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# Final Evaluation of Transforming Procurement through Homegrown Talent: Executive Summary

Research Summary

Social research

Number: 61/2015

Transforming Procurement through Home Grown Talent (HGT) is an £11 million programme which ran from 2010 to June 2015 (supported by £5.7 million from the European Social Fund (ESF) Convergence Area Programme). Its purpose was to raise procurement skills and competences across the whole of the Welsh public sector and increase awareness of the value of these skills to support the challenges of delivering more for less.

The programme has been managed by Value Wales, a division of the Welsh Government which supports other organisations in the Welsh public sector and public services<sup>1</sup> to improve the efficiency and effectiveness of commissioning public services in Wales. There are five strands to the programme described in the blue box below.

## The five strands of HGT

- **Strand 1 Leadership:** the establishment of forums, and delivery of awareness raising to key stakeholder groups to improve the status of procurement professionals in the public sector
- **Strand 2 Training:** the delivery of a programme of short training courses to public sector professionals to increase the capability of procurement specialists and others
- **Strand 3 Trainee Procurement Executive Programme (TPEP):** the design and delivery of a new programme of training and professional placements to develop a cohort of new entrants to procurement roles in the Welsh public sector
- **Strand 4 Funding for e-procurement projects:** provision of grants for public sector organisations to develop their e-procurement practices
- **Strand 5 Funding for innovation projects:** provision of grants for public sector organisations to pilot new approaches to procurement

## **Aims of the final evaluation**

In 2013, a mid-term evaluation of the HGT programme was completed. At this stage, three of the five strands were underway. The final evaluation builds on the findings of the mid-term evaluation. The main objectives for this evaluation are to:

- assess progress across all five strands of the evaluation and whether the programme's objectives have been met
- assess how the programme has actioned the recommendations from the mid-term evaluation
- understand the inputs, activities and processes which have made possible the outcomes achieved by the programme (reporting the key factors that have helped or hindered progress)
- assess the impact of the programme, to the extent that this is feasible to discern in the time since the activities have been implemented
- outline the main lessons learned in the delivery of this programme, and to make recommendations for the delivery of future similar programmes of work.

## **Method**

The methodology involved two stages. First, to develop the evaluation framework and the research tools a scoping stage of research was carried out which included consultation with programme stakeholders, a review of programme documentation and analysis of management information (MI).

The following primary research and analytical tasks were then undertaken:

- semi-structured telephone interviews with 17 procurement leads from a sample of Welsh public sector organisations
- a short e-survey distributed to all beneficiaries of training in Strand 2 (for whom basic information such as an email address was available). There were survey responses from 206 people about 293 courses undertaken as part of strand 2. This represented nearly half (45 per cent) of those who received training in the second half of the programme (May 2013 – March 2015) for whom email addresses were available, and around one-third (32 per cent) of the courses undertaken in this time

- semi-structured telephone interviews with a sample of 11 of the Strand 3 trainees; a further six trainees provided written responses (a total response rate of 61 per cent). Nine additional interviews were undertaken with trainees' former or current line managers or professional mentors
- short case studies on three of the organisations which have received grants from HGT to implement e-procurement or innovation projects (or in one case, both)
- telephone interviews with five individuals involved in delivering various aspects of the programme
- telephone interviews with four national stakeholders with an interest in the wider policy area
- analysis of the programme MI.

## **Main findings**

### *Background to the programme*

Improving procurement is a key issue for public services in Wales and underpins progress towards greater collaboration and shared services as well as increasing value for money and providing efficiencies and economies. It has

been recognised that skills gaps and shortages exist in procurement within the public sector. The position and status of procurement functions within public sector organisations across Wales is also thought to vary. Stakeholders report that it is often situated in a position where it is difficult for it to influence organisations' strategic aims.

The design of HGT was informed by these and other contextual factors, not least Value Wales's other activities to improve procurement skills and collaborative procurement across the public sector. The five programme strands of HGT were expected to contribute to addressing these challenges. The HGT programme agreed a set of targets with WEFO which included the number of employed people the programme will support, the number of employers that will be supported in other ways, and the number of collaborative agreements made between public service bodies. In the first two years of the programme, the traineeship strand received most focus, and it was not until a new programme management team took over in 2012 that progress was made with the other strands.

At the same time that HGT has been delivered, several other contextual changes have taken place. These include the establishment of the new National

Procurement Service in Wales and procurement fitness checks of organisations in parts of the public sector.

*Strand 1: Leadership*

Strand 1 was one of the final sets of activities to be implemented by the HGT programme. It has provided £587,000 for several different activities. The aim of the strand was to raise awareness of the wider benefits that procurement can bring to organisations, and to generally raise the profile of the profession. The Strand has also been used to attempt to address some of the policy implementation challenges facing the policy area. A range of activities have been delivered under this strand:

- establishing the Creative Procurement Forum (CPF), which brings together three Welsh universities with a teaching and research background in this area with policy makers from the Welsh Government
- establishing the Procurement Best Practice Academy (PBPA), which will collect examples of good practice in procurement from organisations around the UK, develop and share them with other organisations that may benefit from them

- the development of a guidance document on joint bidding which aims to support SMEs to bid in consortia for public contracts and ensure buyers make these contracts suitable for such bids. Pilot projects to demonstrate the potential impact of the guidance have also been funded
- the expansion of Procurement Week and introduction of the Procurement Awards have been supported by HGT to encourage networking and commend high achievement.

HGT planned to deliver a set of awareness raising breakfasts for senior executives of public sector organisations. However due to a low level of interest from the target audience, and the generally low standing of procurement, these did not take place.

Evidence of the early outcomes of these activities are largely strategic in nature. The CPF and PBPA are thought to have strengthened links between academia, policy makers and procurement professionals. The demonstration projects for the joint bidding guidance are beginning to show evidence of supporting consortia of SMEs to access larger public contracts. The high profile activities (such as Procurement Week) have also

brought innovative activities taking place in Wales to a wider audience.

Interviewees report that these would only have happened at this stage with financial support from the programme. There is also a widely-held perception that the position of procurement functions and specialists in the public sector has improved over the lifetime of the programme. Key contextual factors are thought to have been the primary contributor to this (such as a growing political focus on procurement) as well as the HGT programme.

However, across this Strand, there are areas where the evidence of outcomes achieved at this stage is patchy, despite the high volume of activity since the Strand's inception. This includes the dissemination of the outputs of the PBPA, the likely future impact of the research being undertaken through the CPF and whether any alternative activities were undertaken instead of the awareness raising breakfasts.

### *Strand 2: Training*

Strand 2 has spent £971,000 on delivering a mixture of training courses, workshops and meetings for public sector workers, delivered by two separate contractors as well as Value Wales. Programme MI shows that across the course of the programme, 4,688 attendances at training workshops or meetings took place.

The training programme delivered covered a range of topics, with a focus on pre-tendering and tendering. At the point at which the evaluation took place, less training on skills related to post-tendering activities, which was one of the main identified skills gaps in the sector, had been delivered (although it was noted that in the last two months of the programme, more training was delivered in this area following findings of the procurement fitness checks).

Where demographic data for beneficiaries are available, it is clear that Strand 2 has reached a fairly representative group in terms of age, gender and ethnicity. Around half of beneficiaries are estimated to be in a specialist procurement role. Employers from across the public sector were supported although there is some evidence that NHS employers are underrepresented within the short course programme.

Survey findings suggest that:

- for over three-fifths of the courses (63 per cent), survey respondents made the decision to attend the course. Where this was the case, the primary motivation was to fill a skill gap (for nearly two-thirds – or 65 per cent – of the courses). At mid-term, this was less (41 per cent of survey

respondents cited this reason). This may reflect the links between the competency framework and fitness assessment, and the training programme

- the training was, in general, well-targeted with survey respondents reporting that it was relevant to current challenges they faced (84 per cent of responses), the wider work of their organisation (95 per cent) and to their future plans (87 per cent). Responses to whether the training filled a skill, competency or knowledge gap were less clear cut
- survey respondents were generally positive about the standard of delivery of the training; the HGT programme's own survey largely supported these findings. Stakeholders interviewed in other parts of the method were less positive about the delivery of certain aspects of the training programme, questioning the quality of delivery and its appropriateness for the beneficiaries. Related to this, some survey respondents reported that the style of delivery was too passive, the

training was not well targeted for some of the participants (generally at a lower level than needed) and there were a few problems with the trainers' style or knowledge (including knowledge of specific areas of procurement)

- the training has impacted positively on beneficiaries' confidence in their job (61 per cent reporting this benefit); fewer respondents reported that the training had made them more productive (46 per cent) or allowed them to expand their job role (39 per cent)
- there is also less evidence that the training has impacted on their actions in the workplace. For example, only around a third (33 per cent) of respondents reported that the training course had expanded the role of specialist procurement staff in their organisations.

### *Strand 3: Trainee Procurement Executive Programme*

TPEP has been one of the major investments of HGT, and is an entirely new programme of activity (£2.83 million assigned with additional costs of management). The aim was to develop the skills of

new entrants to the procurement profession through a programme of professional placements and formal training activities.

A total of 28 trainees have been recruited across four cohorts. Public sector organisations were asked to bid for a trainee to join them with placements supposed to be designed around a substantive project. These trainees have undertaken 86 such placements across 33 different public sector organisations, mostly in local authorities or Welsh Government. Over two-fifths (47 per cent) of the organisations hosting placements had a national remit while around a third of placements took place in organisations with a local remit in south and south east Wales.

TPEP trainees also undertook a programme of training alongside their secondments. This included CIPS levels 4 to 6 (although there is a substantial drop-off in trainees' achievement of levels 5 and 6 while they were on the programme), Prince 2 and leadership and management training.

Trainees were supported by a line manager in the host organisation as well as the Professional Development Manager in Value Wales and a mentor in another organisation who was expected to monitor the trainees' training and development plans. In most cases, the monitoring arrangements of

training and development through line management within the host organisation and the mentoring scheme were reported to work well.

However at least ten of the trainees left the programme before completing all of their placements or training courses. This was mainly because the trainees reported being concerned about the need to secure jobs before completion of the programme, particularly with the likely competition from the other trainees for similar roles at this time.

Despite this high level of non-completion, the research has found that TPEP has largely achieved its main aim of supporting new entrants into the public sector procurement profession. Twenty three of the 24 trainees who have left the programme (there are still four trainees currently on placement) are in permanent full-time procurement roles; 15 are employed by the Welsh public sector and three work in the utilities or housing sector in Wales. Qualitative evidence gathered from line managers and senior procurement leads suggests that many of these trainees are likely to progress well in their future careers into senior / leadership roles.

These outcomes have been achieved despite some reported issues with the delivery of the programme across its duration.

These include: a lack of clarity over the goals of the programme when recruiting trainees and host organisations; a slow reaction to isolated incidences of poor placement experience and insufficient action taken where this was reported (in some cases); and insufficient matching between trainee and placement. For the final cohort of trainees, due to the timing of when these individuals joined the programme the funding will have run out before they have completed their CIPS training and placement.

#### *Strand 4: Funding for e-procurement projects*

Strand 4 has funded a set of projects which aim to implement e-procurement solutions to Welsh public sector organisations' purchasing activities. Funding for these projects ranges from around £25,000 up to £300,000 which is generally more than matched by the organisation's investment.

The funding has been used to either accelerate activity that would have taken place at some point in the future (as a result of government targets to increase use of electronic procurement tools in Wales) or funded activity that would not have been supported to the same scale.

The projects supported by HGT have contributed to a range of strategic objectives which include more collaborative sourcing and

procurement with other local authorities, supporting SMEs in providing services to public organisations, having more up-to-date and reliable information on what is being spent by the organisation, and having improved business intelligence.

The bidding process was relatively straightforward with substantial support being provided by Value Wales. After a period of openly advertising the programme, Value Wales had to approach organisations more directly to attract bids and also allowed bids in excess of £50,000. Despite a view by some stakeholders that more organisations could have benefitted from the grants to move forward e-procurement (which was also identified in the fitness checks), some senior procurement leads believed that the grants were not attractive as they were tied to specific solutions that were not supported.

Support from HGT is believed to be contributing to faster progress with e-procurement and achievement of its benefits. The recipient of by far the largest grant, NHS Wales Shared Services Partnership (NWSSP), was able to demonstrate that the support had rapidly accelerated progress with enabling suppliers to e-trade, increased the number of staff across NHS Wales using e-tendering, improved the

quality of data in the organisation's e-catalogue (leading to the more straightforward application of a category management approach), and increased the use of e-auctions (with cash savings made as a result).

*Strand 5: Funding for innovation projects*

Strand 5 was the final area of activity to be implemented starting in March 2014. This Strand has supported three projects. These were:

- the SAIL project at Swansea University, which procured IT companies to develop software which will assist in the planning, procurement and evaluation of health services. In this project, the NHS buyer has worked closely with potential suppliers to help them interpret and respond to their requirements.
- a project at BCUHB which is procuring a tool which can manage patient data more effectively for patients and staff. The HGT grant has been used to enhance the procurement process by funding a market engagement event and consultancy support for the use of SBRI resources.

- A further project at BCUHB relating to learning tasks after brain injuries commenced after the research had been completed.

Both projects expressed a strong rationale for bidding to the HGT programme for grant funding. While they had the majority of funding in place, the HGT grant enhanced the procurement processes. Owing to the complexity of what was being procured, both projects felt they needed to engage the market in a different way in order to get a response from potential providers that would meet their needs.

With this strong rationale in mind, it is unclear why there have only been three projects funded. The programme team reported advertising these opportunities both at national and regional events, and directly to heads of procurement. Despite this, neither organisation reported that they were made aware of the grants through Strand 5 advertising. Having identified the funding opportunity both teams reported that the bidding process was straightforward.

While all projects are incomplete and the HGT grant has been used to supplement other funding, project staff reported that the HGT funded activities have led to new relationships developing between the buyers and potential suppliers.

Within the project teams, this has also challenged the traditional view of public sector procurement.

## **Conclusions**

### *Overview of the programme*

Five Strands of the HGT programme have been implemented. Aspects of the Strand 1 activity to raise awareness of the role of public sector procurement and to share best practice within the sector have been delivered successfully (the CPF, PBPA, Procurement Week, guidance document for collaborative bidding); other parts of this strand have not been delivered (awareness raising meetings with public sector leaders). The training for existing staff (Strand 2) and the traineeships (Strand 3) have been taken forward successfully, for the most part. Grants to assist public sector organisations to adopt and use e-procurement tools and to develop innovative approaches to procurement appear to have been more slowly and less widely taken up than expected (Strands 4 and 5).

The HGT programme has achieved most of its ESF targets except for the number of placements to take place (65 took place, not the intended 72), and the number of different staff who have taken part in the programme (823, not the intended 1,396). Given limited activity outside of Strand 3 in the

first two years of the programme, this target was reported to be extremely challenging. Gathering the relevant information from all training participants has also been problematic so not all the training that has taken place can be counted against these targets.

Looking beyond these targets, and across the five separate areas of activity delivered by the programme, it is evident that

- good practice ideas and new tools and guidance have been generated
- training participants have generally improved their knowledge and skills; many have applied what they have gained
- 25 of the 28 trainees have gone on to work in professional procurement roles, mostly in the Welsh public sector; many have the competencies and experience to progress into more senior procurement roles; and
- more public sector organisations utilise e-procurement solutions and several have experimented with innovative procurement activities.

There is also evidence of contributions the programme has

made to the objectives of Priority 4 ESF funding through supporting public sector collaboration, and expanding the capacity and capability of the public sector; in this respect the programme has contributed to the goals of Welsh Government in this area. The programme's support for trainees and up-skilling public sector employees who are engaged in procurement is evidently contributing to building the capacity of the public sector workforce to be more effective, although there remain areas where significant progress is required.

The degree to which the programme has added value beyond that which would have been generated without the programme varies. For the small value grants awarded through Strands 4 and 5, they have generally made contributions to wider goals rather than being the key factor in their progression, except in the NHS where the grant was much larger and over a longer period; there are sub-sector gaps in the spread of Strand 2 training and Strand 3 placements; and the impact of the Strand 2 training on activities in the workplace varies with barriers in place to this occurring.

#### *Impact of the programme*

It was generally acknowledged by stakeholders and senior procurement leads that progress

has been made towards addressing skills needs, recruiting new entrants, and enabling e-procurement. A set of factors which have driven this progress were identified. A growing political focus on procurement and the role it can play in contributing to other policy goals was reported to have drawn attention to the challenges and this may have created a more beneficial environment for progress to be made. The emergence of the National Procurement Service and Procurement Board were also identified as influential in drawing attention to the challenges which HGT has sought to address. The work of Value Wales to carry out the fitness checks and develop the competency framework was also reported to be starting to have a positive impact as well as complementing the training and grants offered through HGT. Within this mix of political, institutional, and policy change, HGT was described as being "in the middle of it all, feeding the system".

Despite this, much still needs to be done to see the difference envisaged in the Welsh Government's strategy for procurement. In particular, there is still believed to be a general shortage of skilled procurement professionals in Wales and substantial skill gaps in the public sector staff who work in specialist procurement roles or have

responsibilities for commissioning goods, works and services. There is also a variable degree of progress across the country across all the relevant indicators measures (as has been identified in the procurement fitness checks)

Stakeholders also describe a professional environment where insufficient focus is put into supplier development or engagement prior to a tendering process or on negotiation and contract management after a tendering process. Instead, driven mainly by compliance with regulation and its observance (often with misconceptions about requirements), most resources are expended on the tendering phase. This is thought to reduce the overall potential value of the procurement function to wider organisational outcomes.

#### *Lessons learned and recommendations*

There are a few ways in which each strand could be managed differently in future to improve effectiveness and the outcomes achieved.

In relation to **Strand 1**, there is likely to be value in continuing to support and promote the key activities established so far, as the CPF, Procurement Week and PBPA mature, their role in identifying and sharing best practice, and ensuring policy in this area is informed by evidence will

grow. Other recommendations for action in this area are to:

- collect data on the impact of Procurement Week, for example, a participant feedback e-survey 6-8 weeks after the event would help to shape the future of this event
- track the use of the MSc dissertations and assess the impact they have on policy, the students themselves, and the institutions they are part of
- start assessing how the guidance document on joint bidding is used and by whom. This could start at the same time as the case studies on its usage are launched
- identify more appropriate means of engaging senior managers in all public sector organisations. This could include attending meetings they already go to (for example, ADSS / WLGA events).

In relation to **Strand 2**, there is a continued need for short course training among both specialists and non-specialists, and a high-level of agreement of where the main skill gaps are. Steps to take should include:

- structuring training into pathways / levels / specialists or non-specialists so that courses are better targeted and potential beneficiaries can identify the entry points for them and progression routes on to other courses
- developing a 'myth buster course' on EU regulations
- reviewing current materials and spreading courses throughout the year.

To increase the potential impact of any training delivered under Strand 2, further work should be done to understand the barriers that beneficiaries face to implementing change in their organisations following training. The CPF could be used to carry out this research.

In relation to **Strand 3**, the programme should make efforts to ensure that trainees still on TPEP are supported to complete their CIPS training and to find, employment. Efforts should also be made to:

- progress the fast track development of the 'graduates' of the scheme and any other recent CIPS level 4 achievers within the Welsh public sector

- set up alumni events such as talks, social events, more summer school/special training opportunities alongside funding support for staff prepared to study for higher level CIPS courses
- provide alumni with ongoing networking opportunities with senior procurement staff and director-level roles in the public sector. The aim here should be to highlight to the alumni, the continued progression opportunities within the profession.

In relation to **Strands 4 and 5**, the programme should provide access to change management funding to speed up implementation and grants for collaborative activity across sub-sectors or between them (or more importantly to get in place permanent collaborative teams working on innovative/large scale purchasing within the sectors or in sub-regions).

In relation to any future programme of activity to build on the achievements of HGT:

- there remains a strong case for a follow-on programme to build on what has been achieved by HGT. In order for any future programme to be aligned with Welsh Government policy, the business case for such a

programme should be structured around the areas of action established in the Wales Procurement Policy Statement

- the evidence from this evaluation suggests that there is a particular need for any follow-on programme to:
  - include a scoping phase which will allow the programme team to develop set of realistic targets, with a robust method in place for gathering participant information from programme inception
  - be the result of wide consultation with key stakeholders from across the public sector, the NPS and Procurement Board
  - focus resources on those organisations which are in most need (as identified by the fitness checks)
  - target organisations to get projects that can be grant aided given the resistance to taking up grants
  - prioritise engagement with senior public sector executives outside of the procurement profession. This should highlight the work of procurement professionals and areas they can potentially move into. The engagement

should also include discussions on how they can support the development of more advanced career pathways for procurement professionals

deliver training which will support existing procurement staff to develop a more commercially-focused skillset (including a focus on contract management and engaging with a supplier base)

deliver training to non-procurement specialists who have responsibility for commissioning services and managing contractors

market the procurement profession to students and other potential new entrants, including those outside the public sector

- the evaluation has identified broad-based support for a follow-on programme to TPEP. Value Wales should build the following features into the design of a follow-on programme. It should:
  - consider whether to provide participants with an even wider mix of experience (including outside the public sector)

offer a further six months paid employment in Value Wales on completion of the programme while participants look for permanent employment (although retain sufficient flexibility within this to meet the evolving aspirations of trainees)

use learning from HGT to re-design any programme of extra training offered, ensuring that it is delivered at more appropriate times in participants' development.

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ISBN: 978-1-4734-5016-5

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10 November 2015



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