



Nick Ramsay MS  
Chair  
Public Accounts Committee  
Welsh Parliament

16 March 2021

Dear Chair,

Thank you for your letter of 13 October 2020 confirming the supplementary information we agreed to provide during the meeting of the Public Accounts Committee on 14 September 2020, and setting out a number of additional points raised by members during the Committee's consideration of the evidence on Public Procurement

The additional information we agreed to provide is as follows:

### **1. Challenges around the supply of fruit and vegetables**

EU transition presented a significant challenge to the supply of fresh fruit and vegetables. Welsh Government EU transition teams continue to work across the food and drink industry to identify challenges and introduce mitigating actions where possible. Devolved administrations are also part of a UK wide food supply chain group chaired by DEFRA together with key food buyers from Wales drawn from Local Government and the Welsh NHS. This group is facilitating early identification of issues on a national level and sharing of best practice across the UK.

Developing the growth and purchase of Welsh produce is a rapidly emerging theme from the work being undertaken by the Centre for Local Economic Studies (CLES) in supporting progressive procurement. Caerphilly Council, who are leading the regional approach to Local Government food provision, are working alongside CLES, with further Welsh Government support, to increase the use of local produce through their agreements. Work undertaken to date has also seen a new procurement approach emerging within the NHS, with previous national agreements being geographically zoned to encourage Welsh based suppliers.

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## **2. Free School Meals**

The response to the detailed questions relating to Free School meals is attached at Annex A.

## **3. Job Support Wales**

The information you have requested on the extension of employability support contracts in light of the failed Job Support Wales (JSW) procurements and their successors is attached at Annex B.

I have noted the Committee's reservations regarding the levels of engagement between the Welsh Government and the private sector in procuring PPE during the pandemic. I await the findings from Audit Wales review with interest and will respond to any questions you may have in due course.

You also raised question about what the Welsh Government is doing to ensure the resilience and effectiveness of the regional local authority arrangements in relation to procurement. In developing its revised national plan, the NPS has worked alongside the WLGA through their Local Authority Heads of Procurement network, who have been developing their own regional approach. In addition to the NPS national programme of 32 frameworks the Local Authorities have identified 15 frameworks that will be delivered through regional or local approaches.

The regional approach is based upon delivery within the South East, South West and the North of Wales. Activity in the South East is well advanced, with lead bodies identified and taking forward the provision of food, construction consultancy and printing services (six frameworks in total) with discussions on going to identify the scope and leads for other areas. Within the South West a similar exercise has been undertaken and the Welsh Government is facilitating a further discussion in the North region to support their activity. Smaller local authorities have been given the option to join arrangements being undertaken by others, and so will be able to call upon regional agreements in the same way as they use NPS agreements.

Regional approaches will routinely share best practice and lessons learnt to assist other authorities and as the regional approach evolves there would be an expectation that smaller organisations would receive support for mini competitions in the same way as that provided by NPS.

In response to your questions relating to procurement and digital strategies, the new Wales Procurement Policy Statement (WPPS) will be the overarching Procurement Strategy for Wales Public Sector and will reflect the external environment we find ourselves in. This will detail how the Public Sector can make best use of Public Procurement as a lever to deliver the Welsh Government's cross cutting Policy areas including Social Value, Socially Responsible Procurement, Decarbonisation, etc. with a clear read across into Wellbeing of Future Generations (Wales) Act and Foundation Economy with emphasis on place based procurement.

The WPPS (Annex C) has been subject to a wide consultation across the public sector and will be published this month.

The Welsh Government is also developing a Digital Strategy for Wales and it identifies procurement as a key enabler, which supports wider policy delivery, innovation and the adoption of digital technology. Excellence in digital capacity and delivery is essential to underpin effective service delivery.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Medcraft', written in a cursive style.

**Dean Medcraft**  
Director of Finance & Operations  
Economy, Skills and Natural Resources

## Annex A

### National Support for Free School Meals

- 1. Please provide a chronology of the progression of discussions with the provider that was considered to provide national support for those eligible for free school meals.**

The chronology of the discussions are detailed below:

25<sup>th</sup> March 2020

- Edenred identified as sole supplier on NPS Employee Benefits Framework.

26<sup>th</sup> March 2020

- High level requirement confirmed by EPS and sent to Edenred for consideration
- Response from Edenred advising of the structure of the system with reference to the DfE contract.

1<sup>st</sup> April

- Email to Edenred advising a decision on the way forward would be made soon and proposing provisional dates for implementation should their option be agreed.

8<sup>th</sup> April

- Clarification email to Edenred concerning progress of other supermarkets being part of the scheme e.g Co-Op and Iceland and map of retailers.
- Mail to Edenred requesting meeting to discuss logistics of system -arranged for 14<sup>th</sup> April with EPS, CPS and Edenred
- EPS were made aware that Edenred were struggling to fulfil their contractual obligations for England.

9<sup>th</sup> April

- Officials sought assurances regarding the capacity of Edenred to deliver the voucher scheme in light of advice from DfE and criticisms in the press regarding the DfE scheme. At no point during this discussion did Edenred indicate that they would not be in a position to deliver the voucher scheme for the Welsh Government.

14<sup>th</sup> April

- Meeting was held with officials and Edenred's Business Development Manager (leading on the voucher scheme for DfE). Edenred advised that the DfE scheme had challenged them, and impacted on the service to the point where it had become unstable, that they would be in a better position to confirm whether or not they could deliver the scheme in Wales soon and that they would not be able to launch until either week commencing 4 or 11 May.
- Separate discussions with officials in DfE, confirmed the assessment outlined by Edenred.

15<sup>th</sup> April

- Ministerial Advice was prepared to provide options moving forward and a recommendation to withdraw from further discussions with Edenred.

16<sup>th</sup> April

- Ministerial approval was given that instead of developing a national free school meal voucher scheme, the Welsh Government would continue to support LAs to deliver regional support solutions for pupils in receipt of free school meals.

17<sup>th</sup> April

- Meeting held with Edenred to advise them we would not be proceeding with the scheme.

## **2. Please also include a summary of the proposed scope of the contract and an overview of how the due diligence process was applied.**

### **2.1 Scope**

The scheme in Wales was to be built around a national solution that would allow local authorities the flexibility to react to local requirements and to ensure that the most vulnerable children received the help in the most suitable format. This also needed to be able to identify additional groups of vulnerable children (such as those who are under 4) who could be added to aid the fight against food poverty during the covid crisis.

This approach would allow local authorities to either:

- (a) opt in to the national scheme, which would mean that vouchers would be sent to eligible households, whilst also allowing school/LAs to identify families who need specific help;
- (b) to continue with local arrangement to provide vouchers, direct payments or food packages direct from the LA

The scheme would have been operated through the Compliment Select platform, requiring administrators from each school to input the details of pupils entitled to free meals into the Platform. The platform would allow them to set the amount for the voucher, the term of its validity, and issue on a weekly or monthly basis. For parents that did not have electronic forms of communications, the administrator would be able to order bulk vouchers which could then be posted to the parent.

### **2.2 Due Diligence**

Edenred satisfied pre-qualification requirements as part of their place on the NPS and CCS frameworks (the CCS framework was used by DfE to appoint Edenred) which would have assessed amongst other things, capacity and capability, GDPR etc. A more in depth assessment of data protection and adherence to the Welsh language standards was due to take place in relation to the Compliments Select Platform as part of the formal award process with relevant clauses drafted into the specification for the requirement.

## **3 As part of this, can you confirm how late in the process it was when the concerns about the supplier's delivery in England were identified and when the supplier**

**brought to the Welsh Government's attention that it may not have been able to provide a pan-Wales service from day one.**

Welsh Government was made aware that Edenred were struggling to fulfil their contractual obligations for England on the 8<sup>th</sup> April 2020. Due to the urgency associated with delivering this activity the engagement with Edenred was evolving at a rapid speed and we were made aware of the concerns in a timely manner.

Edenred advised officials on the 14<sup>th</sup> April 2020 they would not be able to launch until either week commencing 4 or 11 May.

**4 Please could you confirm whether concerns were proactively identified or simply arose as a matter of course?**

Concerns were pro-actively identified and raised at the meetings on 9<sup>th</sup> April and 14<sup>th</sup> April 2020.

**5 Was there any possibility that the contract could have been signed without these issues coming to light?**

This would have been very unlikely due to the regular dialogue between Welsh Government Education (EPS) and DfE officials and only if Edenred had been untruthful in their discussions with WG. As above, officials raised concerns during their discussions with Edenred on 9<sup>th</sup> and 14<sup>th</sup> April. Regardless of whether the concerns had been addressed or mitigated by Edenred, further written assurances and evidence would have been sought prior to a formal contract being awarded.

## **Annex B**

### **Job Support Wales**

#### **1. The extension of employability support contracts in light of the failed Job Support Wales (JSW) procurements.**

Provision of the services due to be provided under the Job Support Wales procurement have continued, with no impact on participants. Working Wales (Careers Wales) has continued to operate as the entry point for all employability support, offering professional careers advice and guidance, providing a diagnostic of all barriers to employment and support needs, not just skills, and onward referral to support. However, planning and managing the transition of employability programmes and provision during a pandemic is not ideal and there is a careful balance to be struck between maintaining current services to our customers and taking new programme approaches into the landscape, particularly as DWP have unexpectedly launched a suite of employability programmes.

Currently, Welsh Government's employability programmes are focused on meeting the additional demand resulting from increased levels of redundancies within the system, balancing and minimising risks from COVID-19 whilst providing a full employability experience. We intend to continue with our current pattern of delivery into 2022, staying with tried and tested methods given the ongoing uncertainty around COVID-19 and the need to reduce the risk of transmission within learning and employment settings.

We have extended our existing contracts for this provision, until new arrangements can be put in place. Grant funded elements of the programme continue as normal.

#### **2. Our plans for successor arrangements for different cohorts (including the timetables concerned).**

The Apprenticeship Commissioning Tender is currently live and at the evaluation stage with contracts due to be awarded in March 2021 with delivery commencing August 2021.

Officials have been considering options for a new adult programme and an MA will be submitted to the Minister imminently to outline proposals. Consequently, Ministers have yet to agree a way forward for the Adult programme.

The Youth Programme procurement (which will be known as 'Jobs Growth Wales') is currently live with contracts due to be awarded in September 2021 with delivery commencing March 2022.

# Wales Procurement Policy Statement

## March 2021

### Ministerial Foreword

The consequences of the Covid-19 pandemic are truly profound for our economy, our society, and our communities. With this backdrop, together with the continued uncertainty of the long term impacts of the UK's departure from the EU, we must ensure public sector expenditure delivers even greater value in contributing to positive social, economic, environmental and cultural outcomes. Effective, sustainable, procurement, and the successful delivery of works, goods and services we all rely on, has never been more important.

Public procurement can play a central role in the delivery of progressive policy priorities ranging from decarbonisation, to social value and community benefits, the Circular Economy and the Foundational Economy. These policies help to combat climate change, support jobs and training while helping the most vulnerable.

Delivery on these ambitions is reliant upon a procurement profession with the skills and capacity needed to make our goals a reality. I am proud of the progress we are making together to upskill the profession and increase training opportunities.

The Wales Procurement Policy Statement (WPPS) sets the strategic vision for public sector procurement in Wales. It will help to define our progress against the well-being goals we are pursuing for future generations putting the Well-being and Future Generations (Wales) Act 2015 at the heart of all procurement decisions supporting us to achieve the 'Wales we want'. We all have a responsibility to ensure we are preventing problems and thinking about the long-term, while maximising opportunities to deliver economic, social, environmental and cultural well-being.

The key to delivery of this WPPS will be through continued collaborative working. We will review and refresh the WPPS regularly with partners to ensure that it remains a true reflection of our shared ambition of public procurement in Wales. We aim to achieve greater transparency on outcomes.

Welsh Government will develop an action plan to underpin delivery against the Statement's principles which will be published on our website. I ask buying organisations, either individually or as part of a collaboration, to develop and publish their own action plans detailing how they will support the delivery of priorities at a local, regional and national level. The proposed Social Partnerships Bill statutory guidance will take into account this Statement and associated action plans, placing contracting authorities under a duty to deliver socially-responsible outcomes through procurement. This places fair work and social value at the centre rather than being solely focussed on achieving financial savings.

I hope that you will welcome this Statement and work with us to make our shared vision a reality.

**Rebecca Evans MS – Minister for Finance and Trefnydd**



# Procurement Policy in Wales

The purpose of this document is to set the strategic direction for public sector procurement in Wales.

The vision is:

*“Welsh public sector procurement is a powerful lever with ability to affect sustained change to achieve social, economic, environmental and cultural outcomes for the well-being of Wales”*

## The Wales Procurement Policy Statement Principles

The Welsh public sector will follow ten principles for procuring well-being for Wales based on the Well-being of Future Generations (Wales) Act Goals and key Welsh Government policies

1. We will leverage **collaborative** procurement activity in Wales to maximise **long-term** sustainable social and economic value outcomes from public spend
2. We will **integrate** procurement into the heart of Welsh policy development and implementation
3. We will progress **long-term** sustainable procurement, which builds on and scales best practice and sets clear steps that show how procurement is supporting the delivery of organisational well-being objectives
4. We will raise the **long-term** standing and profile of the procurement profession and its role as an enabler for procurement policy
5. We will support Welsh Government policy objectives relating to progressive procurement, such as the Foundational and Circular Economy, through **collaborative**, place-based (whether national, regional or local) procurement activity which nurtures resilient local supply chains
6. We will act to **prevent** climate change by prioritising carbon reduction and zero emissions through more responsible and sustainable procurement to deliver our ambition for a net zero public sector Wales by 2030
7. We will align our ways of working and increase stakeholder **involvement** to support innovative and sustainable solutions through procurement
8. We will **collaborate** with stakeholders to promote equal opportunities and Fair Work in Wales

9. We will improve the **integration** and user experience of our digital solutions and applications, maximising the use of our procurement data to support decision making
10. We will promote value-based procurement which delivers optimum **long-term** outcomes for Wales.