

Public Accounts Committee

Public Procurement: Comments on the findings of the Welsh Government's Review

From: Howard Allaway, Procurement Manager, Higher Education Purchasing Consortium Wales.

Further to the correspondence dated 23rd October 2018 the Higher Education (HE) Sector is grateful to the Chair of the Public Accounts Committee for inviting comments in respect of the findings of the Welsh Government's Review published on 5th September 2018.

The following comments are those of the Higher Education Purchasing Consortium, Wales (HEPCW) and its members. Other HE Sector stakeholders may have different views.

For the time being at least, there has been no further information regarding how the findings of the review will be implemented, including the issue not being addressed in any substantive way at Procurex. Until such time that any further information into the review findings and draft recommendations is made available, HEPCW is only able to provide comments that are generic.

With regards to the findings of the review itself, the sector offers the following observations:

1. Reconfiguration of NPS

Based on the information available it is apparent that the NPS has failed to achieve the objectives outlined in the initial business case. There appear to be a number of reasons for this, including a reduction in public procurement expenditure and the priorities for public sector procurement have changed since the NPS was launched. A decision therefore to reconfigure the NPS into a smaller, leaner organisation with a reduced but strategic contracting portfolio is considered to be prudent. There are a number of smaller public sector organisations in Wales that will continue to require access to a portfolio of collaborative procurement arrangements for much of their common and repetitive spend. The requirements of these stakeholders must continue to be recognised and managed accordingly.

2. Collaboration on a National Basis

There are a number of areas where collaboration nationally can be effective and the statement that such opportunities will be explored is welcomed. Previously the Wales Procurement Policy Statement had at times been cited as a justification for NPS to undertake Wales specific procurements, where the benefits of such action were difficult to measure. HEPCW's view therefore is that it is a positive step to explore greater collaboration on a national basis, but to focus on commodities where objectives are clearly aligned and most effectively addressed through an all-Wales arrangement.

3. Collaboration Locally

In principle, the sector would consider more local and regional procurement to a sensible proposal and has the potential to provide significant benefits and is consistent with the strategic objectives being developed by the Welsh HE sector. However, we do not see how the proposed closer alignment with CCS would recognise or facilitate this aspect of collaborative contracting.

4. Capability and Capacity

Given the broader procurement agenda, there are opportunities to deliver greater value through collaboration that are not limited to contracting. The HE Sector in Wales is exploring opportunities to increasingly collaborative on value added activities to optimise the use of its and its stakeholders' resources. Areas like the Modern Slavery and Code of Practice: Ethical Employment in Supply Chains are 2 such areas where the cross sector sharing of information can deliver efficiencies and benefits.

The announcement that a new Capability and Capacity programme will be developed is very welcome. This aligns with the objectives of the HE Sector in identifying and addressing skills gaps; developing a larger pool of capable procurement professionals and supporting them in obtaining the skills which will be required to secure the future delivery of strategic procurement activity in Wales.

5. Future Digital Procurement Strategy

This news also welcomed and aligns with the work that the HE Sector is undertaking to identify suitable tools.