

MEETING	Education and Economy Scrutiny Committee
DATE	16 October 2025
TITLE	Procurement Strategy 2025 – 2030
REASON FOR SCRUTINY	Scrutiny Forward / Council Plan 2023-28 – A Prosperous Gwynedd
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CABINET MEMBER	Councillor Llio Elenid Owen

1. Why does it need scrutiny?

- 1.1. In light of new procurement legislation, the Council is reviewing its Procurement Strategy.
- 1.2. The Council is responsible for procuring substantial goods, services and works by external companies and enterprises. The Council is keen to see local businesses compete for these contracts with the aim of keeping the Council's expenditure local. Procurement is also a means to achieving other priorities such as decarbonisation and fulfilling our socio-economic duties.
- 1.3. The progress made on the Keeping the Benefit Local project, which is a priority project within the Council Plan, was scrutinised on 8 December 2022. It was decided to accept the report, asking the Procurement Service to report back on the 'Innovative Procurement – Social Value Procurement Model' pilot's outcome to the Committee.
- 1.4. Forward scrutiny of the Strategy will give the Committee the opportunity to consider the Procurement Strategy's content and provide comments.

2. What exactly needs scrutiny?

- What has been done in response to the Procurement Act 2023
- The contents of the new Procurement Strategy
- What were the results of the 'Innovative Procurement – Social Value Procurement Model' pilot?
- What successes came from the workstream to maximise social value?
- What are the next steps?

3. Summary and Key Matters

- 3.1. Earlier in 2025, the Procurement Act 2023 came to effect, making substantial changes in public procurement.

- 3.2. It is timely for the Council to create a new Procurement Strategy, and a draft has been recently prepared. The aim of the Strategy is to set a strategic direction and vision for all of the Council's procurement activity for the next five years. Please see a draft of the Strategy attached to this report (Appendix 1).
- 3.3. The Strategy will set direction and vision through establishing priority fields to be achieved to ensure that the Council's expenditure provides the best value for money whilst delivering the best benefit to the residents of the County.
- 3.4. We present the Procurement Strategy to the Scrutiny Committee for the purpose of forward scrutiny and to receive comments on the Strategy.

4. Background / Context

What is procurement

- 4.1. Procurement is the process of securing goods, services or works. Procurement is often seen as just the act of purchasing, but purchasing is only a small part of the procurement process. Procurement is a long-term method of securing goods, services and works, and involves actions such as engaging with the market, negotiating, and contract management. Buying is a more short-term, reactive approach.
- 4.2. Public procurement in Wales and further afield in the United Kingdom (UK) is a tightly regulated area, reflecting the fundamental principle that public bodies spend taxpayers' money and must do so responsibly. Public sector procurement is governed by a range of laws and policies that enforce transparency, fairness, accountability and ensure value for money. As a local government, the Council must comply with this legal framework.

Procurement in Cyngor Gwynedd

- 4.3. Procurement plays a key role in all of Cyngor Gwynedd's activity. Indeed, without appropriate procurement processes, the Council would not be compliant with statutory requirements when procuring and awarding contracts, which would lead to the inability of our officers to provide services to the people of Gwynedd.
- 4.4. Through procurement activity, the Council spends around £200 million a year on services such as care, transport, waste and recycling, fleet, buildings, systems and much more.
- 4.5. This expenditure ensures that essential or statutory services are delivered, for example, that a pupil is transported to school, that a resident receives a new recycling trolley, that one of our elderly receives suitable care in a care home, or that the Property service ensures that the Council's buildings are safe for the people of Gwynedd.
- 4.6. We operate category management procurement arrangements in the Council, where an organisation's expenditure is grouped into categories. There are three

main categories in the Council which are responsible for coordinating procurement activity within their category. The three categories we have in the Council are: Corporate; Environment; and People. A team of officers oversee each category, located within the following departments: Environment Department; Highways, Engineering and YGC Department; and Leadership Team Department, and they are supported by the central Procurement Service located in the Corporate Services Department. The central Procurement Service offers strategic and operational guidance, as well as support on procurement matters across the Council, such as by developing strategy, policies etc., and is responsible for creating materials on procurement arrangements and raising awareness of them and developments in the procurement field.

What has been done in response to the Procurement Act 2023

- 4.7. The Procurement Act 2023 and the related legislations relating to the procurement reform represent a significant transformation of public procurement in the UK.
- 4.8. The Council is required to comply with the requirements of the Act, and a wide range of activity has been underway to ensure that we comply with the new requirements and prepare for the change.

Communications

- 4.9. Before the Procurement Act 2023 came to effect, the Procurement Service arranged for an expert from the Welsh Government to hold a session for officers who procure to share information and to raise awareness about the changes that were underway – this was an opportunity to learn about the changes and to discuss what needed to be done in response to the Procurement Act.
- 4.10. We also communicated relevant updates regularly with Council officers during the period leading up to the Procurement Act, so that there was a consistent understanding across the Council of the changes that were imminent.
- 4.11. In order to prepare businesses for the changes, the Procurement Service worked with the Economy and Community Department to provide information and updates on the upcoming changes in the Gwynedd Business Bulletin to local businesses.

Review of governance arrangements

- 4.12. Soon after the Procurement Act 2023 came to effect, the Council's Contract Procedure Rules were updated (section 17 of the Council's Constitution) in response to the Act, receiving the Full Council's approval in March 2023. Please see paragraph 9.1 of this report for a link to the relevant Full Council meeting.
- 4.13. In response to the Act, the Procurement Service has developed and is reviewing a range of templates and supplementary materials to support Council officers. These materials have been designed to support the changes in procurement arrangements in light of the recent reforms and to help officers clearly understand the new requirements, ensuring compliance.

- 4.14. Following the procurement reform, it was timely to produce a new Procurement Strategy for the Council – a draft of the Strategy has been prepared and attached to this report (Appendix 1). Once a final draft of the Strategy has been approved, we intend to review and update the Council's Procurement Policy as well.
- 4.15. At a national level, there has been a significant change to the national platform that publishes contract notices. Although the Welsh Government is responsible for the system, a considerable amount of resources have been provided by the Council to test the new system, familiarising ourselves with the new arrangements, educating other officers in the Council about the changes, and providing feedback the Government and the relevant parties.

Training

- 4.16. A range of training on the procurement reforms was prepared by the UK Government and Welsh Government, and relevant Council officers have been able to access these training materials.
- 4.17. In addition to Government training, the Council's Procurement Service has designed and delivered a number of training sessions for Council departments and services, to educate staff about the changes that have resulted from the procurement reform. The feedback has been positive so far, and work continues with further sessions and training being arranged.

Summary

- 4.18. The Procurement Service has been reporting on the work being done in response to the Procurement Act 2023 and the wider procurement reforms during the Corporate Services' Performance Challenge and Support meetings.
- 4.19. The recent reforms as a result of the Procurement Act 2023 are significant and therefore the response to the Act is ongoing. In addition, we are also proactively preparing for the implementation of the procurement requirements of the Social Partnership and Public Procurement (Wales) Act 2023, which are expected to come into force in 2026, ensuring that our processes align with the new legislative expectations.

Contents of Cyngor Gwynedd's new Procurement Strategy

- 4.20. As already noted, a draft of a new Procurement Strategy has recently been produced. The aim of the Strategy is to set a strategic direction and vision for all of the Council's procurement activity for the next five years. See draft Strategy attached to this report (Appendix 1).

Background and purpose of the Strategy

- 4.21. The current Strategy is outdated and it is timely to update it following the recent procurement reforms. It is important to set a unified strategic direction for everyone

involved in procurement in the Council, to ensure that everyone works towards the same goals and priorities, strengthening the Council's procurement results and ensuring the best benefits to the residents of Gwynedd.

- 4.22. The Strategy will not only set a strategic direction and vision for procurement activity in the Council but also establish priority fields to be achieved to ensure that the Council's expenditure provides the best value for money whilst also providing the best benefit to the residents of the County.
- 4.23. The publication of a Strategy now will also put the Council in a firm position for new legislative requirements due in 2026 (Social Partnership and Public Procurement (Wales) Act 2023) when it will be a statutory duty to prepare and publish a procurement strategy.
- 4.24. Because we as a local authority spend public money, procurement is a heavily regulated area, and there are a number of legal requirements that the Council must comply with when procuring. This Strategy outlines those laws and regulations and they have been fully considered in the formulation of the Strategy to ensure that all Council's procurement activity is accurate, appropriate and in compliance with all relevant rules.
- 4.25. The Council also has a Sustainable Procurement Policy. The Strategy sets out the vision and priorities at a strategic level, while the Policy covers the operational details. As previously noted, once a final draft of the Strategy has been approved, we intend to review and update the Council's Procurement Policy, aiming to be operational from 1 April 2026, to ensure that the Council's operational procurement arrangements are robust.

Content of the Strategy

- 4.26. The Strategy contains seven priority fields for the Strategy period, which is the next five years, with each priority field identified as key areas in the context of procurement in Cyngor Gwynedd.
- 4.27. All priority fields include its background and information about why it is a priority, what has been done so far and so on. A vision is set for where we wish to be for all priority fields and information about how we intend to achieve that vision.
- 4.28. The Council's legislative and constitutional context is also included in the Strategy.
- 4.29. The seven priority fields are set out in the Procurement Strategy in alphabetical order, and are as follows:
 - **Local benefit – supporting local business to thrive**
Raising awareness of procurement opportunities and reducing barriers for local businesses and enterprises to bid for work with the Council

- **Carbon zero – undertake a key role in the aim of achieving carbon zero**
Develop the understanding of the Council's contracts' carbon emissions and working with Council services to help reduce the organisation's carbon emissions
- **Value for money – ensuring value for money**
Ensuring that all money spent through procurement activity delivers value for money for the Council and for the people of Gwynedd
- **Social value – maximising social value through procurement activity**
Maximising the economic, social, environmental and cultural value that derives from contracts and procurement activity to support Gwynedd's local communities
- **Technology – supporting and enabling the Council to make the best use of technology**
Maximising the opportunities that are created by developments in the field of technology to provide a strong foundation for procurement
- **Governance arrangements – implementing effective governance arrangements**
Ensuring that our internal procedures, understanding and expertise of procurement and contract management arrangements enable us to act appropriately and effectively
- **The Welsh Language – promoting the Welsh language**
Ensuring that the Council's procurement activity promotes the Welsh language and that the Welsh language has a clear place in our processes

Summary

- 4.30. After receiving the Scrutiny Committee's comments, it is intended to go ahead to seek the approval of the Council's Cabinet for the publication of the Strategy.
- 4.31. After the Strategy goes live, the Procurement Service will lead on producing a Delivery Plan, which will outline the steps needed to take to realise the Strategy's vision and priorities.

What is the outcome of the pilot 'Innovative Procurement – Social Value Procurement Model'?

- 4.32. On 8 December 2022, a report was submitted to the Education and Economy Scrutiny Committee, which included information about a trial being piloted at the time, looking at the introduction of a new tender assessment methodology through the Council.

- 4.33. For the convenience of Members, a link to that report is included in paragraph 9.2 of this report. Briefly, the pilot trialled a new approach to assessing social value in the procurement process, namely the use of the National Themes, Outcomes and Measures (TOMs) for Wales, which is a recognised procedure in procurement to measure, report and manage social value. The system consists of themes (which, in Wales, reflect the seven well-being goals of the Well-being of Future Generations (Wales) Act 2015) and a range of quantitative measures related to those themes – each measure has a proxy value which is a financial estimate of its social impact.
- 4.34. The new system of social value assessment was piloted across several areas within the Council.
- 4.35. After the pilot period ended, a report was presented before Cyngor Gwynedd's Cabinet on 7 December 2023 summarising the pilot and making recommendations on the way forward – please see paragraph 9.3 of this report for a link to the relevant Cabinet item.
- 4.36. On the whole by using the new approach, contractors offered a range of positive social benefits to Gwynedd, for example:
- employment to people living in Gwynedd;
 - expenditure resulting from the contracts spent in the local supply chain;
 - financial donations to charities and community clubs;
 - voluntary time to support local charities;
 - and developing the Welsh language skills of the workforce.
- 4.37. The pilot found that the new approach offered a transparent and quantitative way of assessing social value as part of evaluating companies' bids. It was noted that the new approach for assessing social value could help local businesses and enterprises, such as through the local employment and expenditure measure. It was also seen that including a social value assessment in a tender increases the likelihood that a company will create benefits for Gwynedd even if the company is based outside of Gwynedd.
- 4.38. It was recommended in the Cabinet report to amend the Sustainable Procurement Policy. However, due to the changes that were underway with the procurement reform as already mentioned, it was decided that it would be better to delay the revision of the Policy in view of the changes that were on the horizon. As already noted in this report, as most of the changes resulting from the procurement reform are now in place, it is now time for us to publish a Procurement Strategy and then review and amend the Procurement Policy.
- 4.39. It was also recommended to continue to evaluate social value in relevant tenders. Subsequently, the new approach was used more expansively, using it in a range of tenders. That has allowed us to gather more information about its use and effectiveness, and give us a better understanding of the advantages and disadvantages involved. Some examples and successes are set out in the next section of the report.

Summary

- 4.40. The results of the 'Innovative Procurement - Social Value Procurement Model' pilot were presented to Cyngor Gwynedd's Cabinet in 2023. Overall, positive outcomes were seen as a range of social benefits was offered by contractors.

What successes come from the workstream to maximise social value?

- 4.41. Social value is a broad term used to describe the social, environmental, and economic impacts of actions taken by communities, organisations, governments, and individuals.¹
- 4.42. In the procurement field, social value may be included as part of a tender evaluation and/or contract terms with the intention of achieving results that offer any added social, environmental, economic and cultural value.
- 4.43. Overall, we find that incorporating social value as part of the tendering process produces positive outcomes in terms of gaining social benefits for Gwynedd. Since we started using the National Themes, Outcomes and Measures for Wales (**TOMs**) as a method of measuring the monetary value of social benefits, companies have offered over **£4 million** worth of social benefits to Gwynedd as a result of Council contracts, through a variety of means, such as:
- Employment for Gwynedd residents;
 - Spending with local and Welsh suppliers;
 - Various offers of work experience;
 - Financial donations to local charities.
- 4.44. The work on social value for our food supply contract to schools and care homes was shortlisted for a national procurement award.
- 4.45. As can be seen above, the examples show a positive impact on communities in Gwynedd. As already mentioned, assessing social value using the National Themes, Outcomes and Measures for Wales can boost local businesses, such as if they employ local workers and spend within the local supply chain.
- 4.46. Even if a company based outside of Gwynedd is awarded a contract by the Council, some of the examples we have seen so far show that including a social value assessment in a tender can increase the likelihood that a company brings benefits to Gwynedd. Positive examples of social value that companies from outside Gwynedd have offered include: employing local individuals from Gwynedd to work on a Council contract; donations to charities in Gwynedd; work experience for residents in Gwynedd with a national company.
- 4.47. One of the main drawbacks associated with the new system of social value evaluation is that it requires more resources, time and expertise to implement it effectively, creating additional pressure on procurement officers and contract management officers in the Council. In addition, it can be equally challenging for

¹ Welsh Government (2025) Welsh Procurement Policy Note (WPPN) 003: Social value clauses/'community benefits' through public procurement, <https://www.gov.wales/wppn-003-social-value-clauses-community-benefits-through-public-procurement.html>

smaller businesses and enterprises, creating barriers to their ability to compete fully and to deliver strong responses to tenders.

- 4.48. In response to the potential barrier for local businesses and enterprises, a range of actions have been put in place to seek to reduce the potential barrier:
- Information packs for businesses are included in the tender documents when social value is included as part of the evaluation, to increase businesses' understanding of the arrangements
 - We also emphasise the importance of engaging with the market before going out to tender to ensure businesses have the opportunity to understand our needs and the opportunity to ask any questions
 - Furthermore, we are in the process of formulating a lighter version of the social value requirements that may be more suitable in some tenders.

Summary

- 4.49. On the whole, adding social value as part of the tendering process brings additional benefits to Gwynedd, and is also able to recognise the benefit that elements such as local employment and local expenditure through our contracts can bring to the County.
- 4.50. As part of the Procurement Strategy, we intend to continue to maximise social value in the Council's procurement processes.

5. Consultation

- 5.1. In drawing up the Strategy, the opportunity was taken to consult with several services across the Council in order to receive input and reflect on the views and opinions of different departments that will be using and implementing the Strategy.
- 5.2. These services included the Corporate Category Team (Environment Department), the Environment Category Team (Highways, Engineering and YGC Department) and the People Category Team (Leadership Team Department). The content of the Strategy was also discussed with the Economy and Community Department.
- 5.3. Following receiving and discussing their comments, amendments were made as the Strategy was designed to reflect those comments.
- 5.4. Once the Strategy has been approved, we as a central Procurement Service will lead on the formulation of a Delivery Plan, and we will work with the Council's Category Teams and procurement officers in its preparation. We will also consult with any other service in the Council as the need arises.

6. Well-being of Future Generations (Wales) Act 2015

- 6.1. Procurement can make a significant contribution to improving the economic, social, environmental and cultural well-being of Wales, particularly when it is guided by the principles of sustainability and social value.

- 6.2. The Well-being of Future Generations (Wales) Act 2015 was fully considered in the drafting of the Strategy, and the well-being goals that each priority field addresses can be seen in the Strategy – please see an example below. We will use the five ways of working to implement the Strategy and procurement across the Council.



- 6.3. Social value realised through procurement plays a vital role in fulfilling obligations under the Well-being of Future Generations Act. By embedding social value in the procurement process, we can ensure that the goods, services and works we procure contribute positively to the economic, social, environmental and cultural well-being of Wales, supporting the seven well-being goals of the Act, and ultimately, ensuring that our spending delivers long-term and sustainable outcomes that improve the quality of life of current and future generations.
- 6.4. The National Themes, Outcomes and Measures for Wales have been designed to support the well-being goals of the Act, and therefore the impact of the social value can be measured against the well-being goals.
- 6.5. When the procurement duties of the Social Partnership and Public Procurement (Wales) Act 2023 come into force, we as Cyngor Gwynedd and other public bodies will be required to improve economic, social, environmental and cultural wellbeing through procurement in a socially responsible way. These duties will complement the existing well-being duties that certain public bodies have under the Well-being Act.

7. Impact on Characteristics of Equality, Welsh Language and Socio-Economic Duty

- 7.1. An Equality Impact Assessment has been completed in draft form to accompany the Procurement Strategy, and a final copy will be submitted when the Strategy is presented before the Cabinet.
- 7.2. Please see a copy of the draft Equality Impact Assessment attached to this report (Appendix 2 – Equality Impact Assessment).
- 7.3. The assessment at this time does not show any significant impacts. Generally, the Strategy does not have any negative impact, but a positive impact can be seen on several characteristics.

- 7.4. The Strategy is considered to have a positive impact on the Welsh language – promoting the Welsh language is a priority field in the Strategy. We promote the Welsh language in our procurement processes, whether that is when dealing with Welsh or non-Welsh companies. The Strategy maximises the use of social value by noting that it should be regularly included as part of tender evaluation criteria, where appropriate, which also promotes the Welsh language as some of the social value measures reflect the well-being goal of ‘A Wales of vibrant culture and thriving Welsh language’.
- 7.5. The Strategy also has a positive impact on socio-economic elements, with the priority field of maximising social value through procurement activity increasing the likelihood social and economic benefits being delivered to Gwynedd through the Council's spending with contractors, such as local employment, supporting young people and disadvantaged individuals into employment, supporting health promotion efforts, support for the disadvantaged, reducing crime, building stronger communities and efforts to protect wildlife and culture.

8. Next steps

- 8.1. We will continue to respond to the requirements of the Procurement Act 2023 and raising awareness of the new arrangements across the Council.
- 8.2. Following receipt of the Scrutiny Committee's comments, the Procurement Strategy is scheduled to be presented to Council Cabinet in November 2025.
- 8.3. Once the Strategy has received Cabinet approval, the Procurement Service will lead on the formulation of a Delivery Plan, which will outline the steps to be taken to realise the vision and priorities of the Strategy.
- 8.4. Following the publication of the Procurement Strategy, it is planned to review and update the Council's Procurement Policy, aiming for the revised Policy to be effective from 1 April 2026.
- 8.5. In terms of social value, we will continue to maximise the use of social value and it has been included as one of the priority fields in the Procurement Strategy for the next five years.

9. Background Information

- 9.1. Cyngor Gwynedd Full Council, 6 March 2025, Item 14 – Constitution Changes – New Contract Procedure Rules (Section 17) – [Agenda for The Council on Thursday, 6th March, 2025, 1.30 pm](#)

- 9.2. Education and Economy Scrutiny Committee Cyngor Gwynedd, 8 December 2022, Item 5 – Progress Report – Keeping the Benefit Local – [Agenda for Education and Economy Scrutiny Committee on Thursday, 8th December, 2022, 10.30 am](#)
- 9.3. Cyngor Gwynedd Cabinet, 7 November 2023, Item 9 – Social Value Procurement – [Agenda for The Cabinet on Tuesday, 7th November, 2023, 1.00 pm](#)

10. Appendices

- 10.1. Cyngor Gwynedd Procurement Strategy 2025 – 2030 – draft version
- 10.2. Equality Impact Assessment – draft version