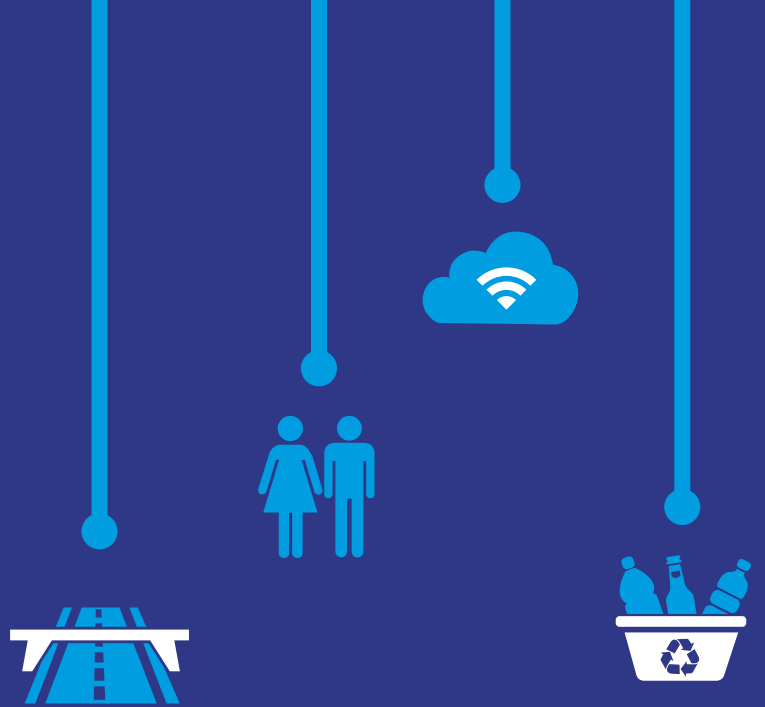




Llywodraeth Cymru  
Welsh Government



# Evolution of Welsh Government Procurement

March 2021



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## **Foreword**

At the beginning of March 2020, we published the Progress Towards the Development of a New Procurement Landscape in Wales report. This set out the progress made to deliver the 2018 Procurement Written Statement and the First Minister's manifesto commitments, as well as outlining the journey that the procurement profession was on. When we published that report, we could not have anticipated the year that was ahead - the far-reaching consequences of the UK's departure from the EU and the Covid-19 pandemic.

In response, the procurement profession has had to rise to new and unprecedented challenges. The delivery of effective, sustainable, and often urgent procurement to provide essential works, goods and services has never been more important. We have had to adapt and we have had to prioritise resources. I am proud of how much we have all achieved in the last year in responding to the pandemic, for example by delivering essential lifesaving goods such as PPE and life improving goods such as visitor care home pods.

The key to delivering our achievements has been through collaborating with our stakeholders and partners. We have built on existing relationships and have also developed new ones. We have taken on feedback to produce the new 2021 Wales Procurement Policy Statement (WPPS), which we published earlier this month. The WPPS sets the strategic vision for public sector procurement in Wales. It recognises the central role that public procurement can play in the delivery of well-being objectives and progressive policy priorities such as decarbonisation, social value, community benefits, fair work, the circular economy and the foundational economy.

Following the UK's departure from the EU, we are considering how we reform current procurement regulations. We will aim to streamline and simplify the complex framework of regulations that currently govern public procurement. At all times we will seek to shape the procurement landscape to deliver for our communities and our businesses.

I hope that you find this document informative and that it helps you understand the journey we are on, and how we can collectively deliver on our exciting shared vision for the people of Wales.

**Rebecca Evans MS – Minister for Finance and Trefnydd**

## Headlines

### Responding to Covid-19

1. The Covid-19 crisis in March 2020 resulted in the procurement profession across the Welsh public sector increasing its collaborative efforts and refocusing resources in relation to the delivery of critical equipment and services such as Personal Protective Equipment (PPE) and Contact Tracing. Through effective and efficient collaboration, our approach provided value for money for the taxpayer and ensured that vital supplies were provided in a timely manner.
2. The National Procurement Service (NPS) within Welsh Government's Commercial Procurement directorate, manages two frameworks for critical products - PPE and cleaning materials. In response to the crisis, these agreements have been widely used to deliver vital supplies to all sectors including Local Government, the NHS and the Third sector. During this time, the team worked tirelessly with over 20 suppliers to identify, assess and alert the public sector including the NHS to available stock.
3. Feedback from stakeholders has been positive. Examples include, a Wales Council for Voluntary Action (WCVA) member noting that the stock alerts had been vital to their ability to obtain PPE, providing assurance that they had not been forgotten; whilst Carmarthenshire Council wrote to an NPS provider, thanking them for helping their care home through the crisis, noting they were like the 'fourth emergency service'.
4. In another example, collaboration between NPS, the Welsh Local Government Association (WLGA) and a Welsh manufacturer has ensured the long-term delivery of Welsh manufactured reusable face coverings to schools in Wales through an NPS framework distributor. This intervention helped form a strong relationship between the manufacturer and the distributor and their strategic partner which has the potential to create up to 250 jobs in Wales. There are more details about this in the case study in Annex 3.
5. The Critical Equipment Requirements Engineering Team (CERET) - a cross-government and industry group – was established early on in the pandemic to assist in addressing NHS shortages for a range of products including PPE. Commercial Procurement were active participants of the wider CERET team which promoted joint working alongside the Welsh Government Life Sciences Hub (LSH) in reviewing sourcing offers for the NHS. Further work between NPS, LSH and the NHS Wales Shared Services Partnership (NWSSP) to develop a collective PPE procurement option paper also strengthened working relationships. We have continued to build on these relationships in taking forward further areas of work.
6. More broadly, teams within the Corporate Procurement directorate took immediate action to review all Welsh Government procurement activity in light of the outbreak; providing advice and guidance on procurement activity including supporting colleagues with requests for early contract termination for contracts affected by Covid-19 and in applying the supplier relief process to existing contracts affected by the pandemic.

7. The Digital & ICT procurement team supported several procurement activities directly in response to Covid-19. These included procuring a National Prescription Service, which facilitated the provision of licenses and prescriptions for vulnerable people who could not leave home during the Covid-19 pandemic. The team also supported the procurement of a dashboard to monitor the outbreaks and the effects of Covid-19 and provided support to source laptops and associated devices for organisations who needed to quickly move to home working.
8. Corporate Procurement Services (CPS) team collaborated with colleagues across Welsh Government to procure urgent, critical items including food boxes for those shielding across Wales, the provision of Mental Health support to all NHS workers, contracting with Royal Mail for prescription delivery, providing procurement support to the CERET team, purchasing Visitor Pods for Care Homes (more details in annex 7) and supporting colleagues in establishing Welsh Government contractual requirements for International Travel and Quarantine.

### **Wales Procurement Policy Statement**

9. In March 2021 we published the revised Wales Procurement Policy Statement (WPPS). This is the third WPPS which sets the strategic vision for public sector procurement in Wales and has been written in partnership with our stakeholders.
10. The WPPS will help to define our progress against the well-being goals we are pursuing for future generations, putting the Well-being and Future Generations (Wales) Act 2015 at the heart of all procurement decisions and supporting us to achieve the 'Wales we want'. We all have a responsibility to ensure we are preventing problems and thinking about the long-term, while maximising opportunities to deliver economic, social, environmental and cultural well-being.
11. The key to delivery of the WPPS will be through continued collaborative working. We will review and refresh the Statement regularly with partners to ensure that it remains a true reflection of our shared ambition for public procurement in Wales.
12. We will develop an action plan to underpin delivery against the Statement's principles which will be published on our website. We encourage buying organisations, either individually or as part of a collaboration, to develop and publish their own action plans detailing how they will support the delivery of priorities at a local, regional and national level.
13. The proposed Social Partnership and Public Procurement (Wales) Bill's statutory guidance will take into account the Statement and associated action plans, placing contracting authorities under a duty to deliver socially-responsible outcomes through procurement which places fair work and social value at the centre rather than being solely focussed on achieving financial savings.

### **EU Exit**

14. We have undertaken significant work over the past three years to prepare for leaving the EU, particularly in relation to the possibility of a no-deal Brexit. This included working with the UK Government (UKG), the Welsh public sector and

departments across the Welsh Government to monitor and manage supply related risks. This included helping to ensure the continuity of supply of critical products such as medicines and medical products to all parts of the UK.

15. In 2020, as we approached the end of the Transition Period (TP), a key strand of work involved bringing EU procurement legislation into UK law through a Statutory Instrument (SI). We worked with the UKG to ensure the SI was successfully laid and made in Parliament on 19 November 2020. This has helped to bring certainty to both buyers and suppliers.
16. Another key area of work involved the development of a replacement e-notification system called Find a Tender Service (FTS) to replace the OJEU/TED (where above-threshold procurement opportunities are advertised across the EU). The UKG led on developing the FTS and Welsh Government officials worked with the UKG to ensure Sell2Wales could publish notices to the new FTS and to also ensure a Welsh language version of the FTS system was made available.
17. A Common Framework for public procurement has been drafted through constructive discussions between the UKG and the other Devolved Administrations. This provides a mechanism by which the four UK governments will handle UK and international policy issues involving public procurement. All four governments have agreed to follow the spirit of the Common Framework ahead of its final approval which is expected in 2022.
18. The UK became a member of the World Trade Organisation's (WTO) Agreement on Government Procurement (GPA) on 1 January 2021. It was previously a member through its membership of the EU. Maintaining UK participation in the GPA will ensure that UK businesses have continued access to international government procurement markets worth over £1.3 trillion annually following the UK's exit from the EU.

## **Procurement Reform**

19. Welsh Government has an opportunity to consider fundamental reform of the current procurement regulations in order to increase the benefit of public sector procurement to the Welsh economy and society.
20. Procurement reform will enable us to, amongst other things, streamline and simplify the complex framework of regulations that currently govern public procurement. This could enable us to design something that delivers wider outcomes for our communities and our businesses, especially as we begin to recover from the Covid-19 pandemic.
21. To understand the best way forward for procurement reform in Wales, we engaged with the public, private and third sectors to understand their appetite for potential procurement reform in Wales and the proposals outlined in the UK Government's Green Paper.
22. The engagement sessions were supplemented by the provision of an on-line survey which focussed on questions specific to the landscape of procurement in Wales. The feedback helped inform the Welsh Ministers decision regarding the way forward for procurement reform in Wales.

23. Welsh Ministers have recently asked UK Government for additional time to make the formal decision on whether they allow UK Government to undertake primary legislation on procurement for Welsh Contracting Authorities. My officials will work with UK Government to better understand the draft Bill and its implications on Welsh Contracting Authorities. The new Welsh Government will make an informed decision on the way forward early in the new term.

## **Taking Procurement Forward – ongoing developments**

### **Capability and Capacity**

24. As the profession seek to navigate an increasingly complex landscape, capability and capacity within the public procurement function has continued to be an issue. In response, a comprehensive development programme has been developed in collaboration with stakeholders to increase the long term sustainability and growth of the profession. This integrated programme has included the sponsorship of staff from across the Welsh public sector to undertake CIPS training including:

- Funding 50 individuals from across the Welsh public sector to undertake Practitioner and the Advanced Practitioner programmes of the CIPS Corporate Award. All of the individuals have committed to remain in the Welsh public sector for the long term (there are more details in annex 6)
- Four students in their penultimate year of their Logistics, Supply Chain and Procurement at the University of South Wales being offered one year placements in procurement departments across Wales including Welsh Government.

25. This will build on the training programmes and opportunities that are already in place within the wider Welsh public sector. For example, Welsh Government is piloting procurement profession specific, blended promotion gateways allowing procurement professionals the opportunity to develop and be promoted within this key area of expertise.

26. Wider development of the profession is being progressed by the implementation of a suite of core commercial eLearning modules. We have also held early discussions to explore options to establish a national procurement apprenticeship programme and the possibility of a procurement mentoring programme for Wales.

### **Commercial Procurement activities**

27. Collaboration remains at the heart of effective public sector service delivery that reflects local, regional and national requirements. The NPS continues to work closely with the Welsh public sector the WLGA and the Welsh NHS, to reduce the number of national frameworks. The national contract plan now sits alongside the

Local Government regional programme and work is now underway in developing a wider cross-sector national collaborative plan.

28. This will help drive up framework activity across both national and regional approaches, remove duplication and better publicise to the Welsh supply side future opportunities.
29. Within Welsh Government, CPS continue to support procurement activity across the organisation including our Learning & Development Framework, Print Framework, CADW's Works Framework; CADW Construction Consultancy Framework, Apprenticeship & Jobs Growth Wales, Policy Research & Evaluations.
30. CPS are providing dedicated procurement support for infrastructure for the Border Control posts, working with colleagues on an exciting land sale project which hopes to deliver a minimum 50% provision of affordable housing, of which a minimum of 35% (of all units developed) must be social rented. They are also working with colleagues to draft guidance for the new regional funding model and transition period following EU exit.

## **E-Procurement**

31. The Digital Action Plan for eProcurement was created in October 2019. Initial activities focused on specific deliverables:
  - Digital Signatures were introduced for our contracts in eTender Wales. This functionality was successfully piloted and has since been adopted by the Digital and ICT procurement team within Welsh Government. This proved to be a timely adoption just prior to Covid-19 (more details in the case study at Annex 2). We are currently discussing with several organisations how they too can make use of this functionality.
  - Electronic Invoicing functionality was added to the Welsh Government funded eTenderWales service. This makes it easier for organisations to receive and process electronic invoices.
  - Work was also initiated to look at how the user experience between Sell2Wales and eTenderWales could be improved. This focused on the ESPD (European Single Procurement Document).
32. Further activity on the Plan was paused in March 2020 due to the pandemic crisis and recommenced it in October. Since then, the priority has been to incorporate the eProcurement action plan into part of a wider Digital Strategy for Wales of which procurement is one element. This has now been completed and the team are working with the newly established Centre for Digital Public Services to create the next iteration of the eProcurement Digital Action Plan.
33. The Digital and ICT procurement team continue to support the digital and ICT communities, both within Welsh Government and across the Welsh public sector. Generation two of the very successful IT Products and Services framework, which

is a £300m national hardware and software framework, was awarded in June 2020. The Hwb online learning platform, which has now become an integral part of home learning, was re-tendered together with several critical business and economic support contracts. The move to home working has led to a significant increase in our use of digital technology which typically means increased costs. We successfully offset some of our increased costs against a 15% saving off our Microsoft cloud pricing through taking advantage of a new Azure Pricing Agreement.

## **Policy Development**

34. Public procurement can play a central role in the delivery of progressive policy priorities ranging from decarbonisation, to social value and community benefits, the circular economy and the foundational economy. These policies help to combat climate change, support jobs and training while helping the most vulnerable. They also help us to meet our goals in relation to the Well-being of Future Generations Act.
35. Community Benefits (CB) was developed for the Welsh public sector to address a wider definition of value for money rather than being solely focussed on achieving financial savings and getting the lowest price for the goods, services or works being procured.
36. The Welsh Themes, Outcomes and Measures (TOMs) has been developed as an evolution in our approach to capturing wider social value. It incorporates all of the requirements of the CB Toolkit and has been designed to allow organisations to assess their social value contribution to the Well-being of Future Generations Act.
37. Welsh TOMS can capture quantifiable benefits across the following policy drivers Fair Work, Foundational Economy, Community Benefits, Community Wealth Building, Circular Economy, and Decarbonisation. In addition they can be adapted to embrace future policy drivers such as Social Partnerships.
38. Officially launched in October 2020, the toolkit is freely available to the Welsh public sector to adopt and use. Natural Resources Wales (NRW) and NPS are piloting the use of TOMs and a number of organisations, particularly within Local Government, are transitioning or plan to transition from CB usage to the use of the Welsh TOMs.
39. The TOMS toolkit needs to be used via a hosting platform to provide maximum benefit and demonstrate measurable outcomes and this comes with cost implications. Commercial Procurement directorate have undertaken a short survey with the public sector to better understand what support is needed from the Welsh Government to help the public sector to deliver Social Value outcomes. We are listening to our stakeholders and developing an options appraisal to agree the way forward.

## **Engagement and communications**

40. We reacted quickly to the challenges of Covid-19; the need to procure critical goods and services for Wales and to communicate urgent messages to our stakeholders.
41. We established, a Covid-19 mailbox at the start of the pandemic which saw significant traffic throughout March, April and early May 2020 with significant activity undertaken to review the many offers and queries that arose. We have adopted a flexible approach to the production of our monthly newsletter and increased the frequency when we have needed to communicate urgent messages. This has been supported by increased use of our social media channels and targeted e-mail updates to stakeholders when required.
42. More recently, we have been looking out improving our web presence. The Wales Procurement Advice Notes have been replaced by Wales Procurement Policy Notes and these have all been grouped together on our website. We have also developed an area where we can share examples of best practice on our website.
43. We have built on existing relationships with stakeholders in our response to the pandemic and continued to engage with them closely in developing the WPPS and on procurement reform.

## **The way we work**

44. Our structure has continued to evolve over the past year whilst we transition the work of the NPS and the Value Wales teams into a new commercial delivery service. We have had to respond quickly to the demands placed on us by the Covid-19 and refocus our resources. We have also established a new interim Procurement Reform team to lead on this priority area of work. In addition, whilst we wait for the appointment of our new Director, we have made some minor structural changes to improve the way we work and have created a new operations team.

## **The Future**

45. The challenges brought by the pandemic have been severe. However, through closer and more effective working with our partners across the public sector, together we have achieved a lot in the past year. We recognise, however, there is still more to do to improve the Welsh public sector procurement landscape and we know that we can achieve more through effective shared working and learning.
46. We believe that together we have a solid base to build on and continue to improve. Our collective collaborative approach has established strong foundations through which the value of procurement as a strategic lever for positive change has been recognised.

47. The new Wales Procurement Policy Statement provides the strategic vision for public sector procurement in Wales. It will help define progress against the well-being goals we are collectively pursuing to deliver positive outcomes for future generations. Key to its delivery will be through continued collaboration.
48. As we consider the recommendations of the Future Generation's Commissioner's recent Section 20 review of Procurement, we are keen to examine further opportunities for building a stronger collaborative model for Welsh public procurement, and will be exploring how that could work with our partners.

## Annexes

### Annex 1 - Barclaycard ePayments Service provides continuity for the Welsh public sector

The Barclaycard ePayments Service for the Welsh public sector has been in operation since 2014, and is currently used by over 170 organisations.

The Barclaycard service provides the Welsh Purchasing Cards (WPC), which enables users to pay for a wide range of goods and services, extremely quickly. This has been particularly beneficial in recent times. The WPC has supported business continuity and helped to ensure critical support has reached vulnerable individuals during the Covid-19 pandemic.

The Covid-19 outbreak placed increased pressure on commercial and finance teams, and increased importance on maintaining cash flow to suppliers. With lockdowns and office closures, procurement teams faced the challenge of adapting to new ways of working, whilst still providing the same services to the public. Many did not have access to their usual IT and procurement systems, or their normal means of buying and paying for goods and services.

Use of WPCs during Covid-19 has enabled organisations in Wales to support the needs of vulnerable individuals in the community that have not been able to leave their homes for their own safety and well-being. There was an immediate and urgent need to issue hundreds of cards to staff and volunteers in the support network of these vulnerable individuals, to ensure provision of critical goods.

This enabled them to buy and deliver food; clothes; medical supplies and prescriptions; and assist with household expenditure and residential care home spend.

A representative from Rhondda Cynon Taf County Borough Council said:

“Having successfully utilised purchase cards for many years as part of its regular business activities, Rhondda Cynon Taf County Borough was able to meet the unique and immediate challenges of the pandemic by reallocating a number of its existing purchase cards to the support services set up to directly deliver to the most vulnerable.

Whilst reallocating cards to the frontline was the immediate priority, the financial controls built into the system enabled all transactions to be robustly monitored and authorised.”

**Contact:** [ICTProcurement@gov.wales](mailto:ICTProcurement@gov.wales)

## **Annex 2 - Digital signatures provide agility and continuity for public procurement in Wales**

The Welsh Government Digital and ICT Procurement team recently implemented the DocuSign digital signature functionality into its sourcing and tendering portal, eTenderWales, delivered by the service provider, JAGGAER.

The implementation of digital signatures for Digital and ICT contracts came before the Covid-19 outbreak, which has proven to be hugely beneficial to business continuity during periods of lockdown.

Following the need to work remotely since mid-March 2020, several hundred Welsh Government contract documents have been signed digitally and securely using DocuSign.

### **Customer benefits:**

- Sending and signing documents digitally is faster and more cost-efficient
- DocuSign digital signature functionality built into the eTenderWales workflow
- Safe and convenient usage during Covid-19 lockdowns
- An audit trail is used to ensure confidentiality of all transactions
- Remote use of digital technologies has resulted in greater inclusiveness, collaboration and organisational agility
- Demonstrates practical advantages to the broader public sector procurement community
- Advances the Welsh Government's eProcurement digital action plan

A Welsh Government Digital and ICT Procurement representative said:

“Without DocuSign, I don't know how we could have coped through the pandemic. Before we had digital signatures, every contract had to be signed off by a person with the authority to do so, who had to be physically present. They then had to be scanned and uploaded to the document management system.

With lockdowns and office closures, there was a health risk and potentially significant delays. It might take a few weeks for a physical contract to be signed off, but with DocuSign, it takes just minutes and the contract is filed in the document management system automatically.

As a procurement community, we need to be thinking digitally and if there is anything positive coming out of the pandemic, it is the broader acceptance of digital technologies and acceptance of the need for digital transformation. If this is extended across every procurement team in the Welsh public sector, the productivity benefit will be enormous.”

**Contact:** [ICTProcurement@gov.wales](mailto:ICTProcurement@gov.wales)

### **Annex 3 - Welsh based supplier provides face coverings to Welsh school children**

During the Covid-19 pandemic, the NPS worked with Lyreco, the WLGA and RotoMedical, the medical and protective equipment division of the Rototherm Group, based in Margam, south Wales, to manufacture and distribute a three layer face covering, to Wales' schoolchildren via the NPS framework for personal protective equipment.

The Rototherm Group is a world leader in the supply of industrial instrumentation and services and during the Covid-19 pandemic, their newly formed medical and protective division, Rotomedical, began producing a number of pieces of PPE. This includes face shields, protective medical grade surgical masks and three layer face coverings.

The WLGA highlighted a need to provide face coverings to Welsh schools to the NPS following the issuing of a Welsh Government grant to Welsh local authorities to purchase these items. There was also a desire to have the face covering manufactured in Wales.

Subsequently, the NPS and WLGA worked with RotoMedical to understand how they could help service the Welsh public sector in the fight against the virus.

The NPS and WLGA had discussions with RotoMedical who provided samples of a three layer reusable face covering, manufactured in Wales at their Margam factory which offered a much higher level of protection for Wales' schoolchildren than a standard covering.

One issue that arose was that RotoMedical were not an existing NPS framework supplier, meaning there was no compliant procurement route for public sector bodies to purchase from them. To overcome this, NPS alerted its PPE framework suppliers that RotoMedical were interested in working with them. Lyreco, a supplier on three of their frameworks (PPE, Cleaning Materials & Stationery), who have a history of delivering social value and working with indigenous Welsh manufacturers and suppliers made the connection and a business partnership was born.

It was agreed that Lyreco would purchase the products from RotoMedical and distribute them to customers utilising their own nationwide logistics network. Lyreco service their south Wales customers from their own distribution centre in Bridgend and north Wales customers from just over the border in Warrington, employing many Welsh workers in the process. By undertaking this approach, public sector customers can purchase a Welsh manufactured product, in full compliance with the Public Sector Contracts regulations.

Oliver Conger, Managing Director, Rotomedical said:

“RotoMedical are proud to be a Welsh Manufacturer involved in such an important project. I think this project shows the tremendous value of how WLGA and Welsh industry can share a common objective and design, manufacture and deliver a very high quality, Welsh made face covering, in short timescales. This provides SME's like us the confidence to continue to invest, develop and grow our business. Generating local jobs and growing the local economy is very important for us and it's fantastic that WLGA support this fully.”

Richard Dooner, Programme Manager at the WLGA commented:

"We had to move swiftly to meet an urgent need to help protect our school children. We were also acutely aware of the need to support both the Welsh economy while minimising the impact on the environment. The RotoMedical product, made in Wales with a laboratory tested 50 wash cycle did all that and met our wider aspirations to support the Foundation Economy and deliver true social value"

Since beginning production of the masks and face coverings, RotoMedical have employed eight people full time on mask production as well as staff in other areas of the business such as marketing and social media to help grow their products.

Lyreco have also adopted the RotoMedical products as part of their standard catalogue items as part of their push to using British manufacturing, providing RotoMedical with an ongoing business relationship with one of the UK's most prominent suppliers to the public sector.

**Contact:** [NPSCorporateServices@gov.wales](mailto:NPSCorporateServices@gov.wales)

#### **Annex 4 - Conwy based business, Chemsol Cymru, supplies essential hand sanitiser stations to Cardiff City Council to help in the fight against Covid-19**

Cardiff City Council were looking to source hand sanitiser stations to be located in high usage areas across the City for the protection against Covid-19. The unit needed to be fully secure with a lockable door, robust, weatherproof and provide large storage of hand sanitiser.

The Council had not had a requirement for hand sanitiser before the pandemic, they used the NPS Cleaning and Janitorial Materials and Washroom Services framework as it provided them with a quick and compliant route to market.

As there was not currently a product on the market that met all of their urgent needs, the Council contacted the framework suppliers with details of exactly what they required. As a result, a bespoke hand sanitiser station was designed and manufactured in Wales to meet their requirements by Conwy based supplier, Chemsol.

Hayley Evans, Senior Category Specialist, Cardiff City Council said:

“We had specific requirements of hand sanitiser stations, with tight timescales. Chemsol went above and beyond to fully meet our requirements. From a concept design to the delivered product, we received professional, quality and efficient service. Thank you for all your help with the supply of sanitiser stations, and refills. We look forward to working with you on future projects.”

Nick Lewis, Director, Chemsol said:

“Being awarded a place as an approved supplier on the NPS framework could not have come at a better time for us. We are proud to be a part of the framework and really value the support from the NPS framework manager who is always on hand to provide support and guidance.

“The opportunity of working with Cardiff City Council enabled us to continue trading through unprecedented times and it was a pleasure to work with their professional and efficient procurement team. The team’s ongoing communication and support really helped to ensure the project was a success.

“We are grateful to have a great working relationship with both the NPS and Cardiff Council, and look forward to continue working with them as part of the framework.”

**Contact:** [NPSConstructionandFM@gov.wales](mailto:NPSConstructionandFM@gov.wales)

## **Annex 5 - Project Bank Accounts Policy ensures prompt payment to suppliers**

Project Bank Accounts (PBAs) are a way of addressing poor payment practices in public sector supply chains by facilitating fair and prompt payment. They have proved particularly helpful during the Covid-19 pandemic.

Historically, extended payment terms of 60, 90 or 120 days, and poor payment practices in sub-contracting arrangements, have disproportionately affected the cash flow of Small to Medium Enterprises (SMEs).

PBAs offer a different approach to the traditional chain of payments from the contracting authority, to contractors and sub-contractors. Contracting authorities deposit money into a PBA, subject to the usual confirmation of goods, services or works, subsequently ensuring that all contractors and sub-contractors are paid promptly on the same day. Resulting timescales for payment are within 3-5 days from the deposit of money into the account; improving their cash flow, financial stability, resilience and capacity to grow.

Supporting SMEs who play critical roles in both public and private sector projects by ensuring fair and prompt payment both reduces the project risk of supply chain failure, and more equitably distributes the socio-economic benefits in our economy and local communities.

Between 2012 and 2017, PBAs were promoted as good practice to the Welsh public sector, with minimal take up. Recognising the potential benefits of PBAs, the Welsh Government focused on its own expenditure and opportunities to influence others through its funding to other organisations.

To promote and encourage the use of PBAs in Wales, the Welsh Government made compliance with PBA policy a requirement in its own contracts from 1 January 2018. It also made PBAs a condition of funding in major investment programmes. These include the 21st Century Schools; NHS Capital; Transport and Infrastructure and Transport for Wales Metro programmes.

Between 1 January 2018 and 31 December 2020, just over £1bn worth of investment in public sector projects have used or are committed to using PBAs.

While PBAs are designed to support sub-contractors and suppliers main contractors can also benefit. Morgan Sindall Ltd; the main contractor managing the £29m build of 916-pupil secondary school Ysgol Cefn Saeson in Neath Port Talbot reported:

“We have established that there is no greater administrative work and people are receiving money quicker. We genuinely believe this is boosting the performance of sub-contractors across the site.

Ian Thomas Construction Ltd, groundwork sub-contractor on the project, stated:

“It is the quickest we have ever been paid by any main contractor and it gives us the certainty we need to invest back into the company.”

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## **Annex 6 - Welsh Government invests in the future of procurement professionals**

In 2020, the Welsh Government established a plan for the capability and capacity programme, which recognised the need to increase the long-term sustainability and growth of the procurement profession in Wales. The number of professionally qualified procurement staff in Wales has been at a deficit for a number of years. A ratio of one procurement professional for every £10m of public sector expenditure is commonly used as the benchmark in Wales.

In early 2020, the Welsh Government started working with the Chartered Institute of Procurement and Supply (CIPS), to create opportunities for individuals across the Welsh public sector to undertake the CIPS Corporate Award Practitioner Level 4, and Advanced Practitioner Level 5 Programmes. CIPS are the professional body for procurement, with a demonstrated track record for procurement excellence globally.

The Welsh Government has provided funding for 50 individuals across the public sector to undertake the CIPS training, split between the Practitioner and Advanced Practitioner Level courses. Working with CIPS, the Welsh Government tailored the content of the courses to ensure that it was reflective of the Welsh procurement landscape and procurement policy in Wales. The bespoke courses incorporated use of familiar language and terminology, drawing on references relatable to Welsh examples, to help students put Welsh procurement policy into practice.

Despite the challenges presented by the Covid-19 pandemic, CIPS were able to respond flexibly to manage delivery of both courses from September 2020, through a virtual environment where face-to-face learning has not been possible. This has enabled students to study in their home environment, while developing their commercial skills and knowledge with likeminded colleagues through online group discussions.

Studying from home has eliminated the need to travel significant distances by either public transport, or students' own form of transport. This has resulted in cost savings, reduced impact on the environment, and greater flexibility and comfort for students.

All students commit to remain in the Welsh public sector for three years on completion of their course. As a result, the number of procurement professionals in the Welsh public sector will increase, and there will be a greater spread of enhanced commercial and procurement skills across Wales. When fully qualified, the procurement practitioners will help address the long-term sustainability of procurement, and strengthen the profession in the Welsh public sector.

Andrew Gooding, Procurement Officer at Caerphilly County Borough Council who is studying the Corporate Award Level 4 through the programme said:

“This course has provided me with a platform to begin my journey to MCIPS accreditation. The support and resource provided by the programme, in particular regular lectures, has been invaluable in aiding my studies. I look forward to progressing my studies further once I have completed this course and being able to further excel in my role at Caerphilly County Borough Council with the additional skills I have developed.”

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## **Annex 7 - Visitor Pods secured for Care Homes across Wales**

The Covid-19 pandemic has had a huge impact on the health and social care sector in Wales over the past year, with care homes experiencing extremely difficult and challenging times for staff, residents and relatives.

Care homes across Wales worked hard to arrange indoor visits, and help people maintain contact with their families and friends where routine visits have not been possible due to Covid-19 restrictions.

Before Christmas 2020, the Welsh Government Health team required a solution that met Public Health Wales (PHW) Guidelines to allow safe visitations at Christmas and beyond. Expanding capacity within care homes would help to support risk-assessed visiting during the winter months, as some care providers have found it difficult to support socially-distanced visits due to a lack of visiting space.

The Welsh Government Corporate Procurement Services (CPS) worked with Health colleagues to identify and procure a compliant solution that would allow for safe visitations at pilot care homes in Wales. They decided to install visitor pods as a safe and suitable route to help some of our most vulnerable safely spend valuable time with family and friends.

The £3m pilot, which covers the procurement, installation and lease of up to 100 visiting pods, saw almost 80 units installed and ready to use before Christmas. A procurement of this value could typically take 4-6 months, however CPS and the Health team had just weeks to source and deliver a solution.

CPS identified 2 suitable frameworks to access the services quickly and compliantly; The South East & Mid Wales Collaborative Construction framework (SEWSCAP) and the Welsh Government Events and Communications framework. CPS worked with the customer to secure three contracts in total for the supply of visitor pods across Wales, adapting the requirements and scope as guidance from PHW emerged.

A contract was let in time for visitor pods to be delivered to care homes for Christmas visiting. More contracts have been let since to provide visitor pods for more care homes, and to adapt to emerging PHW guidelines as we progress through the pandemic.

The arrival of these care home visiting pods will help some of our most vulnerable people safely spend valuable time with family and friends.

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