

National Assembly for Wales

Consultation on PUBLIC PROCUREMENT IN THE FOUNDATIONAL ECONOMY

PLANED RESPONSE

PLANED works with communities across Pembrokeshire and West Wales; and with over 30 years of direct experience, support and interaction, can fully appreciate and promote the benefits that a local approach towards procurement can deliver.

We support the local community, the economy and the environment. We understand the benefits that local trade brings to all of these sectors.

Pembrokeshire is also one of the most rural counties in Wales, with an economy that is broader than agriculture. In addition, the population of Pembrokeshire increases significantly each summer due to the influx of tourism visitors to our attractions, coastal towns, and rural heartlands.

We welcome this Committee inquiry as an opportunity to think and act differently. It is an opportunity to move from the old style of thinking about saving money today, towards the delivery of wider benefits for the longer term, and a move away from false economies.

Introduction

It has been previously noted that stakeholders see the need for a “new national procurement policy and delivery support and capability and capacity building, especially in foundation sector areas such as social care and construction” in response to the Welsh Government review of the National Procurement Service (NPS) and Value Wales.ⁱ

The Welsh Government commitment to “to achieving a carbon neutral public sector by 2030 and to coordinating action to help other areas of the economy to make a decisive shift away from fossil fuels,”ⁱⁱ will mean that we will need to obtain not just our foods but our energy, materials, timber, water and fibre from rural areas. Many countries are now recognising this (Canada, Sweden, Finland, Germany), such that they are strategically planning their ‘bio-economies’ as central to their policy frameworks.ⁱⁱⁱ

Wales needs to engage with rural communities and “rural-proof” current and future policies. We would recommend the report “Recharging Rural” prepared for the Prince’s Countryside Fund, in which PLANED played a key partner and ensured Pembrokeshire communities were involved.^{iv} The report considers and makes a series of recommendations for rural communities to be self-sufficient and viable into the future.

Skills

Businesses particularly in our rural and smaller communities, rely increasingly on their local supply chains to support ongoing operations. An increase in public procurement can help provide a guaranteed market and in turn help maintain skills and employment in rural areas.

Development of skills is vital to ensure the effective deployment of any procurement policy. Skills being taught need to match those that are required. We welcome the then Minister's statement of 2018 where he states commitment to a capability and capacity programme to create a "future talent pipeline to help tackle skill shortages and gaps..."^v

Support for outreach from sectors that form the foundational economy is needed. It enables real-life training and application of skills in sectors including tourism, hospitality, care work and construction.

PLANES as a charity and community based organisation is collaborating with key local employers Bluestone and the Retreats Group to offer a bursary to young people from Pembrokeshire. The bursary is available to a young person about to enter higher education to study a course in one of the key sectors with the foundation economy: tourism.

Community led ownership of everyday business activities

Public money and public procurement should benefit communities.

Many rural communities that PLANED works with are now taking action to tackle the barriers and challenges they face themselves. The solutions that communities are coming up with deliver multiple outcomes.

PLANED has a Community Land Trust Project supporting communities across the county to set up their own local CLTs delivery affordable, community owned homes for the local community.

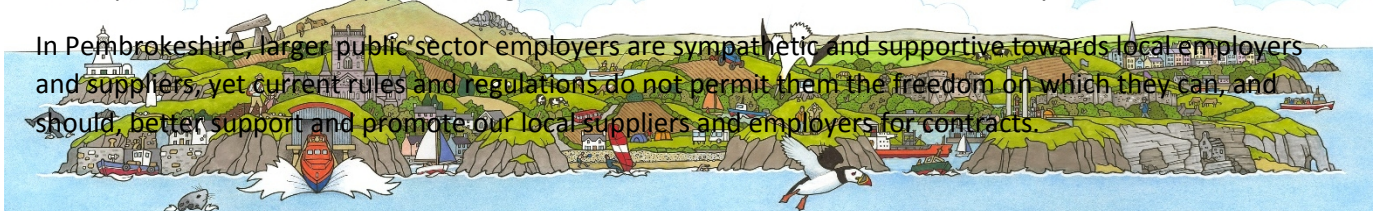
Community land ownership can deliver goals including affordable housing, economic benefits, repopulation and raising school student numbers. To realise true community benefits this all need to be in the context of a supportive public procurement framework. A coordinated approach can help identify and fill business supply gaps and help increase the ability of cooperatives, community benefit societies and voluntary sector to deliver public contracts and services.

Our Community Land Trust is now working with six communities across Pembrokeshire, who are preparing to set up their own Trust, aware of the socioeconomic impact they can have now and in the future.

Place based policy

Food procurement by the public sector can support the strategic development of the food sector in Wales. Public procurement can help provide a guaranteed demand in the face of uncertainty over BREXIT.

In Pembrokeshire, larger public sector employers are sympathetic and supportive towards local employers and suppliers, yet current rules and regulations do not permit them the freedom on which they can, and should, better support and promote our local suppliers and employers for contracts.



Keeping supply chains as short as possible enable economic benefits to be kept within the community. PLANED has been told by employers in the region that access to goods that were once readily available, ordered and arriving the next day, now are ordered from further afield and cause delays in operation.

A strategic approach to collaboration and distribution hubs would be one option to help address this issue. This would include the promotion of local procurement, and support for smaller businesses to work collectively to bid for, obtain, and deliver contracts in counties such as Pembrokeshire.

Digital procurement

PLANED has heard from private sector contacts that they often do not get informed about public procurement contracts. Small business may not have the staff or the time to keep up to date with information on sell2Wales. There is an added element in many rural communities that broad band infrastructure and 4G signal may not be good enough to allow online access, and many smaller, independent firms lose out to larger competitors due to this lack of coverage. Poor broadband and mobile phone coverage continues to be one of the top three barriers facing rural communities, the others being poor transport networks and poor employment opportunities. ^{vi}

Post BREXIT, we would welcome a wholesale review of the current EU based procurement frameworks, to develop and implement a UK/Wales based bespoke framework to ensure supply and demand for goods and services.

Any future new framework should identify, extract, and continue with the preferred elements from the EU current frameworks to help protect and promote best practice, alongside the development and promotion of new elements. These new elements should better promote the local proximity principle, and a greater flexibility and autonomy at a local level which would support and promote those suppliers within the Foundation Economy.

We would be happy to discuss any of the points made in the response further and would be delighted to host a committee visit to any of our projects.

Iwan Thomas. CEO, PLANED

ⁱ <http://senedd.assembly.wales/documents/s84505/PAC5-05-19%20Paper%201%20-%20Welsh%20Government%20paper.pdf>

ⁱⁱ <https://gov.wales/welsh-government-makes-climate-emergency-declaration>

ⁱⁱⁱ https://ec.europa.eu/commission/news/new-bioeconomy-strategy-sustainable-europe-2018-oct-11-0_en

^{iv} <https://www.princescountrysidefund.org.uk/research/recharging-rural-2>

^v <https://gov.wales/written-statement-review-national-procurement-service-and-value-wales-commencement-order>

^{vi} <https://www.princescountrysidefund.org.uk/downloads/research/recharging-rural-full-report-final.pdf>

