

Procuring Well-Being in Wales: Future Generations Commissioner for Wales (February 2021)

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 wellbeing objectives.

General Comments on body of text:-

Page	Report Text	Carmarthenshire County Council comment
5	"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."	CCC has updated its Sustainable Risk Assessment (SRA) template to align with the 5 ways of working and 7 Well-Being Goals. The SRA is led by the Corporate Procurement Unit and completed with the lead Officers for all Procurement quotations and tenders over the value of £25,000 (as per the recommendations in the Wales Procurement Policy Statement). These early discussions enable Procurement to understand the procurement requirement and start address the national goals and local objectives through the procurement strategy.
	<p>Summary of Key Findings and recommendations on Procurement" Future Generations Report 2020 –</p> <ul style="list-style-type: none">• Develop leadership that supports a strategic approach to procurement, recognising the 'power of purchase'• Procuring well-being: a focus on outcomes and measuring what matters	<p>All Procurement exercises valued over £25k are addressed with the Act in mind. The SRA is a useful tool to ensure these discussions are carried out earlier enough in the Procurement Process and addressed in the tender specification and procurement approach.</p> <p>CCC has embedded Community Benefits in its tender activity for over 10 years. Most recently a dedicated Community benefits officer has been appointed as part of the Procurement team to drive forward the wider social value ambitions of the Council.</p>

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	<ul style="list-style-type: none"> <li data-bbox="304 300 875 331">• Focussing on longer-term financial planning <li data-bbox="304 595 1032 659">• Promote effective collaboration, with each other and suppliers to improve sharing, learning, capacity and skills 	<p data-bbox="1106 260 1980 547">A recent tender exercise for our Flying Start Childcare Service has been advertised at longer than the traditional 4 years (6.5years) to ensure continuity of service for our families and children accessing the service and for our Programme team to establish longer term links with our providers to deliver a meaningful service. This approach is being considered for other tenders which fall within the Light Touch regime of the Public Contracts Regulations (2015) where great flexibility can be embedded in the tender and awarded contract/framework.</p> <p data-bbox="1106 587 1980 978">The Council leads on a number of significant regional frameworks. The South West Wales Regional Contractors Framework (worth an estimated £1 Billion), the South West Wales Regional Civil Engineering Contractors Framework (worth estimated £300 million) and most recently the South West & Mid Wales Regional Civil Engineering Services Framework 2021 (estimated £36 million). These collaborative frameworks standardise the way all partner public sector organisations engage with the suppliers at call-off ensuring a consistent approach. Procurement also chairs the Contractors Framework Community Benefits Working Group. Working with colleagues across the region to drive the Community Benefits delivered through the framework.</p> <p data-bbox="1106 986 1980 1369">As part of the Council's Foundational Economy Challenge Fund project looking into Community Wealth Building within the County. The Centre for Local Economic Strategy (CLES) were appointed to review the development of a new local/progressive procurement framework for implementation by public bodies across Carmarthenshire (as part of the Public Services Board (PSB)). Two reports were produced, one for CCC on the wider procurement spend and another looking into food production and the supply chain with the Council and Carmarthenshire anchor institutions (Hywel Dda & Coleg Sir Gar & University of Wales Trinity Saint David). Work has commenced between the PSB partners to work together to support this agenda moving forward.</p>

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	<ul style="list-style-type: none"> <li data-bbox="304 300 929 331">• Build on established frameworks, including legal <li data-bbox="304 627 824 659">• Promote a can-do mindset and attitude 	<p data-bbox="1106 260 1991 544">We are continuously reviewing our tendering information and contracts to ensure we push the boundaries as much as possible within the legal regulatory framework. The Corporate Procurement Team have liaised with external procurement legal experts to embed as much as possible in the forthcoming Pentre Awel Zone 1 City Deal Procurement Tender Exercise. In our recent Regional tender for the South West & Mid Wales Regional Civil Engineering Services Framework 2021 we embedded our aims and ambitions for the Act in our tender documentation.</p> <p data-bbox="1106 584 1991 975">We have been keen to understand the impact of our Procurement Activities from the outset in order to maximise the contributions we make towards our Council's Well-Being Objectives. In 2018 we embedded the Act in our Procurement Strategy and in 2019 we worked with colleagues in our Policy team to understand and benchmark how the work we do contributes to the Well-Being objectives then and what actions we needed to do to take this forward in the future. Our Annual report for last year on Procurement was aligned to the Goals and 5 Ways of Working and clearly demonstrates the positive contributions we make as a team working with our departments to deliver the procurement activity.</p> <p data-bbox="1106 1015 1991 1326">Working with the Future Generations Commissioners team we developed Framework Aims and Objectives for the South West Wales Regional Contractors Framework, worth approximately £1 Billion over the 4-year duration. We were mindful as Framework lead we could set the direction for the approach across the region and set out the minimum expectations. We linked up with Constructing Excellence in Wales on their 'Constructing for Future Generations' approach and agreed with our partners to work together to consider the long term impact of our decisions, work better with people, communities and each other.</p>

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		The Act in Carmarthenshire is seen as a wider opportunity than just a Procurement responsibility. This needs to be further developed to ensure the goals and objectives are addressed from the identification of a need way in advance of it being discussed with the Corporate Procurement Unit.
13-15	“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.”	In recent years there has been a lack of practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act from Welsh Government. We support the recommendation of a Centre of Excellence with a required “comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation”.
13	Case Study: Carmarthenshire County Council – Approach with the South West Wales Regional Contractors framework (SWWRCF) and Pentre Awel.	The Council is included as a Case Study of our approach with the SWWRCF Framework to embed the 7 Well-Being Goals and 5 WOW at Framework Level. This is further supported with the Pentre Awel call-off from the framework and the importance placed on the Act throughout the project and tender exercise.
16	“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.”	The Procurement team agrees there are many initiatives coming out from Welsh Government, including the foundational economy, social partnerships, circular economy, social value, decarbonisation and community wealth building which seem to be produced in isolation of one another. Practical guidance is lacking to ensure consistency in approach for all Public Sector organisations. One over-arching guidance on all the different strands would be useful, along with practical tools to utilise these in practice would also be very helpful. The Welsh Government’s Route planner used to provide this to a point but this has been removed from their website and not replaced.
18	Case Study: Carmarthenshire Public Services Board Food Procurement	A further positive Case Study is included on our Foundational Economy Challenge Fund Project recognising how public sector organisations can make a greater contribution to the local supply chain by changing its approach to procurement and doing things differently.

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20	“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 wellbeing outcomes being achieved.”	This is definitely needed to ensure consistency in approach across the public sector which will make collaboration easier in the future.
20	“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.”	Further guidance on the practical implementation of the Decarbonisation Dashboard would be welcomed with examples of how it has been applied to Procurement Tender exercises and subsequent Contract Management.
21	“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.”	In Carmarthenshire we have always seen the merit in working with SME’s to promote opportunities to bid for our work, with a dedicated ‘First point of Contact’ our supplier engagement officer within our procurement Unit. Whilst the Public Contracts Regulations prohibits us from going direct to our ‘local’ supply base we have been mindful of how we Lot of Tenders and through the use of Community Benefits been mindful of the impact we can have on the local economy. This is only going to expand in light of the CLES work and with a closer alignment with our colleagues in our economic development team to understand sector voids in the County / Region and barriers that prevent some suppliers from bidding for work.
21	“....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.”	As a Council we are experienced in embedding Community Benefits in our tenders and have been doing so with great success for many years, in our construction tenders predominantly. Early reviews of the TOMS framework as a region suggests it has merit in some sectors, but in established sectors such as construction where Community Benefits is long established and setting targets by the Public Sector organisation expected, we are reviewing how the TOMS framework will add additional social values - whilst allowing us to dictate the most meaningful targets for our County. Further Case Studies would be welcomed on the use of TOMS in Wales and again Welsh Government’s

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		commitment to the financial side of its usage would also be welcomed as there is a cost to us as an organisation <u>and</u> a further cost to the appointed supplier (for the reporting portal) must be factored into its adoption and roll out.
29	<p>“...many public bodies revealed that commissioning and procurement teams are moving away from the community benefits approach.</p> <p>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 wellbeing goals and allows them to consider how their procurement decisions also contribute to their own well-being objectives.</p> <p>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.”</p>	Any expansion of the Community Benefits approach needs to be developed nationally. We are already witnessing some organisation procuring the reporting tools separately with different options being adopted in parts of Wales. This is confusing to suppliers. We need a consistent approach which demonstrates how it supports organisations in delivering social value and the Act.
33	<p>“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.”</p>	Through our work on the Foundational Economy Challenge Fund project and subsequently with CLES the Council is working with PSB partners to further advance opportunities for collaboration.

Summary of the 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.

Page	Issue highlighted	Recommendations	Further advice on how this could be achieved
38	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).	<p>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.</p> <p>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</p> <p>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.</p> <p>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</p>	<p>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.</p> <p>The Centre of Excellence will:</p> <ul style="list-style-type: none"> • 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.

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			<ul style="list-style-type: none"> • Raise the profile of procurement, giving agency and authority to procurement • professionals supported by senior-level commitment. <p>Welsh Government should establish the Centre and set clear outcomes (in agreement with others), reporting annually on how these are being delivered.</p> <p>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.</p> <p>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.</p> <p>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</p>
	There is poor communication and integration between different Welsh	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	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

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	Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground	<p>consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.</p> <p>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</p>	<p>achieve their well-being objectives and, in turn, the national well-being goals.</p> <p>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.</p>
	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.	<p>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.</p> <p>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</p>	<p>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</p>
	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	<p>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.</p> <p>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</p>	<p>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.</p>

Summary of the recommendations for Public Bodies:-

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

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43	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'.	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.	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.
	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.	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. <ul style="list-style-type: none"> 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. 	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 wellbeing 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.
	There is no mechanism for promoting effective collaboration for public bodies, particularly cross-	The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and	Review the impact of existing initiatives and mechanisms (e.g. Knowledge Hub, Foundational Economy Community of Practice, national and

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	sector to improve sharing, learning, capacity and skills.	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.	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.