3. Health Impact Assessment

1. In this document, “Welsh Contracting Authorities” or “WCAs” means all contracting authorities undertaking procurement in Wales or spending Welsh public funds, unless the context indicates otherwise. References to a legal duty to have regard to the Wales Procurement Policy Statement (WPPS) apply only to those WCAs within the scope of section 14 of the Procurement Act 2023. However, the Welsh Government intends the principles and expectations described in this document to be relevant to all contracting authorities undertaking procurement in Wales or spending Welsh public funds. WCAs that are not subject to the statutory duty are therefore strongly encouraged to apply the WPPS, where relevant and appropriate.

Health Impact Assessment (HIA) Template

Name of decision:

2. Wales Procurement Policy Statement (WPPS)

Purpose /aim of decision:

3. The WPPS provides the strategic direction for public procurement in Wales and seeks to maximise the economic, social, environmental and cultural value generated through more than £11 billion of annual public expenditure.

4. The WPPS introduces a single overarching priority: strengthening the Welsh economy through public procurement. It aims to build a stronger, fairer and more resilient economy, retain more value within Wales, and increase the benefits delivered to Welsh businesses, workers and communities.

5. The WPPS focuses on strengthening the Welsh economy and sets cross-cutting expectations relating to fair work, sustainable and resilient supply chains, community well-being, the Welsh language, reduced inequalities and improved health and well-being outcomes. Any health effects will depend on how the procurement levers within the WPPS are applied within individual procurements. WCAs should apply the WPPS as appropriate, according to the statement given at paragraph 1.

SECTION A – Completing a Health Impact Assessment

Population Group(s) affected by decision / policy

- What information do you have about the population group(s) whose physical or mental health are reasonably considered may be affected by the decision?

Response

6. The WPPS is a strategic procurement statement that has the potential to indirectly affect people in Wales through its influence on procurement planning, supplier participation, employment practices, environmental outcomes, and the quality, accessibility and continuity of publicly procured goods, services and works. The nature and extent of any health impacts will depend on how WCAs apply the WPPS through individual procurement exercises and contract management arrangements. WCAs should apply the WPPS as appropriate, according to the statement given at paragraph 1.

7. Potentially affected groups include children and young people, working-age people, older people, disabled people, people with other protected characteristics, people experiencing socio-economic disadvantage, rural and remote communities, Welsh-speaking communities, workers in public sector supply chains, small and medium-sized enterprises (SMEs), voluntary, community and social enterprises (VCSEs), service users, carers and unpaid carers. Impacts may vary by place where there are differences in market capacity, transport infrastructure, digital connectivity, workforce availability or access to public services.

8. No specific health impacts have been identified.

Identification and assessment of effects on health

- Are there any intended effects of the decision on the physical and mental health of the population group(s) identified?

- Are there any unintended effects of the decision that are reasonably considered likely, on the physical and mental health of the population group(s) identified?

- Have you had due regard to the following:

  - **Wider determinants of health**: this means the social, economic, cultural and environmental factors that may affect people's health)?
  - **Health equity factors:** this means any differences in health outcomes and health opportunities (i.e. publicly available opportunities that could promote or improve physical or mental health) caused by any ground, including:
    (i) socio-economic status,
    (ii) geographic location, and
    (iii) the presence of a protected characteristic within the meaning of Chapter 1 of Part 2 of the Equality Act 2010.

- Consider both the **short term** and **long-term** effects in line with the 5 ways of working (Collaboration, Integration, Involvement, Long-term, Prevention).

Response

9. The WPPS is not mainly a health intervention and does not directly decide how health services are provided. Any health effects are likely to be indirect. They would mainly come through wider factors that affect physical and mental health, such as fair work, income security, skills, resilient services, sustainable procurement, community well-being and stronger local economies.

10. Positive effects may arise where procurement supports safe and inclusive workplaces, good-quality jobs, apprenticeships, stronger supply chains, accessible services, environmental improvements and community benefits. However, these are policy intentions rather than being guaranteed, they will depend on how individual procurements set, relevant, lawful, proportionate and measurable requirements, and how well those requirements are managed through contracts.

11. Possible unintended effects include placing too much pressure on smaller or

community-based providers, reducing supplier diversity, increasing market concentration, supplier failure, poor mobilisation, inaccessible digital processes, or benefits not reaching the communities most affected by disadvantage.

Evidence and engagement

- What evidence has been used? (e.g. research, data, previous assessments)
- Reflect on any evidence drawn from engagement/involvement with relevant population group in line with the 5 ways of working

Response

12. This assessment is based on the draft WPPS, Plaid Cymru Manifesto and the Programme for Government.

13. Together, these documents identify that the WPPS could affect health indirectly, through fair work, employment and skills, community wealth building, sustainable procurement, accessible and resilient public services, supplier reporting and contract management.

14. Development of the WPPS and IIA has also been informed by internal policy engagement (August 2026). This included input from areas such as health and social care policy official, fair work officials, foundational economy policy officials, social value and environmental policy officials.

15. Public consultation will enable the wider public to review the WPPS and provide comment. If specific impacts (positive or negative) are identified these will be acknowledged and the Health Impact Assessment updated.

Mitigation and enhancement

- What actions could reasonably be considered to **prevent**, **reduce or mitigate any negative effects**?
- What actions could reasonably be considered to increase **any positive effects**?

Response

16. Actions to prevent or reduce negative effects include:
    - checking through public consultation that the draft WPPS is clear, practical and proportionate.
    - providing accessible guidance, learning materials, tools and examples
    - engaging with the market early and in a proportionate way; and
    - making sure contract requirements, such as lotting, financial checks, insurance, accreditation and evidence, are appropriate for the procurement.

17. Actions to enhance positive effects include:
    - embedding fair work, safe and inclusive employment, jobs, skills and apprenticeships in relevant procurements;
    - applying sustainability, whole-life cost, carbon reduction and circular-economy considerations; using outcome-focused specifications and innovation;
    - selecting relevant Welsh Themes, Outcomes and Measures; and sharing effective practice.

18. These measures should be applied lawfully, proportionately and in a way that protects service quality, value for money and fair competition.

19. Monitoring and implementation arrangements should distinguish between policy outputs, intermediate outcomes and any longer-term health outcomes. They should also identify ownership, data sources and review points, including where consultation or implementation evidence indicates uneven effects across groups or places.

Overall health impacts

- Overall expected effect of the proposed decision on physical and mental health once mitigation / enhancement action taken: Positive
- Overall expected effect on health inequalities: Unclear

Response

20. Overall, the WPPS is intended to have a positive effect on physical and mental health. However, any health effects are likely to be indirect and the impact will depend on how well the WPPS is put into practice. WCAs should apply the WPPS as appropriate, according to the statement given at paragraph 1.

21. There is the potential that the WPPS could help reduce health inequalities and may support better health outcomes by encouraging fair and safe work, jobs and skills, stronger local economies and supply chains, sustainable procurement, community benefits and improved public services. The extent of the impact will depend on how WCAs apply these procurement levers to relevant procurements, where it is appropriate and proportionate to the contract.

22. There is the potential that benefits could be reduced, or inequalities could increase, if the WPPS is not applied consistently or proportionately. This could happen if procurement processes are hard to access, local services are weakened, or benefits do not reach the communities facing the greatest disadvantage.

Influence on decision-making

- How has the HIA influenced the decision?
- What changes have been made as a result?
- What risks/negative effects remain?

Response

23. The HIA has highlighted the need to consider health as part of the WPPS, rather than as a separate issue. This is because the WPPS may affect the wider factors that influence people's health through procurement policy and practice. The assessment supports keeping clear references to health and well-being, reduced inequalities, fair work, safe and inclusive practice, sustainability, service outcomes and community benefits.

24. No significant direct negative health impact has been identified at this stage. The main risks are that the WPPS may be applied inconsistently, or that the benefits may not reach the communities facing the greatest disadvantage.

Monitoring and ongoing review

- How will effects on the physical and mental health be monitored?
- Are there any indicators or data sources identified?
- Is a further review required?

Response

25. Monitoring will be proportionate and focused on the mechanisms and risks identified through this HIA. It will be aligned with implementation of the WPPS, procurement reporting and contract management arrangements.

26. Relevant evidence may include commitments on fair work and employment, jobs, skills, apprenticeships and training, SME and VCSE participation, accessibility requirements, sustainability measures, contract performance, service continuity, complaints, contract failure and corrective action.

27. It may also include Welsh Themes, Outcomes and Measures data and Socially Responsible Procurement Annual Reports. These should be treated as implementation indicators, rather than direct measures of health impact.

28. Where a procurement has a credible link to health outcomes, WCAs may use proportionate feedback from service users, the workforce or suppliers. They may also draw on equality information, accessibility findings and relevant service outcomes. Public consultation will enable the wider public to review the WPPS and provide comment. If specific impacts (positive or negative) are identified these will be acknowledged and the Health Impact Assessment updated.