

## General Designation on Procurement

1. Following a two year dialogue, the UK Government has agreed to grant a general Designation Order to the Welsh Government under Section 2(2) of the European Communities Act.
2. The order will go to Privy Council on 15 July and be laid before Parliament on 22 July and is expected to come in to force on 12<sup>th</sup> August.
3. Securing the Designation Order places Wales is on an equal footing with the other devolved administrations, which both have specific legislative competence on public procurement.
4. The Designation Order will give Welsh ministers powers to regulate in regard to procurement matters, allowing secondary legislation to be developed for public procurement in Wales and strengthening adoption of the Wales Procurement Policy Statement.
5. The provisions of the General Designation for Procurement are:
  - The Welsh Ministers would be able to use the designation, by way of secondary legislation, to:
    - (a) implement the obligations contained in the Public Procurement Directive, the Utilities Contracts Directive, the Concessions Contracts Directive and the Remedies Directives, and / or
    - (b) make provision arising out of or related to those obligations, where these obligations relate to contracting authorities whose functions are wholly or mainly Welsh devolved functions.
6. Once confirmed, the early priority is to introduce Regulation in relation to the application of our Community Benefits Policy.
7. The first meeting of the Welsh Government Community Benefits Task & Finish Group was held on 28<sup>th</sup> June and will conclude its work in January 2016 after which I will be announcing how I plan to utilise the designated powers to strengthen policy adoption.

## NHS Procurement

I am assured that procurement carried out in the NHS follows the principles of the Wales Procurement Policy Statement and adopts appropriate best practice, with major capital procurement being coordinated through the NHS Wales Shared Services Partnership.

The NHS recently achieved a 'Working Towards Advanced' rating - just one level from the highest rating of 'Advanced' - from its Procurement Fitness Check process and has an action plan in place to address areas of development identified.

Responding to the question from Mohammad Asghar, officials from Value Wales have discussed the points raised and have received the following information:

1. Capital funding programmes are often significantly oversubscribed. Replacement equipment is prioritised in terms of issues such as age/state of repair, clinical risk, benefits to the patient and value for money, amongst other criteria
2. Often, for high value/high usage equipment such as CT Scanners and Mammography equipment, upgrades and updates to software packages which enhance clinical functionality are built in to the agreement, extending the useful life of equipment.
3. Repairs and refurbishments are also factored into agreements for medical equipment, as are extended warranty provisions.
4. There will be occasions where the cost of a repair can be equal to or more than replacement. In these instances a commercial and clinical decision is made around affordability and benefits of a replacement versus repair.
5. Investing, where appropriate, in replacement equipment often has significant clinical and patient benefits in terms of quicker and more accurate diagnosis which in turn can have a positive impact on matters such as waiting times and improving patient pathways and outcomes. This can have a cost savings attached to it above and beyond the cost of the equipment itself.
6. Often equipment replacement is governed by advice and guidance from professional bodies such as the Royal College of Radiologists.