

## Welsh Ministers' Business Scheme

### Department for Finance and Corporate Services

#### First Annual Update report on implementation of Business Scheme

January 2013 to February 2014

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## Introduction

The Department for Finance and Corporate Services was established in the Autumn of 2013. It brings together a range of corporate functions services, including financial management, allocation, human resources and estates services.

This Annual Report describes how each team in the Department that operates in areas within the scope of the Welsh Ministers' Business Scheme have met their responsibilities in relation to the Business Scheme between January 2013 and February 2014.

The areas of responsibility covered are:

- The National Procurement Service;
- Value Wales;
- Knowledge and Analytical Services;
- Response to Silk Commission's recommendations on devolution of tax and borrowing powers;
- Budget Allocation;
- Wales European Funding Office; and
- Translation Services.

## National Procurement Service

### Engagement

The National Procurement Service (NPS) was formally launched in November 2013 following the McClelland Review and publication of the 'Buying Smarter in Tougher Times' report. The creation of the NPS addresses one of the four key themes of the report, endorsed by the Minister for Finance, that "common and repetitive spend by Welsh Government is carried out once". The NPS's prime objective is to deliver £25 million of savings annually through better procurement of common and repeated categories of public expenditure that account for £1.8 billion of the Welsh public sector's £4.1 billion of annual spend on externally provided goods and services. This will be delivered by a combination of leveraging aggregated spending power allied with application of best procurement practice applied across the Welsh public procurement landscape.

The NPS business case includes the commitment “to encourage a strong and vibrant supply base within Wales”. This centres around the principles of Community Benefits, for example helping to lower barriers to Welsh Government business opportunities for Welsh suppliers, particularly SMEs, so that local suppliers are better positioned to deliver goods and services, thereby creating new job opportunities while sustaining existing jobs.

The NPS Senior Team has been fully briefed about the Welsh Ministers’ Business Scheme and the importance of engagement with representative bodies. Plans and details of activities are being recorded for detailed reporting in future.

The NPS stakeholder engagement plan identified organisations who would be key partners in delivering NPS objectives including Business Wales (Busnes Cymru) which provides free of charge support (funded by the Welsh Government) to suppliers throughout Wales on tendering for Welsh Government business, the Wales Co-Operative Centre and representative groups such as the Confederation of British Industry (CBI) and the Federation of Small Businesses (FSB), who are members of Wales Social Partners Unit Limited and Regeneration Skills Collective Wales..

Business Wales and NPS collaborated when staging 2 supplier days on 12 November 2013 in Swansea and 14 November 2013 in Llandudno attended by over 200 suppliers. These supplier days were designed to engage with the business community across Wales and provide information about the role of the NPS.

Sue Moffatt, Director of NPS, delivered a briefing session to the Regeneration Skills Collective Wales (CREW) on 14<sup>th</sup> January 2014 detailing NPS progress and providing a question and answer forum for members.

At the inaugural NPS All-Staff meeting held on 11<sup>th</sup> December 2013 Business Wales made a presentation on the services they provide to support the Welsh business community, illustrating a close tie in with NPS’s vision and objectives.

### **Forthcoming activities**

NPS is finalising its programme of engagement for this calendar year and plans to work with Business Wales and the Wales Co-operative Centre including the delivery of Supplier Events in relation to NPS-led contract opportunities that are scheduled throughout the coming year. The NPS will be further engaging with representative bodies and will be putting in place arrangements (timings to be confirmed) for:

- Further meetings with the Regeneration Skills Collective Wales (by April 2014);
- Engagement with CBI, FSB, CREW and other bodies;
- Regular Category fora that will take account of interfaces with suppliers and representative bodies in their terms of reference;
- Periodic surveys with key stakeholders; and
- The issue of Prior Information Notices to the market 3 to 6 months before the commencement of NPS run procurements, supplemented by further supplier days to provide optimal transparency and visibility to the Welsh business community.

## **Value Wales**

### **Consultation**

Social partners have been invited to provide input into two key areas of consultation on public procurement.

The UK Government undertook a consultation in August 2013 on Making Public Sector Procurement more Accessible to SMEs, following the Lord Young review. Value Wales has been keen to garner the views of businesses in Wales and therefore invited feedback via the Wales Social Partners Unit.

Value Wales was able to incorporate feedback from social partners into the response that was issued by the Minister for Finance and consequently, the UK Government has advised that the new measures, which would have undone progress that we have already achieved, will not apply in Wales.

The new EU Procurement Directives are due to be adopted in early 2014. The Government has invited business input to help inform Wales' view on a range of choices surrounding optional articles within the Directive.

The Supplier Qualification Information Database (SQulD) has been adopted by all major organisations in Wales for use in procurements. After a year in use, some amendments had been made to the question set following a consultation with public sector procurement staff. Once a second draft of the question set was produced, Value Wales consulted social partners via the business scheme on the new version.

Engagement by Value Wales with the social partners takes many forms, for example:

- Business representatives are members of the Construction Procurement Steering Group which is convened to jointly agree procurement policy approaches for application within public sector construction procurement;
- Face to face meetings are also conducted. Most recently, discussions were held in November with the WCVA over the EU Procurement Directives; and
- In addition, Value Wales worked jointly with the WCVA to produce a Joint Bidding Guide which was launched in November to help third sector organisations consider consortia bidding for public contracts.

Due to time pressures imposed by the UK Government, Value Wales forwarded the consultation documents on the Lord Young review and the EU Procurement Directives to the Wales Social Partners Unit for circulation.

Value Wales forwarded version 2 of the SQulD to Social Partners and asked them to circulate for comments. Comments were received only from the Wales Council for Voluntary Action.

### **Forthcoming activities**

The UK Government will shortly be undertaking a formal consultation exercise on the optional elements of the new EU Procurement Directives. Value Wales does not have timescales for this yet but it is anticipated to be early 2014, with the new Directives scheduled for transposition by the end of 2014. Value Wales will provide the Business Social Partners with consultation documents and ask them to circulate amongst their contacts for response.

## **Knowledge and Analytical Services**

### **Engagement**

#### Beyond 2011 – future of the Census (ongoing during 2013)

During 2013 the Office for National Statistics (ONS) significantly developed their potential approaches for future Censuses and consulted on two approaches between September and December 2013. As part of stakeholder engagement Knowledge and Analytical Services (KAS) contacted the Wales Social Partners Unit (WSPU) to seek to understand the views of the business sector on, firstly, their need for Census data and secondly their views on the approaches. It was felt important to engage businesses as they make use of Census data for market research and customer segmentation, but also potentially as commercial resellers of Census data.

As part of a wide range of engagement with various stakeholders KAS made initial contact with the WSPU in the summer of 2013, ahead of the ONS consultation, to make them aware of the project and the potential for change. KAS then followed this up during the consultation. KAS provided the WSPU with a briefing note on the Census and spoke to colleagues in the WSPU. This was useful to ensure that any concerns or risks from the WSPU side were noted.

#### Statistical consultations (Jan 2014)

KAS have sought comments through the Welsh Social Partners Unit on consultations, on the Welsh Index of Multiple Deprivation and Proposals on Official Statistics.

#### Housing Information Group (ongoing)

There is ongoing liaison with some social partners (Registered Social Landlords, Community Housing Cymru, Chartered Institute of Housing, Tai Pawb etc.) about evidence, research and statistical information relating to housing in Wales through the quarterly meetings of the Housing Information Group.

### **Forthcoming activities**

As part of moves to improve engagement with user statistics KAS have plans to develop user panels for various stakeholder groups. One of these is for businesses and KAS intends to develop this over 2014-15. We are mindful also that the Office for National Statistics already have a business user group and therefore will be seeking to avoid duplication and focus on Welsh interests. KAS will involve the WSPU in evolving thinking.

## **Response to Silk Commission's recommendations on devolution of tax and borrowing powers**

### **Engagement**

Two breakfast meetings (25 April and 04 September 2013) were held with business representative bodies and employers engaged in the construction, housing and property industries to discuss the proposed devolution to Wales of stamp duty land tax. The meetings were an early opportunity to seek the views of businesses in advance of the UK Government's response to the Silk Part 1 report, which had recommended devolution of stamp duty land tax. The attendees were informed that, were stamp duty land tax to be devolved, their ideas would be taken into consideration in developing future policy.

Both meetings were arranged jointly with CBI Wales, and led by the Minister for Finance. The involvement of CBI Wales was very helpful in identifying businesses that would be interested in contributing, and in generating interest and encouraging participation in the meetings.

During the year, the Minister for Finance separately met other representatives of the housing and construction sectors for informal discussions about stamp duty land tax.

The breakfast events and other meetings confirmed the broad support from business for devolution of stamp duty land tax, and identified ideas for future policy development. Those proposals are being considered further and will feed in to the formal consultation that will follow in due course.

### **Forthcoming activities**

Strategic Investment and Financial Reform is currently establishing a Welsh Tax Advisory Group that will be chaired by the Minister for Finance. The group will advise the Finance Minister on the implications of tax policy on the wider business community.

There will also be engagement with bodies with an interest in the future development of landfill tax policy.

## **Budget Allocation**

### **Engagement**

#### Welsh Government Budget

The business sector was invited to attend and engage in two Welsh budget events in 2013, hosted by the Minister for Finance. The purpose of these events was to discuss:

- The challenging financial outlook,
- The impact of the UK Government's Spending Round on the Welsh budget, and
- How the Welsh Government and its partners can develop a collaborative response to the challenge of falling budgets.

The events were held on 11 July 2013 and 11 November 2013 and formed part of a series of communication events held across Wales with a range of interested parties.

The first event 'Standing Up for Wales' was held following the publication of the UK Government's Spending Round. Officials provided an overview of the current economic and financial context and the impact of the Spending Round on Wales.

The second event 'Priorities for Wales' was held following the publication of the Welsh Government's Draft Budget 2014-15 to enable the Minister for Finance to hear first hand views on the Government's spending proposals.

The events were well attended and an opportunity for business representatives to engage with the Welsh Government and other organisations delivering services to the people of Wales.

### Wales Infrastructure Investment Plan

In May 2012 the Wales Infrastructure Investment Plan for Growth and Jobs (WIIP) was published. This signalled a step change in Wales, driving collaboration across Government and wider afield to develop a shared strategic understanding of Welsh infrastructure. The plan has acted as a catalyst to boost investment and drive alignment between prioritisation of infrastructure investments, European Programmes and wider Welsh Government delivery priorities.

Continued engagement with Welsh stakeholders has played an important part in shaping progress to date. The Government has involved the private sector in the ongoing development of the WIIP, to ensure government and industry come together to enable a strategic cross sectoral perspective of Wales' infrastructure needs, opportunities and risks in relation to current and future capital investment.

During 2013 the Minister for Finance has undertaken a wide variety of engagement including:

- Local Authority Regional Partnership Boards;
- Wales Office and senior UK Government Ministers;
- Regeneration Skills Collective Wales;
- Policy Forum for Wales;
- Partnership Council for Wales;
- Individual meetings with key infrastructure delivery partners; and
- Multiple businesses and community site visits to better understand how investments are impacting at a ground level.

The purpose of these events and ongoing officials' engagements are to ensure that the vast wealth of knowledge and expertise held by external stakeholders from across Wales and wider afield is utilised to inform the plans development. Examples of the benefits of this activity include:

- The first collaborative national and local government investment pipeline in the UK;
- Dissemination of key regional issues to senior UK Government Ministers;
- A boost to investment in infrastructure through collaborative initiatives such as the Welsh led Local Government Borrowing Initiative model;
- Wide ranging support for this new approach by all key Welsh stakeholders; and
- Increased recognition of Welsh infrastructure needs and opportunities by the UK Government.

### **Forthcoming activities**

#### *Welsh Government Budget:-*

It is the Welsh Government's intention to schedule further stakeholder engagement events during the course of the Budget preparations in 2014.

#### *WIIP:-*

The Wales Infrastructure Investment Plan will continue to develop and evolve, and engagement will be ongoing.

Engagement with business on the Wales Infrastructure Investment Plan will continue, with private sector stakeholder engagement on an individual basis. The Finance Minister will also establish an advisory group to better manage the input of knowledge and expertise.

## **Wales European Funding Office**

### **Engagement**

The Welsh Government has engaged extensively with the business community, including trade unions, in the development of the new European Structural and Investment fund programmes for the period 2014 – 2020. These programmes will have a strong emphasis on creating the conditions for sustainable growth and jobs.

This engagement has included strong representation in the following stakeholder and expert groups:

- European Programmes Partnership Forum (EPPF), which provides strategic input to the development of future European Programmes;
- Expert work streams which considered the detailed development of EU programmes.

The business sector also engaged in the development of the new programmes through a full public consultation exercise which ended in April 2013. 126 responses were received and 15% of these were from business and private sector organisations. As part of these formal consultation arrangements, the Welsh Government also attended meetings with Business Wales and its constituent parts to discuss future proposals and to hear the views of the business community. This followed a meeting which the then Deputy Minister for Agriculture, Food, Fisheries and European Programmes held with business as part of the Welsh Government's Reflection Exercise on the strategic direction of the new programmes.

### **Forthcoming activities**

The Welsh Government is keen to see the business community continue its engagement in the implementation and monitoring of the new European Programmes. Representation of business on the new Wales Programme Monitoring Committee for European Structural and Investment Funds 2014-2020 (PMC) has been strengthened to include one third of the total membership. The PMC held its inaugural meeting in December 2013 and a list of partners represented is included in the additional/supporting information below.

## Translation Service

### Engagement

The Sharing Welsh Translation Resources Project is establishing a Framework Agreement for Welsh translation and interpretation which will be available for use by organisations across the Welsh public sector. Seventy nine organisations have expressed an initial interest in using the Agreement. The value of the Agreement is estimated at £1.5m per annum.

The vast majority of Welsh / English translators and interpreters are sole traders or small companies, operating across Wales and beyond. Given the likely translation capacity required and the importance to engage with as many suppliers as possible to serve the public sector at a local level throughout Wales, the following steps were taken to encourage engagement by potential suppliers:

- A Speculative Notice was published on Sell2Wales over a year in advance of the Contract Notice being published. This served to inform suppliers of the requirements of the Agreement and to give them plenty of time to prepare.
- All public sector organisations in Wales were asked to convey the details in the Speculative Notice to their current suppliers and to suppliers that had expressed an interest in working for them.
- A notice regarding the intention to procure was advertised in *Go!wg* in order to reach suppliers not currently working for or on behalf of a public body.
- All potential suppliers were encouraged to register on Sell2Wales to receive updates and information.
- Suppliers were represented on the Project Board by Cymdeithas Cyfieithwyr Cymru (the association of Welsh translators). The Association supported the project and ensured that its members received all the necessary information and also considered supplier feedback on the procurement strategy and the tender documentation where appropriate.

Early in the tender period (October 2013), a series of events for suppliers was organised in conjunction with Business Wales, to provide practical advice on tendering and business development, for this and other contracts.

For suppliers unable to attend these events, a summary of frequently asked questions was produced and made available through the portal. The project team was on hand throughout the tender period to answer questions and deal with technical queries from suppliers.

The tender period closed on 1 November 2013 with over 50 tenders received. With the exception of two, all of these tenders were from Welsh SMEs.

### Forthcoming activities

Sufficient successful tenders were received to enable the Welsh Government to award six of the ten Lots of the Framework Agreement. For the remaining Lots (all written translation into Welsh), the decision has been made to roll back the tender process to the technical stage and to offer suppliers a second

chance. Suppliers have received feedback on their performance, and will also receive more general comments on common errors and areas for improvement as evidenced during the testing process, to assist them in their preparation for the re-test.

The Welsh Government Translation Service is currently working with Cymdeithas Cyfieithwyr Cymru to ensure that the training and development activities available to suppliers reflect the skills which require strengthening, as evidenced during the tender process. It is also supporting the Coleg Cymraeg Cenedlaethol to establish a new vocational qualification for translators, and is seeking through the Sharing Welsh Translation Resources Project to share translation memories and terminology databases as a corpus of standardised materials for use by translators in their day-to-day work