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Dyddiad/Date: 9th November 2018

Mr Nick Ramsay AM
Chair
Public Accounts Committee
National Assembly for Wales

Dear Mr Ramsay,

PUBLIC PROCUREMENT

Thank you for your recent correspondence dated the 23rd October, regarding the above and in particular seeking the views of the NHS on the review findings announced in the Cabinet Secretary for Finance Statement of the 5th September 2018.

I am happy to confirm that the Welsh NHS Procurement Service was one of a range of stakeholders who had been asked by Welsh Government to contribute as part of the review process and we are broadly content and supportive of the review findings including the high level principles that have been set out in the statement.

Clearly, there is still a lot of detail that Welsh Government needs to work through with stakeholders following the initial review especially in terms of the priority areas for action and how these will be underpinned by a national policy development and delivery support function. I think it is important to recognise that the public sector procurement landscape is different across Wales with organisations and sectors at different points and without this further detailed work it is difficult to comment on how this will potentially directly impact NHS Procurement at either a strategic or operational level.

The statement also refers to officials working “collaboratively with public sector partners to develop plans to move this work forward”. It is not clear how this is going to be taken forward and it would be helpful to have a timeline in terms of the development of this detail around the future operating model, the engagement approach and of particular

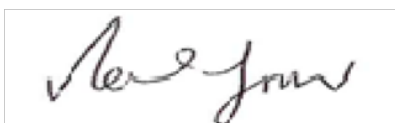
necessity is the agreement of an underpinning collaborative digital procurement strategy as a number of central support systems are reaching the end of the current contractual arrangements.

We fully support the idea of setting up a smaller operation to manage a reduced portfolio of national contracts as going forward we believe there will still be a particular need for a central mechanism to take advantage of collaborative working at a national level. For those organisations that are using the existing NPS frameworks and contracts the management of any transition period together with ensuring business continuity will be an important area to monitor. An example of the "detail that needs to be worked through" is there is still a question over what range of procurements will be covered once NPS changes and although the statement refers to a focus on the delivery of agreements to meet regional and local priorities it will be important that any lessons learned and recommendations from the NPS review are taken into account during this process.

We welcome any investment in helping support the wider skills and capabilities challenge which all organisations face. Creating a future talent pipeline, sharing of best practice and taking advantage of more collaborative procurements will be a key driver in creating the required public procurement function of the future.

On a more general note given that a more collaborative approach to procurement within NHS Wales through the NHS Wales Shared Services Partnership (NWSSP) has shown significant benefits within the health sector it is disappointing that the introduction of the NPS has not realised similar wider benefits for the Welsh public sector as a whole. That said, we do recognise that the public procurement landscape across Wales is different and that priorities of customers change over time and have ultimately been reflected in the take up and use of the NPS.

We look forward to seeing the next stage of the work of the PAC in taking this forward.

A rectangular box containing a handwritten signature in black ink. The signature appears to read 'Neil Frow'.

Neil Frow
Managing Director
NHS Wales Shared Services Partnership