

## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 February 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Community Wealth Building
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Huw Thomas, Director of Finance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Trafodaeth/For Discussion

### ADRODDIAD SCAA

#### SBAR REPORT

##### Sefyllfa / Situation

Hywel Dda University Health Board (HDdUHB) has commissioned the Centre for Local Economic Strategies (CLES) to develop the UHB's role as a key anchor organisation, as part of a Community Wealth Building approach with an initial focus on progressive procurement.

The final report (attached at Appendix 1) follows an interim report which was presented to Finance Committee at its meeting on 26<sup>th</sup> January 2021, and includes a high-level market, spend and gap-analysis. The report includes a summary of key findings from interviews with the Health Board's Procurement Team and senior staff, and makes recommendations relating to the development of a progressive procurement agenda within the UHB.

A Procurement Strategy will be presented to the Committee at its meeting to be held on 23<sup>rd</sup> March 2021.

##### Cefndir / Background

Community wealth building represents a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

The national commitment to a wellbeing economy has led the UHB to consider how NHS procurement could, together with the spend of other key anchor<sup>1</sup> institutions, be flexed to contribute to a 'made-in-Wales' supply chain in order to support employment and the local economy. There is significant potential for NHS spend to be used at scale to benefit the local economy and to contribute to its recovery and reform within the context of the economic challenges presented by COVID-19, and in so doing address the wider factors which determine the health of the local population.

CLES is currently engaging with Carmarthenshire County Council in the development of a progressive procurement framework with an additional focus on food procurement across

<sup>1</sup> Organisations which can exert sizable influence through their commissioning and purchasing of goods and services, through their workforce and employment capacity, and by creative use of their facilities and land assets. Positive use of these aspects can effect change within the wider economic, social, and environmental determinants of health.

Carmarthenshire County Council, HDdUHB and University of Wales Trinity Saint David / Coleg Sir Gar. Collectively this project, alongside existing work, provides an opportunity to deliver impactful change across Carmarthenshire and HDdUHB's wider geographical footprint. Recent procurement challenges associated with the pandemic underscore the need to nurture local supply chains and opportunities in a way that takes a whole system view of procurement, considering not only cost, but resilience and wider wellbeing.

CLES has undertaken a strategic review of the UHB's corporate documentation and current procurement strategy, and has reviewed evidence, including analysis of the local economy and evaluation of spend and gap. CLES has also conducted internal stakeholder interviews to elicit further detail regarding various aspects of current procurement practice, to explore at a more granular level specific supply chain opportunities, and to develop a better understanding of the future profile of planned spend on both a regular/ recurring and project basis.

### Asesiad / Assessment

Recommendations made in the final report relate to the following actions:

- The creation and promotion of a cross-cutting Community Wealth building approach;
- A review of opportunities to localise spend;
- Further development of market engagement processes;
- Development of a local, strategic approach to procurement.

Future phases of work will:

- Support the development of a bespoke Procurement Strategy and Social Value Framework for the UHB, including working with other stakeholders to develop the tools and processes to embed this, including quantifying benefits and reporting methodologies.
- Undertake Community Wealth Building diagnostics for the other CWB pillars - workforce, land and property assets and financial assets – to support a more holistic, cross-cutting CWB narrative for the UHB.

A detailed overview of findings is presented at Appendix 2.

### Argymhelliad / Recommendation

Finance Committee is requested to discuss the final report presented and note the next steps.

<b>Amcanion: (rhaid cwblhau)</b>	
<b>Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.2 Provide assurance in respect of short, medium and long term financial performance and financial planning.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability

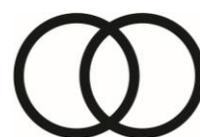
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	9. All HDdUHB Well-being Objectives apply

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	As compiled by CLES
Rhestr Termau: Glossary of Terms:	Explanation of terms is included in the main body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Centre for Local Economic Strategies

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	There is significant potential for NHS spend to be used at scale to benefit the local economy, contribute to its recovery and reform in the context of the economic challenges presented by COVID-19, and in so doing address the wider determinants of health.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not applicable
<b>Gweithlu: Workforce:</b>	Not applicable
<b>Risg: Risk:</b>	Not applicable
<b>Cyfreithiol: Legal:</b>	Not applicable
<b>Enw Da: Reputational:</b>	Not applicable
<b>Gyfrinachedd: Privacy:</b>	Not applicable
<b>Cydraddoldeb: Equality:</b>	Not applicable

# DRAFT FINAL REPORT – Feb2021: Community Wealth Building Hywel Dda University Health Board

Progressing Progressive Procurement



**CLES**  
the national organisation  
for local economies

### Centre for Local Economic Strategies (CLES)

Established in 1986, CLES is the national organisation for local economies - developing progressive economics for people, planet and place. We work by thinking and doing, to achieve social justice and effective public services.

[www.cles.org.uk](http://www.cles.org.uk)



CLES is a values-based organisation. These values are embedded in all our work.

<b>Fair</b>	Treating people with fairness and equality
<b>Bold</b>	Devising progressive solutions through pioneering work
<b>Collaborative</b>	Working with others to achieve the best result
<b>Independent</b>	Always acting with integrity
<b>Acting in solidarity</b>	Supporting, nurturing and empowering ourselves and others

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# 1. Introduction

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The Centre for Local Economic Strategies (CLES) is pleased to have been commissioned by Hywel Dda University Health Board (the UHB) to develop the UHB's role as a key anchor organisation as part of a Community Wealth Building approach, with an initial focus on progressive procurement.

As recent work by CLES, The Democracy Collaborative and the Health Foundation<sup>1</sup> has shown, health institutions are considerable anchor organisations with presence and heft within the local economy. Anchors can exert sizable influence through their commissioning and purchasing of goods and services, through their workforce and employment capacity, and by creative use of their facilities and land assets. Positive use of these aspects can affect change within the wider economic, social, and environmental determinants of health.

In Wales, the national commitment to a wellbeing economy has sparked conversations as to how NHS procurement could, along with the spend of other key anchor institutions, be flexed to contribute to a made-in-Wales supply chain, to support employment and the local economy. There is significant potential for NHS spend to be used at scale to benefit the local economy, contribute to its recovery and reform in the context of the economic challenges presented by COVID-19, and in so doing address the wider determinants of health.

CLES is currently engaging with Carmarthenshire County Council on the development of a progressive procurement framework with an additional focus on food procurement across Carmarthenshire County Council, Hywel Dda University Health Board, University of Wales Trinity Saint David / Coleg Sir Gar. Collectively this project, alongside that existing work provides an opportunity to deliver impactful change across Carmarthenshire and the UHB's wider geographical footprint.

This report includes a high-level market, spend and gap-analysis and explores themes relevant to progressing a progressive procurement agenda in the UHB.

## Background

The UHB has an operating footprint across Carmarthenshire, Ceredigion, and Pembrokeshire. It recognises that its role and influence extend beyond the commissioning and delivery of services for the populations of these areas, with a broader role as an agent that can affect economic and social wellbeing by developing closer links between the economy, wealth creation and people. In

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<sup>1</sup> [Building healthier communities: the role of the NHS as an anchor institution](#) (2019) and [Health institutions as anchors: establishing proof of concept in the NHS](#) (2019)

maximising its social and economic impact, in collaboration with other key anchor institutions, there is scope to significantly affect the social determinants of health - the conditions in which people are born, live, and work. In the context of the social and economic challenges that flow from the COVID-19 pandemic, this work is both timely and important.

Recent procurement challenges associated with the pandemic underscore the need to nurture local supply chains and opportunities in a way that takes a whole system view of procurement, considering not just cost, but resilience and wider wellbeing.

## Community Wealth Building

Community wealth building is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

CLES is recognised as the custodian of the community wealth building movement in the United Kingdom, providing both thought and practice leadership in this growing movement for economic change in the last decade. Our ground-breaking community wealth building work in Preston (known as 'The Preston Model') has received international media attention and is influencing policy at a local, national, and European level. It has inspired organisations across the UK, and we have developed community wealth building strategies in more than fifty places. In the Scottish Government's Programme for Government, there is a specific focus on community wealth building, and CLES is also progressing community wealth building projects with the Welsh Government. To accelerate the adoption of community wealth building policy and practice in the UK over the next three years, CLES has established a national Centre of Excellence funded by Barrow Cadbury Trust and Open Society Foundations.

CLES describe community wealth building strategies as having a blend of the following 5 principles:

1) **Procurement** - Progressive procurement develops dense local supply chains of local enterprises, SMEs, employee-owned businesses, social enterprises, cooperatives, and other forms of community owned enterprise. Progressive procurement is locally enriching because these types of businesses are more likely to support local employment and have greater propensity to retain wealth and surplus locally.

2) **Employment** - Often the biggest employers in a place, the approach that anchors institutions take to employment can have a defining effect on the employment prospects and incomes of local people. Recruitment from lower income areas, commitment to paying the living wage and building progression routes for workers are all examples of the actions anchor institutions can take to stimulate the local economy and bring social improvements to local communities.

3) **Land and Assets** - Anchors are often major land holders and can support equitable land development and the development of underutilised assets for community use.

4) **Financial Power** - Community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, rather than by seeking to attract national or international capital.

5) **Plural Ownership of the Local Economy** - At the heart of community wealth building is the principle that wealth is broadly held. Cooperatives, mutually owned businesses, SMEs, and municipally owned companies enable the wealth generated in a community to stay in that locality and play a vital role in counteracting the extraction of wealth.

## 2. Methodology

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The methodology for this work encompasses the following key stages:

- **Strategy review** – a document review of the UHB’s corporate documentation and current procurement strategy.
- **Evidence review** – comprising a local economy analysis, spend and gap analyses.
  - The **local economy analysis** draws on existing work completed for Carmarthenshire Council which mapped the county’s business base and explored sectoral vulnerabilities in the context of CVOD-19 and extends this analysis across Hywel Dda’s geographical footprint.
  - The **spend analysis** explores the procurement spend data of the health board to develop an understanding of where spend is going in sectoral and geographical terms and about the profile of the UHB’s suppliers. This will be supplemented by a **Local Multiplier 3 (LM3) analysis** - a survey of the local supply base to determine the extent of supplier re-spend in the local economy.
  - The **gap analysis** – utilises the spend and market analyses to develop a better understanding of sector gaps/opportunities for development in terms for local service/product availability. This has a sectoral and spatial dimension and includes a focus on emerging areas which show the greatest potential for collaborative action at a local level including, for example, food-related procurement, as well as areas already identified by the health board as areas of potential interest,

including low-level clinical engineering and construction.

- **Stakeholder engagement** - to explore the findings of these reviews, test out our thinking and further develop recommendations for action. We have conducted online one-to-one interviews with the procurement team and senior staff and, after presentation of this report to the Board, will facilitate a workshop with the procurement team – to share the findings from the evidence review, our recommendations in terms of procurement policy and practice and to discuss specific opportunities for localising spend.

## 3. Strategy Review

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### Corporate documentation

Hywel Dda University Health Board is responsible for all NHS healthcare services across Pembrokeshire, Carmarthenshire, and Ceredigion. The UHB's **health and care strategy**<sup>2</sup> (approved in November 2018) set out a strategic vision for services that are safe, sustainable, accessible, and kind for current and future generations across Hywel Dda. The strategy is based on the implementation of an integrated social model of health. It signalled a shift from a previous focus on hospital-based care and treatment toward a focus on prevention and building the resilience of people and communities.

The UHB's locality-based focus, for example the **three-year vision for Carmarthenshire**,<sup>3</sup> also focuses on the development of a more social model for health, and recognises the role of wider socio-economic factors as determinants of health:

*"We know that the contribution of health and care services to overall health and wellbeing is small compared to factors such as education, housing and employment. We must therefore work with partners in an integrated and collaborative way to deliver a more social model for health. The adoption of this social model for health requires us all to think differently and to play our individual part in preventing ill health, living healthier lives and contributing to our communities".*

The UHB's **2019/20 Annual Plan: Turnaround to Transformation**<sup>4</sup> sets out a shared vision, strategic goals, and long-term outcomes. This too is framed around the

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<sup>2</sup>

<http://www.wales.nhs.uk/sitesplus/documents/862/A%20Healthier%20Mid%20and%20West%20Wales%20FINAL%20amended%20-%2028.11.18.pdf>

<sup>3</sup> <https://drive.google.com/file/d/1CNRNZw1fHVWCwjG39U-kpzwqStvSU3v/view>

<sup>4</sup> <http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.3%20Annual%20Plan%202019-20.pdf>

social model for health and stresses the importance of continuous engagement with key stakeholders.

This progressive organisational positioning provides a solid strategic foundation for the types of bold and ambitious practice which characterises a Community Wealth Building approach. As the Plan states: *“Such a model for health presents enormous opportunities for us to think and act differently”*

The emphasis on a whole systems approach *“that focusses on wellbeing and, which involves every part of life that affects our health and well-being”* means the UHB is well placed to look to flex all the levers at its disposal – of which progressive procurement is one - to improve the socio-economic determinants of health and build resilience in both people and communities.

However, the Plan also signals the *“Expectation of continued downward cost pressure from procurement efficiency, and reduced cost from changes”*. It will be important to understand and articulate the strategic role of procurement in supporting the delivery of the UHB’s wider vision and that procurement is not seen solely as a back-office or transactional function, with a broader view of overall value not just cost.

## Procurement Strategy

The UHB’s procurement function has, since April 2011, been undertaken through a partnership arrangement by the procurement services arm of the NHS Wales Shared Services Partnership (NWSSP).

The procurement approach is governed by these national arrangements, with no local bespoke procurement strategy in place for Hywel Dda University Health Board.

NWSSP Procurement Services have a stated aim to *“strive to deliver the goals of the Well-being of Future Generations (Wales) Act 2015 through a holistic approach to its procurement process”*. The published strategy to ensure the organisation is addressing the Act’s goals includes the following:

- Reference to the WFGA within processes, particularly briefing papers.
- Generic reference with tenders to ask suppliers how they will support NWSSP to fulfil the duties of the act.
- A measure of procurement performance within PSMT reporting

Specific procurement practice to address the goals of the act is outlined as follows:

### **NWSSP-PS support to become a more Prosperous Wales**

- Create lotting and zoning strategies which support the local economy and SME bidding. Breakdown product baskets and consider an alternative to All Wales zoning.
- Explore innovative solutions to reduce carbon use.
- Reduce, reuse and recycle where safe and possible.
- Consider guaranteeing a percentage of volume for supplier security.
- Scope dynamic purchasing agreements as a means of opening up the contract within its duration.
- Review duration of framework to encourage innovation.

### **NWSSP-PS support to become a more Resilient Wales**

- Strive for collaboration across HBs and Trusts and other procurement organisations in Wales to drive economies of scale and secure value for money.
- Increase the opportunities for local, domestic sourcing to mitigate the impact of currency fluctuations and changes to the political environment e.g. Brexit.
- Encourage collaborative tendering to support SME participation
- Hold regular supplier engagement events.
- Advertise all opportunities on Sell2Wales.

### **NWSSP-PS support to become a Healthier Wales**

- Take a holistic approach to sourcing to consider prevention and treatment.
- Through tender evaluation methodology ensure products are of optimum quality to aid treatment.
- Set minimum healthcare standards or product specification to guarantee quality. Fail suppliers who do not conform.

### **NWSSP-PS support to become a more equal Wales**

- Standardise products and services across Wales to create equity of healthcare treatment and service.
- Implement community benefits within all contracts.
- Seek opportunities for withholding contracts for disadvantaged groups.
- Use sourcing practices to tackle health inequalities through increasing access to, and quality of treatment for all persons.

### **NWSSP-PS support to become a Wales of Cohesive Communities**

- Engage with voluntary and community groups to support services within the community where appropriate.
- Include community health council members within tender processes
- Reflect diversity within communities when necessary.

### **NWSSP-PS support to become a Wales of Vibrant Culture and Thriving Welsh Language**

- Include reference to the Welsh Language Act within tender documentation. Set requirements within contracts to deliver services in the medium of Welsh where necessary.
- Enlist support from suppliers to celebrate Welsh culture e.g. traditional foods on St Davids day.

### **NWSSP-PS support to become a Globally Responsible Wales**

- Use whole life costing methodology to mitigate environmental impact
- Implement requirements of Ethical Employment Code of Conduct and Modern Slavery Act within tenders
- Purchase products with ethical (environmental & social) certification including fairly traded products
- Ensure suppliers within tiered system of supply are regulated throughout full supply chain
- Encourage HBs and Trusts to limit the purchase of products known to damage the environment.

## **4. Evidence Review**

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### **Local economy mapping and sectoral analysis**

To carry out an economic review which captures the specificities of the local economies in the UHB's geographical footprint, whilst also reflecting the broader national changes arising from the Covid-19 crisis, we have utilised a number of datasets.

To understand the employment and labour market picture, CLES has utilised the most recent Business Register and Employment Survey dataset, which details the number and proportion of employees within a local area working within specific high-level sectors of the economy.

A current proxy indicator for sector vulnerability due to the Covid-19 pandemic is HMRC Coronavirus Job Retention scheme data. Whilst sectoral data for local authority areas is not provided in this dataset, it is possible to create a proxy for the areas covered by the UHB's footprint by using UK-wide sectoral data, which shows the percentage of employees on partial or full furlough leave<sup>5</sup>.

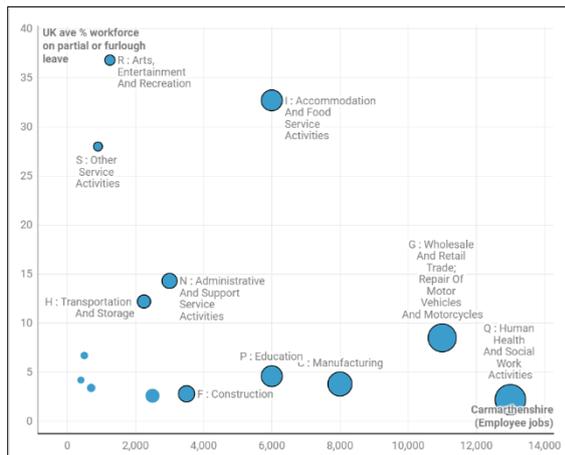
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<sup>5</sup> Data for Wave 20 (30 November to 13 December 2020) has been used in this analysis.

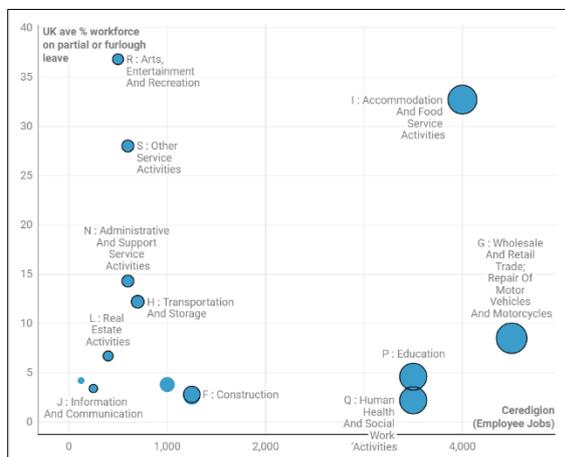
The figures below show the size (total employee numbers) and relative vulnerability of different sectors in the three relevant local authority areas covered by the UHB's geographic footprint.

Across each of the three local authority areas the accommodation and food services sector remains a sector of significant current concern, as it represents a significant jobs base (18,000 employees) and a third of the workforce in this sector are on partial or full furlough leave.

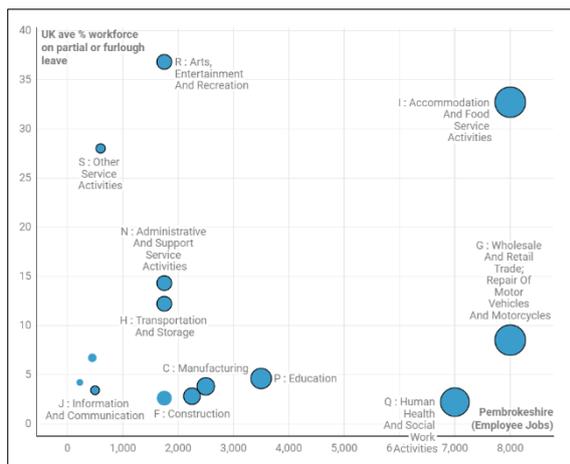
### Sector employment and vulnerability - Carmarthenshire



### Sector employment and vulnerability - Ceredigion



## Sector employment and vulnerability - Pembrokeshire



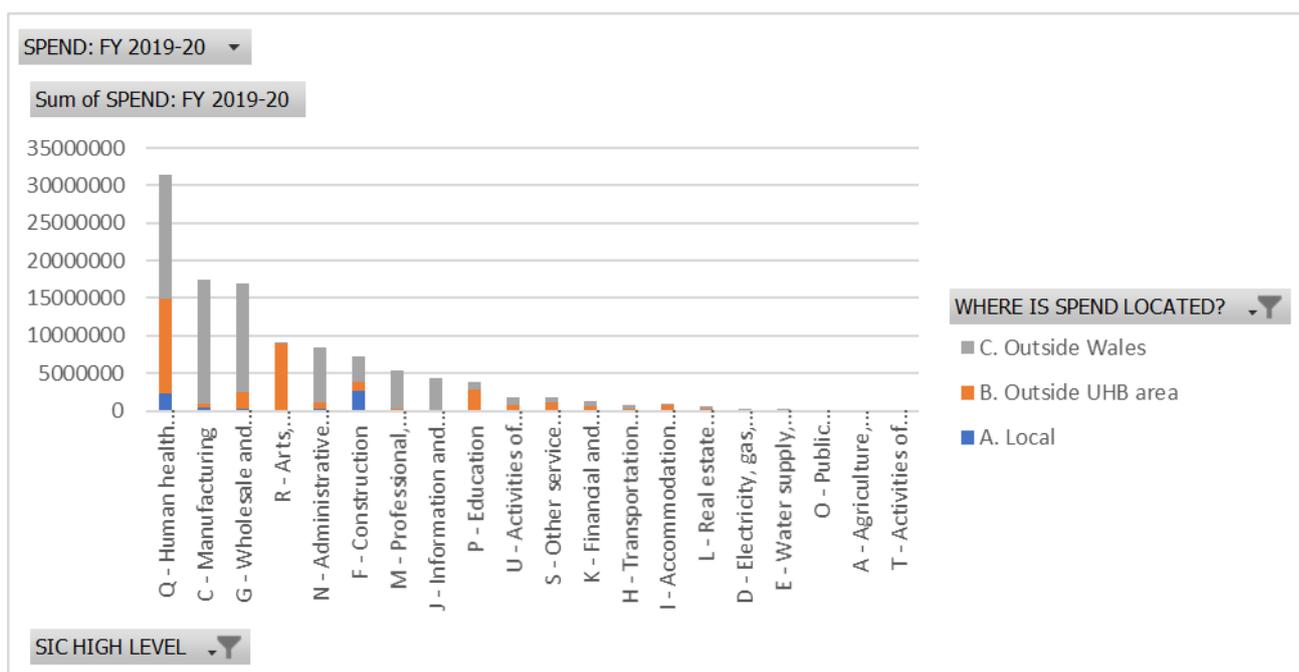
## Spend analysis review and gap analysis

CLES undertook a gap analysis by accessing the UHB's spend data for the financial year 2019/20 (as provided via Atamis) and mapping it against the relevant Standard Industrial Classification (SIC) codes. The 'leakage' of spend from contracts with suppliers which are based outside of Wales was examined and split by high and low-level SIC codes.

It was then possible to examine this spend by low level SIC code and compare this with the potential supply of firms available locally – split by those based within the UHB's geographical footprint and in Wales.

Following this the Companies House data records on the number and location of businesses across Carmarthenshire, Ceredigion and Pembrokeshire and Wales more generally were extracted and cleansed. It was then possible to examine the profile of suppliers (e.g., supplier size) by geography.

## Spend by sector and supplier geography

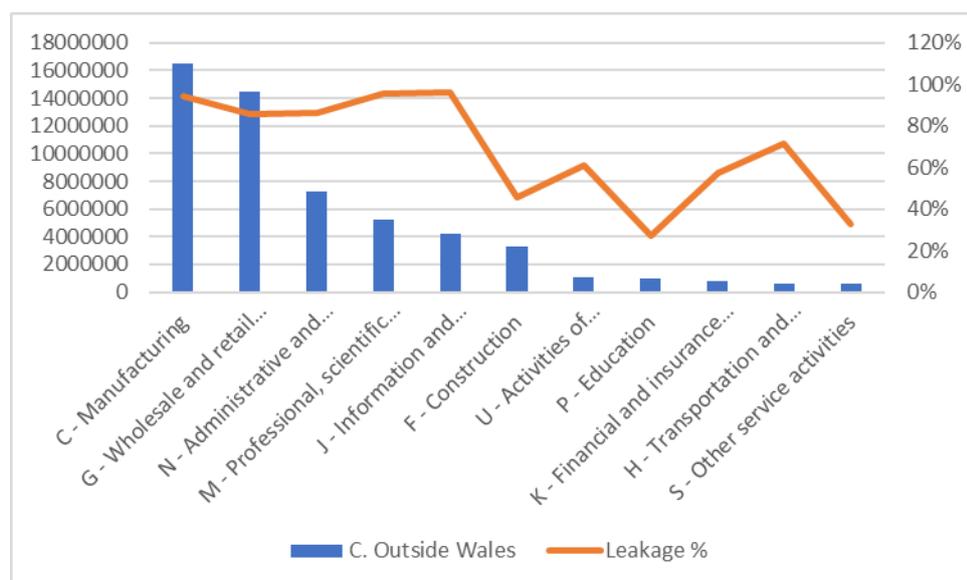


Row Labels	A. Local	B. Outside UHB area	C. Outside Wales	Grand Total
Q - Human health and social work activities	£2,227,351	£12,643,034	£16,467,582	£31,337,967
C - Manufacturing	£497,925	£475,710	£16,501,111	£17,474,746
G - Wholesale and retail trade; repair of motor vehicles and	£286,829	£2,115,250	£14,461,723	£16,863,802
R - Arts, entertainment and recreation	£832	£8,889,137	£8,718	£8,898,687
N - Administrative and support service activities	£272,275	£889,648	£7,294,861	£8,456,784
F - Construction	£2,570,633	£1,338,048	£3,283,171	£7,191,852
M - Professional, scientific and technical activities	£12,750	£222,878	£5,192,686	£5,428,314
J - Information and communication	£4,821	£161,409	£4,184,894	£4,351,124
P - Education	£31,468	£2,736,651	£1,017,909	£3,786,028
U - Activities of extraterritorial organisations and	£0	£702,795	£1,100,768	£1,803,563
S - Other service activities	£13,091	£1,161,949	£565,026	£1,740,066
K - Financial and insurance activities		£562,660	£746,811	£1,309,471
H - Transportation and storage	£54,062	£189,694	£616,613	£860,369
I - Accommodation and food service activities	£17,190	£756,517	£76,944	£850,651
L - Real estate activities	£158,043	£97,685	£337,556	£593,284
D - Electricity, gas, steam and air conditioning supply		£304	£236,537	£236,841
E - Water supply, sewerage, waste management and	£14,443	£25,479	£64,610	£104,532
<b>Grand Total</b>	<b>£6,161,713</b>	<b>£32,971,740</b>	<b>£72,163,005</b>	<b>£111,296,458</b>

The figure and table below show the highest 'leakage' (spend with suppliers based outside of Wales) by sector - as an absolute value and as a percentage of all spend in each sector.

As can be seen, spend with suppliers in the 'manufacturing', 'wholesale and retail', 'administrative and support services', 'professional, scientific and technical activities' and 'information and communication' sectors represent the highest 'leakage' values both in absolute terms and as a percentage of all spending in those sectors.

## 'Leakage' by value and as a percentage of all spend in sector



Sector	C. Outside Wales	Leakage %
C - Manufacturing	£16,501,111	94%
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	£14,461,723	86%
N - Administrative and support service activities	£7,294,861	86%
M - Professional, scientific and technical activities	£5,192,686	96%
J - Information and communication	£4,184,894	96%
F - Construction	£3,283,171	46%
U - Activities of extraterritorial organisations and institutions	£1,100,768	61%
P - Education	£1,017,909	27%
K - Financial and insurance activities	£746,811	57%
H - Transportation and storage	£616,613	72%
S - Other service activities	£565,026	32%

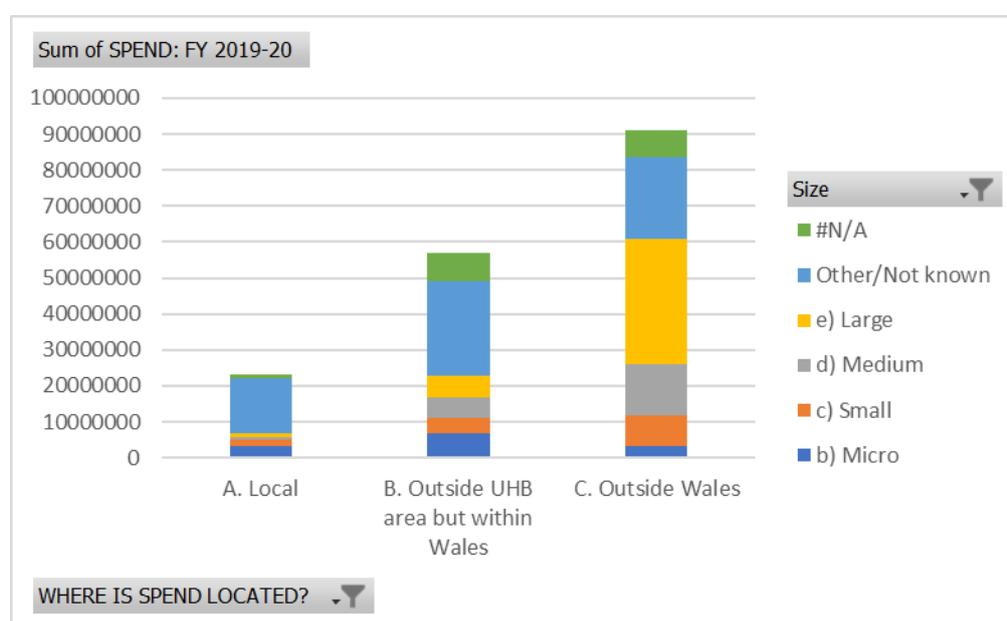
Examining these sectors by low level SIC code and cross-referencing Companies House datasets illustrates the potential local and Wales-based supply. The table presented at Appendix 1 shows the spend outside of Wales on suppliers by low-level SIC code for the highest 'leakage' sectors, filtered for subsectors where leakage exceeds £100k.

It should be noted that this illustrates only a theoretical potential to localise supply. SIC code classifications describe a broad categorisation of a company's business activities – the ability of these companies to meet demand will depend on the specific nature of the commodity or service being procured. However, this provides a useful starting point for the UHB's procurement function to examine relevant contracts and identify opportunities to engage with potential local suppliers. In this respect, close working with the business support and development functions in the three local authorities would be valuable - both in terms of exploring where there is potential to localise contracts and (where local supply is under-developed to meet demand in high areas of leakage) to explore the scope for more interventionist market development or market shaping.

There is existing precedent in this respect, with new local supply opportunities having been developed in low-level clinical engineering to meet the demand for Personal Protective Equipment (PPE) arising from the Covid-19 pandemic. The approach to supplier engagement and support for local businesses to repurpose their capabilities and capacities to meet that demand foreshadows what more is possible if this approach were to be applied to other areas of demand.

Local suppliers are more likely to be SMEs. Where spend is outside of the UHB area, and particularly when outside of Wales, the suppliers are more likely to be large businesses.

**Profile of businesses being procured from – size of business (all sectors) by supplier geography**



## 5. Stakeholder findings

CLES conducted one-to-one interviews with the procurement team and senior staff in the UHB (conducted w/c 4<sup>th</sup> and 11<sup>th</sup> January). The interviewees were as follows:

Alan Binks	NWSSP – Procurement
Paul Buckingham	NWSSP – Procurement
Rob Elliott	Director of Estates
Chris Hopkins	Consultant Clinical Scientist, Head of Clinical Engineering
Huw Thomas	Director of Finance

Anthony Tracey	Assistant Director of Digital Services
Paul Williams	Head of Property Performance

## Summary of key themes arising from the staff interviews and CLES commentary.

### Structure and approach of the procurement function

The procurement approach in Hywel Dda UHB has, since April 2011, been undertaken through a partnership arrangement by the procurement services arm of the NHS Wales Shared Services Partnership (NWSSP).

Whilst the procurement team are part of the shared services partnership (and funded through Welsh Government top slicing of health boards budgets) there remains a strong sense of identity with the health board, with procurement staff seeing themselves as health board staff and regarded as such by colleagues. There is a dotted line in terms of organisational relationships and structure between the procurement team and the UHB's Director of Finance, and this relationship has helped drive a sense of organisational purpose and links the procurement function to the local context and organisational vision. The proactive approach of the Director of Finance has been key to establishing this direction of travel and to raising the strategic aspirations of procurement as a function in Hywel Dda UHB.

That said, in policy and practice terms, many aspects of the UHB's current procurement approach are governed by national arrangements, with purchasing decisions undertaken in accordance with national contracts. Whilst these national processes do include consideration of social value, the procurement team acknowledge that these arrangements can be limiting in the local context. Where social value KPIs are designed and monitored on an all-Wales basis, this limits the ability to really think through opportunities to maximise local socio-economic impact and reduces the agency of local governance arrangements.

Examples were cited of where spending is currently influenceable at a local level. There are also opportunities to influence the design of nationally led contracts through representation on specific category groups. However, where such representation is from a clinical perspective, it is not clear how or whether considerations from a local economic development perspective are surfaced or prioritised in such processes.

There was an acknowledgement from procurement staff of the potential local social and economic impact associated with the UHB's spending power and the further potential that could be unlocked if a more directed, localised approach to spending could be adopted, particularly as part of a coordinated approach with other key anchor organisations locally. Current practice in the UHB includes the routine monitoring of the proportion of spend in each category that goes to Welsh suppliers and to suppliers within the Hywel Dda boundary. Whilst the UHB should be applauded for its approach in this regard, what is less clear is how this

intelligence is used strategically to drive improvements in the percentage of spend locally. Consideration also needs to be given to the type and nature of the supplier base, recognising that some businesses, including cooperatives for example, are more generative for the local economy than others; that a distinction needs to be made between local distributors and producers; and that a more granular understanding of supplier re-spend in the local economy will reveal a richer picture of how the UHB's spend drives local multipliers.

It was reported that there is variation in approach across different procurement departments and sites in the UHB, so an opportunity for more alignment in terms of both policy and practice. This in part reflects the complexity and size of the UHB which spans a relatively large geography and includes four district general hospitals, and the fact that the corporate procurement team is relatively small compared to other health boards in Wales. It is also though a reflection that the UHB is on a journey from procurement being an operational and tactical internal function to one which is directly relevant to corporate strategy.

There was a perception of a tradition of silo working in the district general hospitals and an operational challenge in establishing a common sense of purpose. In CLES' view the development of a local, bespoke procurement strategy and public value framework for Hywel Dda UHB, that is focused on maximising local socio-economic outcomes, provides an opportunity to strengthen alignment to the UHB's corporate vision and provide a focus for a more coordinated and cooperative approach across all buying departments. This needs to be supported by a whole-organisation approach, driven through the senior leadership and governance of the UHB, not solely as an expectation on procurement professionals.

The contribution of a community wealth building approach to addressing the wider determinants of health speaks directly to Hywel Dda's organisational purpose and vision. The development of a more progressive approach to procurement in that context needs to be clearly articulated and advocated for, and this needs to be supported through all the relevant governance processes – for example, the rationale which underpins procurement decisions that consider wider public value and not just cost needs to be clearly articulated and understood by the internal audit function.

## **Relationships with other local anchor organisations**

Developing the UHBs role and influence as a local anchor organisation will be dependent on maintaining and enhancing relationships with other key anchors - in particular the three local authorities that cover the UHB's geographical footprint.

The UHB is an active participant in cross-sector partnership processes, through its formal role as a member on the relevant Public Service Boards, and by engaging in partnership forums, meetings, and discussions with other agencies.

It was felt that levels of engagement and commitment to cross-sector working varied across the three local authorities, with more productive engagement with Ceredigion and Carmarthenshire, and less so with Pembrokeshire. Building on

these relationships with procurement professionals in other anchor organisations and particularly with economic development and business support professionals in the local authorities will be key to creating the overall environment in which the community, social and local economic value of the UHB's spend can be maximised.

Recent joint work with Carmarthenshire County Council and the University of Wales Trinity Saint David to explore the potential for collaboration around food procurement is a positive development, which has begun to surface where there are commonalities and differences in food procurement requirements across these three anchor organisations and opportunities to collaborate on different models which would be more locally economically generative than current arrangements. The UHB is also considering different commissioning approaches to some aspects of provision, including insourcing some delivery that has previously been procured from third party suppliers. The work on food procurement is a good illustration of how procurement can support improved outcomes across a range of domains that are strategically important from a wellbeing perspective – including, public health, food waste, environmental sustainability, and local economic multipliers. Further developing an open book approach to procurement with other anchors could reveal additional opportunities for joint or collaborative approaches to commissioning and procurement in other categories of spend.

The UHB is beginning to recognise its role as a key local economic agent and that close working with the business development functions in the local authorities is necessary to maximise its local economic impact, for example through support and interventions to stimulate the local market.

It is recognised though that there is a time and capacity challenge to engagement across three separate Public Service Boards.

### **Locally focused procurement**

It was felt that there were barriers to local procurement in some categories of spend – for example, in relation to constructions works, the lack of local contractors with the potential capacity to deliver what is required was perceived as a limitation. (However, it is interesting to note that Carmarthenshire County Council's construction spend was 70% with Carmarthenshire based suppliers, and 21% with suppliers based outside of Carmarthenshire but within Wales – only 9% of the Council's construction spend was with suppliers based outside of Wales, compared to 46% for the UHB).

The approach to sourcing and procuring PPE during the Covid pandemic, including working with businesses who could repurpose their usual activity to supply required equipment, foreshadows what more could be possible for other aspects of demand to be produced and supplied locally, through potential supply chain engagement and cooperative working with local authority economic development leads.

The approaches to local business engagement driven by the urgent requirement for certain types of supply during the pandemic should be built upon to create a

positive legacy and a sustained shift in practice and approach going forward. Informal engagement with businesses through a variety of means, including SWARM, WhatsApp groups and other forums, led to offers and contributions from local businesses of whom commissioners were not previously aware of. The approach resulted in, for example, the development of a variant on a CPAP machine with an Ammanford engineering company and utilising an Ammanford based engineering company to supply drip stands for field hospitals. This was a powerful demonstration of the value in shifting from a transactional to a more relational approach to procurement.

The proposed joint function across Clinical Engineering and Research and Innovation is a significant development which will support new forms of supply innovation and open further opportunities in local supply chains. This new joint function will provide a single point of access for local manufacturers to the health board, to support the development of new technologies to deliver improved health outcomes, whilst also contributing to regional wealth. This recognises the critical role of Clinical Engineering and R&D support in enabling local firms to interface with the NHS and to navigate the relevant regulatory and approval processes.

The recent engagement event working with the Federation of Small Businesses is a positive example of proactive engagement with the potential supply chain and this approach could be developed and enhanced with a more forward-looking focus and consideration of the scope for more interventionist market development and market shaping.

## **The UHB's capital programme**

The UHB's capital spending and development proposals provide a significant opportunity to build in social value and sustainability considerations as part of the process of capital planning and proposal development. It is, however, recognised that as with all public sector agencies that are reliant on central government funding, there is an inevitable challenge in responding to capital allocations which may need to be delivered within short timescales. The current timeline associated with annual capital allocations from Welsh Government can mean there are limited opportunities to engage the market. Allocations are revealed in April, which can take until the summer period to develop into infrastructure proposals which then feed through to the procurement process. Developing a more regular, ongoing programme of market engagement to encourage supplier readiness and collaboration, based on a longer-term view of the likely or anticipated pipeline of capital spending could help in this regard.

The business cases for the proposed new building developments represent a significant opportunity to think boldly about how the wider social value benefits from this large-scale investment can be maximised; and to articulate this to Welsh Government. Developing a public value framework linked to a bespoke procurement policy for the UHB would provide a lens through which these benefits could be assessed, measured, and monitored.

# Recommendations

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## **1) Create and promote a cross-cutting Community Wealth Building (CWB) approach**

### **a) Make CWB a more explicit, central strategic narrative**

Explore the opportunities for a CWB narrative to be a golden thread through the organisational vision through to policy and practice, to amplify and contextualise the commitment to a social model of care and the UHBs ambitions to use its influence as an anchor institution to drive socio-economic change and impact on the wider determinants of health at a community level.

### **b) Proactively develop the anchor institution role with partners across the UHBs footprint**

The potential for CWB to drive social and economic change is amplified when undertaken in a coordinated way. CLES's experience across diverse places is that CWB is most effective and transformative in places where all key anchors meaningfully collaborate, with formal structures getting key partners in the same rooms, advancing shared strategies and goals. As a significant partner on the three Public Service Boards that span the UHBs geographical footprint, the UHB should continue use its influence to promote a collaborative approach to CWB across anchor institutions.

### **c) Develop CWB policy and practice beyond procurement**

Consider engaging support to develop progressive policy and practice in relation to the other CWB pillars, in particular workforce and land and property assets. CLES has produced a separate proposal which sets out a proposed approach and timeline for this next phase of work.

### **d) Community wealth building culture building**

There is clear senior leadership buy-in and a developing understanding of the principles of CWB in the UHB. Similar levels of understanding were also apparent across many of the staff interviews CLES conducted. To build on this, CWB training should be provided to staff, through resources on the staff intranet, and through annual workshops staff can take part in.

## 2) Review opportunities to localise spend

The procurement team should explore those contracts that constitute 'leakage' (i.e., where spending is with suppliers which are based outside of Wales), to determine their potential for localisation, with spending in the following sectors being of priority:

- Manufacturing
- Wholesale and retail
- Administrative and support services
- Professional, scientific, and technical
- Information and communication
- Construction

## 3) Further develop market engagement approaches

Explore opportunities to communicate the likely longer-term forward pipeline of opportunities and use this as the basis for more regular market engagement.

Continue to develop relationships with the economic development and business support functions in the three local authorities that cover the UHBs geographical footprint – to seek support with market engagement and to ensure that the UHBs demand informs work on market shaping and market development.

## 4) Develop a local, strategic approach to procurement (a local, bespoke procurement strategy and public values framework)

Whilst the UHB has historically relied on the nationally driven procurement approach, there is nothing to prevent the development of a more locally focused approach, driven by community wealth building principles - developing a Hywel Dda UHB procurement strategy to supplement the nationally led procurement approach through NWSSP.

For a strategic approach to procurement to be effective, the process needs to shift from being transactional to one which is relational and fully embedded as part of wider organisational strategy. This needs a whole-organisational focus on each aspect of the 'Cycle of Procurement':

### **Governance and Strategy**

Establishing the strategic and governance conditions to enable a more progressive approach to procurement to happen.

We recommend that the UHB develops its own Procurement Strategy and Public Value Framework that outlines the types of wider (Social Value) outcomes it wants to achieve through its spending power. This would sit alongside and

compliment nationally led procurement through the NWSSP, enabling a bespoke local approach to procurement where there is the flexibility and identified benefit in doing so, whilst also seeking to positively influence the national approach.

The Public Values framework would articulate the underlying principles and commitment to maximising public value through all of the UHB's spending, and a set of social values priorities. These priorities need to be determined locally, through internal engagement and dialogue with external stakeholders – there are opportunities to collaborate with key Public Service Board (PSB) partners across the UHB's geographical footprint in this process.

Internal engagement and communications should seek to ensure that there is recognition and encouragement of the need to be socially conscious, as well as cost conscious and support for the required behavioural and practice changes needed to shift from a transactional to a more relational approach.

This approach can be supported through tools such as the TOMS (Themes, Outcomes, Measures) and linked measurement and monitoring systems – but should not be driven by a superficial measurement approach at the expense of a more considered and iterative shift in culture and practice.

- **Themes** – The overarching strategic themes that an organisation is looking to pursue.
- **Outcomes** – The objectives or goals that an organisation is looking to achieve that will contribute to the Theme.
- **Measures** – The measures that can be used to assess whether these Outcomes have been achieved.

Importantly, these need to be strategically owned and considered in a structured and routine way at senior leadership level.

For clarity, our recommended approach to focusing on social value is to develop approaches that maximise the public value of all aspects of public spending. This needs holistic consideration of the wider social benefits that can be derived through different aspects of spending. It is not simply about bolting on additional social value 'asks' at the end of a procurement process and weighting responses to inform procurement decision-making. A deeper approach is needed, which considers how public spending contributes to economic democracy, social and environmental justice, and innovation and dynamism in the local economy.

The strategy would, therefore, consider the different pathways of the UHB's spending, for example, differentiating between mainstream spending and spending on capital development projects, and taking a more nuanced approach to spending in different sectors of the economy (our current work with the UHB on food procurement being an emerging example of this).

The approach would seek to bring social value considerations more upstream in the spending process, for example, by considering minimum pre-qualification criteria or conditionality for all recipients of spending.

It needs to consider the deeper questions of who really benefits from public spending, with progressive practice reflecting the outcomes from that diagnosis. For example, if there is a lack of socially virtuous suppliers for a given category of spend, then the priority should be collaboration to support the development of different markets. If tier 1 spending is with wholesalers or distributors, who are their suppliers and to what extent do their behaviours and practices benefit the local economy?

Maximising public value from the totality of the UHB's spend also needs consideration of how mainstream spending can be seen through the lens of innovation investment. This is inherent in the rationale behind the joint function across Clinical Engineering and Research and Innovation, but this concept needs operationalising and should be explored in relation to other categories of spend.

### **Commissioning**

This is the process of designing the good, service or work the UHB is looking to procure. Here there needs to be a focus on how the outcomes of the Public Value Procurement Framework can be potentially applied to what the UHB is looking to purchase and how the process can be adapted – for example, to support SMEs and organisations with a social purpose to bid.

### **Pre-Procurement**

This relates to the steps taken to make the market aware of the good, service or work the UHB is looking to purchase and any wider outcomes you are looking to achieve through the process. Consideration should be given to the most effective mechanisms including a greater emphasis on direct engagement with the market.

### **Procurement and decision-making**

This is the actual procurement process itself, where potential suppliers are asked to demonstrate how they will deliver the good, service, or work, how much it will cost, and how they will contribute towards the wider outcomes contained in the public value policy and framework. This will need to be evaluated in both a qualitative and quantitative manner.

### **Monitoring**

This is where the successful supplier delivers the good, service or work contract. The UHB will need to establish processes to be able to effectively monitor the extent to which suppliers are delivering on Social Value outcomes during delivery, and support suppliers through effective brokerage.

## 6. Next steps

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Future phases of work will:

- Support the development of a bespoke Procurement Strategy and Public Value Framework for the UHB, including working with other stakeholders to develop the tools and processes to embed this, including quantifying benefits and reporting methodologies.
- Community Wealth Building diagnostics for other community wealth building pillars – workforce and land and property assets– to support a more holistic, cross-cutting Community Wealth Building (CWB) approach for the UHB.

CLES has produced a separate proposal which sets out a proposed approach and timeline for this next phase of work.

# 7. Appendix 1 – leakage and potential local supply by sector

The following table shows the leakage spend, by sub sector, for the manufacturing sector, along with the potential local (and Wales) supply. Similar information for other sectors will be provided to the procurement team.

<b>C - Manufacturing</b>	<b>Leakage Spend (£)</b>	<b>Number of unique suppliers</b>	<b>Potential supply local</b>	<b>Potential supply Wales</b>
32500 - Manufacture of medical and dental instruments and supplies	6,442,706	144	4	93
20301 - Manufacture of paints, varnishes and similar coatings, mastics and sealants	2,660,613	2	10	27
21100 - Manufacture of basic pharmaceutical products	2,143,185	25	3	46
21200 - Manufacture of pharmaceutical preparations	1,793,806	9	3	13
32990 - Other manufacturing n.e.c.	713,377	87	706	1586
33190 - Repair of other equipment	557,299	25	34	354
26600 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	303,549	7	#N/A	3
28220 - Manufacture of lifting and handling equipment	228,434	7	#N/A	33
22290 - Manufacture of other plastic products	192,678	21	17	218
16290 - Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	187,613	2	10	110
20590 - Manufacture of other chemical products n.e.c.	168,149	10	1	64
31090 - Manufacture of other furniture	153,686	15	22	212
28990 - Manufacture of other special-purpose machinery n.e.c.	147,076	20	26	159
25990 - Manufacture of other fabricated metal products n.e.c.	146,547	14	51	436
10850 - Manufacture of prepared meals and dishes	140,821	1	3	34
20411 - Manufacture of soap and detergents	135,317	7	4	36

26200 - Manufacture of computers and peripheral equipment	127,569	6	4	34
17219 - Manufacture of paper and paperboard containers other than sacks and bags	127,182	3	#N/A	17
33170 - Repair and maintenance of other transport equipment	115,457	3	23	248
10890 - Manufacture of other food products n.e.c.	111,053	5	14	110



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**COMMUNITY WEALTH  
BUILDING IN HYWEL  
DDA UHB**

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**JOHN HENEGHAN  
ASSOCIATE DIRECTOR, CLES**

# Community wealth building

## Five principles



### Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

### Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

### Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

### Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

### Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.



# THE POWER OF ANCHOR INSTITUTIONS IN PLACE



Housing  
providers



Community  
anchors



Local  
government



Police



Education  
providers



Hospitals

- “Sticky capital”
- Economic engine: employer and purchaser
- Vested interest in surrounding communities

# METHODOLOGY

- **STRATEGY REVIEW**
- **EVIDENCE REVIEW**
  - **LOCAL ECONOMY ANALYSIS**
  - **SPEND AND GAP ANALYSIS**
- **STAKEHOLDER ENGAGEMENT**
- **REPORT AND RECOMMENDATIONS**

# STRATEGY REVIEW

- **HYWEL DDA UHB HEALTH AND CARE STRATEGY (2018)**
  - A FOCUS ON PREVENTION AND BUILDING THE RESILIENCE OF LOCAL COMMUNITIES
- **2019/20 ANNUAL PLAN**
  - FRAMED AROUND THE SOCIAL MODEL FOR HEALTH
  - “THAT FOCUSES ON WELLBEING AND INVOLVES EVERY PART OF LIFE THAT AFFECTS OUR HEALTH AND WELLBEING”
  - “SUCH A MODEL FOR HEALTH PRESENTS ENORMOUS OPPORTUNITIES FOR US TO THINK AND ACT DIFFERENTLY”

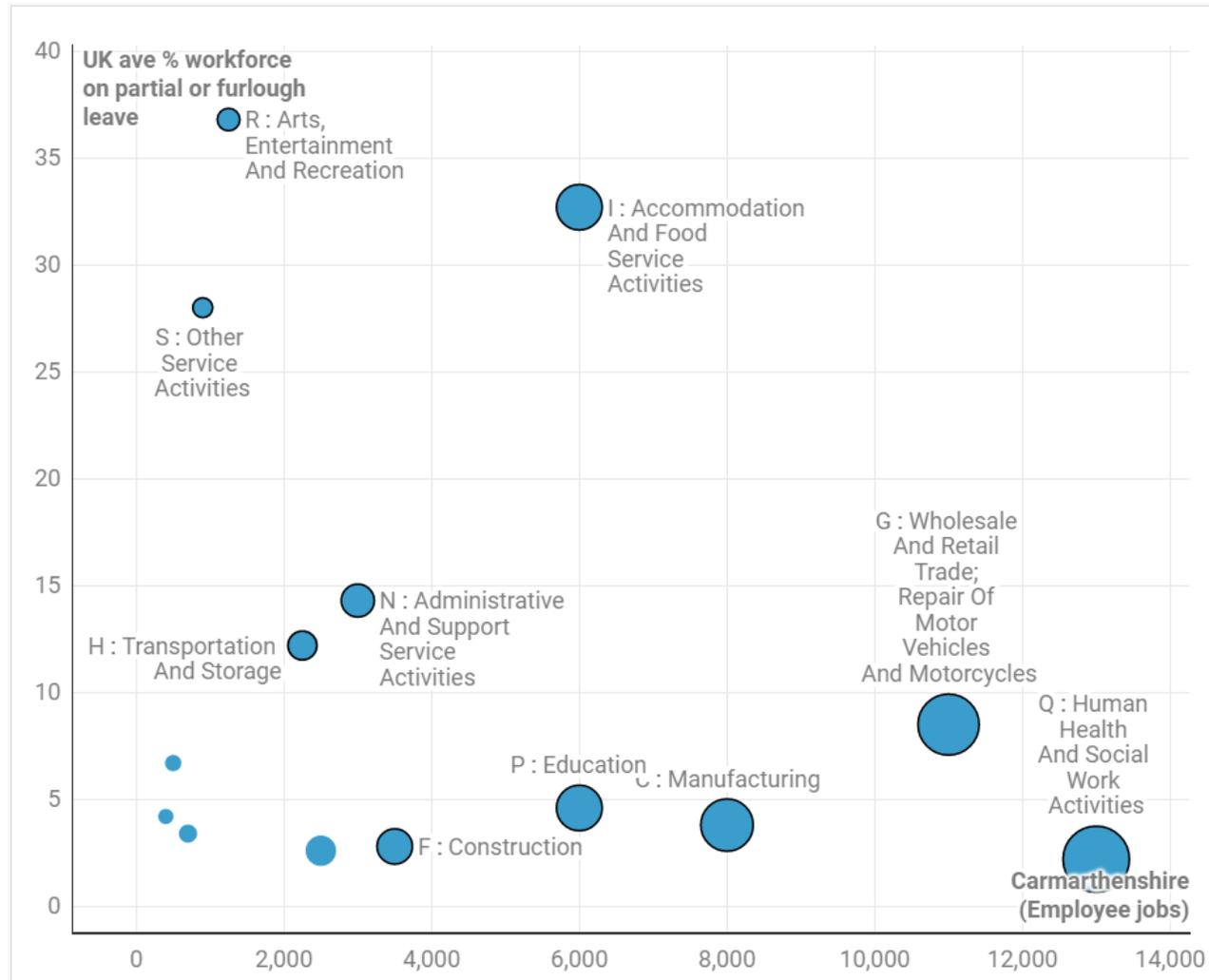


**OVERVIEW  
OF FINDINGS**

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Evidence Review

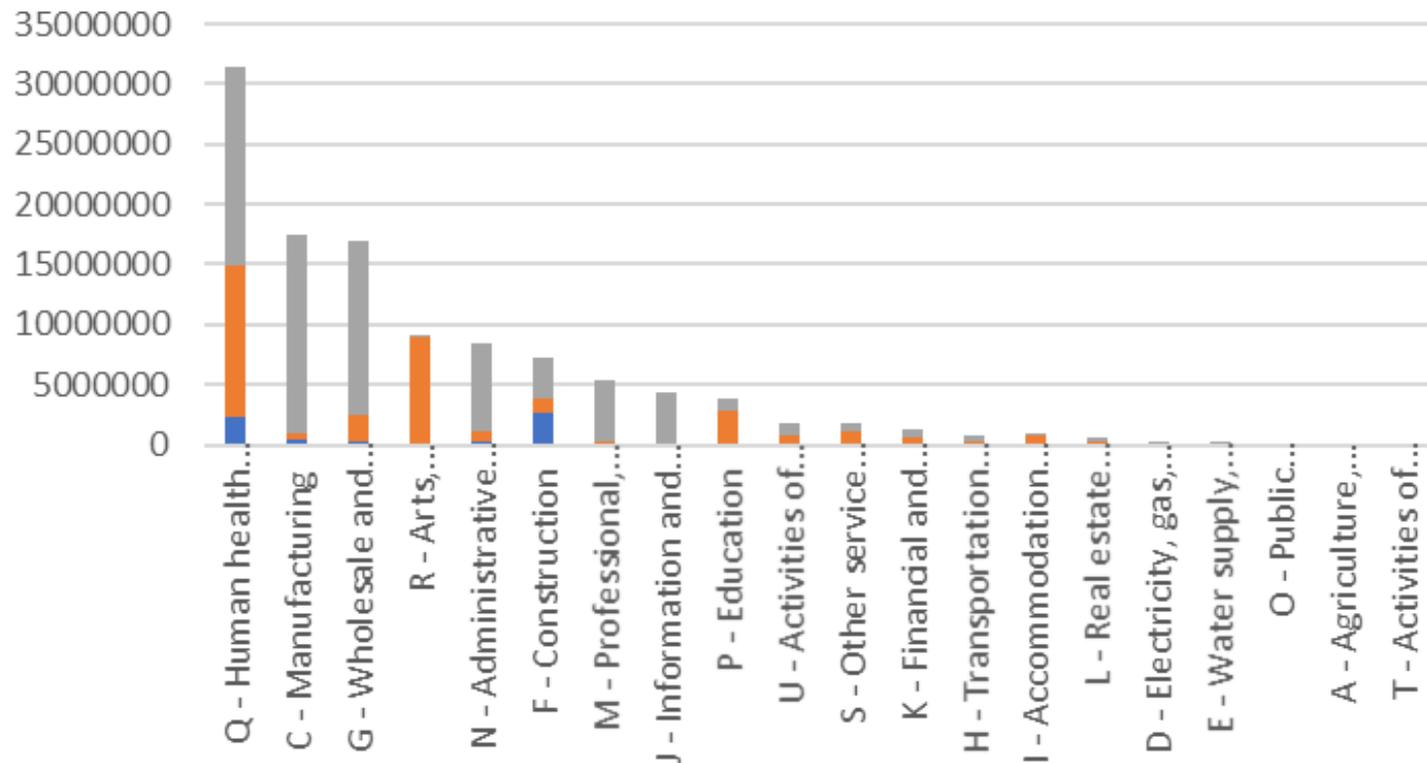
# SECTORAL EMPLOYMENT AND VULNERABILITY



# SPEND ANALYSIS

SPEND: FY 2019-20

Sum of SPEND: FY 2019-20



WHERE IS SPEND LOCATED?

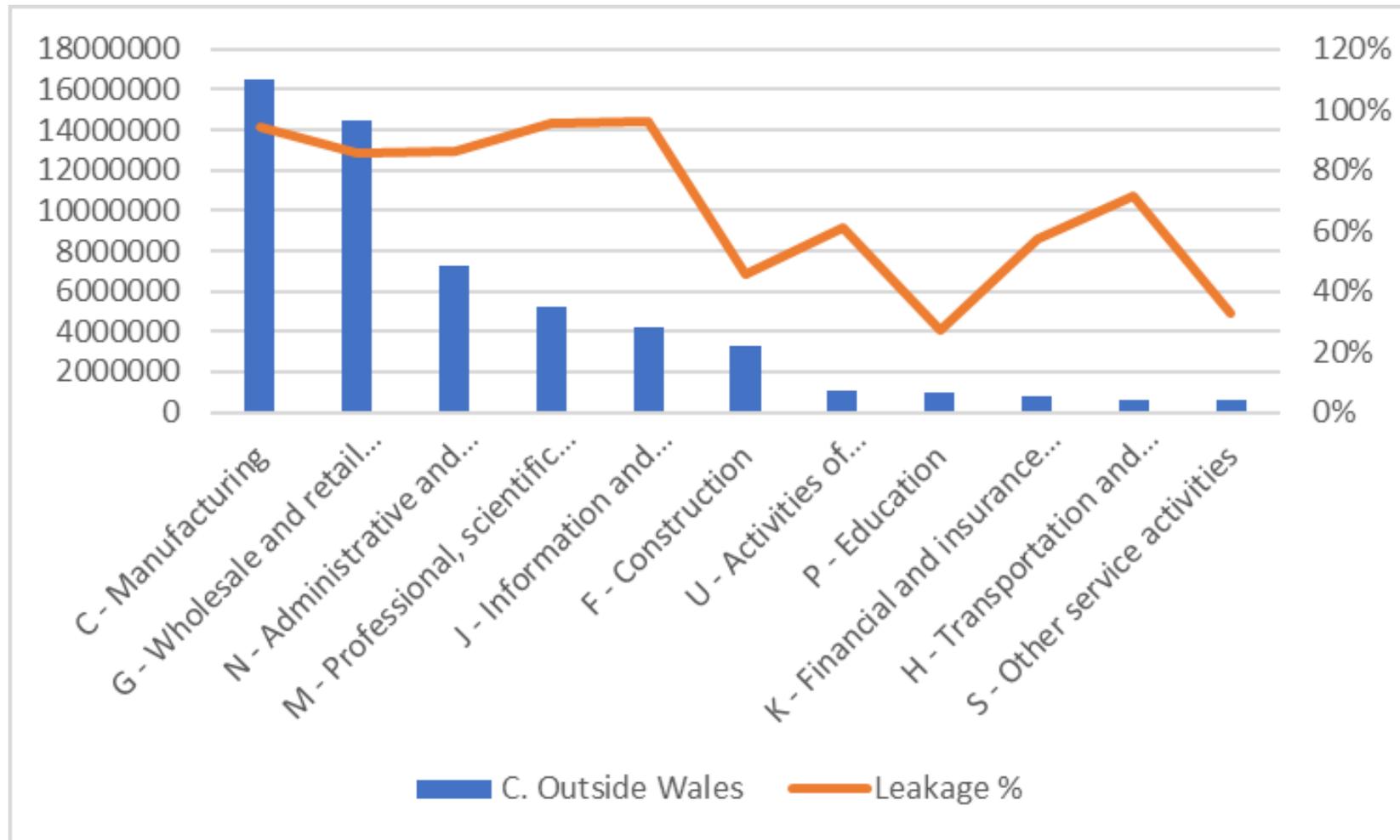
- C. Outside Wales
- B. Outside UHB area
- A. Local

SIC HIGH LEVEL

# SPEND ANALYSIS

Row Labels	A. Local	B. Outside UHB area	C. Outside Wales	Grand Total
Q - Human health and social work activities	£2,227,351	£12,643,034	£16,467,582	£31,337,967
C - Manufacturing	£497,925	£475,710	£16,501,111	£17,474,746
G - Wholesale and retail trade; repair of motor vehicles and	£286,829	£2,115,250	£14,461,723	£16,863,802
R - Arts, entertainment and recreation	£832	£8,889,137	£8,718	£8,898,687
N - Administrative and support service activities	£272,275	£889,648	£7,294,861	£8,456,784
F - Construction	£2,570,633	£1,338,048	£3,283,171	£7,191,852
M - Professional, scientific and technical activities	£12,750	£222,878	£5,192,686	£5,428,314
J - Information and communication	£4,821	£161,409	£4,184,894	£4,351,124
P - Education	£31,468	£2,736,651	£1,017,909	£3,786,028
U - Activities of extraterritorial organisations and	£0	£702,795	£1,100,768	£1,803,563
S - Other service activities	£13,091	£1,161,949	£565,026	£1,740,066
K - Financial and insurance activities		£562,660	£746,811	£1,309,471
H - Transportation and storage	£54,062	£189,694	£616,613	£860,369
I - Accommodation and food service activities	£17,190	£756,517	£76,944	£850,651
L - Real estate activities	£158,043	£97,685	£337,556	£593,284
D - Electricity, gas, steam and air conditioning supply		£304	£236,537	£236,841
E - Water supply, sewerage, waste management and	£14,443	£25,479	£64,610	£104,532
<b>Grand Total</b>	<b>£6,161,713</b>	<b>£32,971,740</b>	<b>£72,163,005</b>	<b>£111,296,458</b>

# LEAKAGE BY VALUE AND AS A % OF ALL SPEND IN SECTOR



# STAKEHOLDER FINDINGS

## **STRUCTURE AND APPROACH OF THE PROCUREMENT FUNCTION**

- **PARTNERSHIP ARRANGEMENT WITH THE PROCUREMENT SERVICES ARM OF NWSSP**
- **MANY ASPECTS GOVERNED BY NATIONAL ARRANGEMENTS, WHICH CAN LIMIT THE ABILITY TO MAXIMISE LOCAL SOCIO-ECONOMIC IMPACT**
- **OPPORTUNITIES TO INFLUENCE NATIONAL ARRANGEMENTS, BUT THIS IS MORE LIKELY TO BE FROM A CLINICAL AS OPPOSED TO LOCAL ECONOMIC FOCUS**
- **SOME VARIATION IN COMMISSIONING AND PROCUREMENT PRACTICE AND PERCEPTION OF A TRADITION OF SILO WORKING IN THE DISTRICT GENERAL HOSPITALS**
- **ON A JOURNEY FROM PROCUREMENT BEING VIEWED AS AN OPERATIONAL/TACTICAL FUNCTION TO BEING RECOGNISED AS A VITAL STRATEGIC LEVER**

# STAKEHOLDER FINDINGS

## **RELATIONSHIPS WITH OTHER LOCAL ANCHOR INSTITUTIONS**

- **THE UHB IS AN ACTIVE PARTICIPANT IN CROSS-SECTOR PARTNERSHIP WORKING**
- **CURRENT WORK IS EXPLORING COLLABORATIVE OPPORTUNITIES AROUND FOOD PROCUREMENT (WITH CARMARTHENSHIRE COUNTY COUNCIL AND THE UNIVERSITY OF WALES TRINITY ST. DAVID)**
- **ENGAGEMENT AND COMMITMENT FROM THE THREE LOCAL AUTHORITIES VARIES**
- **LINKS WITH LOCAL AUTHORITY ECONOMIC DEVELOPMENT AND BUSINESS SUPPORT FUNCTIONS WILL BE KEY TO ENHANCING THE UHBS ROLE AS A LOCAL ECONOMIC AGENT**

# STAKEHOLDER FINDINGS

## **LOCALLY FOCUSED PROCUREMENT**

- **THE PROPORTION OF LOCAL SPEND IS MONITORED, BUT LIMITED POLICY OR PRACTICE DRIVE TO 'TURN THE DIAL'**
- **PERCEIVED BARRIERS TO LOCAL SPENDING NEED TO BE CHALLENGED IN PRACTICE – E.G. CONSTRUCTION SPENDING (UHB 46% OUTSIDE OF WALES, COMPARED WITH 9% FOR CARMARTHENSHIRE COUNTY COUNCIL)**
- **EXAMPLES OF POSITIVE MARKET ENGAGEMENT – BUT OPPORTUNITIES TO DEVELOP AND ENHANCE THESE APPROACHES**
- **RELATIONAL APPROACH TO SUPPLIER ENGAGEMENT (E.G. PPE PROCUREMENT) DURING COVID FORESHADOWS WHAT MORE IS POSSIBLE**
- **JOINT FUNCTION ACROSS CLINICAL ENGINEERING AND RESEARCH & INNOVATION IS A SIGNIFICANT DEVELOPMENT AND COULD SUPPORT NEW FORMS OF SUPPLY INNOVATION AND OPEN FURTHER OPPORTUNITIES IN LOCAL SUPPLY CHAINS**

# STAKEHOLDER FINDINGS

## **CAPITAL SPENDING**

- **OPPORTUNITIES TO BUILD IN SOCIAL VALUE AS PART OF THE CAPITAL PLANNING AND PROPOSAL DEVELOPMENT PROCESSES**
- **TIMELINE FOR ANNUAL CAPITAL ALLOCATIONS FROM WELSH GOVERNMENT LIMITS OPPORTUNITIES FOR MARKET ENGAGEMENT**
- **OPPORTUNITIES TO DEVELOP A MORE REGULAR, ONGOING, MARKET ENGAGEMENT APPROACH BASED ON ANTICIPATED PIPELINE**

# RECOMMENDATIONS

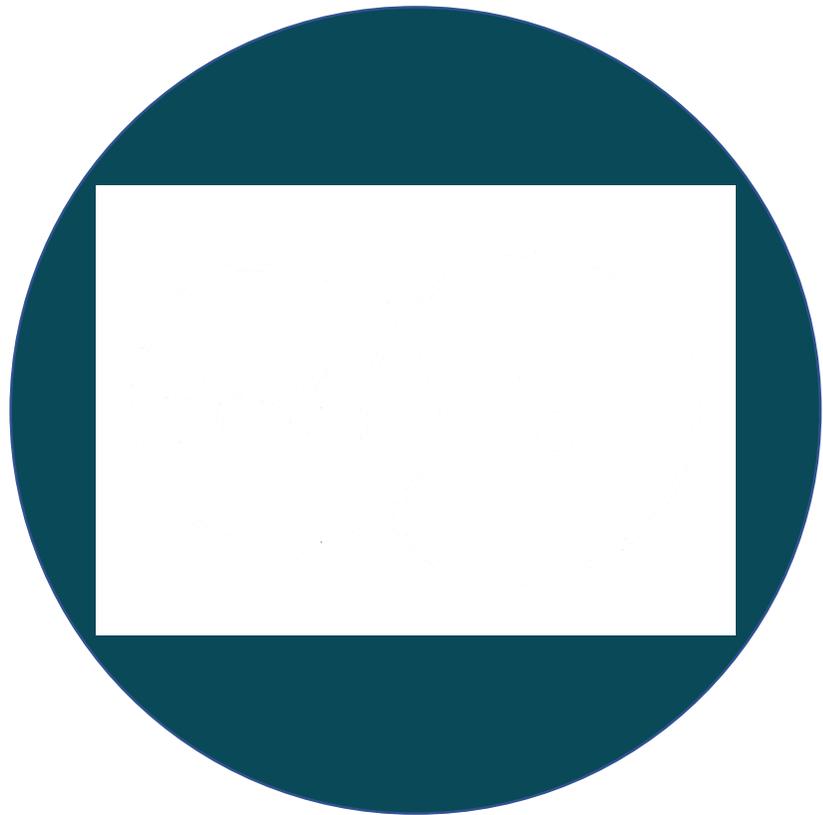
- 1. CREATE AND PROMOTE A CROSS-CUTTING COMMUNITY WEALTH BUILDING (CWB) APPROACH**
  - A) MAKE CWB A MORE EXPLICIT, CENTRAL STRATEGIC NARRATIVE**
  - B) PROACTIVELY DEVELOP THE ANCHOR INSTITUTION ROLE WITH PARTNERS ACROSS THE UHBS FOOTPRINT**
  - C) DEVELOP CWB POLICY AND PRACTICE BEYOND PROCUREMENT**
  - D) COMMUNITY WEALTH BUILDING CULTURE BUILDING**
- 2. REVIEW OPPORTUNITIES TO LOCALISE SPEND**
- 3. FURTHER DEVELOP MARKET ENGAGEMENT APPROACHES**
- 4. DEVELOP A LOCAL, STRATEGIC APPROACH TO PROCUREMENT (A LOCAL, BESPOKE PROCUREMENT STRATEGY AND PUBLIC VALUES FRAMEWORK)**

# NEXT STEPS

## Future phases of work will:

- Support the development of a bespoke Procurement Strategy and Public Value Framework for the UHB, including working with other stakeholders to develop the tools and processes to embed this, including quantifying benefits and reporting methodologies.
- Community Wealth Building diagnostics for other community wealth building pillars – workforce & land and property assets – to support a more holistic, cross-cutting Community Wealth Building (CWB) approach for the UHB.

# THANK YOU



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