



PWYLLGOR CYLLID A PHERFFORMIAD
FINANCE AND PERFORMANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 June 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Hywel Dda Procurement Plan 2026/27
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas - Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Gemma Deverill – Deputy Head of Procurement

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to inform Members of the:

1. The Procurement Plan for Financial Year 2026/27 for Hywel Dda University Health Board.

Cefndir / Background

1. Procurement Plan for 26/27

The Health Board's Procurement Plan for 2026/27 sets out the strategic direction for procurement activity, including key projects, governance developments, and regulatory requirements. It reflects an increasingly complex landscape driven by the Procurement Act 2023, Welsh policy changes, and rising service demand.

The plan builds on work to strengthen regional collaboration, standardise approaches, and improve value for money, including the introduction of value-based procurement methodologies to support better patient outcomes and whole-life value. It aligns with wider organisational objectives on transformation, compliance, and the foundational economy.

Asesiad / Assessment

1. Procurement Plan

This paper outlines the Health Board's Procurement Plan for FY26/27, detailing key strategic projects, regulatory changes, governance developments, and operational priorities. The plan aligns with the Health Board's wider objectives on transformation, compliance and foundational economy.

Strategic Procurement Projects 26/27

A number of critical procurement projects are scheduled for FY26/27, supporting transformation, service sustainability, and statutory compliance:

- Regional Pest Control (HDdUHB/SBU collaboration)
- Regional Risk Management System (HDdUHB/SBU collaboration)
- Patient Service Centre
- WCCIS (Connecting Care)
- Insourcing and Outsourcing Initiatives
- Third Sector Recommissioning Projects
- GMS and Dental Projects

These projects are being delivered in collaboration with clinical, commissioning, digital, and operational leads to ensure alignment with the Health Board's overarching strategic aims, with an increasing focus on regional delivery where appropriate.

The Procurement Team has been working collaboratively with Swansea University, supported by the Department of Health and Social Care (DHSC), to establish a pilot programme exploring the application of a Value-Based Procurement (VBP) approach to Medical Technology and Digital Technology procurement. This work draws on recently published DHSC guidance, with further detail on Value-Based Healthcare (VBHC) principles and proposed methodology provided in Appendix 1.

A programme of targeted workshops is being developed to build capability within the procurement function and to foster a shared understanding of value-based methodologies across stakeholders. These sessions will support a transition from traditional price-focused procurement towards approaches that assess total value across the care pathway, including patient outcomes, experience, operational efficiency and long-term system impact. In line with VBP principles, procurement decisions will increasingly consider whole-life value and total cost of care, rather than lowest upfront cost, ensuring that outcomes for patients and wider system benefits are consistently prioritised

Efficiency & Savings Delivery

Work continues at both a regional and national level to drive savings and efficiencies through standardisation and rationalisation:

- Rationalisation of frameworks across medical and clinical categories (e.g. urology, orthotics, women's health consumables)
- National sourcing initiatives for provisions, catering disposals and patient hydration snacks and hydration.
- Commissioning - Radiology reporting contract extensions delivering significant savings through national negotiation
- Digital (All-Wales) focus on tail-end spend reduction, catalogue leakage and standardisation of hardware (e.g. laptops).

Current Savings Target – National

National Sourcing Category	Savings Target May 2026
National – Clinical	£266,000
National – Hotel Services and Textiles	£97,000
National – Maintenance	£10,000
National – Medical	£108,000
National – Provisions	£40,000
Total	£749,000

The Procurement Team will continue to support and actively drive the identification and delivery of additional All-Wales savings opportunities throughout the financial year, working in collaboration with Health Boards and Trusts to maximise collective impact. Delivery against these targets by the National Sourcing Teams will be subject to monthly monitoring and tracking

Locally, there is increased collaboration with operational teams to deliver efficiencies through:

- Review and standardisation of carriage charges
- Aged debt negotiation
- Loan kit utilisation reviews
- Maintenance contract rationalisation

These initiatives support financial sustainability while reducing variation and improving value for money.

Hywel Dda Procurement Team Savings –

	Apr-26	May-26
Forecast	£ 134,739.95	£ 269,479.89
Actual	£ 227,126.90	£ 64,703.63

The figures presented above reflect all local savings achieved to May 2026, including cost avoidance, income generation, and cash-releasing savings. The figures below represent locally delivered cash-releasing savings and income only, along with the forecast for the financial year.

Full Year	Forecast	Actual
Total Savings	£ 350,720.15	£ 130,004.84

Regional Working

Strengthening regional collaboration remains a key priority for FY26/27. The introduction of a Deputy Head of Regional Procurement role will now provide dedicated oversight across Hywel Dda and Swansea Bay procurement teams.

This role will:

- Drive the regional procurement agenda
- Encourage collaboration and consistency of approach
- Promote sharing of best practice and market intelligence
- Support teams in managing workload and resource pressures

These benefits are further strengthened by the future appointment of a Regional Clinical Procurement Nurse, supported by a Regional Data Analyst, providing dedicated clinical insight and data-led intelligence to inform procurement decisions, contract management, and service evaluation and efficiencies.

A continued focus on regional tendering activity, including areas such as pest control, risk management systems, and WCCIS, will further support this agenda and drive consistent, value-for-money outcomes across the region.

Legislative & Governance Changes

The ongoing implementation of the Procurement Act 2023 continues to have a significant operational impact. Key implications include:

- Increased transparency requirements, including publication of additional notices
- Greater emphasis on planning, documentation, and route-to-market justification
- Increased administrative burden across procurement teams

The service is continuing to develop and refine internal guidance to support Health Board stakeholders in navigating the new regime.

Procurement teams are working more proactively with Clinical Care Groups and corporate services to:

- Ensure awareness of governance requirements
- Provide earlier input into procurement planning
- Strengthen compliance and mitigate risks

Additional policy developments include:

- Welsh Procurement Policy Notes (WPPNs) – including enhanced transparency requirements such as publication of contract award notices and ongoing reporting requirements (including payment and performance data)
- Social Partnership and Public Procurement (Wales) Act – introducing strengthened duties relating to social value, fair work, and collaborative working together with an annual Socially Responsible Reports to be reported by September 2027 for the financial year 25/26.

These requirements, while increasing complexity, support improved governance, transparency, and alignment with Welsh Government priorities.

Compliance & Risk Management

There continues to be pressure on the procurement function arising from urgent and unplanned procurement requests, which can:

- Impact delivery timelines
- Increase risk of non-compliance with procurement regulations and Standing Financial Instructions
- Limit opportunities for strategic procurement input

A continued focus on early engagement, strengthened governance processes, and clearer accountability for procurement planning is being reinforced across all directorates. The procurement team is also increasing its visibility and support to service areas where historically engagement has been more limited.

Contract Management and Operational Focus

Contract management is a key area of focus for FY26/27, with an increased emphasis on ensuring that all Health Board contracts deliver the requirements as set out in the contract and demonstrates value for money throughout the lifecycle.

This programme is being progressed jointly across Procurement, Finance, and service areas, with the aim of strengthening assurance, accountability, and performance management across all contracted activity, enabled through the use of technology to improve data visibility, performance monitoring, and reporting.

Key priorities of the programme include:

- Targeted focus on the top 100 contracts within the Health Board, based on value and strategic importance, ensuring proportionate oversight and consistent application of contract management principles.
- Full adoption of the All-Wales Contract Management Framework and supporting toolkits, embedding standardised processes and expectations across all contracts.
- Ensuring that every contract has a clearly identified contract manager, with defined responsibilities and accountability for contract delivery.
- For strategically important or high-value contracts, formal contract management groups will be established, comprising service representatives, Finance, Procurement, key stakeholders, contract managers, and service users as appropriate, to provide robust oversight throughout the contract lifecycle.
- For lower-value or less complex contracts, ensuring as a minimum that an identified contract owner is in place, with responsibility for overseeing performance, compliance, and delivery of contractual requirements on a regular basis.

The programme is focused on reinforcing a clear and consistent message: that the Health Board is achieving value for money, receiving the service it is paying for, and holding suppliers to account for delivery.

In addition, there is a renewed focus on supplier engagement and innovation, particularly within the medical and clinical existing supply base. As part of the programme Suppliers are being actively encouraged to:

- Work in partnership with the Health Board to bring forward innovative and value-based solutions and service improvements
- Identify opportunities to deliver additional value, improved outcomes, or more efficient ways of working

To support this, Procurement is working in partnership with Digital Services to better utilise available data and intelligence, bringing together multiple data streams and progressing the development of a new AI-enabled contract management tool to support real-time oversight. This will provide:

- Timely, robust performance information
- Improved visibility of contract utilisation, demand, and outcomes
- Enhanced evidence to support informed decision-making and appropriate challenge where required
- Effective contract monitoring.

This data led and technology enabled approach will strengthen assurance, enable more proactive contract management, and support the Health Board in demanding consistently high-quality performance from its suppliers. Overall, the programme will ensure that contract management is not solely focused on compliance, but acts as a key enabler of value, performance, and continuous improvement, ensuring the Health Board not only gets what it pays for, but secures the maximum possible benefit from its commercial arrangements.

Procurement continues to operate within an increasingly complex and evolving environment, with rising regulatory requirements and service demand. Despite these challenges, the function is continuing to:

- Deliver key strategic and transformation projects
- Strengthen regional collaboration and leadership
- Embed new legislative requirements

- Drive efficiencies through standardisation and national alignment
- Continue to support the Welsh foundational economy through procurement activity and Welsh Government Net Zero ambitions.

The focus for financial year 26/27 will remain on supporting the Health Board to deliver safe, effective, and sustainable services, while maximising value and ensuring full regulatory compliance.

Argymhelliad / Recommendation

Finance and Performance Committee (FPC) is asked to scrutinise and recommend for Board to:

- **NOTE FOR INFORMATION** the Procurement Plan Financial Year 2026/27.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	Not Applicable
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termiau:	Not Applicable

Glossary of Terms:	
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Not Applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not Applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable

Cydraddoldeb: Equality:	Not Applicable
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