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NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Ein cyf/Our ref:

AGM Public Question 2026

Swyddfeydd Corfforaethol, Ail Lawr, Bloc C.
Adeiladau'r Llywodraeth, Heol Picton,
Caerfyrddin, Sir Gaerfyrddin, SA31 3BT

Corporate Offices, Second Floor, Block C,
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Carmarthen, Carmarthenshire, SA31 3BT

**** On behalf of Dr Neil Wooding CBE, Chair ****

Dear Sarah,

Thank you for the below question that you submitted to the Annual General Meeting of the Health Board held on 30 July 2026, as set out in your email of 25 June 2026:

"Having been born and raised in Pembrokeshire and a director of a Welsh-headquartered healthcare organisation, I am keen to understand how the Health Board has applied the principles of the Welsh Government's Foundational Economy agenda within its commissioning and procurement decisions. Could the Board explain how it assesses the economic and social value of awarding contracts to providers based outside Wales, and what weighting is given to supporting Welsh businesses, local employment, and reinvestment into the Welsh economy when compared with providers headquartered elsewhere?"

Your question was raised under Agenda item AGM(26)04: Question and Answer Session and was addressed by Mr Huw Thomas, Executive Director of Finance, who provided the following information and assurances:

The Health Board is committed to supporting the principles of the Welsh Government's Foundational Economy agenda and the Well-being of Future Generations (Wales) Act 2015 through its commissioning and procurement activities. These principles are embedded within the Health Board's procurement

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Cadeirydd / Chair
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Prif Weithredwr / Chief Executive
Professor Phil Kloor

approach to ensure that public spending delivers wider economic, social and environmental benefits for the communities it serves.

In accordance with the Procurement Act 2023 and applicable procurement regulations, contracts cannot be awarded or weighted in favour of organisations solely on the basis of their geographic location or whether they are headquartered in Wales. Therefore, the Health Board does not apply a predetermined weighting for Welsh suppliers or local organisations.

Instead, procurements are evaluated against published criteria, which typically consider a combination of technical quality, social value and commercial factors. NHS Wales Shared Services Partnership procurement guidance incorporates a minimum 10% weighting for Social Value within procurement exercises, and this weighting may be increased where this is proportionate to the subject matter of the contract and there is an opportunity to secure greater benefits for communities and the wider public sector. Consistent with this approach, the Health Board seeks to ensure that social value considerations are assessed alongside technical quality and commercial requirements as part of a balanced evaluation process.

Through Social Value and Foundational Economy requirements, bidders may be asked to demonstrate how they will contribute to local employment, skills development, community wellbeing, environmental sustainability, volunteering initiatives, community engagement, and wider economic resilience within Wales. Where appropriate, these commitments are incorporated into contractual obligations and monitored throughout the life of the contract.

When assessing bids from organisations based both within and outside Wales, the Health Board focuses on the quality of the proposed service, value for money, and the extent to which bidders can deliver measurable social value outcomes for the population served.

The emphasis is therefore on the benefits that a provider will bring to Welsh communities and local economies, rather than where the organisation is headquartered. This ensures compliance with procurement legislation while supporting the objectives of the Foundational Economy and the Well-being of Future Generations (Wales) Act 2015.

As further highlighted in the meeting, the Health Board's role in the foundational economy aligns closely with the circular economy. With 13,000 staff employed across the region, the Health Board makes a significant contribution to the local economy through employment, household income and spending within local businesses and services. While procurement regulations and specialist healthcare requirements can influence contracting arrangements, the Health Board actively supports the Third and Community sectors through funding for bespoke projects that deliver both economic and social benefits, including skills development and training opportunities. The Health Board also works closely with university and further education partners to support apprenticeships and workforce development. It should be recognised that the foundational economy must not be viewed in isolation, but rather as part of the wider circular economy, to which the Health Board makes a substantial contribution.

I hope that this information serves to demonstrate the close alignment of the Health Board's Social Model of Health and the Welsh Government's Foundational Economy agenda, and I thank you again for your question to the Board.

Kind Regards,

Tîm y Swyddfa Corfforaethol | Corporate Office Team

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Bwrdd Iechyd Prifysgol Hywel Dda yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Hywel Dda
Hywel Dda University Health Board is the operational name of Hywel Dda University Local Health Board
Mae Bwrdd Iechyd Prifysgol Hywel Dda yn amgylchedd di-fwg Hywel Dda University Health Board operates a smoke free environment