

Finance Committee
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The Contribution of Value Wales to European Structural Funding in Wales

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Background

1. The Welsh European Funding Office (WEFO) is responsible for managing the delivery of European Structural Fund programmes worth just under £2 billion of EU funds over the seven-year funding period 2007–2013 to drive a total investment of over £3bn (including match funding). This includes the Convergence West Wales and the Valleys programmes and the smaller Competitiveness programmes in East Wales. Wales also participates in a number of territorial co-operation programmes, including a cross-border Ireland/Wales programme managed by the Irish Authorities.
2. The programmes are at an advanced stage of implementation. Nearly five years into the programming period, WEFO has committed £1.7 billion (91% of the total EU funds available) to 267 projects, representing a total investment of over £3.5 billion in Wales.
3. WEFO has adopted a more strategic approach to delivery for the current programme period, with a stronger focus on objectives, outputs and outcomes to secure a more effective use of the funding and avoid waste and minimise duplication.
4. There is also a stronger emphasis on open and competitive procurement, at project level, an important tool in helping to maximise value for money and ensuring fair and open access to the benefits of EU funds by all potentially interested parties.
5. Data provided by WEFO as at 30 June 2012 shows that the total estimated amount of procurement activity in the delivery of EU approved projects is worth £1.17bn, while approved projects with completed procurement exercises have awarded contracts worth £843m to organisations. Over 1,040 contracts (worth £462m) have been awarded to the private sector, 280 contracts (worth £263m) to the public sector, and some 435 contracts (worth £118m) to the third sector.
6. WEFO published revised guidance on project delivery models and the use of procurement in October 2010. The revised guidance introduced the opportunity for projects to use competitive grants, already adopted within the WCVA Gateway project, as an alternative way of securing value for money in project delivery.

The role of Value Wales

7. Value Wales is a division of Welsh Government with the remit to improve the practice and outcomes secured from the annual £4.3 billion public procurement in Wales. Its Corporate Procurement Service (CPS) branch provides advice, guidance and assurance to Welsh Government Departments. Its Policy branch provides general guidance for the wider public sector. It also has a branch that is delivering an e-procurement programme across Wales, another that is creating and managing all-Wales agreements for common goods and services, and another that is managing the ESF funded Home-grown Talent project established to address shortfalls in public sector procurement capability.
8. Where the Welsh Government acts a project sponsor, Value Wales Corporate Procurement Services provide a full tender management service for all procurement activity.
9. Where the project sponsor is another public body Value Wales provides advice and guidance through its on-line procurement route-planner or through its Policy mailbox.
10. Where the project sponsor is a 3rd sector or private sector organisation the WEFO Project Development Officer (PDO) - who is responsible for over-seeing the project - is able to seek advice and guidance from the Value Wales (CPS) branch on behalf of the project sponsor. This process ensures full project governance is in place and that queries are deal with effectively. These requests can be complex and require a careful and detailed assessment of the procurement.
11. All sponsors have access to the 'Sponsorship and Delivery' models guidance. Value Wales assisted WEFO in its production. It contains full advice and guidance on best practice procurement. It also includes a frequently asked questions section.
12. All sponsors can also access the Value Wales Procurement Route Planner (PRP) through www.buy4wales.co.uk. This provides a range of general procurement advice and guidance and is signposted within the Sponsorship and Delivery models guidance.
13. In the early years of the EU Programmes Value Wales also provided training to WEFO staff and PDOs. More recently WEFO has commissioned training from an external training provider contracted by Value Wales. WEFO staff have attended a course on "Effective and Compliant Procurement", as have 60 attendees from the third sector and 68 from Local Authorities.