



Nick Ramsay AM  
Chair, Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

23 April 2018

Dear Chair

### **PAC Inquiry into Public Procurement in Wales**

I am replying to your letter of 23 March in which you requested clarification on a number of matters in relation to the review of the National Procurement Service (NPS) and Value Wales.

A key principle of the review is that it is driven by stakeholder insight and feedback. The stakeholder group is therefore an essential conduit to engaging the voices of all interested parties. The terms of reference for the stakeholder group make it clear that members will be expected to secure feedback from colleagues within their respective sectors and organisations, including those organisations that may not currently be members. It is recognised that this creates a considerable commitment and the Welsh Government review team has made it clear that they will offer as much support as possible to enable stakeholder group members to fulfil their roles. The WLGA is working collaboratively as part of the review process and has shared details of work relevant to the review, which has been undertaken across the local government sector.

Addressing the issues of overall procurement capacity and capability across the public sector in Wales is a fundamental part of the review, and of what follows. As discussed during our recent evidence session, Welsh Government is aware of the issues across Wales and will be addressing these through a new procurement capability programme in due course. We will also be re-visiting ratios of spend per procurement professional through the review, as mentioned in my previous letter, and establishing with stakeholders if it is possible to identify a meaningful all-Wales methodology bearing in mind that different public bodies address these issues in different ways.

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The reasons why NPS members are choosing to use local arrangements or other public buying consortia rather than NPS frameworks will be explored through the on-going review.

NPS has already asked its customers for comments on the effectiveness of its frameworks and has worked with its board to promote the benefits of using NPS frameworks to buy common and repetitive goods and services and to encourage members to use them. This engagement has provided key insights and has already influenced a number of positive developments. For example, regionalised approaches are now being explored with its members, which have in turn resulted in a pilot project where the NPS supported seven South West Local Authorities in delivering their engineering consultancy requirements.

As you noted, there have been similar issues in relation to the take-up of eProcurement tools. There is currently a major collaborative piece of work being led by the NPS ICT category team to explore options for future provision. There is extensive engagement on this subject across the Welsh public sector. While this work is occurring outside of the review, it has a number of formal linkages embedded to ensure maximum synergy with the review.

We will inform you of the outcomes of the review upon its completion and also provide an update on actions arising from the two Wales Audit Office reports.

Yours sincerely

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

**ANDREW SLADE**

Director General

Economy, Skills and Natural Resources