

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	20 April 2021
Subject:	Procuring Well-being in Wales Report, commissioned by Future Generations Commissioner for Wales – Isle of Anglesey County Council's Response
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<p>Nature and Reason for Reporting:</p> <p>The Procuring Well-being in Wales Report published by the Future Generations Commissioner in February of 2021 outlines the extent to which the Wellbeing of Future Generations Act is informing commissioning and procurement decisions across all 44 public bodies in Wales.</p> <p>It also provides a set of recommendations which the Isle of Anglesey County Council is required to consider.</p> <p>This report and the associated papers demonstrates this consideration and outlines how the County Council expects to implement those recommendations over a set time-period.</p>	

Introduction

The Well-being of Future Generations Wales Act (2015) (hereby referred to as 'the Act') provides the public sector with an opportunity to transform the way procurement is planned and delivered in Wales. By moving from a process-driven approach towards an outcomes-based approach, it is proposed we can ensure the £6.3 billion spent annually by the public sector in Wales delivers the best outcomes across all four dimensions of well-being (economic, social, environmental, and cultural) for current and future generations.

Procurement is one of the seven corporate areas for change in the Act's statutory guidance (Shared Purpose: Shared Future, SPSF 1: Core Guidance) and it must be

a key area of focus for public bodies in meeting their obligations under the Act, including setting, and taking all reasonable steps to meet, their organisational well-being objectives.

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

Working in partnership with Cardiff University, the Future Generations Office has completed research to establish the extent to which the Act is informing commissioning and procurement decisions across all 44 public bodies in Wales.

The resulting paper <https://www.futuregenerations.wales/wp-content/uploads/2021/02/ENG-Section-20-Procurement-Review.pdf> outlines the findings and the attached action plan (Appendix 1) demonstrates how the Isle of Anglesey will implement the actions accordingly.

Recommendation

1. That the Audit and Governance Committee notes the findings of the paper <https://www.futuregenerations.wales/wp-content/uploads/2021/02/ENG-Section-20-Procurement-Review.pdf>
2. That the Audit and Governance Committee approves the Council's response to the associated recommendations published.

APPENDIX 1 - PROCURING WELL-BEING IN WALES – COMMISSIONED BY FUTURE GENERATIONS COMMISSIONER FOR WALES

REPORT ACTION PLAN

RECOMMENDATION	ISLE OF ANGLESEY CC RESPONSE	TARGET DATE OF IMPLEMENTATION
RECOMMENDATIONS FOR WELSH GOVERNMENT		
Welsh Government should establish a Procurement Centre of Excellence for improving coordination, collaboration and providing practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act. Development of this Centre of Excellence would require a comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation.	<p>The Council will respond any consultation / request for information which Welsh Government request as they set up the Procurement Centre of Excellence.</p> <p>The Council is committed to respond to any reform proposed by the Procurement Centre of Excellence</p>	Implementation date to be determined by Welsh Government
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.	The Council is committed to respond to achieve the wider procurement outcomes that are set by the Welsh Government	Implementation date to be determined by Welsh Government
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 annually.	The Council will take advantage of any support provided by Welsh Government that allows the Council to better deliver the aspirations of the Act	Implementation date to be determined by Welsh Government

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Welsh Government should revisit (and consider revising) all national procurement frameworks to ensure they align with, and contribute to, the seven national well-being goals and apply the five ways of working set out in the Act.	<p>The Council currently utilises national procurement frameworks where they are applicable and provide a benefit to the Council.</p> <p>We will assess the changes made to the national procurement frameworks as and when the need to use a framework arises to ensure that any changes made are consistent with the Council's Procurement Strategy</p>	As and when national procurement frameworks are used
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 / consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.	<p>The Council are currently assessing the need for an improved Procurement / Contract Management system to enable the Council to measure, monitor and report on community benefits and social value. It is also the aim of the new system that it will incorporate the TOMs Framework to provide the Council with the ability to measure and report on social value.</p> <p>The assessment of each system will consider whether it can easily be adapted to take account of any changes made by Welsh Government in response to this recommendation.</p>	Dependant on the issuing of revised guidance and toolkits by Welsh Government
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 and/or carbon neutral.	<p>Work has commenced on a programme of work to move the Council towards being carbon neutral. £50k has been allocated in the 2021/22 revenue budget to commence the programme.</p> <p>Further work will take place during 2021/22 to identify how this will be achieved with the aim of the new Council endorsing the plan following the elections in May 2022.</p>	December 2022

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<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 is clearly a recommendation for Welsh Government but it will require information from the Council to be incorporated into the report.</p> <p>The implementation of a Procurement / Contract Management system should allow the Council to provide the necessary information</p>	<p>Implementation date to be determined by the Procurement Centre of Excellence</p>
<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>The Council will take advantage of any mechanisms or tools that become available which allow the Council to better monitor compliance with the requirements of the Act</p>	<p>Implementation date to be determined by the Procurement Centre of Excellence</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>This is clearly a recommendation for Welsh Government but it will require information from the Council to be incorporated into the report.</p> <p>The implementation of a Procurement / Contract Management system should allow the Council to provide the necessary information.</p>	<p>Implementation date to be determined by Welsh Government</p>

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RECOMMENDATIONS FOR PUBLIC BODIES, INCLUDING WELSH GOVERNMENT		
<p>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.</p>	<p>The implementation of a new Procurement / Contract Management system along with other review work which will be undertaken by the Procurement Team will provide the Council with a baseline position in respect of its procurement approach.</p> <p>This information will then feed into a revised Procurement Strategy which will be developed to compliment the Council's Corporate Plan for the 5 years following on from the election in May 2022.</p> <p>The revised Procurement Strategy will take account of the points raised in the recommendation</p>	December 2022
<p>Once a mechanism or tool is developed and adopted by Welsh Government (as recommended above), each public body should be using it to clearly monitor and report on its activities, both in individual procurement exercises and overall, how their procurement spend is meeting their well-being goals and objectives.</p> <p>This must be reported within the annual reports on delivery of their well-being objectives.</p> <p>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.</p>	<p>The Council is committed to implementing the recommendation once Welsh Government have concluded their review and set out the reporting requirements for local authorities</p>	Implementation date to be determined by Welsh Government

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The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and implementation. In collaboration with others Welsh Government should review existing groups and networks to better coordinate activity across local government, health, PSBs and regions, along with third sector and private sector.	The Council will take advantage of any support that becomes available from the Procurement Centre of Excellence	Implementation date to be determined by the Procurement Centre of Excellence
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.	The Council will contribute to the work of the Public Service Board in implementing this recommendation	Implementation date to be determined by the Public Service Board