

**Grwp yr Economi, Sgiliau a Chyfoeth Naturiol**  
**Economy, Skills and Natural Resources Group**

**Cyfarwyddwr Cyffredinol - Director General**



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**Llywodraeth Cymru**  
**Welsh Government**

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

4 December 2019

Dear Chair

I wrote to you on 29 April to follow up on a number of important procurement-related points raised in your letter of 29 March.

At that time, I gave an indication of the work that was to be taken forward over the summer months and that I would share progress with the Committee thereafter. I am pleased to provide an update now.

In my letter, I mentioned a future procurement programme was under development and would be driven by a new strategy that was being shaped by consultation with stakeholders. Work on the strategy is progressing well with nine headline strands providing the architecture that will provide the necessary structure to drive major change. The architecture supports delivery of procurement commitments set out in the Written Statement issued by the then Cabinet Secretary for Finance in September 2018, in addition to the manifesto commitments. A short summary of the nine strands is attached at Annex 1.

Strand 9 covers the evolution of the National Procurement Service (NPS). This work is taking place in close collaboration with stakeholders such as the WLGA. The WLGA are finalising their overall procurement strategy, one element of which will be the future support they receive from the new national contracting body.

Under strand 9, the intention is to evolve the NPS into a function that is focussed on category management, delivering real and tangible practical policy integration. This is proceeding well. The design is based on stakeholder preference that the new policy function (described under strand 4) and the new national contracting function should be integrated.

This renewed NPS model – which will see a reduced number of frameworks delivered, but with a greater focus on delivering practical policy interventions – will be a key component in supporting the significant changes proposed through the other work strands.

Subject to continuation of the collaborative co-design approach being implemented, I anticipate being able to provide a further update to PAC next spring.

Please do not hesitate to contact me should you require any further information.

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

## **Procurement Transformation - Architecture**

### **Strand 1 – Leadership**

We want the Welsh Government to lead by example in becoming an exemplar of procurement best practice.

We will use Government Commercial Standards to keep the Welsh Government at the necessary levels of awareness and capability.

### **Strand 2 – Policy initiatives driven by data**

We will take a targeted and data-driven approach to policy application to ensure we focus efforts where maximum value can be achieved.

We will use a prioritisation tool to help us identify key policy areas, providing an opportunity to implement initiatives so the full value of procurement can be realised nationally, regionally and locally.

### **Strand 3 – Capability and profile of the procurement profession**

We will build capability and resilience across the procurement profession in Wales to address the skills deficit, empower staff and encourage innovation.

We will deliver a new skills and capability plan to equip existing procurement officers with modern commercial techniques, to raise the commercial awareness of everyone else create a future talent pipeline and to raise the status of the profession across Wales.

### **Strand 4 - A new policy development and delivery service (with toolkits)**

We will strengthen policy development and delivery across the Welsh public sector that helps establish a culture that maximises social, economic, environmental and cultural outcomes.

We will provide support, training and tools to help buying organisations maximise the outcomes achieved through procurement.

### **Strand 5 – Supply chain intervention and analysis**

We will implement Cabinet priorities (such as creating local jobs) by analysing data and applying interventions to supply chains throughout Wales.

We are working with supply chains to help them restructure to include local suppliers that will benefit the local economy.

### **Strand 6 – Marketing and engagement programme**

We will join up the Welsh public sector procurement community across Wales.

We will showcase success and share good practice using modern digital technology.

## **Strand 7 – Digital implementation plan**

We will develop a modern infrastructure for digital procurement by collaborating with our colleagues throughout the integrated Welsh public services.

We are developing a progressive future digital procurement strategy, which will include plans to maximise our investment in eSourcing, Procure 2 Pay, spend analysis, contract lifecycle management and strategic supplier management tools.

## **Strand 8 – New governance process**

We will implement a refreshed and overarching governance process for Welsh public sector procurement that supports the delivery of Welsh Government priorities (such as Prosperity For All), as well as other public sector priorities.

## **Strand 9 – Evolution of NPS**

We will evolve NPS into a function that is focussed on specific category management delivering practical policy integration.

We will support the development of a pipeline of contracts for Wales, and ambition to purchase innovative solutions for the Welsh public sector.