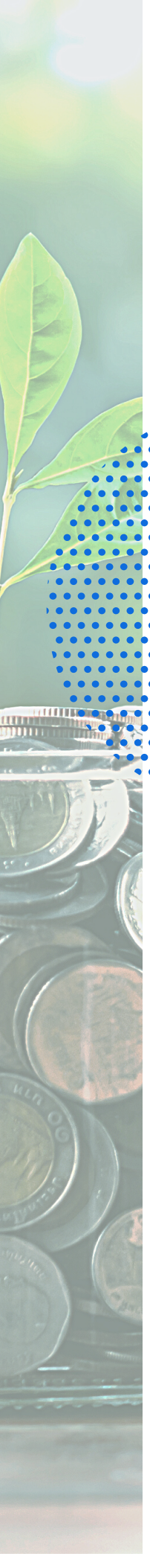
PROCURING WELL-BEING IN WALES

A Review into how the Well-being of Future Generations Act is informing procurement in Wales.



February 2021



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This work has been completed in partnership with Cardiff University as part of a Memorandum of Understanding, particularly acknowledging the involvement of:

- **Dr Jane Lynch, Reader in Procurement at Cardiff Business School.**
- **Professor Kevin Morgan, Dean of Engagement.**

I would also like to thank the members of the steering group for their contribution:

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Emma Waldron, Wales Council for Voluntary Action.

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Keith Edwards, Foundational Economy Network & Can-Do Toolkit.

The Well-being of Future Generations Act



The Well-being of Future Generations Act (hereby referred to as 'the Act') gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being.

The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

The Act is unique to Wales attracting interest from countries across the world as it offers a huge opportunity to make a long-lasting, positive change to current and future generations.



To make sure we are all working towards the same purpose, the Act puts in place seven well-being goals.

The Act makes it clear the listed public bodies must work to achieve all of the goals, not just one or two. The Act establishes Public Services Boards in each Local Authority area. They are required to assess the state of well-being locally, set objectives and produce a plan designed to improve economic, social, environmental and cultural well-being in their local area, contributing to the well-being goals.



The Well-being of Future Generations Act defines Sustainable Development in Wales as: "The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals."

The Act sets out five ways of working needed for public bodies to achieve the seven well-being goals. This approach provides an opportunity for innovative thinking, reflecting the way we live our lives and what we expect of our public services.

Prevention

Involvement

Long-Term

Integration

Collaboration



Sophie Howe is the first Future Generations Commissioner for Wales and her role is to be the guardian of future generations. This means helping public bodies and those who make policy in Wales to think about the long-term impact their decisions have.

Sophie took up post in 2016 and has led high profile interventions around transport planning, education reform and climate change, challenging the Government and others to demonstrate how they are taking account of future generations.

Described by the Big Issue Magazine as one of the UK's leading Changemakers, her interventions have secured fundamental changes to land-use planning policy, major transport schemes and Government policy on housing - ensuring that decisions taken today are fit for the future.

You can find more about our work online at:
www.futuregenerations.wales

01 Introduction

The Act provides us with an opportunity to transform the way procurement is planned and delivered in Wales. By moving from a process-driven approach towards an outcomes-based approach, we can ensure the £6.3 billion spent annually by the public sector in Wales delivers the best outcomes across all four dimensions of well-being (economic, social, environmental, and cultural) for current and future generations.

Procurement is one of the seven corporate areas for change in the Act's statutory guidance (Shared Purpose: Shared Future, SPSF 1: Core Guidance) and it must be a key area of focus for public bodies in meeting their obligations under the Act, including setting, and taking all reasonable steps to meet, their organisational well-being objectives.

If it is accepted (as it should be, as it is set out in the statutory guidance) that the way in which resources are spent through procurement is a reasonable step, then a public body's procurement strategy should be setting out clearly how they are procuring in a way which helps them to meet their organisational well-being objectives, and in turn contributing to the seven national well-being goals. They should also evidence clear alignment with the four dimensions of well-being (cultural, economic, social and environmental) and how they have applied the five ways of working in the Act which are planning for the long term, prevention, integration, collaboration and involvement.

This should be reported through the outcomes that are achieved.

Working in partnership with Cardiff University, we have undertaken research to establish the extent to which the Act has been informing commissioning and procurement decisions across all 44 public bodies in Wales since 2016 (when the Act came into force).

Our work has been undertaken in two stages (i) research and (ii) Section 20 Review.

1.1. Phase 1 - Research

The desk-based research (August 2019-January 2020) consisted of the following approach:

- Preliminary desk-based research on published procurement policies and current guidance
- Requesting evidence from the 44 public bodies and using the information shared to understand the progress that individual public bodies are making in meeting their well-being objectives, the seven national well-being goals and four dimensions of well-being, by using the five ways of working, within their approach to procurement
- Engaging with the wider community of stakeholders at regional events and forums.

The main findings from the first research phase are outlined in the 'Spotlight on Procurement' within the Commissioner's Future Generations Report published in May 2020. The chapter outlines what it could mean if the £6.3 billion a year public bodies spend on procuring a range of goods, services and works was being spent on buying things and improving the economic, social, environmental and cultural well-being of people and communities in Wales. The Act provides an important opportunity to re-think how and where public funds are spent in the interest of current and future generations.

1.2. Phase 2 – Section 20 Review

Building on the research findings from Phase 1, a Section 20 Review was triggered in March 2020 to formally examine the procurement practices of nine public bodies. The purpose of the formal Review was to:
(i) gain a more detailed understanding of how efforts to embed the Act into procurement decisions are helping public bodies to meet (or take steps to meet) their well-being objectives; and
(ii) to further understand how public bodies are taking account of the statutory ways of working, particularly considering long-term impact, within their approach to procurement.



Section 20: Reviews by the Commissioner

(1) The Commissioner may conduct a review into the extent to which a public body is safeguarding the ability of future generations to meet their needs by taking account of the long-term impact of things the body does under Section 3.

(2) In conducting a review, the Commissioner may review

- (a) the steps the body has taken or proposes to take to meet its well-being objectives;
- (b) the extent to which the body is meeting its well-being objectives;
- (c) whether a body has set well-being objectives and taken steps to meet them in accordance with the sustainable development principle.

(3) In conducting a review, the Commissioner must have regard to any examination of the body carried out by the Auditor General for Wales under section 15.

(4) In conducting a review, the Commissioner may make recommendations to the public body about

- (a) the steps the body has taken or proposes to take to meet its well-being objectives;
- (b) how to set well-being objectives and take steps to meet them in accordance with the sustainable development principle.

(5) The Commissioner may conduct a single review of two or more public bodies.

(6) The Commissioner must publish a report of a review (including any recommendations made) and send a copy of it to the Welsh Ministers.

(7) In conducting a review, the Commissioner may require a public body to provide such information as the Commissioner considers relevant to the review.

(8) But a public body is not required to provide information to the Commissioner if the body is prohibited from providing it by virtue of an enactment or any other rule of law.

With the sudden onset of COVID-19, and the additional pressure being placed on public bodies dealing with the impact of the crisis, the Review was paused in March but resumed in October 2020.

Interview discussions with leaders and representatives from each of the nine public bodies (during Autumn 2020) provided an opportunity to discuss the steps they were taking to embed the Act, and establish some of the more deep-rooted challenges faced by public bodies. The discussions helped to identify any gaps in support that may be required going forward.

Who are the Report and recommendations aimed at?

This Report includes findings and recommendations specifically for the nine public bodies who were subject to the Review. The nine organisations have a statutory duty (Section 22(4)) to publish their response to the recommendations made by the Commissioner in this Report. Public bodies are encouraged to do so within 25 working days of the recommendations being published.

Many of the recommendations are equally relevant to all public bodies who should consider them as advice, and we will be following progress as part of the Commissioner's duty to provide advice and assistance and to monitor and assess how public bodies are making progress towards their well-being objectives. The Commissioner and Auditor General for Wales also work closely on their complementary duties, and Audit Wales has contributed to this Review. Going forward, the Commissioner and Auditor General for Wales will be seeking to share relevant information on how public bodies are making progress towards meeting the requirements of the Act.

The findings and recommendations include those which are relevant to all the public bodies subject to the Review and those which are primarily directed at the Welsh Government in its leadership capacity.

The recommendations are specifically aimed at those in senior positions – Ministers, Chief Executives and Directors of Finance.

This Report also includes examples shared by public bodies, illustrating good practice and lessons learned, demonstrating a consideration of specific elements of the Act. However, it was challenging to find examples evidencing consideration of all elements of the Act. When implementing the recommendations from this Report, public bodies should consider how current and future procurement activities can contribute to Wales' seven well-being goals, their organisational well-being objectives and the four dimensions of well-being (cultural, economic, social and environmental), through the application of the five ways of working.

The well-being goals should be placed as the national primary objectives for delivering strategic procurement in Wales. The report explains how this may be achieved, considering the role of procurement professionals, the procurement function and how the procurement process can support delivery of wider organisational priorities and objectives.

02 Section 20 Review

This section outlines the methodology adopted for the Review.

Shortlisted Participants

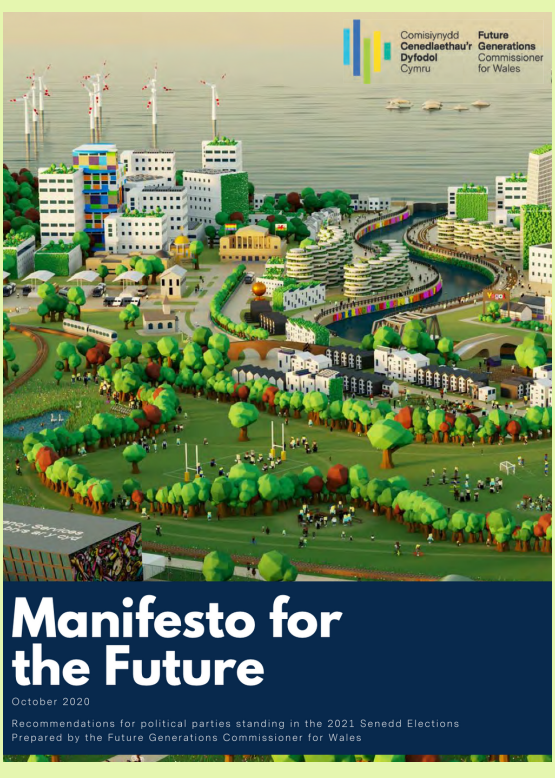
From the 44 Public Bodies invited to participate in the initial research phase, nine organisations representing a range of national, local authority and health board organisations were selected for the Review:

- Bridgend County Borough Council
- Cardiff and Vale University Health Board
- Denbighshire County Council
- Flintshire County Council
- National Library of Wales
- Velindre NHS Trust (as hosts of NHS Wales Shared Services)
- Wrexham County Council
- Welsh Government
- Ynys Môn / Anglesey Council



The nine public bodies were selected for the Review based on multiple factors including:

- The responses to Phase 1 – the desktop research phase.
- Fair representation of national, local authority and health board. organisations being interviewed
- Evidence of individual procurement strategy development.
- Evidence received outlining the steps being taken to meet the requirements of the Act as part of their procurement process.



03 Findings

The key findings from the research phase were published in May 2020 as part of the Commissioner's Future Generations Report 2020. This is published every four years as part of a statutory duty and provides an assessment of the improvements public bodies have made in relation to meeting their well-being objectives. More than just meeting a 'duty' this Report explains how the Welsh public sector is collectively improving well-being in accordance with the Act. The Commissioner has identified procurement as an important lever for public bodies to achieve their well-being objectives, and it is also one of the seven corporate areas of change identified in Welsh Government's Statutory Guidance on the Act.

Table 1: Summary of key findings and recommendations included in the 'Spotlight on Procurement' (Future Generations 2020 Report, May 2020).

CHALLENGES AND OPPORTUNITIES FOR CHANGE	WHERE ARE WE NOW?	RECOMMENDATIONS WELSH GOVERNMENT AND PUBLIC BODIES SHOULD:
Develop leadership that supports a strategic approach to procurement, recognising the 'power of purchase'.	There is renewed political commitment towards ensuring procurement is a lever in driving wider ambitions. As yet there is no clear national procurement strategy, process or support to share learning and drive improvement across the public sector in line with the Well-being of Future Generations Act.	Approach all procurement decisions through the lens of the Act – by applying the Five Ways of Working, considering their well-being objectives and/or steps and how to maximise contribution to the seven well-being goals at the very beginning of the process even at pre-procurement stage. Provide clear guidance and leadership to other public bodies, as well as monitoring and assessing how they are considering the Act in their procurement activities.
Procuring well-being: a focus on outcomes and measuring what matters.	The procurement process has improved considerably over the last decade; however, there is still too much focus on process and not outcomes. Measuring 'community benefits' has been in place for many years in Wales, but the reporting and impact of this are not widely shared.	Provide clear evidence for how their procurement activities are supporting the delivery of their well-being objectives. Review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions.

CHALLENGES AND OPPORTUNITIES FOR CHANGE	WHERE ARE WE NOW?	RECOMMENDATIONS WELSH GOVERNMENT AND PUBLIC BODIES SHOULD:
Focusing on longer-term financial planning.	There is too much focus on short-term cost versus delivering wider outcomes.	Explore how they can use budgets to give greater long-term financial certainty to other public and voluntary sector bodies to ease the short-termism challenges faced by procurement. This could include facilitating longer-term (minimum 5 years) contracts with break clauses built in to allow ongoing flexibility.
Promote effective collaboration, with each other and suppliers, to improve sharing, learning, capacity and skills.	Structures for collaboration and learning across Wales are in place but lack national coordination and support especially to facilitate collaboration across different sectors, e.g. local government and health. Opportunities for sharing information and learning appear limited and don't involve a wide cross-section of organisations or partners.	Capture lessons learned based on the outcomes of current frameworks to ensure opportunities to embed the Act are maximised in future.
Build on established frameworks, including legal.	There are opportunities to support innovation that need to be better understood.	Include specific contract clauses linked to well-being objectives/goals in every public sector contract and framework, using social value measures to capture impact.
Promote a can-do mindset and attitude.	There are future generations champions (sometimes frustrated) within our public bodies who are working to deliver positive procurement outcomes often without wider organisational or leadership support. Procurement is sometimes treated as a transactional process, and transformational opportunities are not being maximised.	Involve departments and organisations who are impacted by the procurement process when setting well-being objectives (e.g. commissioning, contract management, suppliers and waste management). This could lead to public bodies understanding the broader benefits and steps they can take to improve all aspects of well-being through procurement.

3.1. Section 20 Review - summary of findings

Evidence gathered in the research and Review phases (for the nine public bodies subject to the Review) included exploration of issues around leadership, embedding the Act, the impact of the Future Generations Report (May 2020) and the impact of Covid-19. In addition, good practice examples are presented throughout the findings.

The following main issues have been identified and each point will be explained in more detail within Section 3.2 and Section 3.3.

Issues directly relating to Welsh Government in their leadership capacity

- Welsh Government has failed to show clear joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies well-being objectives).
- There is poor communication and integration between different Welsh Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground.

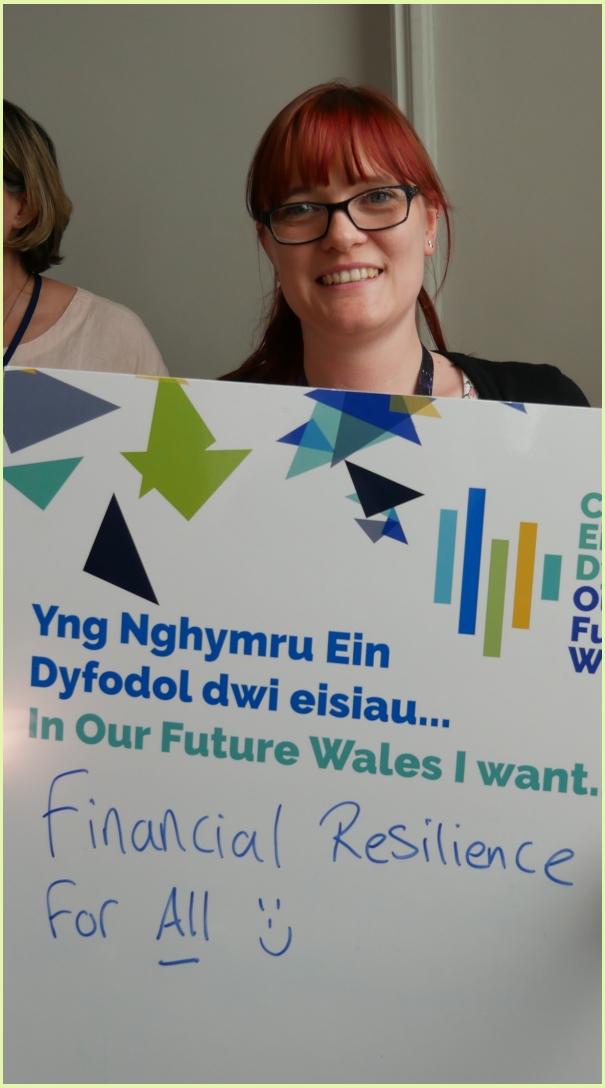
- Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.
- There is no ongoing monitoring of procurement approaches or outcomes either for the purposes of spotting where things are going wrong, and opportunities are being missed, or for identifying and sharing best practice.

Issues relating to public bodies

- Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to a lack of leadership and strategic approach that recognises the 'power of purchase'.
- The "procurement system" is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.
- There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

Although there is evidence across the board that the nine public bodies interviewed are taking steps to apply the Act during the procurement process, the Review has identified a number of challenges and constraints in procuring sustainably including:

- **Organisational buy-in, leadership involvement and engagement – leaders failing to view procurement as an important function or lever in meeting corporate (well-being) objectives.**
- **Insufficient resources and capacity within the procurement function and amongst procurement professionals.**
- **Navigating what has become an increasingly complex landscape.**



3.2. Welsh Government Findings (in their leadership capacity)

The issue: Welsh Government has failed to show clear, joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies' well-being objectives).

The current situation: One of the opportunities for change outlined in the Commissioner's Future Generations Report 2020 is that Welsh Government should develop leadership that supports a strategic approach to procurement, recognising the 'power of purchase'.

During discussions with the public bodies, there was a consensus that Welsh Government should be leading the way when implementing legislation and policy, providing practical support to other public bodies, as well as monitoring and assessing how they, and others, are considering the Act in their procurement activities.

Leadership at the national and local level is inconsistent and current guidance is insufficient in providing the necessary support to embed the Act. Many public bodies are expected to follow the national procurement strategy however, the current Wales Procurement Policy Statement (WPPS) has not been updated since 2015 and does not fully reflect the Act. We are aware that Welsh Government are hoping to publish a revised Statement imminently and the Office of the Future Generations Commissioner (OFGC) has contributed to this process through providing advice.

However, it isn't clear how the current vision in the draft revised Statement aligns to all aspects, or supports the ambitious aims, of the Act:

"Procurement will continue to be a facilitator of change and a conduit to collaboration. Building commercial activities that will foster vibrant Welsh supply markets and support sustainable communities through delivery of citizen centric services within the Welsh Public sector".

The Act requires procurement to adopt a much wider approach to well-being beyond this quite traditional approach.

In March 2020, Welsh Government published "Progress towards the development of a new procurement landscape in Wales" which provides an update on their recent work as well as setting out their new way of working going forwards. Although the Commissioner offered feedback on a draft of this, the Act was not highlighted as a key framework underpinning Welsh Government's approach and is an example of a 'missed opportunity' for showing public bodies how the Act should be the framework for public procurement in Wales, demonstrating clear links between delivering policy and the seven national well-being goals.

Since 2016, when the Act has been in place, Welsh Government has not developed comprehensive guidance or a framework that supports public bodies to apply the Act within their procurement activities.

However there has been some developments in relation to evolving the approach to capturing social value, collaboration in developing a co-ordinated national and regional procurement programme and wider capability and capacity building.

In addition to considering how their own procurement decisions deliver on all elements of the Act, Welsh Government and the National Procurement Service (NPS) has a responsibility to monitor and assess how other public bodies are considering the Act in their procurement activities, particularly through national frameworks.

By working collaboratively, the NPS manages the delivery of all-Wales public sector contracts and frameworks for goods and services. The current NPS pipeline brings together public sector purchasing power of around £0.5 billion for categories of common and repetitive spend. Over 70 public sector organisations in Wales are signed up as NPS members including all local authorities, the NHS, the Welsh Parliament, Welsh Government and Welsh Government Sponsored Bodies (WGSBs), the Police and Fire and Rescue services and Higher and Further Education institutions.

A Welsh Government review in 2018 stated that "NPS will, over time, cease to exist" responding to the views of customers that "they required a different approach which provided greater support to enable delivery of regional and local well-being goals and priorities". It is not clear what progress has been made to establish a "national policy development and delivery support function" as outlined by the Cabinet Secretary for Finance in 2018.

Some public bodies, particularly those with smaller procurement teams, draw on these national frameworks relying on them as the first 'port of call' for managing procurement. They are under the impression that frameworks offer a safety net for capturing social value and assume that they have already considered the Act. During the Review, one national body stated that "we make as much use of well-established local government procurement frameworks as we can and rely on other government agencies to have undertaken the necessary well-being assessments in arriving at the agreed frameworks which are in place".

During the Section 20 Review, Welsh Government representatives emphasised it is the public bodies responsibility to evaluate how using frameworks can contribute to organisational well-being objectives. Therefore, whilst public bodies utilising frameworks to deliver social value is understandable, especially considering the capacity issues they face, the frameworks alone are not ensuring that public bodies are meeting their legal duties to 'take all reasonable steps to meet their well-being objectives.'

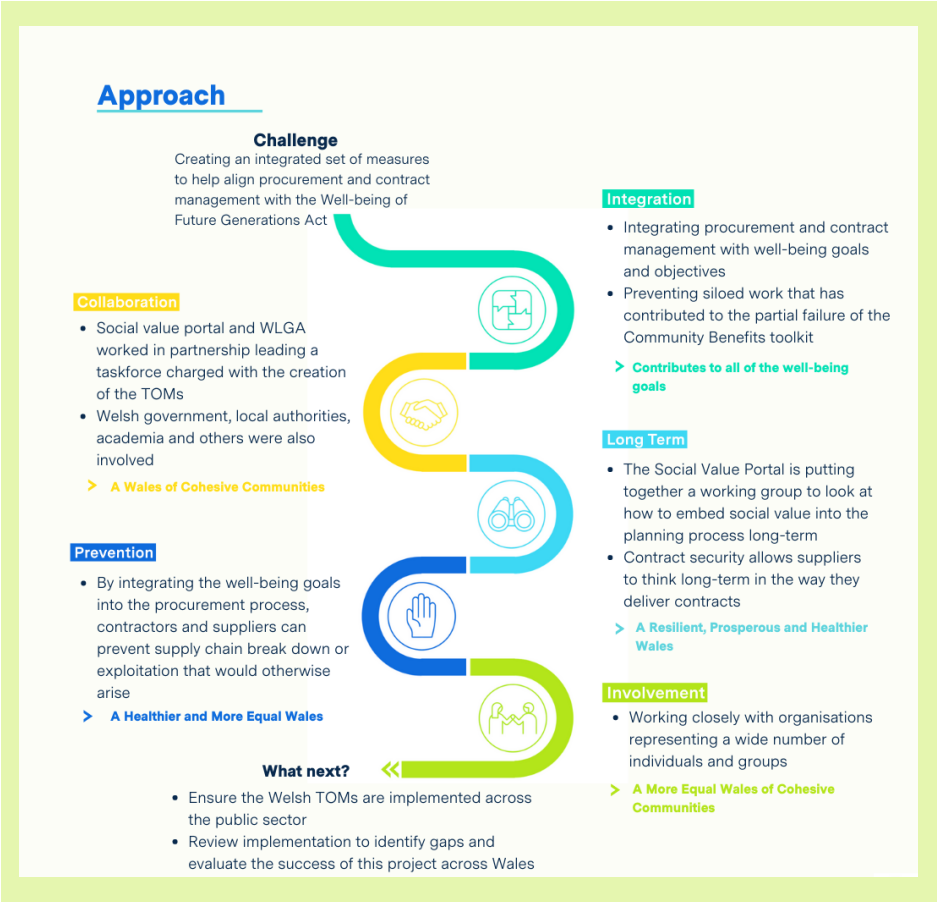
Case Study: Carmarthenshire County Council

Carmarthenshire County Council lead on the tender for the South West Wales Regional Contractors framework (SWWRCF) and was keen to embed opportunities to maximise economic, social, environmental and cultural well-being of people and communities into the core of the Framework. This is a significant regional Framework in South West Wales, with an estimated value of £1 billion worth of construction projects being awarded through it over the 4 year duration. 'Objectives & Aims' based on the Act were produced and included in the Tender to communicate their aspirations to all tenderers and subsequently appointed Contractors. This document has helped to guide opportunities at call-off level, and individual project opportunities can then be built upon further at the next stage.

Case Study: Carmarthenshire County Council (continued)

A commitment to the Act at Framework level, and the application of the five ways of working and seven national goals throughout the procurement process, has led to a more robust and meaningful tender and has created a 'golden thread' where the project aims and objectives are aligned with the Act and reflected in each tender. For example, the themes of innovation, sustainability, collaboration and community benefits form a key part of the quality questions and subsequent scoring criteria that will be asked of tendering contractors. In so doing, Carmarthenshire aims to ensure that sufficient consideration is given to the principles of the Act, together with tangible deliverables such as the delivery of targeted recruitment and training, which will foster involvement and long-term impact, and also opportunities for the community through the provision of services and jobs.

Another example is the forthcoming call-off from the SWWRCF 2020 Framework for Pentre Awel - Zone 1. Funded through City Deal and Council investment, this comprises public, academic, business, health and leisure facilities to boost employment, education, leisure provision, health research and delivery, and skills and training. Due out to tender in February 2021 it is valued at £80 million with a completion date of Summer 2023. Developing the work carried out by the Project Team on embedding the Act from the initial planning phases, they have flowed this vision through to the procurement stage and further aligned the Council's commitment to maximising the well-being goals and their own objectives.



Key Lessons

- They ensure clear communication and transparency on well-being aims and objectives throughout the tender process – "the golden thread"
- The themes of innovation, sustainability, collaboration and community benefits form a key part of the quality questions and subsequent scoring criteria that will be asked of tendering contractors.

Many of the procurement teams who participated in the Section 20 Review highlighted a desire to do things differently but noted that they were unsure how to fully embed the Act in all decision-making without additional support and consistent national guidance. One public body said that their intentions to take additional steps to meet the requirements of the Act, including the recommendations outlined in the Future Generations Report 2020, were 'meaningless' without coherent strategic guidance. When developing new initiatives, guidance and toolkits there needs to be clear consideration for how these support procurement activities to deliver against all elements of the Act.

Welsh Government are reviewing the structure and governance of procurement and the transition from NPS and Value Wales to a new structure. Welsh Government accepts that some of the policy implementation toolkits where Wales was once known to excel, such as the Procurement Route Planner, need re-prioritising and updating.

The Commissioner's Recommendations:

- Welsh Government should establish a Procurement Centre of Excellence for improving coordination, collaboration and providing practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act. Development of this Centre of Excellence would require a comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation.
- The new Programme for Government should clearly set out how Welsh Government will provide strategic leadership and commitment to supporting and achieving wider outcomes from procurement, using language that is consistent with the Act.
- Welsh Government's new Procurement Policy Statement should demonstrate how it will support public bodies to deliver the aspirations of the Act in public sector procurement in Wales. This Statement, along with progress to deliver the commitments, should be reviewed and reported annually.
- Welsh Government should ensure all future national procurement frameworks align with, and contribute to, the seven national well-being goals and apply the five ways of working set out in the Act.

The issue: There is poor communication and integration between different Welsh Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground.

The current situation: Public procurement operates under a regulatory regime, the Public Contracts regulations, but with growing attention to embedding social value and well-being into procurement, it is perceived by many that the policy landscape has become complex with an extensive set of tools, guidance and priorities coming from Welsh Government. Throughout the duration of the research and Section 20 Procurement Review, Welsh Government has been supporting many initiatives which relate to, and support, progressive procurement including the foundational economy, social partnerships, circular economy, social value, and community wealth building.

There are some innovative approaches being taken to consider the Act, but they appear to be lacking strategic connection. Whilst written guidance from Welsh Government in implementing national initiatives is helpful, when this is not coordinated or explained in the context of the Act, or linked to other relevant policy areas it can cause confusion and makes the already complex landscape even harder for public bodies to navigate.

Examples of relevant national initiatives that would benefit from further integration and coordination include:

- Value Wales and the National Procurement Service – creating new frameworks and managing existing ones whilst transitioning to new arrangements;
- The focus on the Foundational Economy through a new Ministerial Advisory Board, a Foundational Economy Challenge Fund, Community of Practice and expert panel on procurement;
- The partnership with the Centre for Local Economic Strategies (CLES), focusing on community wealth building and supporting Public Service Board clusters to strengthen local supply chains;
- The creation of a Knowledge Hub and refreshing the Welsh Procurement Policy Statement;
- The update of the Community Benefits Toolkit and implementation of the Welsh social value framework (TOMS - Themes Outcomes and Measures);
- Work with the Charted Institute of Procurement & Supply (CIPS) to develop further procurement training;
- Establishing a Critical Equipment Requirements Engineering Team (CERET) during COVID-19;
- Developing a Decarbonisation Dashboard for procurement;
- 'A More Equal Wales: Strengthening Social Partnerships' White Paper which proposes a 'Bill to strengthen our social partnership arrangements', including a requirement for 'specified public bodies to produce a procurement strategy in line with statutory guidance'.

The forthcoming Social Partnerships Bill will need to ensure that the new procurement duty placed on public bodies supports them to deliver outcomes that will help them to achieve their well-being objectives and, in turn, the national well-being goals.

Case Study

Case Study: Foundational Economy Challenge Fund

The foundational economy describes the jobs at the heart of our local communities, across sectors such as care and health services, food, housing, energy, tourism, construction and retail. This part of the economy account for four jobs in every ten and £1 in every £3 spent. Last year Welsh Government invested £4.5 million in a new Foundational Economy Challenge Fund which is currently supporting 52 projects that are testing new and innovative ways of making the everyday economy work better for all communities in Wales. They have recently committed an additional £3 million of funding to enable this work to continue. Funding support has been given to:

- ELITE Paper Solutions, a social enterprise based in Merthyr Tydfil which specialises in document management storage and data shredding. They have been able to develop a fully inclusive workplace, now employing a total of 39 people many of whom might otherwise have been excluded from the labour market, due to disability, health conditions or long-term unemployment. Through winning three large public sector contracts they have increased their revenue by £90,000 and recruited a further six staff members. ELITE is a community benefit arising from, and grown through, the NPS Office Supplies national framework.
- Community Care Collaborative in Wrexham, which is contracted by the local health board to run three GP practices, has developed a new model or primary care based on helping patients access support. They have recruited an emotional well-being team to provide well-being support for patients which has seen a 57% reduction in referrals to other mental health organisations.
- Vale of Glamorgan Council has been able to improve its procurement processes and engage with more than 1,000 businesses since June 2020 to increase the number of local small and medium-sized enterprises delivering Council contracts resulting in more money being retained within the local economy.

Alongside the Challenge Fund the Deputy Minister for the Economy and Transport has established a Ministerial Advisory Board and a package of practical support using experts in the Centre for Local Economic Strategies who are working with Public Services Boards to help them develop their approach to procurement in the foundational economy with a focus on ‘community wealth building’. This is welcome practical support but it is currently disconnected from other initiatives in Government. Public sector procurement would benefit from an expanded package of support which integrates all aspects of the Act and related Government programmes.

Case Study

Case Study: Carmarthenshire Public Services Board Food Procurement

Carmarthenshire has a rich history of food production and supply, but it recognised that there is an opportunity for public sector organisations to make a greater contribution to the local supply chain by changing its approach to procurement and doing things differently. Smart public food procurement could provide a 'Double Dividend':

- An economic dividend by securing supply contracts for micro, small and medium sized firms that are locally or regionally based;
- A health dividend by promoting good food for all, especially in schools and colleges, where the citizens of tomorrow are acquiring their skills, habits and tastes today.





©Ungry Young Man

Benefiting from a Foundational Economy Challenge Fund Award, the project will establish a new way of working not just for the food sector but potentially across all other public sector procured goods and services. The Act provides an excellent opportunity to test and challenge, and by using the five ways of working as a guiding framework there is an opportunity to have a significant impact on the social, environmental, economic, and cultural well-being of Carmarthenshire.

Key Lessons

- Welsh Government funded experimentation has accelerated the progress of public bodies taking steps to achieve their well-being objectives.
- A focus on the Foundational Economy is an effective approach for embedding well-being and social value into procurement, but needs to be better connected to other initiatives as well as the Act.

Whilst Welsh Government develops guidance for the public sector, for example on delivering social value and embedding the Act, unless it is integrated with existing guidance it is seen as an additional burden. Feedback from public bodies indicates a need for greater practical support on implementation.

There is also a significant issue around terminology and definitions – a variety of different terms are used, often with ambiguity over their meanings and their application, such as consistency with implementing collaboration and understanding social value, with general lack of coordination and connection back to the Act.

This results in a lack of clarity for procurement practitioners on how these different initiatives are connected. This lack of coordination has been highlighted at procurement forums by professionals unable to see how the outcomes are meaningful or impactful. In the absence of Welsh Government providing clarity and join-up between these activities, procurement professionals are having to communicate the connections between, and the outcomes of, these different initiatives.

This complex landscape is also perpetuating the competing priorities procurement teams are already managing, and the lack of guidance leaves public bodies unsure about which actions to prioritise. An example of this is that during the Section 20 Review discussion with one public body, they outlined clear decarbonisation aspirations but did not know how to prioritise this with limited resources.

Procuring in a Climate Emergency

Work undertaken by Natural Resources Wales and the NHS Wales Shared Services Partnership to calculate the carbon footprint of their activities has shown that procurement contributes nearly 60% and 49% respectively of their overall emissions, greater than emissions created by energy use in buildings and transport. The Welsh Government has set an ambition for the public sector to be carbon neutral by 2030, which is commendable, and the latest UK Committee on Climate Change advice has suggested ambitious emission reduction targets for Wales to be Net Zero by 2050. However, it is not clear how procurement is currently being used to meet our climate change targets. Although Welsh Government has recently developed guidance for the public sector on decarbonisation as a helpful resource - a Decarbonisation Dashboard Procurement Advice Note which enables public bodies to analyse the carbon intensity of their expenditure - it adds to the plethora of existing guidance and if not integrated with other requirements can be seen as an additional burden.

The 21st-century schools programme provides an opportunity for public bodies to deliver outcomes linked to the Act. Through our research, we have seen evidence from some public bodies delivering outcomes aligned to the Act, such as low/zero carbon schools. One local authority shared a case study on the construction of a school commissioned for £7 million, with a requirement for this project to achieve Passivhaus certification.

They provided evidence that they have considered each of the five ways of working and an explanation for how the project is meeting ten out of their 15 well-being objectives (including looking after the environment now and for the future, promoting Welsh language and culture and helping children live healthy lifestyles). I also welcome £5m of capital funding in the 2021-22 draft budget to take forward a Carbon Zero Pilot Project to decarbonise schools and colleges in Wales. Llancarfan Primary School in the Vale of Glamorgan, will be completed later this year and will be Wales' first Net Zero Carbon School.

However, this good practice isn't happening consistently, and we are still seeing disparity in the approach being taken by public bodies. Feedback from the construction sector has highlighted projects, including new schools, that are not seeking opportunities to contribute to all national well-being goals. Welsh Government needs to provide a clear commitment, through their Mutual Investment Model and other significant infrastructure programmes, to ensure that all publicly funded buildings will be zero carbon in future and maximise their contribution to all seven well-being goals, rather than just considering energy use or community benefits, and ensure that the 'pilot' being supported becomes normal practice across Wales.

Case Study: Collaborative Project to Develop a Warrantied Design System for the Delivery of Zero Carbon Homes from Timber, at Scale

At its second meeting on the 2nd October 2020, members of the Council Housing Development Forum Wales, gave their backing for a collaborative working proposal to commence work on the development of a pattern book of zero carbon timber frame house designs and work together to establish a procurement club to purchase the homes direct from manufacturers. The Innovation Partnership project requires that 11 participating local authorities advertise and let a contract to develop the system with designers and manufacturers. Following the conclusion of the Innovation Partnership, the Councils will let a contract to deliver the zero carbon homes for a period of five years. It is recommended that a five-year contract is let to provide suppliers with order book certainty, enabling them to invest in new plant and equipment generating economies of scale, which should enable the price of the homes to reduce over the lifetime of the contract.

The Commissioner's Recommendations:

- Welsh Government should review all guidance and toolkits that are currently in place to support sustainable procurement and measure/monitor community benefits and/or social value, and publish a clear plan outlining how these will be revised and consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.
- In order to meet carbon emission targets, every public body should set out how they have considered the carbon impact of their procurement decisions and in the case of construction or infrastructure contracts should require schemes to be net zero carbon over their lifetime.

The issue: Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.

The current situation: Procuring sustainably throughout the public sector in Wales requires leadership support: senior champions who will set a strategic vision, commit to effecting change, take ownership over targets and drive good practice throughout their organisations. The Act provides an opportunity to deliver innovative procurement; procurement that is focused on long-term value and achieving better outcomes for Wales. Evidence that this is happening is patchy, and there is no structure or mechanism in place to monitor or report on the outcomes that are being achieved from the £6.3 billion spend.

Getting buy in from senior organisational leadership is noted as challenging due to 'so many other competing priorities' and 'budgeting issues.' This situation is compounded by the initial reactive and fragmented response to the Covid-19 crisis and the impending Brexit transition. During one interview, a Director of Finance commented that their priority is to add value from a governance and audit perspective, with a focus on delivering 'value for money,' rather than sustainability, further stating "it is the role of the procurement team to manage relationships and carry out groundwork." Without the Act being recognised as a strategic issue, and prioritised, at a senior level within public bodies and in Welsh Government, any initiatives to fully embed the Act in procurement activities will be unsuccessful, including the recommendations outlined in this report.

One public body stated that "as 'stewards of money,' cost must be the factor that drives procurement outcomes." Some public bodies perceive that it is cheaper to procure goods outside of Wales and justifying the additional spend of local sourcing is not an option. However, there is evidence of other public bodies being willing to prioritise spending in the local economy as it results in wider benefits. The focus on short-term cost and 'value for money' as opposed to wider benefits that could be achieved limits opportunities for public money to contribute towards Wales' seven well-being goals illustrating that without support from senior leadership, procurement cannot be realised as a lever that delivers best outcomes for current and future generations.

The Review has also shown that examples that demonstrate procurement's contribution to each of Wales' seven well-being goals, are rarely widely shared. Equally, not enough of these examples exist that focus on delivering the best outcomes across all four dimensions of well-being (economic, social, environmental, and cultural) because achieving 'value for money' or the 'most economically advantageous tender' is often prioritised. However, some organisations have progressed the 'Community benefits' agenda and we are beginning to see examples of contracts placing greater emphasis on social value through the application of the new Themes, Outcomes and Measures (TOMs) framework. There needs to be further senior leadership support that empowers the procurement profession to drive and share good practice.

The Commissioner's Recommendations:

- The Procurement Centre of Excellence should review and reform structures for national accountability and establish an appropriate mechanism to scrutinise progress on implementation. Welsh Government should report annually on how overall national public spend is contributing to the national well-being goals.
- In addition, their annual report (on progress with the Act) should clearly set out how all of their own procurement spend, and grant spend, is contributing to meeting their well-being objectives, and in turn the seven national well-being goals.

The issue: There is no ongoing monitoring of procurement approaches or outcomes either for the purposes of spotting where things are going wrong, and opportunities are being missed, or for identifying and sharing best practice.

The current situation: Public bodies are no longer gaining the necessary support from Welsh Government required to maximise opportunities to deliver community benefits, social value and wider procurement outcomes that support the ambitions within the Act.

During discussions with public bodies a barrier to implementing the Act that was consistently identified was the numerous reporting tools used, with little feedback from Welsh Government about the outcomes that are delivered as a result. One example of this is the Community Benefits toolkit (first published in 2011 and currently on its ninth iteration), which is designed to help public sector bodies in Wales to identify community benefit objectives that can be delivered as part of their contracts, and to show how these economic and social outcomes support delivery of the Act. Public bodies submit this information to Welsh Government but do not receive any feedback; "it goes into a black hole".

They expressed frustration at the lack of feedback as it meant that potential missed opportunities to deliver community benefits, as well as examples of good practice, are not being shared. The interview with Welsh Government civil servants highlighted that they do not have the resources or capacity to monitor and assess the steps public bodies are taking to deliver community benefits using the toolkit, or indeed any other steps they are taking to embed the Act.



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As already highlighted Welsh Government has, over many years, supported many initiatives designed to support the delivery of sustainable and progressive procurement (Community Wealth Building, Foundational Economy, and TOMs led by the Welsh Local Government Association) however the range of reporting tools available to capture procurement outcomes, combined with the lack of feedback on their application from Welsh Government and a lack of opportunity to share and learn, has resulted in an inconsistent approach to applying the Act and also uncertainty of what good practice looks like. All public bodies that participated in the Section 20 Review highlighted a need for a mechanism to share real-life examples and lessons learned when taking steps to consider the requirements of the Act during commissioning, procurement, and contract management.

Procurement professionals also felt a reticence in sharing lessons learned from ineffective attempts to embed the Act in the procurement process with procurement networks and/or forums. One such example is where two public bodies wanted to procure drinking fountains in public spaces, as an example of what is possible when procuring in collaboration, considering outcomes through the lens of the Act. However, there were insurmountable legal obstacles, preventing the procurement from going ahead. This example emphasises how difficult it can be to achieve long-term positive outcomes when all departments involved with the procurement process have not adopted a 'can do mindset'. Innovative approaches to embed the Act should be commended, public bodies should be encouraged to take risks, and further support needs to be provided by Welsh Government to maximise opportunities to deliver community benefits, social value and wider benefits that align with the Act.

The Commissioner's Recommendations:

- The Procurement Centre of Excellence should develop a mechanism or tool to assist public bodies to monitor and report consistently on the Act (possibly building on the work being done on social value and the new TOMS framework) demonstrating how their procurement spend is meeting the well-being goals and objectives.
- Welsh Government should monitor progress by public bodies in Wales. This must be reported within the annual reports on delivery of their well-being objectives for both Welsh Government, in respect of the overall outcomes being delivered across Wales, and by individual public bodies.



3.3. Public Body Findings

Whilst the issues identified in the above section focusses on Welsh Government, many are also relevant to public bodies including the need for a strategic approach with senior leadership support and commitment that recognises the role procurement can play in supporting the achievement of wider outcomes. We acknowledge that the issues identified at a national level do not always make it easy for public bodies to procure in line with the Act, however each public body has a role to play in identifying and delivering these wider outcomes to ensure that their procurement spend contributes to the achievement of their well-being objectives and the seven national well-being goals.

As well as an array of uncoordinated Welsh Government initiatives, there is also currently an agreed lack of clarity on the following areas which add to the complex landscape procurement teams are trying to navigate.

- Data analysis – access to accurate and timely data is challenging in organisations where resource and analytical skills are constrained. Internal communication is also reported as a key factor here.
- Training for non-procurement staff - some of the richer interview discussions were with public bodies that involved other departments wider than just procurement. In some public bodies, resources were so limited that having a standalone procurement function is not feasible.
- Tension between process and outcomes – it is challenging for procurement professionals to focus on delivering long-term positive outcomes, in line with the Act, when public bodies have limited capacity and / or where procurement and commissioning do not collaborate effectively.

- Perception of procurement – the lack of acknowledgement from organisational leadership, as well as other departments, of the strategic role the procurement process has in taking steps to meet the requirements of the Act present numerous barriers. This means that procuring goods and services more sustainably becomes harder and more time consuming.

The issues that are specific to public bodies:

The issue: Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to lack of leadership and strategic approach that recognises the 'power of purchase'.

All public bodies evidenced some steps being taken to consider economic, environmental, social, or cultural well-being. Most public bodies who actively embed the principles of the Act focus on delivering the well-being goals and only one public body focused on maximising their contribution through applying the ways of working.

The interview discussions revealed examples where public bodies are taking steps to consider the Act in procurement decisions, and others where embedding the Act has plateaued due to the Covid-19 crisis period, lack of understanding, feeling overwhelmed, resource constraints and general lack of central support.

Many public bodies were able to show how they had considered issues such as waste reduction, carbon emissions and local employment, but few public bodies recognised the importance of close alignment with their own individual well-being objectives. Hardly any of the public bodies that participated in the Section 20 Review were able to explain how their approach to procurement was helping them to meet wider long-term objectives, for example how they might procure a particular product which has less carbon impact, supports the growth of jobs and skills in the local economy which in turn supports objectives around tackling poverty and improving health. Nor were any able to show how they had involved citizens in the process.

There still needs to be further work across the public bodies in fully embedding all elements of the Act and aligning their procurement outcomes with their organisational well-being objectives.

For example, one public body demonstrated they are taking steps to meet the spirit of the Act, through sharing what they consider 'quick wins' including the procurement of compostable cutlery and cups. Whilst the steps they are taking to promote sustainability are welcome, they also need to be showing how they have considered procuring in a way which helps them to deliver their well-being objective to be "an exemplar organisation driving a culture that promotes well-being, equality, and sustainability". This finding indicates there may be missed opportunities to drive progress on achieving organisational objectives through procurement decisions.

Case Study – Cardiff Council

Based on the Act, and other policy drivers, Cardiff Council outlines their six procurement priorities and how they will be delivered through their Socially Responsible Procurement Policy, illustrating the important role of procurement in supporting how a public body can take steps to meet the requirements of the Act. An example of this is their priority "to protect the environment, minimise waste, reduce energy consumption and use other resources efficiently" supporting their well-being objective "Cardiff Grows in a Resilient Way".

Case Study – Caerphilly Council

As an example of good practice, Caerphilly County Borough Council has published their 'Programme for Procurement 2018-2023' which clearly outlines the steps they have taken, and plan to take, to achieve each of their 17 strategic goals. The strategy demonstrates clear consideration for each of the four dimensions of well-being, along with an understanding of how success will be measured, as shown below. Each strategic goal is accompanied by the steps already taken towards achieving it, what success looks like, how this will be achieved and a timescale for when it will be achieved. There is also an acknowledgement that progress will be measured through their service improvement plan.

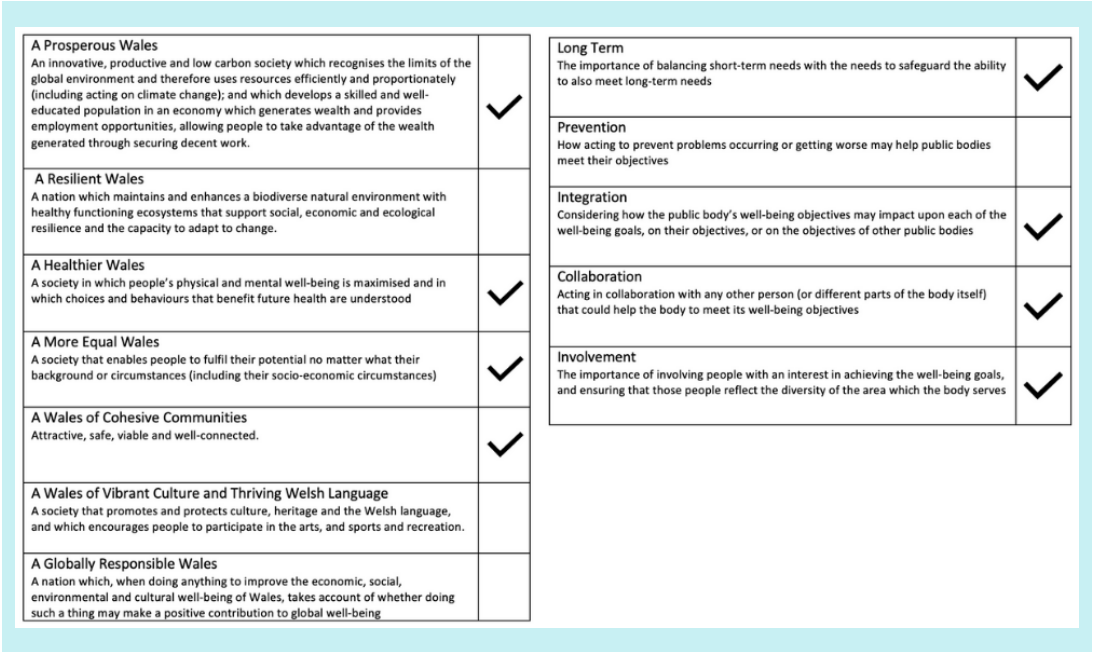
Case Study – Caerphilly Council (continued)

THEME	STRATEGIC GOAL	MOST RELEVANT WELL-BEING OBJECTIVES	ONE ASPECT OF SUCCESS
Environment	Responsible business through procurement activity that works to help and not hinder the duty of care incumbent on us to be fair and considerate in all aspects of our business activities	Objective three - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being. Objective four - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment.	Tangible evidence that procurement activity is supportive of The Well-being and Future Generations (Wales) Act.'

Many Health Boards use the 'Well-being of Future Generations Act Checklist,' developed by the NHS Wales Shared Services Partnership and evidenced within the 'Procurement Services case study template', to demonstrate which of Wales' seven well-being goals and sometimes the five ways of working they consider relevant.

This example of how the 'Well-being of Future Generations Act checklist' has been applied, shows that five of Wales' seven well-being goals and all the five ways of working are considered relevant to this project. This illustrates consideration for how procurement outcomes can deliver some aspects of the Act which is positive, however the implementation of the Act is not being considered holistically as each element of the Act is being considered in isolation.

Also, the checklist does not provide space to explain how the goals are being considered and there is no consideration of the organisational well-being objectives or the four dimensions of well-being (cultural, economic, environmental, and social). Senior leadership should be considering how opportunities to deliver all elements of the Act are considered through procurement activities, utilising the Commissioner's existing tools and guidance to support this.



A Prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	✓
A Resilient Wales 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.	
A Healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood	✓
A More Equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic circumstances)	✓
A Wales of Cohesive Communities Attractive, safe, viable and well-connected.	✓
A Wales of Vibrant Culture and Thriving Welsh Language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.	
A Globally Responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being	

Long Term The importance of balancing short-term needs with the needs to safeguard the ability to also meet long-term needs	✓
Prevention How acting to prevent problems occurring or getting worse may help public bodies meet their objectives	
Integration Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their objectives, or on the objectives of other public bodies	✓
Collaboration Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives	✓
Involvement The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves	✓

In 2019, Cardiff and Vale University Health Board were the first Health Board to announce a climate emergency and have taken measures to introduce sustainable operating theatres. This highlights how procurement can be used to support the delivery of their strategic outcomes and supports the delivery of their well-being objective to 'reduce harm, waste and variation sustainably, making best use of the resources available to us'.

The Commissioner has already given advice to public bodies (Chapter 2, Future Generations 2020 report), as set out below:

- Clearly align financial planning and decisions across the seven corporate areas of change to the achievement of their well-being objectives. The vision provided by well-being objectives should provide a longer-term plan of funding and corporate plans/well-being statements should set out how spending plans will seek to finance their steps.

- Provide evidence in their well-being statements/plans/corporate plans and annual reports on how applying the Act to the corporate areas of change is informing the steps they are taking to maximise their contribution to the goals.

The Commissioner's Recommendations:

- Senior leadership should review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions, setting clear steps that show how procurement is supporting the delivery of their organisational well-being objectives.

The issue: The "procurement system" is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.

Although the procurement process has improved considerably over the last decade, there is still too much focus on process and not outcomes. The Act requires public bodies to focus on procuring well-being with a greater focus on outcomes and measuring what matters.

Another key barrier to sustainable procurement has been that it can cost more at least in the short-term, especially when whole-life costing is not considered, even if it does offer long-term savings and wider 'value'.

Generating community benefits is a long-established concept in the Welsh procurement landscape; an innovative approach when launched that has supported public sector bodies to consider additional economic and social benefits that can be achieved when tendering large contracts. Throughout the research and formal Section 20 Review, public bodies have shared examples of how they are delivering community benefits through procurement. Public sector organisations, particularly within the housing sector, use the Community Benefits Toolkit to report economic and social outcomes. These outcomes are reported to Welsh Government but the impact of these is often slow to be analysed and is not shared or reported more widely.

Case Study – Denbighshire County Council

In June 2019, Denbighshire County Council established a Community Benefits Hub, designed to provide support and enabling council services to include community benefits in contracts at the earliest opportunity. There is a clear understanding by the Local Authority on how using an outcomes approach to procurement contributes towards their corporate objectives and priorities: i.e., young people, connected communities, environment, and resilient communities. This is a positive example of developing a suitable platform for sharing knowledge and best practice.

The community benefits approach has achieved positive outcomes over many years; however the landscape has changed, and the Act now requires public bodies to move beyond community benefits, which have particularly focused on delivering outcomes that contribute to A Prosperous Wales, A Healthier Wales and A More Equal Wales, and less on areas such as nature and decarbonisation. The Community Benefits Toolkit does not clearly include consideration of the four dimensions of well-being (cultural, economic, social and environmental), organisational well-being objectives, or the application of the five ways of working. The Act requires us to move to spending more strategically to meet a wide set of organisational well-being objectives and in turn the long-term well-being goals for Wales.

Case Study – Flintshire County Council

Flintshire County Council has developed a Social Value Strategy, Social Value Procurement Policy and appointed a Social Value Officer to help them take steps to achieve strategic objectives outlined in their well-being Plan, and embed well-being and wider social value into commissioning and procurement. Their approach is summarised by stating that "Social value looks beyond the financial cost of a service and considers what wider additional benefits to the community can be generated. Implementing the Social Value Strategy will be a key element in delivering the Well-being of Future Generations Act and enable the Council and partners to create new resources for priority work streams". This is an encouraging step which should assist the Council to better meet their objectives although, both in this case and in the development of the 'Social Measurement Framework for Wales', there are opportunities to further reinforce links to the Act by using the language of well-being and sustainability rather than 'social value' which could be construed as relating predominantly to 'social well-being' rather than embedding social, economic, environmental and cultural well-being as the Act requires.

In their efforts to do this and consider wider social value, focusing on contribution to all the well-being goals, the interviews with many public bodies revealed that commissioning and procurement teams are moving away from the community benefits approach.

This builds on the work that has been led by the Welsh Local Government Association (WLGA) over the last 15 months, working with local authorities to develop a new social value measurement framework for Wales. The Welsh National Themes, Outcomes and Measures (TOMs), led by the WLGA was launched in November 2020 and provides organisations with a social value measurement and management framework which is aligned to the seven national well-being goals and allows them to consider how their procurement decisions also contribute to their own well-being objectives.

We welcome the development of a framework that takes a more holistic approach to measuring social value and well-being, aligned to the Act. It is not however currently clear whether this approach should be, or will be, adopted consistently across Wales and there is currently a lack of national guidance on this. Any framework that is put in place will need to ensure sufficient resource and skills for managing contracts to ensure that efforts to embed the Act into procurement is followed through and measured; many public bodies expressed concern that this currently is not the case.

Welsh Government reported that they are focused on achieving consistency with measuring social value and the Act, however, there remains no mechanism in place to do this, and no consistent approach for clearly monitoring and reporting how procurement spend is meeting public body well-being objectives or the seven well-being goals.

This requires long-term cultural change across public bodies. Most interview participants (procurement professionals, finance, and respective team members) emphasised the need for, and a desire to, work towards achieving this cultural change to deliver wider social value and outcomes aligned to the Act.

The Commissioner's Recommendations:

Once a mechanism or tool is developed and adopted by Welsh Government (as recommended above), each public body should be using it to clearly monitor and report on its activities, both in individual procurement exercises and overall, how their procurement spend is meeting their well-being goals and objectives.

- This should be reported within the annual reports on delivery of their well-being objectives.
- In order to avoid confusion of language, and link clearly to the statutory requirements of the Act, the terminology should be revised to mirror the language of the Act.

The issue: There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

There are some structures for peer-to-peer support, collaboration and learning across Wales, such as the local government Heads of Procurement network, Welsh Government Sponsored Bodies Procurement group and NHS Wales Shared Services forum, but they lack national coordination and support especially to facilitate collaboration across different sectors, e.g. local government and health. Representatives from the public bodies, who participated in the Section 20 Review, consistently acknowledged there needs to be better alignment and opportunities for communication and closer collaboration across the Welsh public sector. This builds on the phase 1 research findings published in the 'Spotlight on Procurement' chapter of the Future Generations Report 2020.

Collaborative arrangements seem to be in flux since the changes announced to the NPS (in 2018). This lack of coordinated and practical support for collaboration means that:

- Opportunities for sharing information and learning are limited and don't involve a wide cross-section of organisations or partners
- Examples of innovation and good practice are not shared, or encouraged to be adopted, as widely as they could.

Evidence from public bodies shows that there are many frustrated champions, who believe in the wider power of procurement working to deliver positive procurement outcomes, often without wider organisational or leadership support.

However, lessons from these outcomes are not always being applied throughout frameworks and collaborative procurement, leading to a gap between the potential and actual outcomes being achieved.

There was a consensus that communication and agreement between Welsh Government Ministers and commissioning on high level priorities is key. For example, if austerity drives the need for 'lowest cost' as a priority this will restrict the ability (and mindset) to source locally and more sustainably and consider more innovative approaches. When there is a clear motivation for more local sourcing and sustainable outcomes it forces the organisation, not just the procurement profession, to think differently about the end-to-end procurement process. In other words, the extent to which the Welsh Government sets the narrative and shows leadership from Ministers, to the individual actions of departmental officials in this area, is critically important. It is not clear how this is communicated, understood or monitored consistently across Welsh Government and there are examples of where direction from Welsh Government has been counterproductive in encouraging other public bodies to take steps towards sustainable procurement.

There is a wide perception that communication on decision-making between UK Government and the Welsh public sector is poor. For example, there remains uncertainty over major political milestones such as Brexit and Wylfa leaving little time to budget and plan appropriately - these require significant investment and upfront planning which affects spend categories such as schools, housing, infrastructure, and food.

Some participants felt that further funding is required to implement "FG requirements" – i.e, a 'sustainability budget'. Some public bodies felt they struggle to identify where opportunities to consider the Act are missed and do not know which type of resources are needed to support this (this was similar to a finding noted in the research phase published in the Future Generations Report 2020 recommendations).

However, whilst I agree that there needs to be a clear and consistent narrative from Welsh Government which emphasises the new requirements to consider long-term 'well-being spend,' alongside appropriate recognition of this in funding allocations and requirements that are placed on public bodies, I do not agree that the answer is sustainability budgets. What is required is longer-term cultural change towards well-being budgeting rather than short-term one-off allocations which have the result of working against a fundamental shift in attitudes towards how we spend public money in Wales.

Case Study – Wrexham County Borough Council

Wrexham County Borough Council are currently collaborating with Glyndwr University on systems leadership to improve the joining-up between services, resulting in a 'can do mindset' being established. However, during discussions, the local authority expressed that the Act is sometimes perceived as an additional 'statutory thing' rather than a strategic framework to achieve cultural change.

Throughout the interviews with public bodies there have been some good examples of innovative thinking and how collaborative procurement has helped to combat the pressures with individual budget constraints and further demonstrate consideration for the Act.

To take steps to meet the requirements of the Act, procurement teams have been working collaboratively with other departments, sectors, and organisations across regions. For example:

Case Study – Powys County Council

Over the last 3 years, the Home Grown Homes project, led by Powys County Council has worked to identify and test interventions that, if applied, could have a transformative impact on the Welsh timber construction supply chain in particular, and on the delivery of low carbon social housing in general. The project is funded by Welsh Government and the EU Rural Development Programme and delivered by Wood Knowledge Wales with Cardiff Metropolitan University, Coed Cymru and BM TRADA. The project report states that "now is the time for implementation at scale and in a manner that addresses the economic shock of Covid-19 to deliver meaningful green manufacturing, construction and forestry jobs together with Net Zero Housing at scale and supplied from Welsh manufacturing and forest industries."

Case Study – Flintshire County Council and Denbighshire County Council

Flintshire County Council and Denbighshire County Council have a long-standing collaborative procurement service. Representatives from Flintshire County Council explained that this was originally established due to procurement roles not being filled in either Local Authorities, and the organisations collaborated to deliver their joint vision which is to:

- Implement a shared, skilled and excellent corporate procurement service that ensures the required support for the two organisations and individual services in delivering corporate and service objectives and efficiency targets;
- Maximise procurement savings for the benefit of the residents and businesses of Denbighshire and Flintshire;
- Develop professional capacity and resilience to create a top performing procurement team, delivering organisational benefit and personal professional development for the team.

The discussion with Flintshire County Council highlighted that the agreement promotes a 'Can Do mindset' due to the scope of activities included in (day-to-day management, policy, advice, compliance and liaison). But maintaining the relationship is not without challenges, primarily due to the different priorities in each Local Authority. This collaborative working is to be commended but trying to align the two organisations' priorities may result in missed opportunities for procurement outcomes to contribute to their individual organisational well-being objectives.



Case Study – Cardiff and Vale University Health Board

Cardiff and Vale University Health Board has developed a good example of long-term planning, effective communication and sustainable sourcing - a Memorandum of Understanding (MoU) has been organised through the Public Service Boards to help formalise relationships between the Health Board and the third sector. One such initiative taken to implement this MoU specific to procurement, to protect and grow the £7 million annual spend on contracts in the third sector, was to provide training for third sector organisations on the Light Touch Regime in procurement. The Health Board currently has 35 contracts in place with third sector organisations, over four years, which has led to creating new jobs and expansion of welsh suppliers to support their service provision.

These examples highlight the need to involve other departments, organisations, sectors and suppliers at a pre-procurement stage to deliver outcomes that maximise contribution to organisational well-being objectives, and the seven well-being goals through applying the five ways of working.

Case Study – InFuSe – Innovation of Future Public Services

InFuSe is a research led collaboration between Cardiff Capital Region (with Monmouthshire leading), Y Lab (Nesta) and Cardiff University. The Wales European Funding Office project aims to help public sector workers develop skills that can better support communities and accelerate decarbonisation in the Cardiff Capital Region. The programme will target new capacity for innovation around experimentation, better use of data for decision-making, and targeted procurement to solve shared regional challenges, primarily across the region's ten local authorities. The three core workstreams for the programme are:

- The Adaption Lab - supporting officers to design and deliver experiments that test potentially scalable solutions to regionwide problems.
- The Procurement Lab – supporting officers to learn, develop and test new processes and methods for procuring innovative products and services that produce better outcomes for people who use and deliver services against the two thematic areas.
- The Data Lab – supporting officers to better collect, manage, analyse, understand and make more effective use of data in decision making.

The Commissioner's Recommendations:

- The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and implementation. In collaboration with others Welsh Government should review existing groups and networks to better coordinate activity across local government, health, PSBs and regions, along with the third sector and private sector.
- Public Services Boards should prioritise how they can collaborate and use spend to maximise social value, contribute to their well-being objectives, and improve well-being on a local level.



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3.4. The Impact of Covid-19 – Challenges and Opportunities

There is no doubt that the impact of Covid-19 has been significant on all public bodies and led to both positive and negative developments in procurement. Whilst there have been some examples of innovation and good practice, linked specifically to procuring during the pandemic, as a whole the steps public bodies are taking to meet the requirements of the Act has plateaued during the Covid-19 crisis period often due to ongoing challenges being exacerbated. Generally, this has been due to reduced capacity, lack of understanding, resource challenges and constraints, and a general lack of central support, the latter being consider essential by participants when considering the recovery phase.

Some of the main issues and challenges reported by public bodies during discussions were:

COVID-19 Challenges

Resource and Capacity Challenges

Resource and capacity have become even more of an issue during the crisis period affecting procurement and especially contract management and capacity to ensure the procurement process and contract management system captures all potential areas of social value.

Some public bodies reported high levels of staff on sick leave during this period and smaller public organisations appear to have faced greater negative impact due to the proportion of resource taken away from the day job when responding to the Covid-19 crisis. For example, one local authority reported that responding to Covid-19, meant that 10 from a team of 16 employees were diverted from daily tasks. This has meant that some [innovative] projects have been paused and, in some cases the additional burden on staff to manage both normal daily activity and Covid-19 related activity means that significant pressures have been placed on staff – with a fear of 'burn out'.

Time pressured procurement

The urgent need to re-think approaches to procurement to centralise and urgently scale up the supply of products and services required for Covid-19 sometimes meant that internal communication and consultation has been impacted. This has slowed down some procurement and shortened procurement pipelines, leaving less time for suppliers to prepare.

Public bodies reported that the urgency for supply and some relaxation of some procurement regulation meant that they were better able to prioritise local spend and support local communities, while others struggled with establishing supply chain voids and knowing how to reach out the local market quickly. This varied dependent on the type of product or service being procured. This point also relates back to the issue on capacity and resource.

Public bodies with lower spend and high-level uncertainty (power to purchase) found that they do not offer sufficient investment to convince suppliers to have a strategic change of direction, i.e, they were not able to offer suppliers a higher sense of longer-term security.

Embedding well-being and social value

The response to the Covid-19 crisis has brought contrasting results when it comes to achieving social value. As a whole, prioritisation of the Act has reduced during Covid-19; procurement teams have had to contend with supply voids, short timescales and staff sickness. However, there have been some examples where Section 20 Review participants felt well prepared and didn't feel they needed to compromise on considering well-being objectives or delivery on the Act.

Projects Paused

Some public bodies reported that procurement spend has been reduced during the crisis with many new and innovative projects being put on hold leaving less opportunity to embed social value. But there have been examples of good practice where local suppliers have been deliberately sourced to provide goods and services necessary for the crisis period. This is especially relevant in the procurement of medical equipment (PPE, hand sanitiser).



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Case Study - National Library of Wales

During the Covid-19 pandemic, the National Library of Wales decided to cancel the procurement of a £4million project to build a storage facility as part of the national broadcasting archive. The funding for this is being invested in things that deliver community engagement with culture and heritage through digitalisation. This approach has been welcomed by the Heritage Lottery and contributes to their well-being objective to "deliver new ways of interpreting our collections to a wide range of audiences". In addition, this procurement outcome reflects the changing needs of Welsh citizens in response to Covid-19 where loneliness during periods of self-isolation has had a negative impact of people's mental health.

COVID-19 Lessons Learned & Opportunities

Although there has been little time, if any, to capture lessons learned during the crisis, it is important to consider how we can learn from the positive action during this period and take these lessons forward over the long-term. The Covid-19 learning project has been underway by Audit Wales' Good Practice Exchange and the Institute of Welsh Affairs (IWA) is seeking to learn from this period.

Some initial feedback to highlight includes:

Embedding well-being and Social Value

Some participants felt well prepared and did not feel they needed to compromise on well-being objectives or delivery on the Act because of Covid.

Strategically Elevating Procurement

There is a widely held view that the perception of procurement within the organisation has improved since Covid-19; procurement has been a critical function in terms of how public bodies have had to respond with opportunities to demonstrate how it can support delivery of key outcomes. Greater focus on outcomes over process is illustrated by Velindre NHS Trust who reported a higher drive towards achieving more value-based healthcare recognising the impact of procurement decisions from the patients' point of view with end users being more involved in product design.

Accelerating Innovation

Dearth in the supply market for PPE and other emergency products, has meant that Covid-19 has provided an opportunity for innovation in procurement with more focus on outcomes than process.

For example, building on the success and lessons learned from initiatives such as "Better jobs closer to home", the Foundational Economy Challenge Fund has enabled experiments in the more challenging aspects of procurement such as through social care with lessons being shared through a Community of Practice (CoP) forum with the aim of developing and scaling-up similar projects across Wales. One important message that has become clear during the pandemic is the need to support Welsh small and medium-sized enterprises to be more resilient, able to scale up quickly, to diversify and to grow.

Sector Engagement

Discussions with the public bodies during the Section 20 Review showed that opportunities for more local sourcing has meant there has been greater motivation for public bodies to engage with third sector partners who have historically been perceived as weaker links around the table. But since Covid-19, their unique position and closeness to serving local communities has changed the dynamic and attitude.

Workforce Mobility

The pandemic period has demonstrated that most procurement work can be managed electronically without the need to travel, with the same objectives within reach. This could offer opportunities for a more agile approach to collaborative procurement that have yet to be explored.

Budget Silos

[Outside of procurement] the crisis has accelerated the need for public organisations to better understand 'what is value?'. Increased costs of sourcing locally may represent long-term better value for money as it is important to weigh up other factors such as logistics costs, whole life cost, and to factor in whether a higher cost product achieves wider or more longer-term benefits to the local economy. Local suppliers are also closer to understanding local needs.

Legacy Building

Covid-19 has demonstrated that a lot can be achieved in a short space of time which has prompted procurement professionals to work with others in the organisation to review how to procure differently, to understand the impact of the scale and scope of change when interventions are possible. Legacy building and understanding tools and techniques for capturing value is key going forward; participants quoted examples (e.g., face coverings) to understand what can be done when cost is not a priority driver.



Procurement of personal protective equipment (PPE)

There have been examples of Welsh manufactures adapting their capabilities to develop local supply chains for PPE and other emergency products during the pandemic.

- One of the first examples in Wales was the Royal Mint, a producer of coins, who adapted their manufacturing capabilities and created a medical visor, gaining mass production approval within 48 hours. The medical visors are being supplied to hospitals in Wales.
- Local gin producers Hensol Castle Distillery adapted their manufacturing capability in response to Covid-19 and supplied the health board with hand sanitiser.

The Auditor General for Wales stated that "although the bulk of PPE came from international suppliers, the Welsh Government and NHS worked with Welsh manufacturers to develop local supply chains. Welsh Government officials told us that this involved collaborative working within the Welsh Government, NHS and Industry Wales through the critical equipment requirements engineering team (CERET)." This collaborative approach during the crisis is welcome and should be built on over the long-term as we look to recover from the pandemic.

COVID-19 Concluding Statement

Due to the pervasive nature of the pandemic, and the significant role of procurement, it has been important to understand the opportunities and challenges experienced by public bodies when considering the Act during the procurement process.

The response to Covid-19 has demonstrated that procurement can deliver ambitious and innovative outcomes, in a time-pressured environment, sometimes with reduced capacity. Looking towards a Covid-19 recovery, it is important for this good practice is scaled up, reflecting upon the lessons learned.

Equally, the impact of Covid-19 has drawn attention to the existing barriers to delivering procurement outcomes in line with the requirements of the Act, including an absence of organisational buy-in, leadership involvement and engagement (both with the Act and with procurement), having insufficient resources and capacity, along with the challenges navigating what has become an increasingly complex landscape.

The lessons learned from Covid-19 appear to have accelerated change with special attention to working digitally and working from home leading to greater environmental benefits. In procurement there has been improved collaboration horizontally across public bodies and vertically between public bodies and the local supply market. It was noted by some public bodies that while they are keen to continue with the changes made, there is a fear that business will revert to normal pre-covid times.

As we emerge from the pandemic and meet head on the economic and social fallout, it is critical that we do not lose sight of the advancements made and that procurement continues to develop. There is more of an imperative than ever for the Welsh Government to address the barriers to implementing sustainable procurement, to ensure that public money is spent in a way which drives wider benefits towards those further from the labour market, towards meeting our decarbonisation targets and towards the regeneration of communities worst hit by the crisis.

04 RECOMMENDATIONS FOR WELSH GOVERNMENT

These Recommendations are designed to promote and sustain positive change, but to have maximum effect they need to be considered expeditiously. The Recommendations were put together on the basis they can, and ought to be achieved, within the next 12 months, i.e before end March 2022.

Issue highlighted:

Welsh Government has failed to show clear joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies well-being objectives).

Recommendations to Welsh Government

- Welsh Government should establish a Procurement Centre of Excellence for improving coordination, collaboration and providing practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act. Development of this Centre of Excellence would require a comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation.

- The new Programme for Government should clearly set out how Welsh Government will provide strategic leadership and commitment to supporting and achieving wider outcomes from procurement, using language that is consistent with the Act.

- Welsh Government's new Procurement Policy Statement should clearly demonstrate how it will support public bodies to deliver the aspirations of the Act in public sector procurement in Wales. This Statement, along with progress to deliver the commitments, should be reviewed and reported annually.

- Welsh Government should ensure all future national procurement frameworks align with, and contribute to, the seven national well-being goals and apply the five ways of working set out in the Act.

Further advice on how this could be achieved:

We would strongly advise that this Centre of Excellence is not developed by civil servants alone, but should be done in collaboration with the wider procurement community and external experts, with Ministerial oversight. Welsh Government should involve a holistic range of organisations who bring knowledge and expertise of each of the national well-being goals as well as relevant professions. This structure could have oversight from the Office of the Future Generations Commissioner but as a minimum should have a clear link.

The Centre of Excellence will:

- Act as a central portal to coordinate and support cross-sector collaboration and implementation.
- Report outcomes delivered through procurement on a regular basis.
- Provide feedback to public bodies on good and bad practice.
- Support and enable shared learning amongst public bodies that drives improvement in line with the Act.
- Provide on the ground practical support for the procurement profession.
- Raise the profile of procurement, giving agency and authority to procurement professionals supported by senior-level commitment.

Welsh Government should establish the Centre and set clear outcomes (in agreement with others), reporting annually on how these are being delivered.

Welsh Government's Centre of Digital Service is an example of a 'mechanism' designed to provide guidance, training, standards, collaborative networking and hands-on practical help to the Welsh public services. A similar approach could be taken for procurement.

The Foundational Economy Challenge Fund, Centre for Local Economic Strategies (CLES) work and the development of Welsh National TOMs highlighted in this report are a good starting point. However, there needs to be better integration and more join up between these projects, as well as the provision of additional coordinated practical support for public bodies.

Welsh Government should provide practical guidance, supporting public bodies using national and/or regional frameworks to contribute to the seven national well-being goals and apply the five ways of working set out in the Act.

Issue highlighted:

There is poor communication and integration between different Welsh Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground.

Recommendations to Welsh Government

- Welsh Government should review all guidance and toolkits that are currently in place to support sustainable procurement and measure/monitor community benefits and/or social value, and publish a clear plan outlining how these will be revised and consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.
- In order to meet carbon emission targets every public body should set out clearly how they have considered the carbon impact of their procurement decisions and in the case of construction or infrastructure contracts should clearly require schemes to be net zero carbon over their lifetime.

Further advice on how this could be achieved:

The forthcoming Social Partnerships Bill will need to ensure that the new procurement duty placed on public bodies supports them to deliver outcomes that will help them to achieve their well-being objectives and, in turn, the national well-being goals.

A recent Wales Co-operative Centre report provides a useful summary of how existing legislation, policy and guidance supports delivery of social value within the social care sector.

Issue highlighted:

Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.

Recommendations to Welsh Government

- The Procurement Centre of Excellence should review and reform structures for national accountability and establish an appropriate mechanism to scrutinise progress on implementation. Welsh Government should report annually on how overall national public spend is contributing to the national well-being goals.
- In addition, their annual report (on progress with the Act) should clearly set out how all of their own procurement spend, and grant spend, is contributing to meeting their well-being objectives, and in turn the seven national well-being goals.

Further advice on how this could be achieved:

This Centre of Excellence will be connected to key decision-makers including Ministers and public sector leaders, and supported by external advisers with knowledge and expertise of each of the national well-being goals as well as relevant professions. The Centre will have a specific remit to highlight where overall spend across Wales is not aligning or making slow progress to meeting the well-being goals and directing national action to address this.

Issue highlighted:

There is no ongoing monitoring of procurement approaches or outcomes either for the purposes of spotting where things are going wrong, and opportunities are being missed, or for identifying and sharing best practice.

Recommendations to Welsh Government

- The Procurement Centre of Excellence should develop a mechanism or tool to assist public bodies to monitor and report consistently on the Act (possibly building on the work being done on social value and the new TOMS framework) demonstrating how their procurement spend is meeting the well-being goals and objectives.
- Welsh Government should monitor progress by public bodies in Wales. This must be reported within the annual reports on delivery of their well-being objectives for both Welsh Government in respect of the overall outcomes being delivered across Wales and by individual public bodies.

Further advice on how this could be achieved:

Welsh Government should commit to providing support to public bodies (specifically the procurement function) on achieving this.

This could include establishing a Community of Practice for sharing and learning what works.

05 RECOMMENDATIONS FOR PUBLIC BODIES, INCLUDING WELSH GOVERNMENT

Again, these Recommendations are designed with a 12-month (before end March 2022) timeframe in mind, unless stated otherwise.

Issue highlighted:

Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to lack of leadership and strategic approach that recognises the 'power of purchase'.

Recommendations to Public Bodies

Senior leadership should review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions, setting clear steps that show how procurement is supporting the delivery of their organisational well-being objectives.

Further advice on how this could be achieved:

Procurement needs to be 'at the top table'. Public bodies should involve departments and organisations who are involved in, and impacted by, the procurement process when setting well-being objectives (e.g. commissioning, contract management, suppliers and waste management). This could lead to public bodies understanding the broader benefits and steps they can take to improve all aspects of well-being through procurement.

Issue highlighted:

The "procurement system" is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.

Recommendations to Public Bodies

Once a mechanism or tool is developed and adopted by Welsh Government (as recommended above), each public body should be using it to clearly monitor and report on its activities, both in individual procurement exercises and overall, how their procurement spend is meeting the well-being goals and objectives.

- This should be reported within the annual reports on delivery of their well-being objectives.
- In order to avoid confusion of language, and link clearly to the statutory requirements of the Act, the terminology should be revised to mirror the language of the Act.

Further advice on how this could be achieved:

As a minimum, all contracts above £1 million (same as Community Benefits Toolkit) should include an assessment of the outcomes being delivered against the four dimensions of well-being (cultural, economic, social and environmental) or the seven well-being goals and their own well-being objectives.

Public bodies should proactively participate in the Community of Practice for sharing and learning what works.

Public bodies should use the resources published by the Future Generations Commissioner and other organisations.

- Chapter 2 in the Future Generations Report 2020 'A spotlight on Procurement' outlines a vision for public section procurement in Wales with recommendations for all public bodies (including Welsh Government).
- Chapter 4 of the Future Generations Report 2020 focuses on 'Setting good well-being objectives'.
- Art of the Possible 'journeys' for each of the seven well-being goals provide guidance for public bodies on the actions they should be taking. Fair and local procurement is a theme within a Journey to a Prosperous Wales, and ethical consumption and procurement is a theme within a Journey to a Globally Responsible Wales.

Issue highlighted:

There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

Recommendations to Public Bodies

The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and implementation. In collaboration with others Welsh Government should review existing groups and networks to better coordinate activity across local government, health, PSBs and regions, along with the third sector and private sector.

Public Services Boards should prioritise how they can collaborate and use spend to maximise social value, contribute to their well-being objectives, and improve well-being on a local level.

Further advice on how this could be achieved:

Review the impact of existing initiatives and mechanisms (e.g. Knowledge Hub, Foundational Economy Community of Practice, national and regional networks).

Greater peer-to-peer support to harness good practice and drive change across sectors.

The Centre for Local Economic Strategy (CLES) is currently working with five clusters of Public Services Boards in Wales to explore opportunities around procurement, local spend and community wealth building. There should be support to scale this work up across Wales.

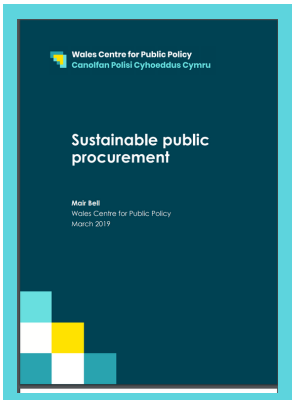
Useful resources and tools, which can help you follow these recommendations:



The Future Generations Report 2020 - This report sets out the Commissioner's assessment of progress made in implementing the Act within the reporting period.

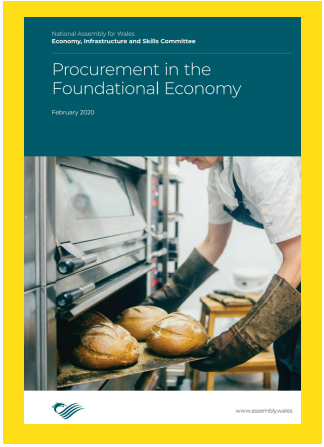
The Manifesto for the Future - This document aims to amplify the voices of young people as we approach the Senedd election in 2021. It sets out the key recommendations that the Commissioner wants to see the next Welsh Government commit to. The Commissioner has called on all political parties to consider these recommendations within their manifesto work.

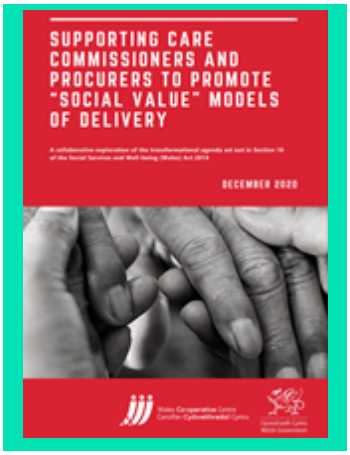




The Wales Centre for Public Policy 'Sustainable Public Procurement' 2019 Report - Outlines how to implement sustainable procurement practices.

Procurement in the Foundational Economy - This report highlights the Welsh Government's ambitions for the role of procurement in Wales, the current role of procurement, and best practice examples.





Supporting Care Commissioners and Procurers to Promote 'Social Value' Models of Delivery - This document is the outcome of work commissioned from the Wales Co-operative Centre by the Welsh Government in mid-2019. The intention was for the work to "influence commissioners and procurers to promote co-operatives and other social value models".

The National TOMs Wales - A framework for social value measurement and management that allows for an unlocking of social value through its integration into procurement and project management. It incorporates all of the requirements of the Community Benefits Toolkit and has been designed to allow organisations to assess their social value contribution to the Well-being of Future Generations Act.



Useful contacts to support you with following these recommendations:

Wrap Cymru

National Social Value Taskforce

National Procurement Service

Constructing Excellence in Wales

Natural Resources Wales

Welsh Local Government Association

Atebion Solutions

Procurement & Supply Chain Knowledge - CIPS

Sustainable Procurement - CIPS

Institute for Collaborative Working

Making Wales a Deforestation Free Nation – Size of Wales

