

## **Aneurin Bevan Health University Health Board Response to Welsh Government Consultation Foundational Economy November 2024**

Aneurin Bevan University Health Board is the operational name of Aneurin Bevan University Local Health Board. The Health Board was established on the 1st October 2009 and covers the areas of Blaenau Gwent, Caerphilly, Monmouthshire, Newport, and Torfaen.

The Health Board employs over 14,000 staff, two thirds of whom are involved in direct patient care. There are more than 250 consultants in a total of over 1000 hospital and general practice doctors, 6,000 nurses, midwives, allied professionals and community workers.

This response sets out replies to specific questions posed by the Economy, Trade and Rural Affairs Committee as part of its inquiry into the foundational economy.

### **1. To what extent has the Welsh Government embedded support for the foundational economy into its overall approach to economic development? What further steps should it take to do this?**

Support for the foundational economy has solid foundations through various Welsh Government policy commitments, the foundational economy challenge fund and efforts to leverage local public sector procurement to support local economies.

Further steps should consider capacity to deliver at scale and with impact, too often schemes are based on pilot approaches which may be successful but are limited in impact as do not have the support to scale and spread and become sustainable. Steps to support the scale and spread of initiatives and a sustainable commitment need to be given consideration.

Likewise, integration into wider policy decisions which impact high value investment may be helpful.

Enabling opportunities for public sector organisations to work across organisational boundaries, along with supporting capacity, capability and sustainable funding options would have a direct impact on embedding the foundational economy. Policies and decision making that drive up the value of public sector workers within the economy in relation to status, working conditions and career development are also issues that need addressing.

**2. Given the cross-portfolio nature of the foundational economy, how should the Welsh Government create a co-ordinated approach to mainstreaming support for foundational economy sectors across government?**

A co-ordinated approach would be beneficial in a number of areas given the complexity and diversity of government priorities, objectives, and ambitions. Mainstreaming the principles of the foundational economy into policy development and evaluation of impact of those policies would support this.

This could be enabled through a multi-departmental approach along with other considerations:

- A joined-up approach to workforce development- we have experienced challenges in creating joint apprenticeships or joint training pathways with partners. A coordinated approach to workforce development across health, care, education and training may be beneficial.
- Government support for local community engagement and voluntary sector may also be beneficial in developing stakeholder engagement. Increasing visibility and communication amongst the general public in relation to what the foundational economy is, how communities, local business and voluntary organisations can be involved and contribute may also be of benefit.
- Developing local partnerships with local producers, suppliers and other large employers outside of the public sector.

The above may be practically supported by providing:

Creating, enabling and enhancing opportunities for collaborations, joint enterprises between local suppliers across Wales.

National approach to understanding a more detailed profile of the local demographics of census information. This could be elevated to understand training, education and employment opportunities for those working in most deprived areas with a view to develop a coordinated to drive investment in training, education and employment schemes.

**3. Which of the Welsh Government's foundational economy policy initiatives have been most successful, and why? Which have worked less well, and why?**

In relation to our experience a number of successes have been linked to policy initiatives in relation to fair work. These have enabled us to develop a now

established apprenticeship offer, ability to expand the work with local communities and education providers in relation developing work experience, intern placements, volunteer to career placements and joint training offers bespoke to our needs. Likewise success in local procurement and initiatives to support the decarbonisation agenda. The Health Board's percentage spend with Welsh Suppliers increased from 49.88% in Apr '23 to 55.94% on Mar 24. In addition, we are aware of positive examples across Wales including Velindre NHS Trust's Food Mission, Swansea Bay University Health Board's Green Group including Greener Theatres, Community Supported Agriculture at Morriston Hospital, Cwm Taf University Health Board's Healthy Housing partnership

Considerations to increased and or more sustainable funding solutions, in place of limited or short-term funding could support our ability to stretch our ambition with initiatives and supporting our ability to scale progress. Likewise, support to overcome barriers between public sector organisations and partners to enable joint working which is often hampered by bureaucracy, different funding models and different terms and conditions.

**4. What examples of best practice exist in different foundational economy sectors and places within or beyond Wales? How could the Welsh Government better support partners to deliver best practice, and to scale it up where appropriate?**

Some positive examples include the Buurtzorg Model withing community nursing which was trialled within the Heath Board previously. Also we are aware of local authority procurement successes with in Preston City Council and the Cleveland model in the US which where anchor institutions support local community owned co-operatives.

In many cases, programmes of work and initiatives in support of the foundational economy aims and ambitions are facilitated by short term funding and/or bespoke pilot programmes. These very often operate organisational silos and with short term contracts and limited budgets. On occasion they can also be limited by defined outcomes required by funding streams which provide limited flexibility or ability to be creative.

Consideration to sustainable ways to support, co-ordinate and enable long term funding, capacity and capability across organisational and public sector organisation boundaries to scale up successful pilots or proven initiatives could make a significant and long-lasting impact to the many good examples being carried out across Wales.

This could be facilitated by networks to share best practice, community networks and more support for community social enterprises as well as designing policies that support long term sustainability.

**5. What progress has been made in using procurement to strengthen the foundational economy since our predecessor Committee looked at this issue in 2019? What further actions are required to deliver greater progress, and what innovative examples of best practice could be built on?**

Applying the social value approach to procurement has supported awards being made to local and sustainable companies also supported by simplifying the process for SMEs.

Expanding this approach and including expanding support and tools to increase capability and capacity may support growing this approach. Developing as a Marmot Region will be important in relation to examples of good practice to support a wide range of improvements to health improvement addressing fair work, sustainable communities and tackling health inequalities. Building on the existing partnership working arrangements that exist and opportunities for regional working will be essential. Government policies and initiatives which support, promote and make improve ways of working in this field will enhance and embed any progress that can be made.

Supporting some of the work underway by NHS Wales finance colleagues in developing how costs are established and how a Social Cost-Benefit Analysis can be undertaken and become part of service development proposals may be an opportunity for development.

**6. How effective have the Welsh Government's actions to deliver fair work in foundational economy sectors been? What further steps should it take within its devolved powers to progress this agenda, and how can it work with the UK Government to drive improvements in non-devolved areas?**

Welsh Government's actions in support of Real Living Wage, commitment to security and flexibility through work and support for foundational employers has provided a good foundation for the Fair Work agenda.

Many of roles and initiatives remain in areas of low wages and therefore a review of this alongside ongoing commitment to initiatives like apprenticeships, fair wage policies, and professional development opportunities specific to

foundational sectors would attract and retain talent, benefiting sectors like social care, education, and housing.

Partnerships with unions, training providers, and employers could support a robust agenda that tackles workforce challenges. The NHS Wales Finance Academy's approach which considers competencies in line with procurement for benefit of the foundational economy may be suitable to adapt and share.

It will be interesting to see the impact of Workers Rights Bill and how the UK and Welsh Governments respond to agency providers and employers deploying zero hours contracts connected with focus on Fair Work and any impact this may have on the foundational economy and encouraging a wide range of employers to open up apprenticeships, flexible working routes, etc.

Further consideration is required to address attraction to a range of public sector roles. For instance, NHS is the largest employer in Wales. Most young people seem to consider that options are limited, for example hospitals have doctors and nurses instead of appreciating there are about 300 different occupations and careers available with opportunities for local, well paid jobs. We raise awareness by engagement with schools and colleges and also other ways, such as the VR films.

New and creative ways to increase our capacity and ability to create, fund and sustain programmes that develop and educate local people for skilled, professional and highly paid roles couple with terms and conditions that support long term retention will support our retention of key skills, e.g. doctors, nurses, social workers.