



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Repositioning of the National Procurement Service and Value Wales**

DATE **21 September 2017**

BY **Mark Drakeford, AM, Cabinet Secretary for Finance and Local Government**

Following last year's referendum about the UK's membership of European Union, we have been reviewing how we support the Welsh economy, including how we can use our £6bn annual public procurement spend to drive sustainable economic growth in Wales.

Public services are operating at a time of unprecedented pressures, including financial pressures as a result of the UK Government's ongoing pursuit of austerity. We are working in a climate of intense competition from other public sector procurement organisations across the UK who are competing for the Welsh public sector pound but do not share our values.

We have taken significant steps to change procurement in Wales and to drive up standards throughout the supply chain. In the last year we have introduced the Code of Practice for Ethical Employment in Supply Chains in Wales to improve the wellbeing of workers involved in public sector supply chains in Wales and across the world. And we have set up a Fair Work Board which, as its first task, will explore how the Welsh Government can further leverage fair work outcomes from public spending and procurement practice in Wales.

I am today setting out plans to refocus the role of the National Procurement Service for Wales (NPS) and the Value Wales organisation within the Welsh Government. This will be taken forward in collaboration with the Welsh Government's public sector partners.

Since its establishment in 2013, the National Procurement Service has made a considerable contribution to the creation of an effective procurement profession and procurement regime across the public sector in Wales.

It has delivered 56 frameworks and 662 suppliers have won places on those frameworks – almost 40% are Welsh SMEs. Standardised approaches operated by the NPS have made it easier for smaller suppliers to access contract opportunities. The total spend going to

Welsh suppliers through the NPS frameworks is almost £100m.

Value Wales has also improved its capacity and capability. The Wales Procurement Policy Statement, which was developed by Value Wales, has helped to secure further investment in the Welsh economy and its innovative procurement policies have seen the proportion of public procurement expenditure won by businesses in Wales increase from 34% to 50%.

Leaving the European Union presents Wales with many challenges but also with opportunities – particularly in the field of procurement. Refocusing NPS and Value Wales will allow us to take advantage of any changes in procurement rules which will follow Brexit.

The next step will be to develop a clear plan of future years' procurement spend in Wales so procurement investments can be used to develop the right conditions to support sustainable jobs and growth; ethical employment practices and social value and can help to improve the resilience of local businesses and their communities. Furthermore, this will help to ensure the economic benefits from our public sector procurement spend remain in Wales.

I will work with my colleague the Cabinet Secretary for the Economy and Infrastructure to strengthen our support for businesses in Wales to enable them to maximise their share of Welsh public procurement expenditure and look to improve our processes to allow more Welsh SMEs to win (tier one) contracts.

We will also work with businesses to explore all possible options to develop local supply chains and to fill any supply voids across Wales so that Welsh businesses are well-placed to compete and bid for public sector contracts here in Wales and further afield. And we will explore how we can best align infrastructure investment with our regional development funding programmes to maximise their impact and promote inclusive economic growth and prosperity across Wales.

I will keep Assembly Members updated about this work.