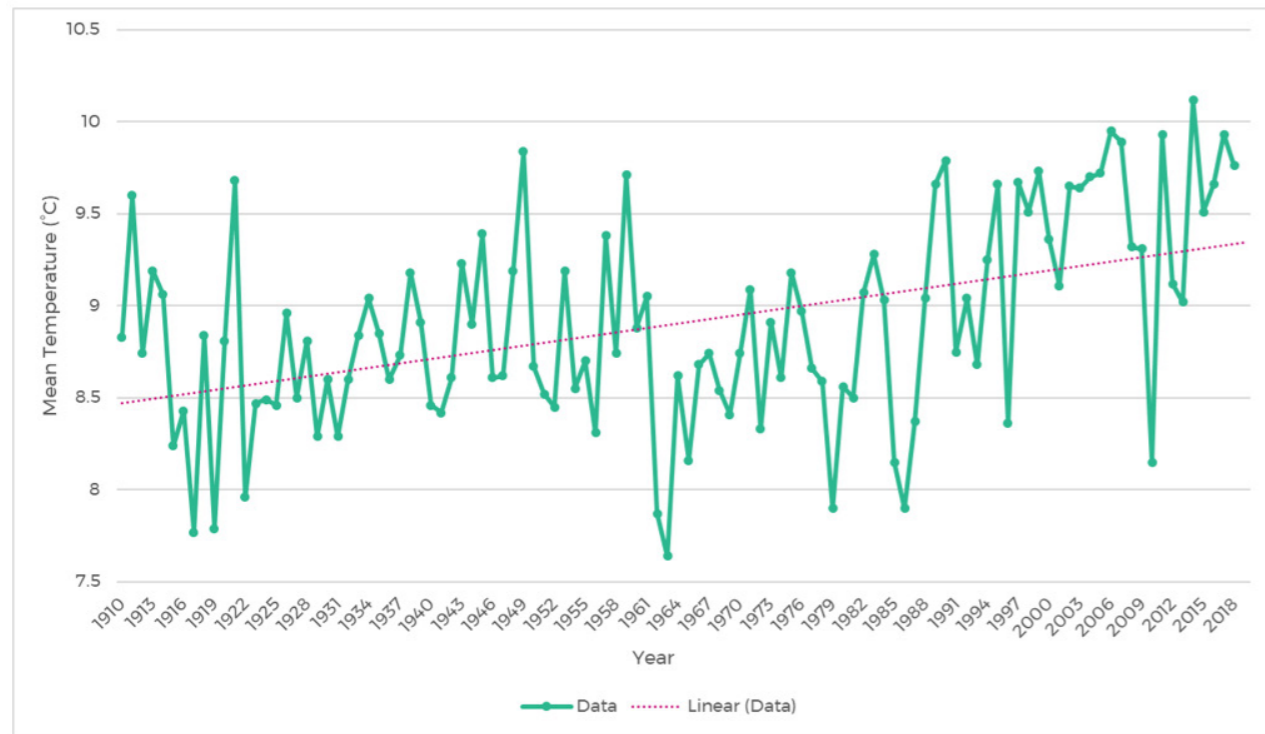


Figure 4: The annual mean temperature for Wales. Linear trendline showing an increasing mean temperature. Based on Met Office data.

The Third Assembly Sustainability Committee was active in scrutinising the (then) Welsh Government on its progress in contributing to the UK's carbon reduction targets. It produced a **series of six reports on carbon reduction (2007-2010)** which fed into the Government's carbon reduction strategy, setting out targets of reducing greenhouse gases by three per cent year-on-year, and at least a 40 per cent reduction by 2020.

Carbon reduction continues to be high on the Assembly's agenda, with the **CCERA committee continuing to scrutinise the Welsh Government** on its progress towards targets, **examining the issue in its first ever climate change annual report**, and holding a **debate in Plenary**.

In June 2018, the UK Committee on Climate Change (UK CCC) published its **2018 Progress Report to Parliament**. It showed that in Wales, total emissions increased by 5% in 2016, following falls in emissions in 2014 and 2015. Since 1990, emissions in Wales have fallen by 14%. Progress in Wales has been slower than the UK as whole, partly as a result of Wales having a much larger share of industry emissions.

The **Environment (Wales) Act 2016** placed new duties on the Welsh Government to reduce greenhouse gas emissions by 80% by 2050, and **accompanying regulations** set the trajectory and approach to achieving this low carbon transition. In March 2019, the Welsh Government published **Prosperity for All: A Low Carbon Wales** – setting out a cross-government and cross-sector plan for emissions reduction.

On 29 April 2019 the Welsh Government **declared a climate emergency** in Wales, hoping this would “trigger a wave of action at home and internationally”. It has recently **received advice** from the UK CCC on the options Wales has for setting net zero targets for carbon emissions and other greenhouse gases in the future.

Wales continues to have some of the **worst air quality in the UK** – air pollution contributes to around 2,000 deaths per year. Action on climate change can help to tackle this **'urgent public health crisis'**.

Energy

Energy lies at the heart of the climate change challenge. Energy policy was scrutinised by the **Fourth Assembly's Environment and Sustainability Committee** in **2012** and **2016**, recommending that Wales must 'establish a clear vision for its future energy policy'.

In 2016, the power sector was responsible for **34% of total Welsh emissions**. According to the report, **Energy Generation in Wales 2017**, 78% of Welsh electricity generation in Wales came from fossil fuel plants in 2017, with the other 22% being generated from renewable sources.

Renewable electricity generation is increasing towards the Welsh Government's **renewable energy target of 70% by 2030**.

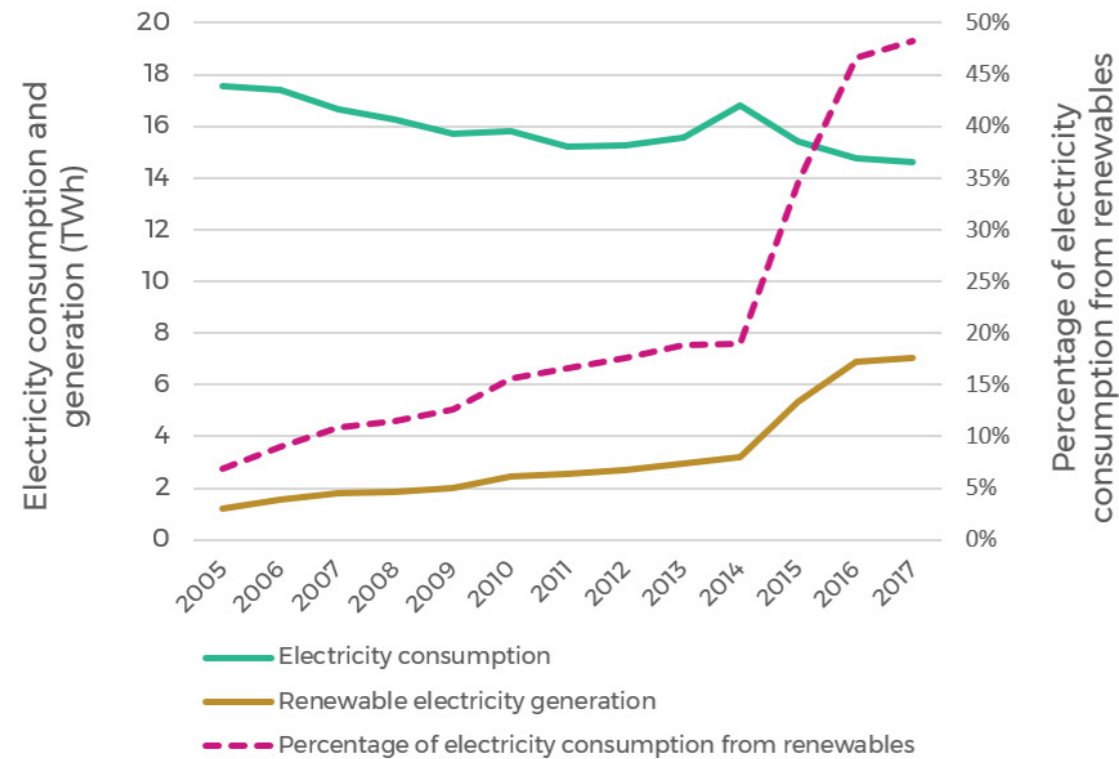


Figure 5: Growth in the percentage of electricity consumption from renewable sources in Wales.

Data Source: Welsh Government Energy Generation in Wales 2017

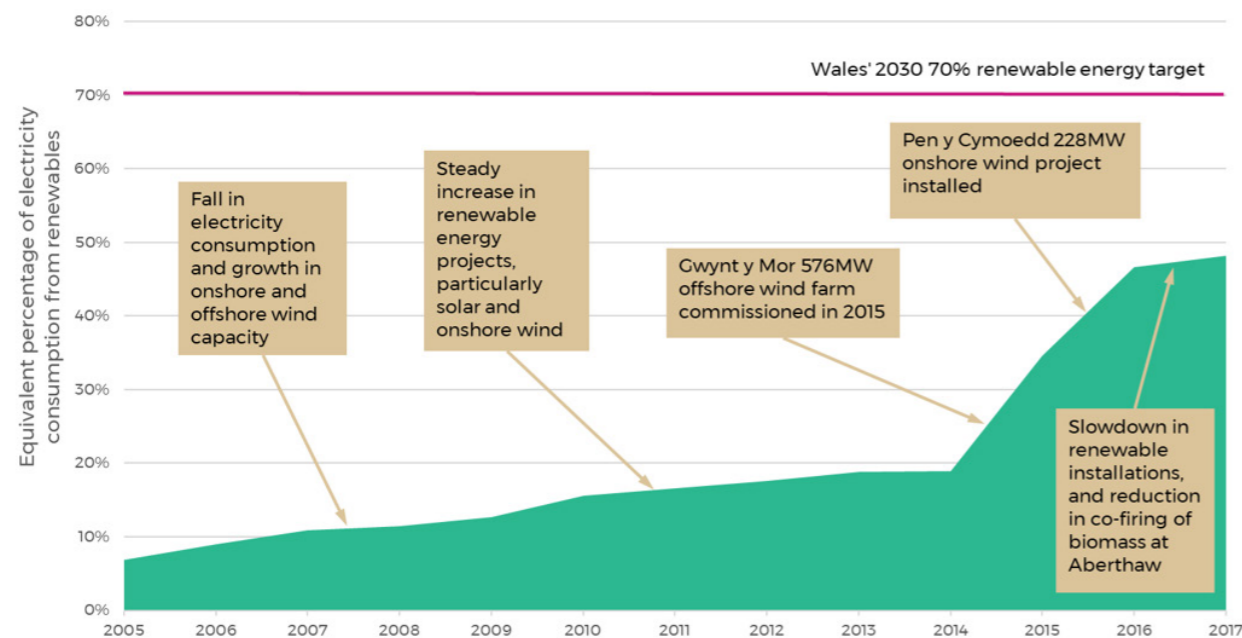


Figure 6: Growth in the percentage of electricity from renewable sources in Wales. Source: Welsh Government Energy Generation in Wales 2017

Waste

Since 1999, Wales' recycling rate has increased from **just under 5% to 64% in 2017** - the **third best in the world and second best in Europe**.

In 2011 Wales became the first country in the UK to introduce a requirement to charge on **most single-use carrier bags**. This was initiated by a petition to the Assembly's **Petitions** Committee, with further work taken forward by the (then) **Sustainability** Committee.

During 2009-10 an **estimated** 350 million carrier bags were given out by major supermarkets. Between 2011 and 2014, **there was an estimated 70% decline** in single-use carrier bag use, to 77 million carrier bags.

More recently, **there has been a focus** on a move towards a circular economy, where products/packaging never become waste, but contribute positively to the economy.

Looking ahead

Our understanding of the vulnerabilities of our environment, the impacts of climate change and human action all have a role to play in the development of legislation, policy and practice moving forwards.

In particular, the impact of Brexit on agriculture and fisheries, and on the **structures and principles that protect Wales' environment** will be key in the coming years.

We are yet to see what impact the WFG and Environment Acts will have, however it's clear that significant work is needed in order to halt ecosystem decline, and to protect Wales' biodiversity if we are to conserve and restore our environment for current and future generations.

Key sources

- Committee on Climate Change, **Reducing UK emissions - 2018 Progress Report to Parliament** (2018)
- State of Nature Partnership, **State of Nature Report** (2013 and 2016)
- Welsh Government, **Energy Generation in Wales** (2018)
- Welsh Government, **Post-implementation review of the single use carrier bag charge in Wales** (2016)
- Welsh Government, **Survey of agriculture and horticulture** (2018)

The economy in Wales: time to focus on the foundations?

Wales has seen a mixed economic performance over last twenty years. There have been improvements in the employment rate, especially for women. However the positive effects of these improvements on the output of the economy in Wales have largely been cancelled out by a relative decline in productivity.

As such, on the basis of GVA, the main headline indicator, Wales' position in the UK's economic league table has remained virtually unchanged since 1999. This has led the Welsh Government to propose a new approach to economic development, focusing on the "foundational economy". Success in this approach may not be visible in traditional high-level indicators - such as GVA - but require a more nuanced approach to measurement.

GVA per head

GVA per head, 1999-2017
(Index: UK = 100)



Source: Regional Accounts, Office for National Statistics

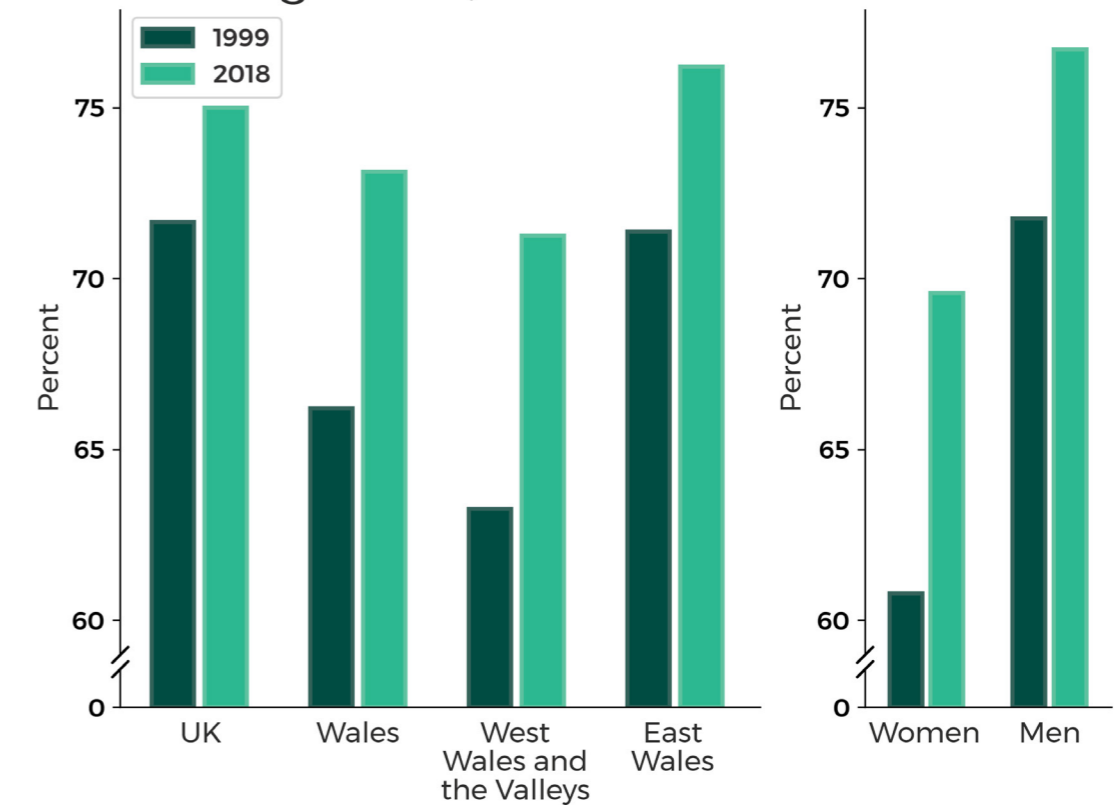
Gross Value Added (GVA) is a measure of the total value of goods and services produced in an area. It also shows the total value of income generated in an area (but not all of this income will necessarily be received by people living in Wales).

While acknowledged as being somewhat of a blunt instrument, GVA statistics are used to provide an overview of economic performance at regional and sub-regional level, allowing comparison between the countries and regions of the UK. Also, GVA per head estimates have, over the last 20 years, been used to guide the aspirations or track the broad outcomes of successive governments.

In every year since 2000 GVA per head in Wales has been the lowest out of the 12 UK countries and English regions. While GVA per head in Wales has increased recently (by 26.6 per cent between 2009 and 2017, the third largest increase of the 12 UK countries and English regions), this hasn't been sufficient to change Wales' position in the rankings.

Employment

Employment rate (ages 16-64) by area and gender, 1999 and 2018



Source: Annual Population Survey, Office for National Statistics

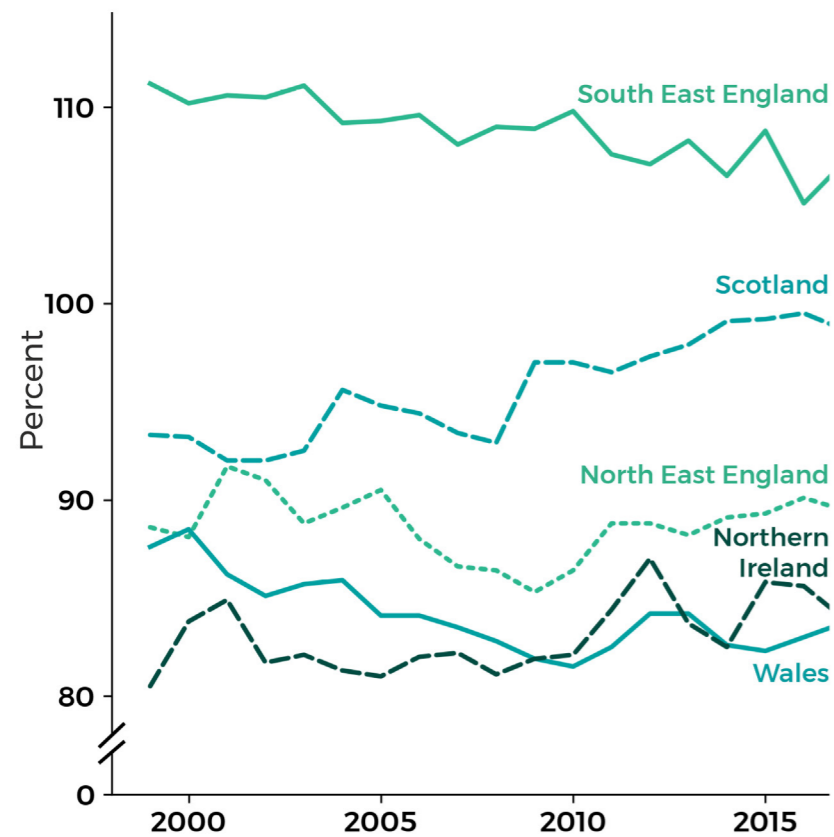
The gap in employment rates between Wales and the UK as a whole has seen a marked improvement since 1999. The improvement in the employment rate has been especially significant for women in Wales, with rates of employment rising from 60.8% in 1999 to 69.6% in 2018. Over the same period the employment rate for women in the UK rose from 64.9% in 1999 to 70.5% in 2018.

The employment rate has also improved in West Wales and the Valleys, an area which since 2000 has benefitted from the highest level of financial support available via three successive rounds of European Union Structural Funds. According to the **Welsh Government**, in the last decade EU-funded projects have created 47,000 new jobs and 13,000 new businesses across Wales, while also helping more than 85,000 people into employment.

While the improvement in the employment rate is a positive step, challenges still remain related to the labour market in Wales. For instance, there are currently **43,000 people on zero hours contracts** in Wales, which represents 5 per cent of the total number of people in the UK on this type of contract. In-work poverty is also a persistent issue, with 270,000 working-age adults currently **estimated** to be in relative income poverty despite living in households where at least one adult is in work – this is an increase of 35 per cent in the last 8 years.

Productivity

Productivity: GVA per hour worked, 1999-2017 (index: UK = 100)



Source: Labour Productivity Statistics, Office for National Statistics

Productivity is an important economic indicator to consider as it quantifies how effectively an economy uses its resources (labour and capital). GVA per hour worked is used as a measure of productivity. On this basis Wales currently ranks at the bottom of the 12 UK countries and English regions, with a GVA per hour worked figure around 16 per cent lower than the UK average.

GVA per hour worked for 2017 in East Wales was 89.2% of the UK figure and in West Wales and the Valleys was 79.5% of the UK average.

Powys had the lowest GVA per hour worked of the 174 NUTS3 areas (the smallest geographical area for which these statistics are produced) in the UK in 2017 (65.2% of the UK figure) and Gwynedd had the fifth lowest (71.9% of the UK figure). Flintshire and Wrexham was the highest ranked Welsh NUTS3 area (at 96.4% of the UK average – putting it in 62nd place out of the 174 NUTS3 areas in the UK).

While productivity in Wales has seen some improvement relative to the UK since 2010, between 1999 and 2017 GVA per head in Wales fell from 87.6 per cent to 83.7 per cent of the UK average. In comparison, regions and countries such as the North East, Scotland and Northern Ireland have been able to secure some improvement in productivity relative to the UK since 1999.

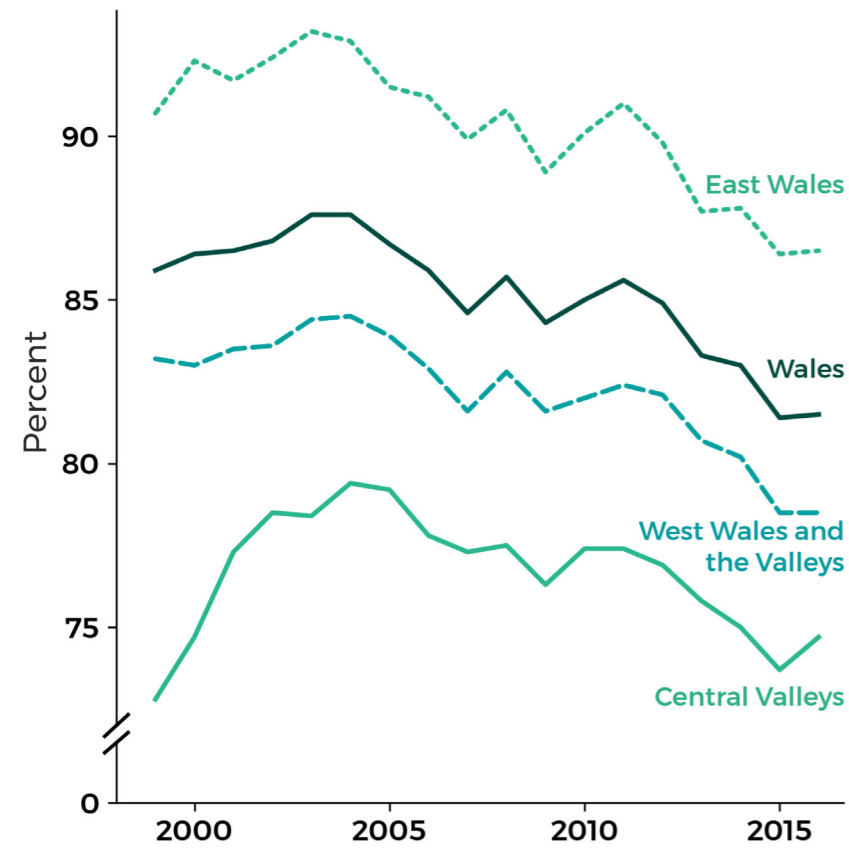
Household income

Gross Domestic Household Income (GDHI) is an estimate of the amount of money that households have available for spending or saving (when shown as ‘per head’ these are estimates of values for each person, not each household). According to the **Welsh Government’s Chief Economist** household income represents the single best measure of economic wellbeing.

The latest figures show that in Wales in 2016 the average person had £15,835 to spend or save (81.5 per cent of the UK average of £19,432). The 2016 figure (the latest available) for Wales was the third lowest among the 12 UK countries and English regions, slightly ahead of Northern Ireland and the North East.

Since 1999 Wales has seen the third lowest percentage increase in GDHI per head out of the 12 UK countries and English regions, up 58.8 per cent compared to a 67.4 per cent increase across the UK. This lower growth rate translates to a worsening of the figure relative to the UK average since devolution, as shown in the GDHI chart below.

Gross Disposable Household Income per head, 1999-2016 (index: UK = 100)



Source: Regional Accounts, Office for National Statistics

Similarly, the chart shows that GDHI per head in both 'East Wales' and 'West Wales and the Valleys' has declined relative to the UK average since 1999. Central Valleys is the only NUTS3 area in Wales to have seen an improvement in GDHI per head relative to the UK average over this period, rising from 72.8 per cent to 74.7 per cent.

Time to focus on the foundations?

Successive Welsh Government economic development policies have focussed on supporting an evolving line-up of key sectors, identified based on a mix of current economic significance and/or perceived growth potential.

The economic development strategy A Winning Wales, published in 2001, referred to supporting key growth sectors. In November 2005, Wales: A Vibrant Economy included a list of ten key sectors which were 'recognised to be important for future economic growth'. In 2008 the list grew to 14 key sectors, before the 2010 Economic Renewal Programme announced the Welsh Government's new focus on a slimmed-down list of six key economic sectors (Creative industries; Information, Communication and Technology; Energy and Environment; Advanced materials and manufacturing; Life Sciences; and Financial and Professional services). This was then subsequently increased to nine sectors, with the addition of Food and Farming; Construction; and Tourism.

The Welsh Government's **Economic Action Plan**, published in December 2017, similarly set out the Welsh Government's intention to support four 'foundation sectors' – tourism, food, retail and care. (Prior to this, the Assembly's Economy, Infrastructure and Skills Committee had **produced a report** on what the Welsh Government's new plan might include – the foundational economy was one of the areas considered by the Committee). However, more recently, the First Minister's manifesto shifted the emphasis towards a broader approach of 'foundational economic development'.

Deputy Minister for Economy and Transport, Lee Waters, **recently highlighted** the shift in Welsh Government thinking on economic development:

We do have a will to shift this [Welsh economic performance], but 20 years of trying shows us it is not easy. We have thrown the proverbial kitchen sink at the Welsh economy and it hasn't budged.

So while making sure we nurture the companies we have got, we also need to cast out in a different direction, to try something different, as our current approach has not produced the results we hoped it would.

The **foundational economy** is built from the activities which provide the essential goods and services for everyday life, regardless of the social status of consumers. These include, for example, health, education and welfare services; infrastructure; utilities; food processing; and retailing and distribution.

The foundational economy is seen as important as, unlike sectors such as manufacturing, for example, where production is concentrated in specific areas, the foundational economy is nationally distributed along with population. It is made up of the industries and firms that are there because people are there. Therefore it is seen as being vital for many people in Wales, not only in providing the goods and services they need but also employment (estimates suggest that, grounded SMEs and large scale foundational employers account for at least 40 per cent of the Welsh workforce).

The finer detail is yet to emerge as to the Welsh Government's intended approach in this area and the Deputy Minister has made it clear that the Welsh Government will not be walking away from its 'commitment to attracting large firms to Wales'.

However, it would appear that in seeking to support the foundational economy the Welsh Government will be hoping to improve quality of jobs; encourage the growth and retention of local, grounded businesses; and to improve the economic resilience of local communities. These are not things readily shown by conventional economic indicators. GVA, for example, as an absolute measure of economic activity tells us nothing about how this value is distributed, or what impact it has on the environment.

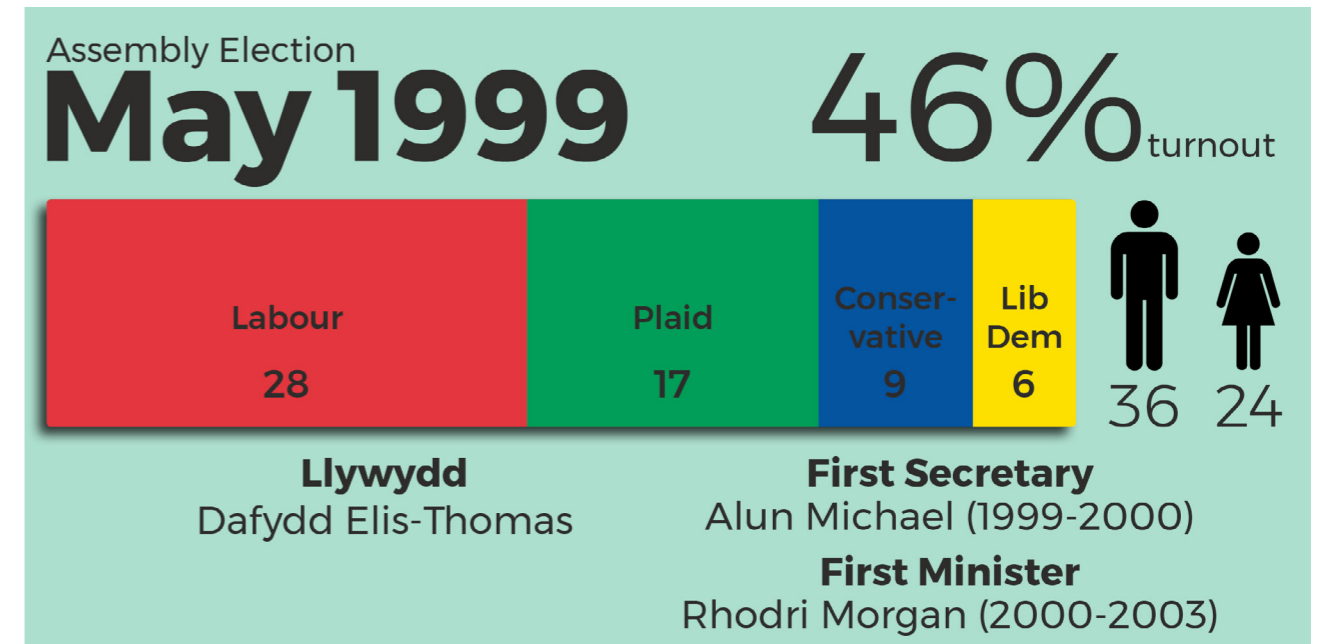
Other measures of economic performance exist, but so far have not been widely adopted by governments. For instance, the Index of Sustainable Economic Welfare seeks to capture environmental, social and economic factors in one measure by balancing economic output with things such as income distribution and pollution produced by production. **As noted by others**, a new approach to economic development will need to be accompanied by a new set of indicators if we are to understand the impact on the economy in Wales.

Key Sources

- Economy, Infrastructure and Skills Committee, **An Economic Strategy for Wales: listening to alternative perspectives** (2017)
- Senedd Research, **The Foundational Economy** (2017)
- Welsh Government, **Economic Action Plan** (2017)

From Assembly to Senedd?

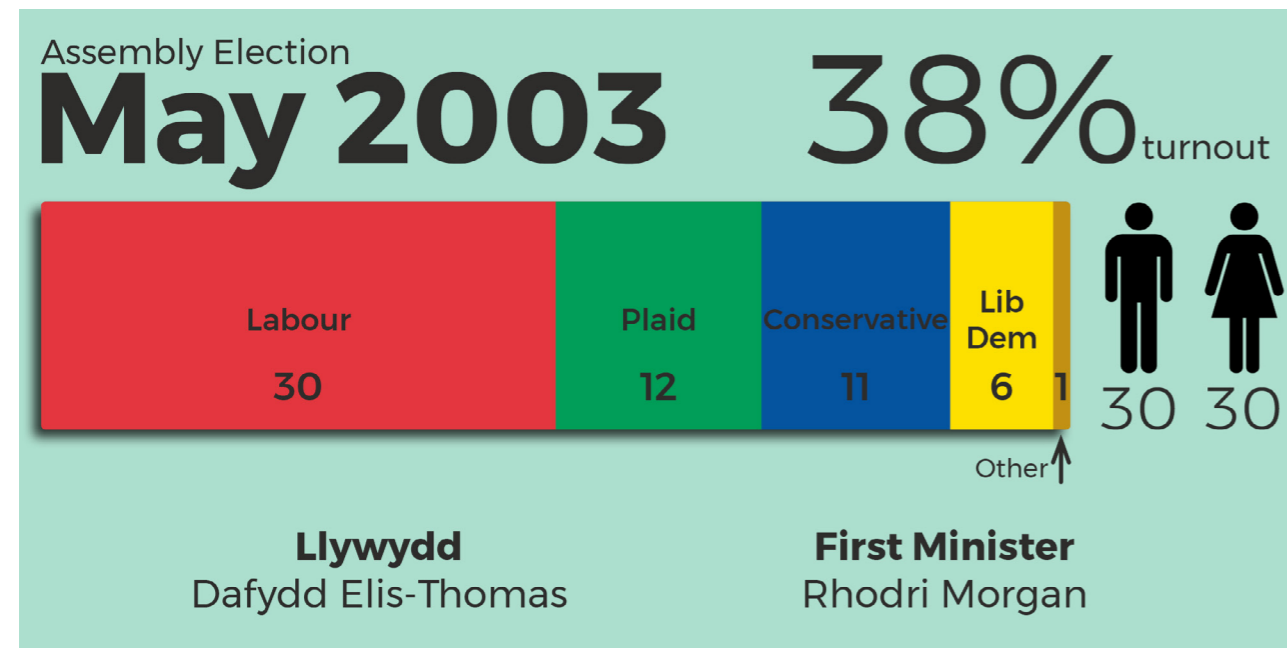
The Assembly is marking 20 years since it opened its doors in 1999, following a yes vote in the 1997 referendum and there have been dramatic changes to the Assembly's powers, responsibilities and structures. This article gives a brief overview of the first five Assemblies to date, and how the institution and its powers have changed over time.



The First Assembly (1999-2003)

The Assembly was set up as a 'corporate body' under the **Government of Wales Act 1998** which meant that unlike most legislatures, the executive part (which later became the 'Welsh Government') and the law-making part (the 'Assembly') were a single organisation. It could not pass its own Acts. To begin with it could only make Orders and Regulations, known as secondary legislation, in areas where powers were transferred from UK Ministers through **Transfer of Functions Orders**.

Members of the Cabinet were initially known as 'Assembly Secretaries' but became 'Ministers' in 2000 following the appointment of Rhodri Morgan as the new First Minister. The Assembly also agreed changes to its Standing Orders that year to create a distinct 'office of the Presiding Officer' which was the first step in separating out the functions of the legislative part of the Assembly from the executive part. The term 'Welsh Assembly Government' was used for the first time in November 2001. Further moves towards separation, and important enhancements to the role of Assembly's committees so they could carry out more scrutiny of the government came from recommendations made in the Assembly Review of Procedure published in 2002.



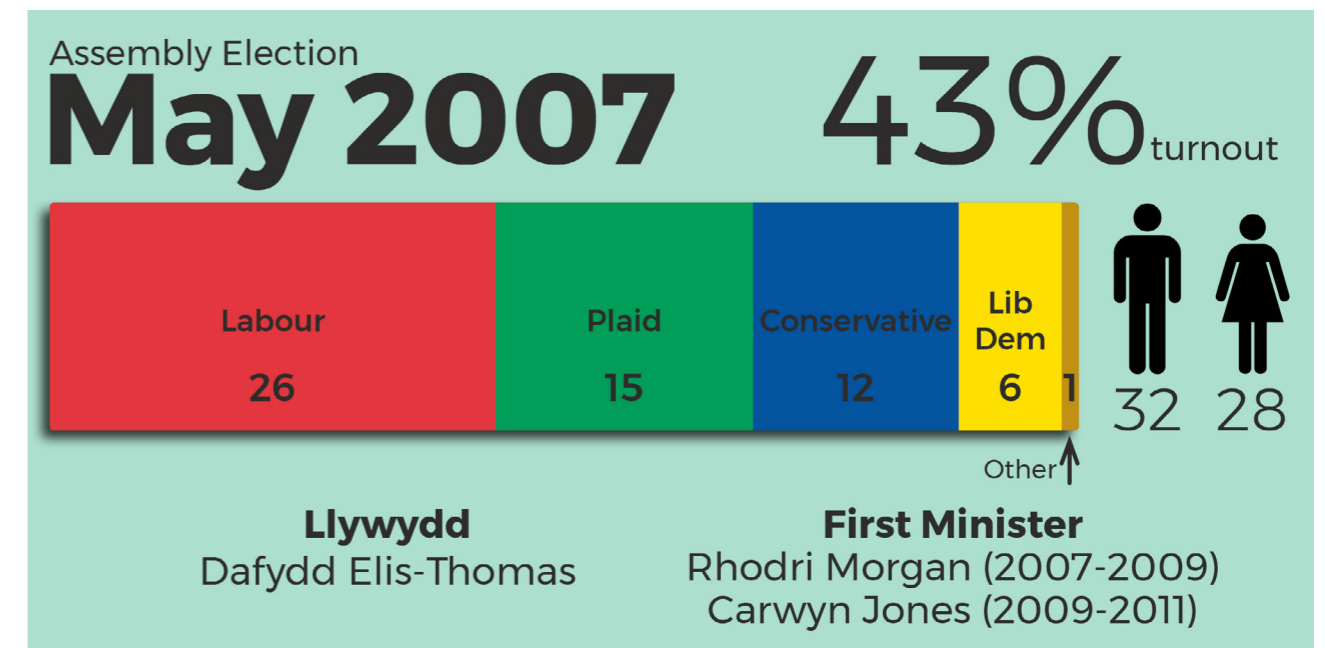
The Second Assembly (2003-2007)

March 2004 saw the publication of the report of the Richard Commission on the powers and electoral arrangements of the Assembly. Two of its key recommendations were that:

- the Assembly should be able to make its own laws; and
- the Assembly and the 'Welsh Assembly Government' should be separated into two legally separate organisations.

In June 2005 the UK Government published a White Paper, **Better Governance for Wales** setting out how the UK Government intended to fulfil these policy commitments. At this time, the Assembly was operating as two separate organisations as far as legally possible, in advance of the new legislation passing through the UK Parliament.

The Assembly moved into its new home, the **Senedd building** in March 2006.



The Third Assembly (2007-2011)

The **Government of Wales Act 2006** enacted the key recommendations in 'Better Governance for Wales'. From the start of the third Assembly it created a formal, legal separation between:

- the Legislative branch: the 'National Assembly for Wales', made up of the 60 Assembly Members, and
- the Executive branch: still known at that time as the 'Welsh Assembly Government', which was made up of the First Minister, Welsh Ministers, Deputy Welsh Ministers and the Counsel General.

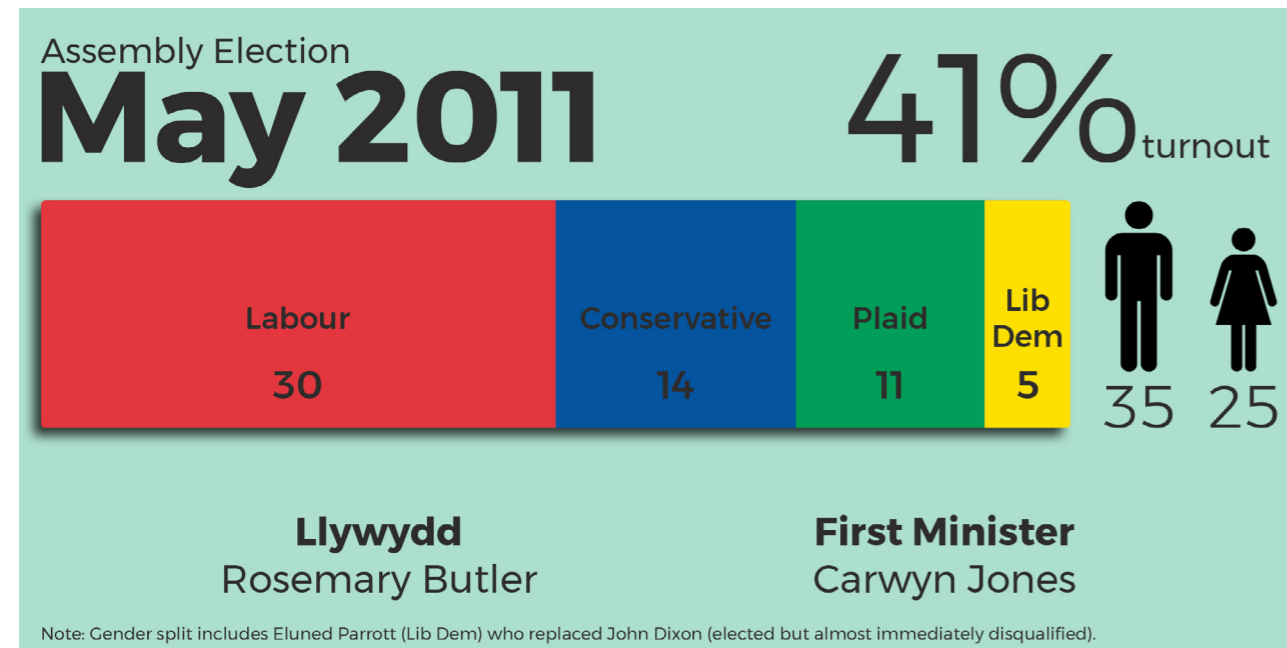
The 2006 Act allowed the Assembly, for the first time, to seek the power to make laws from the UK Parliament. The laws were known as 'Measures of the National Assembly for Wales' (Assembly Measures). The power to make such laws ('legislative competence') was granted through clauses in Westminster Bills or through Legislative Competence Orders. These had to be approved by the UK Parliament and by the Assembly.

The first Order transferring law-making powers in the area of special educational needs provision received Royal Approval in April 2008 and led to a Measure giving children the right to appeal to the Special Educational Needs Tribunal for Wales in 2009. The first piece of Assembly-made primary legislation, on compensation payments for NHS patients in Wales, became law in July 2008.

The 2006 Act also contained an **expanded list of subject matters** where law-making powers were devolved to the Assembly and this list was continually added to during the next ten years whilst the relevant part of the 2006 Act was in force.

The 2006 Act also allowed the Assembly to move to making its own laws without the permission of the UK Parliament, but only after an affirmative vote in a referendum.

This referendum, held on 3 March 2011, produced a yes vote with 63.5 per cent of those voting in favour of bringing into force these full law-making powers.



The Fourth Assembly (2011-2016)

As a result of the referendum the Assembly was now able to pass its own Acts without the permission of the UK Parliament. From 2011 the 'Welsh Assembly Government' was renamed as the 'Welsh Government'.

The first piece of legislation passed by the Assembly was the Local Government Byelaws (Wales) Bill in July 2012. However this Bill and two others were referred to the Supreme Court during the Fourth Assembly. The Byelaws Bill and the Agriculture Sector (Wales) Bill were referred by the Attorney-General who did not believe that the Assembly had the powers to make them. **The Supreme Court disagreed in both cases.**

In a third case (The Recovery of Medical Costs for Asbestos Diseases (Wales) Bill) **the Supreme Court did not agree with the Assembly that it had the powers.**

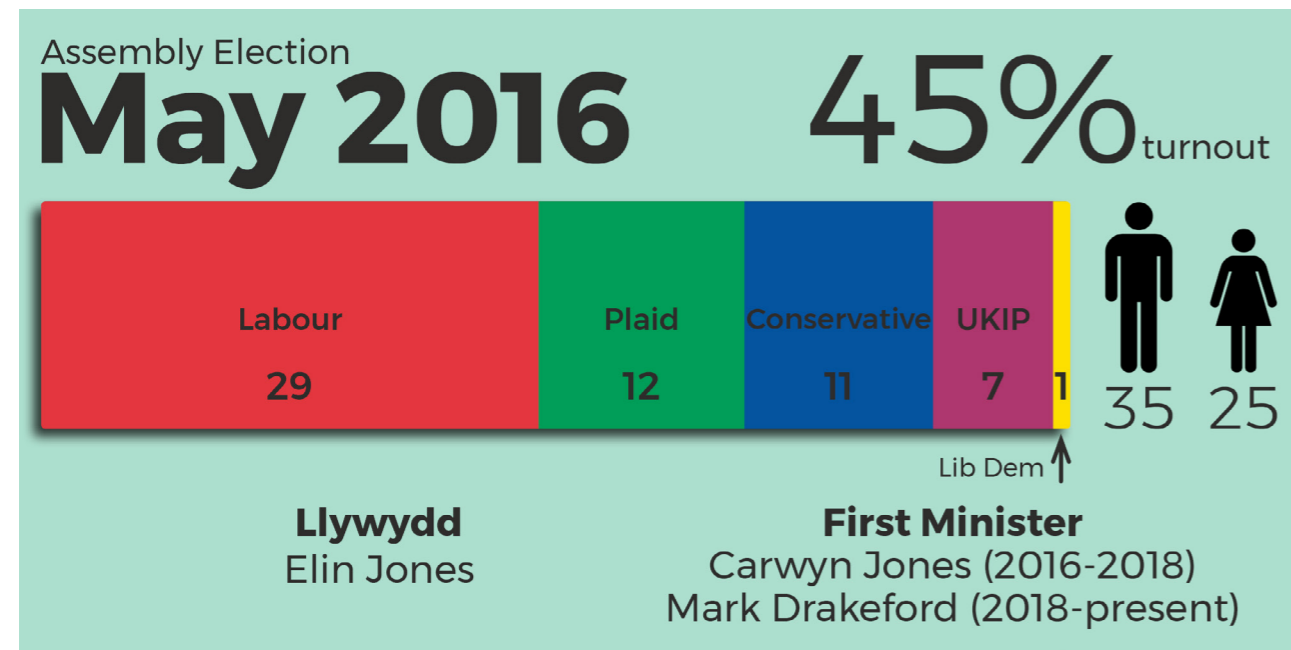
After the 2010 UK General Election, the UK Government set up the **Silk Commission** to look at further devolution to Wales. Firstly it considered the financial powers of the Assembly and recommended that the Assembly be given powers over some taxes. The **Wales Act 2014** turned these recommendations into law and the **powers were devolved to the Assembly.**

In its second stage, the **Silk Commission** considered what further powers could be given to the Assembly. In the light of the repeated referral of Assembly Bills to the Supreme Court some people were beginning to question the model of devolution in Wales. It was a 'conferred powers' model where it could only make laws about the subject areas listed in the Government of Wales Act 2006. Many thought a new Act, which listed what was not devolved (i.e. areas reserved to Westminster) similar to the Scottish settlement and the Scotland Act 1998, would be clearer.

When the Commission reported in March 2014 a key recommendation was a move to a 'reserved powers' model, in which powers reserved to the UK Government are listed, with all others being devolved.

Following the Scottish Independence Referendum in September 2014, the UK Government announced the St David's Process to complement a review of constitutional developments in Scotland. The Secretary of State for Wales held meetings with the Welsh leaders of the Westminster parties using the Silk Report as a basis for discussion. **Powers for a Purpose**, published just ahead of St David's Day 2015, set out the UK Government's plans for further devolution and included a recommendation that the Assembly should have powers to change the age at which people can vote. There was also political consensus that the Assembly should be formally recognised as a permanent institution, enshrined in legislation, and have the power to change its name if it wishes.

The UK Government also announced that it would bring forward a Bill in the UK Parliament that would give Wales a 'reserved powers' model.



The Fifth Assembly (2016-2021)

The **Wales Act 2017** implemented the proposals in 'Powers for a Purpose'. As a result, the amended 2006 Act now lists all subject areas (eg: defence) where the Assembly **cannot** legislate. The **new settlement commenced** on 1 April 2018 and has resulted in new Assembly legislative competence powers to make laws in a variety of new policy areas such as taxi regulation, bus service registration and fracking.

The 2017 Act also included powers for the Assembly to change its name and to alter who can vote in an Assembly election. The **Senedd and Elections (Wales) Bill** is currently being considered by the Assembly. The Bill from the **Assembly Commission** will rename the Assembly the 'Senedd' which will, it is claimed, better reflect the institution's status as a parliament and will also deliver reforms to the Assembly's electoral and operational arrangements, including lowering the minimum voting age to 16. The main provisions of the Bill are based on recommendations made by **the Expert Panel on Assembly Electoral Reform**, and were subject to **consultation** in 2018.

Should the Bill pass, it is intended that the name change will take legal effect in May 2020 to ensure that the public are familiar with the new name in advance of the next Assembly election in 2021. The Bill will make it possible for 16 and 17 year olds to vote in Assembly elections on or after 5 April 2021.

Brexit is having an impact on the Assembly's powers. The **European Union (Withdrawal) Act 2018**, which converts EU law into domestic law, enables UK Ministers to make regulations placing restrictions on the ability of the Assembly to pass any legislation which is incompatible with the body of EU law retained by the Act. However any such regulations will need a consent decision process in the Assembly. The Act also required **changes to be made to Assembly procedures**.

So the Assembly has evolved considerably over the last 20 years from a single body only able to approve secondary legislation into a permanent legislature with some tax-raising and full law-making powers in key policy areas such as health, education, transport and the environment. Further change is already on the cards with a new name and a lowering of the voting age.

Brexit will also bring changes to the Welsh devolution settlement. EU legislation will no longer provide the framework within which Assembly Acts are made. Instead, many of the powers currently exercised by EU institutions will reside with the devolved institutions after Brexit and the Assembly will be able to pass its own legislation in areas that were previously the responsibility of the EU.

However, it has been agreed between the governments of the UK that some policy areas will need a UK-wide approach to replace the framework provided by EU law to ensure consistency across the UK internal market. The Assembly will have an important role to play in the scrutiny of these new UK-wide frameworks.

Key sources

- National Assembly for Wales Commission, **Report of the Expert Panel on Assembly Reform** (2018)
- Senedd Research, **Constitutional Developments** (ongoing)
- Supreme Court, **Decided Cases** (2014, 2015)
- UK Government, **Intergovernmental Agreement on the European Union (Withdrawal) Bill and the Establishment of Common Frameworks** (2018)