

Innovation strategy for Wales

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Q1: What would you like the Innovation Strategy to achieve in the short (1 year) term in relation to:

Within the first year we would like to see the ground work being put in place that will enable and inspire people working across all sectors to use innovation approaches and to tap into the wider 'innovation commons'.

WCVA would like to work with government and wider partners to create a voluntary sector innovation lab. This would build innovation skills and capacity within the voluntary sector and provide a space for organisations to work with others on innovative solutions to the challenges their beneficiaries face.

It would support voluntary organisations across Wales to make use of innovation techniques. It would promote community-led innovation and increase understanding of where voluntary organisations can sit in the innovation ecosystem. Building capacity and creating these networks would enable a greater number and diversity of organisations to tap into wider cross-sector innovation hubs and contribute to national missions.

Also in the first year, WCVA would also like to see a small pot to support small-scale place-based initiatives across Wales to use innovation methods to tackle some of the 'wicked problems' they face. This would build on recent learning on [community-led transformation](#), funded by Welsh Government and delivered by Nesta. This demonstrated how empowering communities to lead change not only leads to transformation for individuals, but contributes to wider solutions such as loneliness, climate change and affordable housing. The learning from these initiatives would also build our learning on the systems change needed if we are to see a shift to empowering community-led innovation across Wales.

Innovation at the community level and the innovation voluntary organisations want to lead tend to cut right across economic growth, skills development, social equity and climate and environment. As well as the work above, this was shown in the [Voluntary Sector Futures](#) project - funded by Welsh Government and co-delivered by [Futurice](#) - and the [Better Futures Wales Community Foresight project](#), co-produced with community groups and [School of International Futures](#).

All of these projects have been delivered at pace, drawing on innovation methodologies. WCVA would welcome the opportunity to work with government and others to build on this work during the strategy's first year.

Note: Below we have responded to the separate bullets across the short, medium and long-term. They are all intertwined and focus more generally on the how and the why rather than the when.

- economic growth

WCVA welcomes Welsh Government's commitment to create a Wellbeing Economy in Wales and its membership of the [Wellbeing Economy Governments](#) partnership. If we are to tackle the hard challenges society faces today, we need to be clear that 'economic growth' is not an ambition in itself. It needs to be supporting Wales to reach the Wellbeing Goals set out in the Wellbeing of Future Generations Act (see think piece on [Responding to the climate crisis](#) for further discussion). We would like to see Innovation Strategy set out the fundamental challenge of how we can collectively shift to a wellbeing economy.

WCVA prioritises economic resilience ahead of economic growth per se, and would like to see the Innovation Strategy play a key part in ensuring Wales is able to be more resilient in the face of existing and future challenges. In many cases, prioritising social value ahead of economic value will greatly improve resilience. In this way, Wales is more likely to become more equal, sustainable and prosperous. Without resilience, any growth is likely to be followed by contraction.

Social enterprises have a key role to play in this. Their triple bottom line approach of people/planet/profits has proven benefits for job creation, social equity, combating the climate crisis and, indeed, economic prosperity. This approach should be embedded in the strategy and key sectors identified in which a social enterprise approach to business will have the most impact. The social enterprise sector should be facilitated to engage in innovation activities, as the business model best placed to respond to Wales' challenges.

Public procurement must recognise the capacity of voluntary sector organisations to facilitate them to become contributors of greater significance. Proper partnership between sectors in developing solutions, with a commitment from the public sector to become a customer of the voluntary sector for a prolonged period, is necessary. This will give organisations the incentive to invest in scaling up innovative models, and investors' confidence to support the costs involved.

The Strategy should state that people should be paid the Real Living Wage to enable them to engage with wellbeing activities and have more disposable income.

Longer-term, there must be reassurance that the economic benefits that are created from innovation funded in Wales are, firstly, sustainable, and secondly, stay within

Wales. The Circular and Foundational Economies demand the continuity and re-use of materials that will support this.

An element of the strategy should be supporting all sectors to use innovation approaches to improve outcomes. For example, WSA have noted that there needs to be thought about business model innovation in the sports sector, and support to help organisations shift to new streams of income and commercialising aspects of their business. In this way, groups can move beyond reliance on member subs and income from events. How can we give them the tools to create solutions using innovation approaches?

- skills development

To build skills to enable innovation, the Strategy should consider as many groups of people as possible, not just the already skilled. There are individuals that cannot always work their way through the traditional routes of education and university, and then secure jobs in highly skilled sectors. There will always be other routes, be that colleges, apprenticeships or simply securing a job at foundation level and doing on the job training or training courses to find a way up the career ladder. Prince's Trust Cymru have noted a lack of focus in the Strategy of those generally labelled as NEETs. (Not in education, employment or training.) Young people must be encouraged and supported to participate and engage in innovation in Wales regardless of, for example, their demographics or where they live.

Another area to be considered are the skills of the current working population (not just the future working generations). People who are currently at risk of redundancy or are unemployed need to be given opportunity to commence training associated to the aims of Wales, in order that the skills necessary are available for the sectors and opportunities that are being created now and in the future. It is vital to look at all points in an individual's life where they accumulate skills. For instance, schools are important stakeholders. Supporting schools with implementation of the new curriculum will ensure students understand the skills required for new technologies, and growth sectors will achieve the aims and objectives of the innovation strategy proposals. Collaboration will be central to the success of this Strategy.

The voluntary sector has a wealth of experience in understanding the needs of individuals that sit outside of traditional career pathways. Many voluntary organisations have flexible approaches and look at the whole person to tailor a support package that will not only tackle the skills needed by an individual, but the other areas of life that can hold them back from learning and upskilling. Voluntary organisations can save a lot of time and effort for employers and other providers in getting a person ready to receive the next step in securing training or employment. Voluntary organisations understand the communities that they are based in and the demographics of their locations, and have good links with other agencies, schools, employers and training providers. These are all points the Strategy should consider as it seeks to develop the nation's skill set. Volunteering itself can be invaluable in helping people learn new skills and try new activities.

Volunteering sometimes represents a less formal, free, non-committal opportunity to re-train or begin the process of re-training. WCVA can provide numerous case studies on this subject.

We are pleased to see there is an aspiration to promote innovative thinking from an early age through the new Curriculum. The voluntary sector can help achieve that goal through welcoming and inspiring young people on field trips (e.g. Centre for Alternative Technology, Techniquet), and facilitating innovation-focused volunteering opportunities. It is our view the strategy should outline a plan to collaborate with the voluntary sector to help meet this goal. We hope the sector will be included in the new 'STEM enrichment funded programme' mentioned on p20 of the draft Strategy.

The Strategy must remember the role that lifelong learning can play in upskilling individuals, and work with communities and adult learning providers, including those within the sector, to encourage more people to view learning as something they can do over their whole lives. Upskilling people will be essential to fill the current gaps in the workforce caused by increased controls on migration; the UK's departure from the EU, and the current cost of living crisis. The Strategy must set out how this can be addressed in the short, medium and long term.

The Strategy notes, 'We will ensure that everyone, regardless of their background or circumstances, has the opportunity to participate in innovation, by innovating themselves, by influencing where innovation happens or by enjoying the benefits of innovation.' The voluntary sector will play a key role in making sure there is connection between policy makers and those the Strategy intends to support.

- social equity

There is a moral necessity for innovation to be for the benefit and social prosperity of all citizens of Wales. We are in the midst of a cost of living crisis, which is likely to disproportionately hurt minority communities, as did the COVID-19 pandemic. The Strategy must consider how it can benefit all and create equity. The Ant-Racist Wales Action Plan and LGBTQ+ Action Plan both demand this.

Some respondents noted here the continued increase in digital working, and the issue of older people becoming digitally excluded, resulting in them being less able to access services. The Innovation Strategy must pay regard to the Strategy for Older People and ensure that innovation does not marginalise any older people.

- climate and environment

The voluntary sector has a lot to offer in the field of sustainability. Many voluntary organisations have been driven both by ethics and necessity to continuously find ways of reducing waste and re-using resources. We urge Welsh Government to maintain the commitments made in the Net Zero Engagement Plan for close collaboration with the sector to achieve its plans for a green, circular economy.

Voluntary organisations have a part to play in transport system innovation. The work charities do to promote healthy behaviours, paired with volunteering social prescribing, can help tackle issues related to sedentary lifestyles and encourage a modal shift to active and public transport. In addition car sharing models, such as zero emission car clubs, are also typically facilitated by volunteers and beneficial to the environment.

Care and Repair Cymru highlighted the need for homes be created/retrofitted to a high standard to help combat climate change, noting potential to widen the scope of houses covered under Welsh Government current decarbonisation strategy. This can reduce carbon emissions, and minimise heat escape, thereby lowering energy bills.

These are examples of the way in which voluntary organisations often develop solutions that provide multiple benefits for people and society.

Other

Creating social change should be at the heart of the Innovation Strategy. The voluntary sector is vital to this aim. The Strategy should seek to support the sector with capacity building and integrating innovation into the sector's way of working. The bald facts are that the sector is running at maximum capacity, and has been doing so through crisis after crisis (flooding, COVID-19, cost of living...). In order for it to play the key role it should in fulfilling the aims of the Innovation Strategy, it will need to be resourced to allow its leaders to take a step back and plan how it, in conjunction with the Strategy, can become even more innovative than it already is.

The strategy should aim to look at resource creation, procurement and development. There is a requirement to future-proof manufacturing and industry to ensure that price rises, resource cost increases and labour shortages do not damage the output that these areas can produce, and protects the staff working in these sectors. The creation of a circular economy that values and prioritises renewable energy, resources and ethical procurement is vital, and innovation in this area is crucial.

Housing innovation is also crucial to safeguard against the future challenges that will inevitably begin to impact the population. Innovations such as 'lifetime homes' have been created to be easily adapted to suit the needs of the occupant and be changed and edited as needed for new occupants or tenants. These homes enable the owner or occupier to adapt their home for disability requirements, larger families or older people. This innovation shows forward thinking with regards to the needs of the whole population, irrespective of disability status or other intersectional identities. This is key to making other innovation projects a success – ensuring that the population are considered first and projects built around them, not the other way around.

Q2. What would you like the Innovation Strategy to achieve in the medium (2 to 5 years) term in relation to:

- economic growth
- skills development
- social equity
- climate and environment
- other

Evidence that the strategy has put in place a stronger foundation for innovation and fostering a culture of innovation that supports sustainable development across sectors. Sustainable development should be judged against the definitions and goals set out in the Wellbeing of Future Generations Act.

An increase in the level of innovation being used across sectors. Evidence of a culture of innovation developing, including increased confidence across sectors that people understand what it means and that they have the knowledge, skills and networks to create innovative solutions.

Evidence that the investment in these foundations and specific programmes (linked to missions) has led to solutions that are providing better outcomes for people against the levels of investment than would have been possible (or likely) without the interventions under the innovation strategy.

Q3. What would you like the Innovation Strategy to achieve in the long (5+ years) term in relation to:

- economic growth
- skills development
- social equity
- climate and environment
- other

Evidence that interventions under the Innovation Strategy have supported innovation linked to improvements against our National Wellbeing Indicators. That might be evidence of change at local, regional or national levels but together something that would support a positive shift towards national wellbeing.

Q4. We set out some high-level objectives that underpin our vision in the draft strategy. We recognise that Wales cannot be a global leader of innovation in all areas. Is there a specific mission or missions, linked to economic sectors or areas of social outcome where you think activity and resources should be concentrated?

The voluntary sector is enormously diverse, made up of over 40,000 organisations. The vast majority operate locally, whilst others are national or even international and some are household names. This is reflected in the diverse areas of activity from advice and advocacy to sports. Many work on issues that cut across social, economic and environmental issues such as the circular economy, digital or community-based solutions. The [Voluntary Sector Futures](#) report highlights that big ambitions our sector have for creating a better Wales and the diverse ways in which they could contribute.

One thing that unites the whole sector is people coming together voluntarily to make a difference around the issues they care about. Our sector as a whole contributes empowering people and building human connections.

Whatever missions are chosen, voluntary organisations will have an important role to play in achieving them. They can reach individuals and grassroots communities that other sectors cannot. However, the sector needs to be able to tap into resource and support to play its role effectively. It needs to be viewed as an equal partner alongside, and by, other sectors as the Strategy begins to be implemented.

On social outcomes: Wales is at the forefront of making connections across and mainstreaming social values into a wide variety of policy areas using the Future Generations Act as a framework. An example of this is how Wales is at the forefront of early innovation in the field of international trade in line with the Globally Responsible Wales Objective in looking at and impact assessing international trade through the lens of wellbeing. Actors in Wales who are leading this work, for example by exploring how trade can support a Healthier Wales, should be supported to further this innovation. The Innovation Strategy should continue to develop this trend and support the creation of further connections, for example by making support intersectional work between innovation, human rights and equality, and between areas like environmental goals and human rights.

Q5: What impact, positive or negative, do you think the innovation strategy will have on Wales?

The Innovation Strategy could have a huge impact, and put Wales to the fore in terms of international recognition in the same way as, for example, the Future Generations Act.

To maximise its impact, the strategy needs to give a much stronger sense of why this is so important now. We are living in what many have described as an Age of Crisis with multiple crises happening concurrently including cost of living and economic crises, the climate and nature crises and a crisis in our health and social care systems. Business as usual is not an option and cannot solve these issues. We urgently need to come together across sectors to develop innovative solutions that meet people's needs now and for the longer term.

There needs to be strong commitment from all partners to ensure the outcomes from innovation have a long-term positive impact. Otherwise, we run the risk of innovating without direction or consideration.

Voluntary organisations are huge assets in Wales to contribute to a new culture of innovation. We bring ideas, resources and a passion to improve people's lives (see [Voluntary Sector Futures](#)). We welcome the statements in the strategy committing to an innovation strategy that embraces social innovation as much as economic growth and which will be inclusive of the voluntary sector long side business and industry. This is a big and welcome shift. But it is not reflected currently in the detail of the strategy.

The voluntary sector's unique role in the innovation ecosystem is largely absent from the detailed text. Voluntary organisations have an important role in contributing to the key objectives (stronger, more resilient economy, support for vulnerable people, etc) and measures (new enterprise/jobs, innovation skills). But the detail of the strategy overall is focussed on public sector bodies or business with most attention still on more traditional economic growth.

Citizen involvement in co-designing and delivering innovative services, as well as community-led innovation, has a big role to play in creating the solutions we need. Welsh Government has recognised this in legislation, but it is not reflected in the draft strategy. WCVA would welcome the opportunity to work with government and partners to address this. Our work with government, health bodies, voluntary organisations through [Helpforce Cymru](#) has great examples of how this can be done.

There must also be intelligent spending of the funding relating to innovation. Welsh Government have invested millions of pounds into innovation strategies and projects, and there must be assurances that these funds are being spent to the benefit of the intended audience. Smaller scale interventions can provide huge benefits – with some costs, but at much less cost than the big top-down interventions in the current draft strategy (eg [Community-led Transformation](#)).

Transparency and accountability in monitoring the Strategy will be important, allowing us to learn what works most effectively as well as to hold government to account on spend of public money. This will support innovation.

WCVA would welcome working with government and partners on the points above.

Q6: What new actions are needed from the Innovation Strategy?

WCVA would like to work with government and partners to deliver practical support to build the skills, capacity and networks to increase innovation across the voluntary sector. We would like to see this emphasis on practical support to build the foundations for innovation in the Strategy.

WCVA would like the strategy to support a voluntary sector innovation lab where organisations can bring the real challenges faced by their beneficiaries and work with others to develop innovative solutions at pace. This does not have to be something built from scratch or at huge expense. A little extra resource could better connect the

sector into existing innovation hubs, like Spark, with a specific programme to enable innovation by voluntary organisation.

Most voluntary organisations lack the time and capacity to invest in thinking about innovation. WCVA is working with partners to address this lack of capacity and time for sector development as a whole. A specific programme is needed to build skills, capacity and networks around innovation. But again, it does not have to stand alone and could build on and integrate with wider programmes.

A voluntary sector innovation hub would also strengthen the evidence as to why organisations should adopt innovation approaches and the role of voluntary organisations in an innovation ecosystem. Increasing understanding and developing networks of organisations interested in innovation, would help connect voluntary organisations into the wider innovation infrastructure. It would enable them to benefit from and contribute towards an innovation commons in Wales.

This would help to address the relative absence of the voluntary sector throughout the Strategy. That is likely to be part of the legacy of the previous strategy. The voluntary sector is home to passionate innovators and pioneers. It is close to communities and agile. But to make the shift towards social innovation and to real cross-sector participation, specific action will be needed within the early stages of the strategy.

WCVA would welcome the opportunity to work with government and partners to discuss further.

If it is possible to map the existing capacity for innovation in Wales and set plans for improvement, alongside a set of specific actions to incentive socially-minded innovation, that would be an invaluable resource.

Q7: Which aspects of the innovation strategy should remain the same?

This is difficult to answer. We appreciate the focus on skills development, social equity and climate change. Monitoring of the Strategy will be key in deciding which elements are successful and should remain as they are.

Q8: What are the main challenges and barriers to innovation in Wales? What needs to be done to overcome these barriers?

The lack of recognition of voluntary sector innovation and the difference it makes is itself a barrier. The sector for example, had to innovate new ways of providing free-at-the-point-of-use advice and services throughout the pandemic, often filling in gaps left by other sectors as they shifted focus. However, sector partners report feeling that this has been undervalued. This creates a barrier in the voluntary sector, as it can be demoralising to work in a sector that continually innovates and adapts its ways of working to suit the ever-changing client base, but is not regarded in the

same way as other sectors. There needs to be real support and protection of the voluntary sector, and for the innovation of these sectors to be highly regarded, with some areas to be seen as best practise for Wales. We need more activity to tell the story of voluntary sector innovation (something linked to proposal for specific programme above).

Currently the bulk of the funding is delivered to larger organisations and businesses. This can mean that the opportunities for innovation and creativity among smaller charities can be lost, limiting ability to innovate and develop our more unique and specialist services. There is little understanding of how Welsh Government funding will be directed to release innovation opportunities of smaller organisations. There are significant opportunities for return on investment from smaller organisations and charities, with smaller and more manageable remits and specific deliverable outcomes. Smaller organisations must be facilitated to become an important part of the innovation economy.

Shifting the way funders target and monitor funding was a key ask our recent programme on [community-led innovation](#). WCVA has decades of experience of getting funding out to small organisations we can contribute.

Access to suitable finance is another barrier. This may be down to suitable funding streams for particular organisations, or it may simply be a lack of awareness as to what is out there. This is as equally true for social enterprises as opposed to more 'traditional' sector organisations.

WCVA research shows that only four per cent of social businesses accessed blended finance in the past year, suggesting that there is scope to increase this type of offer as an alternative for businesses who are eager to access grant funding. Incentivising innovation through funding streams, and a move away from a culture of reliance on grant funding rather than repayable financing, is an opportunity to be explored. However, this will require a significant investment in order to ensure that the social business sector has the skills and training necessary to successfully access this funding and develop their business models.

The research shows that there is a strong desire within the social enterprise sector to improve their relationship with the public sector and to develop that market. However, the prospect of doing so is hindered by businesses' capability in that area – procurement was rated as the least proficient area, whilst it was also one of the main support needs highlighted in the survey. The findings suggest that there is sufficient aspiration for policymakers to use procurement to support the growth of the social enterprise sector and to incentivise socially minded innovation within it.

Sharing and promoting ideas, good practices and successes cross-sectorally is something that has always been difficult. This needs to be done more effectively in order to promote innovative practice. We need to be more comfortable with speaking about failures and learning from them. Pathways into a Welsh innovation commons would help develop that cross-sector, challenge-focussed practice.

As previously noted, lack of capacity and resource within the voluntary sector to have the time to take a step back and think and plan is a big barrier to innovation. Building in a specific programme activity to support this, linking with existing initiatives on sector development and innovation skills, would help.

One respondent noted that opportunities for innovation in the Welsh medium can sometimes be a barrier, as there are fewer opportunities for funding and innovation in first-language Welsh from sources outside of Wales. It often appeals to a smaller number of the population that speak Welsh, and the innovation is less transferable on a global scale without full translation into English. There are some excellent innovative projects and schemes being undertaken in countries similar to Wales, such as across Scandinavia. There are opportunities for us in Wales to draw on these experiences and projects from other nations to learn about what is possible, and what is beneficial to Wales from a country that is similar to ours.

Q9. The Innovation Strategy aims to achieve a more prosperous Wales through introducing new products and services, job creation, spend in the Welsh economy and productivity. An ecosystem where innovation becomes everyone's responsibility.

a. Do you believe the proposed Innovation Strategy has set out clear objectives to achieve this outcome? If not, what is missing?

It would be useful if the Strategy acknowledged the inherent difference between the Future Generations Act definition of prosperity, which is very focused on living within our boundaries sustainably, and the more standard definition of economic growth, which tends to focus much less on sustainability. It is vital that the Strategy takes the FG Act model as its focus and sets out clear outcomes to achieve sustainability and resilience.

We would like to see more detail on the how stakeholders are to be incentivised to engage in innovation with a social value focus. We would like to see a comprehensive mapping of the resources, funds and procurement activities that can be used to encourage, facilitate and incentivise socially-minded innovation.

b. What impact, positive or negative, do you think innovation can have on helping improve the economic prospects and well-being of the people of Wales?

Voluntary sector innovation can play a huge role in increasing economic prosperity, but it needs to be resourced and facilitated to play its full part in the innovation ecosystem.

The Strategy talks of 'an ecosystem where innovation is everyone's responsibility', but gives little clarity as to whether this is directed at companies and corporations, or the individual people of Wales. This would present two very different opportunities, and lead to very different outcomes depending on who the target audience of 'everyone' means. Clarity is needed as to whether 'everyone' really means everyone,

and if it does, how every person in the country can be supported to play a part. Citizen participation, co-producing solutions and community-led change have a powerful role to play. WCVA and our members have expertise in this that we would be happy to share.

Q10. The Strategy aims to grow a more Resilient Wales which aims to improve a healthy natural environment, adopt circular economy principles and increase our capacity and capability in adapting to change.

Do you believe the proposed Innovation Strategy has set out clear objectives to achieve these outcomes? If not, what is missing?

As noted earlier, resilience must come before economic growth, and we don't feel this is quite reflected in the Strategy.

Digital is an essential tool for innovation (although certainly not the only one). However, there are still ongoing issues around digital exclusion, including lack of suitable broadband in rural areas. Those affected by digital exclusion will not be able to take part in the innovation strategy fully until these problems are resolved.

Q11. An equal Wales is an objective of the Innovation Strategy. This proposes a transparent innovation ecosystem that ensures inclusivity in all research, development and innovation activity and a fairer distribution of investment where all regions in Wales feel the benefit from increased innovation activities.

a. Do you believe the proposed Innovation Strategy has set out clear objectives to achieve these outcomes? If not, what is missing?

We are heartened to see that the Innovation Strategy recognises the need and importance to engage, encourage and support people from all demographics by creating a transparent innovation ecosystem that ensures inclusivity. The danger is however that innovation privileges those who are already privileged (acknowledged in the Strategy by reference to the advantages of the 'golden triangle' in England). This is noted but not really addressed. In practice, poor and marginalised people are often - by necessity - much more innovative than the comfortably-off. The relatively wealthy have much to learn about innovation from traditionally disregarded groups.

The voluntary sector has a huge role to play in aspects of the strategy around improvements in productivity and equality and diversity of employment. These are particularly crucial as the Strategy is set in a context where EU funding that previously supported these objectives is ending, which will likely have regionally variable impacts. The sector should also be supported and involved in aspects of the strategy that might target equality of opportunity for young people and people from

disadvantaged backgrounds by promoting cross-border mobility and learning opportunities for everyone.

The draft Strategy highlights that skills and employability priorities must underpin the Innovation Strategy, also referencing Welsh Government's Plan for Employability and Skills. A key area of action set out in the Plan is tackling economic inequality by supporting those most disadvantaged and furthest from the labour market. The voluntary sector has a key role to play here, particularly in the context of inclusivity and fairer distribution of investment, as voluntary sector organisations are often best placed to support Wales' most disadvantaged people and communities that mainstream provision often can't reach. Any plans in this space need to be joined-up and involve the sector, and align with UK Shared Prosperity Fund regional investment plans.

The regionality of delivery of the UKSPF could pose certain risks, e.g. the risk of inconsistency in operation across the regions, which could lead to organisations having to comply with different rules and procedures. There is also a risk of inconsistency in engagement with stakeholders on a local and regional level, e.g. some voluntary sector organisations have a productive working relationship with local authorities and work in collaboration while others have less engagement and work more in silo. A coherent governance structure in place, involving wide cross-sector representation from across all regions, could ensure transparency and strategic alignment of opportunities. Welsh Government should play a role in this and work with UK Government and all other stakeholders in Wales to maximise resources and opportunities. However, the UKSPF is funded only until 2025, and there is uncertainty about what will happen after that. The Strategy could consider potential future gaps and reduced resources, and how this can be addressed.

The Social Partnership and Public Procurement Bill has a role to play. The aim of this Bill is to make work fairer in Wales. Links should be made to the Bill's aim for fairer, more sustainable procurement practices. Such practices should be a key component in delivering Welsh Government's vision for innovation.

We would like to highlight the Ecwiti programme, administered by a partnership between Social Firms Wales and UnLtd, as a positive recent example of inclusive, innovative funding. The programme delivers to three key commitments of the 'Programme for Government'; 1. Build an economy based on the principles of fair work, sustainability and the industries and services of the future including reducing the disability employment gap; 2. Celebrate diversity and eliminate inequality (Race Equality Action Plan for Wales); 3. Ensure grants are anti-racist, use grants and public procurement to improve leadership, representation and anti-racism, ethnic minority leadership in Wales is supported. Across a nine-month period to date the fund has awarded funds to start up or to grow their ventures to a total of seven people who face societal challenges from the following demographics: disability (2), neuro-diverse (1), minority ethnic (2), LGBTQAI+ (1), female (2) male (5) and is on target to support 12 social entrepreneurs by the end of March 2023.

b. Do you believe the strategy has the potential to positively impact every region in Wales? If not, what actions are needed?

This could be strengthened in the strategy by

- including commitments to strengthen core capabilities around innovation across sectors
- including place-based approaches

The first bullet links to our proposal to have a programme to build voluntary sector skills, capacity and networks around innovation.

The second could include initiatives place-based initiatives in response to each mission. This would fit well with Welsh Government's emerging Community Policy.

The draft Strategy lacks detail about place-based communities and the role they can play in delivering innovation. Place-based initiatives go beyond city growth deals and regional economic fora. Again, their emphasis in the strategy is likely a legacy of the previous strategy. We would like to see more on the foundational economy and the impact of rurality.

Regarding education: If we are to address innovation through the tertiary education sector, then innovation opportunities and funding are often targeted at larger and more prosperous institutions which are located in the south of Wales. This means that innovation will thrive in the capital and in the wealthier areas of Wales, and less so in other areas. This could lead to innovation being seen as a success in these areas, so more funding is diverted there, and it creates a cyclical system that dissuades other institutions and areas of Wales from participating.

Within the Strategy, there needs to be a specific understanding that whilst innovation thrives in areas with a higher population and more opportunities, often innovation can also create further opportunities for areas that are not as well connected or equipped. Many rural areas and areas with a lower population density fear they are being left behind. By providing opportunities to all regions, or investing in projects and schemes that will directly benefit every region in Wales equitably, there will be a growth in opportunities to address the regional inequality that currently exists. With older people being more likely to live in more rural locations or in small villages that do not have extensive innovation opportunities, there is a concern that as the residents of these areas pass away, so too does the opportunity for growth and regeneration of that area.

c. Are there any existing inequalities within the research, development and innovation sector that have not been highlighted in the draft strategy? How could the strategy address these inequalities?

d. Are there any under-represented groups that have not been identified as priority groups within the strategy?

The Strategy lists Black, Asian and minority ethnic communities, women, disabled people and those with low skills, but should go further and engage with lesbian, gay and bisexual communities and the transgender and gender non-conforming community. There are also Gypsies and Travellers (who have much to teach settled communities about innovation, adaptability and resourcefulness) and minority language communities (identified in the section on digital, but not elsewhere - different languages, especially indigenous languages, are a store of knowledge that can lead to innovation on the basis of traditional understanding).

e. In the context of the UK levelling up agenda, how can we further consider Welsh regional diversity within the development of this strategy?

The Strategy will need to align with the UK levelling up agenda in order to make maximum use of scarce resources. This means all sectors engaging with it and taking advantage of the resources it could bring to Wales.

Q12. The Innovation Strategy aims to promote a globally responsible Wales through decision making processes that take account of the impact of our innovation activities on global wellbeing, as well as a collaborative approach to working in partnerships internationally to share knowledge, skills and undertake projects with a social purpose.

Do you believe the proposed Innovation Strategy has set out clear objectives to achieve these outcomes? If not, what is missing?

Connected with comments in the draft Strategy on a globally responsible Wales is the importance of cross-border partnerships and mobility in fostering and sharing innovation. The Strategy stresses the importance of these partnerships and should support continuing these efforts in both assessing and advancing them. Some examples our sector are involved in include Score Cymru and Taith.

The Strategy discusses the need to foster a culture of innovation starting with the development of children and young people through the new curriculum. There are

several voluntary sector of interest here, including ensuring that the Strategy should stress the need for education and awareness around equality and human rights framed by the Future Generations Act. It is also important that the Strategy takes a holistic view of ensuring equal access for children and young people to educational opportunities. This intersects with cross-border volunteering and cross-border educational opportunities, such as Taith.

While it is pleasing to see circular and foundational economy investments highlighted, we would like to see this drawn together more under a broader wellbeing economy theme. This, as noted by WCIA, would help to address the point that foundational economy isn't de facto more sustainable/globally responsible – it only becomes so when linked with environmental considerations. Global responsibility requires complete supply-chain responsibility, which would be a very innovative, requiring new and enhanced skills, which could make very good use of our Higher Education and Further Education sectors, as well as the many international links which people in Wales have, through diaspora communities, Cymru-Africa, town twinning and so on. All of these civil society arrangements promote innovation.

In globally responsible section, it is good to see recognition that longer supply chains need to be ethical in all dimensions. We would like to see a more explicit mention of deforestation, fairtrade, workers' rights, modern day slavery.

Q13. The proposed strategy aims to create cohesive communities which will see greater cross sector collaboration, greater community connectivity and adoption of digital technologies, and the aligning of activities towards delivering for our communities in Wales.

Do you believe the Strategy will support this ambition? If not, how can we achieve this?

This section of the strategy is currently weak. The community cohesion section focuses mainly on the digital strategy for Wales, and digital connectivity. Whilst important, this is only a small part of what community cohesion means.

There is evidence of innovations (and how to create innovative solutions) around community cohesion and what works more effectively than others. The Behavioural Insights Team have previously worked with partners in Monmouthshire on loneliness and isolation, which is an important part of connected communities – and a big challenge for our society. This could be a mission in itself and an area where voluntary organisations – and cross- sector collaborations - can use innovation approaches to drive better outcomes.

The draft Strategy doesn't reflect the role and value of the voluntary the sector for our communities, right across Wales. The diversity of voluntary organisations and different types of voluntary action make an enormous contribution to improving social connections and relationships.

Within digital, programmes such as Newid are improving organisations' ability to use digital for innovation. Again, voluntary organisations need to be able tap into infrastructure like Centre for Digital Public Services to increase skills, capacity and networks.

To deliver this strategy, we will need to work with communities to be comfortable in adopting innovations. A lot of what is mentioned will require community buy-in to be a success, for example, climate change measures, active travel and early health interventions. Community cohesion would be a good lens to view the connection between research, industry and people, and how they need to work together to innovate. Community cohesion will also play a key role in the development of circular economies. None of this should cost a great deal, and will more than make back any investment in terms of the difference it will make.

Social enterprise can play a particular key role in creating cohesive communities because of their distribution across the country. According to the Social Business Wales mapping exercise published in 2021, the social enterprise sector in Wales is estimated to include up to 2,309 businesses and up to 56,000 employees, generating £3.1–3.8 billion in value. Social enterprises are particularly concentrated in some of the poorer South Wales Valleys and are more likely to operate in areas of deprivation. The sector is composed of a core group of well-established social enterprises supplemented by a growing group of start-ups. The fact social enterprises are anchored in their communities, often with specific socially minded outcomes that at the core of their business model, means that they must play an important role in building a Wales of cohesive communities.

In order for investment and policy objectives to be as successful as possible, they must utilise and build on existing groups, networks and social enterprises that are already embedded in communities, and use their expertise and experience in identifying and solving social problems. A discovery report on digital working during the pandemic (*A Just and Equal Transition to Net Zero* (Parken et al, 2022, forthcoming)) found a huge upsurge in voluntary sector organisations using digital. The report found a lack of funding for digital innovation in Wales, compared to England and Scotland. This should be resolved, as there is clear potential for digital innovation that can have a hugely positive impact on people's lives. A co-produced support infrastructure that identifies and facilitates good practice for all types of third sector organisations would have a significant benefit.

Q14. The new Innovation Strategy wants to achieve a healthier Wales through a more coherent and aligned innovation ecosystem that targets new and different ways of working, supports recovery strategies from the pandemic and enables greater adoption of innovation.

This will be underpinned by a health and social care system that collaborates across industry, academia and the third sector to deliver improved healthcare value by developing, sharing, procuring and adopting innovative practice and technology.

Do you believe the strategy will support this ambition? If not, what additional activities need to be included?

We welcome the ambition in the draft Strategy. Again, the voluntary sector has a bigger role to play in the innovation ecosystem needed to support this than what is set out in the current draft.

WCVA has been involved in different programmes supporting innovation in health and social care. Focussing on health and care outcomes enables us to work across sectors to deliver innovative improvements for people. This is all part of the health and care 'ecosystem' but beyond the institutions we often think of as 'the system'.

An example is social prescribing, one of the most innovative movements of recent years. It should be at the heart of innovation in health and social care. It can help with general health, fitness, social connections and wellbeing as a form of early intervention as per the skills and employability priority around supporting people with long-term health conditions, as well as raising the skills and qualification levels, and also the mobility of the workforce. The voluntary sector is key in ensuring the success of social prescribing, and support must remain, perhaps enhanced, to allow it to continue to do so.

WCVA has also supported innovative responses through [Helpforce Cymru](#), a partnership with WCVA, Welsh Government and [Helpforce](#). This enables more impactful volunteering within the health and care sector, and co-creates care solutions between service users and providers. Helpforce can act as a model and excellent reference point for innovation in health and social care.

WCVA is also working with Macmillan and WISERD on a project that will draw on innovation techniques with the aim of improving community-based access to cancer support services.

A risk for the strategy is that our health and care services – whichever sector they sit in – are so overstretched they are struggling to meet current demand. Persuading overstretched organisations and professionals now is the time to focus on innovation will be challenging.

People need space and capacity to away from their current pressures to contemplate innovation and what it means for this sector. This is why we believe a specific programme – and a voluntary sector innovation lab - that gives people the time and space to quickly learn about and use innovative techniques to address their pressing challenges is needed.

RPBs exist to drive transformation and integration of the health and social care system. Is this the same as innovation? Many RPBs have been drawn into operational delivery when they should be focused on the strategic priorities of meeting needs partnership and collaboration. They also need space to think about innovation.

Care and Repair have reported 'acute concerns' that affect their and their agencies' day-to-day work, noting the gaps and challenges faced by the Welsh NHS impacts the support they can offer their clients, all while facing an increasing caseload. We have heard other similar stories from other organisations – more detail can be found in a paper on Winter Pressures submitted to a recent voluntary sector meeting with the Minister and Deputy Minister for Health and Social Services.

In this context, the Innovation Strategy needs to be able to bring people together to find innovative solutions to immediate pressing challenges. It needs to demonstrate its ability to support a pace of change as well as creativity and different types of solutions that don't otherwise happen.

This could make health and social care an important area to focus on challenge-based innovation. There are urgent challenges that demand innovative solutions. These can best be developed through collaborations that stretch beyond the health remit to create a more holistic, cross-sectoral health system. The immediate challenges we face demand this type of response. This might be a good focus for one of the missions of the strategy.

Digital capabilities must be embedded into social care in the same way as it is prioritised in health care, resulting in social value outcomes. The Bridgend Digital Hardship Project has case studies demonstrating the difference intervention can have to allow those on low incomes to be digitally included, for instance, using smart speakers to allow someone who lives alone to contact someone should they fall at home, or giving people tablets to allow them to do shopping or communicate with family or friends. This level of digital innovation is vital to the sustainable future of social care.

The Decarbonisation Strategy for Social Care in Wales is also relevant. It regulates for 'models of care that reduce travel mileage and strengthen the local community workforce'. This is a form of innovation that is already policy and can be part of delivering the Innovation Strategy's aims for social care innovation.

Implementation plans and communication of these will be critical to delivering the results and required innovation.

Q15. As part of Welsh Government commitment to a vibrant culture and thriving Welsh language, the proposed Innovation Strategy looks to ensure multi-lingual development as standard.

Do you agree that the strategy outlines the ways in which it hopes to successfully create the right conditions to increase the use of the Welsh language across all proposed innovation activities? If not, what additional activities should be undertaken?

Please see response to Q20.

Q16. The strategy aims to create a culture of innovation in Wales, one which collaborates, shares risk, encourages participation and supports the ecosystem to innovate.

a. What does an innovation culture mean to you? What is needed to develop an innovation culture in Wales?

To develop a culture of innovation it needs to be clear what innovation means and explained in plain English. People cannot get behind something they don't understand. It's often surrounded in jargon, academic and tech language that makes people feel excluded.

We need a strong vision. We also need practical programmes and tools for the non-expert practitioners to break down these barriers. Otherwise, it will be a very narrow culture – not conducive to innovation.

WCVA often acts as a bridge to connect voluntary and community groups with specialist expertise. We have experience in working with others to build the practical tools and programmes that demystify ideas and approaches like 'innovation'. This is a starting block for creating a culture change. Connecting the power of innovation with the power of voluntary and community action can make real difference to people's lives.

b. Do you feel that you have the opportunity to participate in innovation? Please explain why you feel that you are able / unable to participate in innovation?

Too often it feels like it is something done 'over there' by big players at huge cost. Voluntary and community organisations often don't feel it's relevant to them. Shifting that is a challenge for the strategy.

Q17. Do you think this Innovation Strategy would positively impact you? If not, how could this be changed?

Q18. Alongside the final strategy we plan to publish an action plan which will address resourcing and implementation of the strategy. The Commission for Tertiary Education and Research will have a leading role to play in the implementation of the strategy, as will the Welsh Government and other bodies and partners. Wales currently does not have one lead body responsible for the coordination and delivery of our innovation system. Turning to implementation, how would you like to see this strategy implemented?

Co-production needs to be at the heart of the Strategy and its implementation. All parts of government, all sectors and the public should feel ownership of it (see the National Principles for Public Engagement, endorsed by Welsh Government)

That will still need a body or group to be driving delivery, learning and participation. It's important that Welsh Government Ministers provide leadership, along with leaders across the ecosystem. We would like to see a cross-sector governance arrangement.

Consistent, transparent scrutiny of the Strategy will be essential to monitor delivery, understand what is or isn't working and hold each other to account. This is all part of ensuring that public funds are allocated and used to the public benefit.

Q19. Which stakeholder group would you consider yourself to represent:

- research organisations/ academic institutions
- private sector
- citizen
- third sector
- community group

- public sector
- Other (please specify):

Q20. We would like to know your views on the effects that the Innovation Strategy for Wales would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

We believe that there could be a small potential impact on the promotion of the Welsh language and subsequent funding opportunities, if they are not given equitably. Projects and innovation opportunities in first-language Welsh are less frequent, and so there is a possibility of additional funding and guidance given to the projects that operate in Welsh, to help enhance and promote the Welsh Government's Welsh language plans of one million speakers by 2050. However, this will be particularly advantageous in areas where Welsh is the primary language, as these are also areas where there is less development and funding input. The additional funding provided due to the project being in Welsh could be beneficial to these areas.

How could innovation approaches support Welsh Government to reach its ambitious target of a million Welsh speakers by 2050?

Q21. Please also explain how you believe the proposed strategy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Q22: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

We thank all the organisations that have contributed to our response, including the Welsh Centre for International Affairs, Welsh Sports Association, PRIME Cymru, Community Furniture Aid, Wales Assembly of Women, Prince's Trust Cymru, Care and Repair Cymru and Cwmpas, as well as a number of individual contributors.

WCVA will be happy to meet with Ministers or officials to further discuss the points made in this response.

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: